BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR

Petition No. 2648 of 2026.

In the Matter of:

Petition for approval of Supplemental Power Purchase Agreement-2 signed between GUVNL and Kedareshwar Khandsari Udyog Pvt. Limited for Procurement of additional 2 MW Power from Bagasse based co-generation project under Order No. 03 of 2022 dated 27.06.2022 issued by the Commission for "Determination of Tariff for Procurement of Power by the Distribution Licensees and Others from Biomass based Power Projects and Bagasse based Co-generation Projects", for Control Period from FY 2020-21 to FY 2022-23 in the State of Gujarat.

Petitioner : Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhavan
Race Course Circle, Vadodara-390007.

Represented By : Mr. K.N. Brahmbhatt and Mr. R.K. Gohil.

V/s.

Respondent : Kedareshwar Khandsari Udyog Pvt. Limited
At village Nimbhora, Taluka: Kukarmunda
District – Tapi – 394380, Gujarat

Represented By : Mr. Prajwal Patel.

CORAM:

Pankaj Joshi, Chairman
Jatin N. Thakkar, Member

Date:20/06/2026.

ORDER

1. The present Petition is filed by the Petitioner Gujarat Urja Vikas Nigam Limited (GUVNL) seeking following reliefs:

(a) To admit the present Petition;

(b) To approve the Supplemental Power Purchase Agreement-2, for procurement of additional 2 MW power at the stipulated terms and conditions of the PPA dated 14.12.2022 by the Distribution Licensees and Others from Respondent from their Bagasse based Co-generation Project;

(c) To condone any inadvertent omissions/errors/shortcomings and permit the petitioner to make addition/change/modification/alter this filing and make further submissions as may be required at a future date;

(d) To crave relief for filing any further submissions;

(e) Pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case, to avoid further delay and in the interest of justice.

2. Brief facts of the Petition are as under:

2.1. The present Petition is filed by the Petitioner GUVNL, a company incorporated under the provisions of the Companies Act, 1956 and is a licensee and an entity engaged in bulk purchase of electricity from generating companies and other sources and bulk sale of electricity to the State Distribution Licensees.

2.2. It is stated that the Government of Gujarat has notified the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 in May, 2003 for reorganization of the entire power sector in the State of Gujarat and pursuant thereof, the Gujarat Electricity Industry Reorganization and Comprehensive Transfer Scheme, 2003 has been notified under the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, whereby, erstwhile Gujarat Electricity Board was reorganized and its functions have been vested in different entities.

2.3. As per the above re-organization scheme, the activities undertaken by erstwhile Gujarat Electricity Board of Generation, Transmission, Distribution, Bulk Power Purchase and Supply have been entrusted to separate seven

functional entities. The generation activity is assigned to Gujarat State Electricity Corporation Limited (GSECL), transmission activity is assigned to Gujarat Energy Transmission Corporation Limited (GETCO) and the distribution activity is assigned to four distribution companies viz. Uttar Gujarat Vij Company Limited (UGVCL), Madhya Gujarat Vij Company Limited (MGVCL), Dakshin Gujarat Vij Company Limited (DGVCL) and Paschim Gujarat Vij Company Limited (PGVCL). Further, the function of bulk purchase and bulk sale of power is assigned to the Petitioner, Gujarat Urja Vikas Nigam Limited.

2.4. The Distribution Companies are mandated to procure power from Renewable Energy Sources as per the section 86(1)(e) of the Electricity Act, 2003 and in terms of Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Energy Sources) Regulations, 2010 as amended from time to time.

2.5. The Petitioner, on behalf of its four Distribution Companies, has been entering into Power Purchase Agreements amongst others with various Renewable Energy Generators for procurement of renewable power from time to time.

2.6. It is stated that Section 3 (1) of the Electricity Act 2003 requires the Central Government to formulate National Electricity Policy in consultation with CEA & State Government for inter alia, development of renewable sources of energy. In compliance with this provision the Central Government has notified the NEP 2005 and Tariff Policy 2016 elaborating the role of Regulatory Commissions, mechanism for promotion and harnessing of renewable source of energy, time frame for implementation etc.

2.7. It is stated that Sections 61 and 62 of the Electricity Act 2003 empower the State Commissions to specify the terms and conditions for determination of tariff for generation, transmission, distribution and supply of electricity in their State. In exercise of the powers conferred under Sections 61(h), 62(1)(a) and 86(1)(e) of the Electricity Act, 2003 and all other powers enabling it in

this behalf, the Commission has determined the tariff for procurement of power by the distribution licensee and others in Gujarat from biomass-based power projects and bagasse based co-generation projects.

2.8. Section 86(1) (a), (b) & (e) of the Electricity Act 2003 provides that the State Commission shall discharge following functions, namely:

(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case maybe, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

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

…

(e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

……."

2.9. It is stated that the National Tariff Policy, 2016 formulated by the Ministry of Power has given specific guidance on purchase of power generated from renewable energy sources. Section 6.4(2), of the National Tariff Policy provides as under:

"States shall endeavour to procure power from renewable energy sources through competitive bidding to keep the tariff low, except from the waste to energy plants. Procurement of power by Distribution Licensee from renewable energy sources, from Solar PV Power Projects above the notified capacity, shall be done through competitive bidding process, from the date to be notified by the Central Government. However, till such notification, any such procurement of power from renewable energy sources Projects, may be done under Section 62 of the Electricity Act, 2003."

2.10. It is stated that for compliance of RPO targets notified by the Commission from time to time, contribution of Bagasse based co-generation projects to diversify the energy mix of Petitioner, to improve the grid scenario of State grid as generation from the Bagasse based plants is more predictable compared to other RE sources like Wind and Solar. The Petitioner has executed the Power Purchase Agreement on 14.12.2022 with the Respondent for 10 MW Capacity during Crushing season and 0 (zero) MW Capacity during non-crushing season from their 15 MW Bagasse based co-generation project. As per GEDA certificate dated 06.03.2024, 10 MW capacity for Bagasse based co-generation was commissioned on 26.01.2024, i.e., before SCOD 31.10.2024.

2.11. It is stated that the Commission vide Order dated 25.06.2024, in Petition No. 2190 of 2023 accorded approval to the PPA dated 14.12.2022 executed between the Petitioner and the Respondent with certain modifications in definition of Electricity Law, Liquidated damage per MW amount, reactive power charges upon drawl of reactive power from grid etc. In compliance to the directives of the Commission, the Petitioner has signed Supplemental Power Purchase Agreement (SPPA) on 06.09.2024 for amendment in the terms of PPA and copy of the said SPPA dated 06.09.2024 also filed before the Commission.

2.12. It is stated that Respondent vide letter dated 10.07.2025 has requested the Petitioner for amendment in PPA dated 14.12.2022 for enhancement of PPA capacity from 10 MW to 12 MW at the same tariff and terms as stipulated in the PPA dated 14.12.2022 and SPPA dated 06.09.2024.

2.13. The Petitioner vide letter dated 28.08.2025 has requested the Respondent to submit the details of measures taken for energy conservation of increase of total committed capacity to 12 MW in the crushing season. Further, it has been conveyed that the Respondent shall have to obtain GEDA certificate of additional 2 MW capacity to approach the Commission for approval of additional 2 MW capacity, if the Respondent's aforesaid request is accorded approval.

2.14. In response to the above letter dated 28.08.2025 of the Petitioner, the Respondent vide its letter dated 09.09.2025 submitted as under:

(a) **Change in sugar production plant**

- At the time of signing for 10 MW PPA, they had planned to increase sugarcane crushing capacity from 3500 MT/Day to 4500 MT/Day, which would result in increase in captive power consumption of additional 1 MW in their existing requirement.
- They have permanently dropped said expansion plan. Accordingly, balance power capacity of 1 MW which was previously reserved for consumption is now available for committed supply to GUVNL.

(b) **Implementation of energy efficiency measures.**

- Successfully implemented various installations and modifications and achieved reduction in captive consumption of steam/power and improvement in heating efficiency.
- Implementation of recommendation as per Energy Audit Safety report prepared by BEE Accredited Energy Auditor and modification as per Electrical Thermography audit report.

(c) Submission of Energy Audit Report and Electrical Thermography Audit Report.

(d) Undertaken to obtain necessary GEDA certificate upon receiving GUVNL's approval.

2.15. It is stated that the Commission has notified GERC (Procurement of Energy from Renewable Sources) Regulations, 2025 dated 12.08.2025. In accordance with the same, the stipulated RPO % targets for the Obligated Entities of the Gujarat are as under:

Fin. Year	GERC RPO Trajectory (%)				
	Wind	Hydro	Distributed RE	Other	Total
2024-25	0.67	0.38	1.50	27.35	29.91
2025-26	1.45	1.22	2.10	28.24	33.01
2026-27	1.97	1.34	2.70	29.94	35.95
2027-28	2.45	1.42	3.30	31.64	38.81
2028-29	2.95	1.42	3.90	33.10	41.36
2029-30	3.48	1.33	4.50	34.02	43.33

2.16. It is stated that the type of additional 2 MW capacity from the Bagasse based project of the Respondent will assist in fulfilment of RPO targets notified by the Commission from time to time.

2.17. It is also stated that the Petitioner vide its letter dated 03.11.2025 has accorded in-principle approval for enhancement of PPA capacity from 10 MW to 12 MW subject to submission of Undertaking by the Respondent confirming that it has not availed/will not avail Accelerated Depreciation or any other benefit in lieu of Accelerated Depreciation for the entire 12 MW capacity.

2.18. It is further stated that the Respondent has submitted the Board Resolution dated 03.11.2025 regarding sale of power from increased capacity from 10 MW to 12 MW and Undertaking dated 30.12.2025, confirming that the Respondent has not availed and will not avail Accelerated Depreciation or any other benefits in lieu of Accelerated Depreciation. Further, if any capital subsidy or other fiscal benefits have been availed by the Respondent, the details of the same shall be disclosed to the Petitioner and benefit thereof shall be passed on to the Petitioner, failing which the provision of the PPA shall apply.

2.19. It is stated that the Petitioner vide letter dated 17.02.2026 has agreed for signing of Supplemental Power Purchase Agreement-2 for procurement of additional 2 MW capacity from the date of approval of the Commission or actual commissioning date of project certified by GEDA, whichever is later. Accordingly, on 19.02.2026, the Petitioner has signed Supplemental Power Purchase Agreement-2 for procurement of additional 2 MW capacity and copy of the PPA has been filed with present Petition.

2.20. The salient features of Supplemental Power Purchase Agreement-2 dated 19.02.2026 are stated as under:

(1) All capitalized terms unless specifically defined in this Supplemental Agreement shall have the meanings ascribed to them respectively in the PPA dated 14.12.2022 and SPPA dated 06.09.2024.

(2) The agreement shall be supplemented and modified as under:

(a) The Power Plant capacity in the Agreement as 10 MW shall be replaced by 12 MW.

(b) The procurement of power supply from additional 2 MW capacity shall be commenced after the approval of Hon'ble GERC or actual commissioning date of the project certified by GEDA, whichever is later.

(c) The additional 2 MW capacity shall become effective after the approval of SPPA by Hon'ble GERC.

(d) The PPA duration for entire 12 MW capacity of the project including capacity addition of 2 MW through this SPPA shall be 20 years from the COD (i.e., 26.01.2024) of existing 10 MW contracted capacity.

(e) The tariff for contracted capacity including additional capacity of the project shall be-

(i) Fixed tariff of Rs. 1.98/kWh on the Scheduled Energy as certified in the monthly SEA by SLDC up to cumulative PLF of 60% per annum.

(ii) Energy charges as per the applicable Hon'ble GERC tariff determination order as issued from time to time, on the Scheduled Energy as certified in the monthly SEA by SLDC.

(f) The Power Producer shall be required to declare single availability for entire PPA capacity including increased capacity and raise single monthly invoice for energy supplied from the project as certified by SLDC.

(3) All other terms and conditions of Power Purchase Agreement dated 14.12.2022 and SPPA dated 06.09.2024 between the Petitioner and the Respondent shall remain unchanged.

2.21. It is stated that the Commission in para 7.18 of its Order dated 25.06.2024 in Petition No. 2190 of 2023 has mentioned that *"Any amendments if made by the power* producer *and power procurer, amendments/ alteration/ change/ modification made in the PPA is subject to approval of the Commission."*

2.22. In view of the above, the Petitioner GUVNL has filed the present Petition for the approval of Supplemental Power Purchase Agreement-2 dated 19.02.2026 signed by the Petitioner GUVNL with the Respondent M/s Kedareshwar Khandsari Udyog Pvt. Limited, for procurement of power by the Distribution Licensees and Others from Bagasse based Co-generation Project of the Respondent.

3. The Respondent M/s Kedareshwar Khandsari Udyog Pvt. Limited vide affidavit dated 27.05.2026 filed its reply in the present matter as under:

3.1. It is contended that the Petitioner and the Respondent had executed the PPA on 14.12.2022 for procurement of 10 MW power during crushing season and 0 MW power during non-crushing season from 15 MW Bagasse based Cogeneration as per the tariff and terms & conditions under Order 3 of 2022 dated 27.06.2022 issued by the Commission for meeting RPO of the Petitioner GUVNL.

3.2. It is contended that the project of the Respondent was commissioned on 26.01.2024 after completion of all required formalities and approval of PPA dated 14.12.2022 by the Commission in its Order dated 25.06.2024 in Petition No. 2190 of 2023 filed by the Petitioner GUVNL.

3.3. It is also contended that in the month of July 2025, the Respondent has conveyed to the Petitioner GUVNL that at the time of the execution of the PPA dated 14.12.2022, the intention was to utilize the balance 5 MW power for the consumption of own sugar production facility after supplying the committed 10 MW power to GUVNL. However, after experience of one and half year, the Respondent has offered to the Petitioner 2 MW Capacity from the plant, i.e. total 12 MW Capacity out of 15 MW, as the captive consumption was limited up to 3 MW as a result of effective energy conservation measures implemented in their sugar factory during the previous year, coupled with a revised sugar production plan.

3.4. It is contended that as agreed by the Petitioner GUVNL and the Respondent, the supplemental PPA has been signed on 19.02.2026 for supply of additional 2 MW in addition of 10 MW, i.e., total 12 MW with a provision of (i) effective of 2 MW Capacity upon approval of the Commission, (ii) fixed charge of Rs. 1.98/unit as applicable to existing 10 MW.

3.5. It is also submitted that apart from the above submissions, the Respondent did not want to make any further submissions in the present matter and accordingly requested the Commission to allow the present Petition and to approve the Supplemental PPA dated 19.02.2026 executed between the

Petitioner GUVNL and the Respondent M/s Kedareshwar Khandsari Udyog Pvt. Limited as per the Order No. 03 of 2022 dated 27.06.2022 passed by the Commission.

4. The matter was kept for hearing on 29.05.2026 through Hybrid mode. During the hearing on 29.05.2026, Mr. K.N. Brahmbhatt, appearing on behalf of the Petitioner GUVNL reiterated the facts stated in para 2 above.

5. Heard the parties. We have carefully considered the submissions made by the Parties and the documents placed on record. We note that the present Petition has been filed by the Petitioner GUVNL which is a licensee and is procuring power in bulk on behalf of State owned Distribution Licensees. We note that the present Petition has been filed by the Petitioner seeking approval of Supplemental Power Purchase Agreement-2 (SPPA-2) dated 19.02.2026 executed with M/s Kedareshwar Khandsari Udyog Pvt. Limited for procurement of additional 2 MW power from its Bagasse-based Co-generation Project. It is also noted that previously the Petitioner GUVNL had executed the Power Purchase Agreement (PPA) dated 14.12.2022 and Supplemental PPA dated 06.09.2024 with the Respondent for procurement of power from the bagasse-based co-generation plant set up by the Respondent for supply of 10 MW during crushing season and 0 (Zero) MW during non-crushing season, in terms of the tariff determined by the Commission in its Order No. 03 of 2022 dated 27.06.2022, passed under the provision of Electricity Act, 2003. Accordingly, it is necessary to refer to the relevant provisions of Electricity Act, 2003 read with Policy and Regulations notified under it.

5.1. The Section 62 (a) of the Electricity Act, 2003 read as under:

"Section 62. (Determination of tariff): -

(1) The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for –

(a) supply of electricity by a generating company to a distribution licensee:

Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;

……."

The aforesaid Section provides that appropriate Commission shall determine the tariff in accordance with the provisions of Act for supply of electricity by generating company to a distribution licensee.

5.2. It is also necessary to refer Section 86 (1) (a), (b), and (e) of the Electricity Act, 2003 as under:

"Section 86. (Functions of State Commission): ---

(1) The State Commission shall discharge the following functions, namely:

(a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

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

……..

(e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;"

The Section 86 states regarding functions of the Commission. Section 86 (1) (a) is regarding determination of tariff for generation, supply, transmission and wheeling of electricity wholesale bulk or retail as case may be.

The Section 86 (1) (b) of the Act is to regulate the process of procurement of power of distribution licensee by the State Commission which include price, its quantum through agreement between the distribution licensee and supplier within the State.

The Section 86 (1) (e) of the Act states about promotion of co-generation and generation of electricity from renewable sources by providing suitable measures for connectivity with the grid and sale of electricity to any person. It also provides to specify the purchase of electricity from such sources as a percentage of total consumption of electricity in the area of distribution licensee.

5.3. On combined reading of the aforesaid provisions, it is clear that the procurement of energy by the distribution licensee for fulfilment of its power requirement is a regulated activity and needs approval of appropriate Commission. Further, the aforesaid provisions also provide for promotion of procurement of power through renewable energy sources as a part of total consumption of energy in its license area.

5.4. We note that the Petitioner GUVNL is purchasing power in bulk for and on behalf of four Distribution Licensees, namely, DGVCL, MGVCL, PGVCL and UGVCL. Accordingly, the Petitioner GUVNL procures the renewable power by entering into Power Purchase Agreements amongst others, with various

generators from time to time for meeting power demand of the consumers as well as towards fulfilment of their RPO as specified by the Commission from time to time.

5.5. The Commission vide GERC (Procurement of Energy from Renewable Sources) Regulations, 2025 dated 12.08.2025, stipulated RPO percentage for the Obligated Entities of the State of the Gujarat till FY 2029-30 are as under:

Minimum Quantum of Purchase in percentage (%) from renewable sources (in terms of energy in kWh) of total consumption						
Sl. No	***Year***	***Wind Renewable Energy***	***Hydro Renewable Energy***	***Distributed renewable energy***	***Other renewable energy***	***Total renewable energy***
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
1.	*2024-25*	*0.67%*	*0.38%*	*1.50%*	*27.35%*	***29.91%***
2.	*2025-26*	*1.45%*	*1.22%*	*2.10%*	*28.24%*	***33.01%***
3.	*2026-27*	*1.97%*	*1.34%*	*2.70%*	*29.94%*	***35.95%***
4.	*2027-28*	*2.45%*	*1.42%*	*3.30%*	*31.64%*	***38.81%***
5.	*2028-29*	*2.95%*	*1.42%*	*3.90%*	*33.10%*	***41.36%***
6.	*2029-30*	*3.48%*	*1.33%*	*4.50%*	*34.02%*	***43.33%***

5.6. As per aforesaid Notifications, the obligated entities which include the Petitioner who is procuring power on behalf of the distribution licensees of the State are required to fulfil RPO stipulated by the Commission. The procurement of energy from biomass, bagasse and biofuel co-generation, etc. are accounted for fulfilment of RPO notified by the Commission under 'Other Category'. Thus, it is mandatory on part of the distribution licensee to procure renewable energy generated from the renewable energy sources for fulfilment of RPO.

5.7. We note that the Petitioner GUVNL had earlier executed a Power Purchase Agreement dated 14.12.2022 with the Respondent for procurement of 10 MW power during the crushing season and 0 MW during the non-crushing season from the Respondent's 15 MW Bagasse-based Co-generation Project. The said PPA was approved by the Commission vide Order dated 25.06.2024 in Petition No. 2190 of 2023, subject to certain modifications. Pursuant thereto, the parties executed a Supplemental Power Purchase Agreement dated 06.09.2024 incorporating the modifications directed by the Commission.

5.8. We also note that the Respondent vide its letter dated 10.07.2025 has requested the Petitioner for enhancement of the contracted capacity from 10 MW to 12 MW on the same tariff and terms and conditions as stipulated in the approved PPA dated 14.12.2022 and SPPA dated 06.09.2024. The Respondent has submitted that due to abandonment of its proposed expansion of sugar manufacturing capacity and implementation of various energy conservation and efficiency measures, additional power generation capacity has become available for supply to GUVNL.

5.9. The material placed on record reveals that the Petitioner GUVNL has examined the proposal and sought details regarding the measures adopted by the Respondent for achieving additional exportable surplus power. The Respondent furnished the Energy Audit Report, Electrical Thermography Audit Report and other relevant particulars in support of its claim. It has also been brought on record that the additional capacity has become available due to optimisation of the existing generation facility and reduction in captive consumption due to abandonment of its proposed expansion of sugar manufacturing capacity.

5.10. We note that the Petitioner GUVNL has agreed for enhancement of contracted capacity under the PPA, subject to submission of an undertaking regarding non-availment of Accelerated Depreciation or any other benefit in lieu thereof. The Respondent has submitted the requisite Board Resolution and undertaking confirming that the Respondent shall not avail Accelerated Depreciation or any other fiscal benefit in lieu thereof for the entire 12 MW contracted capacity. It has further undertaken that any fiscal benefit, subsidy or incentive received in future shall be duly disclosed and passed on in accordance with the provisions of the PPA.

5.11. We further observe that in terms of the above, the Petitioner GUVNL and the Respondent have executed Supplemental Power Purchase Agreement-2

dated 19.02.2026, whereby the contracted capacity under the existing PPA has been enhanced from 10 MW to 12 MW, *inter-alia*, provides as under:

(a) The procurement from the additional 2 MW capacity shall commence from the date of approval of the Commission or the actual commissioning date certified by GEDA, whichever is later.

(b) The additional capacity shall form part of the existing contracted capacity under the PPA.

(c) The PPA duration for entire 12 MW capacity of the project including capacity addition of 2 MW through this SPPA shall be 20 years from the COD (i.e., 26.01.2024) of existing 10 MW contracted capacity; and

(d) The tariff for contracted capacity including additional capacity of the project shall be -

(i) Fixed tariff of Rs. 1.98/kWh on the Scheduled Energy as certified in the monthly SEA by SLDC up to cumulative PLF of 60% per annum.

(ii) Energy charges as per the applicable Hon'ble GERC tariff determination order as issued from time to time, on the Scheduled Energy as certified in the monthly SEA by SLDC.

(e) The Power Producer shall be required to declare single availability for entire PPA capacity including increased capacity and raise single monthly invoice for energy supplied from the project as certified by SLDC.

(f) All other terms and conditions of the PPA dated 14.12.2022 and SPPA dated 06.09.2024 shall continue to remain applicable.

5.12. We note that the Commission, in its Order dated 25.06.2024 in Petition No. 2190 of 2023, had specifically stated that any amendment, alteration, modification or change in the approved PPA shall be subject to approval of the Commission. Since enhancement of contracted capacity constitutes a

modification of the approved arrangement, the Petitioner has appropriately approached the Commission seeking approval of SPPA-2.

5.13. We further note that Bagasse-based Co-generation Projects constitute an important source of renewable energy and contribute towards fulfilment of the Renewable Purchase Obligation (RPO) targets specified by the Commission. The procurement of additional renewable energy from the Respondent's project would assist the Distribution Licensees in meeting their RPO requirements under the "Other Renewable Energy" category as stipulated under the GERC (Procurement of Energy from Renewable Sources) Regulations, 2025.

5.14. The Commission has examined the terms and conditions of SPPA-2 in light of the provisions of Sections 61, 62 and 86 of the Electricity Act, 2003, the tariff framework specified in Order No. 03 of 2022 dated 27.06.2022 and the applicable Renewable Purchase Obligation Regulations. We find that the proposed enhancement of contracted capacity does not involve any deviation from the tariff principles already approved by the Commission and is intended to facilitate procurement of additional renewable energy from an existing Bagasse-based Co-generation Project.

5.15. We also note that the procurement of additional 2 MW power would augment the renewable energy portfolio of the Distribution Licensees and support achievement of the progressively increasing RPO targets notified by the Commission. The proposal is therefore consistent with the statutory objective of promoting co-generation and generation of electricity from renewable sources under Section 86(1)(e) of the Electricity Act, 2003.

5.16. In view of the foregoing facts and considering that the proposed amendment is in conformity with the provisions of the Electricity Act, 2003, the Commission's tariff framework and the applicable Renewable Purchase Obligation Regulations, we are of the considered view that the Supplemental Power Purchase Agreement-2 dated 19.02.2026 deserves to be approved and

accordingly, approved in terms of stipulation containing in the aforesaid Supplemental PPA dated 19.02.2026.

5.17. All the other terms and conditions stipulated in the Power Purchase Agreement dated 14.12.2022 and Supplemental Power Purchase Agreement dated 06.09.2024, as approved by the Commission, shall remain unchanged and continue to be binding upon the parties.

6. In view of the above, we decide to approve the Supplemental PPA dated 19.02.2026 as executed between the Petitioner GUVNL and the Respondent M/s Kedareshwar Khandsari Udyog Pvt. Limited.

7. With this Order, present Petition stands disposed of accordingly.

8. Order accordingly.

Sd/-
[Jatin N. Thakkar]
Member

Sd/-
[Pankaj Joshi]
Chairman

Place: Gandhinagar.
Date: 20/06/2026