

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**

**Petition No. 2228 of 2023.**

**In the Matter of:**

**Petition under Sections 86 of the Electricity Act, 2003 read with GERC's MYT Regulations, 2016 and SLPP Phase-I's PPA with GUVNL to seek the Commission's approval for proposed Renovation, Modernization and Life Extension (R&M and LE) of SLPP Phase-I's 2\*125 MW Unit 1 & 2 , additional capitalization of expenditure and recovery by adjustment in tariff and extension of PPA with modified terms by 10 years.**

Petitioner : Gujarat Industries Power Company Ltd.  
Represented By : S. Mani  
V/s.  
Respondent : Gujarat Urja Vikas Nigam Ltd.  
Represented by : Ld. Adv. Ranjitha Ramchandran along with Mr. H.P.Patel.

**CORAM:**

**Mehul M. Gandhi, Member  
S.R. Pandey, Member**

**Date: 26/08/2025.**

**DAILY ORDER**

1. The matter was kept for hearing on 18.08.2025.
2. Mr. Mani appearing on behalf of the Petitioner has submitted that Petition has been filed under Section 86 of the Electricity Act, 2003 read with GERC (Multi Year Tariff Regulations), 2016 & 2024, GERC (Conduct of Business) Regulations, 2004 as

well as SLPP-I's Power Purchase Agreement (PPA) dated 15.04.1997 and subsequent amendments executed in the years 2003 & 2005 with the erstwhile Gujarat Electricity Board, the predecessor of Gujarat Urja Vikas Nigam Ltd.

- 2.1 He submitted that the proposal for Renovation, Modernization and Life Extension of SLPP-I Units was deliberated in the high-level meeting chaired by Minister of Energy, Govt. of Gujarat on 23.03.2022. In view of the numerous merits of the proposal, the Petitioner GIPCL submitted its proposal to GUVNL on 25.03.2022. He further submitted that in-principle approval was accorded by GUVNL vide letter dated 05.08.2022.
- 2.2 He further submitted that the original cost estimate as per GIPCL's internal techno-commercial assessment in the year 2021-22 was Rs. 400 Cr. and it was based on market data of the year 2019-2020. Due to unexpected spurt in commodity price and cost of services post COVID-19 as well as increased scope of intervention, the estimated expenditure as per DPR is Rs. 690.7 Cr.
- 2.3 He further submitted that the Petitioner GIPCL appointed M/s STEAG India, a reputed CEA approved R & M Consultant to prepare the DPR in 2023. The DPR was finalized in February, 2024 after extensive study and discussions and the same was submitted to the Respondent GUVNL for review in February, 2024.
- 2.4 He submitted that the DPR has exhaustively dealt with the design issues, fuel quality aspect, operational and commercial issues of SLPP-I Units and

recommended measures to improve performance, safety, availability, reliability of Units-1 & 2 and enhance the life of Units by 15 years after the completion of design life of 25 years in 2025.

2.5 He further submitted that Detailed Project Report recommends increased technical intervention in the Power Plant so that it can operate safely and efficiently for extended life of 15 years beyond the design life of 25 years. The current PPA duration of 30 years ends in 2030 and it is proposed to extend it by another 10 years till 2040.

2.6 He further submitted that GIPCL has also sought revision in some of the PPA Normative Parameters from FY 2025-26 onwards upon completion of the design life (25 years) of the Units and align with the prevailing regulatory norm for CFBC Lignite Units of this category. The proposal has been accepted by GUVNL. This will allow better O & M and thereby improved availability and reliability of the Units.

2.7 He further submitted that the Petitioner GIPCL has apprised GUVNL in detail about the proposal and submitted the requisite supporting documents for approval. The final techno-commercial proposal with tariff impact due to additional capital expenditure and revision in normative parameters etc. along with pay back to GUVNL, worked out as per latest MYT Regulation, 2024 was submitted to GUVNL on 18.11.2024.

2.8 He also submitted that GUVNL, the PPA beneficiary and Respondent after due review of GIPCL proposal given approval for the DPR findings, estimated expenditure of Rs. 690.7 Cr. and the techno-commercial proposal for the Renovation, Modernization and Life Extension Exercise, extension in PPA duration by 10 years and allowed revision in PPA Normative Parameters from FY 2025-26.

2.9 On query of the Commission about revision in normative parameters, he submitted that Station Heat Rate (k Cal/kWh): 2400 ( As per Existing PPA ) to 2461 (Revised from 2025-26), Auxiliary Power Consumption (%): 10 (As per Existing PPA ) to 11.5 (Revised from 2025-26) and Annual O & M Expenditure, Water charges are align as per the GERC's MYT regulations.

2.10 He further submitted that the Petitioner has followed the guidelines as framed by CEA and not taken any upfront cost from the Respondent GUVNL. He submitted that levelized tariff with R&M is 4.30/kWh ( Fixed charge: 1.84/kWh and Variable cost: 2.46/kWh) with impact of revised parameters in year 2025 i.e., in fixed cost increased from 1.16/kWh to 1.84/kWh and variable cost increased from 2.17/kWh to 2.46/kWh

2.11 He further submitted that as per the DPR schedule, the Petitioner GIPCL proposes to take up the activity Unit wise clubbed with Major Shutdown so

that there is minimal impact on the Availability for the Grid. Minor activities shall be taken up as and when opportunity is available while major activities shall be taken up in 2027 and 2028.

2.12 He submitted that the Petitioner GIPCL seeks to apprise the Commission about the DPR findings and seeks regulatory approval to proceed with the exercise so that it can be completed as per plan by 2028. DPR executive summary is also filed by the Petitioner.

3. Ld. Adv. on behalf of the Respondent GUVNL has submitted that they have filed the reply in the present matter.

4. We have considered the submissions made by the parties. We note that the Petitioner seeks approval for the proposal to carry out Renovation, Modernization and Life Extension of 125MW units No 1 and 2, relaxation in Normative PPA parameters post R & M exercise and extension of PPA term by 10 years on modified terms beyond the control period.

5. We note that the Petitioner has filed the present Petition under Section 86 of the Electricity Act, 2003 read with GERC's MYT Regulations and SLPP Phase-I's PPA with GUVNL to seek the Commission's approval for proposed Renovation, Modernization and Life Extension (R&M and LE) of SLPP Phase-I's 2 X 125 MW Unit 1 and 2, additional capitalization of expenditure and recovery by adjustment in tariff and extension of PPA with modified terms by

10 years, we are of the view that a public notice is required to be issued for inviting the suggestions/objections/comments from the stakeholders. The Petitioner is, therefore, directed to issue a public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State and invite comments/suggestions/objections from the Stakeholders stating that they have filed Petition No. 2228 of 2023 before the Commission along with its subject matter and relief sought therein. The Petitioner is also directed to upload the present Petition with all the relevant documents on its website and invite comments and suggestions from the Stakeholders on the Petition within 15 days. The Petitioner shall state in the public notice that the stakeholders shall file their comments/objections/suggestions to the Secretary, Gujarat Electricity Regulatory Commission, 6th Floor, GIFT ONE, Road 5C, Zone 5, GIFT City, Gandhinagar - 382355, Gujarat in five copies along with affidavit in support of their submissions with a copy to the Petitioner within 15 days from the date of public notice.. The staff of the Commission is also directed to upload the Petition along with all relevant documents on the website of the Commission inviting comments/objections/suggestions/views from stakeholder after a compliance affidavit stating that public notices as directed above are issued in newspaper and uploading of Petition on website of the Petitioner, is filed by the Petitioner along with published copy of public notices issued by the Petitioner is provided to the Commission.

6. We also direct the staff of the Commission to provide the copy of representation/suggestions/objections, if any, received in the present matter to the Petitioner to inform/issue hearing notice for the present Petition to such stakeholders/objectors who have filed their submissions/objections/comments before the Commission in the matter.
7. As recorded above, as the representative for the Petitioner has agreed to place on record relevant details/documents/information/justification in the present matter, let the same be filed, if any within two weeks; time from the date of this Order, with a copy to the Respondent.
8. The Next date of hearing would be intimated separately.
9. Order accordingly.

**Sd/-**  
**[S. R. Pandey]**  
**Member**

**Sd/-**  
**[Mehul M. Gandhi]**  
**Member**

Place: Gandhinagar.  
Date: 26/08/2025.