



Petition No. 1645 of 2020

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Date of Order (17.05.2021)

PRESENT:

1. Hon'ble Sh. Raj Pratap Singh, Chairman
2. Hon'ble Sh. Kaushal Kishore Sharma, Member
3. Hon'ble Sh. Vinod Kumar Srivastava, Member (Law)

IN THE MATTER OF: Seeking approval of Supplementary Power Purchase Agreement dated 12.10.2020 signed between M/s SBEC Bio Energy Limited, Baraut and UP Power Corporation Ltd., in terms of Regulation 5 of UPERC CRE Regulations, 2019 for extension of the term of Restated Power Purchase Agreement dated 08.11.2006 for next 10 years i.e. from Jan, 2021 to Dec., 2030

M/s UP Power Corporation Ltd.

(through its Superintending Engineer, PPA-R),

14th Floor, Shakti Bhawan Extn., 14 - Ashok Marg, Lucknow

----- **Petitioner**

M/s SBEC Bio Energy Limited, Baraut,

(through its Chairman), 1400,

Modi Tower, 98-Nehru Place, New Delhi - 110019

----- **Respondent**

Following were present:

1. Sh. Deepak Raizada, PPA-RE, UPPCL
2. Sh. Pritpal Singh

ORDER

(Date of Hearing 16.03.2021)



1. The instant petition is filed by UPPCL for approval of supplementary Power Purchase Agreement dated 12.10.2020 signed between UPPCL and M/s SBEC Bio Energy Limited, Baraut.
2. The Petitioner in its Petition has prayed as follows: -
 - a. allow the petition accord.
 - b. accord approval to supplementary PPA dated 12.10.2020, entered into between M/s SBEC Bio Energy Limited, Baraut and U.P. Power Corporation Limited;
 - c. issue any other order or direction as it may deemed fit in the facts and circumstances stated in the petition.

Brief Facts of the Case

3. A Power Purchase Agreement dated 17.12.1998 was signed between erstwhile UPSEB and the Generating Company for supply of 7/14/19/22 MW surplus power from its Co-gen Plant (25MW existing prior to 2005). Subsequently, Supplementary PPA dated 03.06.2005 was signed for purchase of 14 MW, which was approved by the Commission on 18.05.2006 in Petition No. 275 of 2005 with a direction to the Petitioner to make final PPAs in accordance with the Annexure-4 to the Uttar Pradesh Electricity Regulatory Commission (*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 and a copy of the same be submitted to the Commission for information. Thereafter, PPA was signed with PVVNL on 08.11.2006 as per the directions of the Commission for supply of 14 MW.
4. Further, amended Power Purchase Agreement dated 19-11-2007 was signed between the Generating Company and UPPCL regarding change in the name of the Generating Company from M/s SIAL-SBEC Bio Energy Limited to M/s SBEC Bio Energy Limited. Since the term of PPA was ending in Dec 2020, parties agreed for extension of PPA for next 10 years (i.e. from Jan 2021 to Dec 2030) as per the Tariff applicable in accordance with CRE Regulations, 2019 as amended from time to time. All other terms and conditions as agreed between the Parties in the Power Purchase Agreement dated 08-11-2006 read along with APPA dated 19-11-2007 would continue to apply as before.



Record of Proceeding

5. The Commission heard the matter on 04.03.2021 and during the hearing, UPPCL submitted that the PPA dated 08.11.2006 was signed for supply of 14MW in compliance to the direction of the Commission's Order dated 18.05.2006 in Petition no. 275 of 2005 got expired on December 2020. The Generating Company vide its letters dated 07.02.2020 and 09.06.2020 requested for the extension of Power Purchase Agreement dated 08.11.2006 for next ten years from January 2021 i.e. from January, 2021 to December, 2030.
6. Further, UPPCL vide its letter no. 234/CE/PPA/SBEC/33E dated 09.07.2020 asked Petitioner to provide its consent on tariff mentioned under category bagasse based existing projects commissioned during FY 2005-06 or earlier as per UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019, as amended from time to time for next ten years from January 2021 to December 2030. Subsequently, the Generating Company vide its letter dated 14.07.2020 has consented to accept the tariff as per UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019, as amended from time to time for next ten years from January 2021 to December 2030.

Subsequently, UPPCL has signed an amended PPA on 12.10.2020 incorporating the following mentioned conditions: -

- (i) During the extended period of the said PPA, from January 2021 to December 2030, the tariff shall be as determined by the Commission under UPERC (Captive and Renewable Energy Generating Plants)-Regulations, 2019 as amended from time to time for bagasse-based projects, commissioned during FY 2005-06 or earlier, as below:

Total Tariff – Bagasse based Existing Projects commissioned during FY 2005-06 or earlier to FY 2008-09 (Rs/kWh)

Year of Commissioning	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
FY 2005-06 or earlier	2.92	3.03	3.16	3.29	3.42
FY 2006-07	2.94	3.05	3.18	3.30	3.44
FY 2007-08	2.95	3.07	3.19	3.32	3.46
FY 2008-09	2.97	3.09	3.21	3.34	3.47



(ii) Except for the above amendments, the Parties acknowledge and confirm that all other terms and conditions as agreed between the Parties in the Power Purchase Agreement dated 08-11-2006 read along with APPA dated 19-11-2007 shall continue to apply as before.

7. The Commission asked the Petitioner to clarify the COD of the plant and need to purchase this power. On the query raised by the Commission, Sh. Deepak Raizada on behalf of UPPCL submitted that the date of Commissioning mentioned in the PPA dated 08.11.2006 was 01.12.2005. However, later it was established that the Plant was commissioned in the year 2000. The Commission observed that Plant would be completing its life in 2025 and the same need be taken care while framing CRE Regulations for next control period i.e., MYT period of 2024-29.
8. He submitted that the power from this plant forms the part of the Petitioner's power purchase portfolio from which the Petitioner is already meeting its RPO and the tariff is also lower for this plant as compared to the new plants. Therefore, he requested the Commission to approve the PPA dated 12.10.2020 as this will enable the Petitioner to meet its non-solar RPO.
9. The Commission during hearing dated 04.02.2021 observed that it was important to hear the respondent before approving PPA as the respondent neither submitted its written comments nor was present before the Commission. Therefore, the Commission decided to hear the matter on 16.03.2021 and directed respondent to be present.
10. During the hearing held on 16.03.2021, Sh. Pritpal Singh was present on behalf of Respondent (M/s SBEC Bio Energy Limited). He at the outset offered his apologies before the Commission for not attending the last hearing due to technical issues. He further requested the Commission to approve the PPA as the Respondent has already provided its consent to UPPCL and submitted that M/s SBEC Bio Energy Limited is willing to sign the PPA with UPPCL.

Commission's View

11. The Commission after hearing the parties and taking into consideration the submissions made during hearing is of the view that this plant has quite



economical tariff as compared to any new bagasse-based plant which would commission in present year. Secondly, the plant is also useful in meeting Non-Solar RPO obligation and thirdly, it is environmentally benign technology and has good efficiency (PLF). Therefore, the extension of the PPA may be considered keeping overall interest of public at large. Accordingly, the Commission decides to approve the extension of duration of PPA dated 08.11.2006 for next 10 years from January 2021 to December 2030 as mutually accepted by the parties. Further the tariff during this extended period shall be applicable as determined by the Commission under UPERC (Captive and Renewable Energy Generating Plants) regulations, 2019 as amended from time to time till FY 2024 and UPERC Regulations for next control period framed in this regard for bagasse-based projects commissioned during FY 2005-06 or earlier. All other terms and conditions as agreed between the Parties in the PPA dated 08.11.2006 read along with APPA dated 19.11.2007 shall continue to apply as before.

12. In view of above, the Commission approves the PPA dated 12.10.2020 signed between M/s SBEC Bio Energy Limited and UPPCL.

The Petition is disposed of accordingly.

(Vinod Kumar Srivastava)
Member

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow

Date: 17, 05, 2021

