



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW**

Petition No. 2094 of 2024

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under section 63 read with section 86(1)(b) of the Electricity Act, 2003 for approval of procurement of 1000 MW of Solar Power in terms of the Power Sale Agreement (PSA) dated 07.02.2024 on long term basis procured through tariff based competitive bidding process held under the Inter State Transmission System Tranche-XII Scheme.

AND

IN THE MATTER OF

Uttar Pradesh Power Corporation Ltd. (UPPCL),

Shakti Bhawan, 14-Ashok Marg, Lucknow-226001.

..... Petitioner

Versus

Solar Energy Corporation of India Ltd. (SECI),

6th Floor, Plate-B, NBCC Office Block Tower-2,

East Kidwai Nagar, New Delhi-110023

.....Respondent

FOLLOWING WERE PRESENT

1. Sh. Divyanshu Bhatt, Advocate, UPPCL
2. Sh. Savyasachi Saumitra, Advocate, UPPCL
3. Sh. Deepak Raizada, C.E, UPPCL
4. Sh. Manish Dwivedi, S.E(PPA), UPPCL
5. Sh. Rahul Ranjan, Advocate, SECI

ORDER

(DATE OF HEARING: 20.08.2024)


by



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1. The Commission vide its earlier Order dated 24.07.2024 had admitted the Petition and allowed the parties to file their respective reply and rejoinder in the matter. SECI was also directed to submit its justification for charging trading margin of 7 paise/unit. Further, UPPCL was directed to file complete copy of PPAs linked to PSA dated 07.02.2024.
2. During the hearing today, Sh. Rahul Ranjan, Advocate of SECI submitted that they have filed their reply in the matter in the morning itself and apologized for the delay in filing. On specific query of the Commission regarding trading margin, Sh. Ranjan responded that trading margin of Rs. 0.07/unit was as per the MoP's guidelines. The Commission observed that charging trading margin of Rs. 0.07/unit lacks justification because SECI, as an intermediary procurer, was providing Payment Security Mechanism (PSM) to the Solar project developer under the PPA but it was also getting PSM from the end procurer i.e., Discom/UPPCL under the PSA on a back-to-back basis and therefore, SECI's financial risk is mitigated to a larger extent.
3. Sh. Divyanshu Bhatt, Counsel of UPPCL submitted that the PSA was signed after the bidding as per the guidelines was conducted by SECI. Sh. Deepak Raizada stated that discussions were held between the highest level of SECI and UPPCL to negotiate the trading margin rate, but SECI refused to accept lower than 7 paise/unit. However, keeping in view the Renewable Purchase Obligations of the discoms, it was constrained to agree to the same. Further, Sh. Bhatt sought more time for formal discussions with management of both the parties to reach an amicable resolution on trading margin issue.
4. After hearing, the Commission allowed the parties to file an amicable resolution regarding trading margin within two weeks' time. Further, as a last opportunity UPPCL is allowed to file complete copy of the PPAs linked to PSA dated 07.02.2024. List the matter for next hearing on 05.09.2024.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow
Dated: 23.08.2024