



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Vidyut Niyantana Bhavan, Adjacent to 220/132/33 kV AP Carbides SS,
Dinnedevarapadu Road, Kurnool - 518 002, Andhra Pradesh.
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**TUESDAY, THE TWENTY FIRST DAY OF APRIL
TWO THOUSAND AND TWENTY-SIX
(21.04.2026)**

Present

**Sri P.V.R. Reddy,
Member & Chairman *i/c***

In the matter of approval of Power Purchase Agreements (PPAs) entered into between the Distribution Licensees, viz APSPDCL and APEPDCL, with Jindal Urban Waste Management (Nellore) Ltd., Kurnool Renew Energy Pvt. Ltd., Kadapa Renew Energy Pvt. Ltd., Jindal Urban Waste Management (Kakinada) Ltd. for procurement of power from Waste-to-Energy (WtE) power plants under Section 86(1)(b) read with Section 86(1)(e) of the Electricity Act, 2003.

In

O.P. No. 7 of 2026, O.P. No. 8 of 2026 and O.P. No. 9 of 2026

Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)

... Petitioner

M/s. Jindal Urban Waste Management (Nellore) Limited

M/s. Kurnool Renew Energy Private Limited

M/s. Kadapa Renew Energy Private Limited

... Respondents

O.P. No. 14 of 2026

Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)

... Petitioner

M/s. Jindal Urban Waste Management (Kakinada) Limited

... Respondent

The Distribution Licensees, viz Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL) and Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL) (hereinafter referred to as DISCOMs), have filed the present petitions seeking approval of the Power Purchase Agreements (PPAs) executed on 22.12.2025 for procuring power from proposed Waste-to-Energy power plants at Nellore, Kurnool, Kadapa and Kakinada, and for adoption of the tariff discovered through tariff-based competitive bidding. The details of the petitions recorded by the Commission are as follows:

| Petition | DISCOM | Developer | Capacity (MW) |
|-------------------|---------------|--|----------------------|
| O.P.No.7 of 2026 | APSPDCL | M/s Jindal Urban Waste Mgmt. (Nellore) Ltd. | 12 |
| O.P.No.8 of 2026 | APSPDCL | M/s Kurnool Renew Energy Pvt. Ltd. | 15 |
| O.P.No.9 of 2026 | APSPDCL | M/s Kadapa Renew Energy Pvt. Ltd. | 15 |
| O.P.No.14 of 2026 | APEPDCL | M/s Jindal Urban Waste Mgmt. (Kakinada) Ltd. | 15 |

Upon receipt of the petitions, the Commission issued public notices dated 20.02.2026 (for O.P. Nos. 7, 8 and 9 of 2026) and 12.03.2026 (for O.P. No. 14 of 2026), inviting views, objections, and suggestions from all stakeholders, with the last dates for submissions being 09.03.2026 (for O.P. Nos. 7, 8 and 9 of 2026) and 28.03.2026 (for O.P. No. 14 of 2026). The Distribution Licensees and the project developers were directed to furnish their responses to any objections by 19.03.2026 (for O.P. Nos. 7, 8 and 9 of 2026) and 04.04.2026 (for O.P. No. 14 of 2026). In response, the Commission has not received any views/objections/suggestions.

The Commission conducted the public hearing on 08.04.2026. The representatives of the DISCOMs and the Developers were present during the public hearings. The Commission heard the submissions of the Petitioners and the Respondents. After carefully considering the material on record, the Commission passes the following.

COMMON ORDER

1. The DISCOMs have filed the present petitions seeking approval for Power Purchase Agreements (PPAs) to procure Power from Waste-to-Energy Power Plants to be established in Nellore, Kurnool, Kadapa, and Kakinada, and for the adoption of tariffs determined through tariff-based competitive bidding.
2. The DISCOMs submitted that the National Tariff Policy, 2016, mandates that Distribution Licensees procure 100% of their power from Waste-to-Energy (WtE) plants under Section 62 of the Electricity Act, 2003. Further, the Commission has issued the “Renewable Power Purchase Obligation (Compliance by Purchase of Renewable Energy/Renewable Energy Certificates) Regulations, 2022” (Regulation 5 of 2022), which also mandates procurement of 100% power from WtE sources.
3. The DISCOMs submitted that, pursuant to the directions of the Government of Andhra Pradesh for development of Waste-to-Energy projects, the selection of developers for projects at Nellore, Kurnool, Kadapa and Kakinada was carried out through tariff-based competitive bidding conducted by NREDCAP, acting as the nodal agency on behalf of the DISCOMs. In this regard, the DISCOMs have furnished details of the correspondence, approvals, and actions taken by the Government of Andhra Pradesh (GoAP), NREDCAP, and other concerned authorities to initiate the bidding process and select developers.
4. The tariffs discovered in the aforesaid competitive bidding process are as shown in the table below.

| Bidder | Location | Plant Capacity (MW) | Export Capacity (MW) | Tenure (Years) | Tariff (Rs./kWh) |
|--|-----------------|----------------------------|-----------------------------|-----------------------|-------------------------|
| JITF Urban Infrastructure Ltd. | Nellore | 12 | 10.8 | 20/25 | 7.95/7.80 |
| Antony Lara Enviro Solutions Pvt. Ltd. | Kurnool | 15 | 13.5 | 20 | 8.10 |
| Antony Lara Enviro Solutions Pvt. Ltd. | Kadapa | 15 | 13.5 | 20 | 8.10 |
| JITF Urban Infrastructure Ltd. | Kakinada | 15 | 13.5 | 20 | 7.50 |

5. The DISCOMs submitted that the tariffs discovered through the competitive bidding process were compared with the levelised tariffs determined by the Central Electricity Regulatory Commission (CERC) for FY 2024-25 and FY 2025-26 for RDF-based MSW projects under the CERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024. It is

submitted that the discovered tariffs are lower than the levelled tariffs determined by the CERC and are therefore reasonable and competitive.

6. The DISCOMs submitted that, in terms of Section 86(1)(b) of the Electricity Act, 2003, the Commission is empowered to regulate procurement of power by Distribution Licensees, including approval of Power Purchase Agreements, and under Section 86(1)(e), to promote generation of electricity from renewable sources. Further, under Section 63 of the Act, the Commission is required to adopt the tariff determined through a transparent bidding process in accordance with the guidelines issued by the Central Government. The DISCOMS also submitted that, under Section 21(5) of the Andhra Pradesh Electricity Reforms Act, 1998, the PPA becomes void without the Commission's consent, as it is saved under Section 185(3) of the Electricity Act, 2003.
7. The DISCOMs submitted that, as per the decisions taken in the meeting held on 12.05.2025 under the chairmanship of the Chief Secretary, GoAP, the cost of power evacuation infrastructure up to the 33 kV level shall be borne by the DISCOMs, subject to the Commission's approval.
8. The DISCOMs submitted that, pursuant to the issuance of Letters of Award and execution of concession agreements, the DISCOMs have entered into Power Purchase Agreements with the respective developers for the procurement of power from the said projects, subject to approval of the Commission.
9. Accordingly, the DISCOMs requested approval of the Power Purchase Agreements, approval of the tenure of the PPA in respect of OP No. 7 of 2026, adoption of tariffs determined through tariff-based competitive bidding, and construction of power evacuation infrastructure by the DISCOMs.
10. The respondents, **Jindal Urban Waste Management (Nellore) Ltd. and Jindal Urban Waste Management (Kakinada) Ltd. (represented by Sri P. Ramakrishna), submitted that** the Commission adopt the competitively bid tariffs and approve the PPAs. The justification was that Waste-to-Energy (WtE) projects are highly capital-intensive, incur high air-pollution-control costs, receive viability gap funding from the Government of India (GoI), and provide environmental benefits, including reduced dependence on landfills and methane mitigation.
11. **Kurnool Renew Energy Private Ltd. and Kadapa Renew Energy Private Ltd. (represented by Sri Sirigi Reddy Parthasaradhi Reddy)** requested permission to establish the metering point at the plant site instead of the substation. This was based on the concern that transmission via 33 kV lines over distances of about 14

km and 16 km (for Kurnool and Kadapa, respectively) could lead to transmission losses. Locating the metering point at the plant site would ensure accurate net generation measurement and fair accounting of renewable energy. In response, APSPDCL submitted, citing Article 4.1 of the PPA, that the developer must establish the metering point at the interconnection points—specifically, the 220/132/33 kV AP Carbides Grid Substation (for Kurnool) and the 132/33 kV Moolavanka Substation (for Kadapa). The developer had not objected to this provision during the bidding process or when signing the PPA, and had confirmed, via a letter dated 04.07.2025, that they would not seek changes.

Commission’s Analysis and Decision

12. The Commission has carefully considered the submissions of the DISCOMs and the respondents. The main reliance of the DISCOMS to procure power from Waste to Energy (WtE) plants is the National Tariff Policy (NTP) and the Commission’s Regulations. The relevant provisions of NTP and the Commission’s Regulations are as follows.

(i) Clause 6.4 (1)(ii) of the National Tariff Policy:

“The distribution licensees shall compulsorily procure 100% power produced from all the Waste-to-Energy plants in the State, in the ratio of their Procurement of power from all sources, including their own, at the tariff determined by the Commission under Section 62 of the Act.”

(ii) Proviso 10 to clause 3.10, APERC Regulation 5 of 2022 (Purchase of RE):

“Provided further that every Distribution Licensee in the State of Andhra Pradesh shall compulsorily procure 100% power produced from all Waste-to-Energy plants geographically located in its area of supply, at the tariff determined by the commission under Section 62 of the Act.”

In accordance with Section 86(4) of the Electricity Act, 2003, the Commission shall be guided by the National Electricity Policy, the National Electricity Plan, and the Tariff Policy, as published under Section 3. Further, the Commission’s own Regulations prescribe the compulsory procurement of 100% of the power produced by all Waste-to-Energy plants. Inter alia, the objective of the Electricity Act is to promote efficient and environmentally benign policies. The very basis for promoting Waste-to-Energy plants is to protect the environment's health. The agreements also detail operational, financial, and environmental compliance requirements, including the developer's obligation to process municipal solid waste, maintain performance standards, and adhere to emission norms. The

petition underscores alignment with government directives to promote renewable energy and responsible waste management, aiming to ensure reliable power procurement, environmental sustainability, and regulatory compliance. Therefore, keeping the above in mind, the Commission is inclined to approve the PPAs filed under OP Nos. 7, 8, 9, and 14 of 2026.

13. **Regarding the cost of power evacuation**, the Commission notes that at a meeting held on 12.05.2025 by the Government of Andhra Pradesh, it was decided that the DISCOMs shall undertake the development of power evacuation infrastructure. The Commission further notes that no objections have been raised by the DISCOMs. In view of the above, the Commission accepts that the development of power evacuation infrastructure shall be undertaken by the DISCOMs at their own cost.
14. **Regarding the Respondents' request to establish a metering point at the project site**, the Commission is of the view that the developers did not raise any objection to the metering arrangement either during the pre-bid stage or upon execution of the PPA. Considering the doctrine of estoppel, the request of the developers for a change in the metering point is not accepted.
15. **With regard to the PPA tenure for the Jindal Urban Waste Management (Nellore) Limited project under OP no 7 of 2026**, the tariff of Rs. 7.80 per unit for a 25-year tenure is lower than the tariff of Rs. 7.95 per unit for a 20-year tenure. Although the normative useful life of Waste-to-Energy projects under the applicable regulations is 20 years, in the Commission's view, with current technology, it is possible to operate the plant for 25 years. The first-year tariff determined through competitive bidding is lower than the levelised tariff on the estimated cost by the DISCOMS, as per the CERC Tariff Regulations. Accordingly, the Commission adopts the tariff of Rs. 7.80 per unit with a tenure of 25 years.
16. **For the Waste-to-Energy Plants under OP nos. 8, 9, and 14 of 2026**, the Commission also adopts the tariffs determined through competitive bidding as submitted, as their first-year tariff determined through competitive bidding is lower than the levelised tariff on the estimated cost by the DISCOMS, as per the CERC Tariff Regulations.
17. Accordingly, the petitions are disposed of.

Sd/-
P.V.R. Reddy
Member & Chairman i/c