



THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2131 of 2024

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

IN THE MATTER OF

Petition under Section 86(1)(b) & (e) of the Electricity Act, 2003, seeking approval of Request for Selection (RfS) and Draft Power Purchase Agreement (PPA) for procurement of Power through Tariff Based Competitive Bidding Process from Grid Connected Solar Power Plants connected to selected segregated agriculture feeder of distribution substation cumulative capacity of 3,205 MW for sale of Power to UPPCL at various locations in the state of Uttar Pradesh through RESCO Mode under Feeder Level Solarization (FLS) of PM KUSUM Component-C2 Scheme.

AND

IN THE MATTER OF

U.P. New & Renewable Energy Development Agency (UPNEDA),

Vibhuti Khand, Gomti Nagar, Lucknow - 226010

..... Petitioner

Versus

Uttar Pradesh Power Corporation Ltd. (UPPCL),

Shakti Bhawan 14 - Ashok Marg, Lucknow - 226001.

..... 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. Rakesh Agarwal, SPO, UPNEDA
5. Sh. Padam Prakash, Partner-PWC
6. Sh. Tannhauser D Pierce, Consultant, UPNEDA
7. Sh. Swanand Vaidya, Consultant, UPNEDA
8. Sh. Kartikeya Shukla

by





ORDER

(DATE OF HEARING: 08.10.2024)

1. The Petitioner, UPNEDA has filed instant Petition seeking approval of Bidding Documents (i.e., Draft RfS & PPA) for procurement of 3.205 GW of grid connected Solar power through Tariff Based Competitive Bidding (TBCB) process for 25 years period under Component-C i.e., Feeder Level Solarization of 'KUSUM Scheme'. The prayers of the Petitioner are as follows:
 - a) Admit the Petition; and
 - b) Approve the RFS and PPA for Procurement of Power through Tariff Based Competitive Bidding Process from Grid Connected Solar Power Plants connected to selected segregated agriculture feeder of distribution substation cumulative capacity of 3,205 MW for Sale of Power to UPPCL at various locations in the state of Uttar Pradesh through RESCO Mode under feeder level solarization of PM KUSUM component-C2 scheme.
 - c) Pass such orders that this Commission deems fit.
2. During the hearing today, Sh. Divyanshu Bhatt, Counsel of UPNEDA submitted that additional affidavit citing additional deviations along with the revised bidding documents was filed on 12.09.2024. Furthermore, on today itself, comprehensive deviation statements in the matter considering the MNRE Guidelines dated 17.01.2024 and earlier approved bidding documents vide Order dated 05.04.2023 in Petition No. 1957/2023, was filed by them.
3. The Commission expressed great displeasure towards filing of deviation statements in bits and pieces subsequent to filing of Petition in nick of time. All those documents should have been part of original Petition for fruitful hearing.
4. On specific query of the Commission about the land identified for the Bid, consultant of UPNEDA responded that out of 940 substations, land has been identified by UPNEDA for 96 substations, however, primary responsibility of land identification rested with the project developer. Further, the online portal for land details was in place and some landowners have submitted their land details on it and out of 96 number of identified land, 9 were government owned and the rest 87 were private owned ones. Consultant of UPNEDA further stated that lease agreement would be executed in compliance with

by

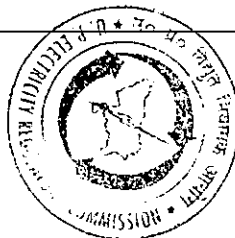




the MNRE Guidelines and the rent payment to farmers would be the UPNEDA's responsibility.

5. In response to the Commission's query regarding calculation of solar power plant capacity for a selected substation, consultant of UPNEDA submitted that feederwise agricultural load as well as available substation's margin has been considered. He further submitted that selected feeders include those of mixed load type (i.e., agricultural as well as other load). The Solar power plant capacity for substation has been worked out considering agricultural load on normative basis for unmetered Private Tubewell connections.
6. In response to the Commission's query regarding the term 'Repowering', consultant of UPNEDA stated that Repowering referred to replacement of modules, inverters etc. with the upgraded/efficient ones by the Solar Power Generator without any financial implications on the UPPCL/Discoms.
7. The Commission observes the following:
 - i. Farmer's interest in terms of compensation and lease rent payment should be protected, while taking their land on lease.
 - ii. The Commission also opined that clause A.2.5 (i.e., Financial Bid Evaluation) may be considered to be rephrased. There may be a situation where there are more than one substation for which no bidder has filed its bid. There may also be a situation where the bidder of minimum of the L1 rates of the substation is not willing to take another substation. It needs to be defined as to how many such substations can be assigned to him apart from the one for which he is L1. In such cases, the second lowest L1 bidder in the district can be offered the substation at minimum of the L1 rates in the district and so on.
 - iii. Further, UPNEDA may structure the land lease clause to protect the farmer's interests and retaining performance bank guarantee, with liberty to renew, till complete PPA tenure.
 - iv. Any public land identification after the last date of bid submission may not be appropriate for the transparent bidding process and could lead to complexities at a

by





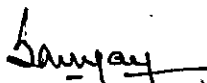
later stage in terms of equal opportunity to all the bidders. Therefore, public land for the projects should be identified before last date of submission of bid and these details should be uploaded on the bid portal for information to the bidders.

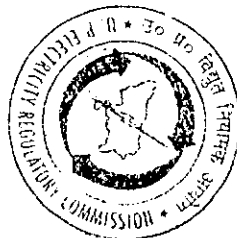
8. Further, the Commission observed that the MNRE guidelines dated 17.01.2024 specified that power from such KUSUM based project could be sold only to the Discom/UPPCL in view of financial assistance available to the project developer, therefore, UPPCL may procure economical power available in Bid, whether, during early commissioning or operation period of the power project.
9. Sh. Deepak Raizada on behalf of UPPCL sought ten (10) days' time to file its response on the bidding documents as wells as the new deviation filed by UPNEDA today.
10. After hearing, the Commission allowed UPPCL to file its reply in the matter within ten (10) days' time with a copy to the UPNEDA. The Commission directs UPNEDA to furnish two-fold deviation statement within a week time in the following format for ease of understanding:

| Sl. No. | Clause as provided in Approved RfS (Vide Order dated 30.10.2023 in Petition No. 2018/2023) | Clause as provided in Draft RfS (for this 3205MW Bid) | Justification |
|---------|--|---|---------------|
| 1. | | | |
| 2. | | | |

| Sl. No. | Clause as provided in Model PPA (as per MNRE Guidelines dated 17.01.2024) | Clause as provided in Draft PPA (for this 3205MW Bid) | Justification |
|---------|---|---|---------------|
| 1. | | | |
| 2. | | | |

List the matter for next hearing on 22.10.2024.


(Sanjay Kumar Singh)
Member




(Arvind Kumar)
Chairman

Place: Lucknow
Dated: 19.10.2024