



**Petition No. 1896 of 2022**  
**BEFORE**  
**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**  
**LUCKNOW**

(Date of Order: 02.05.2023)

**PRESENT:**

Hon'ble Shri Raj Pratap Singh, Chairman  
Hon'ble Shri Sanjay Kumar Singh, Member

**IN THE MATTER OF:** Seeking approval of Supplementary Power Purchase Agreement (SPPA) dated 11.11.2022 signed between M/s DSM Sugar Meerganj (A unit of Dhampur Sugar Mills Ltd) and U.P. Power Corporation Ltd. for the increase of duration of Power Purchase Agreement dated 29.08.2002 and Supplementary Power Purchase Agreement dated 05.06.2012 for the next five years from 26.11.2022 to 25.11.2027.

**U.P. Power Corporation Ltd. (UPPCL),**  
(Through Superintending Engineer-PPA),  
14<sup>th</sup> Floor, Shakti Bhawan Extension,  
14 – Ashok Marg, Lucknow

.....Petitioner

**Versus**

**M/s DSM Sugar Meerganj**  
(A unit of Dhampur Sugar Mills Ltd)  
Dhampur, Distt- Bijnore

.....Respondent

The following were present:

1. Shri Deepak Raizada, C.E(PPA), UPPCL
2. Shri Mahendra Singh, S.E (PPA), UPPCL
3. Shri Srijan Singh, A.E, UPPCL
4. Shri R.K. Upadhyay, Sr. Manager, DSM Sugar

**ORDER**  
**(Date of Hearing - 25.04.2023)**

1. The Petitioner, UPPL has filed this Petition seeking approval of SPPA dated 11.11.2022 signed between M/s DSM Sugar Meerganj and UPPCL to extend duration of of PPA dated 29.08.2022 and SPPA 05.06.2012 for the next five years from 26.11.2022 to 25.11.2027.

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2. The Prayers of the Petitioner are as follows:

- a) Allow the petition
- b) Accord approval to Supplementary PPA dated 11.11.2022, entered between M/s DSM Sugar, Meerganj (A Unit of The Dhampur Sugar Mills Ltd.) and U.P. Power Corporation Limited.
- c) Issue any other order or direction as it may deem fit in the facts and circumstances stated in the Petition.

**Brief facts of the case:**

3. UPPCL in the Petition has mainly submitted as under:

- a) On 29.08.2002, a PPA was executed between M/s J.K. Sugar (A Division of J.K. industries Ltd.) and UPPCL for procurement of 12.5 MW power from its 19 MW Bagasse-based power plant situated at Meerganj, Dist.- Bareilly. On 07.03.2005, SPPA amendment was made that the first party of the PPA shall be M/s J.K. Sugar.
- b) On 05.06.2012, a SPPA was executed for extension of duration of agreement from 10 years to 20 years from the Date of commissioning of Co-gen Plant (i.e., 26.11.2002).
- c) DSM Sugar Meerganj (formerly J.K. Sugar Ltd.) vide their letter no. DSM/MRG/PPA dated 11.02.2014 requested that "the name change of the company is required due to amalgamation (J.K. Sugar Ltd. ceased to exist & its name has been deleted from ROC records and all its assets & liabilities amalgamated with Dhampur Sugar Mills Ltd as per approved scheme). This amalgamation has been approved by Hon'ble High Courts of Calcutta & Allahabad. In response UPPCL vide its letter no. 879/CE/PPA dated 11.03.2014 conveyed to DSM Sugar Meerganj that "consequent to order to Hon'ble High Court of Calcutta & Allahabad on the approval of Amalgamation scheme amongst M/s JK Sugar Ltd (Transfer Company) and Dhampur Sugar Mills Ltd. (Transferee Company), the earlier PPA executed on 29.08.2002 read with Supplementary Agreement (collectively the "Agreement") stand transferred to M/s DSM Sugar Meerganj.
- d) DSM Sugar vide letter dated 30.05.2022 requested for amendment in the PPA dated 29.08.2002 and Supplementary PPA dated 05.06.2012 for its tenure extension. Further, M/s DSM Sugar vide letter dated 17.06.2022 requested that the PPA to be extended for a period of 10 years i.e., 26.11.2022 to 25.11.2032 and proposed that tariff for increased duration will be as per UPERC (CRE) Regulations 2019.

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e) Accordingly, on 11.11.2022 SPPA has been signed to incorporate the following mentioned conditions:

- i) The duration of the PPA (29.08.2002), SPPA (07.03.2005) and SPPA (05.06.2012) is hereby extended for the next five years from 26.11.2022 to 25.11.2027.
- ii) The tariff mentioned under the category Bagasse-based existing Project commissioned during FY 2005-06 or earlier as per UPERC 1<sup>st</sup> Amendment/Addendum to UPERC (Captive and Renewable Energy Generating Plants) Regulations 2019, as amended from time to time is applicable for the next five years from November 2022 to November 2027.
- iii) Except the above amendment, the Parties acknowledge and confirm that all other terms and conditions in the PPA 29.08.2002, SPPA dated 07.03.2005, and SPPA dated 05.06.2012 shall continue to apply as before.
- iv) This Supplementary PPA dated 11.11.2022 is subject to approval of the UPERC.

**Records of Proceedings:**

4. During the proceeding dated 25.04.2023, Sh. Deepak Raizada submitted that instant Petition has been filed for approval of SPPA dated 11.11.2022 for increase in duration of the term of the existing PPA for five years i.e., till 2027 and the applicable tariff would be as per the UPERC (CRE) Regulations. The COD of the power project is 2002. Further, Sh. Raizada stated that at present the applicable tariff is Rs. 3.42 per unit, which is less than the last discovered tariff of Rs. 4.50 per unit for the bagasse-based power.

**Commission's View:**

5. The relevant extract of Schedule-II of the First Amendment dated 04.02.2020 of UPERC (CRE) Regulations, 2019 with Notification No. UPERC/Secy/Regulation/790 regarding tariff for the Petitioner's Bagasse-based power plant, which is commissioned prior to FY 2005-06 is as under:

**"A. Bagasse based Generation & Cogeneration Plants**

**i. Tariff for Existing Bagasse based projects Commissioned during FY 2005-06 or earlier to FY 2008-09**

The fixed & variable costs and total tariff for the existing plants commissioned during FY 2005-06 or earlier to FY 2008-09 shall be as shown below:

**Table 13: Fixed Cost-Bagasse based Existing Projects commissioned during FY 2005-06 or earlier to FY 2008-09 (Rs/kWh)**

Year of	FY	FY	FY	FY	FY
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<b>Commissioning</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>FY 2005-06 or earlier</b>	1.15	1.18	1.21	1.24	1.27
FY 2006-07	1.17	1.20	1.23	1.26	1.29
FY 2007-08	1.19	1.21	1.24	1.28	1.31
FY 2008-09	1.20	1.23	1.26	1.29	1.33

**Table 14: Variable Cost-Bagasse based Existing Projects commissioned during FY 2005-06 or earlier to FY 2008-09**

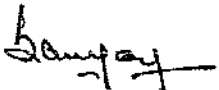
<b>Financial Year</b>	<b>Variable Cost (Rs/kWh)</b>
FY 2019-20	1.77
FY 2020-21	1.85
FY 2021-22	1.95
FY 2022-23	2.04
FY 2023-24	2.15

**Table 15: Total Tariff -Bagasse based Existing Projects commissioned during FY 2005-06 or earlier to FY 2008-09 (Rs/kWh)**

<b>Year of Commissioning</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>FY 2005-06 or earlier</b>	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

6. The Commission approves the extension of PPA dated 29.08.2002, SPPA dated 07.03.2005 and 05.06.2012 for next five years from 26.11.2022 to 25.11.2027 subject to the condition that the applicable tariff for the extended period shall be as per UPERC (CRE) Regulations, 2019 and its amendments, if any, till FY 2023-24 and UPERC CRE Regulations for the next control period beyond FY 2023-24. All other terms and conditions of the PPA 29.08.2002, SPPA dated 07.03.2005 and 05.06.2012 shall remain unchanged.

7. The Petition is disposed of in terms of the above.

  
(Sanjay Kumar Singh)  
Member

  
(Raj Pratap Singh)  
Chairman

Place: Lucknow  
Dated: 02.05.2023