



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

**Petition No. 2084 of 2024**

**QUORUM**

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Vinod Kumar Srivastava, Member (Law)

Hon'ble Shri Sanjay Kumar Singh, Member

**IN THE MATTER OF:**

Petition under section 86 (1)(B) and other applicable provisions of the Electricity Act, 2003 for seeking approval of the Long Term Power Purchase Agreement and the deviations in approved documents i.e. Request for Qualification, Request for Proposal and Power Supply Agreement for invitation of E- Tender for Procurement of 1600 MW of power from Thermal Power Projects sourcing fuel from B(iv) of Shakti Policy under Design Build, Finance, Own, and Operate Model, for meeting the requirement of Dakshinanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd., Paschimanchal Vidyut Vitran Nigam Ltd. and Kanpur Electricity Supply Company Ltd.

**AND**

**IN THE MATTER OF**

**Uttar Pradesh Power Corporation Limited (UPPCL),**

Shakti Bhawan, 14- Ashok Marg, Lucknow-226001

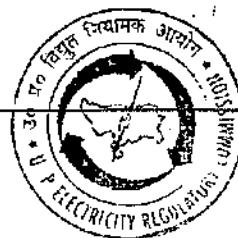
..... Petitioner

**FOLLOWING WERE PRESENT**

1. Shri Deepak Raizada, CE (PPA), UPPCL
2. Shri Vikram Singh, SE, UPPCL
3. Ms. Niharika Pandey, EE, UPPCL
4. Shri Avinash Kr., AE, UPPCL
5. Shri Mohit Goyal, Consultant, UPPCL

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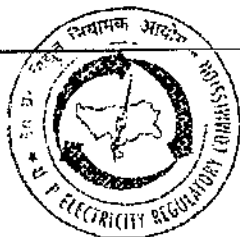
6. Shri Siddharth, Consultant, UPPCL
7. Shri Rama Shankar Awasthi, Consumer Representative

**ORDER**

**(DATE OF HEARING: 06.06.2024)**

1. The Petitioner has filed this Petition for approval of the Long-Term Power Purchase Agreement for Procurement of 1600 MW of power from Thermal Power Projects sourcing fuel under B(IV) of Shakti Policy and also approval of deviations in the bid documents (Request for Qualification, Request for Proposal and Power Supply Agreement) with respect to "Model Bidding Document or MBD" dated 05.03.2019 read with amendment dated 14.07.2022 issued by the MoP.
2. The Petitioner has prayed as following:
  - a) Take the Petition on record.
  - b) Issue necessary orders to accord approval to initiate Bidding process for Procurement of 1600 MW Thermal Power through Competitive route.
  - c) Issue necessary orders for approval of deviations sought by Petitioner from Model Bidding Document and Amended Model Bidding Document.
  - d) Issue necessary orders for approval of bid documents namely the Request for Qualification, Request for Proposal and Power Supply Agreement.
  - e) Condone any inadvertent omissions/errors/shortcoming.
  - f) Pass any such further orders as the Hon'ble Commission may deem fit in the facts and circumstances of the case.
3. During the hearing, Sh. Rama Shankar Awasthi, a Consumer, submitted an impleadment application to intervene and place his views regarding deviations in bid documents. The Commission observed that any deviation to model bidding documents is approved by the Commission after satisfying itself and satisfaction over the documents does not necessitate any external player. Further, if such a request is

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allowed than it will open floodgates for intervention and satisfaction of the Commission may get marred by dissonant viewpoints and unstructured discussions.

4. Sh. Deepak Raizada, on behalf of UPPCL, submitted that the Commission vide Suo-Moto Order dated 23.06.2023, after review of the Power supply demand position in the state, had allowed UPPCL to tie-up long term power through coal, hydro, nuclear and gas, depending upon fuel source availability in terms of UPERC (Modalities of tariff Determination) Regulations 2023. He further submitted that Coal India Limited allocated in-principle coal linkage for the new 1600 MW Thermal Power Plant, however, since mines are not yet identified, RFP submissions by the bidders could happen only after linkage coal mines were identified, so that bidders may work out their variable charge component.
5. Sh. Raizada and Sh. Mohit Goyal, Consultant, UPPCL also deliberated on the major deviations in bid documents i.e. Request for Qualification (RFQ), Request for Proposal (RFP) and Power Supply Agreement (PSA).
6. The Commission observed that deviation regarding construction of Dedicated Transmission System by developer to connect the Power Station to Point of Grid Connection, under Section 62 of the Act, was in contravention to the UPERC (Modalities of tariff Determination) Regulations, 2023 and hence the same could not be permitted. Further, since the location of the project was important for overall planning of the UPPTCL transmission system, therefore, the location of the project would be required at the RFQ stage, which is also in line with the original clause of RFQ-DBFOO. The Commission further observed that the undertaking pertaining to national security and integrity as provided in the Disinvestment Guidelines of Government of India shall be adhered to in line with original bid document.
7. The Commission decided to continue further deliberations in the next hearing and directed UPPCL to revert on following points:
  - i. Deviations in the RFQ- DBFOO regarding purchase preference to local suppliers and restrictions on sourcing from non-friendly countries in terms of the Government's policies.

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- ii. Deviation regarding restriction on companies having foreign investment.
- iii. Deviation to restrict the number of members of consortium to 4 instead of 6.
- iv. Measurement of GCV of coal at loading as well unloading point and clarity on which one will be used for payment of fuel charges.
- v. Applicable tariff in case of supply of power from an alternate source.
- vi. Rationale for considering net Station Heat Rate (SHR) as 2275 kCal per kWh.

The matter is again listed on 18.06.2024.

**(Sanjay Kumar Singh)**

**Member**

**(Vinod Kumar Srivastava)**

**Member (Law)**

**(Arvind Kumar)**

**Chairman**

Place: Lucknow

Dated: 11.06.2024

