Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Misc. Application No. 73 of 2026

In the matter of:

Petition seeking adoption of Tariff for the procurement of 1234 MW Round the Clock (RTC) coal-based power through tariff-based competitive bidding process on a long-term basis for a period of 25 years from 1320 MW installed capacity to be set up on Design, Build, Finance, Own and Operate (DBFOO) basis by sourcing fuel from the coal linkage arranged by UPCL under Para B(iv) of the SHAKTI Policy, and for approval of the draft Power Supply Agreement (PSA-DBFOO).

In the matter of:

Uttarakhand Power Corporation Ltd. … Petitioner

AND

In the matter of:

M/s Adani Power Limited …Respondent

CORAM

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

Date of Order: October 29, 2026

This Order relates to the Petition dated 05.10.2026 and additional submissions dated 15.10.2026 and 24.10.2026, filed by Uttarakhand Power Corporation Ltd. (hereinafter referred to as "UPCL" or "Petitioner" or "Licensee"), under Section 86(1)(b), read with Section 63, of the Electricity Act, 2003, Regulation 74 of the UERC Tariff Regulations, 2024 and Regulation 59 of the UERC (Conduct of Business) Regulations, 2014, seeking adoption of tariff for the procurement of 1234 MW Round-The-Clock (RTC) coal-based power through tariff-based competitive bidding process on a long-term basis for a period of 25 years from 1320 MW installed capacity to be set up

on Design, Build, Finance, Own and Operate (DBFOO) basis by sourcing fuel from the coal linkage arranged by UPCL under Para B(iv) of the SHAKTI Policy, and approval of the draft Power Supply Agreement (PSA-DBFOO) proposed to be executed with the selected bidder, namely M/s Adani Power Limited (hereinafter referred to as "M/s APL"), in accordance with the Model Bidding Documents and the Guidelines issued by the Ministry of Power, Government of India, under Section 63 of the Electricity Act, 2003, incorporating the deviations/clarifications/ modifications as approved by the Commission.

1. Background and Procedural History

1.1 The present procurement has been the subject matter of three earlier proceedings before the Commission, the relevant findings of which have a bearing on the present Petition and are, therefore, recapitulated hereunder.

(A) Order dated 09.05.2025 in Petition No. 41 of 2025 (deviations in the RFQ-DBFOO)

1.2 The Commission, while dealing with the deviations sought by UPCL in the Request for Qualification (RFQ), clarified at para 2.8 of the said Order that the Order was limited to the modifications/deviations sought in the RFQ document and should not be construed as approval of the quantum of power, and directed UPCL as follows:

> *"… 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."*

(B) Order dated 17.06.2026 in Petition No. 28 of 2026 (deviations in the RFP-DBFOO and PSA-DBFOO)

1.3 The Commission vide Order dated 17.06.2026, examined the modifications proposed by UPCL in 23 clauses of the RFP and 63 clauses of the PSA and directed UPCL to revise the bidding documents and PSA strictly in accordance with the findings and observations contained in the Commission's Order dated 17.06.2026, incorporate all required clarifications and ensure that the final documents are internally consistent before further processing.

Further, the Commission while allowing UPCL's request for introduction of 15-minute time block treatment for SHR adjustment (Clause no. Annex-III - Schedule C of the

draft PSA), also directed UPCL to undertake the necessary upgradation of its scheduling, metering, accounting and settlement systems, including the associated software and operational processes, so as to enable accurate computation and implementation of SHR adjustment on a 15-minute time block basis, and such upgradation is required to be carried out expeditiously and in any event before the amended provision is operationalized, so that the revised mechanism is administered in a transparent, verifiable and dispute-free manner.

(C) Order dated 08.07.2026 in Petition No. 39 of 2026 (approval of quantum)

1.4 The Commission vide Order dated 08.07.2026, under Section 86(1)(b) of the Act read with Regulation 74 of the UERC Tariff Regulations, 2024, approved the quantum of 1320 MW Round-the-Clock (RTC) coal-based power for procurement by the Petitioner on a long-term basis for a period of 25 years, to be scheduled from FY 2030-31 onwards through the Tariff-Based Competitive Bidding process, pursuant to the coal linkage of 1320 MW earmarked for the State under Para B(iv) of the SHAKTI Policy vide letter dated 28.03.2025, and directed UPCL as follows:

a) In line with the resolution of the BoD of UPCL, it shall obtain the approval of the Government of Uttarakhand before proceeding further with the finalisation of the procurement process;

b) UPCL shall complete the balance stages of the bidding process strictly in accordance with the applicable Guidelines and Model Bidding Documents, incorporating only such deviations as stand approved by the Commission;

c) UPCL shall submit the draft Power Purchase Agreement/Agreement for Procurement of Power proposed to be executed with the successful bidder(s), after approval of its Board of Directors, for prior approval of the Commission and shall not execute the same prior to grant of such approval.

1.5 In the said Order, the Commission also observed that after procurement of 1320 MW, UPCL would be in surplus during July to September and would have to plan for utilisation of the surplus, including banking. The Commission, accordingly, directed UPCL to devise an effective mechanism for management of its power resources, including a dedicated Power Management Group/Cell. The Commission also laid down the conditions for consideration

of any future Pump Storage Plants capacity.

2. Petitioner's Submissions

2.1 The Petitioner submitted that it is the sole distribution licensee in the State and that the procurement has been undertaken in compliance with the directions of the Commission in the Tariff Orders requiring the deficit to be met through long-term/medium-term arrangements and restricting short-term purchases.

2.2 The Petitioner submitted that pursuant to the Resource Adequacy study of the Central Electricity Authority and the decision taken in the meeting held on 16.01.2025 under the chairmanship of Secretary (Energy), Government of Uttarakhand, it floated the RFQ-DBFOO for the 1320 MW project on the DEEP portal on 03.02.2025, and published the notice in Hindustan (Hindi) on 04.02.2025 and The Hindu, The Indian Express and Dainik Jagran (Uttarakhand) on 05.02.2025.

2.3 The Petitioner submitted that the Standing Linkage Committee (Long Term), vide letter dated 28.03.2025, recommended earmarking of coal linkage of 1320 MW to the State under Para B(iv) of the SHAKTI Policy, which shall expire on 27.03.2027, if remaining unutilized.

2.4 The Petitioner submitted that it filed a Petition on 25.04.2025, under Section 86(1)(b) of the Act and Regulation 59(1) of UERC (Conduct of Business) Regulations, 2014, seeking clarifications and modifications to the RFQ-DBFOO following the queries raised by the bidders.

2.5 The Petitioner submitted that subsequently, at its 123rd meeting on 01.05.2025, the Board of Directors (BoD) of UPCL approved procuring 1320 MW via long-term tariff-based bidding under Coal Allocation, SHAKTI-B (IV), subject to approval of the GoU. Later, on 05.07.2025, the BoD of UPCL in its 124th meeting confirmed the same with the modification that the proposed procurement of 1320 MW power under a long-term arrangement, for a period of 25 years, through tariff-based competitive bidding under Coal Allocation, SHAKTI-B (IV), be referred to the GoU for consideration and approval.

2.6 The Petitioner submitted that subsequently on 09.05.2025, the Commission disposed of Petition No. 41 of 2025, approving the clarifications. Thereafter, the RFQ stage concluded on 14.07.2025 and five bidders were found technically qualified, namely, Adani Power Ltd.,

Jindal India Power Ltd., Lalitpur Power Generation Company Ltd., MB Power (Madhya Pradesh) Ltd. and Torrent Power Ltd.

2.7 The Petitioner submitted that, based on its quantum requirement it had sought approval for long-term procurement of 1320 MW, and the Commission directed it to make a presentation in the matter. Subsequently, the Commission, vide letter dated 08.07.2025 directed a joint meeting of the Petitioner, PTCUL and UJVN Ltd. to deliberate upon upcoming generation capacity and transmission constraints.

2.8 The Petitioner submitted that it filed a Petition dated 13.01.2026 seeking approval of deviations/modifications/clarifications in the RFP-DBFOO and PSA-DBFOO and in-principle approval of the procurement of the quantum of 1320 MW, pursuant to which the Commission, vide Order dated 17.06.2026, after clause-wise examination, approved certain modifications, rejected certain others and approved certain modifications subject to qualifications and directions, and directed the Petitioner to revise the bidding documents and the draft PSA strictly in accordance with its findings.

2.9 The Petitioner submitted that it made a presentation on 18.05.2026 for the quantum of power proposed to be procured through long term arrangement, pursuant to which the Commission, vide letter dated 27.05.2026, directed it to file a formal Petition. Subsequently, UPCL filed a Petition dated 29.05.2026, seeking approval of the procurement of the quantum of 1320 MW under Section 86(1)(b) of the Act.

2.10 The Petitioner submitted that the Commission, vide Order dated 08.07.2026, approved the procurement of 1320 MW RTC coal-based power on long-term basis for 25 years, to be scheduled from FY 2030-31 onwards, through the TBCB process, pursuant to the coal linkage of 1320 MW earmarked vide letter dated 28.03.2025. The Commission, in the aforesaid Order also directed the Petitioner as follows:

(a) to obtain the approval of the GoU before proceeding further with finalisation of the procurement process;

(b) to submit the specific analysis underlying the approval accorded by its Board of Directors for the procurement; and

(c) to submit the draft PPA/Agreement for Procurement of Power proposed to be executed

with the successful bidder(s), after approval of its Board of Directors, for prior approval of the Commission, and not to execute the same before such approval.

2.11 The Petitioner summarized the key dates/milestones of the bidding process as reproduced hereunder:

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S. No.	Date	Event
1.	07.03.2024	Letter to UJVN Ltd. proposing JV coal-based power plant (subsequently withdrawn)
2.	16.01.2025	Meeting chaired by Secretary (Energy), GoU; decision to float fresh 1320 MW tender under SHAKTI-B
3.	03.02.2025	RFQ-DBFOO for 1320 MW Project uploaded on DEEP Portal
4.	28.03.2025	Standing Linkage Committee (Long Term) earmarks coal linkage of 1320 MW under SHAKTI Para B(iv)
5.	25.04.2025	Petition filed seeking deviations/clarifications in RFQ-DBFOO
6.	09.05.2025	Commission's Order in Petition No. 41 of 2025 disposing of RFQ-DBFOO deviation petition
7.	05.07.2025	124th Meeting of UPCL Board of Directors confirming procurement of 1320 MW/25 years, subject to GoU reference
8.	14.07.2025	RfQ Stage concluded and 05 Nos. qualified bidders identified
9.	13.01.2026	Petition filed seeking deviations in RFP-DBFOO/PSA-DBFOO and in-principle quantum approval
10.	17.06.2026	Commission's Order approving deviations to RFP-DBFOO and PSA-DBFOO
11.	29.05.2026	Petition No. 39 of 2026 filed seeking approval of procurement quantum of 1320 MW
12.	08.07.2026	Commission's Order in Petition No. 39 of 2026 approving procurement quantum of 1320 MW for 25 years from FY 2030-31

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2.12 The Petitioner submitted that upon receipt of the requisite approvals of the Commission, it proceeded with the remaining stages of the bidding process in accordance with the Long-Term Procurement Guidelines and the bidding documents approved by the Commission, and the financial bids submitted by the qualified bidders were opened on the DEEP Portal on 09.07.2026. The Petitioner submitted that, in terms of Clause 1.2.7 of the RFP-DBFOO, the Fixed Charge and the Fuel Charge quoted by each bidder together constitute the "Tariff" and the bidder offering the lowest Tariff is the "Lowest Bidder". Further, under Clause 3.3.1

of the RFP-DBFOO, the bidder whose bid is adjudged responsive under Clause 3.2.1 and who quotes the lowest Tariff in conformity with Clause 3.5 is to be declared the "Selected Bidder".

2.13 The Petitioner submitted that it first examined the bids for responsiveness under Clause 3.2.1 of the RFP-DBFOO and thereafter evaluated the responsive bids by comparing the total Tariff (Fixed Charge plus Fuel Charge) and arranged them in ascending order. Further, out of the five technically qualified bidders, three submitted financial bids, with the following tariffs as on the bid due date:

Particulars (Rs./kWh)	**MB Power (Madhya Pradesh) Ltd.**	**Adani Power Ltd.**	**Lalitpur Power Generation Co. Ltd.**
Weighted average cost of fuel (A)	1.147	1.147	1.147
Weighted average cost of transportation (B)	0.570	0.299	1.213
Total Fuel Charge (C=A+B)	1.717	1.446	2.360
Fixed Charge (D)	4.520	4.300	4.390
Total Tariff (Fuel Charge (C) + Fixed Charge (D))	**6.237**	**5.746**	**6.750**

2.14 The Petitioner submitted that based on the evaluation of the final discovered price, M/s Adani Power Ltd., having quoted the lowest total Tariff of Rs. 5.746/kWh, emerged as the Lowest Bidder and was identified as the Selected Bidder for supply of 1234 MW RTC coal-based power from a 1320 MW thermal power plant, at a Base Fixed Charge of Rs. 4.300/kWh and a Base Fuel Charge of Rs. 1.446/kWh.

2.15 The Petitioner submitted that the bidding process was undertaken through a transparent and competitive procedure in accordance with the Long-Term Procurement Guidelines issued by the Ministry of Power under Section 63 of the Act, and that the discovered tariff was evaluated by the Petitioner and found to be competitive, reasonable and aligned with prevailing market conditions, while securing a firm and dependable source of RTC power for the projected requirements of the State.

2.16 The Petitioner submitted that its Board of Directors in the 129th meeting held on 27.07.2026 deliberated on the matter and advised the Petitioner to pursue the matter with the GoU for requisite approval and suggested that upon receipt of the GoU approval the approval of the

Board may be secured through circular resolution, if needed due to urgency. The Petitioner submitted that it, accordingly, submitted the proposal to the GoU vide letter dated 27.07.2026 and vide the GoU's letter No. 1028/I(2)/2026/05(23)/2019 dated 01.09.2026 it was informed of the approval of the GoU for the 1320 MW long-term tender for 25 years.

2.17 The Petitioner submitted that its Board of Directors, in the 130th meeting held on 08.09.2026, resolved as follows:

"Resolved that in order to meet out the energy deficit of the State, the approval of Board of Directors in the matter of procurement of 1320 MW power under long term arrangement through tariff based competitive bidding under coal allocation, Shakti-B(iv) for 25 years be and is hereby accorded for the approval of:

a) Draft Power Supply Agreement;

b) Filing Petition w.r.t. Tariff Adoption before Hon'ble Commission (UERC);

c) Filing Petition w.r.t. Draft PSA approval before Hon'ble Commission (UERC)."

2.18 The Petitioner submitted that, in accordance with Section 63 of the Act, where tariff has been determined through a transparent process of bidding in accordance with the Guidelines issued by the Central Government, the Appropriate Commission is required to adopt the tariff so discovered, and that the present Petition seeks adoption of the tariff of Rs. 5.746/kWh for procurement of contracted capacity of 1234 MW RTC coal-based power from a 1320 MW thermal power plant as per the terms and conditions of the RFP and the draft PSA.

2.19 The Petitioner submitted that it has placed the final draft PSA proposed to be executed with M/s Adani Power Ltd., duly approved by its Board of Directors, for prior approval of the Commission in compliance with para 2.24 of the Commission's Order dated 08.07.2026, and undertook that the PSA shall be executed only after its approval by the Commission.

2.20 The Petitioner submitted that the adoption of the tariff and approval of the draft PSA are necessary to enable it to secure adequate, reliable and economical long-term power for the State, effectively utilise the coal linkage earmarked under the SHAKTI Policy, reduce dependence on volatile short-term and exchange-based procurement, and safeguard the interests of consumers.

2.21 The Petitioner submitted that the cause of action arose upon completion of the competitive

bidding process and discovery of the lowest tariff, necessitating the present Petition under Section 63 of the Act for adoption of tariff and under Section 86(1)(b) of the Act read with the applicable Regulations for prior approval of the PSA proposed to be executed with the successful bidder.

2.22 The Petitioner has urged the grounds in support of the relief sought in the Petition. While most of the grounds have already been stated by the Petitioner under the facts of the case, certain new grounds raised by the Petitioner are as follows:

a) UPCL submitted that, the RFQ, RFP and draft PSA were based upon the Model Bidding Documents issued by the Ministry of Power, and wherever deviations, modifications or clarifications were considered necessary, the same were placed before the Commission for its prior approval in accordance with Clause 4 of the Long-Term Procurement Guidelines.

b) UPCL submitted that the Commission examined the proposed deviations and modifications in the RFQ vide Order dated 09.05.2025 and those concerning the RFP and PSA vide Order dated 17.06.2026. The Petitioner thereafter revised the bidding documents in accordance with the findings and directions issued by the Commission, and the bidding process has been undertaken on the basis of the documents that have already been subjected to regulatory scrutiny.

c) UPCL submitted that the question regarding the necessity and prudence of the procurement quantum, already stands determined by the Commission, and the present Petition concerns the subsequent adoption of the competitively discovered tariff and approval of the PSA proposed to be executed with the successful bidder.

d) UPCL submitted that the bid opening and evaluation were undertaken in accordance with the timelines and procedure prescribed in the RFP-DBFOO, and the bidding process was, therefore, transparent, fair and free from arbitrariness.

e) UPCL submitted that the Commission considered the Resource Adequacy Study while approving the procurement quantum vide Order dated 08.07.2026 and, therefore, adoption of the discovered tariff is consistent with the approved long-term resource planning requirements of the State.

f) UPCL submitted that since the project involves development and commissioning of a new coal-based generating station within the timelines prescribed in the PSA-DBFOO, therefore, timely adoption of the tariff and approval of the PSA are necessary to enable the successful bidder to achieve the Conditions Precedent, Financial Closure, development milestones and scheduled commissioning of the generating units.

2.23 The Petitioner has sought the following reliefs in the Petition filed by it:

a) Adopt, under Section 63 of the Electricity Act, 2003, the competitively discovered tariff of Rs. 5.746 per kWh, comprising the Base Fixed Charge of Rs. 4.300 per kWh and the Base Fuel Charge of Rs. 1.446 per kWh, for procurement of 1234 MW RTC coal-based power from a 1320 MW thermal power plant from M/s Adani Power Ltd. for a period of 25 years;

b) Approve, under Section 86(1)(b) of the Electricity Act, 2003 read with Regulation 74 of the UERC Tariff Regulations, 2024, the final draft PSA-DBFOO proposed to be executed between the Petitioner and M/s Adani Power Ltd., and permit the parties to execute the same;

c) Approve the pass-through of the adopted Tariff, and all Change in Law and other permissible charges under the PSA-DBFOO, in the Annual Revenue Requirement/ tariff of the Petitioner;

3. Proceedings before the Commission

3.1 On preliminary scrutiny of the Petition, the Commission vide its letter no. UERC/6/TF-883/2026-27/2026/1103 dated 09.10.2026 communicated the deficiencies observed in the Petition and sought information/documents from UPCL, which, are summarized hereunder:

a) UPCL, at para 3.31 of the Petition, while referring to Annexure-5 thereof, submitted that M/s APL emerged as the lowest bidder, however, the name of M/s APL does not appear in the price comparative statement placed at Annexure-5. UPCL was required to examine the same and furnish reasons/justification for the variance in its submission.

b) UPCL, at para 3.33 of the Petition, submitted that the bidding process was undertaken through a transparent and competitive procedure in accordance with the Long-Term

Procurement Guidelines issued by the Ministry of Power. UPCL was required to demonstrate the same and to furnish a summary of the chronological events of the bidding process, duly benchmarked against the procedure set out in the said Guidelines.

c) UPCL was required to confirm, on affidavit, that the draft PSA submitted with the Petition has been drawn strictly in accordance with the deviations/modifications approved by the Commission vide its Order dated 17.06.2026 and, in case of any variation, to furnish the details thereof along with the justification thereof.

d) UPCL was required to submit the report of the Bid Evaluation Committee constituted for evaluation of the bids for procurement of 1320 MW on long-term basis, reporting the findings/observations of the Committee at the different stages of the bid process.

e) UPCL was required to furnish the actual dates against the Schedule of Bidding Process provided at Clause 1.3 of the RFQ document.

f) UPCL was required to issue the Letter of Award (LoA) within 30 days of the Bid Due Date, which period had already elapsed. Accordingly, UPCL was required to submit a copy of the LoA issued to the successful bidder.

In response to the same, UPCL vide its letter no. 5737/UPCL/CE(COMM)/ UERC/LTPP dated 15.10.2026 submitted its point-wise reply, which has been dealt with at the relevant places in this Order.

3.2 The Commission vide letter no. UERC/6/TF-883/2026-27/2026/1103 dated 09.10.2026 forwarded a copy of the draft PSA to M/s Adani Power Limited for its comments. M/s APL vide its letter/e-mail dated 13.10.2026 submitted that it has no comments, objections or suggestions on the Petition filed by UPCL and the same is acceptable to it. Accordingly, it requested the Commission to allow the Petition filed by UPCL and adopt the tariff discovered under Section 63 of the Act and also approve the execution of the PSA.

3.3 The matter was heard on 22.10.2026, wherein both the Petitioner and the Respondent were heard. The Respondent once again reiterated its submission made vide e-mail dated 13.10.2026, and submitted that it has no comments, objections or suggestions on the Petition filed by UPCL and the same is acceptable to it.

3.4 Further, the Commission, vide its daily order dated 22.10.2026, directed UPCL to submit information/clarifications on the following points:

(a) W.r.t. the item description of the Price Comparative Statement generated on the DEEP portal, which states the period as "From 01.07.2029:00:00 to 30.06.2049:24:00", that translates to a period of 20 years as against the proposed period of 25 years for the long-term procurement.

(b) Submit the documents w.r.t. the exchange of communication with M/s Torrent Power Ltd. regarding its withdrawal from the bidding process and seeking return of its Bid Security, and UPCL's response/action on the same.

In response to the same, UPCL vide its letter no. 5956/UPCL/CE(COMM)/ UERC/LTPP dated 24.10.2026 submitted its reply along with the copy of the e-mail dated 23.10.2026 of its Tender Consultant, M/s SBI Capital Markets Ltd., which has been dealt with at the relevant places in this Order.

4. Commission's Views & Decisions

4.1 Background

4.1.1 The genesis of the present procurement lies in the letter No. 1550/MD/UPCL/P-16 dated 07.03.2024 of the Managing Director, UPCL, addressed to the Managing Director, UJVN Ltd. (as annexed to the Petition), whereby, with reference to the letter No. 264/SHAKTI-B(iv)/TPPD/CEA/2024/198-200 dated 08.02.2024 of the Chief Engineer (TPP&D), CEA, addressed to the Secretary (Energy), GoU, and the discussion held on 24.02.2024, UPCL forwarded its power projections for FY 2024-25 to FY 2031-32 to UJVN Ltd. and stated as under:

"As per enclosed forecasting sheet, average base load demand in F.Y 2030-31 will be approximately 2099 MW while peak demand will be 3616 MW approx. Keeping in view of the average generation availability from UJVN limited at present, the 60-65% of the base load demand of 2099 MW during summers and 80-85% should be met through base load power stations like Thermal, and Nuclear etc. Further, as per enclosed list it is evident the deficit between demand and supply by F.Y 2030-31 while available RTC capacity during FY 2030-31 is only 991 MW (Existing 939MW including gas based IIPs of State and 52 MW for Upcoming plant) against forecasted base demand of 2099 MW.

Therefore, base load capacity preferably thermal capacity to the tune of approximately 1108 MW in energy mix of the State is required by the year 2030-31 to have a stable base load capacity in the State, Resource Adequacy Studies of CEA has also forecasted and recommended to add 1454 MW thermal capacity in energy mix of Sate of Uttarakhand by FY 2031-32 to ensure reliable power supply to consumers of state."

As can be seen from the above, UPCL, vide the aforesaid letter, had assessed a requirement of base load capacity, preferably thermal, of approximately 1108 MW by FY 2030-31, whereas the Resource Adequacy Studies of CEA referred to therein had recommended addition of 1454 MW of thermal capacity by FY 2031-32.

4.1.2 Thereafter, a meeting of the officers of UPCL and UJVN Ltd. was held on 16.01.2025 in the Uttarakhand Secretariat under the chairmanship of the Secretary (Energy), GoU. The relevant extract of the said minutes is reproduced hereunder:

"राज्य की ऊर्जा मांग की दीर्घकालिक आवश्यकताओं की पूर्ति हेतु विद्युत क्रय किये जाने की कार्ययोजना तैयार किये जाने के संबंध में दिनांक 16.01.2025 को उत्तराखंड सचिवालय में यूपीसीएल एवं यूजेवीएनएल के अधिकारियों की सचिव (ऊर्जा), उत्तराखण्ड शासन की अध्यक्षता में उनके कार्यालय कक्ष में आहूत बैठक का कार्यवृत्त।

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बैठक में निम्नलिखित विषयों पर विचार-विमर्श के उपरान्त निम्नानुसार कार्यवाही हेतु निर्देशित किया गया:-

अ) उत्तराखंड राज्य के सन्दर्भ में केन्द्रीय विद्युत प्राधिकरण (CEA) द्वारा किए गए संसाधन पर्याप्तता योजना (Resource Adequacy Plan) (अनुलग्नक-I) में वर्ष 2029-30 तक 1181 मेगावाट की अतिरिक्त थर्मल क्षमता वृद्धि की आवश्यकता का आंकलन किया गया है।

ब) यूपीसीएल के पत्र दिनांक 07.03.2024 (अनुलग्नक-II) को यूजेवीएनएल को बेस लोड प्लांट क्षमता अधिमानतः (Preferably) थर्मल के लिए आवश्यकता प्रस्तुत की थी।

ग) उपरोक्त उद्देश्यों के लिए, यूजेवीएनएल और टीएचडीसी का एक संयुक्त उद्यम बेस लोड थर्मल प्लांट की स्थापना हेतु विचारित था, लेकिन बैठक में इस बात पर चर्चा हुई कि उक्त संयुक्त उद्यम समय से परियोजना पर कार्यवाही आरम्भ नहीं कर पायेगा, जिससे राज्य की विद्युत आवश्यकता हेतु दीर्घकालिक योजना पर प्रतिकूल प्रभाव पड़ेगा। बैठक में इस बात पर भी चर्चा की गई कि राज्य का अगले 5 वर्षों में अपनी जीडीपी को दोगुना करने का लक्ष्य है, जिससे राज्य में विद्युत की अतिरिक्त मांग होगी।

घ) उपरोक्त को ध्यान में रखते हुए बैठक में यह निर्णय लिया गया कि यूपीसीएल को वर्ष 2029-30/2030-31 तक 1320 मेगावाट (राज्य कोयला आवंटन, शक्ति बी-4 के तहत) क्षमता के ग्रीन फील्ड थर्मल पावर प्लांट से विद्युत क्रय हेतु टीबीसीबी (Tariff Based Competitive Bidding) मोड में निविदायां आमंत्रित करनी चाहिए जिससे कि राज्य में बेस लोड थर्मल प्लांट की आवश्यकताओं की दीर्घकालिक (Long Term Power Purchase) आधार पर पूर्ति की जा सके और तदानुसार विद्युत की आवश्यकता हेतु यूपीसीएल द्वारा यूजेवीएनएल को दिया गया पत्र दिनांकित 07.03.2024 वापस लिया जाता है।

....."

From the above, it is observed that the decision to procure 1320 MW of power under the State coal allocation, SHAKTI B(iv), through Tariff Based Competitive Bidding on long-term basis, was taken in the meeting held under the chairmanship of the Secretary (Energy), GoU on 16.01.2025, wherein it was also decided that the letter dated 07.03.2024 of UPCL to UJVN Ltd. stands withdrawn. Subsequently, the Board of Directors of UPCL, in its 123rd meeting held on 01.05.2025, approved the said procurement and, in its 124th meeting held on 05.07.2025, directed that the matter of the proposed PPA of 1320 MW for a term of 25 years be referred to the GoU for consideration and approval, pursuant to which the GoU has accorded its approval, as discussed hereunder.

4.1.3 UPCL has placed on record the approval of the Government of Uttarakhand dated 01.09.2026 for procurement of 1320 MW (1234 MW contracted capacity) from M/s APL at a total tariff of Rs. 5.746/unit for 25 years, in accordance with the directions/ resolution of its Board of Directors, whereby, UPCL was required to obtain the approval of the Government of Uttarakhand before proceeding further with the finalisation of the procurement process. The Commission observes that the approval granted by the GoU is subject to three conditions, namely:

(1) As the agreement will secure the power requirements of the State and UPCL for 30 years, UPCL shall not, as a policy, be compelled to purchase power from UJVN Ltd. for projects commencing after this decision;

(2) Future Pumped Storage and Battery Energy Storage projects shall be taken up

only with the consent of UPCL and after detailed financial appraisal by CEA or an independent third party; and

(3) The construction of UJVN Ltd.'s ongoing hydro, PSP and BESS projects be completed expeditiously, to cater to any unexpected increase in demand of power in future.

4.1.4 The Commission also notes that the NIT placed on record by UPCL vide its letter dated 24.10.2026 envisaged procurement of electricity on long-term basis "from a New Power Station of 1,320 MW Capacity located anywhere in India" on DBFOO basis by sourcing fuel from the coal linkage arranged by UPCL under Para B(iv) of the SHAKTI Policy, which is consistent with the decision taken in the meeting held on 16.01.2025 for purchase of power from a green field thermal power plant. The Petitioner has also submitted that the project involves development and commissioning of a new coal-based generating station within the timelines prescribed in the PSA-DBFOO.

4.1.5 The Commission further notes from the minutes of the 129th meeting of the Board of Directors of UPCL held on 27.07.2026 (Item No. 129.24), placed as annexure to the Petition, that the proposal for procurement of 1320 MW long-term power through Tariff Based Competitive Bidding under Section 63 of the Act was placed before the Board after it had been examined by the Audit Committee of the Board in its 95th meeting held on 24.07.2026. The Audit Committee had suggested taking up the matter with the Government of Uttarakhand and had made observations relating to the capacity procurement rationale, the justification for aggregated bids and the treatment of ongoing/approved projects. The minutes record that the Board was apprised of the following:

(a) the earlier approvals accorded by the Board in its 123rd and 124th meetings;

(b) the conduct of the tender in accordance with the Model Bidding Documents (RFQ, RFP and PSA) and the Guidelines of the Ministry of Power dated 06.03.2019;

(c) the Orders of the Commission dated 09.05.2025, 17.06.2026 and 08.07.2026, and the modification of the RFP and PSA in accordance with the approved deviations;

(d) the opening of the RFP bids on 09.07.2026;

(e) the allocation of coal linkage of 1320 MW split between the Mand Raigarh (792 MW) and Korba (528 MW) fields under SHAKTI B(iv), valid up to 27.03.2027.

The minutes further record as under:

"… A detailed presentation was made addressing each of the above said observations wherein the justification of capacity of 1320 MW, risk mitigation from a single generator based procurement through modular design (2X660 MW), diversified portfolio of Uttarakhand etc., and inclusion of the upcoming projects of various stakeholders was also discussed.

Furthermore, the Board was apprised of the status of coal mine allocation and timelines associated, tender procedure followed, model bidding documents, approval orders of the Hon'ble Commission on RFQ, RFP and PSA for deviations/modifications/clarifications as well quantum approval petitions, price discovery and the L1 bidder in the tender, along with a comparison of tariffs discovered in similar tenders floated by other States. The directions issued by the Hon'ble Commission and the proposed way forward for further processing of the tender were also presented and discussed.

…

The Board deliberated on the matter at length and advised to pursue the matter with the Government of Uttarakhand for obtaining the requisite approval…"

From the above, the Commission observes that the proposal for procurement of long term power and the associated proceedings were examined by the Audit Committee, and observations/findings of the Audit Committee were placed before the Board through a detailed presentation and were deliberated upon by the Board at length, and the Board advised to pursue with GoU for obtaining the requisite approval.

4.1.6 Thereafter, upon receipt of the approval of the GoU dated 01.09.2026, the Board of Directors of UPCL in its 130th meeting held on 08.09.2026, vide Resolution No. 130.18, approved the draft PSA and the filing of the present Petition, for adoption of tariff & approval of the draft PSA, before the Commission, in compliance with the direction given in the Order dated 08.07.2026.

4.2 Legal framework for adoption of tariff and approval of the Power Supply Agreement (PSA)

4.2.1 A Power Supply Agreement, being an agreement for purchase of power, is a legal document incorporating operational, technical and commercial provisions to be complied with in accordance with the applicable Rules and Regulations.

4.2.2 Section 86(1)(b) of the Electricity Act, 2003 stipulates that one of the functions of the Commission is to regulate electricity purchase and procurement process of the 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.

4.2.3 Further, the Distribution and Retail Supply License issued by the Commission lays down certain conditions of license, which amongst others also has the following:

"5.1 The Licensee shall be entitled to:

(a) …

(b) ***Purchase, import or otherwise acquire electricity from any generating company or any other person under Power Purchase Agreements or procurement process approved by the Commission****;*

…"

(Emphasis added)

4.2.4 Regulation 39 of UERC (Conduct of Business) Regulations, 2014 specifies as under:

"(1) The distribution licensee shall file with the Commission in complete form copies of all Power Purchase Agreements already entered into by it.

(2) The distribution licensee to establish to the satisfaction of the Commission that the purchase of power by it is under a transparent power purchase procurement process and is economical and the power is necessary to meet its service obligation.

(3) The Distribution licensee shall apply to the Commission for approval of the draft Power Purchase agreement that it proposes to enter into with the suppliers. The Commission may pass orders:

(a) Approving the agreement; or

(b) Approving the agreement with modifications proposed to the terms of the agreement; or

(c) Rejecting the agreement.

…."

4.2.5 Regulation 59 of UERC (Conduct of Business) Regulations, 2014 specifies as under:

"59. Inherent power of the Commission

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

4.2.6 Section 63 of the Electricity Act, 2003 specifies as under:

"Section 63. (Determination of tariff by bidding process):

Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."

4.2.7 The Central Government has issued the "Guidelines for long term Procurement of Electricity from Thermal Power Stations set up on Design, Build, Finance, Own and Operate (DBFOO) basis and sourcing fuel as provided under Model Bidding Documents including allocation of coal under B (I), B(III) and B(IV) of SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) Policy" vide Resolution No. 23/17/2013-R&R(Vol-VI) dated 06.03.2019. Clauses 2, 3 and 4 of the terms and conditions of the Guidelines read as under:

"2. The application of these Guidelines shall be restricted to projects constructed and operated in accordance with a Power Supply Agreement signed for Supply of electricity for a period of 7 years and above upto a period of 25 years from the Date of Commencement of supply of Power with provision of extension of 5 years at the option of either party in accordance with the Power Supply Agreement.

3. The tariff determined through the bidding process based on these Guidelines comprising the Model Bidding Documents shall be adopted by the Appropriate Commission in pursuance of the provisions of section 63 of the Act.

4. Any deviation from the Model Bidding Documents shall be made only with the prior approval

of the Appropriate Commission. Provided, however, that any project specific modifications expressly permitted in the Model Bidding Documents shall not be construed as deviations from the Model Bidding Documents."

4.2.8 Section 63 of the Electricity Act, 2003 provides that "Notwithstanding anything contained in Section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government." A plain reading of Section 63 of the Electricity Act, 2003 shows that the Commission is required to adopt the tariff upon being satisfied that such tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government. The said provision is, however, required to be read with Section 86(1)(b) of the Act, as held by the Hon'ble Supreme Court in Jaipur Vidyut Vitran Nigam Ltd. & Ors. v. MB Power (Madhya Pradesh) Ltd. & Ors., 2024 INSC 23 (judgment dated 08.01.2024), which has been discussed in the subsequent paras.

4.2.9 Regulation 39 of the UERC (Conduct of Business) Regulations, 2014 requires the distribution licensee to establish to the satisfaction of the Commission that the purchase of power is under a transparent power purchase procurement process, is economical and is necessary to meet its service obligation, and empowers the Commission to approve the draft agreement, approve it with modifications, or reject it.

4.2.10 Regulation 74 of the UERC Tariff Regulations, 2024 stipulates that every agreement or arrangement for power procurement by a distribution licensee shall come into effect only with the prior approval of the Commission, and requires the Commission to have regard, inter alia, to the requirement for power procurement under the approved power procurement plan and adherence to a transparent bidding process.

4.2.11 Accordingly, the Commission, in the present proceedings for adoption of Tariff and the approval of draft PSA, is required to examine the following relevant aspects:

(a) whether the tariff has been discovered through a transparent process of bidding in accordance with the Guidelines and the Model Bidding Documents, incorporating only such deviations as were approved by the Commission;

(b) whether the tariff discovered is competitive and is in accordance with the market conditions consistent with the guiding principles under Section 61 of the Act.

(c) whether the draft PSA is in conformity with the Model PSA and the deviations approved by the Commission.

4.2.12 In response to the queries regarding the sequence of events of the bidding process followed by UPCL, UPCL submitted a chronology of events of the bidding process, as reproduced in the Table given below:

S. No.	Date	Important Bidding Points
1	07.03.2024	Letter written by UPCL to UJVNL for base load capacity preferably thermal capacity requirement up to F.Y. 2030-31
2	16.01.2025	Meeting in chairmanship of Hon'ble Secretary (Energy), wherein it was discussed and directed that UPCL shall float a tender of 1320 MW under TBCB mode and the letter dated 07.03.2024 as above was withdrawn.
3	03.02.2025	Accordingly, the tender was floated for 1320 MW, NIT and RfQ was uploaded on DEEP portal.
4	05.02.2025	Notice inviting tender was published in three newspapers namely The Hindu, The Indian Express and Dainik Jagran.
5	11.03.2025	The Pre Bid meeting to take up the queries of the interested bidders was held.
6	28.03.2025	A letter was issued by Coal India Limited regarding coal field earmarking under SHAKTI B (iv) to the State of Uttarakhand for 1320 MW.
7	25.04.2025	The Petition for clarification/modification in RfQ was filed before the Hon'ble UERC.
8	01.05.2025	Approval for procurement of long-term 1320 MW power was accorded by the Board of Directors of UPCL in 123rd Board of Directors' meeting.
9	06.05.2025	The hearing w.r.t. clarification/modification in RfQ of 1320 MW tender was done by Hon'ble UERC.
10	09.05.2025	The Order on clarification/modification in RfQ of 1320 MW tender was passed by Hon'ble UERC against petition for clarification/modification in RfQ and the Hon'ble UERC also directed to justify the quantum proposed to be procured.
11	17.05.2025	A letter was sent by UPCL to Hon'ble UERC w.r.t. its submission on quantum approval.
12	10.06.2025	Hon'ble UERC directed UPCL vide letter dated 10.06.2025 to give a presentation regarding quantum of proposed procurement.
13	13.06.2025	A detailed presentation was given by UPCL on 13.06.2025.
14	16.06.2025	Part-I (RfQ) of long-term tender opened. 5 Nos. of bidders have participated namely 1. M B Power, 2. Adani Power Limited, 3. Lalitpur Power Generation Company, 4. Torrent Power Limited, 5. Jindal India Thermal Power Limited.
15	05.07.2025	The Minutes of 123rd Board of Directors' of UPCL meeting were revised in the 124th Board of Directors' of UPCL meeting in which it was directed to refer the matter of proposed PPA to GoU (Government of Uttarakhand) for consideration and approval of the same.

S. No.	Date	Important Bidding Points
16	08.07.2025	Hon'ble UERC directed to convene a coordination / joint meeting with stakeholders namely UJVNL, PTCUL and UREDA on 09.07.2025.
17	09.07.2025	Coordination/Joint meeting convened in the office of Hon'ble UERC in between UPCL, PTCUL, and UJVNL.
18	14.07.2025	The RfQ stage of the 1320 MW long term power procurement tender concluded after approval of competent authority and all 05 Nos. of bidders identified as qualified.
19	22.07.2025	The Request for Proposal (RFP) and Draft Power Supply Agreement (PSA) w.r.t. 1320 MW (Contracted Capacity ~1234 MW) long term power procurement was uploaded on the DEEP Portal.
20	28.08.2025	The Pre bid meeting to take up the queries regarding uploaded RfP and Draft PSA was held.
21	13.01.2026	The petition was filed before the Hon'ble UERC w.r.t. clarification / modification in RfP, Draft PSA along with approval for proposed quantum.
22	16.01.2026	A letter was received from the Hon'ble UERC for information regarding fixing of hearing for admissibility of the application in the matter on 10.02.2026.
23	09.02.2026	A letter was received from Hon'ble UERC regarding information of postponement of the hearing on 10.02.2026.
24	06.03.2026	A letter was received by UPCL from Hon'ble UERC regarding queries against the petition filed on 13.01.2026.
25	04.04.2026	UPCL submitted the reply w.r.t. Hon'ble UERC's letter dated 06.03.2026 with the requisite information.
26	15.05.2026	Hon'ble UERC sought presentation on proposed quantum w.r.t. 1320 MW Long Term Power Procurement.
27	18.05.2026	UPCL submitted the presentation w.r.t. proposed quantum i.e. 1320 MW (Contracted Capacity ~ 1234 MW).
28	27.05.2026	Hon'ble UERC directed UPCL to file a formal petition for approval of proposed quantum.
29	29.05.2026	UPCL submitted the petition before Hon'ble UERC as per their direction given on 27.05.2026 for approval of quantum w.r.t. long term 1320 MW (Contracted Capacity ~ 1234 MW) power procurement.
30	05.06.2026	Hon'ble UERC directed UPCL to submit point wise reply of queries on the petition filed on 29.05.2026.
31	08.06.2026	UPCL submitted the point wise reply with the requisite information w.r.t. the directions of Hon'ble UERC dated 05.06.2026.
32	17.06.2026	Hon'ble UERC passed its order on Petition filed against clarification / modification in RfP and Draft PSA.
33	23.06.2026	Hon'ble UERC again directed UPCL to submit point wise reply on additional queries on the petition filed on 29.05.2026.
34	27.06.2026	UPCL submitted the point wise reply on additional queries raised by Hon'ble UERC dated 23.06.2026 with requisite information.
35	30.06.2026	A Mock Bidding session for bidders was conducted on DEEP portal.
36	03.07.2026	Hon'ble UERC directed UPCL to submit the approval of Board of Directors of UPCL w.r.t. proposed long term tender.

S. No.	Date	Important Bidding Points
37	06.07.2026	UPCL submitted the approval of Board of Directors of UPCL for proposed long term tender as per directions of Hon'ble UERC dated 03.07.2026.
38	08.07.2026	Hon'ble UERC passed an order for approval of quantum w.r.t. long term tender.
39	09.07.2026	Post approval of quantum Order by Hon'ble UERC, the RfP was opened on DEEP portal. 03 Nos. of bidders successfully submitted the RfP within prescribed timelines namely, 1. M B Power, 2. Adani Power Limited, 3. Lalitpur Power Generation Company.
40	27.07.2026	In 129th BoD meeting, Board of Directors of UPCL directed UPCL to pursue the matter with GoU for requisite approval.
41	27.07.2026	UPCL submitted the proposal of proposed long term tender of 1320 MW (Contracted Capacity ~ 1234 MW) to GoU.
42	01.09.2026	UPCL received a letter from Energy Department, GoU regarding approval of long term tender.
43	08.09.2026	In 130th Board of Directors' of UPCL meeting, the Board of Directors, UPCL approved the Draft PSA & accorded approval for filing petition w.r.t. tariff adoption and Draft PSA before Hon'ble UERC.
44	05.10.2026	Petition filed for Tariff Adoption and approval of Draft PSA.

4.2.13 The Commission notes that the RFQ was published on the DEEP portal, the e-bidding portal of the Ministry of Power, and in national and regional newspapers. Total five bidders qualified at the RFQ stage and later, out of the five, only three bidders submitted their price bids.

4.2.14 Further, in response to the query regarding the "Actual" dates against the "Schedule" dates of Bidding Process provided at Clause 1.3 of the RFQ document, UPCL, vide its reply dated 15.10.2026, submitted the actual dates related to the Bidding Process. Additionally, UPCL, vide its letter dated 24.10.2026, placed on record the initial Notice Inviting Tender (NIT) issued against Tender Specification No. 21/CE(COMM)/UPCL-21/LTPP/2025. A comparison of the schedule specified in the said NIT with the actual dates submitted by UPCL vide its reply dated 15.10.2026 is given in the Table below:

S. No.	Event Description	Schedule Date as per NIT	Actual Date
	RFQ Stage		
1	Last date for receiving queries	03.03.2025 up to 17:00 Hrs	03.03.2025
2	Pre-Application Conference	11.03.2025 at 15:00 Hrs	11.03.2025
3	Utility response to queries latest by	22.03.2025 up to 17:00 Hrs	15.05.2025
4	Application Due Date	08.04.2025 up to 17:00 Hrs	16.06.2025
5	Announcement of Pre-qualified	28.04.2025 up to 17:00 Hrs	15.07.2025

S. No.	Event Description	Schedule Date as per NIT	Actual Date
	Applicants		
	Bid Stage		
1	Sale of Bid Document		22.07.2025
2	Last date for receiving queries		18.08.2025
3	Pre-Bid Conference-1		28.08.2025
4	Utility response to queries latest by		24.06.2026
5	Pre-Bid Conference-2		-
6	Bid Due Date		09.07.2026
7	Opening of Bids		On Bid Due Date
8	Letter of Award (LOA)	Within 30 days of Bid Due Date	13.10.2026
9	Validity of Bids	120 days from Bid Due Date	120 days of Bid Due Date
10	Signing of PSA-DBFOO	Within 30 days of issue of LoA	Within 30 days of award of LOA

From the above, the Commission observes that the pre-qualified applicants were announced on 15.07.2025 as against 28.04.2025 specified in the NIT, i.e. after a period of 78 days beyond the notified schedule. The Commission notes that during this period, UPCL had approached the Commission vide Petition dated 25.04.2025 seeking clarifications/modifications in the RFQ following the queries raised by the bidders, which was disposed of vide Order dated 09.05.2025. Further, the NIT stipulated issuance of the LoA within 30 days of the Bid Due Date, whereas the LoA was issued on 13.10.2026.

4.2.15 As regards the variance pointed out by the Commission at Annexure-5 to the Petition, UPCL, in its reply dated 15.10.2026, submitted that the document annexed as Annexure-5 to the Petition inadvertently pertained to the price sheet of the mock bidding session held on 30.06.2026, and that the actual price comparative statement discovered on 09.07.2026, on the basis of which M/s APL emerged as the lowest bidder (L-1), has now been placed on record as an annexure with the reply. UPCL expressed regret for the inadvertent annexing of the mock bidding price sheet and requested the Commission to take the annexure with the reply dated 15.10.2026 on record. UPCL further submitted that the whole bidding process was carried out in line with the

Guidelines issued by the Ministry of Power, that equal opportunity was given to all the bidders to participate in the bidding process, and that the mock bidding session was conducted on 30.06.2026 to facilitate the bidders in getting a know-how of the bidding process on the DEEP portal.

4.2.16 The Commission has perused the Price Comparative Statement generated on the DEEP portal (event No. UPCL/Long/Coal from CIL/24-25/ET/RFP/211) placed as annexure to the UPCL's reply dated 15.10.2026 and observes that it records the bids of MB Power (Madhya Pradesh) Ltd., M/s APL and Lalitpur Power Generation Company Ltd., each for a quantum of 1234 MW, with Fixed Charge of Rs. 4.52/kWh, Rs. 4.30/ kWh and Rs. 4.39/kWh, cost of fuel of Rs. 1.147/kWh each, cost of transportation of fuel of Rs. 0.57/kWh, Rs. 0.299/kWh and Rs. 1.213/kWh, and total Tariff of Rs. 6.237/ kWh, Rs. 5.746/kWh and Rs. 6.75/kWh respectively, which are consistent with the tariffs submitted in the Petition and reproduced hereinabove.

The aforesaid statement, however, under the Item description mentions as "From 01.07.2029:00.00 to 30.06.2049:24.00 Quantity: 1234.0 MW", which represents a period of 20 years, being inconsistent with the 25 years' period from FY 2030-31 onwards as proposed by UPCL and approved by the Commission vide Order dated 08.07.2026 for the aforesaid long term procurement and has been dealt with hereunder.

4.2.17 In response to the direction of the Commission vide daily order dated 22.10.2026 on the above, UPCL, vide its letter dated 24.10.2026, relying upon the e-mail dated 23.10.2026 of its Tender Consultant, submitted that the Price Comparative Statement has been generated and downloaded from the DEEP Portal, through which the e-tendering process was conducted. UPCL submitted that at the time of initial publication of the tender on 03.02.2025, the power procurement was envisaged for a period of 20 years; however, pursuant to the queries raised by the bidders and subsequent internal approvals by UPCL, the power procurement period was revised from 20 years to 25 years, which was published on the DEEP Portal through a corrigendum for the information of all prospective bidders and was also incorporated in all the relevant tender documents, including the RFP and the draft PSA, which were made available to the bidders for the purpose of bidding. UPCL further submitted that the DEEP Portal

does not have a provision to modify or update the relevant details in the portal once released and any changes are communicated vide corrigendum, and, accordingly, the Price Comparative Statement generated from the DEEP Portal continues to reflect the details as originally captured in the portal. UPCL also placed on record the initial NIT and the corrigendum in support of its submission.

4.2.18 The Commission has perused the initial NIT and the corrigendum placed on record by UPCL. The NIT specified the "Period of Supply" as "20 years from the Supply Commencement Date", and the corrigendum, revised the same to "25 years from the Supply Commencement Date". Moreover, the period of supply of 25 years is consistent with the resolution of the Board of Directors of UPCL in its 124th meeting held on 05.07.2025, the Commission's Order dated 08.07.2026, the approval of the GoU dated 01.09.2026 and the relief sought by UPCL in the present Petition, and M/s APL, the Selected Bidder, has submitted that the Petition filed by UPCL is acceptable to it and has not raised any objection on the draft PSA. In view of the above, the Commission accepts the explanation furnished by UPCL, and clarifies that the item description captured on the DEEP portal shall have no bearing on the period of supply under the PSA.

4.2.19 Further, as regards the report of the Bid Evaluation Committee and the copy of the Letter of Award, UPCL, in its reply dated 15.10.2026, submitted the minutes of the meetings held on 11.07.2025 and 17.07.2026 of the Committee constituted vide Office Memorandum No. 1823/UPCL/Comm/Tender/OM dated 05.04.2025 and Office Memorandum No. 10060 dated 01.12.2025 for study of tender documents, evaluation of bids and replies to the queries till the issuance of award.

4.2.20 As per the minutes dated 11.07.2025, the RFQ documents of five bidders, namely, MB Power (Madhya Pradesh) Ltd., M/s APL, Lalitpur Power Generation Company Ltd., Torrent Power Ltd. and Jindal India Power Ltd., were opened online by the representative of M/s PFC Consulting Ltd. (PFCCL), on behalf of UPCL, on 16.06.2025. The Tender Consultant, M/s SBICAPS, vide e-mail dated 02.07.2025, opined that all the five bidders may be considered qualified at the RFQ stage. The Committee, having found the documents submitted by the bidders to be as per the requirements of the

tender, recommended that all the participating bidders be qualified at the RFQ stage, and decided that their RFP documents be opened after obtaining the approval of the CoD, UPCL.

4.2.21 As per the minutes dated 17.07.2026, on the Bid Due Date, i.e. 09.07.2026, only three bidders participated, and the bid documents were opened physically, and the online bids were opened by the representative of the DEEP portal (M/s PFCCL), in the presence of the officials of UPCL, the representatives of the bidders and the Tender Consultant. The Tender Consultant, vide e-mail dated 09.07.2026, reported that the documents provided had been verified and prima facie found to be in order and that UPCL may proceed with opening of the price bids, whereafter the price bids were opened and checked. Thereafter, the Tender Consultant, vide e-mail dated 17.07.2026, reported that the documents submitted by the bidders, both physically and online on the DEEP portal, at the RFP stage had been verified in line with the tender document and found to be in order, and also furnished its report on the evaluation of bids, the rates discovered in similar long-term tenders of other States/Utilities, the treatment of the Bid Security, the expected financial liability of UPCL over the 25-year term of the PSA and the Conditions Precedent. The minutes also record that four bidders had submitted the Bid Security seven days prior to the bid opening date, but M/s Torrent Power Ltd. did not submit its bid at the RFP stage.

4.2.22 As regards M/s Torrent Power Ltd., the minutes record that it, vide e-mail dated 09.07.2026, intimated that it had decided not to bid and requested the return of its Bid Security, and that it, vide another e-mail sent at 1:58 PM on the same day, stated that the DEEP portal was not allowing submission of the price bid in decimal point and requested extension of the bid submission timeline by at least one hour. The Committee noted that M/s Torrent Power Ltd. had not submitted the hard copy of its bid within the stipulated time and, in view of its inconsistent remarks, the sealed envelope of its Bid Security was not opened. The Committee further noted that, M/s Torrent Power Ltd. had successfully submitted its price bid in the mock bidding session conducted on the DEEP portal on 30.06.2026, as reported by M/s PFCCL vide e-mail dated 01.07.2026. The Tender Consultant, referring to Clauses 2.11.1, 2.11.2, 2.20.7 and 3.2.1 of

the RFP, opined that since no bid was submitted by M/s Torrent Power Ltd., the question of the bid being non-responsive did not arise, there was no requirement of forfeiture of its Bid Security, and the same may be returned in terms of Clause 2.20.4 of the RFP.

4.2.23 Further, in response to the direction of the Commission vide daily order dated 22.10.2026, UPCL, vide its letter dated 24.10.2026, reiterated the above and placed on record the e-mails of M/s Torrent Power Ltd. dated 09.07.2026 and its letter No. TPL/ UPCL/Thermal/270726 dated 27.07.2026, wherein M/s Torrent Power Ltd. has submitted as under:

Extract of e-mail dated 09.07.2026:

"…that upon further evaluation of the tender conditions, we have decided not to bid and accordingly, we will not submit the 'bid' (Appendix-1) as stipulated under Clause 2.11.1 of the RFP…"

Extract of letter dated 27.07.2026:

"Upon further evaluation of tender conditions, we did not submit the Bid (Appendix-I) as stipulated under Clause 2.11.1 of the RfP and requested to return our original BG vide our letter no TPL/UPCL/Thermal/080726, dated 08-Jul-26.

We again request to return our Original BG along with discharge letter as we have not submitted our bid and upon return of the BG, we hereby undertake that we will not challenge the bidding process carried out under the RfP under reference – 1 above, …"

4.2.24 The Commission has examined the above and observes that M/s Torrent Power Ltd., vide its e-mail dated 09.07.2026, sent prior to its e-mail sent at 1:58 PM on the same day, had intimated that upon further evaluation of the tender conditions, they have decided not to bid and has reiterated the same vide its letter dated 27.07.2026, wherein it has further stated that it had requested return of its Bank Guarantee vide its letter dated 08.07.2026, i.e. a day prior to the Bid Due Date. M/s Torrent Power Ltd., in its letter dated 27.07.2026, has not raised any grievance with regard to the functioning of the DEEP portal and has undertaken not to challenge the bidding process upon return of its Bank Guarantee. In view of the above, the Commission is of the view that the non-submission of the bid by M/s Torrent Power Ltd. was on account of its own decision, and the same does not vitiate the bidding process, wherein three bids were received

and evaluated.

4.2.25 However, the Commission notes that UPCL, in its reply dated 24.10.2026, has not indicated the response/action taken by it on the request of M/s Torrent Power Ltd. for return of its Bid Security, as specifically sought vide daily order dated 22.10.2026, although the Committee, in its meeting held on 17.07.2026, had recommended release of the Bid Security of M/s Torrent Power Ltd. as per Clause 2.20.4 of the RFP, i.e. as promptly as possible on acceptance of the bid of the Selected Bidder, or in any case within 60 days from the Bid Due Date. UPCL is, accordingly, directed to deal with the request of M/s Torrent Power Ltd. strictly in accordance with the provisions of the RFP.

4.2.26 The Commission notes that the Committee, having reviewed the documents submitted by the bidders and the Tender Consultant having found them in line with the tender document, recommended that M/s APL, being the L1 bidder at a total tariff of Rs. 5.746/kWh, be considered for further processing of the tender after taking approval of the competent authority. Further, the Bid Security of MB Power (Madhya Pradesh) Ltd. and Lalitpur Power Generation Company Ltd. (unsuccessful bidders) and of M/s Torrent Power Ltd. (bid not submitted) be released as per Clause 2.20.4 of the RFP. The Committee also recommended that the draft PSA be placed before the Board of Directors of UPCL for approval, in terms of the Commission's Order dated 08.07.2026, and approval of the Board be sought for filing the Petition for adoption of tariff and approval of the draft PSA. Further, the matter of the proposed PPA be forwarded to the GoU in line with the direction of the Board of Directors in its 124th meeting, and that the matter be placed before the CoD, UPCL, for recommendation and further direction/approval.

4.2.27 As regards the LoA, UPCL submitted a copy of the LoA No. 5705/UPCL/Comm/ LTPP/CE dated 13.10.2026 issued to M/s APL for procurement of 1234 MW power (1320 MW installed capacity) under a long-term arrangement, which states that the LoA is subject to the Commission's approval for adoption of tariff under Section 63 of the Act. The Commission observes that the LoA has been issued on 13.10.2026, i.e. after a period of 96 days from the Bid Due Date of 09.07.2026 and also after the filing of the

present Petition on 05.10.2026, and towards which UPCL has not furnished any reasons for not issuing the LoA within 30 days of the Bid Due Date, as stipulated in the NIT and as pointed out by the Commission vide its letter dated 09.10.2026. The Commission, however, notes that the LoA has since been issued to M/s APL and takes the same on record.

4.2.28 The Commission further notes that, as per the NIT and the Schedule of Bidding Process submitted by UPCL, the bids were to remain valid for 120 days from the Bid Due Date of 09.07.2026, i.e. up to 06.11.2026, and the PSA-DBFOO is required to be signed within 30 days of issue of the LoA. UPCL has not placed on record any extension of the validity of the bid of M/s APL. Accordingly, UPCL is directed to ensure that the PSA is executed with M/s APL within the validity of its bid or, where required, after obtaining extension of the validity of the bid and of the Bid Security in accordance with the provisions of the RFP.

4.2.29 The scope of the Commission's jurisdiction while adopting tariff under Section 63 has been considered by the Hon'ble Supreme Court in Jaipur Vidyut Vitran Nigam Ltd. & Ors. v. MB Power (Madhya Pradesh) Ltd. & Ors., 2024 INSC 23 (judgment dated 08.01.2024), which, referring to paras 19 and 20 of Energy Watchdog v. Central Electricity Regulatory Commission, held that the Appropriate Commission does not act as a mere post office under Section 63, and that Section 86(1)(b) gives ample power to the State Commission to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured. Further, the Hon'ble Supreme Court in JVVNL v. MB Power (supra) and the Hon'ble Tribunal in Essar Power (supra) have held that the Commission, while adopting tariff, is required to satisfy itself that the bidding process has discovered a competitive tariff in accordance with market conditions and has safeguarded consumer interest.

4.2.30 Hon'ble Appellate Tribunal for Electricity in Essar Power Ltd. v. Uttar Pradesh Electricity Regulatory Commission & Anr., 2012 ELR (APTEL) 182, also held that the competitive bidding process under Section 63 must be consistent with the Government of India guidelines and the RFP including the PPA approved by the State Commission, and must discover competitive tariff in accordance with market conditions consistent

with the guiding principles under Section 61 of the Act.

4.2.31 From the submissions of the Petitioner, the Commission observes that all the three bidders quoted an identical cost of fuel of Rs. 1.147/kWh, and the difference in their Fuel Charge arises solely from the cost of transportation, which is Rs. 0.299/kWh in the case of M/s APL as against Rs. 0.570/kWh and Rs. 1.213/kWh quoted by the other two bidders. The lower cost of transportation of M/s APL is consistent with the weighted average distance of its generating station from the coal field of 149.371 km, as against 324.371 km and 829.497 km for the other two bidders, as indicated in the Comparative Price Bid Sheet of the proposal submitted by UPCL to the GoU, forming part of the Petition, and in the Bid Summary of the report of the Tender Consultant submitted by UPCL with its reply dated 15.10.2026. As per the said Bid Summary, the weighted average freight (inclusive of applicable taxes) payable to the Railways for transportation of coal quoted by M/s APL is Rs. 415.290/tonne as against Rs. 792.317/ tonne and Rs. 1685.574/tonne quoted by the other two bidders, and the weighted average cost of washing quoted by all the three bidders is nil.

4.2.32 The Commission during the hearing asked UPCL to justify the competitiveness of the price discovered through the bidding process in the long term tender floated by it, in response to which UPCL while referring to the comparative rates of similar tendered discovered in the other States stated that the rates discovered are aligned with the current market conditions as also suggested by its Tender consultant in its report.

4.2.33 The Commission analysed the report of the Tender Consultant appointed by UPCL, i.e. M/s SBI Capital Markets Ltd. (SBICAPS), forming part of the Petition, and also placed on record by UPCL with its reply dated 15.10.2026, and observes that it has provided a comparison of tariffs discovered in similar long-term DBFOO tenders in various States of the country, as summarized herein below:

Sr. No.	Bid Due Date	State	Capacity (MW)	Tariff	Fixed	Variable	Successful bidder
1	Dec-2019	Madhya Pradesh	1320	4.790	2.898	1.892	Mahan Energen (Adani Power)
2	Sep-2024	Maharashtra	1600	5.390	3.670	1.720	Adani Power
3	Oct-2024	Uttar Pradesh	1500	5.383	3.727	1.656	Adani Power
4	Jan-2025	West Bengal	1600	5.450	3.600	1.850	JSW Energy

Sr. No.	Bid Due Date	State	Capacity (MW)	Tariff	Fixed	Variable	Successful bidder
5	Feb-2025	Assam	500	5.790	4.050	1.740	DB Power, Adani Power, JITPL, MB Power
6	Jul-2025	Madhya Pradesh	800+800	5.838	4.298	1.540	Adani Power
7	Jul-2025	Madhya Pradesh	800	5.818	4.245	1.573	Hindustan Thermal Projects (MB Power)
8	Jul-2025	Madhya Pradesh	1600	5.829	4.222	1.607	Torrent Power
9	Jul-2025	Bihar*	2400	6.075	4.165	1.910	Adani Power
10	Oct-2025	Assam*	3200	6.300	4.160	2.140	Adani Power
11	Oct-2025	Maharashtra	1600 (1496 contracted)	5.490	4.110	1.380	Adani Power
12	Jul-2026	Uttarakhand	1320 (1234 contracted)	5.746	4.300	1.446	Adani Power

**Fixed charge discovered is not completely comparable as the land for the construction of the plant was provided by the State.*

The report of the Tender Consultant also stated that there is an upward trend in fixed part of the tariff, and the rate discovered in the present tender floated by UPCL for procurement of 1320 MW power on long term basis is in line with market trend.

The Commission analysed the above Table, and the rate given in respect of the October 2025 tender for 1600 MW at a tariff of Rs. 5.490/kWh in case of Maharashtra could not be verified, as reported at row 11 of the above Table by UPCL. Accordingly, the Commission has not considered this entry for the purpose of the tariff comparison and assessment herein.

4.2.34 The Commission observes from the above table that, although the Base Fixed Charge of Rs. 4.300/kWh is the highest among the remaining tenders listed, being marginally higher than the Base Fixed Charge of Rs. 4.298/kWh discovered in Madhya Pradesh in July 2025, the total tariff of Rs. 5.746/kWh remains within the range of tariffs discovered in the remaining comparable tenders during 2025. Moreover, the tariff of Rs. 5.746/kWh discovered in the tender floated by UPCL, as above, is comparatively lower than the recent tariff discovered of Rs. 6.075/kWh in Bihar (July 2025) and Rs. 6.300/kWh in Assam (Oct. 2025), wherein the land for construction of the plant is to be provided by the respective States, as per the finding given in the above Table by UPCL. Further, the fixed cost has shown an upward trend also pointed out by the tender consultant of UPCL, M/s SBI Caps. The Commission further notes that the

procurement was undertaken through an open and competitive bidding process in which five bidders qualified at the RFQ stage and three bidders submitted financial bids. The bid of M/s APL was the lowest bid, and its comparatively lower Fuel Charge is attributable to the shorter weighted average distance of the generating station from the coal source. Moreover, the Tender Consultant has also reported that the discovered tariff is consistent with the prevailing market trend. Having regard to these factors, the approved long-term power requirement of the State, and the requirement under Section 63 of the Act to adopt a tariff discovered through a transparent bidding process conducted in accordance with the applicable Guidelines, therefore, in view of the aforesaid discussion, analysis and report of the Tender consultant appointed by UPCL, the documents and the affidavit submitted by the Petitioner and in absence of any fact on record contradicting the same the Commission is satisfied that the discovered tariff is through a transparent process of bidding in accordance with the Guidelines and the Model Bidding Documents, incorporating only such deviations as were approved by the Commission, and accordingly, merits acceptance, subject to the other findings and directions contained in this Order.

4.2.35 The Commission vide its Order dated 17.06.2026, had approved/clarified the modifications/deviations proposed by UPCL in the model PSA. The Commission, vide its letter dated 09.10.2026, asked UPCL to confirm under an affidavit that the PSA submitted alongwith the current Petition has been drawn strictly in accordance with the deviations/modifications approved by the Commission vide its Order dated 17.06.2026, and, in case of any variation, asked UPCL to submit the details thereof alongwith justification for carrying out the same. In response to the same, UPCL vide its letter dated 15.10.2026, submitted an affidavit sworn on 14.10.2026 by its Director (Distribution & Projects), wherein it has been stated as follows:

> *"…the submitted draft PSA has been drawn in accordance with the model bidding documents issued by the Ministry of Power (MoP) and along with the deviations/ modifications approved by the Commission vide its order dated 17.06.2026. Further, factual details entered in the format are in line with the project specific/ technical requirements specified in the tender for procurement of 1320 MW power on long term basis."*

The Commission, based on the submission made by UPCL, notes that no variation in the draft PSA has been carried out other than the deviations/modifications approved by the Commission vide its Order dated 17.06.2026, which has also been confirmed by it vide an affidavit sworn on 14.10.2026 by its Director (Distribution & Projects).

4.2.36 Further, on an opportunity provided to M/s APL vide Commission's letter dated 09.10.2026 and also during the hearing conducted on 22.10.2026 in the matter, M/s APL has not submitted any objections on the contents of the Petition and the draft PSA annexed therewith and has agreed to the terms laid down therein. The Commission, accordingly, approves the draft PSA under Section 86(1)(b) of the Act read with Regulation 74 of the UERC Tariff Regulations, 2024 and Regulation 39 of the UERC (Conduct of Business) Regulations, 2014 strictly in terms of the modifications/ clarifications approved vide Order dated 17.06.2026 and the findings/directions contained in this Order.

4.2.37 The Petitioner has also requested for approval of pass through of the adopted tariff, and all Change in Law and other permissible charges under the PSA-DBFOO, in the ARR/tariff of the Petitioner. In this regard, regarding the first part of the relief sought as above, the power purchase cost incurred under an agreement approved by the Commission is admissible in the ARR of the licensee for recovery through tariff, in accordance with the applicable Tariff Regulations.

Further, regarding the second part of the relief sought as above, wherein the Petitioner has requested for approval of pass through of all Change in Law and other permissible charges under the PSA-DBFOO, the Commission observed that the Article 34 of the draft PSA deals with the "Change in Law", wherein article 34.1(a) defines "Change in Law" as the occurrence of the specified events "after the Bid Due Date", and Article 34.2.1 provides for adjustment of tariff in accordance with the Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021. The Commission notes that Article 34 of the draft PSA provides for the treatment of "Change in Law" events which are also aligned with Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021, which has already been approved by the Commission vide its Order

dated 17.06.2026. Accordingly, no specific direction is required on this part of the relief sought by the Petitioner.

4.2.38 In view of the above, for the sake of clarity, the Commission would like to state that the power purchase cost under the PSA, at the tariff adopted by this Order, shall be considered in the ARR of UPCL in accordance with the UERC Tariff Regulations, as applicable in the respective years. Further, claims on account of Change in Law shall be dealt with in appropriate proceedings in accordance with Article 34 of the PSA and the Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021, and no blanket approval for pass-through of unspecified events of Change in Law can be granted. Further the Commission note that in order to maintain transparency and accountability w.r.t. the "Change in Law" events, as per the PSA M/s APL is required to issue notices within a reasonable time to UPCL informing it of the events being claimed as Change in Law events under the PSA.

The Commission further notes that the mechanism for dealing with the undisputed events falling under Change in Law has been provided in the PSA, however, there is not much clarity regarding dealing with the notice in case the event is not accepted as Change in Law, therefore, the Commission deems it necessary to direct UPCL to put in place a reporting system to analyse the event and the claims so as to capture, on the basis of authentic and verifiable information, any Change in Law event occurring during the construction period, and M/s APL shall also provide such information as may be sought by UPCL in this regard, in addition to the quarterly progress reports under Clause 12.1 of the PSA.

4.2.39 In this regard, it is pertinent to mention that the Commission had approved quantum of 1320 MW RTC coal-based power for procurement under the long term arrangement for a period of 25 years from FY 2030-31 vide its Order dated 08.07.2026, and the Petitioner has also sought approval for the identical duration in the Petition filed by it, which is also in line with the approval of the GoU and the resolution passed by the BoD of the Petitioner company. Accordingly, the Petitioner is required to ensure and maintain consistency in different clauses of the PSA, where the reference to contract period has been given, to align the same with the procurement period of 25 years, as

approved by the Commission, such that the period of supply is 25 years from the date of commencement of supply. The Commission would like to further clarify that the approval of the Commission is for 25 years of supply, and any extension thereof shall require the prior approval of the Commission. The reference to a period of 30 years in the conditions attached to the approval of the GoU, noted hereinabove, shall not be construed as approval of the Commission for any period beyond 25 years. Similarly, the period "From 01.07.2029:00.00 to 30.06.2049:24.00" indicated in the item description of the Price Comparative Statement generated on the DEEP portal shall have no bearing on the period of supply under the PSA.

4.2.40 In view of the above discussion and findings of the Commission, UPCL is directed as follows:

a) UPCL shall ensure that all actions required for utilisation of the coal linkage earmarked vide letter dated 28.03.2025, which expires on 27.03.2027 if unutilised, are completed in time, and shall keep the Commission informed.

b) UPCL shall ensure that the Bid Security of the Selected Bidder remains valid until it is substituted by the Performance Security under the PSA.

c) UPCL shall submit to the Commission the revised schedule of the Appointed Date and the Scheduled Completion Dates of the two Units within 15 days of execution of the PSA, and shall submit copies of the quarterly progress reports received from the Supplier under Clause 12.1 of the PSA.

d) UPCL shall comply with the directions given in the Order dated 08.07.2026.

e) UPCL shall, if required, undertake the necessary upgradation of its scheduling, metering, accounting and settlement systems, including the associated software and operational processes, so as to enable accurate computation and implementation of SHR adjustment on a 15-minute time block basis in term of the PSA.

f) UPCL shall submit a copy of the duly executed PSA, within 10 days of its execution, along with a certificate under affidavit that the executed PSA is identical to the draft PSA approved by this Order, and the modifications approved vide

Order dated 17.06.2026 and the findings and directions contained in this Order have been incorporated therein.

4.2.41 In view of the foregoing, the Commission decides to adopt, under Section 63 of the Electricity Act, 2003, the tariff of Rs. 5.746/kWh, comprising Base Fixed Charge of Rs. 4.300/kWh and Base Fuel Charge of Rs. 1.446/kWh (Rs. 1.147/kWh on account of cost of fuel and Rs. 0.299/kWh on account of transportation), discovered through the Tariff Based Competitive Bidding process, for procurement of 1234 MW RTC coal-based power from the 1320 MW power station of M/s Adani Power Ltd. at Korba, Chhattisgarh, on DBFOO basis for a period of 25 years, subject to the terms and conditions of the PSA and the findings and directions contained in this Order. Further, the Commission also approves the draft PSA-DBFOO subject to the directions contained in this Order.

4.2.42 Ordered accordingly.

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