

**UP Electricity Regulatory Commission  
Lucknow**

Notification no: UPERC/Secy/Regulation/08-2319  
Dated 1<sup>st</sup> May,2008

In exercise of powers conferred under section 181 read with section 9, 61, 86 (1)(a), 86(1)(b) and 86(1)(e) of Electricity Act,03 and all other powers enabling in this behalf, the UP Electricity Regulatory Commission hereby makes the following amendments in the Uttar Pradesh Electricity Regulatory Commission(Terms & 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 vide Notification no.UPERC/Secy/Regulation/06-1288 dated 23<sup>rd</sup> March,2006 published in official gazette on 2.3.07 namely:

1. Short Title and commencement –

(1) These Regulations shall be called Uttar Pradesh Electricity Regulatory Commission(Terms & 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) (First Amendment) Regulations,2008.

(2) These Regulations shall come into force from 1<sup>st</sup> May,2008.

2. The following shall be inserted to Regulation-6 'Definitions' after clause-(xxxvi):

xxxvii) "CBG" means 'Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees' notified by the Central Government under section 63 of the Act on 19.1.05.

xxxviii) "SBD" means Standard Bid Documents made under CBG by the Central Government.

xxxix) "NEP" means The National Electricity Policy notified on 12.2.05 by the Central Government under Section 3 of the Act.

xxxx) "Tariff Policy" means the Tariff Policy notified by the Central Government on 6.1.06 under section 3 of the Act.

3. The following proviso shall be inserted before the existing proviso to Regulation 17(1):

"Provided that any arrangement, other than the tariff made or agreed between the parties in a power purchase agreement, prior to UPERC Practice Directions for Captive Power Generation came into force may be continued with the approval of the Commission. The parties to the agreement shall submit renegotiated agreement for approval of the Commission with tariff has specified in these Regulations".

4. Chapter-5, Competitive bidding shall be inserted after chapter-4 as follows:-

"(42) To arrive at the right price for municipal waste plant the developer should follow the following guidelines to carryout market discovery:-

- 1.The developer shall develop a special purpose vehicle (SPV) which shall be responsible for all clearances and fuel linkage and agreements.
  - 2.Developer shall develop bid documents namely RFQ & RFP documents.
  - 3.While developing the documents standard bid document (SBD) released by MoP, Gol shall be guiding document.
  - 4.Commission is aware that the SBD has been framed for larger plants and supply of firm power whereas the municipal waste projects are much smaller in size therefore the changes as may be required may be carried out and put up for approval of the Commission before inviting bids.
  - 5.The developer may opt for two stage or single stage bidding as considered appropriate.
  - 6.The price discovery through competitive bidding shall be adopted by the Commission in accordance with Section-63 & 86 of EA-2003 and Section-6.4(1) of National Tariff Policy and Section-5.10.5 of National Electricity Policy.
  - 7.The ownership of the special purpose vehicle shall be transferred to the successful bidder.
  - 8.The licensee of the area shall accept the power at the tariff as adopted by the Commission.
  - 9.Solar power is being dealt in a separate petition.
  - 10.The developer for any other non-conventional source may adopt the above procedure to discover market price in case the tariff provided in the regulations are found non-workable in any specific case.
5. In schedule-1, tariff for sale of power by captive generating plant following may be inserted in place of A (1)

Variable Cost:-

The Variable cost per unit for a captive generating plant will be on the basis of its installed unit capacity and shall be subject to an escalation to be decided by the Commission on six monthly basis after examining the rate of coal declared by the coal companies and Gol, Min. of Coal Policy to arrive at an escalation factor and the same shall be applicable. The

variable cost to be paid from 01.04.2008 onwards shall be provisionally paid at the following rate to be adjusted after Commission decides the cost of coal.

Financial Year	Variable Cost (Paisa/unit)		
	Below 200 MW	200/210/250 MW sets	500 MW and above sets
2008-09	97.81	84.36	81.83

6. The existing Regulation 30 shall be read as Regulation-30 (1) and the following provision shall be inserted after Regulation-30 (1)

1.For the purpose of PLF the year shall be sugar year and the first sugar year shall be from 1st October, 2007 to 30th September, 2008.

2.For PLF above 63% during the non crushing season the rates inclusive of incentive shown in the following table shall apply.

PLF %	Rate of electricity inclusive of escalation and incentive (Rs./Unit)		
	2007-08	2008-09	2009-10
63 to 66	3.42	3.61	3.81
66 to 72	3.58	3.78	3.99
Above 72	3.74	3.95	4.17

3. Whenever the plant is likely to exceed 63% PLF in a particular month an intimation shall be given by the co-gen plant to the Licensee by 20th Day in the previous month. The Licensee may accept or reject the offer. Incase the licensee does not respond it will be construed that the

licensee has rejected the offer and the plant shall have liberty to generate and supply to any other person subject to the provisions of Open Access Regulations and through Unscheduled Import (U.I). Any other arrangement of intimation and rejection may be made with the consent of the parties.

4. The electricity so purchased beyond 63% PLF shall not be considered for calculation of mandatory consumption of 7.5% under regulation 29 of the CNCE Regulations.
7. These Regulations have been made in English and translated into Hindi. In case of dispute, English version shall prevail.

By order of the Commission,

Arun Kumar Srivastava  
Secretary  
U.P.ElectricityRegulatory Commission,  
Lucknow (U.P.)