



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2389 of 2026

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

Hon'ble Shri Griesh Kumar Vaish, Member (Law)

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 Uttar Pradesh Power Corporation Limited seeking approval of Amended Power Purchase Agreement (APPA) dated 16.03.2026 for extension of the term of Power Purchase Agreement (PPA) dated 19.10.2006, for supply of 20.4 MW Power from the Respondent's 24 MW Bagasse based power plant situated at Seohara, District-Bijnor.

AND

IN THE MATTER OF

Uttar Pradesh Power Corporation Limited (UPPCL),

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

...Petitioner

VERSUS

M/s Avadh Sugar & Energy Ltd. Unit-Seohara (ASEL)

P.O- Seohara, Tehsil-Dhampur, District Bijnor-246746

...Respondent

FOLLOWING WERE PRESENT

1. Sh. Divyanshu Bhatt, Advocate, UPPCL
2. Sh. Prakher Shukla, Advocate, UPPCL
3. Sh. Shashwat Singh, Advocate, UPPCL
4. Sh. Manish Dwivedi, CE (PPA), UPPCL
5. Sh. Anil Kumar, SE (PPA), UPPCL
6. Sh. Vikash Gupta, EE (PPA), UPPCL
7. Sh. Srijan Singh, AE(PPA), UPPCL





ORDER
(DATE OF HEARING: 13.08.2026)

1. The Petitioner, UPPCL has filed this Petition for approval of APPA dated 16.03.2026 for tenure extension of the PPA dated 19.10.2006 till 31.03.2029 at the tariff in terms of the CRE Regulations, 2024. 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 16.03.2026 between the Petitioner and the Respondent thereby permitting the extension of the tenure of supply of power under the PPA till 31.03.2029 to align with the validity period of the CRE Regulations, 2024, for a total capacity of 20.4 MW; and
 - 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. 16.03.2026.
 - 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 the following in the Petition:
 - a) Power Purchase Agreement (PPA) dated 30.01.2006 for power procurement of 13.5 MW during season and 20.4 MW during off-season from Respondent's 24 MW Bagasse based power plant situated at Seohara, District Bijnor was executed between Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL) through UPPCL and the Respondent. The Commission vide its Order dated 18.05.2006 in Petition No. 307 of 2006 approved the aforesaid PPA and simultaneously directed UPPCL to make final PPA in accordance with the Annexure-4 of the UPERC (Terms and Conditions for Supply of Power and Fixation of Tariff for sale of power from Captive Generating Plants, Co-generation, Renewable Sources of Energy and Other Non-Conventional Sources of Energy based Plants to a Distribution Licensee) Regulations, 2005.





- b) A PPA dated 19.10.2006 was executed between PVVNL and Respondent in compliance with the Commission's Order dated 18.05.2006. The Commission, vide its Order dated 24.07.2007 in Petition No. 307 of 2006, granted its approval to the PPA dated 19.10.2006. An APPA dated 22.08.2017 was executed between UPPCL and M/s Avadh Sugar & Energy Limited Unit- Seohara (a unit of M/s Avadh Sugar & Energy Ltd-Hargaon, District, Sitapur) wherein, name of generating company was changed from 'M/s Upper Ganges Sugar & Industries Ltd, Seohara, Bijnor' to 'Avadh Sugar & Energy Ltd, Seohara, Bijnor'. Subsequently, PPA dated 19.10.2006 was assigned to M/s Avadh Sugar & Energy Limited, Unit Seohara (hereinafter referred to as ASEL). The aforementioned APPA dated 22.08.2017 was approved by the Commission vide its order dated 31.10.2017 in Petition No. 1230 of 2017.
- c) Thereafter, Supplementary PPA dated 14.11.2022 was executed between UPPCL and ASEL for increase of contracted capacity as 20.4 MW for the entire year, as against seasonal and off-seasonal procurement effected earlier. The Commission vide its Order dated 27.01.2023 in Petition No. 1900 of 2022 approved the SPPA dated 14.11.2022.
- d) ASEL vide its letter dated 18.12.2025 requested for tenure extension of the PPA dated 19.10.2006, APPA dated 22.08.2017 and SPPA dated 14.11.2022 due to expiry of the PPA as on 18.10.2026 at the tariff in terms of CRE Regulations, 2024. Pursuant thereto, UPPCL and ASEL entered into an APPA dated 16.03.2026 for extension of the term of the PPA till 31.03.2029 in accordance with clause 20 of the PPA. In terms of the Commissioning Certificate dated 31.05.2007 issued by the Electricity Distribution Division (EDD), Bijnor, Date of Commissioning of 24 MW generating unit was 29.05.2007. Hence, the present APPA was executed between the parties extending the term of the PPA till 31.03.2029.
- e) 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 wherein the tariff mentioned under Schedule I (Tariff for Bagasse based and Cogeneration Plant) would become applicable.



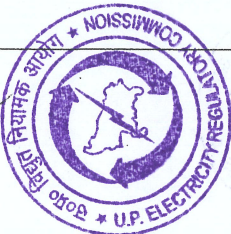


Records of Proceeding

3. On the hearing dated 23.07.2026, the Commission noted that 'Date of Commissioning' had been mentioned as 31.05.2007 in the Petition while the APPA dated 16.03.2006 recorded it as 29.05.2007, to which Sh. Divyanshu Bhatt Counsel for UPPCL clarified that as per 'recital f' of the APPA dated 16.03.2026, Date of Commissioning was 29.05.2007 while the date of synchronisation was 26.03.2007.
4. The Commission further sought clarification regarding project's installed capacity because as per Annexure-I of the PPA dated 19.10.2006, several units of different capacities were shown aggregating to an installed capacity of 27MW, however, in the instant Petition it was mentioned as 24 MW. Ld. Counsel of UPPCL responded that 20.4 MW power is supplied from the Plant's operational capacity of 24 MW. He further submitted that additional affidavit regarding the project capacity will be placed on record. The Commission directed UPPCL to furnish detail of generating unit configuration along with its COD from which 20.4 MW surplus power is agreed to be supplied to UPPCL.
5. Considering the UPPCL's request, the Commission adjourned the hearing dated 30.07.2026 and directed UPPCL to file its submission at the earliest. On the hearing dated 13.08.2026, Sh. Bhatt submitted that additional affidavit had been filed on 11.08.2026 in compliance with the Commission's directions and explained the contents thereof. The Commission sought clarification regarding applicable tariff, to which Sh. Bhatt responded that generating unit supplying power under the PPA was commissioned on 29.05.2007 so its tariff would be as per commissioning year provided in CRE Regulations, 2024.

Additional Submission

6. On 11.08.2026, UPPCL filed its submission wherein it mainly submitted following:
 - a) PPA was executed between UPPCL and M/s Upper Ganges Sugar & Industries Ltd. for procurement of 13.5 MW power during crushing season and 20.4 MW during off-season from bagasse-based cogeneration plant located at Seohara, Bijnor. The Commissioning Certificate dated 31.05.2007 issued by Executive Engineer- EDD, Bijnor certifies that generating plant was commissioned on 29.05.2007.





- b) The installed capacity of the Respondent's plant became 27 MW after commissioning of the 24 MW generating unit on 29.05.2007 and the existing 3 MW unit continued to operate in parallel with the newly commissioned 24 MW unit.
- c) The Respondent originally had an aggregate commissioned capacity of 11.7 MW comprising units of 3 MW, 3 MW, 2.5 MW, 1.6 MW and 1.6 MW, which were commissioned during the period from 1935-1996 for in-house consumption. During the year 2006-07, generating units aggregating 8.7 MW (i.e., 3MW, 1.6MW, 1.6MW & 2.5MW) were discontinued, while the remaining 3 MW unit continued to operate. Thereafter, a 24 MW generating unit was commissioned on 29.05.2007 for supply of power to UPPCL, resulting in an effective installed capacity of 27 MW (i.e., 24 + 3).
- d) The contracted 20.4 MW power supplied to UPPCL has at all times been supplied exclusively from the 24 MW generating unit commissioned on 29.05.2007. The remaining 3 MW unit operated in parallel solely for in-house consumption and continued till 2021-22, when it was replaced by a 15 MW generating unit for captive consumption.

Analysis & Decision

7. UPPCL by way of instant Petition is seeking approval of the Amended PPA dated 16.03.2026 executed with M/s Avadh Sugar & Energy Ltd., Unit-Seohara for tenure extension of PPA dated 19.10.2006 till 31.03.2029 for procurement of 20.4 MW power from ASEL's 24 MW bagasse-based co-generating Unit situated at Seohara. The relevant extracts of the Amended PPA dated 16.03.2026 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 19.10.2006, Amended Power Purchase Agreement dated 22.08.2017 and Supplementary Power Purchase Agreement dated 14.11.2022 is hereby extended till 31.03.2029, to align with the validity period of the CRE Regulations 2024, for the total contracted capacity of 20.4 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 Regulations, 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 19.10.2006, Amended Power Purchase Agreement dated 22.08.2017 and Supplementary Power Purchase Agreement dated 14.11.2022 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.

....."

8. UPPCL by way of additional affidavit clarified that contracted capacity of 20.4 MW has continuously been sourced from the said 24 MW generating unit commissioned on 29.05.2007 and the newly commissioned 15 MW generating unit formed part of the Respondent's captive generation facilities and was utilized exclusively for in-house consumption.

9. In view of above, the applicable tariff for supply of electricity in terms of Schedule-I of the UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2024 shall be as below:

"2. Bagasse based Generation & Cogeneration Plants

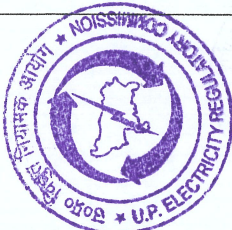
2.1. The fixed & variable costs, total tariff and Annual Fixed cost for the existing plants commissioned prior to/during FY 2005-06 to FY 2008-09 shall be as shown below:

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 2007-08	1.35	1.38	1.23	1.27	1.31

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





Financial Year	Variable Cost (Rs./kWh)
FY 2028-29	3.40

Table 6: Total Tariff (Rs./kWh)

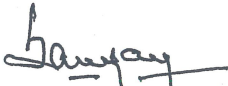
Year of Commissioning	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2007-08	4.37	4.49	4.44	4.57	4.71

....."

10. The Commission observes that applicable tariff of M/s Avadh Sugar & Energy Ltd, Unit-Seohara, 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 its RPO/RCO targets. **Accordingly, the Commission approves the Amended PPA dated 16.03.2026 executed between M/s Avadh Sugar & Energy Ltd, Unit-Seohara, and Uttar Pradesh Power Corporation Limited for the period up to 31.03.2029.**

The Petition stands **disposed of** in terms of above.


(Griesh Kumar Vaish)
Member (Law)


(Sanjay Kumar Singh)
Member


(Arvind Kumar)
Chairman



Place: Lucknow

Dated: 02.09.2026

