Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 70 of 2025 (Suo-Motu)

In the matter of:

Suo-motu proceedings in the matter of in-principle approval sought by Uttarakhand Power Corporation Limited for procurement of 500 MW Round the Clock power against Medium Term tender invited by it.

In the matter of:

Uttarakhand Power Corporation Ltd … Respondent

CORAM

Shri M.L. Prasad	**Chairman**
Shri Anurag Sharma	**Member (Law)**
Shri Prabhat Kishor Dimri	**Member (Technical)**

Date of Order: November 06, 2025

The Order relates to the Suo-motu proceedings initiated by the Commission in the matter of in-principle approval sought by Uttarakhand Power Corporation Limited (hereinafter referred to as "UPCL" or "the Respondent") for procurement of 500 MW Round the Clock (RTC) power against Medium Term tender invited by it.

1. Background and submissions

1.1 The Commission vide its Order dated 15.05.2025 in the matter of application filed by UPCL seeking approval of the Commission for deviation/modification and/or clarification in specific clauses of the bidding documents (RFQ, RFP, and APP) issued for procurement of 500 MW RTC coal-based power under Medium-Term procurement held as under:

> *"The Commission would like to clarify that this Order is only limited to the extent of approval for modification/deviation sought by UPCL in the APP, RFQ and RFP documents and should not be construed, in any way, to be approval for quantum of power projection made by UPCL w.r.t demand and availability and subsequent requirement in upcoming period. As there can be various factors that*

might come into play due to the intervening time, and all such possibilities and effect needs to be considered, as far as possible for the purpose, therefore, the Commission deems it necessary to direct UPCL to justify to the satisfaction of the Commission, the requirement of power projected by it vis-à-vis quantum proposed to be procured through the aforesaid tender, before proceeding with the finalization of the tender process."

1.2 UPCL through various submissions and presentation made before the Commission provided information/justification in support of its proposal for procurement of power through Medium Term tender for analysis and perusal of the Commission post issuance of the aforesaid Order.

1.3 Subsequently, UPCL vide its letter dated 01.09.2025 sought in principle approval for procurement of 500 MW Round the Clock (RTC) power against Medium Term tender invited by it and submitted therein the following:

i. That the Commission in the Tariff Order dated 11.04.2025, at Para 3.6.16, 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.

ii. That in a meeting held on 16.01.2025 chaired by Secretary Energy, GoU, wherein MD UPCL, MD UJVNL, Director (Project) UJVNL, and Director (Project) UPCL were present, it was discussed that the proposed joint venture of THDC India Ltd. and UJVN Ltd. to commission the 1181 MW Thermal Based Power Plant, to meet the demand of the State, will not be in a position to be completed, and, therefore, it was decided to float a fresh tender for the quantum of 1320 MW under State Coal Allocation, Shakti-B through Tariff Based Competitive Bidding (TBCB mode) to meet out the long term needs of base load requirements of the State, scheduling of power from the same may start from the year 2029-30. UPCL submitted that it was also suggested in the meeting that the gap to meet the shortage in power requirement from FY 2024-25 to FY 2029-30 can be procured under Medium Term tender.

iii. That their consultant, appointed for day-to-day planning of power, suggested UPCL to procure 500 MW RTC Coal Based thermal power, and, accordingly, in compliance of the order of the Committee, as above, and in accordance with the directions given by the

Commission, tender for procurement of 500 MW RTC power under medium term arrangement was invited by UPCL against tender specification No. 22/CE (COMM)/UPCL-22/MTPP/2025 and the same was uploaded on MSTC website (Through "DEEP" Portal).

iv. That after technical evaluation of RfQ & RfP documents, the IPO of the medium term tender was opened and e-RA was also conducted on 30.07.2025 in which the quantum of power & rates received are as summarized in the Table given below:

Sl. No.	Bidder Ref No	Cost of Generation (Rs per KWH)	Cost of transmission charges (Rs per KWH)	Cost of transmission losses (Rs per KWH)	Bid Quantity (MW)	Total Rate of CTU Periphery Rs./kWh	Source of power
1.	Jindal Power Limited/363805	2.925	0	0	150	5.85	Jindal Power Limited Stg-2, OP Jindal Super Thermal Power Station U 3& 4
2.	POWERPULSE TRADING SOLUTIONS LIMITED/552770	2.925	0	0	350	5.85	Adani Power Limited Raigarh Thermal Power Plant
3.	MB Power Madhya Pradesh Ltd/74236	2.995	0	0	100	5.99	Anuppur Thermal Power Plant of MB Power (Madhya Pradesh) Limited, Madhya Pradesh

UPCL submitted that after bucket filling procedure, the following bidders were finalized along with the quantum and rates as summarized in the Table given below:

Sl. No.	Bidders	Quantum (MW)	Rate (Rs./kWh) at CTU periphery	Rate (Rs./unit) at State periphery after considering 3.5% transmission losses)*
1.	Jindal Power Limited	150	5.85	6.06
2.	POWERPULSE TRADING SOLUTIONS LIMITED	350	5.85	6.06

*(*Transmission charge is not included in this rate if power scheduled in the existing GNA and approximate 55 paise will be added if power is scheduled under TGNA).*

v. That the energy rates approved by the Commission in the Tariff Order for FY 2025-26 of UPCL for purchase of power under medium term arrangement is Rs. 5.30/kWh at State periphery, and requested the Commission to grant in-principle approval for procurement of 500 MW RTC power at the above discovered price on DEEP Portal for the period of 4 years (with extension of one year if needed) against Medium Term Tender invited by UPCL.

1.4 As the justification submitted by UPCL vide letter dated 01.09.2025 in compliance to the Order dated 15.05.2025 of the Commission, was very cryptic and missed essential details, therefore, in order to provide an opportunity to UPCL to justify their proposal and to supply

the deficit information a meeting with the officials of UPCL was convened on 15.09.2025, wherein UPCL made a presentation regarding the projected power surplus/deficit scenario for the upcoming period from FY 2025-26 (Nov-25 onwards) to FY 2029-30 and demonstrated the year wise surplus/deficit scenario after considering availability of power through proposed Medium Term tender at 90% CUF and banking of surplus power, which is summarized in the Table given below:

Quantum (MW)

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY 2025-26	-	-	-	-	-	-	-	151	171	104	109	177
FY 2026-27	114	76	36	66	65	67	239	286	185	65	79	133
FY 2027-28	121	161	132	77	98	97	220	209	193	107	101	233
FY 2028-29	72	93	35	39	65	18	37	176	36	35	27	45
FY 2029-30*	24	26	22	16	48	52	54	52	28	8	65	23

** In FY 2029-30, availability through long term considered as 539 MW from Apr-Nov, and 1078 MW from Dec-March, and availability through medium term considered till Nov.*

In order to arrive at the deficit/surplus scenario, as shown in the Table above, UPCL has considered banking of power in certain months and projected the quantum of energy to be banked for the purpose of managing the surplus/deficit of power, the projections of banking by UPCL are summarized in the Table below:

Quantum (MW)

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY 2025-26	-	-	-	-	-	-	-	0	175	275	117	-125
FY 2026-27	100	100	150	-275	-350	-375	-300	-175	200	275	150	0
FY 2027-28	0	150	150	-150	-250	-250	-150	0	155	200	150	0
FY 2028-29	375	575	525	-50	-150	-100	0	0	500	550	400	150
FY 2029-30	-150	75	50	-550	-650	-650	-450	0	0	75	-150	-350

1.5 The Commission further, in order to gain clarity and analyse the proposed MTPP proposal, sought certain essential, information from UPCL vide email dated 16.09.2025 and further through email dated 23.09.2025, w.r.t the upcoming generation capacity and variations in consumption and availability pattern of the State, the aspects on which the information was sought from UPCL are stated herein below:

i. Anticipated growth in Solar capacity as per the targets of Uttarakhand Solar Policy and consideration of the same in Surplus/deficit scenario projected by UPCL.

ii. Captive generation plants currently installed and expected to be installed in upcoming period and consideration of the same in Surplus/deficit scenario projected by UPCL.

iii. Quantum of demand currently being met through Open Access by the consumers, and expected trend of the same based on past experience, and consideration of the same in Surplus/deficit scenario projected by UPCL.

iv. Basis of projecting the demand and availability of each month as per the projections made by UPCL.

v. Basis of considering the representative data for making the projections and its variation vis-à-vis monthly average (quantum and %'age).

vi. Projected quantum of energy from BESS from FY 2026-27 onwards, and consideration of the same in Surplus/deficit scenario projected by UPCL

vii. Basis of projecting huge quantum of energy for banking, as banking is usually from Surplus energy and Surplus from medium term procurement is utilised by UPCL for banking. Besides which States does UPCL foresee for banking of power during the months of October and November as per the projections made.

viii. UPCL was required to analyse the proposed banking scenario considering the surplus/ deficit scenario in neighbouring States and provide an analysis as to how it plans to manage the surplus power arising out of MTPP in certain months of the year.

ix. Provide a list of emergency/unforeseen circumstances in the past two years, where it was unable to off take the power. UPCL is required to submit the quantum of variation in power requirement and availability in such circumstances (percentage wise also).

x. Submit as to how it plans to utilize the surplus power through MTPP in emergency situations, if so occurs.

xi. Provide the quantum of power and percentage of the projected demand, which it considers necessary to safely keep as a margin to meet the day to day variation in the demand and availability of the State through short term sources.

xii. Provide a comparison of rate discovered by it for MTPP vis-à-vis rate discovered in other states at State periphery.

xiii. Provide information w.r.t the month wise base load it projects in upcoming years and available firm sources, State, Central & IPPs to meet the same.

xiv. Submit as to how it proposes to meet the day to day variation in the range of around 500-600 MW. UPCL is further required to submit the projected increase in these variation in light of proposed procurement through MTPP in upcoming period.

1.6 In response to the same UPCL vide its letter dated 29.09.2025 submitted its reply on the information sought by the Commission, though UPCL made their submissions on majority of the aspects yet on certain essential aspects they could not furnish their reply, the reply submitted by UPCL is discussed in the following paragraphs.

i. UPCL, w.r.t the anticipated growth in solar capacity, submitted that it is consistently reviewing the State's demand and further contracts/addition in the solar contracts w.r.t. 1100 MW utility scale solar projects shall be taken up as per the demand availability scenario in the State so as to avoid any surplus arrangements especially in the solar hours. UPCL submitted that the power portfolio of Uttarakhand is Renewable Energy (RE) dominant and, hence, faces issues w.r.t. variability of the RE sources. UPCL submitted that the area of concern w.r.t. demand pattern of Uttarakhand, variability of RE sources w.r.t. inter-day/intra-day availability as well as seasonal variability is also evident from the RA (Resource Adequacy) studies done by CEA, and, according to the same, no additional solar engagements are recommended till FY 2027-28, post which only nominal amount of power quantum (100 MW or lesser) solar DREs are recommended to be added each year, and, therefore, UPCL will only consider any further engagement with specific solar power as per the power requirements of the State under utility scale solar. Further, UPCL while referring to the inherent characteristic of Solar installations whose availability depends upon uncontrollable weather parameters like solar irradiance and cloud cover, submitted that these variabilities may only be dealt with merit based RTC power as the same may be surrendered as well as recovered as per requirement of the State.

The Commission reviewed the response submitted by UPCL and noted that UPCL simultaneously asserts that, based on Resource Adequacy studies, no further partnerships for solar energy are recommended until FY 2027-28. Conversely, it indicates that any further engagement with specific solar power will be contingent

upon the power requirements of the State under utility-scale solar projects. Furthermore, UPCL has acknowledged that there may be instances where the need to surrender power will arise after entering into a Medium Term procurement of 500 MW at Rs. 6.61/kWh. Additionally, any further augmentation of solar capacities will exacerbate the surplus or diminish the deficits in solar hours, potentially leading to the situation of surrendering the power, which cannot be in the best interests of the consumers of the State. As informed by UPCL, surrendering Medium Term power would incur a cost of approximately Rs. 3 per unit.

ii. UPCL, w.r.t the captive generation plants installed/expected deployment and consideration in Surplus/Deficit projections, submitted that the captive capacities in industries have gone upto 93.39 MWp, with an addition of about 53.13 MWp in FY 2024-25 and 18.9 MWp in FY 2025-26, and the impact of current installed captive generation has been considered in the baseline year FY 2024-25.

The Commission reviewed the response submitted by UPCL, and observed that the submissions made by UPCL are not in accordance with prudent power procurement planning, they are required to assess and consider the reasonable futuristic projections for the increment of captive generation capacity as the introduction of captive capacities by industries will diminish the demand projected by UPCL. Furthermore, the addition of solar capacities by industries would further reduce the demand in solar hours, thereby impacting the procurement of 500 MW RTC through a Medium Term tender, as proposed by UPCL.

iii. UPCL, w.r.t the demand currently being met through Open Access by the consumers, and expected trend and consideration in Surplus/Deficit projections, submitted that the open access transactions are increasing. In FY 2025-26 (first half), 31 industries have applied for open access and have procured 208 MU, as against 29 industries in FY 2024-25 who procured 213 MU. UPCL submitted that the impact of current pattern of involvement of open access in power portfolio has been considered in the baseline year FY 2024-25.

The Commission reviewed the submission made by UPCL and observed that the submissions made by UPCL are not in accordance with prudent power

procurement planning, they are required to assess and consider the reasonable futuristic projections as an increase in open access transactions would result in a decline in industrial demand, which constitutes the primary contributor to UPCL's sales mix. Such a trend would not be favourable for the utility as lack of prudence in procurement of power can have drastic incremental effect on the tariffs of the consumers which in turn would not only promote the subsidising consumers to place their reliance more upon open access thereby also jeopardising the interest of subsidised consumers. Therefore, the Commission is of the view that UPCL should carry out proper control of its increasing power purchase cost in order to avoid exodus of consumers to open access source of power for meeting their demand.

iv. UPCL, w.r.t the basis for projecting the demand and availability of each month, submitted that the availability based projections are based upon historical availability being provided by different sources of generation. Further, the projections of availability also incorporate the expected upcoming generation based upon the generation profile of their respective sectors on hourly average of the month basis. The representative data of hourly demand has been made considering the hourly average of the month. The base line year considered for the same has been taken as FY 2024-25, and the gross demand has been projected with a growth of 6%.

The Commission examined the submissions made by UPCL and noted that the projected demand growth of 6% is significantly higher than anticipated CAGR for the past 10 years. The Commission analysed the year-on-year true-up sales for the past years, commencing from FY 2013-14 and extending to FY 2023-24 (as per the trued up sales of the respective FY), and calculated the 10-year compound annual growth rate (CAGR), which amounted to 4%. This indicates that the demand has experienced an average annual increase of 4% over the past years. The Commission also determined the year-on-year (Y-o-Y) growth rate and compound annual growth rate (CAGR) of sales for consumer categories over the past decade as summarised in the table below.

Table: Consumer category wise Y-o-Y growth rate in Sales

Consumer Category	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Domestic	4.22%	5.88%	1.64%	6.29%	10.24%	4.64%	8.95%	5.28%	4.32%	12.38%
Non-domestic, incl. Commercial	8.54%	23.69%	14.56%	-12.28%	5.83%	5.14%	3.85%	5.35%	4.73%	7.42%
Govt. Public Utilities	1.66%	1.85%	-0.21%	4.62%	12.12%	4.27%	3.62%	3.76%	13.74%	10.00%
Private Tubewell/Pump Sets*	2.37%	-4.48%	22.35%	15.41%	3.75%	-28.00%	-18.28%	12.75%	6.07%	32.77%
LT & HT Industry	1.42%	2.58%	13.72%	-9.66%	-3.76%	7.91%	5.43%	1.55%	6.48%	5.46%
Mixed Load	2.15%	9.47%	6.87%	-10.85%	3.19%	-1.52%	-0.21%	-4.64%	0.59%	4.31%
Railway Traction	5.22%	64.00%	75.45%	-9.25%	4.19%	0.65%	44.20%	35.81%	-3.67%	33.64%
EV Charging Stations	205.88%	325.00%								
Total	**3.16%**	**5.92%**	**9.66%**	**-4.61%**	**1.71%**	**5.60%**	**5.24%**	**3.18%**	**5.99%**	**8.08%**

**including agriculture allied activities*

Table: Consumer category wise CAGR of Sales

CAGR Years --->	10	9	8	7	6	5	4	3	2	1
Categories	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Domestic	5.69%	5.88%	5.87%	6.60%	6.66%	5.78%	6.16%	4.79%	4.32%	12.38%
Non-domestic, incl. Commercial	6.21%	5.92%	3.60%	1.88%	4.98%	4.76%	4.64%	5.04%	4.73%	7.42%
Govt. Public Utilities	4.96%	5.38%	5.89%	6.94%	7.41%	6.27%	6.94%	8.64%	13.74%	10.00%
Private Tubewell/Pump Sets*	0.09%	-0.19%	0.44%	-2.81%	-6.10%	-8.41%	-0.76%	9.36%	6.07%	32.77%
LT & HT Industry	2.65%	2.80%	2.84%	1.13%	3.43%	5.31%	4.47%	3.99%	6.48%	5.46%
Mixed Load	0.40%	0.18%	-1.08%	-2.35%	-0.55%	-1.46%	-1.45%	-2.06%	0.59%	4.31%
Railway Traction	20.69%	22.78%	17.81%	10.24%	14.62%	17.38%	23.56%	14.37%	-3.67%	33.64%
Total	**3.92%**	**4.01%**	**3.74%**	**2.79%**	**4.33%**	**5.00%**	**4.80%**	**4.58%**	**5.99%**	**8.08%**

**including agriculture allied activities*

The power consumption mix of Uttarakhand (based on trued-up sales for FY 2023-24) comprises 50% industrial, 27% domestic, 14% non-domestic, 5% government public utilities and the remainder from other categories. As shown in the Table above, the industrial sector, which is the largest contributor to UPCL's power sales accounting for nearly 50% of total sales, has grown at an average rate of approximately 2.93% over the past decade. Furthermore, there has been no significant year-on-year growth in this consumer category except in a few years representing the pre and post-Covid periods.

Furthermore, UPCL has not incorporated the impact of loss reduction trajectory approved by the Commission of approximately 1% due to increased sales in its projections. This reduction would ultimately diminish the utility's requirement for additional power purchases. Additionally, as observed during the review meetings held for the Divisions of Roorkee and Udham Singh Nagar, the overall sales have declined post-installation of smart meters under the RDSS Scheme. Furthermore, the reduction in sales is the matter of study and evaluation and the same can be also due to an increase in captive loads and the growing reliance of industries on securing power through open access. These factors collectively have the potential to reduce the demand for UPCL and, consequently, the power purchase requirement.

v. UPCL, w.r.t the projected quantum of energy from Battery Energy Storage System (BESS) from FY 2026-27 onwards, and consideration of the same in surplus/deficit scenario, submitted that it has not received the approval of BESS installations in the State till now, and, hence, the same has not been considered in the surplus deficit projections.

The Commission reviewed the submissions submitted by UPCL and noted that the State of Uttarakhand has been allocated a VGF of 500 MWh for the installation of a Battery Energy Storage System (BESS). UJVN Ltd. has independently proposed to install a BESS capacity of 150 MWh and vide their submission dated 29.10.2025 they have proposed installation of BESS capacity of 415 MWh till September, 2027. Additionally, UPCL has recently filed a Petition before the Commission seeking approval for the investment required to install a BESS capacity of 250 MWh. The installation of BESS will necessitate adjustments to both the solar and non-solar energy requirements, as the charging and discharging capabilities of the BESS projects will influence the availability of energy. The Commission finds that non-consideration of the above relevant consideration, i.e. past CAGR of 4%, impact of loss reduction, quantum of energy from BESS will directly and inevitably impact correct and realistic assessment and projection of the deficit/surplus position and in turn the quantum of power required to be procured for the purpose.

vi. UPCL, w.r.t the basis of projecting huge quantum of energy for banking and expected tie up for the same, submitted the details of the banking done by it in the recent years, and mentioned that as the power portfolio of the State is hydro dominant, which peaks in the monsoon months while drops significantly in the winter months and again starts picking up from month of May/June onwards, therefore, UPCL has been undertaking banking of power for balancing the power portfolio in such a scenario and would endeavour to do so in future also.

The Commission reviewed the submissions made by UPCL and noted that the peak quantum banked by UPCL in the financial year 2024-25 was in January 2025, during which it received 300 MW of RTC power from HPCL and 200 MW from UPPCL during peak hours. However, UPCL has proposed to bank RTC power ranging from

50 MW to 575 MW in its power demand and availability projections, without providing specific details of any firm proposals for this. Infact the figures submitted by UPCL regarding banking varies from month to month. Even after banking of power, UPCL has projected surpluses in different time blocks in different months which will lead to the situation of surrendering of any station or selling the power at cheaper rates as also submitted by it in its reply before the Commission. The Commission also studied the surplus/deficit position of power in neighbouring states of Haryana, Madhya Pradesh, Uttar Pradesh and Punjab. It observed that all these States have projected surplus power in the coming period as summarised in the Table below.

Table: Surplus power projections of other States

(Quantum (in MUs)

FY	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
UHBVNL	1,218.05	1,071.55	935.35	958.71	702.44
DHBVNL	1,701.00	1,471.00	1,264.00	1,275.00	917.00
Haryana (Total)	**2,919.05**	**2,542.55**	**2,199.35**	**2,233.71**	**1,619.44**
Madhya Pradesh	**5327**				
Punjab		**7186**			
Uttar Pradesh	**25720**				

As is evident from the above table that nearby States have a surplus power projections which might result into difficulty for tying up/banking the surplus power during the months as have been projected and mentioned above, it cannot be taken lightly as insufficient/improper tie ups for banking can have huge financial impact considering the quantum and the duration for which the surplus power has been projected. The Commission is not satisfied with the reply of UPCL and is of the view that UPCL has not only failed to justify and substantiate that they have made proper and effective arrangement or a concrete plan to handle the surplus, if any, created due to the proposed Medium Term power procurement arrangement.

vii. UPCL has submitted, w.r.t the list of emergency/unforeseen circumstances in the past two years and also the variation in power quantum and availability in such circumstances, the details of variations in availability from UJVN Ltd.'s hydro power plants from January 2023 to September 2025, whose average deviation works out to (-) 10%. Further, average variation in solar plants whose DC is provided to SLDC, for the same period, works out to (-) 27%, and the average deviation of sugar mill works

out to (-) 30% for the period January 2023 to April 2025.

The Commission reviewed the submissions made by UPCL in this matter and noted that inspite of the fact that there would be various occasions in the year when the State solar would also contribute to certain extent towards variations during such emergency situations, yet the variability exhibited by these plants is significant, and, it could potentially disrupt the power purchase planning of UPCL and consequently will also have associated financial implications. It is pertinent to mention here that Regulation 75 (4) of MYT Regulations, 2024, specifically takes into consideration the procurement of power due to emergency situations, such emergent situations are bound to arise and UPCL ought to have taken a reasonable percentage of such occurrences based on the past data, in order to correctly evaluate the requirement for tying up for the deficit power in terms of Medium Term arrangement.

viii. UPCL, w.r.t the plan to utilize the surplus power through MTPP in emergency situations, if so occurs, submitted that in case of unexpected emergency situations where demand drops extensively due to uncontrollable factors, the power from MTPP would be tried to be sold on energy exchanges and if the same is not fruitful due to low market prices the same power would be surrendered as per real time situation.

ix. UPCL, w.r.t the quantum of power and percentage of the projected demand required as a margin to meet the day to day variation in the demand and availability of the State through short term sources, submitted that there is no laid down principle for working out an appropriate safe margin to meet the day to day variations through short term sources at a time frame of Years Ahead basis, as there may be a possibility that the deviation may decrease or increase as per real time intraday demand supply scenario/month on month demand supply scenario and other various uncontrollable factors like deferment of CODs, tariffs, government policies, regulatory compulsions, severe weather activities etc. UPCL further submitted that while making projections for the upcoming years, it has tried to comply with the directions issued in the Tariff Order dated 11.04.2025 as well as previous orders w.r.t the reducing of reliance on short term (up to a limit of 5% of total energy available at State Periphery) and strengthening the firm availability through Medium Term and Long Term

procurement such that reliable supply may be ensured for the consumers of the State. UPCL further submitted that if the allocation from Singrauli plant would be lower than the consent (200 MW) given, UPCL may have to rely on short term sources in the range of 5-7% which could be tried to be reduced through optimization of banking transactions at that time as per demand and availability assessment.

The Commission reviewed the submission made by UPCL and noted that UPCL has not provided any substantial reply in this matter. UPCL has also indicated that it anticipates deviations based on actual intra-day demand-supply fluctuations. In fact, through a recently filed petition, registered as Miscellaneous Application No. 63 of 2025, UPCL had requested the Commission to permit it to procure short-term power equivalent to 20% to address daily variations, optimise power procurement, and manage emergency situations. As UPCL was incorrectly interpreting the implications of the Order dated 11.04.2025 and provisions of the Regulations, the Commission vide Order dated 03.09.2025, besides other considerations, also clarified that the provisions of the Regulations sufficiently covers the requirement of procuring the power by the distribution licensee when faced with the emergency situations.

x. UPCL, w.r.t the comparison of rates discovered by UPCL for MTPP vis-à-vis rate discovered in other States, submitted a comparison of rates discovered in Medium Term tenders as available in the DEEP portal, GoI, and submitted that the details w.r.t Medium Term tenders available on the portal do not include the details of periphery at which power is to be provided by the generator.

xi. UPCL, w.r.t the month wise base load it projects in upcoming years, submitted the projected average minimum net demand of the State for FY 2026-27 in the range of 1321-2464 MW, for FY 2027-28 in the range of 1378-2521 MW, for FY 2028-29 in the range of 1463-2674 MW, and for FY 2029-30 in the 1561–2841 MW across different months of the respective FY.

The Commission reviewed the submission made by UPCL and compiled the data on projected firm availability of power (including Medium/Long Term tender purchase) and Average minimum net demand, as summarised in the Table below:

Quantum (MW)

Financial Year	Particulars	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March
2026-27	Availability	1891	2406	2616	2269	2189	2116	1766	1454	1800	1961	1858	1642
	Avg min net demand	1712	2257	2464	2162	2083	1979	1700	1440	1536	1572	1491	1321
	Difference	179	149	152	107	106	137	66	14	264	389	367	321
2027-28	Availability	1969	2436	2645	2367	2263	2212	1899	1630	1905	2036	1946	1642
	Avg min net demand	1706	2293	2521	2243	2149	2079	1782	1509	1628	1666	1559	1378
	Difference	263	143	124	124	114	133	117	121	277	370	387	264
2028-29	Availability	2144	2661	2909	2552	2438	2430	2209	1774	2189	2237	2143	1943
	Avg min net demand	1810	2433	2674	2380	2280	2205	1890	1601	1726	1766	1654	1463
	Difference	334	228	235	172	158	225	319	173	463	471	489	480
2029-30	Availability	2326	2894	3099	2730	2604	2542	2328	2016	2332	2402	2237	2086
	Avg min net demand	1929	2586	2841	2528	2422	2343	2012	1705	1829	1871	1763	1561
	Difference	397	308	258	202	182	199	316	311	503	531	474	525

As evident from the table provided, the availability through firm sources has surpassed the projected average minimum net demand by UPCL (after considering availability through the 500 MW Medium Term tender procurement) in each fiscal year (FY) with notable variations in the months of December to March. This indicates that the tie-ups projected by UPCL from firm sources during the peak winter months significantly exceed the quantity of average minimum net demand during that period. Consequently, UPCL is compelled to meticulously plan its procurement strategy to effectively manage any surpluses, if any, arising in different months of the FY, ensuring minimal wastage and thereby safeguarding the interests of the consumers of the State from an additional cost burden.

xii. UPCL, w.r.t the management of day to variation in power in light of proposed procurement through MTPP in upcoming period, submitted during the presentation that it will schedule the power through different sources based on merit, and if so required, may surrender the power from Medium Term sources in certain period based on actual scenario.

The Commission reviewed the submission made by UPCL and noted that, as per UPCL's submission, the cost of surrendering power is approximately Rs. 3 per unit. Given the significant financial implications, the Commission does not endorse the approach of surrendering power. Instead, UPCL should meticulously make medium or long-term tie ups to mitigate such unforeseen circumstances.

1.7 The Commission observed that UPCL has been varying its power purchase projections over the period of time through various submissions and presentations. For example, in a presentation given in October 2024, UPCL planned to float a Long Term tender of 300 MW from FY 2025-26 with an additional 100 MW from FY 2028-29 and aimed to keep the consolidated Peak Average Deficit below 150 MW. However, in subsequent presentations UPCL projected a 500 MW Medium Term power purchase requirement from FY 2025-26 to FY 2029-30 and a 1320 MW Long Term power purchase requirement thereafter. The Commission also observed variation in other assumptions taken by UPCL in its power planning projections. While it acknowledges that evolving circumstances necessitate adjustments, such changes should be plausible and warranting rather than simply matching the end to justify the projections. Consequently, due to variation in projections of demand/surplus by UPCL and its failure to meticulously or even fairly project the same together with lack of deliberation on various essential data and analysis for ascertaining the correct quantum for the requirement, the Commission had to initiate a Suo-motu proceeding to provide a fair and reasonable opportunity for all stakeholders and the public to be heard, enabling an informed decision on the proposal forwarded by UPCL.

1.8 The Commission published the salient points of the UPCL's proposals in leading newspapers to provide transparency and give all the stakeholders an opportunity to submit objections, suggestions and comments. The salient points were published in the following newspapers:

Table 1: Publication of Notice

S. No.	Newspaper Name	Date of Publication
1.	Hindustan (Hindi), Uttarakhand	17.10.2025
2.	Dainik Jagran, Uttarakhand	17.10.2025
3.	The Times of India, New Delhi	18.10.2025

Through the above notice, the stakeholders were requested to submit their objections/suggestions/comments latest by 30.10.2025 on the UPCL's proposal for procurement of power through Medium Term tender (copy of the notice is enclosed as Annexure-I). The Commission received total 10 Nos. of objections/ suggestions/comments in writing on the proposal submitted by UPCL (List of stakeholders is enclosed as Annexure-II). The Commission also held a public hearing in the matter on 31.10.2025.

2. Stakeholders' Objections/Suggestions and UPCL's Responses

The Commission has received suggestions and objections on UPCL's proposal for procurement of 500 MW Round the Clock power against the Medium Term tender invited by it.

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 M/s Joshi Enterprises submitted that the demand growth of 6% as assumed by UPCL appears to be overstated, leading to potential surplus cost liabilities.

Shri Mukul Jain and Shri Vikas Bhatia submitted that, on the tender for MTPP floated by UPCL, bidders had requested for a reduction in the minimum quantum for MTPP participation from 100 MW to 50/25 MW to increase participation and optimise price discovery. UPCL denied the request, leading to limited participation and higher price discovery.

Shri Vikas Bhatia further submitted that, the merchant generators who are not having the 100% tie-up, only such generators participate in such Long/Medium term tenders. As per SHAKTI policy of GoI, the coal is allocated for such tenders on half yearly basis, and since, advance information of medium term tenders is not known to the bidders, bidder may not have assured fuel supply, which they may get within the next 6 months as per SHAKTI Policy. This minor relaxation ensures wider participation, however, UPCL has not given this relaxation also, thus, limiting the participation in bid by the generators.

M/s SMAU International Industry & Trade Chambers argued that the current demand pattern and contracted capacity suggest that UPCL's additional Medium Term power procurement may not be beneficial. They stated that the State already has enough contracted capacity through long-term PPAs and other sources to meet the projected medium-term demand.

Shri Pankaj Gupta, President of the Industries Association of Uttarakhand, and Ms. Sunita Singh, Kamipro, expressed concerns about UPCL's proposal due to transmission constraints. The State's current network has limited capacity to import additional power, and major upgrades are not expected before FY 2028. Importing the full

500 MW reliably may not be feasible. The fixed GNA and corridor charges, estimated at ₹200 crore annually, will still be incurred even when power is underutilized. Shri Pankaj Gupta suggested that UPCL should prioritize full utilization of existing in-State generation sources, including hydro, gas-based, renewable, and upcoming BESS/PSP projects. UPCL should also look for short-term and seasonal procurement to provide flexibility and minimise consumer costs. Future procurement decisions should be supported by transparent evaluation focused on least-cost and reliability principles.

M/s Sravanthi Energy Pvt. Ltd. (SEPL) and M/s Gama Infraprop Pvt. Ltd. (GIPL) submitted that in-State gas-based generation can play a vital role in meeting future demand requirements in a cost-effective, flexible, and environmentally sustainable manner, complementing UPCL's overall procurement strategy as demonstrated in the past.

2.1.2 **UPCL's Reply**

In response to the submissions of M/s Joshi Enterprises, regarding demand projections, UPCL submitted that the demand projections have been arrived by their consultant M/s Mercados based on the CEA studies (20th Electric Power Survey Report) and studies done by M/s McKinsey on behalf of the State Government.

In response to the submissions of Shri Mukul Jain and Shri Vikas Bhatia, UPCL submitted that minimum bid quantum of 100 MW is laid down in Clause 1.1.5 of the RFQ of the Model Bidding Document (MBD) where it is stated that minimum bid capacity should be 50% of the bid capacity or 100 MW whichever is lower and the same has been followed by UPCL.

In response to the submission of Shri Vikas Bhatia, regarding assured fuel supply required for participation, UPCL submitted that as per the Model Bidding Document (MBD), power station from which the tender is bid should have assured supply of fuel, and UPCL has followed the same.

In response to the submission of M/s SMAU International Industry & Trade Chambers, UPCL submitted that to address the shortfall, an average of approximately 591 MW of power was arranged from short-term sources, including IEX/PXIL exchanges, bilateral arrangements, and banking/tender mechanisms, Central pool Unallocated

Quota(UA) in FY 2024-25. Further, the Commission in the tariff Order has observed persistent energy deficits and directed UPCL to procure deficit energy primarily through medium- or long-term arrangements, and to minimise dependence on short-term or exchange-based purchases.

In response to the submission of Shri Pankaj Gupta and Ms. Sunita Singh, UPCL submitted that the Commission has already conducted a coordination meeting on 09.07.2025, where PTCUL has shown confidence in importing the power above TTC (Total Transmission Capacity) and ATC (Available Transmission Capacity) limits of the State. Further, UPCL has presently 1402 MW quantity of GNA and only in some instances when UPCL's GNA gets exhausted the power from outside the State is scheduled under TGNA.

2.2 Tariff Impact

2.2.1 Stakeholder's Comments

M/s Joshi Enterprise submitted that the proposed rate of 6.06–6.61 per unit is significantly higher than the cost of State Hydro generation and daytime solar power, which will increase industrial cost and negatively affect MSME competitions and also the employment in the State. They further submitted that Lower tariff bids are available from national ISTS-based renewable tenders, and the Coal-intensive RTC power contradicts sustainability goals and RE policies.

Shri Brhamesh Alipuria, President, RE Power Generators Society submitted that, the proposed procurement rate of around Rs. 6.06/unit (at CTU periphery) to Rs. 6.61/unit (at State periphery) for the RTS power is financially onerous and unsustainable for the consumers of the State and will lock UPCL and the consumers into exorbitant tariffs for a substantial duration.

Shri Mukul Jain and Shri Vikas Bhatia submitted that the prices discovered in the Medium-Term tender are higher than energy rate of Rs 5.30/kWh at State periphery as approved by the Commission in the Tariff order for FY 2025-26, and also higher than the recent discovered rates by other States. They suggested that negotiation/reduction of prices may be sought from the bidders or alternatively, re-bidding may be done by UPCL for better price discovery in the public interest as the burden of such higher tariff will ultimately be passed on to the consumers.

Shri Vikas Bhatia further submitted that it appears that UPCL has excess GNA due to which they are proposing to buy the power at high rates and thus burdening the consumers.

M/s SMAU International Industry & Trade Chambers submitted that the proposed procurement could potentially expose UPCL and consumers to higher costs, particularly if demand growth or the availability of gas-based and renewable power deviates from current projections.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand, submitted that UPCL's proposed procurement of 500 MW of power from outside the State, estimated at ₹6.5–₹8 per unit (inclusive of transmission and other charges), is likely to impose a significant financial burden on the consumers, as there is no need of power procurement from outside during Monsoon season. He submitted that consequential higher tariffs will disproportionately affect industries and commercial establishments.

Ms. Sunita Singh, Kamipro, submitted that the average cost of existing in-State power is around ₹6 per unit, whereas the proposed procurement may cost around ₹7 per unit, including associated charges, which could lead to an increase of approximately 14–15% in consumer tariffs, adversely affecting domestic, commercial, and industrial consumers. She further submitted that UPCL's proposal lacks a detailed cost-benefit or sensitivity analysis to justify its benefits for consumers, and without such transparency, approving these commitments could expose the State and the consumers to unnecessary financial risks.

2.2.2 **UPCL's Reply**

In response to the submission of M/s Joshi Enterprises, Shri Brhamesh Alipuria, Shri Pankaj Gupta, and Ms. Sunita Singh, UPCL submitted that the rate of Rs. 5.85 per unit is the discovered competitive rate of the proposed power at CTU periphery after e – RA (Reverse Auction), however, it is expected that the rate of this power may stand at Rs. 6.06 per unit at the State periphery @ 3.50 % Transmission Losses which varies as per real time conditions. Further, when the power will have to be scheduled under TGNA regime an additional cost of approximately Rs. 0.55 per unit may apply. UPCL further submitted that, if any power taken from sources other than STU connected generators, then also the

TGNA rates would apply to such power.

UPCL further submitted that the cost-benefit analysis is done with a comparative rate of power with the power having same inherent characteristics w.r.t the availability, variations and schedule variation ability etc. Further, the rates discovered in the medium term power tender is through a competitive bidding process following the guidelines and model bidding document prescribed by Ministry of Power, Govt. of India and has been done by e- bidding in DEEP (Discovery of Efficient Electricity Prices) portal and after receiving the bids, e-RA (Reverse Auction) has been carried out, and as such, the rates are the discovered competitive market rates for Medium Term power tender. Further, regarding sensitivity analysis, UPCL submitted that it considers change in Policy, Regulatory Framework as one of the key factors of sensitivity analysis and as per the current regulatory framework UPCL has to limit its short term reliance up to 5% of the energy availability at the State periphery to meet the energy requirement of the State, and in light of the directions of the Commission, the procurement of 500 MW power under Medium Term tender has been proposed.

UPCL further submitted that, it has considered all the upcoming power plants both State as well as Central as per the available information in its analysis of power requirement, therefore, the question of cheaper hydro sources as well as daytime solar power rules out. The power requirement over and above the energy availability from existing and upcoming plants w.r.t the Uttarakhand State was earlier being arranged from short term sources most of which is now proposed to be replaced with the said Medium Term power.

UPCL further submitted that, while doing an analysis for the power quantum requirement, keeping in view of the restriction on short term power up to a limit of 5% of the energy availability at the State periphery, UPCL determined the quantum of 500 MW judiciously to be procured under Medium Term tenure. Hence, to meet the deficit of the State and for providing a reliable supply to the consumers of the State, UPCL has floated a tender of 500 MW and the rates discovered are through a competitive process of tendering invited as per laid down procedure through DEEP (Discovery of Efficient Energy Prices) Portal – Govt. of India. Further, as regard to higher cost of Medium Term

power discovered competitively when compared to the cost of State Hydro generation, UPCL submitted that most State Hydro generation are very old plants due to which their generation cost is less. However, the cost of recently constructed Vyasi State Hydro Electric project is more than the discovered competitive prices in the Medium Term tender.

UPCL further submitted that, all the national ISTS-based renewable tenders comes under must run category and the schedule of the same cannot be varied as per requirement of the power portfolio whereas proposed Medium Term tender comes under merit category with an option of variation, and UPCL's system is such that situation may arrive wherein need of surrender of power may arrive as per real time scenario of the State power portfolio. Further, w.r.t the RE policies, Uttarakhand State is already one of the front runner in case of RE power and sustainability goals of the nation with sufficient hydro and solar capacities in its kitty, and adding coal based RE power to this portfolio will increase reliability in the system.

In response to the submission of Shri Brhamesh Alipuria, UPCL submitted that the stakeholder has submitted that the solar power is available at lower rate ~ Rs. 4.2 per unit which is lower w.r.t said RTC power ~ Rs.6.06 per unit at State Periphery, however, it is pertinent to apprise that both these power sources cannot be compared as the former is available only in the solar hours while the latter is an RTC based power, which is generally considered as the off–peak power whose rates remains low with abundance of availability in these hours generally. UPCL submitted that the main point of concern lies in the peak hours where short term market liquidity largely drops and due to this unavailability of power, the State faces situations of emergency rostering. The rates of power in the peak hours have been observed touching the maximum ceiling rates of Rs. 10 per unit on several occasions. Hence, comparison of cost of solar power with RTC power does not seem prudent in this context.

In response to the submissions of Shri Mukul Jain and Shri Vikas Bhatia, UPCL submitted that the rates discovered in the Medium term power tender is through a competitive bidding process, and as such the rates are the discovered competitive market rates for medium term power tender. Further, regarding carrying out negotiations, UPCL submitted that, already there is a provision of e-RA (Reverse Auction) in the said process

which has been duly followed in the present case. Further, regarding rebidding UPCL submitted that these are discovered competitive market rates for medium term tender.

Further, w.r.t the submission of Shri Vikas Bhatia regarding excess GNA available, UPCL submitted that, it has optimal quantity of GNA and only in some instances when UPCL's GNA gets exhausted the power from outside the State is scheduled under TGNA.

In response to the submission of M/s SMAU International Industry & Trade Chambers, UPCL submitted that the demand projections have been arrived by their consultant M/s Mercados based on the CEA studies (20th Electric Power Survey Report) and studies done by M/s McKinsey on behalf of the State Government. Further, regarding the availability from gas based plants, the utilisation of costly gas-based power plants is based on cost-optimisation. The availability of renewable power is inherently dependent on weather conditions, which can either positively impact or adversely affect the overall power portfolio.

2.3 Optimum Quantum

2.3.1 Stakeholder's Comments

M/s Joshi Enterprise proposed limiting procurement to 300 MW during peak demand periods (summer and winter) to address seasonal shortages without excessive tariffs. They argued that UPCL already has surplus generation during the monsoon, making additional RTC power procurement unnecessary and economically inefficient. Daytime solar power is cheaper, and hydro peaking supports balancing.

Shri Brhamesh Alipuria, President of the RE Power Generators Society, urged UPCL to prioritise the deployment and promotion of distributed solar energy in Uttarakhand. He emphasised the importance of maximising the utilisation of the State's existing clean assets and developing indigenous, clean power sources to meet the RTC demand.

M/s SMAU International Industry & Trade Chambers suggested that, given Uttarakhand's hydro-dominated generation mix, existing generation and dispatch mechanisms should be fully utilised before entering new contracts. They proposed modifying the proposed medium-term procurement or adopting a modular or conditional

procurement framework that allows for incremental additions based on actual demand and market conditions.

Shri Pankaj Gupta, President of the Industries Association of Uttarakhand, suggested limiting procurement through MTPP tenders to 200 MW. He argued that UPCL's demand projections and banking strategy indicate a surplus of power from July to October, during which procuring medium-term contracted power would mean exporting cheaper in-state hydro power while consuming more expensive imported power, resulting in economic inefficiency and unnecessary financial strain.

Ms. Sunita Singh, Kamipro, argued that UPCL's demand projections suggested power surpluses during the monsoon and post-monsoon months. Entering an additional 500 MW Medium-Term contract could result in paying fixed charges for unused imported power, even when cheaper in-state generation is available. She suggested limiting the initial procurement to 200 MW based on demonstrated demand and corridor availability.

M/s SEPL and M/s GIPL submitted that, the average system demand during FY 2024–25 was approximately 1933 MW, which was efficiently managed through a combination of State allocation, internal generation, and limited procurement from the Day-Ahead Market (DAM) during peak requirements. They submitted that the Gas-based units can operate modularly in 33%, 66%, or 100% load modes, allowing flexible real-time scheduling. They suggested that the Gas-based plants, with a combined capacity of 321 MW, may be strategically scheduled to manage seasonal and weather-driven variations in demand and renewable generation, and UPCL may also consider reserving a portion of low-cost solar generation for charging Battery Energy Storage Systems and operating pumped storage facilities, thereby enhancing system flexibility and reliability.

2.3.2 **UPCL's Reply**

In response to the submission of M/s Joshi Enterprises, UPCL submitted that they are not aware of tender in Medium / Long term basis where coal based (higher annual average availability against other weather based / season based RE power) RTC power has been contracted on peak season-based contract only. UPCL submitted that it has analyzed the requirement of power quantum in a judicious manner and restriction on the said 500 MW will affect the UPCL's planning to remain in the range of 5% Short term procurement as

per the directions of the Commission. Further, during the monsoon period where Uttarakhand State experience a surplus of generation with respect to the power requirement of the State, the State endeavors for banking of power with other States / Utilities in India and takes back the same power in the peak requirement months, which is being done to balance the power portfolio of the State and the same methodology has been considered by UPCL. Further, the solar energy can only supply power during solar hours only, whereas, as per the past experience of UPCL it has been observed that the liquidity of power in the short-term market especially in the peak hours of deficit months is significantly low due to which emergency load shedding is the only option left with UPCL. Further, although hydro power supports peaking, however, as per the existing hydro capacity the said peaking remains short of supplying requirement of the State. Furthermore, hydro generation drops significantly in the peak winter months leaving UPCL with no other option but to depend upon short term sources of power, clearance of which depends upon many factors like all India demand supply scenario, weather etc.

In response to the submission of Shri Brhamesh Alipuria, UPCL submitted that it has always provided support to the distributed RE installations in the State, however, DRE installations in the State also poses challenges in power portfolio management due to variation in the weather parameters like solar irradiance, cloud cover etc. which varies on day to day as well as month on month basis. The excessive cloud cover results in substantial reduction in the power output of these installations due to which the consumer shifts to DISCOM in quick succession which sometimes creates an emergency condition in the State grid. The whole concept of arrangement of coal based medium term RTC power lies in the objective of improving reliability and reducing variability in the system as per the directions of the Commission for reliable supply to the consumers of the State. Furthermore, UPCL is following the targets given by Ministry of Power, Govt. of India for DRE installations in the State.

UPCL further submitted that the development of micro hydel/other hydel projects comes under the purview of Uttarakhand Jal Vidyut Nigam which takes necessary action in this regard considering the available hydro potential in the State. UPCL has supported the developments done in the hydel projects by UJVN Ltd. as per demand supply position of the State. Installation of Waste-to-energy projects/Wind Energy projects do not fall

within the purview of the Licensee, however, as and when the availability of the said projects is taken up in the State the same will be considered as per the demand & supply scenario of the State. Further, the overall wind energy potential of the State is negligible ~ 54 MW in total at different CUFs.

In response to the submission of M/s SMAU International Industry & Trade Chambers, UPCL submitted that it is already taking all steps to utilize the available flexibility of hydro power plants. UPCL Hydro power supports peaking, however, as per the existing hydro capacity contracted the said peaking remains short of supplying requirement of the State. Further, hydro generation drops significantly in the peak winter months and UPCL is left with no other option but to depend upon short term sources of power clearance of which depends upon many factors like all India demand supply scenario, weather etc.

In response to the submission of Shri Pankaj Gupta, UPCL submitted that restricting the procurement up to 200 MW, will restrict UPCL to comply with the directions given by the Commission.

In response to the submission of Shri Pankaj Gupta and Ms. Sunita Singh, UPCL further submitted that the State of Uttarakhand have a higher generation in the months of monsoon due to high share of hydro generation, and as per its standard practice, it tries for banking contracts with other States. However, due- diligence is taken while doing banking contracts with other States depending upon energy market economics.

In response to the submission of M/s SEPL and M/s GIPL, UPCL submitted that during FY 2024–25, an average deficit of around 591 MW was met through short-term power sources, including unallocated power, banking, tenders, and exchange purchases. Accordingly, the proposed medium-term power shall be considered as replacement of major portion of short-term power more than inclusion of new capacity, in accordance with the Commission's directive to restrict short-term purchases to 5% of the total energy availability at the State periphery. Further, considering the landed cost of Gas as communicated by the State Gas generators, the variable energy charges of Gas based state generators may fall in the range of around ₹7.51 to ₹7.66 per kWh during FY 2025–26 to FY 2029–30, and further, if the gas units runs below the technical minimum of 85% to 90%,

then proportionately efficiency decreases thereby increasing the energy rates. UPCL submitted that the rates discovered competitively in the Medium Term power tender are lesser than the above gas based power rates. Further, w.r.t blending gas power with energy exchange rates, UPCL submitted that 4 Years' day to day exchange rates cannot be predicted for a definite conclusion.

2.4 Upcoming Technologies/Capacity

2.4.1 Stakeholder's Comments

M/s Joshi Enterprises submitted that UPCL has not considered Battery Energy Storage System (BESS) in its power planning projections. They submitted that storage solutions must be evaluated to reduce dependency on imported coal-based power.

Shri Brhamesh Alipuria, President, RE Power Generators Society submitted that with the falling cost of BESS, it is very much possible to build up a domestic solution without procurement of power from outside the State. He further added that to ensure reliable supply and grid stability, especially with higher renewable integration, the utilization of storage must be prioritized.

M/s SMAU International Industry & Trade Chambers submitted that the ongoing expansion of renewable and storage-based generation options is expected to provide more economical alternatives soon. Entering into fixed medium-term contracts now may constrain the flexibility to adopt these emerging opportunities.

Shri Pankaj Gupta, President, Industries Association of Uttarakhand, submitted that, committing to a four-year fixed-rate contract removes the flexibility to take advantage of cheaper short-term or exchange-based purchases, as well as the growing availability of low-cost renewable and hydro power within Uttarakhand. With several new hydro, renewable, BESS, and pumped storage projects in the pipeline, this proposal risks locking the State into expensive power just as more affordable domestic options become available.

UJVN Ltd. submitted that the details of projects, comprising Hydro (231 MW), Solar (98.5 MW), and Battery Energy Storage System (415 MWh) which are expected to be commissioned over the next 4-5 years. UJVN Ltd. submitted that, as UPCL intends to procure 500 MW round the clock power for a period of four years (with a possible

extension of one year, if required), it is requested that the upcoming generation projects of UJVN Limited may kindly be considered while finalizing the said procurement plan.

Ms. Sunita Singh, Kamipro, submitted that with upcoming hydro, renewable, and storage projects, the State's generation landscape is rapidly evolving, and committing to multi-year fixed-rate contracts at this stage will restrict flexibility to leverage lower-cost and cleaner power sources as they come online.

M/s SEPL and M/s GIPL submitted that over the next few years, several new hydro, solar, and pumped storage projects—such as Tehri PSP, UJVNL Solar, and SECI Hybrid—are expected to become operational, enhancing the firm renewable capacity available to the State. They further submitted that, based on the current projections, the estimated deficit after accounting for new generation additions is expected to remain marginal over the Medium Term which can be met adequately without entering into high-cost, long-term procurement commitments.

2.4.2 **UPCL's Reply**

In response to the submissions of M/s Joshi Enterprises, UPCL submitted that the storage solutions have been evaluated and based on evaluation of the same, 500 MWh (2.5 Hrs.) are under planning stage to be implemented in the State. Energy storage solutions are meant for transferring the energy from non-peak hours to the peak hours with a conversion loss generally in the range of ~10-15%, hence, enhances overall average deficit while reducing peak deficits. UPCL submitted that it has already contracted 4 X 50 MW Pumped Storage Plant (PSP) from THDC out of which 2 units are already in operation and the remaining two units are expected to be commissioned soon.

In response to the submissions of Shri Brhamesh Alipuria, UPCL submitted that they have already considered BESS capacity of 500 MWh in its power capacity addition plan, however, it is noteworthy that BESS is an energy conversion tool from off peak hours to peak hours with a conversion loss of about 10-15% in energy terms. The said medium term power is being procured to balance the variability associated with RE Sources and to make power portfolio an optimized energy mix capable of catering to the requirement of the State in the upcoming years.

In response to the submission made by Shri Brhamesh Alipuria, M/s SMAU, Shri

Pankaj Gupta, Ms. Sunita Singh, M/s SEPL and M/s GIPL, UPCL further submitted that it has already contracted 200 MW PSP power from THDC out of which 100 MW has already been commissioned and the remaining capacity is expected to be commissioned soon and has also started the exercise towards implementation of 500 MWh BESS power in the State.

In response to the submission of M/s SMAU International Industry & Trade Chambers, Shri Pankaj Gupta, Ms. Sunita Singh, M/s SEPL and M/s GIPL, UPCL submitted that overreliance on RE power poses challenges in power portfolio management due to variation in the weather parameters like solar irradiance, cloud cover etc. which varies on day to day as well as month on month basis. The excessive cloud cover results in substantial reduction in the power output of these installations due to which the consumer shifts to DISCOM in quick succession which sometimes creates an emergency condition in the State grid. Similarly, Hydro RE power has challenges as it is seasonal in nature and weather dependent. Further, UPCL is following the targets given by Ministry of Power, Govt. of India for DRE installations in the State. Additionally, the SECI Hybrid project is already commissioned and providing power to UPCL with a contracted capacity of 100 MW. Similarly, UJVNL plants have been considered as per the COD schedules of the respective projects shared by UJVNL.

In response to the submission of Shri Pankaj Gupta and Ms. Sunita Singh, regarding commitment to fixed rate contract, UPCL further submitted that as per direction given in tariff Order, UPCL has to limit its short term dependence up to 5% of the energy availability at the State Periphery and arrange power accordingly through medium/long term power sources which are comparatively more reliable than short term sources of supply. In compliance of the directions, UPCL has floated the tender for medium term supply of power.

In response to the submission made by UJVN Ltd., UPCL submitted that based on the upcoming plant list shared by UJVN Ltd. it has considered and assessed all the plants as per the COD schedule provided. Further, w.r.t the solar plants, as against 115.8 MW, quantity of 98.5 MW (27.75 MW+ 70.75 MW) of UJVN Ltd. solar has been already considered in the procurement plan from FY 2025-26 to FY 2028-29. Further, 500 MWh

(2.5-hour) Battery energy storage project is currently under consideration of UPCL.

The Commission's views on the comments of the stakeholders, replies of UPCL have been dealt adequately in the Order.

3. Commission's views and decision

3.1 Section 86(1)(b) of the Electricity Act, 2003 specifies as under:

"86. Functions of State Commission:

…

(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;

…"

3.2 Further, Regulation 73 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024, specifies as under:

"73. Power Procurement Plan

(1) The Distribution Licensee shall prepare a plan for procurement of power to serve the demand for electricity in its area of supply and submit such plan to the Commission for approval:

Provided that such power procurement plan shall be submitted for the fifth Control Period commencing on April 1, 2025:

Provided further that the power procurement plan, approved as a part of the Business Plan, shall be submitted along with the application for determination of tariff.

Provided that the power procurement plan submitted by the Distribution Licensee may include long-term, medium-term and short-term power procurement sources of power, in accordance with these Regulations. However, the distribution licensee should as far as possible, not plan for short-term purchases except for conditions specified in Regulations 75 and should endeavor to meet its requirement from long term and medium term power procurement and make a plan accordingly.

(2) The power procurement plan of the Distribution Licensee shall comprise of the following:

a) A quantitative forecast of the unrestricted demand for electricity for each tariff category, within its area of supply over the Control Period;

b) An estimate of the quantities of electricity supply from the identified sources of generation and power purchase;

c) *An estimate of availability of power to meet the base load and Peak load requirement.*

Provided that estimate should be monthly estimation of demand and supply expressed both in Mega-Watt (MW) as well as in Million Units (MUs).

d) *Standards to be maintained with regard to quality and reliability of supply, in accordance with the UERC (Standards of Performance) Regulations, 2007, as amended from time to time;*

e) *Measures proposed to be implemented as regards energy conservation and energy efficiency;*

f) *The requirement for new sources of power generation and/or procurement, including augmentation of generation capacity and identified new sources of supply, based on (a) to (d) above;*

g) *The plan for procurement of power including quantities and cost estimates for such procurement:*

Provided that the forecast/estimate contained in the long-term procurement plan shall be separately stated for peak and off-peak periods, in terms of quantities of power to be procured (in millions of units of electricity) and maximum demand (in MW/MVA):

Provided further that the forecasts/estimates shall be prepared for each month of the Control Period:

Provided also that the long-term procurement plan shall be a cost-effective plan based on available information regarding costs of various sources of supply.

h) *Short-term power procurement proposed shall be in accordance with Regulation 75 of these Regulations.*

(3) *The forecasts/estimates shall be prepared using forecasting techniques based on past data and reasonable assumptions regarding the future:*

Provided that the forecasts/estimates shall take into account factors such as overall economic growth, consumption growth of electricity-intensive sectors, advent of competition in the electricity industry, trends in captive power, impact of loss reduction initiatives, improvement in Generating Station Plant Load Factors and other relevant factors.

(4) *Where the Commission has stipulated a percentage of the total consumption of electricity in the area of a Distribution Licensee to be purchased from co-generation and renewable sources of energy, the power procurement plan of such Distribution Licensee shall include the plan for procurement from such sources at least upto the stipulated level.*

(5) *The Distribution Licensee shall be required to forward a copy of the power procurement plan to the State Transmission Utility for verification of its consistency with the transmission system plan for the intra-State transmission system;*

Provided that the Distribution Licensee may also consult the State Transmission Utility at the time of preparation of the power procurement plan to ensure consistency of such plan with the transmission system plan.

(6) The Distribution Licensee may, as a result of additional information not previously known or available to him at the time of submission of the procurement plan under sub-Regulation (1) above, apply for a modification in the power procurement plan, for the remainder of the Control Period, as part of the application for Annual Performance Review:

(7) The Commission may, as a result of additional information not previously known or available to the Commission at the time of submission of the procurement plan under sub-Regulation (1) above, if it so deems, either on suo motu basis or on an application made by any interested or affected party, modify the procurement plan of the Distribution Licensee, for the remainder of the Control Period, as part of the Annual Performance Review.

(8) The Commission shall review the power procurement plan of the Distribution Licensee, or any proposed modification thereto, and upon such review being completed, the Commission shall either-

a) *Issue an order approving the power procurement plan, or modifications thereto, subject to such modifications and conditions as it may deem appropriate; or*

b) *Reject the power procurement plan or application for modification thereto, for reasons recorded in writing, if such plan is not in accordance with the guidelines contained in this Part, and direct the Distribution Licensee to submit a revised plan based on such considerations as it may specify:*

Provided that the Distribution Licensee shall be given reasonable opportunity of being heard before rejecting its power procurement plan."

3.3 Further, Regulation 74 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024, specifies as under:

"74. Approval of power purchase agreement/arrangement

(9) Every agreement or arrangement for power procurement by a Distribution Licensee from a Generating Company or Licensee or from other source of supply entered into after the date of effectiveness of these Regulations shall come into effect only with the prior approval of the Commission:

Provided that the prior approval of the Commission shall be required in respect of any agreement or arrangement for power procurement by the Distribution Licensee from a Generating Company

or Licensee or from any other source of supply on a standby basis:

Provided further that the prior approval of the Commission shall also be required for any change to an existing arrangement or agreement for power procurement, whether or not such existing arrangement or agreement was approved by the Commission.

(10) The Commission shall review an application for approval of power procurement agreement/arrangement having regard to the approved power procurement plan of the Distribution Licensee and the following factors:

a) Requirement for power procurement under the approved power procurement plan;

b) Adherence to a transparent process of bidding in accordance with guidelines issued by the Central Government;

c) Adherence to the terms and conditions for determination of tariff specified under these Regulations where the process specified in (b) above has not been adopted;

d) Availability (or expected availability) of capacity in the intra-State transmission system for evacuation and supply of power procured under the agreement/arrangement;

e) Need to promote co-generation and generation of electricity from renewable sources of energy."

3.4 The Act lays down one of the functions of the State Commission is to regulate electricity purchase and procurement process of the distribution licensees including the price at which the electricity shall be procured from the generating companies or licensees. Further, MYT Regulations requires the distribution licensee, to seek prior approval of the Commission for any agreement or arrangement for power procurement by a distribution licensee from a Generating Company or Licensee or from other source of supply.

3.5 The Commission analysed the submissions of UPCL in light of the provisions of the Act and the Regulations mentioned hereinabove, and views of the Commission alongwith its analysis are dealt with in the subsequent paras of this Order.

3.6 The Commission in the Tariff Order dated 11.04.2025 w.r.t Medium term procurement directed UPCL as follows:

"3.6.16

…

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.

…"

3.7 The Commission while approving the power projections of UPCL for FY 2025-26 in accordance with Regulation 73 of the MYT Regulations, 2024 (in the tariff Order dated 11.04.2025) has considered a quantum of 388 MUs for FY 2025-26 to be sourced through Medium/Long Term tender at an average rate of Rs. 5.30/kWh at State periphery. The said quantum translates to around 52 MW of power throughout the year and around 127 MW if considered only for the months of November'25 to March'26, at 85% PLF on RTC basis. UPCL has not challenged the said projection approved by the Commission nor made any specific representation against the same addressing the need to consider a different quantum as against projections approved by the Commission.

3.8 The proposal submitted by UPCL, based on its projections of demand and availability scenarios for the upcoming years up to FY 2029-30, proposes the procurement of 500 MW of power on a RTC basis through Medium Term tender. Given the large quantity of power proposed through the Medium Term tender and its potential to impact UPCL's power procurement planning, a thorough and meticulous analysis of the proposal is essential. This analysis should consider the potential impacts to ensure that consumers in the State benefit maximally and are not unnecessarily burdened by excessive costs and other handling issues.

3.9 The Commission further observed that UPCL, as submitted during presentation and discussions, has placed reliance on the projections made by CEA in the EPS reports and the Resource Adequacy Plan. In this regard, the Commission analysed the 20th EPS report of CEA (issued in November-2022) and observed the projections for the past four years from FY 2021-22 to FY 2024-25. These projections were compared with the actuals as summarised in the table below:

Table: Comparison of CEA projection with the Actuals

FY	Energy Requirement projected by CEA in 20th EPS report (MU)	Actual as per Com data of UPCL (MU)
2021-22	15541	9840
2022-23	16301	10745
2023-24	17138	16432
2024-25	18087	17411

As shown in the table, CEA projections are generally higher than actuals. This may

be due to differing assumptions that may not materialise. Furthermore, CEA's 20th EPS reports indicate that projections for FY 2016-17 to FY 2021-22 (all-India basis) were higher than actuals by 1.51%, 2.21%, 3.29%, 7.78%, 14% and 12.16% respectively during FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22. Even excluding the variation during FY 2019-20 to FY 2021-22 which may be higher due to the impact of COVID-19 pandemic, the range of 1.51% to 3.29% remains significant and could impact power purchase planning and projections by distribution companies. This data suggests that distribution companies should carefully consider the assumptions made by CEA and the specific characteristics of the geographical area they serve to develop more realistic projections.

3.10 The Commission further observed that in the Report on Resource Adequacy Plan, which relies upon the data provided by UPCL, for the State of Uttarakhand for FY 2024-25 to 2034-35, the CEA has observed that the hourly demand pattern of UPCL typically varies from ±20% for 90% of instances and ±10% for 80% of instances from corresponding hour in previous years, primarily due to temperature, weather parameter or any random outages of transmission line and/or generation units, etc. The CEA reproduced the pattern of % variation in hourly demand for the two years viz. 2022-23 and 2023-24 as shown below.

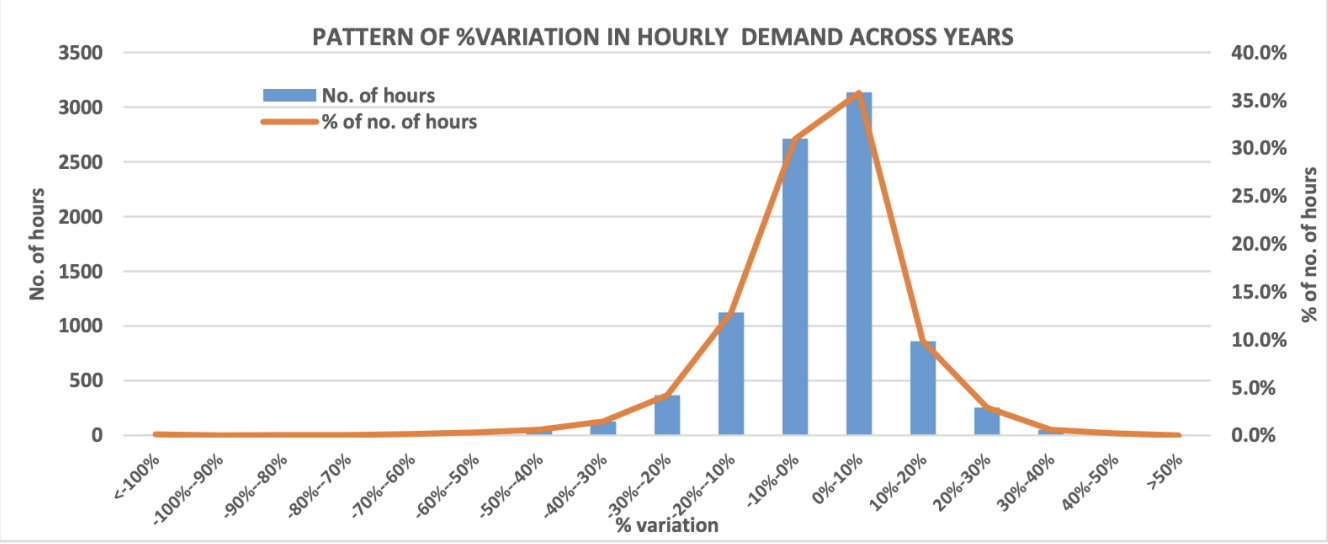
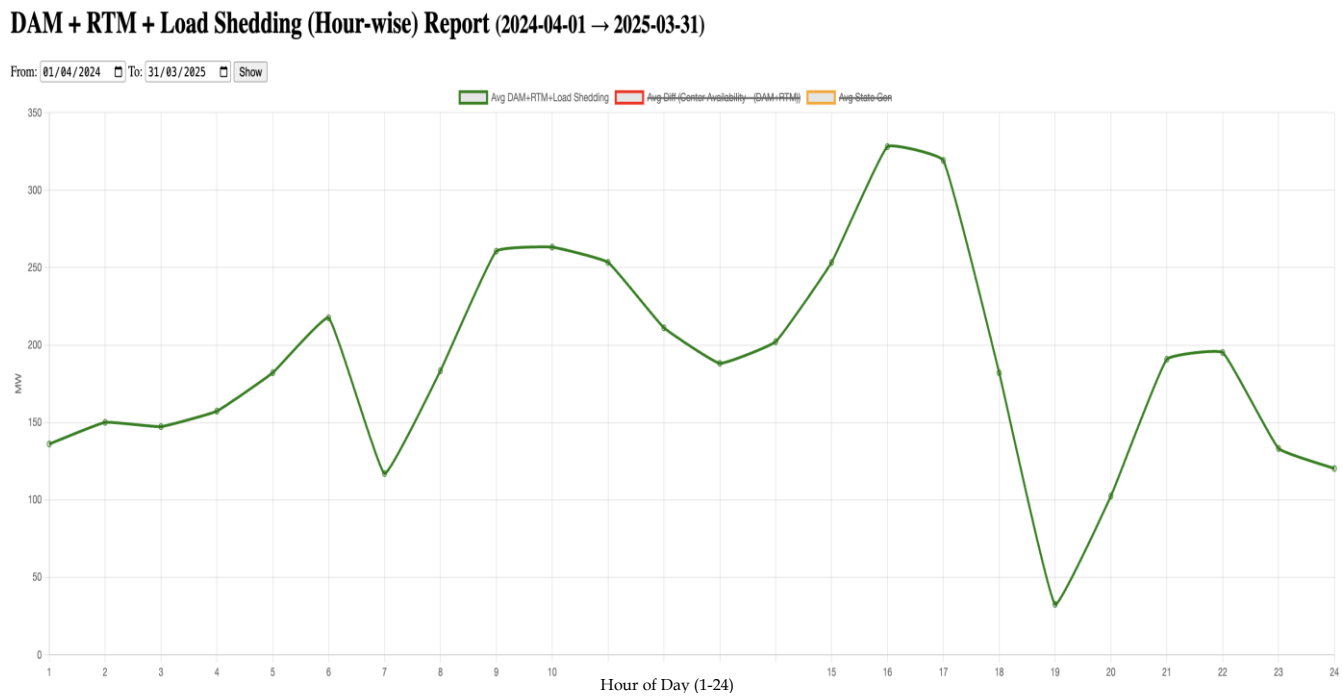


Figure 5 Hourly Variation in Demand across years

In this regard, the Commission also analysed the procurement made by UPCL through power exchanges and Load shedding in FY 2024-25 (based on data provided by SLDC), which typically represents the power deficit encountered by UPCL in the said FY, and worked out the variability of average demand /availability of the State in FY 2024-25

across different time blocks as shown below:



As illustrated in the chart, the State's demand and availability of power vary significantly across different time blocks. This necessitates meticulous planning and foresight on the part of the discom to manage its resources efficiently especially in case of RTC purchase of power as daily variation in requirement is almost 15-20% in different time blocks. Furthermore, given the variability, the discom must reserve a safe margin to accommodate daily variations in power demand and availability which has not been taken into consideration by UPCL while projecting the requirement.

3.11 The Commission observed that, in accordance with the Surplus/Deficit scenario projected by UPCL for the forthcoming years, after considering energy through Medium/Long Term sources, the yearly average deficit is estimated to be approximately 142 MW, 117 MW, 146 MW, 56 MW, and 35 MW, respectively, for FY 2025-26 (Nov. 2025 onwards), FY 2026-27, FY 2027-28, FY 2028-29, and FY 2029-30. While the low deficit scenario may appear favourable on paper, it may not provide sufficient leverage for DISCOM to manage the day-to-day fluctuations in demand and availability, particularly considering the variability in the

generation profile of the State's predominantly hydroelectric resources. It would also not be out of place to mention that UPCL's forecast for demand and supply has been haywire specially in the current Financial Year wherein UPCL had sought approval of the Commission for short term procurement for the period April, 2025 to September, 2025 at the rates higher than that stipulated in the tariff orders, however, due to the unexpected weather during summer months, UPCL could manage its demand without resorting to costlier short term purchases. Projection of 500 MW power through medium term for a period of 4 years could impact the power purchase costs of UPCL adversely and in turn the tariff of the consumers whilst ignoring the climatic conditions that occurred during FY 2025-26.

3.12 The Commission also noted that UPCL in its power demand and availability projections has proposed the banking of surplus power, which accounts for approximately 50% of the power proposed through the Medium Term proposal in certain months. Ideally, the concept of banking is to reserve surplus power for utilisation during periods of deficit. However, this does not imply that additional power procurement should be undertaken to ensure that surplus power is banked in specific months due to the emergence of additional surplus as a result of such arrangements. UPCL is well aware that banking arrangement may not only be difficult but has consequent cost implication.

3.13 Further, UPCL in the projections made by it has not considered the power availability through Battery Energy Storage System (BESS) stating that it has not received the approval of BESS installations in the State till now and, hence, the same has not been considered in the surplus deficit scenario. Additionally, UPCL has not considered any power through Unallocated Quota of Central Govt. and stated during the discussions that the availability of same depends upon allocation by Central Govt. and overall the procurement rates of these stations are on a higher side. Although, the Commission analysed the total cost implication for FY 2024-25 and found that the Weighted Average Rate of the Stations/Plants from which power was delivered to UPCL under Unallocated Quota is Rs. 4.61 per kWh, as discussed in subsequent paras of this Order. Furthermore, UPCL's projections have considered only partial availability of power through State Gas-based generators, namely M/s Sravanthi Energy Pvt. Ltd. (214 MW) and M/s GAMA Infraprop Pvt. Ltd. (107 MW), for FY 2026-27 and FY 2027-28. It has not considered these plants in its power purchase planning, thereafter, despite having long-term power purchase agreements with them and is willing to pay fixed

charges to it by not scheduling power from them. In the past UPCL had been contending that these gas plants had aided them in meeting the demand in the State during the peak periods as they provided flexibility to it by running them as per UPCL's requirement but also took care of the load in Kashipur area and resolved the problem of bringing power from outside State due to transmission constraints.

3.14 The Commission would like to clarify that ideally, the management of resources and planning for power procurement should primarily be the responsibility of the distribution company (DISCOM). It is the DISCOM that is tasked with establishing the projections and the basis on which they are made. These projections are generally based on specific assumptions, and it is possible that these assumptions may not hold true in the future, potentially distorting the projections made earlier and therefore requires extra caution.

3.15 The Commission observes that ultimately, UPCL, as a distribution licensee, will be in the best position to project its demand and power availability for upcoming periods based on its past experience as well as anticipated development in the State. UPCL will be responsible for taking the necessary actions and assuming the necessary obligations in this regard.

3.16 The Commission, utilising data sourced from SLDC, determined the net quantum of energy procured by UPCL across various time blocks throughout FY 2024-25 through power exchanges, which typically signify deficit purchases by UPCL. The average deficit, calculated after accounting for the impact of banking received/returned, amounted to approximately 200 MW for the entire year. Furthermore, if the power obtained through Unallocated Quota, Tender Purchases, UI, and other sources is included, it would add approximately 250-300 MW to the calculated deficit of around 200 MW for the entire year. Consequently, the total deficit purchase for FY 2024-25 would be approximately 500 MW. However, in such a scenario the provisions of short term procurement in case of emergency conditions as well as optimisation of costs will not come into effect as UPCL would be sourcing around 500 MW on RTC basis under MTPP @ Rs. 6.61/kWh. Further, the margin available to UPCL of 5% under the MYT Regulations of procuring power under short term arrangements may also not be required, which in other words would imply that UPCL would generally do away with short term procurement of power, as was provided to it under the Regulations together with the flexibility for emergency situation or prudency of taking up available option to reduce

cost by substituting the costly power available to it under long term commitments by cheaper power.

3.17 Further, the Commission, based on information submitted by UPCL in vide its letter dated 08.04.2025, identified the Stations/Plants from which energy has been received by UPCL through Unallocated Quota in FY 2024-25. The Commission, from the com data provided by UPCL for FY 2024-25, analysed the Quantum and Average Rate at State periphery for energy received from these Stations/Plants in FY 2024-25, and observed that the Weighted Average Rate of total energy procured by UPCL from these plants in FY 2024-25 works out to Rs. 4.61/kWh as summarized in the Table given below:

Station/Plant	Rate at State Periphery (Rs./kWh)	Energy at State Periphery (MU)
Salal	3.06	36.67
Tanakpur	9.20	11.30
Chamera II	4.94	24.49
Chamera III	5.98	54.31
Uri	3.34	62.28
Dhauliganga	4.31	57.74
Dulhasti	5.61	122.45
Sewa II	6.52	21.79
Uri II	5.89	64.79
Parbati III	3.10	29.12
Kishnaganga	11.08	20.14
Nathpa Jhakri	3.13	68.83
Rampur Equity Power	5.32	219.16
Tehri HEP I	5.16	121.46
Koteshwar	7.75	78.96
KHURJA STPP	3.72	31.68
Singrauli	2.58	746.43
F G Unchahar-I	7.88	99.64
F G Unchahar-2	6.71	54.19
F G Unchahar-3	7.44	39.15
F G Unchahar-4	7.81	111.47
N C T Dadri:2	8.10	11.63
Rihand-1 STPS	2.62	296.63
Rihand-2 STPS	2.56	294.60
Rihand-3 STPS	3.21	318.23
Jhajjar Aravali	9.95	40.35
Singrauli SHEP	5.25	0.38
Koldam (Hydro)	4.62	212.46
TANDA-II	5.89	184.62
Anta Gas	87.02	1.82
Auraiya Gas	86.42	3.13
Dadri Gas	28.87	12.46
Telangana STPS-1	5.25	627.54
Gadarwara STPS-I	5.95	6.88
Jhanor_Gandhar Gas Stn ABT-5	32.21	0.01
Khargone Super Thermal Pwr Stn -I	6.99	8.90
Korba Super Thermal Power Station -1	2.50	9.02
Korba STPS Stage-3 ABT-4	2.79	3.51
Kawas Gas Pwr Stn ABT-5	93.24	0.00
Lara Super Thermal Pwr Stn – I	3.97	13.38
Mouda Super Thermal Power Station -1	5.60	5.19
Mouda Super Thermal Power Station -2	5.30	9.42
Solapur Thermal Power Station 1	10.24	6.58
Sipat Super Thermal Power Stn_1	3.15	16.53
Sipat Super Thermal Power Stn_2	2.82	6.50
Vindhyachal Super Thermal Power Stn 1	3.11	7.06
Vindhyachal Super Thermal Power Stn 2	2.75	6.42
Vindhyachal Super Thermal Power Stn 3	3.05	5.21
Vindhyachal Super Thermal Power Stn 4	3.61	9.29
Vindhyachal Super Thermal Power Stn 5	3.62	4.68
Narora APP	3.15	180.10
Rajasthan APP	4.20	182.55
Meja Urja Nigam (P) Ltd.	5.95	255.40
Weighted Average Rate		**4.61**

As evident from the aforementioned table, the Weighted Average Rate of the

Stations/Plants from which power was delivered to UPCL under Unallocated Quota is Rs. 4.61 per kWh, which is approximately Rs. 2 per unit lower than the rate of Rs. 6.61 per kWh for the proposed Medium Term tender procurement (inclusive of TGNA charges of 0.55 paise). The said rates were sought from UPCL time and again by the Commission during various meetings to analyse the impact of procurement from unallocated quota, however, UPCL never submitted these rates.

Additionally, from the com data provided by UPCL for FY 2024-25, the Commission observed that the average rate of procurement (net) through power exchange (IEX/PXIL) is Rs. 4.77/kWh, through tender purchase is Rs. 5.09/kWh at CTU periphery, and through tender purchase at State Periphery is Rs. 5.64/kWh which are lower than the rate of Rs. 6.61/kWh for proposed Medium Term tender procurement (including TGNA charges of 0.55 paise).

This should have been meticulously evaluated by UPCL's management, wherein they should have carefully weighed the merits of opting for a Medium Term tender power in comparison to other viable alternatives as it would definitely have an impact on the costs of UPCL, as UPCL in its submissions has also stated that in case it does not get good rates of its surplus power in the exchange, it would surrender the same. It has to be understood that procuring RTC power @ Rs. 6.61/kWh for surrendering it or some other power which is cheaper than this MTPP is not at all a viable option. Besides it should also be recognised that there are constraints in the intra-State network and the power flow from outside the State may be bottled up at times which again would impact the consumers of the State.

3.18 Moreover, it is also worthwhile to note that the quantum of 500 MW was recommended by the consultant of UPCL which was subsequently approved by UPCL's management. The Commission has observed that UPCL has expressed confidence in the projections made by it through letters and presentations before the Commission. It has remained steadfast in its projections, as indicated in various correspondences and meetings and also during the public hearing conducted in this proceeding as well as in its replies to the comments of the stakeholders. This would assume that the same would eliminate the requirement for purchasing power to meet the deficit through short-term sources, unallocated quotas, and costly banking etc., thereby providing a more economical solution. Hence, the onus of

utilising the MTPP in the best possible manner beneficial to the interests of the consumers of the State shall lie with UPCL and any inefficiency of managing the same shall not be passed on to the consumers of the State.

3.19 The Commission, taking note of the projections made by UPCL, and considering the quantum of 500 MW of power through MTPP as proposed, based on the discussions in the preceding Paras, is not in a position to comment on the prudency of the quantum proposed, and, accordingly, is leaving the decision of the quantum to be procured through MTPP on the dispensation of UPCL subject to the issues raised by the Commission in the preceding paragraphs.

3.20 The Commission would like to clarify here that the views and observation of the Commission as discussed herein are only limited to the extent of evaluating the justification of UPCL's proposal seeking in-principle approval for procuring Medium Term power against the tender invited by it. The merits of the Petition to be filed under Section 63 of the Act and relevant Regulations, alongwith the draft PPA shall be considered when the same is submitted before the Commission for approval.

3.21 As evident from the observations above, various important aspects have not been considered by UPCL while making the projections and also considering the comments of the Stakeholders, therefore, some major issues/concerns are required to be addressed before finalising the quantum of power to be purchased through Medium Term tender for the purpose of which it is necessary to lay down conditions that should be followed by the UPCL while approving the proposed procurement of power through Medium Term arrangement.

Accordingly, UPCL is required to take note of the following in order to arrive at any informed decision regarding the quantum of procurement of power through Medium Term tender:

1. Banking of Power:

a. To identify the sources or States with which the proposed banking arrangement for surplus power is to be secured well in advance.

b. To analyse the cost implications of the banking proposal with due diligence, as the banking arrangement necessitates the return of additional energy as a premium or

vice versa, contingent upon the specific circumstances.

2. **Variation in demand and availability:**

   a. UPCL shall analyse the monthly fluctuations in demand and resource availability across various time intervals within the State for the purposes of evaluating the required quantum.

   b. The same shall also apply to instances where UPCL proposes to bank surplus power that remains unutilized, and an action plan for emergency and contingent situations.

3. **Surrender of Power:**

   a. The surrender of power procured through Medium Term Tender shall not be an option, and except for exceptional circumstances, in no case UPCL shall exercise the same.

   b. The surrender of power through Medium Term Tender entails a cost implication comprising a Fixed Cost liability of approximately Rs. 3 per unit, as per the information provided by UPCL. Consequently, no cost associated with this option shall be passed on to the consumers of the State if UPCL opts for such action in contravention of the directives issued by the Commission.

4. **Upcoming technologies and comparison of alternatives available:**

   a. The UPCL must conduct an in-depth analysis of emerging technologies and options, such as battery energy storage systems (BESS), pumped storage system (PSPs), and the integration of renewable energy (RE) with conventional power sources. This analysis should be conducted in a comprehensive manner, considering all relevant factors and potential implications and also the proposals of UJVN Ltd. and UPCL's own proposals for setting up the BESS projects. Considering the inherent benefit of the upcoming technologies like BESS, PSP etc., prices of which are getting competitive day-by-day, and also to tackle the variability of demand & availability and constraints related to transmission corridor, it would not be prudent to close the avenues for any future adaptation. Any future tie ups should only be to meet the deficit in its power requirement and not be guided by the fact that these projects are being set up the State agencies.

b. The UPCL must also evaluate and analyse tie-ups made by other States, like recently in the State of Madhya Pradesh CEIGALL India and ACME Solar won the tenders to supply clean power to Madhya Pradesh at Rs. 2.70 per kWh and Rs. 2.764 per kWh, respectively, thus, securing India's lowest-ever price for buying solar power backed by battery storage in a clean energy auction.

5. General conditions:

a. The cost implication arising out of proposed Medium Term procurement, which reflects towards the lack of prudence/inefficiencies of UPCL, shall not be passed on to the consumers of the State.

b. Any cost associated with surrender/backing down of power, except under emergency situation, shall not be passed on to the consumers of the State.

c. UPCL is required to maintain separate record of procurement made through Medium Term proposal, recording all instances of scheduling, backing down, surrender etc. and submit the same to the Commission within 15 days after the end of each quarter.

d. UPCL is required to co-ordinate with SLDC to record the scheduling and delivery of power through Medium Term source separately in their daily/night report such that it is separately identifiable.

3.22 The Commission further directs UPCL to ensure that in future such type of proposal for Medium/Long term tender procurements or similar matters must be filed before the Commission in proper manner in the form of Petition as per the conditions laid down in the UERC (Conduct of Business) Regulations, 2014. The said proposals should be duly analysed and approved by the Board of UPCL by a reasoned decision, and the Petition should include a copy of the approval/ recommendation of the BoD alongwith merits considered by it based on due diligence including analysis and the reasons thereof.

3.23 Ordered accordingly.

(Prabhat Kishor Dimri)	**(Anurag Sharma)**	**(M.L. Prasad)**
Member (Technical)	**Member (Law)**	**Chairman**

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

'Vidyut Niyamak Bhawan', Near ISBT, PO- Majra, Dehradun-248171
PH. 0135-2641115, Website www.uerc.gov.in E-mail- secy.uerc@gov.in

Notice for Public Hearing

Public Hearing in the matter of Suo-motu proceedings initiated by the Commission in the matter of proposal submitted by UPCL seeking in-principle approval for procurement of 500 MW Round the Clock power against Medium Term tender invited by it.

1. Uttarakhand Power Corporation Limited (UPCL), the sole Distribution and Retail Supply Licensee in the State, has made a submission before the Commission for seeking in in-principle approval for procurement of 500 MW Round the Clock power against Medium Term tender invited by it for a period of 4 years (extension of one year if needed).
2. UPCL has submitted that after technical evaluation of RfQ&RfP documents, the IPO of the Medium-Term tender was opened, and e-RA was conducted. Subsequently, after bucket filling procedure, the bidders were finalized along with the quantum and rates as summarized in the Table given below:

Sr.No.	Bidders	Quantum (MW)	Rate (Rs./ kWh) at CTU periphery	Rate (Rs./unit) at State periphery after considering 3.5% transmission losses)*
1.	Jindal Power Limited	150	5.85	6.06
2.	POWER PULSE TRADING SOLUTIONS LIMITED	350	5.85	6.06

approximate 55 paise will be added if power is scheduled under TGNA making the rate equivalent to Rs. 6.61/kWh at State Periphery)

3. while projecting the Surplus/Deficit scenario for projecting its requirements for the upcoming period has made following assumptions w.r.t the demand/availability of power:
   i. Demand projection has been done considering 6% growth in gross demand.
   ii. Nil availability of power through Unallocated Quota.
   iii. Projection of availability through Battery Energy Storage System not factored in.
   iv. Partial utilization of State Gas based plants has been considered in FY 2026-27 and FY 2027 -28 only, and nil utilization thereafter.
4. UPCL while considering the availability of power through Medium Term tender (from Nov'25 to Nov'29) and Long Term tender (from Apr'29 to Mar'30) has projected the quantum of energy to be banked as summarized in the Table below:

Quantum (MW)

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY 2025-26	-	-	-	-	-	-	-	0	175	275	117	-125
FY 2026-27	100	100	150	-275	-350	-375	-300	-175	200	275	150	0
FY 2027-28	0	150	150	-150	-250	-250	-150	0	155	200	150	0
FY 2028-29	375	575	525	-50	-150	-100	0	0	500	550	400	150
FY 2029-30	-150	75	50	-550	-650	-650	-450	0	0	75	-150	-350

5. Since the proposed procurement of power through Medium Term tender by UPCL will affect the tariff of the consumers of the State, therefore, the Commission has decided to conduct a public hearing in the matter.
6. Responses/suggestions, if any, are sought from consumers and other stakeholders to decideon merits of the proposal. 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** by **30.10.2025.**
7. The Commission has also decided to hold a Public Hearing in the matter on **31.10.2025 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.
8. The proposal 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 UPCL.
9. The proposal is also available at the website of the Commission (www.uerc.gov.in) and at UPCL's website (www.upcl.org).

Advt. No. 15/2025-26

Secretary

Annexure-II

List of stakeholders

S.No.	Name	Designation	Organisation	Address
1.	Sh. V. Joshi	Partner	M/s Joshi Enterprises	Champanaula, Almora-263601.
2.	Sh. Brhamesh Alipuria	President	M/s RE Power Generators Society	Khasra No 46 MI, House no 1, Ekta Vihar, Panditwari, Dehradun-248007.
3.	Sh. M. Mukul Jain	-	-	-
4.	Dr. Harindra K. Garg	National Chairman	M/s SMAU International Industry & Trade Chambers	Building No. U-110 FF-8, 1st Floor, Upadhayay Block Shakarpur, New Delhi-110012
5.	Sh. Vikas Bhatia	-	-	-
6.	Sh. Ajay Kumar Singh	Director (Operations)	UJVN Ltd.	"Ujjwal", Maharani Bagh, GMS Road, Dehradun- 248006
7.	Sh. Pankaj Gupta	President	M/s Industries Association of Uttarakhand	Mohabewala Industrial Area, Dehradun-248110
8.	Ms. Sunita Singh	-	M/s Tshu Bloom into hygiene (Kamipro)	Chak No. 720, Gatta No. 39 MI, Khasra No. 68, Roorkee Dehradun Road, Lakesri, Sikandarpur Bhainswal, Bhagwanpur, Haridwar-247661.
9.	Sh. K. Tirumal Rao	VP Operations	M/s Sravanthi Energy Pvt .Ltd.	7th Floor, Building No. 9B, DLF Cyber City, DLF Phase-III, Gurugram-122002, Haryana.
10.	Sh. Arpit Agarwal	-	M/s Gama Infraprop Pvt. Ltd.	M - 3, First Floor, Hauz Khas, Aurbindo Marg, New Delhi-110016