



Petition No. 1675 of 2021
BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Date of Order (25.06.2021)

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: Tariff fixation for Biomass (Eucalyptus) fuel for power generation under CRE-2019 Regulations issued by UPERC.

1. Arun Kumar Awasthi, R/O SS-1/183,184 Sector-A,
Sitapur Road Yojna, Lucknow-226021

----- **Petitioner**

1. Madhyanchal Vidyut Vitran Nigam Ltd. (through its Managing Director),
4-A, Gokhale Marg, Lucknow- 226001

2. Madhyanchal Vidyut Vitran Nigam Ltd. (through its Director-Commercial),
4-A, Gokhale Marg, Lucknow- 226001

3. Madhyanchal Vidyut Vitran Nigam Ltd. (through its C.E-Commercial - III),
4-A, Gokhale Marg, Lucknow- 226001

----- **Respondents**

Following were present:

1. Sh. Arun Kumar Awasthi, Petitioner
2. Sh. Amarjeet Singh Rakhra, Counsel, MVVNL
3. Sh. Surya Pal Gangwar, MVVNL

ORDER

(Date of Hearing 17.06.2021)

1. The Petitioner, Sh. Arun Kumar Awasthi submitted that he intends to establish biomass-based co-generation captive power plant of 50 kW capacity and sell surplus power of 40 kW to the Madhyanchal Vidyut Vitran Nigam Ltd (MVVNL).



Sh. Awasthi further submitted that C.E-commercial, Madhyanchal Vidyut Vitran Nigam Ltd through letter dated 22.10.2020 has advised him to approach this Commission for fixation of tariff.

2. The Prayers of the Petitioner is as below: -
 - a) Decide the tariff for Biomass (Eucalyptus) fuel for power generation.
 - b) Direct the Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd, 4-A, Gokhale Marg, Block I, Gokhale Vihar, Butler Colony, Lucknow, Uttar Pradesh – 226001 for time bound disposal for petitioner's proposal as it has been pending since 21/08/2019.
3. During the hearing, Sh. Amarjeet Singh Lakhra, Counsel of the Respondents submitted that the technology of Eucalyptus based Biomass cogeneration is not approved by the MNRE. Further, the tariff quoted under the proposal is Rs.6.55 per unit, which is not agreeable, being on higher side. Therefore, the respondent was advised to approach this Commission for appropriate direction under subclause-B (iii) of schedule-II of UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 which states as under:

"The developers may approach the Commission on a case-to-case basis for use of any other Biomass based projects"

4. The Commission observed that the Petition is required to be filed under Legal framework of Electricity Act, 03. Also, the Petitioner is intending to sell 80% of power to UPPCL, through its Captive Plant against the statutory norm of 49%. Further, the Petition has been filed by individual instead of a legal / corporate entity. The Commission granted liberty to the Petitioner to rectify these shortcomings as and when the matter comes up for next hearing.
5. The Commission while appreciating the entrepreneurial spirit of the Petitioner told the Petitioner that Generation is a delicensed activity and the Commission's CRE Regulations, 2019 prescribe tariff for existing Biomass (rice husk based) Projects. However, the Petitioner would be required to approach the area Distribution licensee for selling of power through PPA, where the plant is located. Thereafter, upon seeking approval of PPA by UPPCL/MVVNL, the Commission may deal with any other Biomass based technology which is approved by MNRE (using material other than rice husk) on case-to-case basis.
6. Sh. Arun Kumar Awasthi submitted that the estimated cost of the project is Rs. 25 lakhs, however, DPR is exempted for such small projects as per MNRE "office memorandum" dated 01.12.2009.



7. The Commission observed that the Petitioner has not enclosed the complete details of the proposed Eucalyptus based Biomass cogeneration power plant and associated infrastructure.
8. After hearing the parties, the Commission decided to keep the matter under abeyance till the request of the parties including MVVNL along with the following details are placed on record of the Commission:
 - a) Document verifying MNRE approval for Eucalyptus based Biomass cogeneration and its technology
 - b) Detailed Project Report
 - c) Quantum of power proposed to be sold
 - d) Period for which the Petitioner intends to sell Power to the Respondent.
 - e) Costing detail for tariff determination
 - f) Connectivity detail for the proposed project and its compliance.

Further, the Commission also directed MVVNL to share the draft PPA with Petitioner and discuss in detail about the required procedure / details for the tariff approval / fixation with the Petitioner.

(Vinod Kumar Srivastava)
Member

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow

Date: 25. 06.2021

