



**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
6. Shri Siddharth, Consultant, UPPCL





ORDER

(DATE OF HEARING: 18.06.2024)

1. The Commission during last hearing on 06.06.2024, vide its Order dated 11.06.2024, directed UPPCL to deliberate on the Commission's observations on deviations to the bid documents in terms of order dated 11.06.2024.

The matter came up for hearing today.

2. Sh. Deepak Raizada, and Sh. Mohit Goyal, Consultant, UPPCL, on behalf of UPPCL, made following submissions regarding observations of the Commission on deviations in the bid documents:

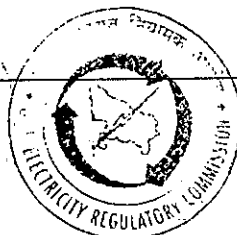
a. Dedicated Transmission System

- (i) The responsibility of evacuating power from the Power Station to the Point of Grid Connection through the Dedicated Transmission System would be that of UPPCL. This system would be constructed in accordance with the UPERC (Modalities of Tariff Determination) Regulations, 2023, and UPERC (Grant of Connectivity to intra-State Transmission System) Regulations, 2010 and subsequent amendments.
- (ii) The bidder, therefore, would be required to quote the ex-bus tariff.
- (iii) The relevant clauses of RFQ, RFP and PSA would be aligned accordingly.

b. Disclosure of Project Location

- (i) Keeping in view the overall planning of the Transmission System, the project's location would need to be specified at the RFQ stage itself in line with the original clause of RFQ-DBFOO. However, Bidder would be allowed to change the location of the project up to the "Appointed Date". Any location change will be intimated to UPPCL immediately.

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- (ii) No time extension shall be granted on account of change in location and the supplier has to adhere to the timelines specified in the RFP document.

c. Quotation of Fuel Charges in the Bid

- (i) CIL, vide its letter dated 31.05.2024, informed that the quantity of 6.52 MT of G10 coal from CCL has been allocated from 2029-30. This information would be provided to Bidders. In this context, on a specific query of the Commission regarding coal mines, Sh. Raizada responded that only coal fields have been intimated.
- (ii) Since the mines are yet not identified, RFP submission by bidders would happen only after linkage coal mines are identified so that bidders may quote fuel charge component in the bid.

d. Disqualification Criteria as per Disinvestment Guidelines

With regard to disqualification criteria in matters related to national security and integrity, all the clauses as per the original SBD would be retained.

e. Purchase Preference to Local Suppliers and Restrictions in terms of GOI Policies

Clause 2.2.1 is a limiting clause having various conditions which were specified in the SBD when the commencement of power supply was prior to the 3rd anniversary of the RFQ. Since the commencement of power is not within three years of RFQ, all the conditions of the limiting clause 2.2.1 have been deleted including that of purchase preference for local suppliers and restrictions on sourcing from non-friendly countries in terms of the Government's policies.

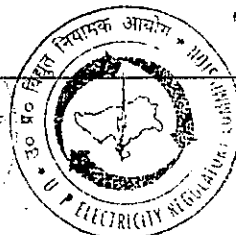
f. No. of Consortium Members

The number of consortium members was restricted to 4 instead of 6, to enhance the smooth functioning and with a view of stability.

g. GCV Measurement for Payment of Fuel Charges

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As per Clause 22.3.6 of PSA, an Independent Agency would be appointed by UPPCL for measurement of the average GCV of coal at the unloading point. Difference in GCV between the unloading point and firing end, on an average basis, would be determined in the manner as notified by the Commission as per UPERC Generation Tariff Regulations from time to time, to account for stacking/storage losses. Such average GCV at the firing end would be used for computing the fuel charges payable by UPPCL.

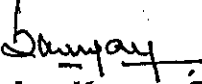
h. Tariff for Alternate Source of Supply


In case the Supplier sources power from an alternate source, the tariff would be compared at the delivery point and any additional transmission charges and losses would be to the account of the Supplier.

i. Net Station Heat Rate (SHR)

Ultra Super Critical Unit exhibits higher efficiency over the Super Critical Unit and annual degradation of 0.15% has been considered as per SBD. Therefore, a Net SHR of 2275 kCal per kWh has been considered as against the Net SHR of 2398 kCal per kWh as considered by GERC for Wanakbori 800 MW Unit-8 and Net SHR of 2357 kCal per kWh as considered by CERC for Kudgi 800 MW Unit without degradation.

3. After hearing the Petitioner, the Commission observed that guidelines of the Government of India regarding third-party sampling of coal at loading/ unloading points should be abided by.
4. The Commission concluded the hearing and directed UPPCL to submit revised deviation statement and bidding documents incorporating the above proposed changes as early as possible but not later than one week to issue final order on the matter.


(Sanjay Kumar Singh)
Member


(Vinod Kumar Srivastava)
Member (Law)


(Arvind Kumar)
Chairman

Place: Lucknow
Dated: 24.06.2024

