



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 2391 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 25.03.2026 for extension of the term of Power Purchase Agreement (PPA) dated 29.09.2001, for supply of 7.5 MW Power from the Respondent's Bagasse based power plant situated at Bundki District Bijnor (U.P.)

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 Dwarikesh Sugar Industries Ltd. (DSIL),

Unit-Dwarikesh Nagar, Village-Bundki, P.O- Medhpura Sultan, Tehsil- Nagina, Bijnor, U.P.

...Respondent

FOLLOWING WERE PRESENT

1. Sh. Divyanshu Bhatt, Advocate, UPPCL
2. Sh. Prakher Shukla, Advocate, UPPCL
3. Sh. Abhayaditya Singh, Advocate, UPPCL
4. Sh. Manish Dwivedi, CE (PPA), UPPCL
5. Sh. Vikas Gupta, EE (PPA), UPPCL
6. Sh. R.D. Pandey, General Manager, DSIL





ORDER

(DATE OF HEARING: 21.07.2026)

1. The Petitioner, UPPCL has filed this Petition for approval of APPA dated 25.03.2026 for tenure extension of the PPA dated 29.09.2001 from the Respondent's 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 25.03.2026 between the Petitioner and the Respondent thereby permitting the extension of the tenure of supply of power under the PPA till 31.03.2029.
 - c) 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) UPPCL and DSIL entered into a PPA dated 29.09.2001 for procurement of 7.5 MW energy from DSIL's Bagasse-based power plant situated at Bundki, District Bijnor. As per Clause 21 of the aforesaid PPA, the duration of the PPA was valid for 10 years from the effective date of the Agreement or till the validity of the consent for Captive/ Cogen Units, whichever is earlier.
 - b) Pursuant to the Commission's Order dated 01.04.2010, a Supplementary PPA dated 01.07.2010, was executed between DSIL and Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL), for enhancing the declared load from 2 MW to 4 MW. Further, in compliance with the CNCE Regulations, 2009, a Supplementary PPA dated 01.09.2012 was executed between DSIL and PVVNL for extending the PPA tenure to be 20 years i.e., up to 22.02.2022.
 - c) Thereafter, a Supplementary PPA dated 30.12.2021 was executed between UPPCL and DSIL for extending the tenure of the PPA dated 29.09.2001 for next 10 years i.e., from 23.02.2022 to 22.02.2032. In this regard, UPPCL filed Petition No. 1810 of 2022 before the UPERC for approval of the aforesaid SPPA dated 30.12.2021. The Commission, vide its Order dated 22.06.2022 in Petition No. 1810 of 2022, approved



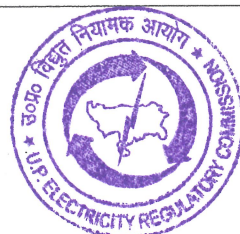


the SPPA dated 30.12.2021 but restricted the PPA tenure to 5 years only, i.e., up to 22.02.2027. Accordingly, SPPA dated 30.06.2022 was executed for extending the PPA tenure till 22.02.2027.

- d) DSIL, vide its letter dated 18.12.2025, requested for tenure extension of the PPA dated 29.09.2001 for 10 years from its expiry date. Accordingly, An Amended PPA dated 25.03.2026 was executed for extension of the PPA up to 31.03.2029, in line with the validity of the CRE Regulations, 2024, for the contracted capacity of 7.5 MW. The Commissioning Certificate dated 18.05.2011 issued by Electricity Distribution Division (EDD), Najibabad, Bijnor establishes 16.11.2004 as the commissioning date for 8 MW unit of the plant.
- e) The same terms and conditions will be applicable in the APPA dated 25.03.2026 as in the existing PPA dated 29.09.2001 and tariff shall be applicable as per CRE Regulations, 2024.

Records of Proceedings

3. During the hearing, Sh. Divyanshu Bhatt, learned Counsel of UPPCL submitted that present Petition pertains to approval of the APPA dated 25.03.2026 for PPA tenure extension up to 31.03.2029 for the supply of 7.5 MW power from the Respondent's Bagasse based power plant.
4. On specific query of the Commission regarding Supplementary PPA dated 01.07.2010, Sh. Bhatt responded that the said amendment pertained only to the enhancement of the plant's declared load from 2 MW to 4 MW and did not result in any change in the contracted capacity for sale of power to UPPCL. The Commission further sought clarification regarding the provision contained in the Supplementary PPA dated 07.11.2001 about supply of 2 MW from Phase-I and 7.5 MW from Phase-II, Sh. Bhatt responded that essentially it is related with the phased implementation of the project however, contracted capacity for supply to UPPCL ultimately remained 7.5 MW only.
5. The Commission further asked UPPCL to furnish copy of referred Order dated 18.10.2001 in recital 'C' of the SPPA dated 07.11.2001, Sh. Bhatt submitted that said Order along with a clarification regarding the contracted capacity and actual supply of power to UPPCL, would be placed on record by way of an additional affidavit. He further





requested the Commission for reserving the Order in the matter. The Commission reserved the matter for orders, subject to submission of the aforesaid additional affidavit.

6. On 11.08.2026, UPPCL filed its submission wherein it mainly submitted following:
- a) The Commission, vide communication dated 18.10.2001, approved the PPA for purchase of '2/7.5 MW' power. The approval retained the phased structure of the procurement under the PPA thereby providing for cumulative procurement of 7.5 MW after commissioning of Phase II.
 - b) The PPA dated 29.09.2001 was executed as a phased arrangement wherein power was initially to be supplied to the extent of 2 MW under Phase-I and, upon commissioning of the Phase-II, the supply was to be enhanced to 7.5 MW. The PPA described the contracted capacity as '2/7.5 MW', reflecting a phased arrangement under which, after commissioning of Phase-II, the cumulative supply was to be 7.5MW.
 - c) At the time of execution of the PPA, the generating company already had three cogeneration units of 3MW each therefore, power supply under Phase-I commenced only to the extent of 2MW from these existing generating units. The generating company later sought time extension for commissioning of the Phase-II unit of 7.5MW capacity. The Commission, vide its communication dated 30.01.2003, granted extension up to 30.06.2004 for commissioning of Phase-II unit of 7.5 MW and did not alter the contracted capacity under the PPA. DSIL accepted the required amendments vide its letter dated 26.02.2003 and confirmed that all other terms and conditions of the original PPA would remain unchanged. Thus, contractual arrangement continued to remain 2MW in Phase-I and 7.5MW in Phase-II.
 - d) The Phase-II cogeneration unit was commissioned on 16.11.2004. Until then, power was supplied only to the extent of 2 MW under Phase-I from the existing three cogeneration units. After commissioning of the Phase-II unit, the cumulative supply under the PPA was enhanced to 7.5MW and the earlier Phase-I supply of 2MW was replaced by the Phase-II supply of 7.5MW. Thus, after 16.11.2004, the total supply under the PPA was 7.5MW and not 9.5MW.

Analysis & Decision





7. UPPCL by way of instant Petition is seeking approval of the Amended PPA dated 25.03.2026 executed with M/s Dwarikesh Sugar Industries Ltd., Unit- Dwarikesh Nagar for extension of PPA dated 29.09.2001 up to 31.03.2029 on the same terms & conditions under the PPA dated 29.09.2001. The relevant extracts of the Amended PPA dated 25.03.2026 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 dated 29.09.2001 and SPPAs dated 01.07.2010, dated 01.09.2012 & dated 30.06.2022 are hereby extended till 31.03.2029, to align with the validity period of the CRE Regulations 2024, for contracted capacity of 7.5 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 29.09.2001 and SPPAs dated 01.07.2010, dated 01.09.2012 & dated 30.06.2022 read with 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.
- E. This Agreement shall come into effect from the date of Approval from Hon'ble UPERC.

".....

8. In view of above, the Commission observes that as per 'Certificate of Commissioning dated 18.05.2011' the date of commissioning is 16.11.2004 for the contracted capacity of 7.5 MW under the PPA dated 29.09.2001. Accordingly, the applicable tariff for supply of electricity from the Respondent's bagasse-based power plant shall be 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

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 2005-06 or earlier	1.31	1.17	1.20	1.24	1.28

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

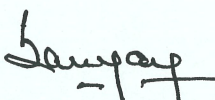
Table 6: Total Tariff (Rs./kWh)

Year of Commissioning	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
FY 2005-06 or earlier	4.33	4.28	4.41	4.54	4.68

9. The Commission observes that applicable tariff of M/s Dwarikesh Sugar Industries Ltd., Unit- Dwarikesh Nagar 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 25.03.2026 executed between M/s Dwarikesh Sugar Industries Ltd., Unit-Dwarikesh Nagar and Uttar Pradesh Power Corporation Limited (i.e., UPPCL) till 31.03.2029 at the tariff specified in UPERC CRE Regulations, 2024.**

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

