India's Electricity Sector Round-Up

January - March 2026

Key Notifications

Electricity (Amendment) Rules, 2026 – Captive Framework Overhauled

The Ministry of Power (MoP), Government of India (GoI), on 13.03.2026, notified the Electricity (Amendment) Rules, 2026, substituting Rule 3 of the Electricity Rules, 2005 to overhaul the regulatory framework governing Captive Generating Plants (CGPs). The amendment broadens the definition of "ownership" to include equity held through subsidiaries, holding companies, and other group entities, ensuring that layered corporate structures are not disqualified on technical grounds. Notably, Special Purpose Vehicles (SPVs) are now expressly treated as Associations of Persons (AoPs), resolving a longstanding area of interpretational dispute.

CERC Notifies Regulations Governing Trading of Carbon Credit Certificates

The Central Electricity Regulatory Commission (CERC) has on 27.02.2026, notified the CERC (Terms and Conditions for Purchase and Sale of Carbon Credit Certificates) Regulations, 2026 (CCC Regulations), operationalising the trading framework for Carbon Credit Certificates (CCCs) under the Carbon Credit Trading Scheme, 2023 (CCTS).

The CCC Regulations establish:

Power Exchanges as the primary platform for CCC transactions, with the Grid Controller of India functioning as the Registry for the exchange of CCCs

The Bureau of Energy Efficiency (BEE) as the Administrator

Two separate market segments for dealing in CCCs, namely

a. A Compliance Market for obligated entities
b. An Offset Market for non-obligated entities, with transactions mandated on a monthly basis or such other periodicity as per the procedure approved by CERC

A pricing framework under which CCCs under the compliance mechanism trade within a floor price and a forbearance price, both to be approved by CERC on a proposal from BEE.

MoP Issues Revised Ash Utilisation Guidelines for Thermal Power Plants

MoP, on 30.01.2026, issued revised guidelines (Revised Guidelines) for Coal and Lignite based Thermal Power Plants (TPPs) superseding the earlier guidelines dated 15.03.2024. The Revised Guidelines apply to all Coal and Lignite based TPPs (including captive or co-generating stations or both). The Revised Guidelines introduce a structured, sequential disposal mechanism such as:

- If ash is still unutilised, TPPs must serve notices to agencies within a 300 km radius (covering road, dam, shoreline protection, mine, and low-lying area uses), providing ash free of cost and bearing transportation charges

- If ash remains unsold after auction, it is to be offered free of cost through an Expression of Interest (EoI) on an "as is where is" and "first-come-first-served" basis, with the user bearing transportation costs

- TPPs are first required to sell ash through an open auction with a floor price of INR 1 per metric tonne

- For utilisation avenues beyond 300 km, TPPs' financial liability for transportation is capped at the notional cost of road transport up to 300 km

A separate procedure has been prescribed for fly ash supply to Micro and Small Enterprises (MSEs) and local users within a 100 km radius. Low-carbon transport options are encouraged alongside conventional road transport.

MNRE Extends Timelines for Renewable Energy Projects Delayed by Great Indian Bustard (GIB)-Related Section 68 Approvals

The Ministry of New and Renewable Energy (MNRE), GoI has, on 12.01.2026, directed Renewable Energy Implementing Agencies (REIAs), i.e., SECI, NTPC Limited, NHPC Limited, and SJVN Limited, to treat delay in obtaining approvals under Section 68 of the Electricity Act, 2003 (Electricity Act) for overhead transmission lines in Great Indian Bustard (GIB) areas in Rajasthan and Gujarat as a "Force Majeure" event. The relief covers the period between 21.03.2024 (when the Supreme Court discontinued the erstwhile Three-Member Expert Committee) and 19.12.2025 (when the Supreme Court disposed of W.P.(C) 838/2019: M K Ranjitsinh & Ors v Union of India & Ors).

MNRE Extends ALMM Framework to Solar PV Wafers – List-III to Take Effect from 01.06.2028

MNRE has issued an Office Memorandum dated 17.03.2026, amending the Approved List of Models and Manufacturers (ALMM) Order, 2019, to introduce a new List-III covering Solar Photovoltaic (Solar PV) wafers and ingots, effective 01.06.2028 (Effective Date). Under the amended framework, all ALMM-covered

projects will be required to source solar PV modules from ALMM List-I, solar PV cells from ALMM List-II, and wafers from ALMM List-III, with the additional requirement that wafer manufacturers must also possess ingot manufacturing capacity equivalent to their enlisted wafer manufacturing capacity.

Union Cabinet Approves Small Hydro Power Development Scheme for FY 2026-27 to FY 2030-31

The Union Cabinet has approved the Small Hydro Power (SHP) Development Scheme for FY 2026-27 to FY 2030-31, with a total outlay of INR 2,584.60 crore targeting approximately 1,500 MW of installed capacity from projects in the 1–25 MW range. The scheme is projected to generate approximately 51 lakh person-days of employment during construction, with long-term employment in operation and maintenance. SHP projects are environmentally sustainable, avoiding large-scale land acquisition, deforestation, and displacement, and are characterised by decentralised generation with minimal transmission infrastructure requirements. The scheme further mandates sourcing of 100% of the plant and machinery from indigenous sources, in alignment with the Atmanirbhar Bharat objective.

Rajasthan - Battery Energy Storage System - Regulation 2026

The Rajasthan Electricity Regulatory Commission (RERC) notified the Battery Energy Storage Systems (BESS) Regulations, 2026 (Regulations) on 10.03.2026, following a stakeholder consultation process initiated in October 2025. The Regulations establish a comprehensive framework for the planning, procurement, deployment, operation, and utilisation of BESS in Rajasthan, applying to a wide range of entities including licensees, generating companies, aggregators, consumers/prosumers, the State Transmission Utility, and the State Load Despatch Centre.

Key features include:

- Technology-neutral applicability (extensible to other storage technologies by Commission order)
- Competitive bidding-based procurement by licensees
- A clear ownership framework permitting distribution and transmission licensees, independent power producers, independent BESS service providers, and third-party investors to own or operate BESS assets.

The Regulations further incorporate a savings and transition clause protecting existing power purchase agreements and procurement processes, mandatory compliance with the Battery Waste Management Rules, 2022 for end-of-life disposal, and a dispute resolution mechanism routed through the State Power Committee and, ultimately, the Commission.

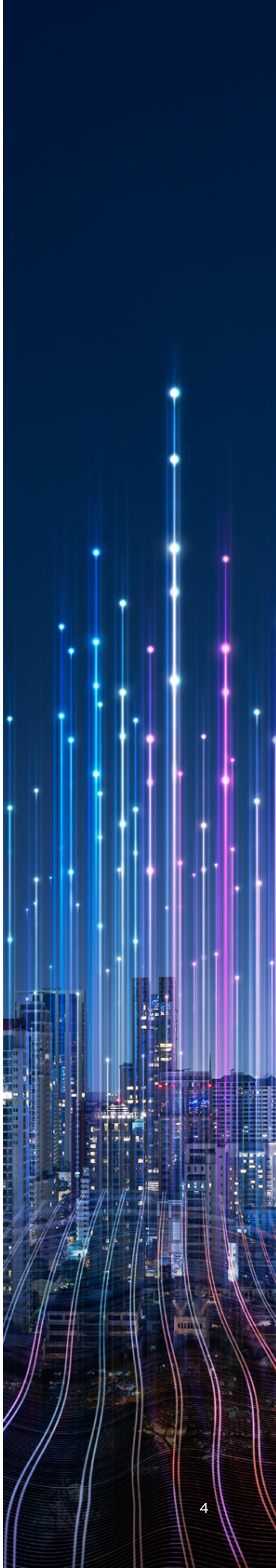
RERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulation, 2026

RERC published a draft 3rd (third) amendment to its RERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020 , inviting stakeholder comments by 27.03.2026. The principal change is an extension of the control period by 2 (two) years, from 31.03.2026 to 31.03.2028, reflecting the Commission's view that the existing regulatory framework, with targeted amendments, remains adequate and a fresh set of regulations is not warranted at this stage. Alongside this, the aforesaid amendment aligns the late payment surcharge framework with the Ministry of Power's Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, introducing a 45 (forty-five) day payment window before surcharge liability accrues.

CERC (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2026

The Central Electricity Regulatory Commission notified Terms and Conditions of Tariff (Second Amendment) Regulations, 2026 on 20.03.2026, amending the Principal Regulations of 2024 i.e., Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 to introduce a comprehensive regulatory framework for integrated energy storage systems (IESS) co-located with coal, lignite, or gas-based thermal generating stations and inter-state transmission systems.

The amendments extend the scope of the Principal Regulations to cover IESS installations, introduce an extensive set of new definitions (including battery cell, battery cycle, C-rate, declared capacity, round-trip efficiency, state of charge, and rated capacity), and fix the useful life of lithium-ion battery energy storage systems at 15 (fifteen) years with a depreciation rate of 6.33%. A supplementary tariff structure comprising fixed storage charges and variable energy charges is established for IESS, with generating companies and transmission licensees required to file petitions for determination of supplementary tariff within 90 (ninety) days of the date of commercial operation of the IESS.



Key Judgments – The Supreme Court of India

West Bengal State Electricity Distribution Co Ltd (WBSEDCL) v Adhunik Power & Natural Resource Ltd (APNRL), 2026 SCC OnLine SC 328

The Supreme Court held that cancellation of captive coal blocks pursuant to Manohar Lal Sharma v Union of India, (2014) 9 SCC 516, and the subsequent enactment of the Coal Mines (Special Provisions) Act, 2015 constituted a "Change in Law" event, entitling the generator to compensation under the Power Purchase Agreement (PPA).

Although the PPA/Power Sale Agreement (PSA) did not expressly identify the relevant captive coal block as the fuel source, the Court found from the surrounding circumstances that the agreement was clearly premised on coal from that block. It held that Article 10 of the PPA/PSA (change in law clause) was attracted because the ruling in Manohar Lal Sharma altered the interpretation of the Coal Mines (Nationalisation) Act, 1973, and the Mines and Minerals (Development and Regulation) Act, 1957, thereby materially affecting APNRL's right to procure coal from the allotted block. However, the Court set aside APTEL's direction granting compensation for coal procured through e-auction/imports to meet shortfall in tapering linkage prior to 25.08.2014, holding that such claims were barred by Article 2.5 of the PPA/PSA, which protected WBSEDCL from increased coal costs arising from alternate sourcing except where a valid Change in Law event had occurred.

Adani Power Ltd & Anr v Union of India & Ors, 2026 SCC OnLine SC 11

The Supreme Court held that customs duty could not be levied on electricity supplied from Adani Power Limited's Special Economic Zone (SEZ) based power plant to the Domestic Tariff Area (DTA), as such supply does not amount to an "import into India" under Section 12 of the Customs Act, 1962. It held that Section 25 exemption notifications cannot be used as a device to impose a levy in the absence of a charging provision, as this would violate Article 265 of the Constitution of India, Section 30 of the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006. The Court directed refund of the amounts deposited under protest within 8 (eight) weeks, without interest.

The Property Company (P) Limited v Rohinten Daddy Mazda, 2026 SCC OnLine SC 34

The Supreme Court held that the Company Law Board (CLB) had no power to condone a delay of 249 (two forty-nine) days in filing an appeal under Section 58(3) of the Companies Act, 2013. It reaffirmed that the Limitation Act, 1963 applies only to courts, unless a statute expressly extends it to tribunals or quasi-judicial bodies. While the principles underlying Section 14 (exclusion of time) may in some cases be applied, Section 5 (extension of time/condonation of delay), being discretionary, elastic, and tethered to the inherent powers of civil courts, cannot be invoked by such bodies in the absence of express statutory authority. It further clarified that Section 433 of the Companies Act, 2013, which empowers the National Company Law Tribunal and the National Company Law Appellate Tribunal to apply the Limitation Act, could not be given retrospective effect so as to confer equivalent powers on the CLB, particularly since the remedy was already time-barred before Section 58(3) itself came into force.

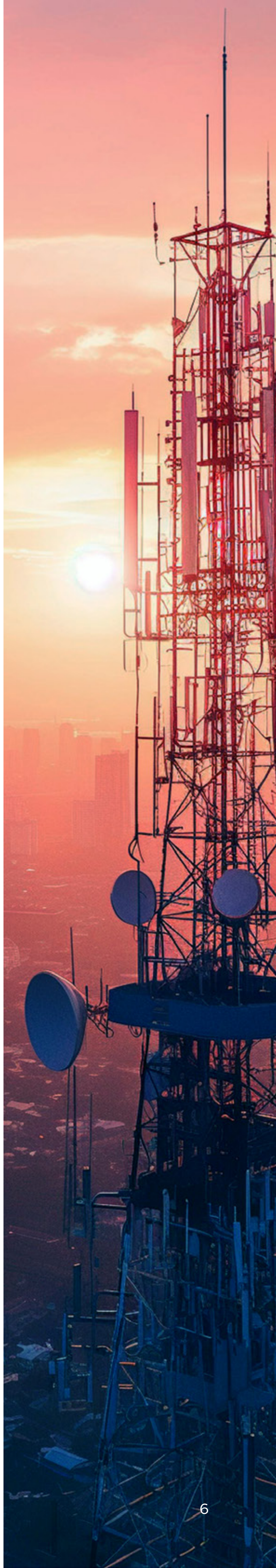
State of Maharashtra & Ors v. Reliance Industries Limited & Ors., 2026 SCC OnLine SC 477

The Supreme Court, in a significant ruling on the interplay between statutory fiscal exemptions, promissory estoppel, and legitimate expectation, allowed the appeals filed by the State of Maharashtra. The Court affirmed that an exemption granted under a fiscal statute is a concession and not a legally enforceable right. The Court held that power to grant exemption under Section 5A of the Bombay Electricity Duty Act, 1958 is equally a power to withdraw or modify it in public interest - augmentation of revenue and addressing budgetary constraints constitutes valid justification, which is not amenable to judicial substitution.

However, tempering its ruling with principles of fairness, the Court held that while the State's power to withdraw the exemption was valid, such withdrawal ought not to operate abruptly against industries that had structured their financial and operational arrangements in reliance on the concession. It was accordingly directed that the notifications dated 01.04.2000 and 04.04.2001 would take effect only after the expiry of 1 (one) year from their respective dates, treating that period as a reasonable notice period for the captive power generators to adjust their operations and financial planning.

Southern Power Distribution Company of Andhra Pradesh Limited & Anr. v. Green Infra Wind Solutions Limited & Ors., 2026 SCC OnLine SC 479

The Supreme Court held that State Electricity Regulatory Commissions (SERCs) possess plenary and exclusive power over tariff determination, and that such power extends to considering and factoring in the Generation Based Incentive (GBI) - a financial incentive granted by the MNRE to wind power generators at INR 0.50 per unit of electricity fed into the grid while determining tariff under the Electricity Act. However, the Court clarified that the mere existence of such power does not permit its mechanical exercise. It was held that regulatory power must be exercised as a collaborative enterprise, having regard to the purpose and object of the GBI Scheme, which was designed as a generator-focused performance-linked incentive to attract investment in renewable energy. Accordingly, Court affirmed APTEL's direction that GBI must be disbursed to the generating companies over and above the tariff and not deducted from it by the distribution companies.



Key Judgments – The Appellate Tribunal for Electricity

Aryan Renewable Energy Private Limited v CERC & Ors, Appeal No. 185 of 2018

The Appellate Tribunal for Electricity (APTEL) drew a distinction between the "grant" of long-term access and its subsequent "availment". It held that the right to use the Inter-State Transmission System (ISTS) arises upon grant of long-term access by the Central Transmission Utility of India Limited (CTUIL) and is later formalised through the Bulk Power Transmission Agreement (BPTA). Since the CERC (Grant of Connectivity, Long-term Access and Medium-term Access to the inter-State Transmission and related matters) Regulations, 2009 is a subordinate legislation under Section 178 of the Electricity Act, it shall prevail over inconsistent/conflicting contractual terms, and Clause 9 of the BPTA could not override Regulation 18. APTEL accordingly upheld the levy of relinquishment charges, subject to the outcome of the pending batch of appeals against CERC's order dated 08.03.2019 in Petition No. 92/MP/2015.

NTPC Limited v Chhattisgarh State Power Distribution Company Limited & Ors, Appeal No. 399 of 2019

APTEL held itself bound by the earlier coordinate bench ruling in NTPC Tamil Nadu Energy Company Ltd v AP Transmission Corporation Ltd (Appeal No. 318 of 2019), which had granted relaxation in Normative Annual Plant Availability Factor (NAPAF) from 85% to 83% for FY 2017-18 and FY 2018-19, given the absence of CERC's mandatory review under the proviso to Regulation 36(A) of the CERC (Terms and Conditions of Tariff) Regulations, 2014. Referring to the Supreme Court's ruling in Adani Power Ltd v Union of India (05.01.2026), APTEL reiterated that a coordinate bench cannot disregard an earlier decision on the same issue and may depart from it only by referring the matter to a larger bench if it believes the earlier view is manifestly erroneous.

Smt L Nagarathna v Karnataka Electricity Regulatory Commission (KERC) & Ors, Appeal No. 105 of 2018

APTEL upheld KERC's decision that the approval of the rooftop solar PPA had lapsed because the required proof of roof area was not furnished within the stipulated time. It held that the appellant had notice of the condition and was responsible for ensuring compliance, regardless of whether some documents had earlier been given to Bangalore Electricity Supply Company Limited (BESCOM). Since the condition precedent was never fulfilled, the PPA never came into force, and therefore could not be terminated under its own terms. APTEL also noted that the available roof area was, in any event, less than what had been represented, suggesting the appellant was unable to fulfil the condition.

Mokia Green Energy Private Limited v Punjab State Power Corporation Limited & Anr, Appeal No. 323 of 2025

APTEL held that depreciation claimed under Section 32(1)(ii) of the Income Tax Act, 1961 read with Rule 5(1) and Appendix I of the Income Tax Rules, 1962, constitutes "Accelerated Depreciation" for regulatory and tariff purposes. The critical test is which method yields higher depreciation in initial years. It also held that notwithstanding the "entire agreement" clause in the PPA, terms and conditions of the Request for Proposal (RfP) formed an integral part of the PPA. An "entire agreement" clause cannot render the RfP conditions otiose where the PPA itself incorporates them by reference. Tariff is not merely a numerical figure but is intrinsically linked to the terms and conditions of the bid. Since the generator had bid on the basis of normal depreciation but later availed accelerated depreciation, APTEL upheld the resulting tariff revision to Rs. 7.71/kWh and remanded the recovery mechanism to PSERC.

Gujarat Urja Vikas Nigam Limited v Tata Power Company Limited & Ors, Appeal Nos. 348, 371 & 400 of 2025

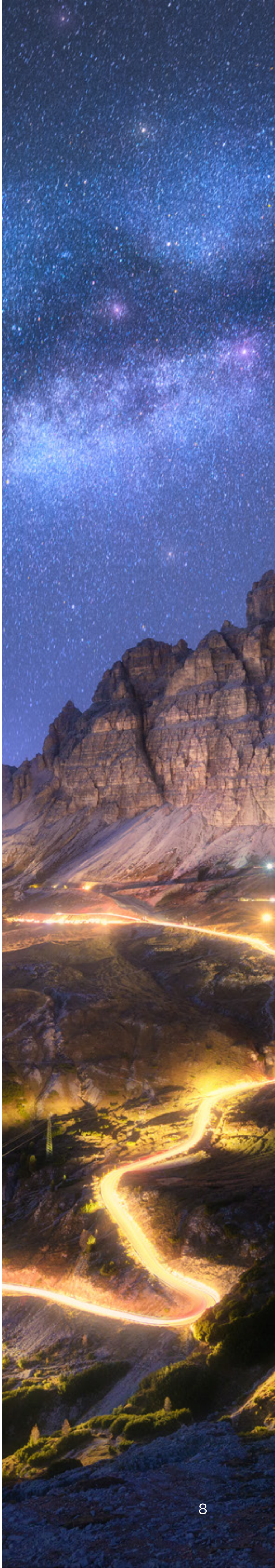
APTEL set aside CERC's common order dated 19.11.2025, which had referred the parties' disputes to arbitration on the premise that the disputes were "non-tariff" contractual disputes. APTEL held that CERC's power under Section 79(1)(f) to refer disputes to arbitration is not independent of (and cannot exceed) its adjudicatory jurisdiction. Reading "and" as "or" in Section 79(1)(f), CERC may either adjudicate or refer to arbitration only those disputes involving a generating company/transmission licensee which are in regard to matters connected with clauses (a)–(d) of Section 79(1). Disputes touching regulatory functions or impacting tariff directly or indirectly are non-arbitrable. The petitions were restored to the board of CERC to adjudicate whether disputes fall within Section 79(1)(b) and are connected with regulation of tariff and, if so, adjudicate them, otherwise CERC must non-suit the parties with reasons for lack of inherent jurisdiction.

India Energy Exchange Limited (IEX) v Central Electricity Regulatory Commission & Ors, Appeal No. 298 of 2025

APTEL dismissed the appeal on the ground that IEX was not yet a "person aggrieved", since the impugned directions had not presently altered its legal rights or imposed any civil consequences. It held that market coupling could only be implemented through separate regulations in terms of Regulation 39 of the CERC (Power Market) Regulations, 2021, which had not yet been framed. APTEL also took note of the Securities and Exchange Board of India's (SEBI) interim order dated 15.10.2025 concerning alleged insider trading linked to Unpublished Price Sensitive Information (UPSI) concerning the market coupling decision, and advised CERC to keep the officials named in that order away from the regulation-making process pending investigation, while preserving IEX's right to challenge the future regulations (including proceedings impugned herein).

Vikram Bhatnagar & Anr v Karnataka Electricity Regulatory Commission & Anr, OP No. 1 of 2018

APTEL reiterated that Section 121 of the Electricity Act empowers it to issue directions to an Appropriate Commission only where such Commission has failed to perform its statutory functions. The words "orders", "instructions" or "directions" in Section 121 do not confer any power of judicial review on APTEL. Since the petitioners were effectively challenging the directions contained in a letter dated 27.09.2016, APTEL held that the appropriate remedy was an appeal under Section 111, and not an original petition under Section 121.



Haryana Vidyut Prasaran Nigam Limited (HVPNL) v Central Electricity Regulatory Commission & Ors, Appeal No. 79 of 2017

APTEL partly allowed HVPNL's appeal and held that NTPC's 5 MW solar project at Faridabad was not connected exclusively to the ISTS. Since the principal generating station was treated as an intra-state entity, the solar project was also to be regarded as intra-state and was correspondingly required to obtain a No-Objection Certificate (NOC) from the state utility in the prescribed format, which contemplated state transmission charges and losses. APTEL found that power flowed through both 220 kV lines, including the line terminating at HVPNL's Palla substation, thereby establishing use of the Intra-State Transmission System (InSTS). HVPNL was therefore entitled to recover applicable intra-state transmission charges and losses from the date of commissioning.

Minar Renewable Energy Projects Pvt Ltd (MREPPL) v Kerala State Electricity Regulatory Commission (KSERC) & Ors, Appeal No. 431 of 2019

APTEL allowed the appeal and held that KSERC could not determine a project-specific tariff where the developer had sought generic tariff under the KSERC (Renewable Energy Regulations), 2015. Under the said regulations, project-specific tariff could be fixed only upon a specific application by the developer, which had not been made. APTEL also reiterated that tariff determination is a quasi-judicial function of the State Electricity Regulatory Commission(s) and cannot be controlled by State Government decisions or directions. Even a policy direction under Section 108 would only be guiding in nature and not binding.

JK Minerals v Madhya Pradesh Electricity Regulatory Commission (MPERC), Appeal No. 375 of 2019

APTEL held that the denial of Long-Term Open Access (LTOA) to JK Minerals was erroneous and that the distribution licensee (DISCOM) had been unjustly enriched by accepting free power injected into the grid while objecting to the LTOA application. Relying on Section 70 of the Indian Contract Act, 1872, it held that the DISCOM could not simultaneously take the benefit of supply and deny corresponding commercial consequences. APTEL therefore allowed compensation for the losses suffered, together with interest, differentiating payment of "interest" or "carrying cost" from "penalty" or "fine" and holding that where there is an order for restitution, a direction to pay interest must follow.

Krishna Windfarms Developers Private Limited v Central Electricity Regulatory Commission & Ors, Appeal No. 04 of 2020

APTEL upheld CERC's rejection of the developer's claims regarding the commissioning date and force majeure. It held that where the developer delayed execution of the PPA, and the counterparty had expressly maintained the original effective date, the developer could not later contend that timelines should run from the actual date of signing. A party cannot take advantage of its own wrong. APTEL also held, following the Supreme Court's decision in Chamundeshwari Electric Supply Company Limited v Saisudhir Energy (Chitradurga) Private Limited 2025 SCC OnLine SC 1816, that the requirement to issue a force majeure notice within the stipulated period is not merely directory but a condition precedent to claiming relief under the force majeure clause. In the absence of such notice, the affected party is precluded from invoking force majeure, regardless of the merits of the underlying claim.

M/s Talettutayi Solar Projects Four Private Limited v Solar Energy Corporation of India Limited & Ors, Appeal No. 54 of 2020

APTEL held that a force majeure notice under the PPA is a mandatory pre-condition and not a mere procedural formality/requirement. General letters seeking extension of time, especially those sent after the occurrence and cessation of the alleged events and lacking specific particulars of such events or their effects, do not amount to valid force majeure notices under PPA. It further held that delays by governmental or regulatory authorities do not automatically constitute force majeure, and that a developer must show that it acted as a prudent utility and pursued approvals diligently.

The Electricity Department v Sea Shells Hotels & Resorts & Ors., Appeal No. 296 of 2022 and batch

APTEL held that the classification of consumers for electricity tariff purposes must be guided by the predominant economic purpose of their activity, as contemplated under Section 62(3) of the Electricity Act, which permits tariff differentiation based on "the purpose for which the supply is required". Since hotels are, in essence, service establishments whose core business is the provision of accommodation and hospitality services and not the manufacture of goods from raw materials, they are correctly classified under the Commercial category. The Impugned Orders were accordingly set aside and hotels were directed to be placed under the Commercial category for the period covered by the appeals.

M/s Patikari Power Pvt. Ltd. v Himachal Pradesh Electricity Regulatory Commission & Ors., Appeal Nos. 107 of 2019 and 166 of 2020

M/s Patikari Power Private Limited, the developer of a 16 MW small hydro project in Himachal Pradesh, had sought upward revision of tariff on the ground that actual river discharges were substantially lower than those envisaged in the Detailed Project Report, necessitating a revision of Design Energy from 78.02 MU to 56.98 MU and a corresponding tariff enhancement from INR 2.25 per kWh to INR 3.11 per kWh. In this regard, the primary issue framed was whether the ability to meet Operation and Maintenance (O&M) expenses, can be construed as a threshold for revision in tariff. APTEL, upon detailed financial analysis, concluded that the actual average annual revenue of approximately INR 1,635 lakhs represented a reduction of only about 1.5% against the rational expectation of INR 1,660 lakhs at the DPR stage, with O&M expenses constituting merely 22% of revenue and the plant operating at an exceptional availability factor of 99.38%. Therefore, APTEL found that the appellant had failed to establish financial distress of the magnitude required to warrant relief and hence the appeal was dismissed.

Key Judgments – The Central Electricity Regulatory Commission

NTPC Limited v Adani Renewable Energy Holding Twelve Limited & Ors., Petition No. 771-AT-2025

CERC, in a petition filed by NTPC Limited (NTPC) under Section 63 of the Electricity Act, adopted the tariff discovered ranging from INR 3.38/kWh to INR 3.44/kWh through a transparent tariff-based competitive bidding process for procurement of 1,200 MW Inter-State Transmission System-connected Wind-Solar Hybrid Power Projects, conducted pursuant to the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind-Solar Hybrid Projects dated 21.08.2023 issued by MoP, GoI (WSH Guidelines). NTPC, acting as the Intermediary Procurer and Renewable Energy Implementing Agency, issued a Request for Selection document on 30.08.2024, following which a Single Stage Two Envelope bidding process and an E-Reverse Auction were conducted on 30 December 2024, resulting in the selection of five successful bidders i.e., (i) JSP Green Private Limited (350 MW), (ii) Adani Renewable Energy Holding Twelve Limited (350 MW), (iii) Green Prairie Energy IV Private Limited (200 MW), (iv) AMPIN Energy Utility Private Limited (150 MW), and (v) Adyant Enersol Private Limited (150 MW). CERC found the foregoing discovered tariffs to be competitive and reflective of prevailing market conditions, being lower than tariffs of INR 3.43–3.46/kWh adopted in comparable contemporaneous tenders.

NHPC Ltd. v Teerth Gopicon Limited & Ors., Petition No. 643/AT/2025

CERC in a petition filed by NHPC Limited under Section 63 of the Electricity Act, adopted the tariff discovered through a transparent competitive bidding process for ISTS grid-connected solar power projects aggregating 1,670 MW (comprising 1,170 MW under base allocation and 500 MW under the Greenshoe Option), with tariffs ranging from INR 2.43/kWh to INR 2.47/kWh. Further, CERC restricted the Greenshoe Option allocations for M/s Hanur Solar Power Private Limited and M/s ReNew Solar Power Private Limited to 200 MW and 300 MW respectively capping each at their originally envisaged base allocation, thereby noting that the "Greenshoe Option" is not expressly defined or provided for under the extant guidelines issued by the Ministry of Power and that its routine invocation without explicit regulatory sanction may be inconsistent with the transparency and fair competition principles underpinning Section 63 of the Electricity Act. CERC further directed all Renewable Energy Implementing Agencies, to approach the Ministry of Power for a formal clarification on the Greenshoe mechanism, particularly regarding the manner of allocation of additional capacity and the proposed cap of 50% of originally allocated capacity.

SJVN Limited v Adyant Enersol Private Limited & Ors., Petition 684-AT-2025.pdf

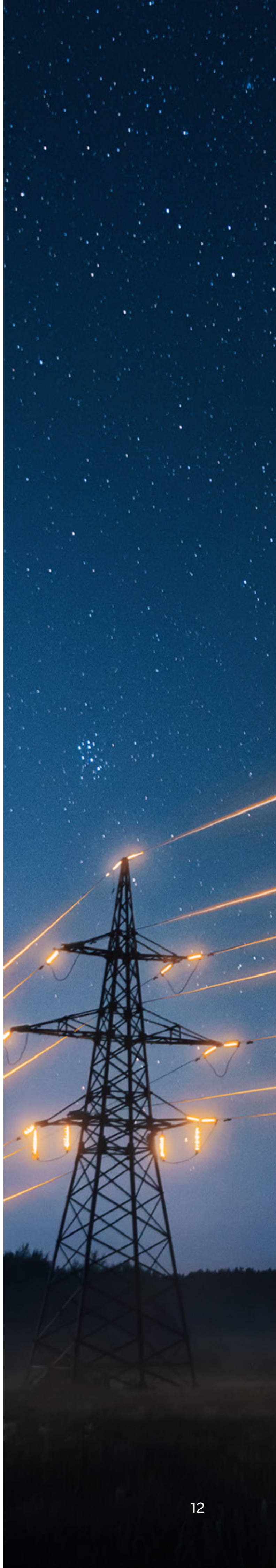
CERC in a petition filed by SJVN Limited under Section 63 of the Electricity Act, adopted the tariff of Rs. 3.19/kWh discovered through a transparent tariff-based competitive bidding process for setting up 1,200 MW ISTS-connected Wind-Solar Hybrid Power Projects (Hybrid-3) in India, pursuant to the WSH Guidelines. SJVN Limited, designated as the Intermediary Procurer and Renewable Energy Implementing Agency by MNRE, issued a Request for Selection document dated 28.06.2024 and conducted a single stage two envelope bidding process followed by an e-Reverse auction, resulting in the selection of five successful bidders i.e., (i) Adyant Enersol Private Limited, (ii) Gentari Renewables India Utilities 2 Private Limited, (iii) Juniper Green Energy Private Limited, (iv) EG Energy Development Private Limited, and (v) Sunsure Solarpark RJ One Private Limited. The power procured under this RfS is to be sold to distribution companies and buying entities under the Uniform Renewable Energy Tariff (URET) mechanism introduced pursuant to the Electricity (Amendment) Rules, 2022, the start date for which was notified with effect from 15.02.2024.

PTC India Limited (PTC) v Power Grid Corporation of India Limited (PGCIL) & Ors, Petition No. 699/MP/2020

CERC dismissed PTC's petition challenging CTUIL's demand for relinquishment charges in respect of the 144 MW free power share of the Government of Sikkim from the 1200 MW Teesta-III project. Although PTC argued that it had not applied for LTOA for that portion, CERC held, on the basis of the earlier order in Petition No. 394/MP/2018 and the BPTAs executed between the parties, that LTOA had in fact been granted for the full 1200 MW. Since transmission planning and contractual documentation consistently treated the full capacity as covered, CERC held that PTC was liable to pay the relinquishment charges to CTUIL, which shall thereafter be reimbursed by the Energy and Power Department, Government of Sikkim.

Thar Surya 1 Private Limited (TS1PL) v Solar Energy Corporation of India Limited & Ors, Petition No. 78/MP/2023

CERC held that the increase in Goods and Services Tax (GST) on solar power generating systems and parts from 5% to 12%, brought about by Notification No. 8/2021 Central Tax (Rate) and Notification No. 8/2021 Integrated Tax (Rate) dated 30.09.2021 issued by the Ministry of Finance, Government of India, and the corresponding State Tax Notification issued by the Government of Rajasthan, constituted Change in Law event under the PPA. Since the notifications were issued after bid cut-off date and resulted in increased project costs, the developer was entitled to relief under Article 12 of the PPA. CERC also held that the claim would be governed by the contractual Change in Law framework under the PPA, and not by the Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021, since the relevant notifications pre-dated the Rules. However, the directions in this order regarding post-COD compensation and carrying cost (both pre- and post-COD) remain unenforceable pending further orders from the Supreme Court in Civil Appeal No. 8880/2022: Telangana Northern Power Distribution Company Limited & Anr v Parampujya Solar Energy Private Limited & Ors.



Key Judgments – The State Electricity Regulatory Commissions

Shree Tatyasaheb Kore Warana Sahakari Navshakti Nirman Sanstha Ltd v Maharashtra State Electricity Distribution Co Ltd (MSEDCL) and Ors, Case No. 88/2022 and Case No. 199/2022, Maharashtra Electricity Regulatory Commission (MERC)

MERC allowed annual banking for Small Hydro Projects (SHPs) with Time-of-Day based adjustment, recognising their operational constraints arising from erratic monsoon patterns and the priority of irrigation over power generation. However, it declined to exempt such SHPs from 15-minute metering requirements and held that Special Energy Meters remain mandatory. MERC also initiated a suo motu review of the MERC (Distribution Open Access) Regulations, 2016 to address banking-related issues concerning SHPs.

M/s Musaddilal Properties Pvt. Ltd. (MPPL), Case No. 240/2025, MERC

MERC clarified that, for utility-scale solar PV projects proposed on rooftops within the same compound, rooftop areas may be treated as satisfying references to “land” under applicable procedural and regulatory frameworks, provided they are secured through valid lease, right-of-use, or no-objection arrangements. At the same time, MERC made clear that this clarification does not relax compliance with technical standards, safety requirements, grid codes, or any other statutory or regulatory obligations. Relying on the statutory mandate under Section 86(1)(e) of the Electricity Act to promote renewable energy generation in a facilitative and purposive manner, and on the definition of “land” under the Maharashtra Land Revenue Code, 1966, MERC held that rooftop structures form part of immovable property and are inseparable from land for regulatory and legal purposes unless expressly excluded. MERC further held that a restrictive interpretation of “land” would defeat the object of renewable energy promotion and unnecessarily constrain innovative deployment of renewable energy projects.

Transition Sustainable Energy Services One Pvt Ltd (TSESOPL) v Maharashtra State Electricity Distribution Co Ltd, Case No. 128/2024, MERC

MERC held that banking adjustments for renewable energy provided under the MERC (Distribution Open Access) Regulations, 2016 and the MERC (Transmission Open Access) Regulations, 2016 (collectively, Open Access Regulations) are not applicable to inter-state transactions. It reasoned that banking is a state-level regulatory mechanism designed for balancing generation and consumption within Maharashtra, whereas inter-state transactions fall within CERC’s regulatory framework. MERC also noted the practical and accounting difficulties in extending banking to inter-state transactions, especially in light of differing state-level banking rules and the schedule-based deviation settlement mechanism applicable at the inter-state level.

Pashchimanchal Vidyut Vitran Nigam Limited (PVVNL), Petition No. 2345 of 2026, UPERC

The Uttar Pradesh Electricity Regulatory Commission (UPERC) has approved a pilot project allowing Paschimanchal Vidyut Vitran Nigam Limited (PVVNL) to conduct intra-state and inter-state peer-to-peer (P2P) trading of renewable energy under the India Energy Stack framework, for a period of up to 6 (six) months. Noting that its existing Peer-to-Peer Solar Energy Transaction through Blockchain Platform Guidelines, 2023 were designed for intra-DISCOM transactions and did not expressly address inter-state P2P trading, UPERC permitted the pilot given its limited scope, the national policy emphasis on digitalisation and renewable energy, and a corresponding order passed by the Delhi Electricity Regulatory Commission on 11.02.2026.

The pilot allows use of blockchain or other secure digital technology, enables participation by eligible prosumers and consumers across PVVNL and the concerned Delhi DISCOMs, and permits recovery of wheeling charges at prevailing UPERC rates from Delhi-based buyers for transactions involving Uttar Pradesh prosumers.

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Contact Us

Divya Chaturvedi
Partner
Dispute Resolution
divya.chaturvedi@khaitanco.com

Saransh Shaw
Counsel
Dispute Resolution
saransh.shaw@khaitanco.com

Srishti Rai
Counsel
Dispute Resolution
srishti.rai@khaitanco.com

Jai Dhanani
Principal Associate
Dispute Resolution
jai.dhanani@khaitanco.com

Chandan Kumar
Associate
Dispute Resolution
chandan.kumar@khaitanco.com