



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2370 of 2026

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Section 86(1)(b) of the Electricity Act, 2003 read with the applicable Regulations of the UPERC (Conduct of Business) Regulations, 2019 on behalf of UPPCL seeking approval of Amended Power Purchase Agreement (APPA) dated 12.02.2026 for extension of the term of Power Purchase Agreement (PPA) dated 16.12.2006, for supply of 17 MW power from the Respondent's 28 MW Bagasse based power plant situated at Titawi District Muzaffarnagar.

AND

IN THE MATTER OF

Uttar Pradesh Power Corporation Limited (UPPCL),

14th Floor, Shakti Bhawan Extension, 41-Ashok Marg, Lucknow - 226001 ...Petitioner

VERSUS

M/s Indian Potash Ltd. (IPL),

Seethakathi Business Centre, Anna Salai, Chennai- 600006, Tamil Nadu ...Respondent

FOLLOWING WERE PRESENT

1. Sh. Shashwat Singh, Advocate, UPPCL
2. Sh. Prakher Shukla, Advocate, UPPCL
3. Sh. Manish Dwivedi, CE (PPA), UPPCL
4. Sh. Vikash Gupta, EE (PPA), UPPCL

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ORDER

(DATE OF HEARING: 16.06.2026)

1. The Petitioner, UPPCL filed this Petition for approval of Amended PPA dated 12.02.2026 for extension of the term of PPA dated 16.12.2006 for the supply of 17 MW power from the Respondent's 28 MW Bagasse based power plant. The prayers of the Petitioner are as follows:
 - a) Admit the instant petition on record.
 - b) Pass an order or direction(s) to grant its approval to the Amended Power Purchase Agreement dated 12.02.2026 between the Petitioner and the Respondent thereby permitting the extension of the tenure of supply of power under the PPA.
 - c) Pass an Order or direction(s) to direct that the said APPA shall be effective from the date of the execution of the APPA i.e. 12.02.2026.
 - d) Pass any further Order(s) as this Commission may deem fit in the facts and circumstances of the case.

Background of the case

2. The Petitioner has mainly submitted following in the Petition:
 - a) Petitioner and Respondent entered into a PPA dated 16.12.2006 for procurement of 17 MW power from the Respondent's 28 MW Bagasse-based generating plant situated at Titawi, District Muzaffarnagar. The Commission approved the same vide its Order dated 24.07.2007 in Petition No 317/2006. Subsequently, APPA dated 23.08.2018 was executed for the change of name from M/s Mawana Sugars Ltd. to M/s Indian Potash Ltd. The Commission approved the same vide its Order dated 03.09.2019 in Petition No. 1487 of 2019.
 - b) Now, the Petitioner and Respondent have executed APPA dated 12.02.2026 for extension of the term of the PPA till 31.03.2029 in accordance with clause 20 of the PPA dated 16.12.2006. Clause 20 of the PPA provides that the duration of the PPA can be extended if mutually agreed between the parties after the expiry of the 20 years.
 - c) The Commissioning Certificate issued by the Electricity Distribution Division, Muzaffarnagar, wherein the date of commissioning of the 28 MW unit (8 MW + 20

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MW) was 09.12.2006 and 09.02.2007 respectively and hence, supply under the PPA with respect to the respective units is due to expire on 08.12.2026 and 08.02.2027 for which the APPA was executed between the parties extending the term till 31.03.2029. On 31.12.2025, Respondent requested UPPCL for the extension of tenure of PPA dated 16.12.2006 as well as APPA dated 23.08.2018.

- d) In the instant case, the CRE Regulations, 2019 were applicable till FY 2023-24. Thereafter, the Commission had notified the CRE Regulations, 2024 on 17.10.2025. The same terms and conditions will be applicable in the APPA dated 12.02.2026 as these were in the existing PPA dated 16.12.2006 and the applicable tariff would be as per CRE Regulations 2024. APPA shall become effective from the date of its execution, i.e., 12.02.2026.

Records of Proceedings

3. During the hearing, Sh. Shashwat Singh, Counsel of UPPCL submitted that present Petition pertained to approval of the Amended PPA dated 12.02.2026 executed between UPPCL and M/s Indian Potash Ltd. for the extension of the term of the initial PPA dated 16.12.2006, till 31.03.2029. On specific query of the Commission about rationale for limiting the PPA extension up to 31.03.2029, Sh. Manish Dwivedi in his response submitted that extension period has been aligned with the control period of the CRE Regulations, 2024 considering applicable tariff as well as useful life of the generating plant.
4. The Commission further noted a discrepancy in the date of the APPA as mentioned in the Prayer, Sh. Sashwat Singh clarified that correct date of APPA is 12.02.2026 and he tendered an apology for the inadvertent error and requested one week's time to file an additional affidavit for the same. The Commission granted one week time to UPPCL to file its additional affidavit and reserved the Order in the matter.

Additional Submission

5. On 23.06.2026, Petitioner filed its submission, wherein it submitted that under the Prayer, date of APPA was inadvertently typed as 26.02.2026 due to a pure clerical oversight. The actual executed APPA on record was dated 12.02.2026 and no APPA was executed on 26.02.2026. Unless the said typographical error of date is corrected to read as 12.02.2026 instead of 26.02.2026, the Petitioner will suffer administrative and operational difficulties.

by





Analysis & Decision

6. UPPCL by way of instant Petition is seeking approval of the Amended PPA dated 12.02.2026 executed with M/s Indian Potash Ltd., for the extension of the tenure up to 31.03.2029 on the same terms & conditions under the PPA dated 16.12.2006 & APPA dated 23.08.2018. The relevant extracts of the Amended PPA dated 12.02.2026 are as below:

".....

NOW, THEREFORE, in consideration of the foregoing and respective covenants and agreements set forth in this PPA and other consideration, the receipt, sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree to the following terms:

- A. The duration of the Power Purchase Agreement dated 16.12.2006 and Amended PPA dated 23.08.2018 is hereby extended till 31.03.2029, to align with the validity period of the CRE Regulations 2024, for the total contracted capacity of 17 MW.
- B. The following tariff for Bagasse based generation plants for Existing Projects commissioned during FY 2005-06 or earlier to FY 2008-09 (Rs/kWh) as mentioned in UPERC CRE Regulation, 2024 shall be applicable:-

Total Tariff (Rs./kWh)

Year of Commissioning	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2005-06 or earlier	4.33	4.28	4.41	4.54	4.68
FY 2006-07	4.34	4.47	4.43	4.55	4.70
FY 2007-08	4.37	4.49	4.44	4.57	4.71
FY 2008-09	4.38	4.50	4.64	4.77	4.72

- C. Except the above amendment, the Parties acknowledge and confirm that all other terms and conditions in Power Purchase Agreement dated 16.12.2006 and Amended PPA dated 23.08.2018, read with the UPERC CRE Regulations-2024, as amended from time to time, shall be followed.

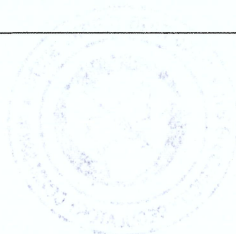
- D. This Amended Power Purchase Agreement is subject to approval of UPERC.

"....."

7. The date of commissioning of Respondent's bagasse-based power project was 09.12.2006 for 8MW and 09.02.2017 for 20MW Unit. Accordingly, applicable tariff will fall for FY 2006-07 in terms of Schedule-I of the UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2024 as provided under:

"2. Bagasse based Generation & Cogeneration Plants

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2.1. The fixed & variable costs, total tariff and Annual Fixed cost for the existing plants commissioned prior to/during FY 2005-06 to FY 2008-09 shall be as shown below:

Table 4: Fixed Cost (Rs./kWh)

Year of Commissioning	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2006-07	1.32	1.36	1.22	1.25	1.30

Table 5: Variable Cost (Rs./kWh)

Financial Year	Variable Cost (Rs/kWh)
FY 2024-25	3.02
FY 2025-26	3.11
FY 2026-27	3.21
FY 2027-28	3.30
FY 2028-29	3.40

Table 6: Total Tariff (Rs./kWh)

Year of Commissioning	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2006-07	4.34	4.47	4.43	4.55	4.70

8. The Commission observes that applicable tariff of Indian Potash Ltd., is economical vis-à-vis tariff of newly commissioned bagasse-based plants. Further, energy procured from such bagasse-based plants would also support UPPCL in meeting RPO/RCO targets. **Accordingly, the Commission approves the Amended PPA dated 12.02.2026 executed between M/s Indian Potash Ltd., and Uttar Pradesh Power Corporation Limited for the period up to 31.03.2029.**

The Petition stands disposed of in terms of above.

(Sanjay Kumar Singh)

Member



(Arvind Kumar)

Chairman

Place: Lucknow

Dated: 07.07.2026