



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION**

**LUCKNOW**

**Petition No. 2274 of 2025**

**QUORUM**

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

**IN THE MATTER OF**

Petition under Section 63 of the Electricity Act, 2003 for adoption of Tariff discovered through Competitive Bidding Process for Setting up of 375MW/ 1500MWh Standalone Battery Energy Storage System (BESS) in Uttar Pradesh with Viability Gap Funding.

**AND**

**IN THE MATTER OF**

**SJVN Limited (SJVNL),**

6<sup>th</sup> Floor, Tower-1, Office Block, NBCC Complex, East Kidwai Nagar,

New Delhi - 110023

..... Petitioner

**VERSUS**

**1. U.P. Power Corporation Ltd. (UPPCL),**

Shakti Bhawan, 14-Ashok Marg, Lucknow-226001

**2. M/s Patel Infrastructure Ltd. (PIL),**

201, Ground Floor, Okhla Industrial Estate, Phase-3, New Delhi

**3. M/s Enerica Infra 3 Pvt. Ltd. (EITPL),**

Corporate Centre, 34 Sant Tukaram Road, Carnac Bunder, Mumbai City, Maharashtra

..... Respondent(s)

**FOLLOWING WERE PRESENT**

1. Sh. Mritunjay Kumar, Engineer, SJVNL

2. Sh. Ajitesh Garg, Advocate, SJVNL

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3. Sh. Manish Dwivedi, SE-PPA, UPPCL
4. Sh. Kashi Nath Yadav, EE-PPA, UPPCL
5. Sh. Aditya Tiwari, Dy. Manager, EITPL

### ORDER

**(DATE OF HEARING: 11.12.2025)**

1. The Petitioner, SJVN Limited (*hereinafter referred to as SJVNL*) has filed this Petition seeking adoption of tariff discovered under Tariff Based Competitive Bidding (TBCB) process along with approval of trading margin of 7 paise/kWh against a contractual arrangement with UPPCL for 375MW/ 1500MWh Standalone Battery Energy Storage System (BESS) to be set up in Uttar Pradesh under Viability Gap Funding (VGF) Scheme. The prayers of the Petitioner are as follows:
  - a) Admit the present Petition.
  - b) Adopt the tariff discovered in the tariff based competitive bid process for the individual power projects as stated in the Petition.
  - c) Approve Trading Margin of Rs. 0.07/kWh to be paid, as agreed by Respondent No.1.
  - d) Pass such other Order(s) as may deem fit and proper in the facts and circumstances of the present case.

#### **Brief Facts as stated in the Petition.**

2. UPPCL has mainly submitted the following:
  - a) SJVNL is a Joint Venture of Govt. of India & Govt. of Himachal Pradesh and a Navratna CPSE under administrative control of Ministry of Power (MoP), Govt. of India. SJVNL had been designated as Intermediary Procurer/Renewable Energy Implementing Agency (REIA) vide Office Memorandum F. No. 283/33/2020- GRID SOLAR dated 24.04.2024 issued by Ministry of New and Renewable Energy (MNRE), Govt. of India. SJVNL had also been designated as Bid Implementing Agency (BIA) for the implementation of CPSU component of Scheme for Viability Gap Funding

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(VGF) for the development of 1500 MWh capacity BESS vide Office Memorandum dated 17.10.2024 issued by Ministry of Power.

b) The Ministry of Power had issued "Guidelines for Procurement and Utilization of Battery Energy Storage Systems (BESS) as part of Generation, Transmission and Distribution assets, along with Ancillary Services" vide Gazette Notification CG-DL-E-11032022-234077 dated 10.03.2022 (*hereinafter 'BESS Guidelines/Guidelines'*). To executing the project in question, SJVNL constituted a committee after taking necessary approvals from the competent authority for the purpose of:

- i) Preparation of Request for Selection (RfS) document.
- ii) Attending pre-bid meeting & queries to the prospective bidders.
- iii) Evaluation of bids and submission of award recommendation report.

The evaluation of Bids had been carried out based on the data/documents submitted by the Bidders in its bid & clarifications submitted by the Bidder and in accordance with the Evaluation Criteria mentioned in the Tender document in conformity with the Guidelines duly under the supervision of Tender Committee.

c) As per Guidelines dated 10.03.2022, SJVNL prepared and issued the Request for Selection (RfS) of Battery Energy Storage System Developers (BESSDs) for Setting up of 375 MW/1500 MWh Standalone BESS in Uttar Pradesh with Viability Gap Funding under TBCB on Build Own Operate (BOO) basis.

d) SJVNL had received interest from UPPCL, to facilitate installation and utilization of energy storage systems, on an "On-Demand" basis, suited to their requirements during the peak and off-peak hours. In furtherance of this, SJVNL invited bids/proposals whereafter SJVNL would enter into Battery Energy Storage Purchase Agreement (BESPA) with the successful Bidders selected based on the terms, conditions, and provisions of this RfS for providing Battery Energy Storage Facility to UPPCL for a period of 15 years.

e) As per the terms of the RfS, the Project shall be located in the vicinity of designated Substation i.e. 400kV/ 220kV Garautha Substation at Jhansi of the State Transmission Utility (STU) network, in the State of Uttar Pradesh. Land will be

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provided on lease/right-to use basis to the BESSD through suitable agreement with UPPCL/UPPTCL, and the same shall be facilitated by SJVNL.

- f) For the purpose of this project, SJVNL is BESS Implementing Agency (BIA) for procurement of BESS facility from the BESSD and sale of BESS to UPPCL entirely on back-to-back basis, based on due performance by the concerned parties. 100% of the contracted capacity shall be off taken by UPPCL from the project to be set up under this RfS. For this purpose, SJVNL is acting as Intermediary Procurer /facilitator for a trading margin as defined under the tender documents viz. Battery Energy Storage Sale Agreement (BESSA). The said Trading Margin so envisaged under the BESSA was in accordance with the BESS Guidelines dated 10.03.2022 as well as regulation 8(1) of the CERC Trading License Regulations, 2020.
- g) As per the VGF Scheme, the bidders had been selected by the process of e-bidding (Single Stage Two Envelope Bidding Process. Envelope-I: Technical Bid and Envelope-II: Financial Bid) to be followed by e-Reverse Auction process. Section V of the RfS provides for Bid Evaluation and Selection of Bidders. Subsequent to the opening of the technical bids, the technically qualified bids have been considered for opening of the financial bids as per the RfS conditions.
- h) Originally, the last date of submission of the bid was 28.03.2025, and the Technical Bids were scheduled to be opened on 01.04.2025. However, last date of receipt of bids and bid opening date was extended up to 06.06.2024 based on the request of the prospective bidders as well as the clarification to be obtained from UPPCL. The key milestones in the bidding process were as under:

| S. No. | Event                        | Date   |
|--------|------------------------------|--|
| 1      | RfS issued by the Petitioner | 21.02.2025   |
| 2      | Date of Pre-Bid Meeting      | 04.03.2025   |
| 3      | Amendments of RfS Documents  | 21.05.2025 &<br>29.05.2025   |
| 4      | Corrigendum of RfS           | 26.03.2025<br>17.04.2025<br>24.04.2025<br>01.05.2025<br>08.05.2025<br>15.05.2025<br>22.05.2025<br>28.05.2025 |

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|---|---|------------|
| 5 | Last date of bid submission                               | 06.06.2025 |
| 6 | Opening of techno-commercial bids                         | 06.06.2025 |
| 7 | Opening of Financial bids                                 | 04.07.2025 |
| 8 | Date of e-Reverse Auction                                 | 04.07.2025 |
| 9 | Issuance of Letters of Award (LoAs) to successful bidders | 11.07.2025 |

- i) Accordingly, the technical bids were opened on 06.06.2025. Response to the RfS was received from the following Twenty-One bidders for a cumulative capacity of 3395MW/ 13580MWh against the tendered capacity of 375MW/ 1500MWh:

| S. No.       | Name of Bidders                           | Contracted Capacity Quoted (MW/MWh) |
|--------------|---|-------------------------------------|
| 1.           | Esyasoft Technology - FZE,                | 187.5 / 750                         |
| 2.           | Sangamam Power Projects Private Limited,  | 125 / 500                           |
| 3.           | Navayuga Engineering Company Limited,     | 125 / 500                           |
| 4.           | PNC Infratech Limited,                    | 187.5 / 750                         |
| 5.           | Hindustan Thermal projects Limited,       | 125 / 500                           |
| 6.           | Patel Infrastructure Limited              | 187.5 / 750                         |
| 7.           | Solarworld Energy Solutions Limited       | 125 / 500                           |
| 8.           | Sunsure Energy Private Limited            | 125 / 500                           |
| 9.           | Enerica Infra 3 Private Limited           | 187.5 / 750                         |
| 10.          | Apraava Energy Private Limited            | 187.5 / 750                         |
| 11.          | ACME Solar Holdings Limited               | 187.5 / 750                         |
| 12.          | Sembcorp Green Infra Private Limited      | 187.5 / 750                         |
| 13.          | JSW Neo Energy Limited                    | 187.5 / 750                         |
| 14.          | Avaada Energy Private Limited             | 187.5 / 750                         |
| 15.          | JGRJ Five Renewable Private Limited       | 125 / 500                           |
| 16.          | NTPC Green Energy Limited                 | 187.5 / 750                         |
| 17.          | Reliance NU Energies Private Limited      | 187.5 / 750                         |
| 18.          | H.G. Infra Engineering Limited            | 187.5 / 750                         |
| 19.          | Solar Energy Corporation of India Limited | 187.5 / 750                         |
| 20.          | RAMA MES Solar Developers Private Limited | 20 / 80                             |
| 21.          | TATA Power Renewable Energy Limited       | 187.5 / 750                         |
| <b>Total</b> |   | <b>3395/13580</b>                   |

- j) The technical bids submitted by the bidders were evaluated by the Tender Committee as per provision of the RfS and the technical bids of Nineteen bidders were found technically responsive and meet the required eligibility criteria for the capacities quoted by them. Since, the cumulative capacity quoted by the technically shortlisted bidders under the RfS was 3250 MW/13000 MWh and further 80% of the capacity is 2600MW/ 10400MWh (which was higher than 375MW/ 1500MWh), hence total eligible bid capacity for award was 375MW /1500MWh. Further in terms of

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Clause 5.4.2 & 5.4.3 of the RfS, all the technically qualified bidders were shortlisted for opening of financial bids.

- k) Accordingly, the financial bids of the technically qualified bidders were opened on 04.07.2025 and the details of Nineteen shortlisted bidders for e-Reverse Auction (e-RA) for the BESS Projects under the RfS are as under:

| S. No.                                       | Name of Bidders                        | Contracted Capacity Quoted (MW) | Quoted Tariff (INR/MW/Month) | Rank |
|--|--|---------------------------------|------------------------------|------|
| 1.   | ACME Solar Holdings Limited            | 187.50                          | 434,998                      | L1   |
| 2.   | Apraava Energy Private Limited         | 187.50                          | 439,500                      | L2   |
| 3.   | JGRJ Five Renewable Private Limited    | 125                             | 447,000                      | L3   |
| 4.   | PNC Infratech Limited                  | 187.50                          | 448,000                      | L4   |
| 5.   | NTPC Green Energy Limited              | 187.50                          | 450,000                      | L5   |
| 6.   | Esyasoft Technology - FZE              | 187.50                          | 453,000                      | L6   |
| 7.   | Patel Infrastructure Limited           | 187.50                          | 459,000                      | L7   |
| 8.   | Sunsure Energy Private Limited         | 125                             | 459,000                      | L7   |
| 9.   | Enerica Infra 3 Private Limited        | 187.50                          | 468,500                      | L8   |
| 10.  | SEMBCORP Green Infra Private Limited   | 187.50                          | 470,000                      | L9   |
| 11.  | Tata Power Renewable Energy Limited    | 187.50                          | 470,000                      | L9   |
| 12.  | Navayuga Engineering Company Ltd.      | 125                             | 475,000                      | L10  |
| 13.  | Reliance NU Energies Private Limited   | 187.50                          | 477,000                      | L11  |
| 14.  | Hindustan Thermalprojects Limited      | 125                             | 479,000                      | L12  |
| 15.  | Solarworld Energy Solutions Limited    | 125                             | 480,000                      | L13  |
| 16.  | Avaada Energy Private Limited          | 187.50                          | 481,000                      | L14  |
| 17.  | JSW Neo Energy Limited                 | 187.50                          | 481,000                      | L14  |
| 18.  | H.G. Infra Engineering Limited         | 187.50                          | 484,000                      | L15  |
| 19.  | Solar Energy Corporation of India Ltd. | 187.50                          | 485,000                      | H1   |
| <b>Total quoted contracted capacity (MW)</b> |  | <b>3250</b>                     |                              |      |

- l) H1 ranked bidder i.e., M/s Solar Energy Corporation of India Limited with highest quoted tariff i.e. ₹ 485,000/MW/month was eliminated at this stage as per the clause 5.4.2(ii) of the RfS document and was not eligible to take part in the e-RA process. Thereafter, the e-RA was conducted on 04.07.2025 among the remaining Eighteen (18) number of bidders and consequently, total two number of bidders were found eligible, for issuing Letter of Award (LoA) with total aggregate capacity of 375MW/ 1500MWh. The allocation made to the successful bidders in accordance with the RfS and LoA were issued as follows:

| S. No. | Name of Successful Bidder | LoA Ref. No. | Contracted Capacity (MW/MWh) | Tariff or Capacity Charges (INR/MW/Month) |
|--------|---------------------------|--------------|------------------------------|---|
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|----|-------------------------------|--|-------------|----------------|
| 1. | M/s Patel Infrastructure Ltd. | SJVN/CC-Delhi/<br>REIA/2025/BESS-1/Patel/994<br>dated 11.07.2025   | 187.5 / 750 | Rs. 3,59,000/- |
| 2. | M/s Enerica Infra 3 Pvt. Ltd. | SJVN/CC-Delhi/<br>REIA/2025/BESS-1/Enerica/995<br>dated 11.07.2025 | 187.5 / 750 | Rs. 3,59,999/- |

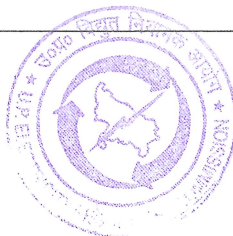
m) Subsequent to the LoA, SJVNL and UPPCL entered into a BESSA dated 15.07.2025 for sale of 375MW/1500MWh of BESS Capacity on long term basis. Thereafter, SJVNL had entered into a BESPA with Patel Infrastructure Ltd. and Enerica Infra 3 Pvt. Ltd. on 16.07.2025 & 01.08.2025 respectively.

n) This Commission possesses the necessary jurisdiction under the Electricity Act, 2003 to entertain and decide the present Petition seeking adoption of tariff under Section 63 of the Act. In the present case, the power generated under the proposed Project would be connected in the intra-state network at 400kV/ 220kV Garautha Substation at Jhansi and to be supplied exclusively to UPPCL for consumption within Uttar Pradesh State. The RfS and PSA unequivocally specify that UPPCL shall be the sole off-taker of the entire contracted capacity, and there was no provision or arrangement for inter-State sale of power. Therefore, the Commission may kindly allow the adoption of Tariff for a total of 375MW /1500MWh discovered through Competitive Bidding Process in accordance with the Guidelines dated 10.03.2022.

### Records of Proceedings

3. During the hearing on 04.11.2025, the Commission observed that Ministry of Power Guidelines dated 10.03.2022 provides trading margin of 0.5% of Capacity charge or 7 paise per kWh. On specific query of the Commission regarding justification for the agreed trading margin of 7 paise per kWh, Shri Kashi Nath Yadav on behalf of UPPCL sought four weeks' time to respond. The Commission admitted the Petition and allowed Respondent(s) to file their respective reply within four weeks' time. Further, the Commission asked SJVNL to furnish the following information:
  - a. Bid Conformity Certificate that the Guidelines dated 10.03.2022 were compiled and there was no deviation from it.
  - b. Bid Evaluation Committee report of this Bidding process.
  - c. Details of bidders along with quoted price after e-Reverse Auction process in terms of clause 5.5.1 of the RfS.

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d. Copy of Newspaper publication for this Bidding process.

e. Date wise corrigendum issued along with respective activities in a tabular format.

On 01.12.2025, UPPCL filed its reply whereas SJVNL filed its submissions on 04.12.2025.

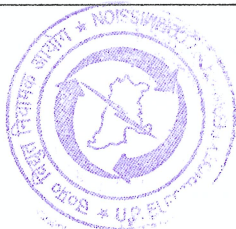
4. On hearing dated 11.12.2025, Counsel of SJVNL submitted that additional affidavit filed in the matter in compliance to the queries raised by the Commission vide its Order dated 17.11.2025 and requested the Commission to reserve the matter for final Order. UPPCL did not object to the request of SJVNL.

#### **Reply of UPPCL**

5. On 01.12.2025, UPPCL filed its reply and has mainly submitted the following:

- a) Subsequent to the conclusion of the bidding process, SJVNL, vide its email dated 08.07.2025, shared the draft Battery Energy Storage Sale Agreement (BESSA) with UPPCL for review and execution. Upon examination of the shared draft BESSA, UPPCL observed that trading margin under Article 1.1 and 1.2 of the BESSA had been defined as '0.5% of the applicable capacity charges/tariff' or '7 paise/kWh', as the case may be. Thereafter, UPPCL returned the draft BESSA to SJVNL, vide email dated 11.07.2025, after incorporating certain clerical corrections, including a modification to Clauses 1.1 and 1.2 proposing that the trade margin be specified as "0.5% of the Applicable Tariff."
- b) SJVNL vide email dated 12.07.2025, in response asked UPPCL to consider keeping the trading margin as 7 paise/kWh, as the same had been kept by other BIAs such as SECI, NHPC & NTPC, in the similar type tenders with tariff as storage cost in INR/MW/month floated for other States/DISCOMs. Upon receipt of SJVNL's request, UPPCL deliberated the matter with NHPC, which informed that they were also charging 7 paise/kWh in their latest signed BESPA with Andhra Pradesh Utility.
- c) Accordingly, and considering the strict timelines stipulated by the MoP for execution of the PSA by 16.07.2025, UPPCL agreed to proceed with the PSA incorporating a trading margin of 7 paise/kWh. This decision was also guided by the fact that BESS capacity discovered through the bidding process is critical for meeting peak demand requirements of the State and that the tariffs discovered were highly competitive

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owing to the VGF support provided under the Scheme. Any delay in signing the PSA could have jeopardized the allocation of VGF, thereby increasing the effective cost of the project and adversely impacting UPPCL's commercial interests. However, the aforementioned timeline was later extended by the MoP till 31.08.2025 vide notification dated 22.07.2025, after the PSA had already been signed.

### **Additional submissions**

6. On 04.12.2025, SJVNL filed its additional affidavit and has mainly submitted the following:
- a) The bidding process and evaluation criteria as specified in the RfS have been strictly complied with, and the entire process of evaluation had been transparent. The entire process has been strictly in consonance of the MoP Guidelines dated 10.03.2022 and there had been no deviation of any sort during the entire process.
  - b) The Bid Evaluation Committee, constituted pursuant to the Office Order forming the Tender Committee, had duly evaluated the bids in accordance with the RfS provisions and the applicable Guidelines. The Committee examined the technical and financial submissions of the bidders, the responsiveness of the bids, and compliance with all eligibility criteria. The evaluation was carried out based on the data and documents submitted by the bidders and their clarifications, strictly in line with the evaluation methodology prescribed under the RfS which is in consonance with the MoP Guidelines dated 10.03.2022, and thereafter the Committee submitted its award recommendation.
  - c) The complete details of all bidders together with the tariffs quoted after conclusion of the e-Reverse Auction process, strictly in terms of Clause 5.5.1 of the RfS have been culled out in the Petition. Section V of the RfS governs the process of bid evaluation and selection of successful bidders, and Clause 5.5 of the RfS specifically provides for "Selection of Successful Bidders". In particular, Clause 5.5.1 states that subsequent to conclusion of the e-RA process, the bidders in the 'Green' and 'Orange' zones as per Clause 5.4.4(vi) above, will be listed in the increasing order of the tariffs discovered at the end of e-RA.

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- d) Clause 5.5.2 provides that the bidders who fall within the range of (and including) the lowest tariff (L1 tariff) + 5% of the L1 tariff will be declared as Successful Bidders subject to capacity limits. The L1 tariff discovered after e-RA was Rs. 3,59,000/MW/month, and therefore the ceiling for the permissible range (L1+5%) was Rs. 3,76,950/MW/month. As both M/s Patel Infrastructure Ltd. and M/s Enerica Infra 3 Pvt. Ltd. quoted tariffs were well within this range, they met the exact requirements of Clause 5.5.2. The Technical & Financial Bid Evaluation Report expressly confirms that these two bidders are meeting the requirements of Clause 5.5.2.
- e) Further, in terms of capacity-allocation under Clause 5.5.2, the cumulative capacity of these two bidders was 375 MW, which matches the Eligible Capacity for Award, calculated under Clause 5.4.2 as 375 MW based on  $0.8 \times ST$ . The cumulative capacity of the techno-commercially qualified bidders was 3250 MW, and 80% of the same was 2600MW, which exceeded 375 MW. Hence, eligible capacity for Award was limited to 375MW. Since the combined capacity of the two bidders was exactly 375MW (i.e., 187.5MW each), no further reduction mechanism or timestamp discrimination was required, and their full quoted capacities were awardable under Clause 5.5.1 read with Clause 5.5.2.
- f) Technical & Financial Bid Evaluation Report accordingly recommends these two bidders as the Successful Bidders and records the final allocation as follows: (i) M/s Patel Infrastructure Ltd. – 187.5 MW/750 MWh at Rs. 3,59,000/MW/month, and (ii) M/s Enerica Infra 3 Pvt. Ltd. – 187.5 MW/750 MWh at Rs. 3,59,999/MW/month, aggregating to 375 MW/1500 MWh. This recommendation is fully aligned with Clause 5.5.1 and 5.5.2 of the RfS as the final outcome of the bidding and e-RA process.
- g) In compliance with the applicable Guidelines and the requirements of the competitive bidding framework, the public notice for the bidding process was duly published in newspapers, thereby placing the tender information in the public domain, and ensuring wide dissemination. The publication notified all prospective bidders of the issuance of the Request for Selection (RfS) and the bidding schedule, thereby enabling open, transparent, and competitive participation. The copy of newspaper publication for the bidding process is annexed.

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- h) A series of corrigendum were issued from time to time extending the last date of bid submission under the RfS, primarily on account of requests received from prospective bidders for additional time and to enable them to fully examine the RfS, seek clarifications, and undertake necessary preparatory steps. The extensions were provided to ensure fairness, transparency and adequate opportunity for participation in line with the objective of securing broad competition. Each corrigendum was duly notified in the public domain, and the last date of bid submission was progressively extended until 06.06.2025, culminating in opening of Technical Bids on 06.06.2025. The chronological statement of corrigendum issued with related activities tabulated below:

| S. No | Date of Issuance       | Corrigendum/ Activity     | Revised Deadline / Purpose                                    |
|-------|------------------------|---------------------------|---|
| 1     | 21.02.2025             | Issuance of RfS           | RfS made available for downloading to all prospective bidders |
| 2     | 26.03.2025             | Corrigendum-1             | Last date of bid submission extended to 18.04.2025            |
| 3     | 17.04.2025             | Corrigendum-2             | Last date of bid submission extended to 25.04.2025            |
| 4     | 24.04.2025             | Corrigendum-3             | Last date of bid submission extended to 02.05.2025            |
| 5     | 01.05.2025             | Corrigendum-4             | Last date of bid submission extended to 09.05.2025            |
| 6     | 08.05.2025             | Corrigendum-5             | Last date of bid submission extended to 16.05.2025            |
| 7     | 15.05.2025             | Corrigendum-6             | Last date of bid submission extended to 23.05.2025            |
| 8     | 22.05.2025             | Corrigendum-7             | Last date of bid submission extended to 29.05.2025            |
| 9     | 28.05.2025             | Corrigendum-8             | Last date of bid submission extended to 06.06.2025            |
| 10    | 06.06.2025 (15:00 hrs) | Opening of Technical Bids | Technical Bids opened as per updated schedule                 |

- i) For the purposes of this Project, SJVNL had been acting as the Intermediary Procurer/BESS Implementing Agency (BIA) responsible not merely for facilitating but for undertaking the entire competitive bidding process, including issuance of the RfS, bid administration, conduct of the e-Reverse Auction, evaluation, award, and associated contractual activities. SJVNL had also established and shall maintain the Payment Security Mechanism, including opening and operation of the Payment Security Fund/escrow arrangements, for securing payments to the BESS Developers, and was therefore performing all intermediary obligations at its own operational risk while the contracted capacity was fully passed on to UPPCL on a back-to-back basis.
- j) The trading margin stipulated under the BESSA flows directly from the tender documents and was in strict conformity with Clause G (4) of the Guidelines dated 10.03.2022, which entitles the Intermediary Procurer to "charge trading margin of

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seven paise/kWh or 0.5% of the Capacity Charges (as applicable)". The trading margin of 7 paise/kWh is therefore exactly as permitted under the Guidelines and involves no deviation. The trading margin is further in accordance with Regulation 8(1)(d) of the CERC Trading License Regulations, 2020, which permits the trading margin in long-term transactions to be mutually determined between the Intermediary Procurer/trading licensee and the counterparty, subject only to a ceiling where payment-security arrangements are absent.

### Analysis & Decision

7. SJVNL being a REIA and BIA, by way of instant Petition, is seeking adoption of discovered tariff under Section 63 of the Electricity Act along with approval of trading margin for on long-term power procurement of 375MW/ 1500MWh from Standalone Battery Energy Storage System (BESS) to be set up in the vicinity of UPPTCL's 400/220kV Garautha substation at Jhansi, Uttar Pradesh under Viability Gap Funding (VGF) Scheme dated 17.10.2024, issued by Ministry of Power, Government of India.
8. The Commission, vide its Order dated 01.09.2025 in Petition No. 2225/2025, had allowed UPPCL for power procurement form 375 MW/1500MWh BESS capacity whose tariff adoption is under consideration in the instant case. The relevant extract of the said Order dated 01.09.2025 is reproduced as under:

*"6. UPPCL, by way of instant Petition, is seeking approval for procurement of 375MW/1500MWh BESS capacity with VGF under TBCB process on long-term basis of 15 years through a BESS Implementing Agency i.e., SJVNL in the present case. The Commission after hearing the UPPCL's argument at length came to a conclusion that this BESS capacity would help in integration of Renewable Energy and also help in managing the peak demand of the UPPCL thereby optimizing the power purchase cost. Further, as the project would be established at Garautha substation at Jhansi i.e., within the State, it would also help in avoiding the interstate transmission loss as well as in reducing the transmission congestion.*

*7. In view of above, the Commission grants approval to procurement of 375MW/1500MWh BESS capacity with VGF under Section 63 of the Act on long-term basis of 15 years. Further, the Commission advises the parties to initiate tariff adoption process and BESPAs approval at the earliest for timely implementation of the project since the tariff in the bidding process is already finalised."*

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9. On perusal of the documents placed on record, it is observed that SJVNL published RfS No. SJVN/CC-Delhi/REIA/2025/BESS-1 dated 21.02.2025 for selection of BESSD for setting up of 375 MW/1500MWh Standalone BESS capacity in Uttar Pradesh with VGF Scheme under TBCB process for the supply to UPPCL. The public notice for the i.e. RfS dated 21.02.2025 i.e., instant bidding process was published in newspapers namely- Times of India, Business Standard and Dainik Bhaskar on 23.02.2025. The key milestones in the bidding process were as under:

| S. No. | Event   | Date   |
|--------|---|--|
| 1      | RfS issued by the Petitioner                              | 21.02.2025   |
| 2      | Date of Pre-Bid Meeting                                   | 04.03.2025   |
| 3      | Amendments of RfS Documents                               | 21.05.2025 & 29.05.2025  |
| 4      | Corrigendum of RfS  | 26.03.2025<br>17.04.2025<br>24.04.2025<br>01.05.2025<br>08.05.2025<br>15.05.2025<br>22.05.2025<br>28.05.2025 |
| 5      | Last date of bid submission                               | 06.06.2025   |
| 6      | Opening of techno-commercial bids                         | 06.06.2025   |
| 7      | Opening of Financial bids                                 | 04.07.2025   |
| 8      | Date of e-Reverse Auction                                 | 04.07.2025   |
| 9      | Issuance of Letters of Award (LoAs) to successful bidders | 11.07.2025   |

10. The technical bids were opened on 06.06.2025. Twenty-One bidders for a cumulative capacity of 3395MW/ 13580MWh participated against the tendered capacity of 375MW/ 1500MWh. Out of Twenty-One bidders, nineteen bidders were found technically responsive accordingly, financial bids were opened on 04.07.2025 for e-Reverse Auction. Further, the e-RA was conducted on 04.07.2025 and consequently two number of bidders were found eligible for issuing Letter of Award with total aggregate capacity of 375 MW / 1500 MWh as under:

| Sl. No. | Name of Successful Bidder     | Contracted Capacity (MW/MWh) | Tariff/Capacity Charges (INR/MW/Month) |
|---------|-------------------------------|------------------------------|--|
| 1.      | M/s Patel Infrastructure Ltd. | 187.5 / 750                  | Rs. 3,59,000/-                         |
| 2.      | M/s Enerica Infra 3 Pvt. Ltd. | 187.5 / 750                  | Rs. 3,59,999/-                         |

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11. Pursuant to the e-Reverse Auction, SJVNL issued Letter of Awards to the above successful bidders on 11.07.2025. Thereafter, Battery Energy Storage Sale Agreement (BESSA) dated 15.07.2025 was executed between SJVNL and UPPCL. Battery Energy Storage Purchase Agreement (BESPA) was executed between Enerica Infra 3 Private Limited and SJVN Limited on 16.07.2025, while BESPA dated 01.08.2025 was executed between SJVN Limited and M/s Narashimha Energy Private Limited (SPV of Patel Infrastructure Ltd.).

| S. No.                | Name of the successful Bidder | LoA Ref. No.   | PPA date   | Contracted Capacity (MW/MWh) | Tariff/Capacity Charges (INR/MW/Month) |
|-----------------------|-------------------------------|--|------------|------------------------------|--|
| 1.                    | M/s Patel Infrastructure Ltd. | SJVN/CC-Delhi/ REIA/ 2025/ BESS-1/Patel/994 dated 11.07.2025   | 01.08.2025 | 187.5/ 750                   | 3,59,000/-                             |
| 2.                    | M/s Enerica Infra 3 Pvt. Ltd. | SJVN/CC-Delhi/REIA/ 2025/ BESS-1/Enerica/ 995 dated 11.07.2025 | 16.07.2025 | 187.5/ 750                   | 3,59,999/-                             |
| <b>Total (MW/MWh)</b> |                               |  |            | <b>350/1500</b>              |  |

12. SJVNL submitted that the Bidding process was conducted as per the Ministry of Power, Guidelines dated 10.03.2022. The relevant extract of the Bid conformity certificate is as follows:

**"CERTIFICATE BY BID EVALUATION COMMITTEE**

**Subject:** Selection of BESS Developers for Setting up of 375 MW/1500 MWh Standalone Battery Energy Storage Systems (BESS) in Uttar Pradesh with Viability Gap Funding under Tariff-Based Competitive Bidding under TBCB; (RfS No.: SJVN/CC-Delhi/REIA/2025/BESS-1)

*It is certified that:*

- The bidding process and evaluation criteria adhere fully to the Ministry of Power's guidelines dated 10.03.2022 for the Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission, and Distribution assets, including Ancillary Services, with no deviations whatsoever.*
- The tariff quoted by the BESS Power Developers for the supply of Battery Energy Storage Capacity from Grid Connected BESS Capacity on a long-term basis for 15 years have been discovered through Tariff Based Competitive Bidding process under Open Tender Mode followed by e-Reverse Auction. The total no. of Bidders who have participated in the tender was twenty-one (21) with cumulative quoted contracted capacity of 3395 MW/13580 MWh against the total bid capacity of 375 MW/1500 MWh (capacity offered for e- Reverse Auction was 375 MW/1500 MWh and final awarded capacity is 375 MW to two no. successful bidders). Accordingly, it can be considered that there has been adequate*

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*participation of the bidders in the aforesaid tender and the tariff discovered in the present tender appears to be reasonable and consistent with the requirement of the tender.*

*The certificate is being issued for onward submission to Hon'ble UPERC for tariff adoption."*

13. Regulation 8 of the CERC Trading License Regulations, 2020 regarding trading margin provides as under:

*"8. Trading Margin:*

*(1) Trading Licensee shall comply with the trading margin as given below:*

*.....*

*(d) For transaction under long term contracts, the trading margin shall be decided mutually between the Trading Licensee and the seller:*

*Provided that in contracts where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause (10) of Regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge trading margin exceeding two (2.0) paise/kWh.*

*.....*

*(f) For transactions under Back to Back contracts, where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause (10) of Regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge trading margin exceeding two (2.0) paise/kWh."*

Thus, in case SJVNL fails to provide an escrow arrangement or irrevocable, unconditional and revolving letter of credit to the BESSD, the trading margin shall be limited to Rs.0.02/kWh specified in Regulation 8(1)(d) & (f) of the Trading License Regulations to be paid by UPPCL.

14. **Accordingly, the Commission finds that bidding process was conducted in compliance to the bidding documents prepared in terms of MoP Guidelines and, therefore, adopts the tariff (as specified at para 11 above) discovered through Tariff based complete bidding process under Section 63 of the Electricity Act, 2003. The Commission also approves the Battery Energy Storage Sale Agreement (BESSA) dated 15.07.2025 along with the agreed trading margin of 7 paise/kWh of discharge units under Article 1 (Applicable Tariff). The said BESSA dated 15.07.2025 executed between SJVNL and UPPCL**

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for procurement of 375MW/ 1500MWh BESS power is for long-term period of 15 years.

15. Further, the Commission, advises the parties to take proactive steps and facilitate BESS Project Developers in ensuring timely completion of the project (*SCOD being 15.01.2027*) in order to achieve the Energy Storage objectives, which would ultimately help the UPPCL in its effective peak load management.

The Petition stands disposed of in terms of above.

  
(Sanjay Kumar Singh)  
Member



  
(Arvind Kumar)  
Chairman

Place: Lucknow

Dated: 20.01.2026