



Petition No. 1827 of 2022

BEFORE

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

(Date of Order: 23.09.2022)

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: Petition seeking approval of the Hon'ble UPERC on the Draft Power Purchase and Banking Agreement between M/s Hindalco Industries Limited, UPPCL and PUVVNL.

M/s Hindalco Industries Limited (HIL)
Through General Manager (Corporate Affairs), Renukoot, Sonbhadra, Uttar Pradesh - 231217

Purvanchal Vidyut Vitran Nigam Ltd. (PuVVNL)
(Through its Managing Director), DLW, Varanasi

U.P. Power Corporation Ltd. (UPPCL)
(Through its Managing Director), Shakti Bhawan, 14 Ashok Marg, Lucknow

.....Petitioner (s)

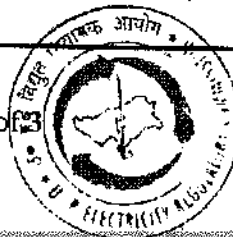
Following were present:

1. Sh. Deepak Raizada, CE-PPA, UPPCL
2. Sh. Mahendra Singh, S.E, UPPCL
3. Sh. Vivek Kumar, Head-Legal, HIL
4. Sh. H.R. Singh, AVP, HIL
5. Sh. Santosh Kr. Gupta, GM, HIL
6. Sh. Vibhor Bhargava, GM, HIL

ORDER

(Date of Hearing 02.08.2022)

1. The Petitioner, HIL owns, operate & maintains a Coal-based Captive power plant situated at Renuagar, District Sonbhadra having a generating capacity of 840 MW and also a Co- Generation Plant capacity of 84MW. The power generated in these units is used as captive at its Aluminium Manufacturing Plant and other allied ancillary activities. The current captive consumption is to the extent of 750





MW and HIL is desirous to supply surplus power up to 60 MW to PuVVNL from its 924 MW (840MW+84MW), and PuVVNL agrees to purchase /bank electricity generated from such capacity by the generating plant.

2. The prayer of the Petitioner is as below:

- a. The UPERC may kindly be pleased to accept the prayer and approve the Power Purchase and Banking agreement dated 26th October 2021 and also pass such other orders as it may deem necessary.

Brief Facts:

3. HIL had informed UPPCL vide their letter dated 01.01.2019 that they are interested to renew their Power Purchase, Sale and Banking Agreement dated 29.07.2017 (i.e., for 01.04.2014 to 31.03.2019) and ready to execute new Purchase, Sale and Banking Agreement (i.e., for 01.04.2019 to 31.03.2024) as per the UPERC (CRE) Regulations, 2019. UPPCL agreed to the request of HIL as resolved by the UPPCL in their Board of Director meeting held on 19.06.2017.
4. Accordingly, UPPCL through letter dated 19.03.2019 asked HIL to give its consent through affidavit on the conditions mentioned. HIL submitted an Affidavit of Consent on 22.03.2019 and then UPPCL issued extension of earlier tripartite agreement vide letter dated 30.03.2019, with instructions to PuVVNL and the field officers for compliance of all existing arrangements and agreements with HIL.
5. The power from the generating plant shall be transmitted at 132 kV S/s Rihand Power Station through two Nos. 132 kV lines from its Aluminium Manufacturing plant which shall interfaced with STU/UPJVNL/PuVVNL or higher grid substation located at Rihand Power Station owned by UPJVNL.
6. PuVVNL shall accept and purchase /bank surplus power up to 60 MW made available by the HIL's Generating Plant in accordance with the terms and conditions of the Power Purchase, Sale and Banking Agreement at the rate specified for such plant in Schedule I of "CRE Regulations, 2019", as amended from time to time.

Records of Proceedings:

7. During the proceedings, representative of HIL submitted that instant Petition has been filed seeking approval of Power Purchase and Banking Agreement dated 26.10.2021. Sh. Deepak Raizada on behalf of UPPCL stated that as per Regulation 5 of the CRE Regulations, 2019, the Commission approval of the Power Purchase and Banking Agreement is required.

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8. The Commission asked the parties, whether there is any dispute among the parties or any deviation to the provision of UPERC (CRE) Regulations, 2019 to which the parties have responded that neither there is dispute between the parties nor any deviation to the provision of UPERC (CRE) Regulations, 2019.

Commission's view:

9. The relevant extract of Regulation 5 of the CRE Regulations, 2019 regarding approval of PPA states as under:

"The Distribution Licensee shall make an application for approval of Power Purchase Agreement (PPA) entered into with the Generating Plant in such form and in such manner as prescribed in these Regulations, Orders of the Commission and UPERC (Conduct of Business) Regulations, 2004 notified by the Commission and as amended from time to time.

Provided that the Distribution Licensee shall make the application to the Commission within three (3) months of signing the PPA with the Generating Plant."

The Petitioner has filed the instant Petition on 11.02.2022 while the Power Purchase and Banking Agreement was signed on 26.10.2021.

10. In view of the parties' confirmation, there being no deviation in the PPA to the provisions of UPERC (CRE) Regulations, 2019, the Commission approves the PPA dated 26.10.21 in conformity to the already notified UPERC (CRE) Regulations, 2019.

(Vinod Kumar Srivastava)
Member

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow

Date: 23. 09.2022



