



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 2371 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) (a) & (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 PPA dated 26.02.2026 for extension of the term of Power Purchase Agreement dated 26.09.2006, for the Sale of 5 MW power from the Respondent's 15 MW Bagasse based Cogeneration plant situated at Babhnan District Gonda.

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 Balrampur Chini Mills Limited, Unit-Babhnan (BCML)

FMC Fortuna, 2nd Floor, 243/3A, A.J.C Bose Road, Kolkata-700020 ...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. Vikas Gupta, EE (PPA), UPPCL
5. Sh. Sandeep Agarwal, CGM, BCML
6. Sh. Pankaj Chaturvedi, Dy. Manager, BCML

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ORDER

(DATE OF HEARING: 16.06.2026)

1. The Petitioner, UPPCL filed this Petition for approval of Amended Power Purchase Agreement (APPA) dated 26.02.2026 for the extension of the term of PPA dated 26.09.2006, for the supply of 5 MW power from the Respondent's 15 MW Bagasse based Cogeneration plant. The prayers of the Petitioner are as follows:
 - a) Admit the instant petition on record.
 - b) Pass an order(s) or direction(s) to grant its approval to the Amended Power Purchase Agreement dated 26.02.2026 between the Petitioner and the Respondent thereby permitting the extension of the tenure of supply of power under the PPA.
 - c) Pass an Order(s) or direction(s) to direct that the said APPA shall be effective from the date of execution of the APPA i.e., 26.02.2026.
 - 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 executed PPA dated 26.09.2006 for the procurement of 5MW power from the Respondent's 15MW bagasse-based cogeneration plant situated at Babhnan, District Gonda. The aforementioned PPA was approved by the Commission vide its Order dated 02.11.2006 in Petition No. 395 of 2006.
 - b) Subsequently, in view of the issues relating to billing and tariff structure, on 07.04.2021 UPPCL proposed bifurcation of the single-part tariff based on Average Pooled Power Purchase Cost (APPC) into fixed and variable components in the ratio of 50:50. The said proposal was duly accepted and consented to by the Generating Company vide its letter dated 01.07.2021. Accordingly, parties executed a Supplementary PPA dated 17.02.2023 incorporating the aforesaid modification regarding bifurcation of tariff, while keeping all other terms and conditions of the original PPA unchanged.

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- c) Respondent vide its letter dated 17.01.2026 requested for the extension of tenure of PPA dated 26.09.2006 as per the applicable tariff of UPERC CRE Regulations, 2024 and its revision thereof. Accordingly, an APPA dated 26.02.2026 was signed for the extension of the term of the PPA till 31.03.2029 in accordance with clause 20. Clause 20 of the PPA provides that duration of the PPA can be extended if mutually agreed between the parties after the expiry of the 20 years. The PPA dated 26.09.2006 with respect to the said unit is to expire on 02.04.2027.
- d) After the notification of the UPERC CRE Regulations, 2024, the tariff mentioned therein would become applicable. The same terms and conditions will be applicable in the APPA as in the existing PPA dated 26.09.2006 and the applicable tariff would be as per CRE Regulations 2024. Further, APPA shall become effective from the date of its execution i.e. 26.02.2026.

Records of Proceedings

3. During the hearing, Sh. Shashwat Singh, Counsel of UPPCL submitted that the present Petition pertained to approval of the Amended PPA dated 26.02.2026 executed between UPPCL and M/s Balrampur Chini Mills Ltd., Unit-Babhnan, for the extension of the term of the original PPA dated 26.09.2006 up to 31.03.2029. On specific query of the Commission regarding commissioning date of the generating plant, Sh. Singh responded that it was 03.04.2007. In response to the Commission's query about extension period, Sh. Manish Dwivedi 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.

Analysis & Decision

4. UPPCL by way of instant Petition is seeking approval of the Amended PPA dated 26.02.2026 executed with M/s Balrampur Chini Mills Ltd., Unit-Babhnan for the extension of the PPA dated 26.09.2006 upto 31.03.2029 on the same terms & conditions. The relevant extracts of the Amended PPA dated 26.02.2026 is 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 26.09.2006 is hereby extended till 31.03.2029, to align with the validity period of the CRE Regulations 2024, for contracted capacity of 5MW.
- 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:-

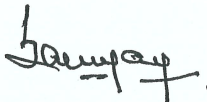
Year of Commissioning	Total Tariff (Rs./kWh)				
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2005-06 or earlier	4.33	4.28	4.41	4.54	4.68
FY 2006-07	4.34	4.47	4.43	4.55	4.70
FY 2007-08	4.37	4.49	4.44	4.57	4.71
FY 2008-09	4.38	4.50	4.64	4.77	4.72

- C. Except the above amendment, the Parties acknowledge and confirm that all other terms and conditions in Power Purchase Agreement dated 26.09.2006, 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.

....."

5. The Commission observes that applicable tariff of Balrampur Chini Mills Ltd., Unit-Babhnan existing bagasse-based power plant 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 26.02.2026 executed between M/s Balrampur Chini Mills Ltd., Unit-Babhnan and Uttar Pradesh Power Corporation Limited till 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