

**Before**

# **UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**Misc. Application No. 63 of 2025**

**In the matter of:**

Petition seeking removal of certain difficulties/relaxation in Implementation of Tariff Order dated 11.04.2025 passed by the Commission in exercise of its power u/s 64(1) read with Section 61 and 62 of the Electricity Act, 2003, w.r.t power procurement, read with UERC (Terms and Conditions for Determination of MYT) Regulations, 2024.

**In the matter of:**

Uttarakhand Power Corporation Ltd.

... Petitioner

**CORAM**

**Shri M.L. Prasad      Chairman**

**Shri Anurag Sharma      Member (Law)**

**Date of Order : September 03, 2025**

Uttarakhand Power Corporation Ltd. (hereinafter referred to as “UPCL” or “the Petitioner”) has filed a Petition seeking removal of certain difficulties/relaxation in the implementation of Tariff Order dated 11.04.2025 passed by the Commission in exercise of its power u/s 64(1) read with Section 61 and 62 of the Electricity Act, 2003, w.r.t power procurement, read with UERC (Terms and Conditions for Determination of MYT) Regulations, 2024, under Regulation 59 of the Uttarakhand Electricity Regulatory Commission (Conduct of Business), Regulations, 2014 (herein after referred to as “UERC CBR”), Regulation 103 and 104 of the Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff), Regulations, 2024.

## **1. Background**

1.1 The Commission had notified Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 (hereinafter referred to as “UERC Tariff Regulations, 2024”) for the fifth Control Period from FY 2025-26 to FY

2027-28 specifying therein terms, conditions, and norms of operation for licensees, generating companies and SLDC. The Commission had issued Tariff Order dated April 11, 2025, for FY 2025-26, including truing up of for FY 2023-24 and Annual Performance Review for FY 2024-25.

- 1.2 The Petitioner submitted that the Commission vide its aforesaid Order dated 11.04.2025, amongst other parameters, also approved UPCL's power procurement plan along with the power procurement cost for FY 2025-26. The Commission also issued some directives/provision, for the optimization of power procurement, in the said Tariff Order.
- 1.3 The Petitioner submitted that the Commission in Para 3.6.16 (Deficit/(Surplus) Energy) of the Tariff Order dated 11.04.2025 issued direction to the Petitioner as follows:

" ...

*The Commission has, therefore, restricted the purchase of power from short term sources to 5% of the total energy availability at State Periphery, in line with the provisions of the MYT Regulations, and considered the procurement of balance deficit power through Medium/Long term sources.*

..."

Further, in Para 5.5 (Power Purchase Cost) of the Tariff Order dated 11.04.2025, the Commission issued the following direction to the Petitioner:

" ...

*The Commission, further, directs the Petitioner to seek prior approval of the Commission, in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for the respective quarter worked out on pro-rata basis from the total approved quantum and cost for FY 2025-26 as indicated in the Table below, failing which, the Commission may disallow power purchases so made while Truing up the ARR for FY 2025-26.*

..."

- 1.4 The Petitioner further submitted that the sub-regulation (2) of the Regulation 75 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 states that:

*"2. Where there has been a shortfall or failure in the supply of electricity from any approved source*

*of supply during the financial year, the Distribution Licensee may enter into additional short-term arrangement or agreement for procurement of power (short-term means upto period of one year):*

*Provided that if the total power purchase cost or quantum for any block of six months including such short-term power procurement exceeds 105% of the power purchase cost or quantum as approved by the Commission for the respective block of six months, the Distribution Licensee shall have to obtain prior approval of the Commission."*

- 1.5 The Petitioner submitted that in view of the directions of the Commission to lower the dependence on short term procurement and to meet the demand of the State from medium/long term agreements, the Petitioner has already floated a tender of 500 MW in Medium Term for the period from FY 2025-26 to FY 2028-29. Further from FY 2029-30, a long term tender has been floated for 1320 MW (Installed Capacity), both of which are under process and are expected to be finalized in FY 2025-26.
- 1.6 The Petitioner submitted that the directions given in the Tariff Order regarding 5% capping on quantum and cost of short-term power procurement, may result into complication in balancing demand-supply position of electricity in the State, and, therefore, this Petition for seeking relaxation in the Tariff Order dated 11.04.2025 has been filed before the Commission.
- 1.7 The Petitioner submitted that the above-mentioned directives in the Tariff Order has also led to difficulty in compliance with Rule (10) of the Electricity (Rights of Consumers) Rules, 2020, i.e. the distribution licensee shall supply 24x7 power to all consumers. The Petitioner submitted that, for the firm power, it has around 50% tied up capacity with the Hydro Power, and around 20 % tied-up capacity with Renewables sources, i.e. majorly solar. These sources are variable in terms of output as they depend upon the availability of water, hydrology, solar radiation etc. The Petitioner submitted that with increasing DRE in the State, the demand of the State has taken very dynamic shape w.r.t deviations, for instance, a 100 MW of DRE installation may impact the demand in the range of 20 MW to 80 MW approximately with the change of cloud cover from 0 % to 100%. In view of the variability of these firm sources, additional Power Purchase is very critical when the Quantum of Power from such sources is not adequate to meet the demand. The Petitioner submitted source wise variation observed in FY 2024-25 as summarized in the Table given below:

| Generating Stations      | Estimated in TO<br>for FY 2024-25 | Actual for FY<br>2024-25 | Variation<br>(Actual -Estimated) |
|--------------------------|-----------------------------------|--------------------------|----------------------------------|
|                          | MU                                | MU                       | MU                               |
| <b>UJVN Ltd.</b>         |                                   |                          |                                  |
| UJVN Ltd. (9 LHPs)       | 2888.09                           | 2914.4                   | 26.27                            |
| Maneri Bhali II          | 1279.89                           | 1277.0                   | -2.89                            |
| Small Hydro              | 170.4                             | 225.2                    | 54.75                            |
| <b>Total UJVN Ltd.</b>   | <b>4338.38</b>                    | <b>4416.5</b>            | <b>78.13</b>                     |
| <b>NHPC</b>              |                                   |                          |                                  |
| Salal                    | 38.69                             | 36.7                     | -2.02                            |
| Tanakpur                 | 18.74                             | 11.3                     | -7.44                            |
| Chamera I                | 63.85                             | 68.8                     | 4.91                             |
| Chamera II               | 34.38                             | 24.5                     | -9.89                            |
| Chamera III              | 58.13                             | 54.3                     | -3.82                            |
| Uri                      | 94.42                             | 62.3                     | -32.14                           |
| Dhauliganga              | 74.88                             | 57.7                     | -17.14                           |
| Dulhasti                 | 132.98                            | 122.5                    | -10.53                           |
| Sewa II                  | 31.11                             | 21.8                     | -9.32                            |
| Uri II                   | 65.77                             | 64.8                     | -0.98                            |
| Parbati III              | 30.81                             | 29.1                     | -1.69                            |
| Kishanganga              | 33.88                             | 20.1                     | -13.74                           |
| Free Power-Tanakpur      | 57.8                              | 43.3                     | -14.52                           |
| Free Power-Dhauliganga   | 138.07                            | 127.2                    | -10.89                           |
| <b>Total NHPC</b>        | <b>873.51</b>                     | <b>744.3</b>             | <b>-129.21</b>                   |
| <b>THDC</b>              |                                   |                          |                                  |
| Tehri HEP                | 131.1                             | 121.5                    | -9.64                            |
| Free Power-Tehri HEP     | 369.44                            | 386.3                    | 16.82                            |
| Koteshwar HEP            | 84.3                              | 79.0                     | -5.34                            |
| Free Power-Koteshwar HEP | 139.95                            | 139.7                    | -0.21                            |
| <b>Total THDC</b>        | <b>724.79</b>                     | <b>726.4</b>             | <b>1.62</b>                      |
| <b>NTPC</b>              |                                   |                          |                                  |
| Singrauli STPS           | 713.63                            | 746.4                    | 32.80                            |
| Rihand I                 | 299.39                            | 296.6                    | -2.76                            |
| Rihand II                | 272.62                            | 294.6                    | 21.98                            |
| Rihand III               | 313.13                            | 318.2                    | 5.10                             |
| Unchahar I               | 178.29                            | 99.6                     | -78.65                           |
| Unchahar II              | 84.7                              | 54.2                     | -30.51                           |
| Unchahar III             | 68.59                             | 39.1                     | -29.44                           |
| Anta CCPP                | 11.42                             | 1.8                      | -9.60                            |
| Auraiya CCPP             | 25.23                             | 3.1                      | -22.10                           |
| Dadri CCPP               | 45.29                             | 12.5                     | -32.83                           |
| Dadri (NCTPP)            | 40.53                             | 11.6                     | -28.90                           |
| Jhajjar                  | 86.1                              | 40.4                     | -45.75                           |
| Kahalgauon TPS           | 264.3                             | 163.2                    | -101.09                          |
| Koldam                   | 200.97                            | 212.5                    | 11.49                            |
| Unchahar IV              | 161.98                            | 111.5                    | -50.51                           |
| Tanda II                 | 228.32                            | 184.6                    | -43.70                           |
| Bonagaon                 | 0                                 | 17.8                     | 17.79                            |
| Singrauli SHEP           | 0                                 | 0.4                      | 0.38                             |
| Telangana STPS-1         | 0                                 | 627.5                    | 627.54                           |
| Others NTPC              | 0                                 | 118.6                    | 118.58                           |
| <b>Total NTPC</b>        | <b>2994.49</b>                    | <b>3354.3</b>            | <b>359.82</b>                    |

| Generating Stations                 | Estimated in TO<br>for FY 2024-25 | Actual for FY<br>2024-25 | Variation<br>(Actual -Estimated) |
|-------------------------------------|-----------------------------------|--------------------------|----------------------------------|
|                                     | MU                                | MU                       | MU                               |
| <b>NPCIL</b>                        |                                   |                          |                                  |
| Narora APP                          | 156.02                            | 180.1                    | 24.08                            |
| Rajasthan APP                       | 285.23                            | 182.5                    | -102.68                          |
| <b>Total NPCIL</b>                  | <b>441.25</b>                     | <b>362.6</b>             | <b>-78.60</b>                    |
| <b>SJVNL</b>                        |                                   |                          |                                  |
| Nathpa Jhakri HEP                   | 101.93                            | 68.8                     | -33.10                           |
| Rampur HPS                          | 220.06                            | 219.2                    | -0.90                            |
| <b>Total SJVNL</b>                  | <b>321.99</b>                     | <b>288.0</b>             | <b>-34.00</b>                    |
| Renewables                          | 1203.54                           | 1094.6                   | -108.92                          |
| Free Power-Vishnu<br>Prayag         | 202.51                            | 187.5                    | -15.01                           |
| Sasan UMPP                          | 713.25                            | 700.1                    | -13.11                           |
| Gamma Infra                         | 456.94                            | 213.5                    | -243.40                          |
| Shravanthi Energy                   | 913.89                            | 314.4                    | -599.47                          |
| <b>Total Gas</b>                    | <b>1,370.83</b>                   | <b>528.0</b>             | <b>-842.87</b>                   |
| Meja Power Plant                    | 288.1                             | 255.4                    | -32.70                           |
| Greenko Budhil Hydro                | 225.68                            | 220.1                    | -5.58                            |
| GVK Srinagar                        | 134.16                            | 159.7                    | 25.56                            |
| Vyasi                               | 353                               | 300.7                    | -52.33                           |
| L&T Free Power                      | 56.11                             | 56.2                     | 0.09                             |
| Rajwakti and Debal                  | 4                                 | 34.4                     | 30.37                            |
| SJVN Mauri                          | 31.82                             | 0.0                      | -31.82                           |
| SECI_Solar (100<br>MW)_Vanila       | 142.96                            | 221.6                    | 78.64                            |
| SECI_Solar (100<br>MW)_RTC          | 672.77                            | 386.1                    | -286.64                          |
| Khurja Super thermal<br>power plant | 308.39                            | 31.7                     | -276.71                          |
| SJVN Ltd_Solar (200<br>MW)          | 285.93                            | 0.0                      | -285.93                          |
| <b>Total Firm Sources</b>           | <b>15,687.46</b>                  | <b>14,068.27</b>         | <b>-1619.19</b>                  |

The Petitioner submitted that that total variation of 1619.19 MUs (10.32%) has occurred in energy availability from firm sources when compared with the approved energy estimated in Tariff Order for FY 2024-25. Further, the Central Sector plants also show an availability deviation of 5% to 12 % on an annual basis, and UPCL has no other option but to rely on short term power to handle this type of availability variation situations, which are uncontrollable in nature.

- 1.8 The Petitioner submitted that the State-owned hydro plants have monthly variation in energy availability throughout the year, that requires additional arrangement to meet immediate demand from short term power arrangement avenues. The Petitioner submitted that in FY 2024-25, monthly deviations varied from 0.2% to 26.1% and annual deviation was 9.79% (511.81 Mus) against forecast of energy by UJVNL, and this deviation can only be met

with short term sources.

- 1.9 The Petitioner submitted that State gas based plants, i.e. M/s SEPL and M/s GIPL have long term agreement for power supply with UPCL, however, in view of their high variable charges, the Petitioner often considers the availability of cheaper power in open market (short term) following the provisions of the sub-regulation (3) of the Regulation 75 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 which reads as under:

*“Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost, the Distribution Licensee may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.”*

- 1.10 The Petitioner submitted that the replacement of gas power with cheaper sources also comes under the purview of approved short-term quantum by the Commission in the Tariff Order dated 11.04.2025. The Petitioner further submitted that the Commission in its Tariff Order estimated the total energy available from the firm sources considering upcoming plants, however, it has been observed that there is variation in expected CoD and actual CoD, which also leads to power procurement from additional short-term sources.
- 1.11 The Petitioner submitted that the weather forecast issued by India Meteorological Department (IMD) has variations which can only be met by additional arrangement (short term). The Petitioner submitted that based on the forecast issued by IMD on 31st March 2025 for the period of April 2025 to June 2025, above normal heatwave days were expected in the period of April, May and June 2025, however, in actual, no above normal heatwave days were observed till May 2025. The Petitioner submitted that the demand estimated based on the IMD forecast would have led to an additional burden of power purchase cost, if procured from long or medium-term sources, and this type of variation can be met efficiently by short term purchase.
- 1.12 The Petitioner further submitted that that as directed in the Tariff Order, tendering for Medium Term (500 MW) from FY 2026 to FY 2029, and Long-Term (1320 MW) from FY 2029-30 for a period of 25 years is under process, however, it will take some time in finalization due to pre-requisites of competitive bidding guidelines and procedure of tariff

adoption by the Commission.

- 1.13 The Petitioner submitted that in FY 2024-25, it has procured total 17933 MUs of power, out of which around 3861 MUs of power was procured from all short-term avenues at State periphery, that translates to around 21.5%. The Petitioner further mentioned that in FY 2025-26, it has procured around 225 MUs of power in the month of Apr'25 and around 119 MUs in the month of May'25, (excluding banking, central unallocated quota power from non-contracted plants and unscheduled interchange) as against the annual quantum of 902 MUs approved for short term purchase in the Tariff Order dated 11.04.2025. The Petitioner submitted that it would be very difficult to provide 24X7 supply to the consumers if 5% capping on short term power procurement continues, and, therefore, considering the above, the Petitioner requested the Commission to remove the capping of 5% on short-term power procurement.
- 1.14 The Petitioner while referring to the Sub-Regulation (4) of the Regulation 75 of the MYT Regulations, 2024 stated that in case short-term power purchases carried out to meet supply and demand position of the state reaches its limit of 5% of the total energy availability at State Periphery, as specified in the Tariff Order dated 11.04.2025, the directive given in the Tariff Order may hamper the Petitioner's ability to purchase additional short-term power in order to comply with directives of SLDC in emergency conditions.
- 1.15 The Petitioner submitted that the approved annual average short-term power purchase cost is Rs 4.93 per unit for FY 2025-26, however, considering the variability in power market, at times, to cater the demand of the State, the per unit cost of power purchase may exceed the approved per unit cost. The Petitioner submitted that Regulation 83 of the UERC Tariff Regulations, 2024, specifies provision to recover variation in power purchase cost. Further, the sub-regulation (9) of the UERC Tariff Regulations 2024 specifies limit of 20% of the approved Average Billing Rate for recovery of variation in power purchase cost. The Petitioner requested the Commission to allow variation in annual average per unit Short Term power purchase cost as approved in Tariff Order dated 11.04.2025, up to the extent of 20%, i.e. same as allowed in FPPCA, and intimation of the discovered price to the Commission after procurement of the power.
- 1.16 The Petitioner submitted that, CERC vide its Order dated 28.04.2025 in Petition No.

8/SM/2024 has issued directions related to timelines for Any Day Single Sided (ADSS) / Long Duration Contracts (LDC) Reverse Auction to the Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021, and as per the modified timelines, acceptance window for the auction has been revised to 2 days excluding day of the reverse auction from 28 days. The Petitioner submitted that the modified timelines have led to difficulties in obtaining prior approval from the Commission. Further, Uniform Price Contract (UPC), another Short Term power arrangement avenues, provides acceptance timeline which is restricted to same date as auction date. Hence, the Petitioner gets no time but to either accept or reject the bid on the same date.

- 1.17 The Petitioner further submitted that the DEEP (Portal of Government of India) provides acceptance timeline as 10 days from publication of RPF up to signing of PPA. Further, the banking proposals available in Over the Counter (OTC) platforms generally provide 3-7 working days to avoid opportunity loss to other Utilities.
- 1.18 The Petitioner submitted that the timelines for power procurement finalization in Short-Term are getting stringent day by day. The Petitioner further submitted that as per the Tariff Order dated 11.04.2025, the Petitioner is required to seek prior approval of the Commission in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for FY 2025-26. The Petitioner submitted that majority of tied-up firm sources (Hydro, Solar) available to the Petitioner are variable in terms of output, as they depend upon the availability of water, hydrology, solar radiation etc. In addition to this, the power demand is also variable as it depends on weather conditions, economic activities etc. The Petitioner, accordingly, submitted before the Commission to allow post-facto intimation instead of prior approval.
- 1.19 The Petitioner, in view of the above, requested for the following relief through this instant Petition:
  - i. To remove restriction on power purchase quantum from short term sources, i.e. 5% of the total energy availability at state periphery;
  - ii. To allow variation in annual average per unit Short Term power purchase cost approved in Tariff Order dated 11.04.2025 up to the extent of 20% of annual average

per unit Short Term power purchase cost and intimation of the discovered price to the Commission after procurement of power;

iii. To allow post facto intimation of the short-term purchases in view of stringent timelines of the various contracts like DEEP, LDC, UPC, OTC banking etc.

1.20 The Commission, in order to provide transparency in the proceedings and give all the stakeholders an opportunity to submit their objections/ suggestions/comments on the proposals of the Distribution Licensee, decided to publish the salient points of the proposals in the newspapers. The salient points of the proposal were published by the Commission in the following newspapers:

**Table 1: Publication of Notice**

| S. No. | Newspaper Name    | Date of Publication<br>(Notice related to Petition dated 23.06.2025) |
|--------|-------------------|----------------------------------------------------------------------|
| 1.     | Dainik Jagran     | 05.07.2025                                                           |
| 2.     | Hindustan (Hindi) | 05.07.2025                                                           |

Through the above notice, the stakeholders were requested to submit their objections / suggestions/comments latest by 29.07.2025 on the admissibility of the Petition filed by UPCL (copy of the notice is enclosed as **Annexure-I**). The Commission received total 3 Nos. of objections/ suggestions/comments in writing on the Petition filed by UPCL (List of stakeholders is enclosed as **Annexure-II**). The Commission also held a public hearing in the matter on 31.07.2025 to decide on admissibility of the Petition.

1.21 The issues raised by the Petitioner in the Petition, alongwith the analysis of the Commission are dealt in the subsequent section.

## **2. Stakeholders' Objections/Suggestions, Petitioner's Responses and Commission's Views**

The Commission has received suggestions and objections on UPCL's Petition seeking removal of certain difficulties/relaxation in implementation of the Tariff Order dated 11.04.2025 issued by the Commission.

Since, several issues are common and have been raised by more than one Respondent, all suggestions/responses/comments have been clubbed issue-wise and summarized below.

## **2.1 General**

### **2.1.1 Stakeholder's Comments**

Shri Shakeel A Siddiqui, Advisor, M/s Galwalia Ispat Udyog (P) Limited & M/s Kashi Vishwanath Textile Mill (P) Limited and Shri Pawan Agarwal, President, M/s Kumaun Garhwal Chamber of Commerce and Industry submitted that they oppose the Petition filed by the UPCL, as it has become practice of UPCL every year to bring some representation after passing of Tariff Order by the Commission. They further submitted that the Petition filed by UPCL is in the nature of review of an order, and UPCL has adopted a different route which is not for the purpose used in this Petition.

### **2.1.2 Petitioner's Reply**

In response to the same UPCL, during the public hearing, reiterated the submissions made in the Petition filed by it.

## **2.2 Maintainability**

### **2.2.1 Stakeholder's Comment**

Shri Shakeel A Siddiqui and Shri Pawan Agarwal submitted that the Petition is not maintainable under the provisions "removal of difficulties" as mentioned by UPCL. They submitted that the inherent power of the Commission is subject to the provisions of the Electricity Act, 2003 and rules made thereunder. They further submitted that a "removal of difficulties" provision in law allows the relevant government authority to issue orders to resolve practical problems encountered while implementing a specific act or law. These orders can include clarifications, adaptations, or modifications of the existing provisions to ensure the law's smooth and effective application. Further, the orders can modify or clarify existing provisions, but they cannot contradict the fundamental principles or objectives of the original law.

They further, while referring to the case of State of West Bengal Vs Anindya Sundar Das & Ors, submitted that a government cannot misuse the "removal of difficulty clause" to remove all obstacles in its path which arise due to statutory restrictions. A regulation framed by the Commission may be modified or be clarified but that has to be within the ambit of relevant statute but an order passed by the Commission

does not come under the purview of the said provision mentioned by UCPL, hence, filing a petition for review of order under removal of certain difficulties/relaxation seems unjustified and is liable to be rejected.

### **2.2.2 Petitioner's Reply**

In response to the same UPCL, during the public hearing, reiterated the submissions made in the Petition filed by it.

## **2.3 Removal of 5% capping and allowing annual variance of 20% respectively for quantum and cost of power procured through Short Term sources in FY 2025-26.**

### **2.3.1 Stakeholder's Comment**

Shri Shakeel A Siddiqui and Shri Pawan Agarwal submitted that under the ambit of Regulations and Order passed by the Commission, UPCL may purchase additional short-term power over above the approved levels, subject to fulfilling the requirements laid down in the Regulations/Orders issued by the Commission. The Regulations are very much specific in this regard, and permits UPCL to identify new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost or in emergency conditions effecting its stability, and UPCL may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.

They further submitted that, based on the data regarding the source wise variation in power purchase through various sources in FY 2024-25, if it is assumed that UCPL has drawn total power from Gas sources then there should have been a variation of (-) 776.43 MUs only, as against (-) 1619.19 MUs stated by UPCL, which translates to (-) 4.95%, and is within the permissible limit of 5% as approved by the Commission for short term power procurement from any source without any permission.

They further submitted that, UPCL is wrong in concluding that, "the replacement of gas power with cheaper sources also comes under the purview of approved short-term quantum by the Commission in the Tariff Order dated 11.04.2025". Further, 20% FPPCA rider as per Regulation 83(9) has in no way any co-relation with the power procurement of UPCL, as it is a rider for a respective month so that there is no

shock in tariff on consumers.

They submitted that the Commission has time and again been cautioning UPCL on their over-reliance on the short-term procurements, and on several occasions UPCL is left stranded as power does not get cleared in the exchanges owing to the huge demand in the country, especially during summer and winter months. Moreover, as regards the gas based IPPs, the Commission has approved the Power Purchase Agreements considering the shortage of power in the State and decision of the Government of Uttarakhand and UPCL's proposal in this regard. They submitted that, considering the persistent deficit scenario during the Control Period, the Petitioner should put its sincere efforts to procure the deficit energy primarily through long term/medium term procurement process thereby optimizing the cost of power purchase and reliable power, keeping minimal reliance on short term/exchange procurement. They submitted that the Petition filed by UPCL should be rejected as the issues raised have already been well taken by the Commission in the Tariff Order passed for the Financial Year 2025-26.

### **2.3.2 Petitioner's Reply**

In response to the same, UPCL during the public hearing reiterated the grounds raised in the Petition filed by it and submitted that the same may be allowed to UPCL.

## **3. Petitioner's submission, and Commission's Analysis and Findings**

### **3.1 Powers of the Commission**

3.1.1 Before going into the merits of the Petition filed by UPCL on various issues, the Commission first looks into the powers vested in it for removal of difficulties/relaxation of the implementation of certain provisions of the Orders issued by it.

3.1.2 In this regard, Regulation 59 of the UERC (Conduct of Business) Regulations, 2014 stipulates as under:

#### ***"Inherent power of the Commission***

*(1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.*

*(2) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Central Act or State Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing deems it necessary or expedient for dealing with such a matter or class of matters.*

*(3) Nothing in these Regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Central Act or State Act, for which no Regulations have been framed, and the Commission may deal with such matters or exercise such powers and functions in a manner it thinks fit."*

Further, Regulation 103 and Regulation 104 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024, respectively, stipulates as under:

***"103. Savings***

*(1) Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice.*

*(2) Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters.*

*(3) Nothing in these Regulations shall, expressly or implied, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner, as it considers just and appropriate."*

***"104. Powers to Remove Difficulties***

*If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order give directions, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing difficulties."*

3.1.3 Further, reference is drawn towards the Judgement dt. 11.10.2022 in the case of State Of West Bengal vs Anindya Sundar Das [(2022) SCC OnLine SC 1382], wherein Hon'ble Supreme Court has held as under:

"49. ...

*A government cannot misuse the "removal of difficulty clause" to remove all obstacles in its path which arise due to statutory restrictions. Allowing such actions would be antithetical to the rule of law. Misusing the limited power granted to make minor adaptations and peripheral adjustments in a statute for making its implementation effective, to side-step the provisions of the statute altogether would defeat the purpose of the legislation.*

*50. Accordingly, the High Court in our view was justified in coming to the conclusion that "in the guise of removing the difficulties, the State cannot change the scheme and essential provisions of the Act".*

In view of the above, it can be understood that, in the guise of removing the difficulties, the scheme and essential provisions of the Act and Regulations cannot be changed.

In this regard, it is also relevant to refer to the Judgment dated May 06, 2011 in Appeal No. 170 of 2010, wherein Hon'ble ATE has held as under:

*"55. We fail to be in agreement with Mr. Ramachandran when he says that power to remove difficulties as is ordinarily available in statute enacted by Parliament is not the same power as the power to remove difficulties as is there in a regulation available to the Commission. But Mr. Ramachandran is right when he says that such power is vested in the Commission to remove anomalies and difficulties. To our understanding, the exercise to remove difficulties cannot have different connotation in different statutes or distinguishable between statute and regulation. If we closely read Regulation 57 of the MYT Regulations, 2009 we find that power to remove difficulties which is given to the Commission is basically an administrative power not a legislative power which the Commission may by general or special order do or undertake or direct a generating Company to do or undertake things which the Commission find necessary for the purpose of removing the difficulty. **This power is exercisable only to ensure that the Act is implemented and it is in furtherance of the Act that the power to remove difficulties is conferred. It is only to give effect to the provisions of the regulations that this power is exercised.** It has been rightly argued by Mr. Sanjay Sen, learned Advocate for the Commission **that the power to remove difficulty does not contemplate removal of hardship that may arise as a result of giving effect to the regulation.** The decision in M.U.Sinai Vs Union of India (1975) 2 SCR 640 is pertinent. In this decision it has been held that in order to obviate the necessity of approaching the*

*legislature for removal of every difficulty encountered in the enforcement of statute, the legislature some times thinks it expedient to invest the executive with a very limited power to make minor adaptations and peripheral adjustments in the statute for making its implementation effective without touching its substance.*

*It has been observed that :*

*“The existence or arising of a difficulty is the sine qua non for the exercise of power. If this condition precedent is not satisfied as an objective fact, the power under this clause cannot be invoked at all. **Again, the “difficulty” contemplated by the clause must be a difficulty arising in giving effect to the provisions of the Act and not a difficulty arising aliunde, or an extraneous difficulty.** Further, the Central Government can exercise the power under the clause only to the extent it is necessary for applying or giving effect to the Act etc., and no further. It may slightly tinker with the Act to round off angularities, and smoothen the joints or remove minor obscurities to make it workable, but it cannot change, disfigure or do violence to the basic structure and primary features of the Act. In no case, can it, under the guise of removing a difficulty change the scheme and essential provisions of the Act ”.*

***(Emphasis added)***

In view of the above, it can be understood that, the power to remove difficulty is exercisable only to give effect to the provisions of the Regulations. Further, the difficulty contemplated by the clause must be a difficulty arising in giving effect to the provisions of the Act and not a difficulty arising aliunde, or an extraneous difficulty.

3.1.4 In this regard, it would also be relevant to refer to one of the functions of the State Commission conferred under Section 86(1)(b) of the Electricity Act, 2003 which reads as under:

*“(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;”*

Further, to regulate the power procurement process of the distribution licensee, enabling provisions have been made in the Regulations which in accordance with the judicial pronouncements the power to relax is not absolute, but is to be exercised within certain limitation and purposes of the Act.

3.1.5 In light of above provisions of the Act and the Regulations and the legal pronouncement, the application filed by UPCL has been examined by the Commission. The issue wise submission of the Petitioner, along with Commission's analysis and decision are discussed in the subsequent paras of this Order.

**3.2 To remove restriction on power purchase quantum from short term sources, i.e., 5% of the total energy availability at state periphery.**

3.2.1 The Petitioner, as previously discussed, submitted that the variability of firm tied up capacity which comprises of almost 50% Hydro and 20% Renewables sources (majorly solar) leads to the variation in the actual energy available from various generators when compared to approved energy availability in the Tariff Order, and so, the requirement of additional power purchase in such a scenario is very critical when the quantum of power from such sources is not adequate to meet the demand. Further, energy generation from State-owned hydro plants which is a major contributor in meeting the energy demand has monthly variation in energy availability throughout the year, which requires additional arrangement, to meet immediate demand, from short term power arrangement avenues.

3.2.2 The Petitioner submitted that replacement of gas power with cheaper sources, in view of their high variable charges, under the provision of the sub-regulation (3) of the Regulation 75 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 also comes under the purview of short-term quantum as approved by the Commission in the Tariff Order dated 11.04.2025. Further, variation in expected CoD and actual CoD, of the upcoming plants considered by the Commission, also leads to power procurement from additional short-term sources.

3.2.3 The Petitioner submitted that in case short-term power purchases carried out to meet supply and demand position of the State reaches its limit of 5% of the total energy availability at the State Periphery, as specified in the Tariff Order dated 11.04.2025, the directive issued by the Commission may hamper the Petitioner's ability to purchase additional short-term power in order to comply with directives of SLDC in emergency conditions.

3.2.4 The Petitioner in the relief sought through this Petition requested the Commission to remove restriction on power purchase quantum from short term sources, i.e. 5% of the

total energy availability at State periphery, stating that the stringent directions of the Commission as given in the Tariff Order (regarding 5% capping on quantum and cost of Short Term Power) may result into complication in balancing demand-supply position of electricity in the State.

3.2.5 In this regard, the Commission at para 3.6.16 of the Tariff Order dated 11.04.2025 has held as under:

*“In view of persistent deficit scenario during the Control Period, the Petitioner should put its sincere efforts to procure the deficit energy primarily through long term/medium term procurement process thereby optimizing the cost of power purchase and reliable power, keeping minimal reliance on short term/exchange procurement. The Commission has, therefore, restricted the purchase of power from short term sources to 5% of the total energy availability at State Periphery, in line with the provisions of the MYT Regulations, and considered the procurement of balance deficit power through Medium/Long term sources. The Commission, accordingly, directs the Petitioner to prepare its power procurement in line with the above approach and submit the same to the Commission within one month from the date of this Order.”*

3.2.6 As evident from the aforementioned excerpt of the Tariff Order, the Commission, with the objective of optimising the cost of power procurement and ensuring reliable power supply while minimising reliance on short-term or exchange procurement, directed UPCL to restrict the purchase of power from short-term sources to 5% of the total energy availability at the State Periphery. The primary intention of this directive was to encourage UPCL to concentrate on its own firm-tied-up sources and maximise the efficient utilisation of those assets, thereby ensuring reliability and efficient operations. Consequently, instead of dedicating a significant portion of its time to managing power through short-term sources, UPCL will gain the opportunity to allocate time to other improvement measures, provided that reliance on firm-tied-up sources exceeds the need to meet immediate day-to-day demands through short-term sources.

3.2.7 The directive issued by the Commission to restrict the procurement of power quantum to 5% through short-term sources was intended to address the projected deficit in the financial year 2025-26. However, the provisions of the MYT Regulations explicitly address the situation of an energy shortage through a specific source, the replacement of expensive power with economic power, or to address unforeseen circumstances. In this regard,

Regulation 75 of the MYT Regulations, 2024 states as follows::

*“75. Additional Short-term power procurement*

(1) *The Distribution Licensee can undertake additional short-term power procurement during the year, over and above the power procurement plan for the Control Period approved by the Commission, in accordance with this Regulation.*

(2) *Where there has been a shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the Distribution Licensee may enter into additional short-term arrangement or agreement for procurement of power (short-term means upto period of one year):*

*Provided that if the total power purchase cost or quantum for any block of six months including such short-term power procurement exceeds 105% of the power purchase cost or quantum as approved by the Commission for the respective block of six months, the Distribution Licensee shall have to obtain prior approval of the Commission;*

(3) *Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost, the Distribution Licensee may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission.*

(4) *The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure.*

(5) *Within fifteen (15) days from the date of entering into an agreement or arrangement for short-term power procurement for which prior approval is not required, the Distribution Licensee shall provide the Commission, full details of such agreement or arrangement, including quantum, tariff calculations, duration, supplier details, method for supplier selection and such other details as the Commission may require with regard to such agreement/arrangement to assess that the conditions specified in this Regulation have been complied with:*

*Provided that where the Commission has reasonable grounds to believe that the arrangement or agreement entered into by the Distribution Licensee does not meet the criteria specified in sub-Regulation (2) to sub-Regulation (4) above, the Commission may disallow any increase in the total cost of power procurement (net of additional revenue) over the approved level arising*

*therefrom or any loss incurred by the Distribution Licensee as a result, from being passed through to consumers.*

- (6) *Subject to the cases specified in sub-Regulation (2) to sub-Regulation (4) above, where the Distribution Licensee enters into any agreement or arrangement for short-term power procurement without the approval of the Commission, any increase in the total cost of power procurement (net of additional revenue) over the approved level arising therefrom shall be deemed to be a variation in performance attributable entirely to controllable factors."*

3.2.8 As evident from the aforementioned excerpt of the MYT Regulations, 2024, the Regulation addresses the specific challenges faced by distribution utilities in their daily operations to meet the power demands of consumers and also as presented in the Petition by the Petitioner.

The provisions of the Regulations allows entering into a short-term power procurement agreement or arrangement:

- i. in case of shortfall or failure in the supply of electricity from any approved source;
- ii. where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost;
- iii. when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure.

3.2.9 The provisions of the Regulations adequately addresses the scenarios projected by UPCL, wherein the short-term procurement may surpass the levels approved by the Commission. Further, UPCL has failed to show that the existing provisions in the Regulations are not sufficient.

It is relevant to refer to the heading of Regulation 75 of the MYT Regulations, 2024, it states "Additional Short-term power procurement," which implies short-term procurement beyond what has been approved by the Commission. However, this additional short-term procurement is subject to specific conditions and situations outlined in the Regulation itself. Compliance with these conditions and the requirement for seeking approval from the Commission are imperative to ensure the equitable balance between consumer rights and utility interests through regulatory intervention.

3.2.10 The Regulations, while permitting the Petitioner to procure additional short-term power to meet its requirements in various circumstances, also imposes the burden of adopting a cautious and calculated approach by the utility in compliance with the stipulations of the Regulations'. Failure to do so will result in the utility bearing the burden of inefficiencies, rather than allowing them to be passed on to the consumers.

It is important to note that the intention of the Commission was never to discourage utilities from adopting efficient practices to optimise their costs and resources. However, an unwarranted freedom to satisfy its adventurism can never be granted under a regulatory regime.

3.2.11 The Commission analysed the data pertaining to the voluntary surrender of costly power by UPCL, presented to the Commission separately, in distinct time blocks to be replaced with more economical power through exchange.

In the case of Singrauli Power Station, the Commission observed that during the non-solar hours, on limited occasions, UPCL ended up surrendering the inexpensive power from the power station, specifically Rs. 1.73/kWh, to be replaced with more expensive power reaching up to Rs. 10/kWh. For instance, the data related to a particular day on 23.05.2025 is summarised in the Table provided below:

| Date     | Time Block | Singrauli (Power surrender) |         | DAM Purchase |         |
|----------|------------|-----------------------------|---------|--------------|---------|
|          |            | MW                          | Rs. kWh | MW           | Rs. kWh |
| 23/05/25 | 77         | 26.96                       | 1.73    | 52.00        | 4.44    |
| 23/05/25 | 78         | 26.96                       | 1.73    | 183.00       | 4.64    |
| 23/05/25 | 79         | 26.96                       | 1.73    | 211.00       | 4.75    |
| 23/05/25 | 80         | 26.96                       | 1.73    | 329.00       | 5.05    |
| 23/05/25 | 81         | 26.96                       | 1.73    | 180.00       | 5.50    |
| 23/05/25 | 82         | 26.96                       | 1.73    | 188.00       | 5.50    |
| 23/05/25 | 83         | 26.96                       | 1.73    | 249.00       | 6.00    |
| 23/05/25 | 84         | 26.96                       | 1.73    | 248.00       | 6.00    |
| 23/05/25 | 85         | 26.96                       | 1.73    | 245.00       | 6.00    |
| 23/05/25 | 86         | 26.96                       | 1.73    | 210.00       | 6.00    |
| 23/05/25 | 87         | 26.96                       | 1.73    | 212.00       | 6.00    |
| 23/05/25 | 88         | 26.96                       | 1.73    | 211.00       | 7.00    |
| 23/05/25 | 89         | 26.96                       | 1.73    | 226.00       | 8.00    |
| 23/05/25 | 90         | 26.96                       | 1.73    | 195.07       | 10.00   |
| 23/05/25 | 91         | 26.96                       | 1.73    | 186.13       | 10.00   |
| 23/05/25 | 92         | 26.96                       | 1.73    | 169.67       | 10.00   |
| 23/05/25 | 93         | 26.96                       | 1.73    | 179.43       | 10.00   |
| 23/05/25 | 94         | 26.96                       | 1.73    | 173.12       | 10.00   |
| 23/05/25 | 95         | 26.96                       | 1.73    | 205.14       | 10.00   |
| 23/05/25 | 96         | 26.96                       | 1.73    | 271.68       | 10.00   |

A similar observation was made by the Commission regarding other stations and different time blocks. The Commission is unable to ascertain the prudent practice the Petitioner is employing in managing its power requirements, as it appears that the Petitioner is surrendering the more economical power in favour of the more expensive power, contrary to the intent of the Regulations.

3.2.12 The Commission advises UPCL to exercise utmost care and diligence in exercising its rights under the Regulations established by the Commission. Failure to do so will result in the Commission not allowing the burden of such imprudence to be borne by the consumers of the State. Consequently, the utility will be required to assume the same liability from its own resources.

3.2.13 Furthermore, during the financial year 2025-26, the Petitioner repeatedly approached the Commission seeking approval for the procurement of power through short-term sources from April to September at rates exceeding those approved by the Commission. However, after conducting thorough due diligence and exercising utmost caution to prevent unwarranted costs from being passed on to consumers, the Commission rejected most of UPCL's requests. These requests were deemed unmanageable given the prevailing demand and supply scenario for power in the State. However, The Commission's decision undoubtedly saved UPCL significant costs, as the exceptionally high demand projected by the Petitioner during the first quarter of FY 2025-26 did not materialise. The Petitioner itself acknowledged this issue, stating that the IMD forecasted above-normal heatwave days for the period of April 2025 to June 2025. However, actual observations indicated zero above-normal heatwave days until May 2025. If the Commission had granted UPCL's request for short-term power procurement, the utility would have faced a surplus of costly power that they would have been unable to dispose of at the rate of procurement.

3.2.14 Furthermore, the Petitioner's concerns regarding the variability of tied-up sources of power, while potentially valid, are not novel to the utility. UPCL has been relying on these sources for power generation for over two decades, and the inherent variability of hydro and solar power is a known fact. Moreover, the state's demand pattern is also subject to variability due to its geographical location.

Therefore, UPCL has not encountered these challenges for the first time. Given its

extensive experience and operational history, the utility has likely developed innovative strategies to manage these variations.

Additionally, it is always open to UPCL to communicate with generators in the event of repeated unprecedented variations in generation profiles, as the Petitioner has suggested for the State Hydro plants of UJVN Ltd. By collaborating with generators, UPCL can potentially optimise the utilisation of these plants or explore alternative solutions.

3.2.15 The Commission is of the opinion that the request of UPCL to relax the limit of 5% for procurement of power through the short-term sources, lacks merit as the nature of difficulties that have been alleged in the Petition are taken sufficient care by the Regulations, but the Regulations also provides UPCL with sufficient flexibility to secure additional short-term power in various circumstances, subject to the compliance of the Regulations and directives issued by the Commission.

**3.3 To allow variation in annual average per unit Short Term power purchase cost approved in Tariff Order dated 11.04.2025 up to the extent of 20% of annual average per unit Short Term power purchase cost and intimation of the discovered price to the Commission after procurement of power.**

3.3.1 The Petitioner, as previously discussed, submitted that the Commission has approved the annual average short-term power purchase cost as Rs 4.93 per unit for the financial year 2025-26. The Petitioner argued that the power market is dynamic and influenced by supply and demand scenarios at the national level. Consequently, at times, to meet the demand of the State, the per unit cost of power purchase may exceed the approved per unit cost.

The Petitioner requested that the Commission may allow variation in the annual average per unit short-term power purchase cost approved in the Tariff Order dated 11.04.2025 up to the extent of 20% of the approved annual average per unit short-term power purchase cost. This variation would be consistent with the allowance provided in the FPPCA. The Petitioner also requested that the Commission be informed of the discovered price after the procurement of power.

3.3.2 In this regard, the Commission at para 5.5 of the Tariff Order has held as under:

*“The Commission, further, directs the Petitioner to seek prior approval of the Commission, in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for the respective quarter worked out on pro-rata basis from the total approved quantum and cost for FY 2025-26 as indicated in the Table below, failing which, the Commission may disallow power purchases so made while Truing up the ARR for FY 2025-26.”*

3.3.3 The Commission has consistently mandated quarterly approval of power purchase costs and quantities exceeding approved levels for several years. The Petitioner has never challenged this directive.

This directive is in place to facilitate periodic reviews of the Petitioner’s power purchase progress against approved levels, enabling timely corrective actions in the event of any undue variations. Additionally, the periodic review serves as a proactive measure for the utility, allowing it to take corrective actions promptly.

The utility is fully cognizant of the Commission’s intent in this regard and understands that non-compliance with the directive may result in the disallowance of power purchases. The Petitioner’s submission seeks to circumvent the regulatory intervention by seeking to allow variation in the annual average per unit short-term power purchase cost approved in the Tariff Order dated 11.04.2025 up to the extent of 20% of the approved annual average per unit short-term power purchase cost, which is not feasible within a regulatory framework.

3.3.4 The Petitioner’s submission regarding the potential for the per unit cost of power purchase to exceed the approved rate due to occasional fluctuations in demand is valid. The Commission would like to clarify that the rate approved for short-term power procurement of Rs. 4.93/kWh for FY 2025-26 is on an average annual basis provided such short term purchase is approved by the Commission.

3.3.5 Moreover, establishing the relation of limit of 5% w.r.t the power procurement, with the 20% as provided in the FPPCA provisions is devoid of any logic. The limit of 20% as given in the FPPCA provisions is to ensure that the FPPCA charge for any category shall not exceed 20% of the base Average Billing Rate as approved in the Tariff Order for the respective category of the consumer, whereas, as per the direction issued in the Tariff

Order, the limit of 5% for seeking prior approval for quarterly variation in power purchase quantum and cost, is aimed towards controlling the costs. Both the provisions serves distinct purposes and do not merit co relation with each other. Furthermore, as regards the request of UPCL regarding intimation of the discovered price to the Commission after procurement of power, the same cannot be allowed as relaxing the same will make the entire regulatory process futile, as there is no point in applying prudence to the already settled arrangement for procurement of power between the seller and the buyer. Consequently, such procurement may also be disallowed by the Commission in case rates are found on a higher side.

3.3.6 The short term procurement of power requires proper planning and due diligence of the prevalent market rates and if advance planning is carried out, the Petitioner will be in a better position to take decision on the power procurement through short term. Further, adequate time will also be available with the discom to seek prior approval of the Commission. Blanket approval cannot be allowed to any utility in the regulatory framework. The concern of the discom is addressed under Regulation 75 in case of emergency situations where hydro generation is shut down in monsoon periods. However, such emergency situations are periodic and not recurring.

**3.4 To allow post facto intimation of the short-term purchases in view of stringent timelines of the various contracts like DEEP, LDC, UPC, OTC banking etc.**

3.4.1 The Petitioner, as previously discussed, submitted that the Central Electricity Regulatory Commission vide its Order dated 28.04.2025 in Petition No. 8/SM/2024 has issued directions related to timelines for Any Day Single Sided (ADSS) / Long Duration Contracts (LDC) Reverse Auction to the Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021, and as per the modified timelines, acceptance window for the auction has been revised to 2 days excluding day of the reverse auction from 28 days.

3.4.2 In this regard, the Commission would like to clarify that the regulatory process adheres to a well-defined set of procedures and rules, which are essential for ensuring fair practices and maintaining transparency throughout the proceedings. The Petitioner raised the issue of a stringent timeline before the Commission for the first time through this Petition,

however, as submitted by the Petitioner, the timelines were revised by the Central Electricity Regulatory Commission (CERC) in April 2025.

Since April 2025, the Petitioner has approached the Commission on several occasions seeking approval for the short-term procurement of power. However, it has not raised any concerns about the timelines being revised in the matter. This suggests that the Petitioner has already identified potential solutions to address this issue.

3.4.3 In order to ascertain where the proper remedy would be, it is imperative to ascertain the source of the Petitioner's difficulties, are they stemming from the regulatory process implemented by the State Commission or the stringent timelines set by the Central Electricity Regulatory Commission (CERC)?

Upon careful examination, it becomes evident that the stringent timelines are the primary cause of the Petitioner's predicament. Consequently, instead of seeking recourse to the appropriate authority to request a reconsideration of the timelines, the Petitioner has resorted to make a representation before the Commission in the hope of obtaining relaxation.

However, the Commission appears to be at a loss as to the grounds upon which this request should even be entertained. The primary ground and justification forwarded in the Petition by UPCL are dealt specifically under Regulations 75 of the MYT Regulations, 2024, and there is no reason for filing the Petition. As discussed above, in case the planning is effective in UPCL, the Petitioner can always submit the case for approval of the Commission demonstrating the need for such procurement and reasonableness of the costs mentioning the timeline by which it has to submit its acceptance, there is no justification to grant such a blanket protection which infact would be detrimental as it takes away the timely intervention against unlawful exercise of discretion by UPCL.

3.4.4 It is to be noted that power purchase cost accounts for almost 85% of the total cost of the Petitioner and hence, such costs cannot be considered casually as it has a huge impact not only on the discom but also on the consumers. Hence, since the concern raised by the Petitioner are covered under the Regulations and also would be against the spirit of the Act, hence, the Commission does not find any ground to exercise its power to remove

difficulty as proposed by the Petitioner.

3.4.5 Accordingly, in view of the above, as UPCL has failed to fulfil any grounds for seeking the reliefs sought by it, therefore, UPCL is not entitled to the relief claimed.

3.5 The Commission, in view of the above, rejects the Petition filed by UPCL, and accordingly, Miscellaneous Application No. 63 of 2025 stands disposed off.

3.6 Ordered Accordingly.

**(Anurag Sharma)**  
**Member (Law)**

**(M.L. Prasad)**  
**Chairman**

Public Notice



**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

Vidyut Niyamak Bhawan, Near ISBT, PO- Majra, Dehradun-248171

PH. 0135-2641115 Website [www.uerc.gov.in](http://www.uerc.gov.in) E-mail- [secy.uerc@gov.in](mailto:secy.uerc@gov.in)

**Notice for Public Hearing**

**Public Hearing in the matter of Petition filed by Uttarakhand Power Corporation Ltd. (UPCL) seeking removal of certain difficulties/ relaxation in implementation of Tariff Order dated 11.04.2025, with respect to power procurement.**

**Salient Points of the Petition**

1. Uttarakhand Power Corporation Limited (UPCL), the sole Distribution and Retail Supply Licensee in the State, has filed a Petition before Uttarakhand Electricity Regulatory Commission (UERC or Commission) seeking removal of certain difficulties/relaxation in implementation of Tariff Order dated 11.04.2025 passed by the Hon'ble Commission in exercise of its power under Section 64(1) Read with Section 61 And 62 of The Electricity Act, 2003, with respect to power procurement, read with UERC (Terms and Conditions for determination of Multi Year Tariff) Regulations, 2024.
2. Through the above Petition, UPCL has sought following relief:
  - i. To allow variation in annual average per unit Short Term power purchase cost approved in Tariff order dated 11.04.2025 up to the extent of 20% of annual average per unit Short Term power purchase cost and intimation of the discovered price to the Commission after procurement of power;
  - ii. To allow post facto intimation of the short-term purchases in view of stringent timelines of the various contracts like DEEP, LDC, UPC, OTC banking etc.
3. Responses/suggestions, if any, are sought from consumers and other stakeholders to decide on admissibility of the Petition. Responses may be sent to the Secretary, Uttarakhand Electricity Regulatory Commission, either in person, or by post at 'Vidyut Niyamak Bhawan', Near ISBT, PO- Majra, Dehradun-248171 or through **e-mail to [secy.uerc@gov.in](mailto:secy.uerc@gov.in) by 29.07.2025.**
4. The Commission has also decided to hold a Public Hearing in the matter on **31.07.2025 at 11:30 AM** in the Commission's office on the above mentioned address. Any person, who wishes to putforth their views on the subject before the Commission, is invited to appear before the Commission and make the submission in the above public hearing.
5. Detailed Petition can be seen free of cost on any working day at the Commission's office or at the offices of General Manager (Regulatory Management) at Victoria Cross Vijeta Gabar Singh Bhawan, Kanwali Road, Dehradun/General Manager (Distribution), Garhwal Zone, UPCL, 120-Haridwar Road, Dehradun/General Manager (Distribution), Kumaon Zone, UPCL, 132-KV Substation, Kathgodam, Haldwani. Relevant extracts can also be obtained from the above mentioned offices of the Petitioner.
6. The Petition is also available at the website of the Commission ([www.uerc.gov.in](http://www.uerc.gov.in)) and at the Petitioner's website ([www.upcl.org](http://www.upcl.org)).

**Advt.no. 03/2025-26**

**Secretary**

**List of Stakeholders**

| <b>Sr. No.</b> | <b>Name</b>             | <b>Designation</b> | <b>Organisation</b>                                           | <b>Address</b>                                                                    |
|----------------|-------------------------|--------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 1.             | Sh. Shakeel A. Siddiqui | Industrial Advisor | M/s Kashi Vishwanath Textile Mill (P) Ltd.                    | 5th KM, Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagar           |
| 2.             | Sh. Shakeel A. Siddiqui | Industrial Advisor | M/s Galwalia Ispat Udyog Ltd.                                 | 5th KM, Stone, Ramnagar Road, Kashipur-244713, Distt. Udham Singh Nagar           |
| 3.             | Sh. Pawan Agarwal       | President          | M/s Kumaon Garhwal Chamber of Commerce & Industry Uttarakhand | Chamber House, Industrial Estate, Bazpur Road, Kashipur, Distt. Udham Singh Nagar |