

Date: 26.09.2026

To,
The Secretary
Uttar Pradesh Electricity Regulatory Commission
Vidyut Niyamak Bhawan,
Vibhuti Khand, Gomti Nagar,
Lucknow – 226010

Reference: Comments/Suggestions/Objections submitted by Prayas Energy Group (PEG) on Petition No. 2333 of 2025 filed by Adani Energy Solutions Step-Eleven Limited before this Hon'ble Commission for grant of a Distribution Licence for the Data Centre Park being developed by DC Development Noida Limited at Plot 20, Sector 62, NOIDA, Uttar Pradesh, under Sections 14 and 15 of the Electricity Act, 2003.

Subject: AESSEL's Response to the Comments/Suggestions/Objections submitted by PEG on Petition No. 2333 of 2025 dated 15.09.2026

Respected Sir,

We, Adani Energy Solutions Step-Eleven Limited ("AESSEL"), are submitting our response to the comments/suggestions/objections submitted by Prayas Energy Group ("PEG") on 15.09.2026 pursuant to the Public Notice issued on behalf of AESSEL under Section 15(2) of the Electricity Act, 2003, published on 12.08.2026 in two Hindi daily newspapers (Amar Ujala and Hindustan) and two English daily newspapers (Indian Express and Hindustan Times), Lucknow and Delhi editions, in terms of the directions of this Hon'ble Commission vide Order dated 05.08.2026, thereby inviting comments/suggestions/objections on the Petition filed by AESSEL for grant of a Distribution Licence under Sections 14 and 15 of the Electricity Act, 2003. This response is submitted without prejudice to the Petitioner's contention that the said objections are time barred under the proviso to Section 15(2) of the Electricity Act, 2003.

The response is submitted by way of an affidavit along with an index, for kind consideration and for being taken on record by this Hon'ble Commission.

Thanking You,


Authorized Signatory
For Adani Energy Solutions Step-Eleven Limited



**BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY
COMMISSION AT LUCKNOW**

Filing No. _____
Petition No. 2333 of 2025

IN THE MATTER OF:

Petition under Sections 14 and 15 read with Section 86 (1) (d) of Electricity Act, 2003 readwith UPERC (General Conditions of Distribution Licence) Regulations, 2004 readwith Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 and the Amendment thereof, and Government of Uttar Pradesh Notification No. 444/24-P-3-2023 dated 10.03.2023, and readwith Uttar Pradesh Data Centre Policy 2021 (as amended on 07.11.2022) for grant of Distribution License to Adani Energy Solutions Step-Eleven Limited for undertaking supply and distribution of power in the Data Centre Park being developed by DC Development Noida Limited at Plot 20, Sector 62, NOIDA, Uttar Pradesh.

IN THE MATTER OF:

Adani Energy Solutions Step-Eleven Limited

Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S G Highway, Ahmedabad, Gujarat-382421

...PETITIONER NO.1

Adani Energy Solutions Limited

Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S G Highway,
Khodiyar, Ahmedabad, Gujarat-382421

...PETITIONER NO.2

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PETITIONER

Place: New Delhi
Date: 26.09.2026

**BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY
COMMISSION**

PETITION NO. 2333 OF 2025

IN THE MATTER OF:

Petition under Sections 14 and 15 read with Section 86 (1) (d) of Electricity Act, 2003 readwith UPERC (General Conditions of Distribution Licence) Regulations, 2004 readwith Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 and the Amendment thereof, and Government of Uttar Pradesh Notification No. 444/24-P- 3-2023 dated 10.03.2023, and readwith Uttar Pradesh Data Centre Policy 2021 (as amended on 07.11.2022) for grant of Distribution License to Adani Energy Solutions Step-Eleven Limited for undertaking supply and distribution of power in the Data Centre Park being developed by DC Development Noida Limited at Plot 20, Sector 62, NOIDA, Uttar Pradesh.

Adani Energy Solutions Step-Eleven Limited

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...PETITIONER NO.1

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Near Vaishno Devi Circle, S G Highway,
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...PETITIONER NO.2

AFFIDAVIT ON BEHALF OF ADANI ENERGY SOLUTIONS STEP-ELEVEN LIMITED TO PLACE ON RECORD RESPONSE TO THE OBJECTIONS/ SUGGESTIONS SUBMITTED BY PRAYAS ENERGY GROUP (PEG) ON 15.09.2026

I, Manish Kumar, S/o Late Braj Kishore Prasad, aged about 35 years, R/o A-12, Yogiswami Cooperative Housing Society, Borivali West, Mumbai-400091, Authorized Representative of Petitioner No.1 viz., Adani Energy Solutions Step-



Eleven Limited, having office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S G Highway, Ahmedabad, Gujarat-382421, presently at New Delhi, do hereby solemnly affirm and state as follows:

1. That I am the authorized representative of the Petitioner No.1 Company, Adani Energy Solutions Step-Eleven Limited ("**Petitioner No.1**" or "**AESSEL**") and I am fully conversant with the facts and circumstances of the case, and I have been duly authorized and am, therefore, competent to affirm this affidavit.
2. That, I state that the Petitioner No. 1, Adani Energy Solutions Step-Eleven Limited ("**AESSEL**"/"**Petitioner**"), has filed the present Petition under Sections 14, 15 and 86(1)(d) of Electricity Act, 2003 ("**EA 2003**"), read with UPERC (General Conditions of Distribution License) Regulations, 2004 ("**UPERC Distribution License Regulations**"), read with Distribution of Electricity License (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 as amended thereof (2022) ("**Distribution License Rules**"), and read with Uttar Pradesh Data Centre Policy 2021 (as amended on 07.11.2022) ("**DC Policy**") for grant of Distribution License to the Petitioner No.1 for undertaking the supply of power in the Data Centre Park being developed by DC Development Noida Limited ("**DCDNL**") having office at Plot 20, Sector 62, NOIDA, Uttar Pradesh.
3. That, through Order dated 05.08.2026, this Hon'ble Commission directed the Petitioner to publish a notice under Section 15(2) of EA 2003, in at least two Hindi and two English newspapers. Accordingly, through the Public Notice published by the Petitioner, comments/suggestions were invited from the public within 30 days from the date of publication of notice.



OBJECTIONS FILED BY PRAYAS ENERGY GROUP ARE TIME BARRED

4. At this juncture, it may be relevant to point out that Prayas Energy Group ("Prayas"/ "PEG"/"Objector"), vide letter dated 15.09.2026, submitted its objections against the Petition filed by AESSEL for grant of license under Section 14 of EA 2003. In this regard, it is stated that in terms of the Public Notice dated 12.08.2026 issued pursuant to the Order dated 05.08.2026 passed by this Hon'ble Commission, a period of thirty days (30 days) was granted from the date of publication within which any suggestions or objections were required to be filed before this Hon'ble Commission. The said period of 30 days expired on 10.09.2026, and the objections have been filed by Prayas only on 15.09.2026, i.e., beyond the period of 30 days as granted by this Hon'ble Commission for filing objections.
5. With regard to the above, it is stated that the EA 2003, through Section 15 provisions for the Procedure for grant of license, in the following manner:

"Section 15. (Procedure for grant of License): --- (1) Every application under Section 14 shall be made in such form and in such manner as may be specified by the Appropriate Commission and shall be accompanied by such fee as may be prescribed.

(2) Any person who has made an application for grant of licence shall, within seven days after making such application, publish a notice of his application with such particulars and in such manner as may be specified and a licence shall not be granted-

(i) until the objections, if any, received by the Appropriate Commission in response to publication of the application have been considered by it:

Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the



date of publication of the notice as aforesaid;..."

As is discernible from the above extract, the EA 2003 clearly provides that no objections shall be considered by the Appropriate Commission, in case the same are received after expiration of thirty days from the date of publication of the notice.

6. In view of the above, it is thus submitted that the timeline of thirty days so specified under the EA 2003, is not a mere formality, but the statutorily contemplated window within which the right of any interested person to be heard must be exercised. Pertinently, the Objections filed by Prayas, neither disclose any reasons for such delay, nor are accompanied by any application seeking condonation of delay.
7. It is further submitted that the proviso to Section 15(2) employs mandatory and negative language, namely that *"no objection shall be considered unless it is received before the expiration of thirty days from the date of publication of notice"*. It is well settled that where the legislature uses negative words coupled with a prescribed time period, the provision is mandatory in nature. Accordingly, the statutory scheme itself prohibits consideration of objections filed beyond the prescribed period.
8. It is humbly submitted that the licensing process under Section 15 of EA 2003 is time bound, and the prescribed period for objections exists precisely to enable this Hon'ble Commission to consider all suggestions/ objections within a defined window and proceed to a timely decision on the application. This process exists so as to ensure consistency with the object of EA 2003 for expeditious grant of licences to applicants who satisfy the statutory criteria. As such, entertaining objections filed beyond the prescribed period would not only be contrary to the specific



terms of the Public Notice prescribed by this Hon'ble Commission, but also would undermine the statutory timeline contemplated under Section 15, and cause serious prejudice to the Petitioner. Further, acceptance of objections filed after expiry of the statutory period would render the proviso to Section 15(2) otiose and defeat the legislative intent underlying the timeline prescribed by the Parliament for completion of the licensing process.

9. In the above circumstances, it is submitted that the Objections dated 15.09.2026 filed by Prayas are liable to be rejected in limine as time barred and that this Hon'ble Commission ought to decline to take the same on record or to consider it on merits.

WITHOUT PREJUDICE: RESPONSE ON MERITS

10. That, the submissions on merits of the objections raised by Prayas, are being made without prejudice to submission of AESSEL that the said objections are time barred, and liable to be outrightly rejected by this Hon'ble Commission.
11. At the outset, it is submitted that none of the objections raised by the Objector identify any deficiency in AESSEL's compliance with the requirements prescribed under Section 14 of the Electricity Act, 2003, the Distribution Licence Rules, or the applicable Regulations. Instead, the Objector suggests certain additional commercial and operational conditions, which are not at all contemplated under the statutory licensing framework. Such conditions cannot be imported into the licensing process through the route of public objections and therefore the objections deserve rejection on this ground alone.



12. It is pertinent to note that the sixth proviso to Section 14 read with the Distribution Licence Rules contemplates examination of the applicant's eligibility and capability to undertake the licensed business. The objections raised by the Objector do not pertain to any of the statutory criteria contemplated under the said provisions and are therefore outside the scope of the present licensing proceedings.

Re: *That, Standby agreement with PVVNL may be entered into with the incumbent licensee, i.e., PVVNL, where standby and reliability services can be provided*

13. The Objector, apparently, is stating that the License petition ought to have included a Stand-by arrangement for providing reliable power supply to the Data Centre loads. In this regard, it is submitted that if the Hon'ble Commission grants the distribution license to the Petitioner, the Petitioner shall hold the status of a distribution licensee at par with any other distribution licensee and shall be bound to provide reliable power supply to its consumers through purchase of power from generators, traders, power exchanges, etc. similar to any other distribution licensee. The Petitioner is well aware of the importance attached to reliability and 24X7 power availability when it comes to Data Center loads and it shall take all necessary and appropriate measures to ensure the same, but that does not mean that the Petitioner is bound to include a Stand-by arrangement plan in its License application. That is neither contemplated in law nor in UPERC Regulations. In fact, the EA 2003 under Sections 62 & 63 gives complete freedom to the distribution licensees to procure power for meeting its USO under Section 43, which is subject to approval by this Hon'ble Commission.
14. Further, Regulation 5.12 of the UPERC (General Conditions of Distribution Licence) Regulations, 2004 exhaustively prescribes the



criteria for grant of a distribution licence to another person for distribution of electricity through its own distribution system within the Area of Supply, in the following manner:

"5.12 The Commission may grant a Licence to another person for distribution of electricity through its own distribution system within the Area of Supply provided that the person applying for grant of subsequent Licence-

- (a) Complies with the additional requirements (including the capital adequacy, credit-worthiness, or code of conduct) prescribed by the Central Government;*
- (b) Satisfies the Commission of its ability (technical and financial) to undertake the Licensed Business; and*
- (c) Complies with all Regulations, performance standards, guidelines and norms specified."*

As is evident from the above, prior finalisation of the commercial terms, of a standby arrangement with the incumbent licensee is not a statutory pre-condition for grant of licence. Prayas has not pointed to any statutory or regulatory provision that so requires, and none exists.

15. It is further submitted that Objector's characterisation of AESSEL's position is wholly misconceived. AESSEL is not a captive generating plant seeking top-up/standby power from the grid under the regulatory framework conventionally governing captive power plants. Instead, AESSEL is itself the applicant for, and would, upon grant, hold an independent distribution licence for the Data Centre Park under Section 14 of EA 2003, bearing its own independent statutory obligations, including the duty to supply under Section 43 of the said Act.
16. Under the EA 2003, a distribution licensee is empowered to procure power from generating stations, CGPs, trading licensees or through energy exchanges. In this regard, Sections 62 and 63 of the EA 2003 provide an unequivocal right to a distribution licensee to make sufficient



arrangements qua procurement of power for fulfilling its Universal Supply Obligation under Section 43 of the said Act. Further, any such procurement is required to be approved by this Hon'ble Commission under Section 86(1)(b) of EA 2003. Further, the tariff of the distribution licensee is also determined by the Hon'ble Commission under Section 86(1)(a). Basis the said statutory provisions, there is no mandate by way of which a distribution licensee can be forced to arrange any standby power. As such, upon grant of license by this Hon'ble Commission, the above statutory scheme shall enable AESSEL to make suitable arrangements for sourcing/ procuring power for further supply to load centres within the data centre park.

Re: That, cost of dedicated capital investment by transmission or distribution utilities for the licence should be borne by DCDNL

17. The Objector has averred/ suggested that the cost of any dedicated infrastructure required to be added by DISCOMs or the STU to cater to data centre reliability should be borne by the licensee. It has been contended that the same would ensure that the entire cost of the Project is being borne by the Developer, and not added to the aggregate revenue requirement of the STU to be passed on to all consumers in the State. In this regard, the Objector has also placed reliance on the Order passed by Ld. Maharashtra Electricity Regulatory Commission (MERC) in Case No. 88 of 2026, whereby, the said Commission approved development of infrastructure under the Dedicated Distribution Facility (DDF) framework.
18. In this regard, at the outset, it is submitted that the present objection is liable to be rejected on facts itself. The very premise underlying the objection is incorrect in the present case because the transmission



connectivity required for supply of power to the Data Centre Park has already been developed by developer of the Data Center Park at its own cost. Consequently, no additional transmission asset is proposed to be created for the purposes alleged by the Objector and no question presently arises of loading such cost into the ARR of the STU.

19. The aforesaid factual position in the instant case is, therefore, peculiar to the present project and arises from the commercial arrangements voluntarily undertaken by the Developer. The same cannot be construed as establishing any legal principle or regulatory precedent. Neither the Electricity Act, 2003 nor any regulations framed thereunder mandate that an applicant seeking grant of a distribution licence must finance or bear the cost of transmission system development or augmentation as a pre-condition to grant of licence. The statutory responsibilities relating to transmission planning, network development and recovery of transmission charges continue to be governed by Sections 39 and 40 of the Electricity Act, 2003 and the applicable tariff framework. Accordingly, while the Developer has voluntarily borne the cost of connectivity in the present case, the same cannot be relied upon to contend that such obligation must necessarily be imposed upon every distribution licensee or developer as a matter of law.
20. In this regard, the EA 2003, through Section 39, provides for the functions of a State Transmission Utility, in the following manner:

"39. State Transmission Utility and functions. — (1) The State Government may notify the Board or a Government Company as the State Transmission Utility:

Provided that the State Transmission Utility shall not engage in the business of trading in electricity:

(2) The functions of the State Transmission Utility shall be-

(a) to undertake transmission of electricity through intra-State



transmission system;

(b) to discharge all functions of planning and co-ordination relating to intra-State transmission system with-

(i) Central Transmission Utility;

(ii) State Governments;

(iii) generating companies;

(iv) Regional Power Committees;

(v) Authority;

(vi) Licensees;

(vii) any other person notified by the State Government in this behalf;

(c) to ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;

(d) to provide non discriminatory open access to its transmission system for use by—

(i) any licensee or generating company on payment of the transmission charges; or

(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of Section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

...

As is discernible from the above extract, it is clear that the STU is under a statutory obligation to ensure development of an efficient, co-ordinated and economical system of intra-State Transmission lines/ system for smooth flow of power to the load centres. It thus follows that in case augmentation of transmission system is required for the purpose of power supply to a Distribution licensee for onward supply to Data Centre loads, STU is under an obligation to develop the same.

21. It may be noted that any distribution licensee requires transmission system connectivity for laying its feeders for onward supply to its existing or upcoming loads. Such loads could be generally spread in a local area or could be confined to a particular area such as IT / ITeS park, a data center park, a specific industrial center, etc. Just because the Petitioner



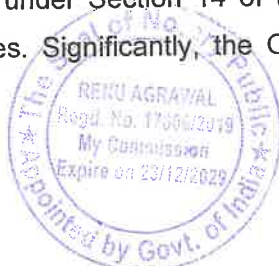
has applied for distribution license for a DC park area, it does not make the Petitioner any different from any other distribution licensee and hence its transmission connectivity cannot be considered a dedicated facility.

22. Further, by the Objector's logic, every time any distribution licensee in the State seeks transmission connectivity for a specific upcoming large load such as a data center, a fintech hub, a specific industrial estate, an IT/IteS park, etc. it can be considered that such transmission connectivity is dedicated to such area / load only and hence payment for transmission connectivity should be sought from such licensee / developer, instead of making the cost a part of transmission ARR. The said submissions by the Objector have no legal basis either under the EA 2003 or under the concerned tariff/ extant regulations of this Hon'ble Commission.
23. The objection proceeds on the erroneous assumption that grant of a distribution licence for DC parks should be subject to a requirement that the applicant or developer must finance future transmission or distribution network augmentation. Such a condition finds no place under Sections 14 or 15 of the Electricity Act, 2003, the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, or the applicable UPERC Regulations. The Objector is effectively seeking to introduce an additional licensing condition which is wholly dehors the statutory scheme and therefore deserves to be rejected on this ground alone.
24. Further, under Section 39(2)(d) of the EA 2003, the STU is obligated to provide non-discriminatory open access to any licensee, generating company or consumer upon payment of transmission charges. The same entails that the augmentation by STU of the InSTS is not for any dedicated purpose, and that the entire Intra State System is considered



as a single meshed network for which a common transmission charge is determined by this Hon'ble Commission in terms of relevant tariff regulations. As such, there is no concept of "dedicated transmission infrastructure" being developed by STU. Similar provisions are contained in Section 40, which provides the duties/ functions of transmission licensees.

25. In view of the above position of law, where any transmission asset forms part of the Intra-State Transmission System, its planning, development, operation and treatment of costs are governed by the applicable statutory and regulatory framework. Any determination regarding capitalization of assets, recovery of costs or tariff treatment falls within the domain of the Appropriate Commission in the relevant tariff proceedings and does not constitute a criterion for grant of a distribution licence under Section 14 of the EA 2003.
26. Regarding the reliance placed on the Order passed by Ld. MERC in Case No. 88 of 2026, whereby, the said Commission approved development of infrastructure under the Dedicated Distribution Facility (DDF) framework, it is stated that the said reliance by the Objector is baseless for the reason that in the said proceedings, the data centre developer itself volunteered to undertake development of the transmission infrastructure at its own cost and was also ready to reimburse O&M cost and handover the assets to MSETCL *[as recorded in Para 8.2(b) of the said Order]*.
27. In view of the above and the detailed submissions made in the captioned Petition, it is submitted that the Petitioners duly comply with all the requirements of capital adequacy, credit-worthiness, or code of conduct as specified under Section 14 of the EA 2003 read with Distribution License Rules. Significantly, the Objector has not identified a single



deficiency or non-compliance in relation to the capital adequacy, creditworthiness, code of conduct, technical capability or financial capability requirements prescribed under the Electricity Act, 2003, the Distribution Licence Rules or the applicable Regulations. Once the Applicant complies with the requirements under the Act and the aforementioned Rules, it is the mandate of 6th proviso that no Applicant shall be denied the distribution license. It is now settled that the sixth proviso to Section 14 substantially limits the discretion of the Commission in matters of grant of distribution licence. Upon satisfaction of the requirements stipulated under the Distribution Licence Rules and other applicable statutory provisions, the grant of licence follows as a statutory consequence and cannot be subjected to additional extraneous conditions not contemplated under the Act or the Rules. Therefore, AESSEL is entitled for grant of Distribution License by this Hon'ble Commission in terms of 6th proviso to Section 14 of the Act.

28. In light of the aforesaid facts and submissions, it is respectfully submitted that:
- a. the objections filed by Prayas are liable to be rejected in limine as being time barred by the express provisions of the proviso to Section 15(2) of the Electricity Act, 2003;
 - b. without prejudice thereto, the objections fail to disclose any non-compliance by the Petitioners with the requirements prescribed under Section 14 of the Electricity Act, 2003, the Distribution Licence Rules or the applicable Regulations;
 - c. the objections seek imposition of additional conditions which are dehors the statutory licensing framework and therefore cannot constitute a valid ground for opposing the grant of licence;



- d. the Petitioners have duly fulfilled all applicable statutory and regulatory requirements and are entitled to grant of distribution licence for the proposed licence area.

Accordingly, this Hon'ble Commission may be pleased to reject the objections filed by Prayas and allow the present Petition.

29. The Petitioner craves leave to place on record such further submissions, clarifications, statutory provisions and documents as may be necessitated in the course of these proceedings, and reserves its right to file a further and more detailed rejoinder, if so directed by this Hon'ble Commission.
30. That, I state that the present Affidavit has been made in *bonafide*. It is most humbly submitted that in the interest of justice, equity and fairness.

D/1810/07
I identified the deponent who
has signed in my presence

VERIFICATION

I, the Deponent above named do hereby verify that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

26 SEP 2026

Verified at New Delhi on this 26th day of September 2026.



ATTESTED
NOTARY PUBLIC
(INDIA)



26 SEP 2026