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Member – World Energy Council (WEC) London
Member – International Council On Large Electric System (Cigre) France
Member – State Advisory Committee (UPERC)
Member – Quality Control Standing Committee (UPERC)
Member –Energy Conservation Committee (UPPCL)
Member –Electricity Supply Code Review Panel (UPERC)
Chairman –National Electricity Consumer Coordination Committee

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Ref. No.: 112– uperc – 2026 **Date: 12.10.2026**

To,
The Hon'ble Chairperson,
Uttar Pradesh Electricity Regulatory Commission,
Lucknow, Uttar Pradesh.

Subject: Detailed legal objections to the grant of a separate electricity distribution licence for the Data Centre Park at Sector 62, Noida, concerning statutory eligibility, the existing distribution licensee, consumer interest, financial implications, network ownership and compliance with the Electricity Act, 2003.

Respected Sir,

The Uttar Pradesh Rajya Vidyut Upbhokta Parishad, in discharge of its responsibility to protect the interests of electricity consumers in the State, respectfully submits the following legal and public-interest objections in Petition No. 2333/2025.

At the outset, the Parishad clarifies that it does not oppose investment, industrial development or the provision of reliable and uninterrupted electricity to data centres and other technologically significant projects. However, the need to facilitate a particular project cannot, by itself, justify the grant of a separate distribution licence without a comprehensive examination of statutory eligibility, technical feasibility, financial viability, the existing distribution infrastructure and the likely consequences for electricity consumers.

The Commission is therefore requested to examine the application not merely from the perspective of the proposed data centre, but also in light of the Electricity Act, 2003, applicable rules and regulations, consumer protection, efficient utilisation of existing infrastructure and the long-term interests of the State's electricity distribution system.

1. A separate distribution licence is not an automatic entitlement

Sections 14 and 15 of the Electricity Act, 2003, prescribe the statutory framework for the grant of distribution licences. Although Section 14 permits more than one distribution licensee in the same area, subject to the applicable statutory conditions, this does not mean that every applicant seeking to serve a particular industrial or commercial project is automatically entitled to a separate licence.

The Commission must independently determine whether the applicant satisfies all applicable legal and regulatory requirements and whether the proposed arrangement is justified in terms of consumer interest, distribution efficiency, technical feasibility and the overall electricity supply framework.

The Parishad accordingly requests that no licence be granted without a reasoned assessment of the applicant's statutory eligibility, financial strength, technical capabilities, proposed distribution network and the long-term viability of the proposed arrangement.

2. Independent assessment of the applicant's eligibility and financial capability

The Commission must establish whether Adani Energy Solutions Step Eleven Limited, in its own legal capacity, satisfies the applicable requirements concerning capital adequacy, creditworthiness, technical and managerial capability and other conditions prescribed under the relevant statutory and regulatory framework.

The experience, financial resources or technical expertise of a parent company or another group entity should not automatically be treated as the independent capability of the applicant. Where the applicant relies on resources, guarantees, technical services or financial support from another group company, the legal enforceability, adequacy, duration and scope of those arrangements must be examined.

The Commission should examine, inter alia:

The applicant's certified financial position, available capital and financial commitments.
The actual funding arrangements for construction, operation, maintenance and future expansion of the proposed distribution network.
The bank guarantees, financial assurances or other security required under the applicable rules, wherever applicable.

The availability of qualified technical and managerial personnel and the allocation of operational responsibilities.
The legally binding nature of commitments made by associated entities on which the applicant relies.
The arrangements for protecting consumers in the event of financial distress, operational failure or discontinuation of the project.

If any material aspect of the applicant's eligibility remains unclear, the same should be resolved before the application is allowed.

3. Independent examination of the existing distribution licensee, PVVNL

The proposed area falls within the existing distribution framework of Paschimanchal Vidyut Vitran Nigam Limited (PVVNL). The Commission must therefore examine whether the electricity requirements of the proposed data centre can be met through the existing distribution licensee.

In light of Section 43 of the Electricity Act, 2003, and the applicable provisions governing the obligations of distribution licensees, a detailed factual report should be obtained from PVVNL addressing the following matters:

Whether the data centre or its developer applied to PVVNL for an electricity connection or for supply at the required capacity.
If an application was made, what action was taken and whether any refusal or technical constraint was recorded.
The available network capacity, reliability, quality of supply and ability to accommodate the proposed additional demand.
The additional investment required, if any, for lines, substations, transformers or other network infrastructure.
Whether PVVNL can provide the required supply within the prescribed timeframe through lawful network augmentation.
The technical and financial feasibility of alternative supply arrangements.

The capacity and alternatives available through the existing licensee should not be disregarded merely because the applicant or project developer prefers a separate distribution arrangement. The Commission should undertake a comparative assessment of the available options and record its findings with reasons.

4. Examination of the alternative arrangement under the seventh proviso to Section 14

The seventh proviso to Section 14 of the Electricity Act, 2003, provides for an arrangement under which an existing distribution licensee may distribute electricity through another person in a specified area within its area of supply, while the original licensee continues to remain responsible in accordance with the statutory framework.

In view of this provision, the Commission should examine whether the specific electricity requirements of the data centre can be met through PVVNL by means of a legally permissible franchisee, service-delivery or other contractual arrangement.

The Parishad does not contend that this provision automatically prohibits the grant of a separate distribution licence in every case. Its submission is that, where the law recognises an alternative arrangement, the Commission should determine whether a separate licence is genuinely necessary, more efficient and beneficial to consumers.

If the existing licensee can provide comparable or better reliability and quality of supply at a reasonable cost, that alternative should not be rejected without adequate justification.

5. A private agreement cannot substitute for statutory licensing requirements

If the applicant and DC Development Noida Limited have entered into an agreement, memorandum of understanding or any other contractual arrangement, the same must be examined against the applicable statutory requirements rather than treated as an independent source of entitlement to distribute electricity.

The Commission should clarify:

Who will legally own the proposed distribution network.
Who will be responsible for financing, construction, operation, maintenance, renewal and expansion of the network.
Who will be responsible for electricity procurement, energy accounting, metering, billing, consumer complaints and quality of supply.
What arrangements will apply if the agreement expires, is terminated or either party experiences financial distress.
Whether all material provisions of the relevant agreement have been placed before the Commission.

Whether the proposed arrangement involves a network owned by a third party and, if so, whether the necessary legal rights and approvals have been established.

A private agreement cannot, by itself, dispense with the statutory requirements governing the grant of a distribution licence. The Commission must ensure that the proposed structure does not create gaps in responsibility that could adversely affect electricity supply, consumer services or continuity of operations.

6. Clarification of ownership and legal rights over the distribution system

The Commission should examine the nature of the distribution system proposed to be used by the applicant and the legal rights held by it over that system.

If the network is to be developed or owned by the project developer, another group company or a third party, the applicant's rights, control, investment obligations, operational responsibilities and required legal permissions must be verified.

The use of another entity's network under a contractual arrangement should not automatically be treated as proof that every applicable requirement under Section 14 has been satisfied. The Commission should record clear findings regarding actual ownership, control, investment and responsibility for the proposed distribution infrastructure.

7. Assessment of the consequences of parallel distribution arrangements

Although multiple distribution licensees may legally operate in the same area subject to applicable conditions, parallel arrangements can raise issues concerning duplication of infrastructure, underutilisation of existing assets, supply coordination and allocation of costs.

The Commission should therefore independently assess:

Whether the proposed licence would result in unnecessary duplication of the existing distribution network.

Whether the respective supply boundaries, connection points and technical responsibilities of the two distribution systems are clearly defined.

Whether arrangements for grid security, fault management, backup supply and emergency response have been established.
Whether the proposed licensed area is precisely identified through authenticated maps and geographical boundaries.
Whether any proposed expansion beyond the specified data centre area would require further statutory approvals or a separate regulatory process.

The Commission must ensure that a distribution arrangement designed for a specific project does not impair the efficiency of the wider electricity network or adversely affect existing consumers.

8. Financial implications, tariff considerations and protection of existing consumers

A principal concern of the Parishad is that the proposed separate distribution arrangement should not result in additional costs being unfairly imposed upon ordinary domestic, commercial, industrial or other electricity consumers.

The Commission should assess the potential impact of the proposed licence on PVVNL's assets, network investment, power procurement, aggregate revenue requirement and future costs.

In particular, the following issues require examination:

Whether PVVNL would face reduced utilisation of its existing network or a risk of underutilisation of assets in which investments have already been made.
Whether the creation of a separate network would generate costs that could have been avoided by using the existing infrastructure.
Whether the cost of backup supply, additional capacity, standby arrangements or other services could be shifted to another category of consumers.
Whether transparent and separate accounting of costs and revenues will be maintained for the respective distribution arrangements.
Whether the proposed arrangement is likely to affect the tariff or revenue requirement of the existing distribution licensee, and, if so, how such impact has been assessed.

No arrangement should be approved if it results in the unjustified socialisation of costs associated with the data centre's specific

requirements or imposes a financial burden on other consumers without a lawful basis and proper regulatory scrutiny.

9. Objective assessment of the data centre's reliability requirements

A data centre may require uninterrupted supply, additional capacity and backup arrangements. However, the proposition that a separate distribution licence is the only means of meeting these requirements should not be accepted without a technical and economic assessment.

The applicant should provide certified details of its actual electricity demand, phased load growth, maximum demand, backup arrangements, required supply reliability, expected consumption and proposed network design.

The Commission should also determine whether the required level of reliability can be achieved through the existing licensee by means of network augmentation, dedicated feeders, alternative supply arrangements or other legally permissible technical measures.

The decision should be based on the project's demonstrated requirements and a comparative assessment of costs, rather than solely on the applicant's preference or convenience.

10. Government policy cannot replace statutory licensing requirements

The application refers to the Uttar Pradesh Data Centre Policy, 2021, its amendment and the State Government notification dated 10 March 2023.

The Parishad submits that policy incentives, industrial development objectives and efforts to attract investment do not, by themselves, exempt an applicant from the requirements of the Electricity Act, 2003, unless a lawful exemption is expressly available.

The Commission should examine authenticated copies of the relevant notification and policy and determine their precise legal relevance to the proposed licence. It should also verify the documents relied upon by the applicant to establish eligibility and compliance under the applicable policy.

The decision must harmonise the State's investment objectives with the mandatory requirements of electricity law.

11. Binding conditions for consumer service, grievance redressal and accountability

If, after examining the objections, the Commission considers granting a separate distribution licence, the licence should contain clear and enforceable conditions to protect consumer interests.

These should include, at a minimum:

Compliance with all applicable standards concerning quality, continuity and reliability of supply.
Transparent arrangements for metering, billing, energy accounting and consumer services.
A grievance-redressal mechanism, time-bound action and compensation obligations in accordance with applicable regulations.
Compliance with electrical safety requirements, network maintenance obligations, emergency response protocols and grid discipline.
Compliance with applicable renewable purchase obligations and other statutory and regulatory requirements.
Regular reporting to the Commission, audit requirements and access to relevant records.
Compliance with applicable regulatory permissions and disclosure requirements for material changes in the network or operational arrangements.
Continuity-of-service arrangements in the event of termination of contracts, operational failure or licensing-related disputes.

The purpose of these conditions should be not merely to grant a licence, but to ensure that consumer interests remain adequately protected thereafter.

12. Reasoned determination in accordance with Sections 61 and 86(1)(d)

The Commission should assess the broader implications of the proposed arrangement in the context of the principles governing tariff determination under Section 61 and its regulatory functions under Section 86(1)(d) of the Electricity Act, 2003, including matters relating to the quality, continuity and reliability of supply, as applicable.

The Parishad submits that the decision should not rest solely on the desirability of the project or the prospect of investment. It must also address statutory eligibility, technical feasibility, cost efficiency,

utilisation of existing infrastructure and consumer protection.

If any material objection is rejected, the reasons for doing so should be expressly recorded in the final order. A reasoned decision is essential for transparency, regulatory accountability and a fair decision-making process.

13. Disclosure of relevant documents and an effective opportunity to object

The Parishad requests the Commission to ensure that all material non-confidential documents necessary for adjudication of the petition are made available. These should include the technical studies supporting the application, relevant non-confidential financial information, distribution network plans, material provisions of agreements with the project developer, the report obtained from PVVNL and any cost-benefit analysis.

Any claim of confidentiality over particular documents should be examined in accordance with applicable law and the Commission's procedure. Confidentiality should not be used to withhold information essential for meaningful consideration of the interests of affected consumers.

The Parishad should also be afforded a reasonable opportunity to respond to the applicant's replies and any material documents subsequently placed on record.

14. Specific prayers in the public interest

In view of the facts, statutory provisions and consumer interests set out above, the Uttar Pradesh Rajya Vidyut Upbhokta Parishad respectfully prays that the Hon'ble Commission may be pleased to:

(a) Undertake a detailed, independent and document-based examination of the applicant's statutory eligibility, financial capability, technical competence and legal rights over the proposed distribution network before granting a separate distribution licence in Petition No. 2333/2025.

(b) Obtain a comprehensive report from PVVNL and determine whether the data centre's electricity requirements can be met through the existing distribution arrangement at a reasonable cost and with the required reliability.

(c) Conduct a comparative assessment of all feasible alternatives, including arrangements permissible under the seventh proviso to Section 14 of the Electricity Act, 2003.

(d) Examine the legal validity and adequacy of the relevant agreements between the applicant and DC Development Noida Limited, including network ownership, investment, operation, maintenance and allocation of responsibilities.

(e) Obtain an independent assessment of the likely impact of the proposed licence on the existing distribution network, PVVNL's assets, revenue requirement, network investment and the costs borne by other consumers.

(f) Ensure that no additional costs arising from the data centre's specific requirements are imposed upon other consumers without a lawful basis, transparent accounting and proper regulatory scrutiny.

(g) Determine the precise legal effect of the applicable State Government policy and notification and verify that the applicant satisfies the relevant eligibility requirements, without treating policy incentives as a substitute for statutory licensing conditions.

(h) Ensure disclosure of all relevant non-confidential documents and provide the Parishad with an effective opportunity of hearing before deciding the petition.

(i) Reject the petition if the applicant fails to establish its statutory eligibility, independent financial and technical capability, legal rights over the proposed network or the necessity and justification for a separate distribution licence.

(j) If the Commission, after establishing compliance with all statutory requirements and the justification for a separate licence, decides to grant it, impose clear and enforceable conditions concerning consumer services, quality of supply, cost segregation, network coordination, grievance redressal, accountability and continuity of service.

(k) Record clear, reasoned and legally sustainable findings on each material objection raised by the Parishad.

15. Final submission

The Uttar Pradesh Rajya Vidyut Upbhokta Parishad reiterates that investment, industrial development and modern data centre projects should be encouraged in the State. However, these objectives must not be pursued at the expense of mandatory legal requirements, regulatory transparency or the interests of electricity consumers.

A separate distribution licence for a particular project should be considered only after the applicant's statutory eligibility has been established, the existing distribution licensee's alternatives have been fairly examined, the technical and economic justification for the proposed arrangement has been demonstrated, and the risk of imposing an unjustified financial or operational burden on ordinary consumers has been adequately addressed.

The Parishad, therefore, respectfully requests the Hon'ble Commission to decide the petition only after a comprehensive examination of the above objections and to refrain from granting a separate distribution licence unless adequate protection of consumer interests and compliance with all applicable statutory requirements are established.

The Upbhokta Parishad is committed to protecting consumer rights and will actively raise all relevant objections during upcoming hearings.

Yours faithfully,
To,
With regards,

12/09/2025

Avadhesh Kumar Verma
Chairman
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1- Hon'ble Members Uttar Pradesh Electricity Regulatory Commission
2- Secretary, Uttar Pradesh Electricity Regulatory Commission