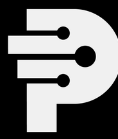

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Power Peak Digest

Regulatory Digest

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Editorial

March 2026 saw an unusually high volume of regulatory activity. Key developments included the launch of the Indian Carbon Market Portal, changes to the renewable energy certificate framework, a new tariff approach for co-located battery storage, and multiple state-level tariff orders. This edition captures the main developments.

The CERC Watch and SERC Watch sections are denser than usual. Over 13,000 MW of tariff approvals were recorded during the month, alongside new resource adequacy regulations in Rajasthan, Chhattisgarh, and Kerala. Regulators appear to be acting in parallel across jurisdictions.

The Supreme Court rulings have clear implications. The GBI judgment establishes that incentives remain separate from tariff. The IBC ruling restricts the use of security deposits after insolvency proceedings begin. At the state level, TNERC and UPERC both flagged procedural lapses by utilities, including inconsistent bidding documents and unnotified corrigenda. These issues appear recurrent.

Several regulatory changes point to a broader shift. The CERC trajectory for renewable deviation settlement, changes in Delhi’s surcharge framework, and Punjab’s proposed banking cycle revision indicate a gradual move toward schedule-based accountability for renewable generation.

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Policy Landscape

March 2026 marked a phase of coordinated policy movement across generation planning, grid expansion, market rules, and manufacturing. The Central Electricity Authority outlined a long-term capacity pathway to 1,121 GW by 2036 alongside a parallel transmission blueprint. The Ministry of Power revised captive consumption rules and proposed amendments to consumer rights. At the state level, Maharashtra, Karnataka, Delhi, and Uttar Pradesh advanced policy, budget, and project decisions. The Indian carbon market was formally operationalised, while solar manufacturing rules moved further upstream to wafers.

National generation adequacy and transmission planning

The Central Electricity Authority released the National Generation Adequacy Plan for 2026–27 to 2035–36, projecting installed capacity of 1,121 GW by March 2036, up from about 520.5 GW in January 2026. Solar capacity is expected to rise to 509 GW and wind to 155 GW. Coal capacity is projected at 315 GW, accounting for 28% of capacity but about 51% of generation, indicating continued reliance on thermal baseload. Non-fossil capacity is expected to reach 786 GW or 70% of the mix. Nuclear capacity is projected to increase to 22 GW. Storage requirements are estimated at 174 GW and 888 GWh. Peak demand is projected at 459 GW, with energy requirement at 3,365 billion units. The Loss of Load Probability is estimated at 0.18%.

The transmission plan estimates Rs 7,93,300 crore investment to support 913.7 GW of non-fossil capacity, covering 1,37,500 circuit-km of lines and 8,27,600 MVA of substation capacity. Of this, 275.5 GW is commissioned and 506.2 GW is under implementation or planning. Around 19 GW of projects remain on hold due to high costs, including the Ladakh solar corridor and offshore wind projects.

The proposed Green Energy Corridor-III targets 1,34,726 MW across 13 states. Congestion risks remain, with 176 GW margin at pooling stations during non-solar hours, of which 105 GW already has connectivity applications. Rajasthan evacuation plans include ten HVDC corridors of 6 GW each.

Regulatory reforms in power markets

The Ministry of Power amended captive power rules effective April 1, 2026. Captive users can claim status only up to their proportionate entitlement based on equity. Consumption beyond this attracts cross-subsidy surcharge and additional surcharge. The 26% ownership and 51% consumption thresholds remain unchanged. Verification will be conducted by state nodal agencies for intra-state cases and by the National Load Despatch Centre for inter-state cases. A self-declaration mechanism is allowed, with surcharge and carrying cost applicable if verification fails.

Draft amendments to the Electricity (Rights of Consumers) Rules, 2020 propose tighter timelines and new provisions. Municipal areas will have a three-day connection timeline. Time-of-Day tariffs are to be implemented by April 1, 2027 for larger consumers

and by April 1, 2028 for others. Peak tariffs are to be at least 1.20 times normal rates, with solar hour tariffs at least 20% lower. Net-metering charges may apply for systems above 5 kW. Billing anomalies exceeding five times or falling below one-fifth of average consumption will trigger automatic review. Grievance redressal is proposed to be reduced to a two-tier structure.

The Central Electricity Authority clarified that in-house type tests cannot be self-witnessed even in NABL-accredited labs. External witnessing remains mandatory, with preference given to another NABL lab, followed by the procuring utility, and then the authority.

Solar manufacturing and domestic content requirements

The Approved List of Models and Manufacturers was expanded with six new manufacturers, taking total enlisted capacity to about 113 GW across 120 facilities. Vikram Solar added the largest capacity at 3,358 MW. Other additions include Best Apartment Private Limited, Startup Energy Private Limited, Army Solar Energy Private Limited, Sahjanand Green Energy LLP, and Rajdeep Solar Energy Private Limited. Waaree Energies remains the largest with about 17 GW.

The Ministry of New and Renewable Energy extended ALMM requirements to wafers from June 1, 2028 through a new List-III. Compliance will now cover wafers, cells, and modules. At least three independent manufacturers with 15 GW combined capacity and integrated ingot capability are required before notification. Projects commissioned before June 2028 are exempt from wafer requirements under specified categories. Thin film manufacturers with integrated facilities are treated as compliant.

Press Note 3 norms were relaxed to allow up to 10% beneficial ownership from land-bordering countries through the automatic route. A 60-day approval timeline was introduced for upstream manufacturing segments. Domestic upstream capacity remains limited, with high import dependence despite growth in module manufacturing.

Green hydrogen and alternative fuels

Draft guidelines were issued to account for emissions from offsite water treatment under the Green Hydrogen Certification Scheme. Five supply scenarios are defined, with default emission factors applied where primary data is unavailable. Benchmarks include 0.603 kg CO_2e per cubic metre for municipal water and 3.017 kg CO_2e per cubic metre for desalination.

The Green Methanol Standard was notified, setting an emission cap of 0.44 kg CO_2e per kg of methanol. It defines eligible renewable inputs and carbon sources, with compliance assessed on a twelve-month average. Transition provisions allow ongoing tenders to continue under existing terms.

Carbon market and environmental regulations

India launched the Indian Carbon Market Portal on March 21, 2026 under the Energy Conservation (Amendment) Act. The platform enables registration and administration of participants, with trading expected within four months. The Central Pollution Control Board issued guidelines for handling solar photovoltaic waste under the E-Waste (Management) Rules, 2022. The framework mandates collection

systems, prohibits landfill disposal, and requires recycling through authorised facilities. Storage and transport standards have been specified, including segregation and sealed handling of damaged panels.

State-level policy developments

Maharashtra notified its Renewable Energy and Energy Storage Policy 2025–36, targeting 65% renewable share and mandating storage procurement of at least 10% of demand. The state estimates 100 GW renewable capacity and 100 GWh daily storage requirement. Hybrid projects with storage are prioritised, along with land support and industrial zones.

Maharashtra State Electricity Distribution Company Limited fixed a benchmark of Rs 45,450 per kW for residential rooftop solar under the Swayampurna Maharashtra scheme, aimed at reducing costs for BPL and EWS households.

Karnataka's 2026–27 budget allocates Rs 19,290 crore for electricity subsidies and Rs 3,400 crore for 2,000 MWh of battery storage. It proposes 3,000 MW solar under the RESCO model and 2,777 MW feeder solarisation. Additional substations and EV charging infrastructure are also planned.

Delhi allocated Rs 3,942 crore to the power sector, with 21.44% of the total budget directed to green initiatives. Plans include underground cabling, solar over drains, and expansion of electric bus fleets with supporting charging infrastructure.

Uttar Pradesh approved a 20 MW floating solar project and Rs 2,242.90 crore for coal mine development linked to the Ghatampur project. The state is projected to require 45,000 MW additional solar capacity by 2033–34.

Scheme updates: PM-KUSUM and floating solar

The PM-KUSUM scheme deadline was extended to March 31, 2027 for projects with agreements signed by December 31, 2025. The extension addresses financing constraints faced by developers.

PM-KUSUM 2.0 will include a 10 GW agrivoltaic component, aimed at enabling dual land use. Installed solar pumps exceed 10 lakh, with over 13 lakh grid-connected pumps solarised.

The Ministry of New and Renewable Energy initiated consultations on a national floating solar framework. Draft documents address site identification gaps and policy structure. India has about 700 MW of installed floating solar capacity.

From the Bench

Court Orders

Supreme Court rules GBI must be paid over and above tariff

The Supreme Court of India has held that the Generation Based Incentive (GBI) scheme introduced by the Ministry of New and Renewable Energy (MNRE) is to be paid to renewable energy generators over and above the tariff determined by state electricity regulatory commissions.

A bench of J.S. Narasimha and Jatul S. Chandurkar dismissed an appeal filed by Southern Power Distribution Company of Andhra Pradesh Limited and another, upholding the judgment of the Appellate Tribunal for Electricity dated December 19, 2024.

Tariff powers and policy alignment

The court examined the scope of tariff-setting powers of state electricity regulatory commissions (SERCs) and held that while these bodies have plenary authority under the Electricity Act, 2003, such powers are to be exercised in alignment with the purpose of policies and grants issued by other stakeholders.

The dispute arose from tariff orders issued by the Andhra Pradesh Electricity Regulatory Commission (APERC) for wind power projects. In its 2015 tariff regulations, APERC had included Regulation 20 requiring consideration of government incentives. However, in 2015 and 2016 tariff orders, the commission did not account for GBI. In July 2018, it allowed deduction of GBI from payments to generators, following requests from distribution companies.

APTEL set aside this decision in December 2024, ruling that "consideration" of incentives did not permit automatic deduction, and directed refund of deducted amounts with 12% interest.

The Supreme Court held that the Electricity Act, 2003 constitutes a complete legal framework for tariff determination, with commissions retaining exclusive jurisdiction. It rejected the argument that SERCs cannot consider grants made by the central government under Article 282 of the Constitution.
At the same time, the court emphasised that regulatory authority is to be exercised in coordination with other institutions, including central and state governments, the Central Electricity Authority, MNRE, and utilities.

The bench noted that the GBI scheme was designed to promote investment in wind energy and explicitly provided that the incentive is "over and above the tariff" approved by SERCs. It also referred to India's climate commitments under the United Nations Framework Convention on Climate Change and the national renewable energy capacity target.

The court concluded that APERC was required to apply the GBI in line with its intended purpose. It affirmed that the incentive remains payable to generators in addition to tariff and cannot be adjusted or deducted by distribution companies.

Supreme Court bars use of security deposit for pre-IBC dues

The Supreme Court of India has held that a transmission utility cannot appropriate a cash security deposit of Rs 85.13 crore toward pre-insolvency dues after the commencement of corporate insolvency proceedings, ruling that such an adjustment violates the moratorium under the Insolvency and Bankruptcy Code (IBC), 2016.

In its judgment dated March 23, 2026, a bench of Justices Sanjay Kumar and K. Vinod Chandran dismissed an appeal filed by Central Transmission Utility of India Limited (CTUIL), formerly part of Power Grid Corporation of India Limited. The Court upheld concurrent decisions of the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT), which had directed the utility to adjust the disputed amount toward post-insolvency dues.

The dispute arose from insolvency proceedings against KSK Mahanadi Power Company Limited (KMPCL), admitted on October 3, 2019. Before the insolvency commencement date, KMPCL had deposited Rs 108.44 crore in cash with the utility's predecessor in place of a letter of credit, serving as a payment security mechanism. After the commencement of the corporate insolvency resolution process (CIRP), the utility adjusted this deposit against outstanding bills, including Rs 85.13 crore identified as pre-CIRP dues.

The Court noted that while Rs 23.31 crore was applied toward post-CIRP liabilities, the balance was appropriated against pre-CIRP dues. It held that such adjustment is barred under Section 14 of the IBC, which imposes a moratorium on recovery actions for pre-insolvency claims.

Rejecting CTUIL's argument that the deposit operated like a bank guarantee or letter of credit, the Court observed that no such instrument had been issued. It further stated that even if a letter of credit had existed, its invocation after the insolvency commencement date would still be restricted by the moratorium. The bench also distinguished the case from the ruling in Bharti Airtel Ltd. v. Aircel Ltd., noting the absence of mutual debts that could justify set-off.

The judgment recorded that CTUIL had submitted its claims before the resolution professional, which were only partly admitted, and that the utility did not challenge this limited admission. The resolution plan for KMPCL was subsequently approved by the NCLT and implemented without objection from the utility. The Court emphasised that the deposit remained an asset of the corporate debtor and that allowing its use toward pre-CIRP dues would undermine the principle of pari passu distribution among creditors.

The Court upheld the NCLT and NCLAT orders, directing reversal of the adjustment toward pre-CIRP dues and application of the deposit to post-CIRP obligations. The appeals were dismissed with no order as to costs.

Supreme Court allows withdrawal of electricity duty exemption with one-year notice

The Supreme Court of India has upheld the Maharashtra government's authority to withdraw or modify electricity duty exemptions granted to captive power generators, while directing that such changes take effect only after a one-year notice period. The ruling overturns orders of the Bombay High Court that had struck down the exemption withdrawal as arbitrary and discriminatory.

In its judgment dated March 25, 2026, a bench of Justices Pamidighantam Sri Narasimha and Alok Aradhe allowed appeals filed by the State of Maharashtra against High Court rulings issued on October 5, 2009 and November 7, 2009. These rulings had quashed notifications dated April 1, 2000 and April 4, 2001 issued under Section 5A of the Bombay Electricity Duty Act, 1958, which withdrew or reduced exemptions on electricity consumed from captive power plants.

The State had introduced the exemption from 1994 to promote captive generation and ease pressure on the public electricity system. Through the 2000 and 2001 notifications, the exemption was modified, resulting in duty being levied on captive consumption. Although the exemption was reinstated from May 1, 2005, the period from April 1, 2000 to April 30, 2005 remained subject to duty. Captive generators challenged the withdrawal, and the High Court ruled in their favour, citing lack of justification and discriminatory treatment.

Reversing these findings, the Supreme Court held that an exemption from electricity duty is a statutory concession and does not create a vested right. It observed that such benefits can be withdrawn in exercise of the same statutory powers under which they were granted.

The Court rejected arguments based on promissory estoppel and legitimate expectation, stating that the withdrawal formed part of fiscal policy aimed at augmenting revenue and addressing budgetary needs. It held that such policy decisions fall within the State's domain and did not violate Article 14, as they were neither arbitrary nor based on irrelevant considerations.

At the same time, the Court recognised that an immediate withdrawal imposed financial strain on industries that had relied on the exemption over several years. It held that principles of fairness require a transition period and directed that the notifications take effect only after one year, allowing affected entities to adjust operations and finances.

The Court set aside the High Court judgments and upheld the State's power to revise or withdraw the exemption, subject to the one-year notice requirement. The appeals were allowed with no order as to costs.

SC upholds CIRP against Hiranmaye, rejects Section 10A and novation pleas

The Supreme Court of India upheld initiation of CIRP against Hiranmaye Energy Ltd., rejecting pleas under Section 10A of the Insolvency and Bankruptcy Code, 2016 and novation, and reaffirming the primacy of the CoC's commercial wisdom. The stay on CIRP was vacated.

Hiranmaye Energy Ltd. had availed loans exceeding Rs. 2,300 crore from REC Limited for a thermal power project in Haldia. The account was classified as NPA on June 30, 2018. A Section 7 application filed by REC was admitted by NCLT on January 2, 2024 and upheld on appeal. The CoC later approved Damodar Valley Corporation's resolution plan with 99.92% voting.

The Court held Section 10A inapplicable as the default date of March 31, 2018 fell outside the COVID-19 suspension period.

It also found no novation, as restructuring proposals did not result in a binding agreement and pre-conditions remained unmet.

Reaffirming Innoventive Industries Ltd. v. ICICI Bank, the Court held that under Section 7, only debt and default are examined, and clarified that Vidarbha Industries Power Ltd. v. Axis Bank is fact-specific. It further held that the CoC's decision to approve DVC's plan and reject settlement offers is non-justiciable, and declined release of Rs. 125 crore deposited during the stay.

Civil court can hear tariff classification disputes: Bombay HC

The Bombay High Court held that Section 145 of the Electricity Act, 2003 does not bar civil suits challenging reclassification of an industry for tariff purposes. It set aside concurrent findings on lack of jurisdiction and remanded the matter for adjudication on merits.

UltraTech Cement Ltd. challenged a January 31, 2008 communication reclassifying its Ratnagiri unit from a continuous to a non-continuous process industry. Maharashtra State Electricity Distribution Company Ltd. relied on this reclassification to raise supplementary bills for October 2006 to April 2007. The trial and appellate courts dismissed the suit at threshold, holding that civil court jurisdiction was barred.

The Court held that Section 145 applies only to matters falling under Sections 126 and 127, relating to assessment for unauthorised use of electricity and appeals against such assessment. A dispute on the validity of reclassification by an advisory authority does not fall within this statutory scheme and is not subject to the bar.

It further held that a State Advisory Committee under Section 87 performs advisory functions and does not adjudicate individual tariff disputes. A challenge to reclassification, seeking declaratory and injunctive relief, lies before a civil court. Accordingly, the Court restored the suit to the trial court for decision on merits.

Tribunal Decree

APTEL's Rulings

APTEL clarifies doctrine of merger, dismisses MSEDCL appeal as not maintainable

The Appellate Tribunal for Electricity (APTEL), by judgment dated March 11, 2026, held that an appeal against a review order is not maintainable where the review petition raises issues already decided in the original order. The Tribunal dismissed Maharashtra State Electricity Distribution Company Limited's (MSEDCL) appeal against a Maharashtra Electricity Regulatory Commission (MERC) review order and clarified the scope of the doctrine of merger.

The dispute arose from Power Purchase Agreements between MSEDCL and RattanIndia Power Limited (RPL). MERC, in its order of February 2018, permitted RPL to sell un-dispatched power through short-term open access, subject to disclosure for gain-sharing. MSEDCL filed a review petition raising the same issues and a jurisdictional objection. MERC rejected these contentions but introduced an additional condition that third-party sales shall not be below the applicable energy charge under the PPAs. MSEDCL subsequently appealed the review order.

APTEL held that such an appeal is barred. It examined the doctrine of merger alongside Order 47 Rule 7 of the Code of Civil Procedure, 1908, which prohibits an appeal against rejection of a review application. The Tribunal held that merger applies only to the extent a review order modifies the original decision. Where issues raised in review are rejected, the original order continues to operate, and the review order only affirms it. An appeal cannot be used to challenge such rejection.

The Tribunal further observed that even if the review order were set aside, the original MERC order of February 2018 would remain in force, as it was not under challenge. Accordingly, APTEL dismissed the appeal as not maintainable.

TRIBUNAL DECREE

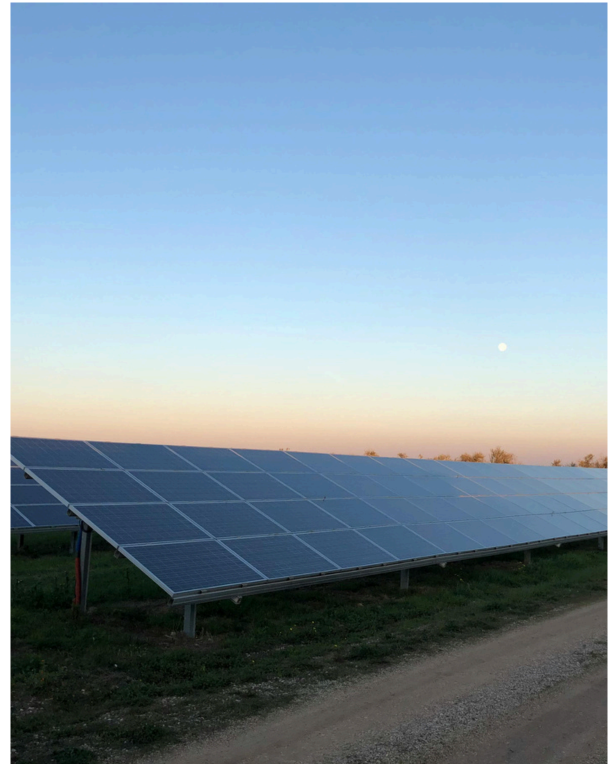
HVPNL entitled to state transmission charges for NTPC solar project

APTEL has held that Haryana Vidyut Prasaran Nigam Limited (HVPNL) is entitled to recover State transmission charges and losses for the use of its network by a 5 MW solar project set up by NTPC Limited at the Faridabad Gas Power Station (FGPP). The ruling, delivered on March 9, 2026, partly allows HVPNL's appeal against a 2016 CERC order that had exempted NTPC from State transmission charges.

NTPC had developed the solar project within the FGPP premises in 2011 and executed a Power Purchase Agreement with GRIDCO for supply to Odisha. It obtained connectivity and long-term access to the inter-State transmission system (ISTS) and argued that no State transmission charges were payable. CERC agreed. HVPNL appealed.

APTEL found two errors in CERC's reasoning. First, it corrected the finding on the Palla substation, holding that it is owned and operated by HVPNL and not the Bhakra Beas Management Board. Second, it re-examined the character of the 220 kV transmission lines. While these lines are owned by the Central Transmission Utility and technically qualify as ISTS, they are outside the Point of Connection mechanism and their entire cost has been borne by Haryana. The Tribunal held that treating them as ISTS for charging purposes, while their cost burden falls on the State alone, would be commercially inequitable.

The Tribunal also relied on the IEGC 2010 characterisation of FGPP as an intra-State entity, since its entire output has historically been allocated to Haryana. The solar project, connected through FGPP, therefore assumes the same character. APTEL rejected CERC's view that HVPNL's no-objection certificate was confined to scheduling and



metering, holding that the applicable procedure required the STU to specify transmission charges and losses in the NOC. HVPNL's levy was accordingly valid.

One finding from CERC was upheld: the Connectivity and LTA Agreements executed between HVPNL and NTPC were void, since only the Central Transmission Utility has the authority to grant such access to the ISTS. However, this did not affect HVPNL's entitlement to charges for actual use of its infrastructure.

APTEL directed that State transmission charges and losses be recovered from the date of commissioning, March 31, 2014.

TRIBUNAL DECREE

APTEL upholds Tata Power's phased network rollout in Mumbai

APTEL has dismissed BEST's challenge to the phased expansion of Tata Power's distribution network into areas within BEST's licensed area in Mumbai. The Tribunal upheld MERC's approval of a seven-year rollout plan and rejected arguments that phased development violated Tata Power's licence conditions, universal service obligations, or principles of equal access.

Tata Power holds a distribution licence under the Electricity Act, 2003 and submitted its rollout plan following earlier litigation over its supply rights in Mumbai. MERC approved a two-phase approach: the first phase covering areas near existing distribution and consumer substations, and the second phase extending coverage through new infrastructure. BEST, a distribution licensee and local authority, opposed the plan on several grounds, the timeline, the migration protocol for consumer switchover, the risk of selective development, and potential stranded assets.

APTEL held that the Electricity Act does not require a licensee to establish an entire distribution network at once. Phased rollout, calibrated to demand and infrastructure capacity, is consistent with Sections 42 and 43 of the Act. The Tribunal found MERC's two-phase structure to be cost-effective and designed to prevent cherry-picking, noting that no specific instances of cherry-picking had been demonstrated by BEST.

On the migration protocol, the Tribunal upheld the three-day timeline for sharing consumer data, observing that a similar framework had been operational in overlapping licence areas since 2009. Issues relating to post-switchover dues and meter tampering were found to have been adequately addressed by MERC.

On stranded assets, APTEL held that duplication of distribution infrastructure is an inherent consequence of the statutory framework permitting multiple licensees in the same area. Since BEST, as a local authority, is exempt from providing open access to its network, other licensees must build parallel infrastructure. This outcome was contemplated by the statute and does not amount to a regulatory failure.

The Tribunal also upheld a preliminary objection on res judicata. The issue of phased network development had been settled in earlier proceedings involving BEST, and those findings continued to bind the parties.

TRIBUNAL DECREE

APTEL rules hotels fall under commercial tariff category

The Appellate Tribunal for Electricity (APTEL), in its order dated March 24, 2026, held that hotels are to be classified under the Commercial tariff category and not the Industrial category. The Tribunal allowed three appeals filed by the Electricity Department, Andaman and Nicobar Administration (A&N Admin), and set aside the Joint Electricity Regulatory Commission (JERC) orders to the extent they placed hotels under the Industrial category.

The appeals challenged JERC's review orders dated December 2, 2020 and the tariff order dated May 31, 2021, along with its corrigendum dated June 4, 2021, which had altered the categorisation of hotels.

APTEL held that tariff determination, including consumer categorisation, falls within the exclusive domain of the Appropriate Commission under Sections 61 and 62 of the Electricity Act, 2003. It rejected the contention that such classification is a policy matter for the Appropriate Government under Sections 108 and 109. The Tribunal observed that policy directions, if issued, cannot override statutory regulatory functions. It further noted that no material was placed on record to establish that any valid direction had been issued in the present case.

On the issue of classification, APTEL interpreted the phrase "the purpose for which the supply is required" under Section 62(3) to allow differentiation based on end-use. Applying this test, it held that hotels are service-oriented establishments engaged in hospitality and accommodation. Their primary revenue is derived from services such as lodging and guest facilities, while activities such as food preparation are ancillary. Accordingly, hotels cannot be classified as part of the manufacturing or industrial sector. The Tribunal clarified that classification of hotels as "industry" for policy or promotional purposes does not determine tariff categorisation under the Electricity Act.

The Tribunal found JERC's reliance on the treatment of hotels in Goa and its distinction between MSME-registered hotels and others to be inconsistent with the statutory framework under Section 62(3). It also clarified that its earlier judgment in Bharti Airtel Ltd. v. MERC does not support classifying hotels as industrial consumers.

APTEL observed that if A&N Admin intended to extend concessional treatment to hotels, it could have done so through a subsidy mechanism under Section 65 of the Act. However, no such framework was shown to have been implemented.

Accordingly, APTEL allowed Appeal Nos. 296, 297, and 298 of 2022 and set aside the impugned JERC orders to the extent they classified hotels under the Industrial category. It directed that hotels be billed under the Commercial tariff category for the relevant period. Pending interlocutory applications were disposed of.

TRIBUNAL DECREE

APTEL links Baspa-II tariff impact to CEA review of design energy

APTEL has partly allowed JSW Hydro Energy Limited's appeal relating to the 300 MW Baspa-II hydroelectric project in Himachal Pradesh, holding that the tariff impact of increased minimum water discharge obligations must be assessed as part of an ongoing CEA-led review of the project's design energy.

The National Green Tribunal had, in September 2020, enhanced minimum discharge obligations from 5 cusecs to 15% of minimum lean season inflow. JSW Hydro sought recognition of this as a change in law under its Power Purchase Agreement with HPERC and a corresponding revision of energy charges. HPERC accepted that the NGT order qualified as a change in law but denied tariff relief, noting that actual generation had exceeded design energy in the relevant period.

Separately, HPERC's 2025 order in the fifth control period directed that design energy, originally determined by CEA, could only be revised by CEA, and called for an expert committee to reanalyse hydrological data.

APTEL has now directed that the same expert committee also assess the impact of the increased discharge obligation on design energy and net saleable energy from January 2021. The committee must submit its report to CEA within three months, with a copy to HPERC. HPERC will then determine whether a tariff adjustment follows.

The Directorate of Energy, Government of Himachal Pradesh, has been directed to provide generation data and related records within 15 days. No tariff relief has been granted at this stage.

TRIBUNAL DECREE

APTEL upholds DVPCA's locus to challenge tariff orders

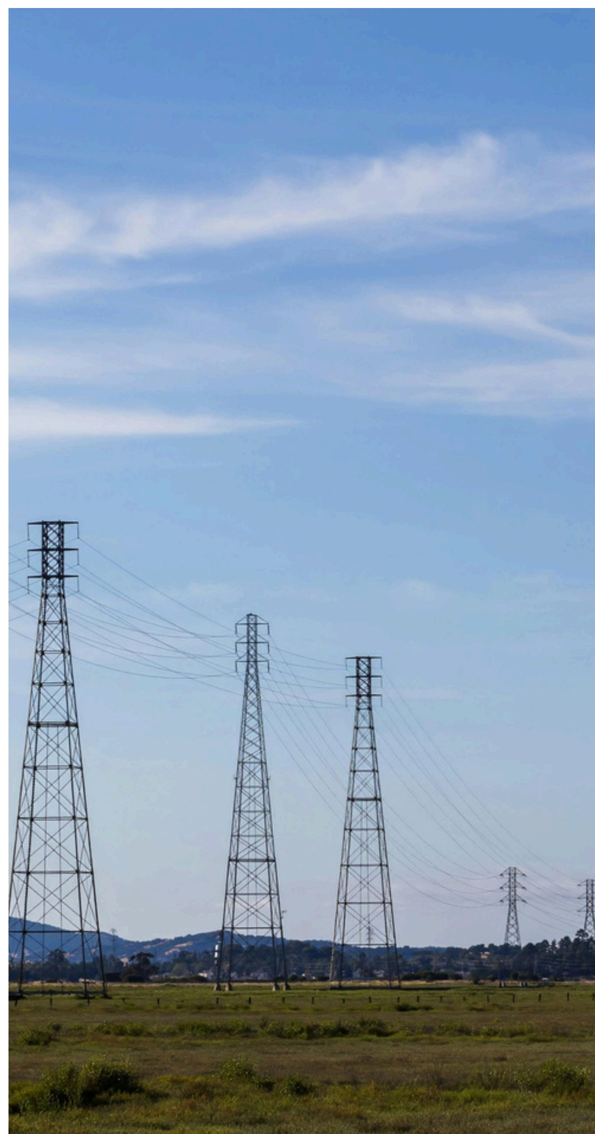
The Appellate Tribunal for Electricity (APTEL), by order dated March 23, 2026, held that the Damodar Valley Power Consumers' Association (DVPCA) qualifies as a "person aggrieved" under Section 111 of the Electricity Act, 2003 and can maintain appeals against tariff orders. The Tribunal dismissed applications filed by Damodar Valley Corporation (DVC) seeking rejection of five appeals on grounds of lack of locus standi. It also allowed DVPCA's request to implead M/s Maithan Alloys Ltd. as a co-appellant.

The appeals arise from tariff orders issued by the Central Electricity Regulatory Commission (CERC) and the West Bengal Electricity Regulatory Commission (WBERC) for the control period FY 2006–07 to FY 2008–09 in respect of DVC's generating stations.

On maintainability, APTEL held that the expression "person aggrieved" under Section 111 is wider than the definition of "consumer" under Section 2(15). It noted that the term "person" includes associations and bodies of individuals. Since DVPCA represents high-voltage consumers in the Damodar Valley region who are directly affected by tariff orders, it falls within the scope of an aggrieved person. The Tribunal distinguished its earlier decision in Surat Citizens' Council Trust v. Gujarat Electricity Regulatory Commission & Ors., observing that the entity in that case did not represent electricity consumers in a comparable manner.

The Tribunal also rejected DVC's objection on the ground of issue estoppel. It held that DVPCA's status as an aggrieved person had already been recognised in earlier proceedings between the parties, and DVC had not challenged those findings. Relying on Raptakos Brett & Co. Ltd. v. Ganesh Property, APTEL held that the issue could not be reopened.

On impleadment, APTEL held that adding M/s Maithan Alloys Ltd. was not necessary after affirming DVPCA's locus, but allowed it as a precaution. It treated the earlier omission as a bona fide mistake under Section 21 of the Limitation Act, 1963, and directed that the impleadment relate back to the original filing date. The Tribunal also rejected DVC's objections on maintainability.



APTEL orders in brief

APTEL has remanded the Gujarat Electricity Regulatory Commission (GERC) tariff order for Tarini Infrastructure's 5.6 MW small hydro project for a fresh prudence check of capital cost, while upholding retrospective tariff from commissioning, carrying cost entitlement, and interest on loans. The Tribunal rejected the force majeure claim on delay, limited Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC) up to the Scheduled Commercial Operation Date (SCOD), restored Capacity Utilisation Factor (CUF) to 70% from 66%, and directed working capital interest to be linked to State Bank Advance Rate (SBAR) under the 2011 Tariff Regulations. GERC has been asked to issue a revised order within three months.

The APTEL, by judgment dated March 23, 2026, has partly modified the Punjab State Electricity Regulatory Commission (PSERC) order in the Terkiana 650 kW mini hydel case, upholding denial of tariff re-determination but directing a prudence check of escape channel costs to be recovered from Punjab Energy Development Agency (PEDA)'s energy share. The Tribunal held that shortfall in assured discharge was not force majeure and placed sole liability on PEDA, while rejecting compensation through higher discharge and disallowing carrying cost, interest, and operation and maintenance claims.

APTEL has dismissed the appeal of Simbhaoli Power Private Limited, upholding the Uttar Pradesh Electricity Regulatory Commission (UPERC) order that dismantling a 12 MW unit on grounds of commercial unviability does not qualify as force majeure. The Tribunal held that fuel cost fluctuations and inefficiency are foreseeable business risks and do not render performance impossible, particularly as the appellant had installed an alternative 18 MW unit. The request to reduce contracted capacity from 35 MW to 23 MW was rejected, and Simbhaoli remains bound by its contractual obligations, with liability for any non-supply.

CERC Watch

Central Commission Directives

CERC notifies amendments to REC regulations, introduces multipliers and VPPA framework

The Central Electricity Regulatory Commission (CERC) has notified the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026, revising the renewable energy certificate (REC) framework with the introduction of a structured multiplier system and provisions for virtual power purchase agreements (VPPAs).

The amendments take effect from the date of publication in the Official Gazette. They introduce new definitions, including "designated consumer" under the Energy Conservation Act, 2001, "renewable consumption obligation" (RCO), and "virtual power purchase agreement" (VPPA) as defined in the CERC (Power Market) Regulations, 2021.

Eligibility, timelines and multiplier framework

The amended Regulation 4 expands eligibility to include renewable energy generating plants with self-consumption that do not qualify as captive generating plants under the Electricity Rules, 2005. Under revised Regulation 10, applications for RECs are to be filed within three months of certification by the concerned state commission for excess renewable energy procurement beyond renewable purchase obligations. Applications submitted after this period will not be considered.

The amendment also restructures the certificate multiplier framework under Regulation 12. For projects commissioned after December 5, 2022 and before the effective date of the 2026 amendments, multipliers are set at 1 for onshore wind and solar, 1.5 for hydro, 2 for municipal solid waste and non-fossil fuel-based cogeneration, and 2.5 for biomass and biofuel.

For projects commissioned after the amendment takes effect, multipliers will be determined based on a new Appendix-1, which applies a weighted methodology: 40% for tariff range, 30% for technology maturity, and 30% for capacity credit or peak support. The assigned multiplier will remain valid for 15 years from commissioning, after which one REC will be issued per megawatt hour of generation.

VPPA-linked certificates and usage rules

A new Regulation 14A governs RECs issued under VPPAs. Certificates generated from such arrangements will be transferred to the consumer or designated consumer under the agreement, who can use them to meet renewable purchase obligation or RCO requirements.

Once used for compliance, these certificates will be extinguished. Surplus certificates may be carried forward but cannot be traded on power exchanges or through traders. Generators are required to report VPPA-linked projects to the central agency, which will handle certificate extinguishment post-compliance.

CERC notifies tariff framework for co-located battery storage systems

The Central Electricity Regulatory Commission (CERC) has notified the Terms and Conditions of Tariff (Second Amendment) Regulations, 2026, establishing a tariff framework for battery energy storage systems (BESS) co-located with coal, lignite, and gas-based thermal generating stations, as well as interstate transmission infrastructure. It is issued under Section 178 of the Electricity Act, 2003, the regulations take effect from the date of gazette publication.

Supplementary tariff for integrated storage

The amendment introduces a supplementary tariff structure to recover costs of storage assets integrated with existing generating stations or transmission systems. It provides for separate fixed storage charges and energy charges. The framework applies to "integrated energy storage systems," defined as storage co-located with a plant or substation and connected through a common busbar. Lithium-ion battery systems are assigned a useful life of 15 years, with straight-line depreciation at 6.33% annually. Annual capacity degradation is set at 2%, subject to review every three years.

Operational norms and financial parameters

CERC has specified normative availability of 90% for systems at generating stations and a round-trip efficiency of 85%, with the higher of normative or actual values used for billing. Auxiliary energy consumption is set at 5% of input energy. Operation and maintenance (O&M) expenses are fixed at 2% of admitted capital cost at commercial operation date (COD), escalated at 5.25% for the first two years. Initial spares are capped at 4% of capital cost and tracked separately.

The base return on equity is set at 14%. Working capital norms include receivables equivalent to 45 days of supplementary tariff, one month of O&M expenses, and maintenance spares at 10% of O&M.

Energy charge mechanism and incentives

The energy charge framework varies with the source of charging energy. Where storage is charged from surplus generation at the same plant, only energy charges apply.

For external sources, applicable generation or market-based charges are considered. In all cases, the rate is adjusted for efficiency and auxiliary consumption to derive the ex-bus cost. An incentive of 10 paise per kWh is provided for discharge beyond the normative efficiency level.

Approval process and timelines

Generating companies are required to share investment proposals with beneficiaries and obtain in-principle approval from CERC. After commissioning, tariff petitions are to be filed within 90 days. Transmission licensees are subject to a similar process, with additional system-level clearances.

The regulations provide that additional revenue from storage services is to be shared equally between utilities and beneficiaries after recovery of fixed costs. For transmission licensees, such revenue is adjusted against the transmission charge pool.

A regulatory sandbox framework has been introduced for innovation, with expenditure capped at 1% of annual fixed cost or Rs 100 crore, whichever is lower. Separate guidelines will be issued.

The amendment also introduces limited retrospective changes to provisions relating to mining charge computations to address ambiguities. Updated tariff filing formats, including storage-specific technical parameters, have been incorporated into the principal regulations.

CERC proposes DSM-linked congestion charge framework

The Central Electricity Regulatory Commission (CERC) has proposed revising the congestion charge framework for inter-state electricity transmission, replacing the flat rate in place since March 2010.

Proposed mechanism

CERC has proposed linking congestion charges to the Deviation Settlement Mechanism (DSM) Regulations, 2024, which replaced the earlier Unscheduled Interchange (UI) framework. Under the proposal, congestion charges will be set at 1.5 times the applicable DSM deviation rate for each entity and time block.

The rate will vary based on the entity type, wind/solar seller, general seller, or buyer, and the applicable DSM category, including Reference Rate, Contract Rate, or Normal Rate. A floor of Rs 3/unit and a ceiling of Rs 10/unit have been proposed. The floor ensures charges apply even when DSM rates are zero at certain frequencies, while the ceiling limits excessive commercial impact.

Rationale for revision

CERC cited structural changes in the power system as the basis for revisiting the framework. The UI regime underpinning the existing charge has been replaced by DSM. The role of liquid fuel-based generation, which influenced earlier pricing design, has reduced significantly. At the same time, renewable energy, particularly solar and wind, now represents a larger share of grid participation, requiring updated treatment within congestion management.

Renewable exemption declined

Stakeholders, including NTPC Green Energy Limited (NGEL) and ASSOCHAM, had proposed exempting renewable energy generators from congestion charges, citing the variability of renewable output and the overlap with DSM penalties.

CERC rejected these requests, stating that congestion management is linked to grid security and applies uniformly across all entities. The Commission held that exempting renewable generators would create unequal treatment among participants.

The existing congestion charge of Rs 5.45/kWh will continue until the Commission issues a final order following stakeholder consultation and public hearing.

CERC sets phased X-factor reduction for RE deviation, keeps FY27 unchanged

The Central Electricity Regulatory Commission (CERC), by order dated March 31, 2026, has finalised a phased reduction trajectory for the "X" parameter used to compute deviation percentages for wind and solar generators. The framework introduces separate timelines for the two technologies while retaining the existing methodology for FY 2026–27.

The order addresses the transition under the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, from a denominator based on available capacity to one based on scheduled generation. Under the revised approach, deviation percentage will be calculated using a blended denominator comprising X% of available capacity and (100–X)% of scheduled generation. With X at 100%, the current methodology continues; as X declines to zero, deviation is measured entirely against scheduled generation.

CERC has set X at 100% for FY 2026–27 for all projects. From FY 2027–28, separate trajectories apply. For solar and wind-solar hybrid projects, X will reduce to 90%, followed by 75%, 55%, and 30%, reaching zero from April 2031. Wind projects will follow a slower trajectory, with X reducing to 95%, 85%, 65%, and 35% over the same period, before reaching zero in April 2031. The Commission cited higher forecasting uncertainty in wind generation as the basis for differentiated treatment.

The decision follows a consultation process involving 46 stakeholders and a public hearing held in December 2025. Renewable developers and industry associations, including NSEFI and IWPA, raised concerns regarding forecasting readiness and potential financial impact. Submissions indicated that a transition to schedule-based deviation could affect project returns, particularly under high deviation scenarios. Some stakeholders also argued that the change should be treated as a change-in-law event. Distribution companies and system operators supported a faster transition, citing existing forecasting and scheduling requirements and state-level precedents.

CERC based its decision on system stability considerations. Data cited in the order indicates sustained high-frequency conditions during periods of high renewable generation, along with significant deviation levels in certain states. The Commission also noted the rising share of renewable energy in the generation mix and the corresponding system impact of forecasting errors.

The framework applies to both existing and new projects. CERC observed that the transition had been signalled in advance and that maintaining X at 100% in FY 2026–27 provides additional adjustment time.

In a related proposal, the Commission has indicated that no payment should be made to wind and solar generators for over-injection when system frequency is at or above 50.05 Hz, as part of measures to manage grid conditions.

The order is subject to the outcome of writ petitions pending before the Delhi High Court challenging the DSM Regulations, 2024. CERC noted that no coercive action will be taken while the interim relief granted by the Court remains in force.

The Commission has also directed the National Load Despatch Centre (NLDC) to develop a procedure, in consultation with regional power committees, to address deviation computation in time blocks where scheduled generation is very low.

CERC treats October 2021 GST hike as Change in Law, allows annuity-based compensation

The Central Electricity Regulatory Commission (CERC), in orders dated March 24 and March 26, 2026, held that the increase in goods and services tax (GST) on renewable energy devices from 5% to 12% effective October 1, 2021 qualifies as a Change in Law event. The rulings cover seven solar projects totalling 1,616 MW developed by NTPC Green Energy Limited and a 206.5 MW wind project in Gujarat developed by Netra Wind Private Limited. In both cases, compensation has been allowed through annuity payments over 15 years.

For NTPC Green Energy Limited, CERC approved compensation of Rs 175.77 crore across seven projects under CPSU Scheme Phase-II. The capacity includes 769 MW under Tranche-I and 923 MW under Tranche-II, allocated through SECI auctions in 2019, with power supplied to Telangana discoms under Power Usage Agreements. The claims arose from the GST increase and a February 1, 2021 notification raising basic customs duty on solar inverters from 5% to 20%.

CERC held both measures to be Change in Law events under the agreements and rejected objections on delay and admissibility. It noted that commissioning extensions were granted under MNRE directions during the Covid-19 period and were not contested. Compensation will be paid as annuity over 15 years at 9.12% for projects commissioned in 2022–23 and 10.65% for those commissioned thereafter. Payment liability will arise from the later of 60 days from the order or the date of claim submission.

In a separate order, CERC granted Rs 96.45 crore to Netra Wind Private Limited for a 206.5 MW wind project in Kutch, Gujarat. The project was awarded under a 2018 SECI auction at a tariff of Rs 2.77 per kWh, with a PPA executed in January 2019. CERC upheld the GST increase as a Change in Law event and approved compensation through a 15-year annuity at 9.12%. Relief was limited to the commissioned capacity. The Commission rejected claims for lump-sum payment and higher returns, holding that Change in Law compensation is compensatory in nature.

Across both orders, CERC recognised entitlement to carrying cost but deferred its enforcement, along with post-COD relief, in view of the Supreme Court's interim order dated December 12, 2022 in Telangana Northern Power Distribution Company Limited v. Parampujya Solar Energy Private Limited, pending final adjudication. The Commission also directed reconciliation of claims based on auditor-certified records.

CERC allows delayed RE projects to retain ISTS connectivity with penalty

The Central Electricity Regulatory Commission has allowed three renewable energy developers, Serentica Renewables India 4 Private Limited, ReNew Green Energy Solutions Private Limited, and ReNew Green (MHP One) Private Limited, to retain interstate transmission system connectivity despite delays in achieving commercial operation, subject to a structured and escalating compensation mechanism. The order, dated March 2, 2026, also identified a procedural gap in how CTUIL handled the transition from the 2009 Connectivity Regulations to the 2022 General Network Access framework.

CTUIL had revoked connectivity for the projects under Regulation 24.6 of the GNA Regulations 2022, which sets timelines for achieving commercial operation after connectivity is granted. The developers challenged the revocations, arguing that as transition cases from the 2009 regulations, the six-month COD timeline should be counted from their revised connectivity start dates under the GNA framework rather than the original dates.

CERC held that entities transitioning under Regulation 37 of the GNA Regulations are governed by the new framework. However, the Commission found that while CTUIL had updated connectivity start dates during transition, it had not obtained revised scheduled commercial operation dates from the developers. The Commission concluded that SCODs should align with the revised connectivity start dates, a finding that has direct implications for other developers who transitioned under the same framework.

Given the advanced stage of execution across all three projects, the Commission exercised its powers under Regulations 41 and 42 to permit connectivity retention under a compensation structure: 50% of the connectivity bank guarantee as upfront compensation for the first three months beyond the revised trigger date; daily compensation at RATE6 for delays between three and six months; a 10% monthly escalation for delays between six and twelve months; and 200% of the base rate for delays between twelve and fifteen months. Connectivity will be revoked for any capacity not commissioned beyond fifteen months.

In compliance with the order, CTUIL issued a determination on March 17, 2026. ReNew Green (MHP One) deposited Rs 5.84 crore; ReNew Green Energy Solutions deposited a combined Rs 5.92 crore across three applications; Serentica deposited Rs 7.5 crore. ReNew has achieved COD for part of its capacity and submitted supporting documentation; Serentica had not achieved COD as of the determination date.

Developers are required to re-furnish connectivity bank guarantees within one month. Connectivity will be revoked if compensation remains unpaid for three consecutive months. The Commission directed that compensation collected be applied to reduce transmission charges under the Sharing Regulations 2020.

CERC clears over 13,000 MW in March adoption orders

The Central Electricity Regulatory Commission adopted tariffs for over 13,000 MW of generation capacity in March 2026, covering solar, wind-solar hybrid, and firm dispatchable renewable energy (FDRE) projects tendered by NTPC, SECI, SJVN, and NHPC under Section 63 of the Electricity Act, 2003.

Solar PV tariffs ranged from Rs 2.43/kWh (NHPC's 1,200 MW ISTS tender) to Rs 2.69/kWh (NTPC's 1,500 MW tender). CERC flagged the NHPC rate as notably below recent comparable tenders, which had ranged between Rs 2.52 and Rs 3.05/kWh, and questioned NTPC's higher rate before accepting a conformity certificate from its Bid Evaluation Committee. Wind-solar hybrid tariffs came in between Rs 3.19/kWh (SJVN Hybrid-3) and Rs 3.44/kWh (NTPC). FDRE projects, which pair solar with storage, carried higher tariffs reflecting storage costs: SECI's 2,000 MW project with 4,000 MWh storage was adopted at Rs 2.86–2.87/kWh, while SJVN's 1,200 MW project with 2,400 MWh storage came in at Rs 3.32–3.33/kWh.

Three issues stood out. First, CERC held that the Greenshoe Option, used by NHPC to award significant additional capacity beyond original tender size, is not recognised under the Ministry of Power's Section 63 bidding guidelines. It trimmed allocations and directed all four implementing agencies to seek formal Ministry clarification, including whether additional awards should be capped at 50% of base capacity.

Second, CERC declined to adopt SECI and SJVN's CPSU Phase-II Tranche III projects at the GST-revised rate of Rs 2.57/kWh, holding that post-bid changes to discovered tariffs undermine competitive procurement. Both were adopted at the original ceiling of Rs 2.45/kWh, with provisional billing at Rs 2.57/kWh permitted pending a separate change-in-law petition.

Third, on trading margins, CERC held that the Rs 0.07/kWh margin sought by implementing agencies may not exceed Rs 0.02/kWh unless the agency provides escrow or an irrevocable letter of credit to generators.

CERC extends DSM pool deficit recovery mechanism

The Central Electricity Regulatory Commission (CERC) has extended the existing mechanism for recovery of deficits in the Deviation and Ancillary Service Pool Account until October 4, 2026. The transition to a reserve shortfall-based allocation framework, earlier scheduled from April 1, 2026, has been deferred by six months.

Under the DSM Regulations, 2024, deficit allocation was to shift from the current 50:50 sharing between drawal at the ISTS periphery and General Network Access to a framework based on shortfall in reserves allocated by the National Load Despatch Centre (NLDC).

In a suo motu order, CERC exercised its power under Regulation 12 to remove difficulty. The Commission cited operational constraints flagged by Grid India and NLDC, including the need to establish a methodology for SLDCs to quantify reserves, measure actual reserves, and implement associated despatch and settlement processes. The reserve-based allocation framework will take effect from October 5, 2026, unless notified otherwise.

CERC orders NPCIL to bear Kudankulam transmission costs, grants licence as special case

The Central Electricity Regulatory Commission (CERC), by order dated March 12, 2026 in Petition No. 245/TL/2025, granted a transmission licence for evacuation of power from Kudankulam Units 3 and 4 but held that the associated transmission charges shall be borne by Nuclear Power Corporation of India Limited (NPCIL). The Commission rejected the proposal to recover costs from all-India ISTS consumers.

The licence covers a 400 kV double-circuit line to be developed by POWERGRID Kudankulam Transmission Limited for evacuation of power from the 2 × 1,000 MW units. The scheduled commissioning date is December 31, 2026.

CERC observed that, under the Electricity Act, 2003 and the General Network Access Regulations, 2022, dedicated transmission lines from generating stations are to be developed by the generator. It noted that the line should not have been planned as part of the interstate transmission system. However, as the scheme had already been approved by the National Committee on Transmission and the Ministry of Power, and bidding had been completed, the Commission exercised its powers under Regulation 21 of the Transmission Licence Regulations, 2024 to grant the licence as a special case.

The petitioner had sought recovery of transmission charges from Designated ISTS Customers under the Sharing Regulations, 2020, and argued that beneficiaries for the project were not identified. CERC rejected these submissions. It directed Central Transmission Utility of India Limited (CTUIL) to raise monthly bills on NPCIL after commercial operation, with NPCIL required to reimburse the transmission licensee. Non-payment will attract action under the Sharing Regulations.

CERC orders joint reconciliation of NTPC energy charges for 2014–19

The Central Electricity Regulatory Commission (CERC), in an order dated March 31, 2026, directed NTPC Limited and beneficiary utilities Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and Kerala State Electricity Board Limited (KSEBL) to jointly reconcile energy charge rates for the 2014–19 tariff period.

The dispute concerned the method for computing and sharing gains from better-than-normative operational performance under Regulation 8(6) of the 2014 Tariff Regulations. NTPC applied annual averaging of key controllable parameters, while the discoms argued that loss-making months should be excluded.

CERC rejected both approaches. It held that gains are to be computed on a monthly basis, followed by annual reconciliation using weighted average values of station heat rate, auxiliary energy consumption, and secondary fuel oil consumption. This approach, it observed, recognises efficiency gains without passing through operational losses.

The Commission directed the parties to carry out reconciliation for the full period on this basis. Any net gain is to be shared in the prescribed 60:40 ratio.

SERC Watch

State Commission Directives

Rajasthan

RERC approves FY27 ARR; Rs 1,768 crore surplus at current tariffs

The Rajasthan Electricity Regulatory Commission (RERC) has approved an aggregate revenue requirement of Rs 75,524 crore for Jaipur, Ajmer and Jodhpur discoms for FY 2026-27. At existing tariffs, it has determined a combined revenue surplus of Rs 1,768 crore and a combined average cost of supply (ACS) of Rs 7.42 per unit.

For FY 2024-25 true-up, Jodhpur Discom has been allowed a surplus of Rs 363.92 crore, while Jaipur and Ajmer discoms have been adjusted to zero after accounting for state loss subsidy. The Commission reduced power purchase costs and allowed operation and maintenance expenses on a normative basis, leading to significant disallowances across all three utilities.

RERC flagged extensive defective agricultural metering. Jodhpur reported 265,688 defective meters, about 50% of metered agricultural consumers, accounting for 64% of consumption. For true-up, sales for such consumers were assessed using specific consumption of working meters, resulting in disallowances of 1,484 million units for Jodhpur and 811 million units for Ajmer. Discoms have been directed to replace defective meters within two months, with no meter to remain defective beyond two billing cycles.

For FY 2026-27, distribution loss targets have been set at 13% for Jaipur, 7.5% for Ajmer and 13% for Jodhpur under the Revamped Distribution Sector Scheme (RDSS). Total energy sales are projected at 103,463 million units. Approved power purchase cost stands at Rs 50,089 crore at an average of Rs 4.06 per unit, with a significant contribution from renewable energy. The Commission reduced each discom's ARR by Rs 10 crore for continued failure to segregate interstate and intrastate transmission losses.

Tariff changes include a reduction in minimum energy charges for medium industry to Rs 6.00 per unit (post-rebate), removal of Time-of-Day tariff for public street lighting, and introduction of a single-part tariff for electric vehicle charging stations. Non-domestic slabs up to 200 units (for load up to 5 kW) have been merged without altering effective rates. Fixed charge caps for street lighting have been reinstated.

A green tariff of Rs 0.05 per unit has been approved. Cross-subsidy surcharge has been capped at Rs 1.48 per unit (20% of ACS), and additional surcharge set at Rs 0.50 per unit. Wheeling charges range from Rs 0.01 per unit at 132 kV and above to Rs 1.93 per unit at LT level. Discom-wise ACS has been determined at Rs 7.55 per unit (Jaipur), Rs 6.98 per unit (Ajmer) and Rs 7.64 per unit (Jodhpur). The Commission has directed gradual alignment of tariffs within ±20% of ACS by March 31, 2031.

RERC noted regulatory assets of Rs 49,428 crore as of March 31, 2024, projected to reduce to Rs 33,298 crore by March 31, 2027. In line with the Supreme Court's directions, these are to be liquidated by March 31, 2031. Discoms have been directed to apply regulatory surcharge strictly towards liquidation of these assets.

The Commission has approved capital expenditure of Rs 7,093 crore, along with Rs 8,070 crore under RDSS and other schemes. It has withheld Rs 50 crore per discom for delays in implementing enterprise resource planning systems, directing rollout of core modules by March 2027. Operational directions include 100% billing based on actual meter readings, strengthening of metering and safety systems, and timely implementation of rooftop solar and PM-KUSUM components A and C projects.

RERC orders Rs 283.80 crore refund; approves FY27 tariffs for RVUNL

The Rajasthan Electricity Regulatory Commission (RERC) has approved the FY 2024-25 true-up and FY 2026-27 tariffs for eight generating stations of Rajasthan Rajya Vidyut Utpadan Nigam Ltd, directing a net revenue refund of Rs 283.80 crore to state discoms. The refund will be paid in three instalments from the next billing cycle, in proportion to energy procured.

For FY 2024-25, RERC approved expenses of Rs 21,436.95 crore against revenue of Rs 21,720.74 crore, with fixed cost at Rs 5,781.82 crore and variable cost at Rs 16,438.40 crore. Full fixed charges were allowed only where normative availability was met. Kota achieved 88.58% availability against an 83% norm, while Suratgarh achieved 68.66%, leading to reductions.

Operational parameters, including station heat rate and auxiliary consumption, were allowed on a normative basis in line with the Appellate Tribunal for Electricity ruling. The Commission rejected revision of heat rate for Suratgarh Super Critical based on test results, holding that norms are governed by OEM specifications. Secondary fuel oil consumption was allowed at normative levels.

Capitalisation was restricted to about Rs 40 crore against claims exceeding Rs 195 crore, with major disallowances for previously rejected or non-essential works. Certain expenditures were reclassified as revenue expenses.

Energy charges were approved based on actual fuel cost and calorific value, with disallowance of coal demurrage. Transit loss was allowed at 0.8%. RERC directed RVUNL to obtain state approval for coal pricing mechanisms under mining agreements and ensure prudent fuel procurement.

On flue gas desulphurisation (FGD), the Commission directed submission of a final, state-approved proposal. It noted significant project progress but cautioned against avoidable expenditure, given the consumer impact, especially after the Ministry of Environment, Forest and Climate Change relaxed sulphur dioxide norms for certain plants.

For FY 2026-27, RERC approved fixed charges of Rs 4,682.48 crore against a claim of Rs 5,300.56 crore, and variable charges of Rs 17,255.41 crore. Approved tariffs include Rs 4.74 per kWh for Kota, Rs 5.32 for Suratgarh, Rs 4.27 for Chhabra, and Rs 6.57 for Ramgarh gas station.

Terminal benefits of Rs 484.71 crore were allowed based on actuarial valuation, with a direction for full deposit during the year. No return on equity was permitted due to the absence of state approval, with liberty to claim at true-up. Interest on working capital was approved at 12.25%, amounting to Rs 731.34 crore.

RERC directed submission of third-party certified gross calorific values on "as received" and "as fired" bases, and filing of future petitions in machine-readable formats. The tariff order took effect from April 1, 2026.

RERC notifies resource adequacy rules; sets planning and procurement norms

The Rajasthan Electricity Regulatory Commission (RERC) has notified the Framework for Resource Adequacy Regulations, 2026, formalising its interim directions and establishing a binding planning and procurement regime. The regulations apply to generating companies, distribution licensees, State Load Despatch Centre (SLDC), State Transmission Utility, grid-connected entities and power procuring entities, including Rajasthan Urja Vikas and IT Services Limited.

Distribution licensees are required to undertake scientific demand forecasting using hourly or sub-hourly models, with 10-year projections based on seasonal hourly profiles subject to approval. Peak demand must be assessed across seasons and evening ramp-up conditions using a five-year data window. A common methodology is mandated across discoms, with a designated nodal agency permitted to submit a consolidated plan.

Capacity Credit is to be determined by technology, location and season, reflecting actual performance, outages and resource variability. For solar and wind, a net load-based approach will be used, with peak stress hours defined as either 250 hours or 10% of annual hours, based on state load characteristics. For new renewable projects, benchmark data may be used where operational history is limited.

A minimum Planning Reserve Margin of 10% has been specified. The supply mix is prescribed as 75–80% long-term contracts, 10–20% medium-term, with the balance through short-term sources. Market purchases through Day-Ahead Market (DAM) and Real-Time Market (RTM) are excluded from resource adequacy compliance. Storage procurement, including battery and pumped storage, is mandated in line with central guidelines, with defined parameters for capacity credit.

The regulations establish a fixed annual planning cycle involving SLDC, Central Electricity Authority (CEA) and National Load Despatch Centre (NLDC), culminating in Commission approval of long-term plans. Contracting for identified capacity gaps is to be completed by March each year, with limited relaxation where timelines shift.

Discoms are required to set up dedicated planning and real-time procurement cells within defined timelines. Non-compliance may attract charges, subject to exemptions for uncontrollable factors. SLDC is required to publish monthly merit order dispatch stacks, and discoms must disclose procurement and sale data within 45 days.

The regulations repeal the RERC Power Purchase and Procurement Process Regulations, 2004 to the extent applicable. Existing contracts and ongoing procurement processes remain valid under their current terms.

RERC notifies BESS rules; mandates competitive procurement and planning

The Rajasthan Electricity Regulatory Commission (RERC) has notified the Battery Energy Storage Systems (BESS) Regulations, 2026, establishing a framework for deployment, ownership and operation of storage across the state grid. The regulations apply to licensees, generating companies, renewable developers, aggregators, service providers, consumers and prosumers.

The framework permits BESS ownership and operation by utilities, private developers, service providers and consumers. State Load Despatch Centre (SLDC) has been designated as the system operator but is not allowed to own storage assets. The regulations do not alter the legal status of captive generating plants.

Distribution licensees and the State Transmission Utility (STU), in consultation with SLDC, are required to plan storage capacity based on reliability, congestion, renewable integration and ancillary service needs. The STU will prepare a consolidated intra-state plan aligned with renewable targets, transmission planning and resource adequacy requirements, including cost optimisation against alternatives. The minimum project size is set at 1 MW with at least two hours of storage, with limited relaxation for ancillary service applications.

BESS is permitted to provide multiple services, including frequency regulation, reserves, voltage support and black start capability. SLDC will define accounting mechanisms where multiple services are provided. In case of conflict, SLDC instructions prevail for grid security.

All procurement of BESS capacity or services by utilities is to be undertaken through tariff-based competitive bidding in line with central guidelines, with deviations requiring Commission approval. Tariff design for ancillary services may include single-part, multi-part or performance-linked structures.

Consumers and prosumers are allowed to deploy behind-the-meter BESS up to their contract demand without prior approval, subject to registration. They may undertake energy arbitrage, with settlement mechanisms to be specified separately. Systems integrated with solar under net metering or related frameworks will be governed by those regulations.

Environmental obligations are aligned with the Battery Waste Management Rules, 2022 under Extended Producer Responsibility. Technical standards are to follow Central Electricity Authority (CEA) and Ministry of New and Renewable Energy (MNRE) norms, with mandatory data submission to SLDC.

SLDC is required to notify eligibility criteria within three months and operational procedures within six months. Applications for registration or empanelment are to be processed within 30 days, extendable by a further 30 days with reasons.

Existing contracts and ongoing projects remain valid. Projects that have achieved financial closure or commenced construction prior to notification are deemed compliant with minimum project size requirements.

RERC adopts Rs 2.85 lakh/MW/month tariff for 500 MW BESS

The Rajasthan Electricity Regulatory Commission (RERC) has adopted a capacity tariff of Rs 2.85 lakh per MW per month for a 500 MW, 2,000 MWh standalone BESS project under Section 63 of the Electricity Act, 2003, noting it as among the lowest for comparable tenders.

The project is part of the Ministry of Power's allocation of 4,000 MWh VGF-supported BESS capacity to Rajasthan under the Power System Development Fund, with viability gap funding of Rs 18 lakh per MWh. Rajasthan Rajya Vidyut Utpadan Nigam Ltd was designated as implementing agency and intermediary procurer.

RVUNL conducted tariff-based global competitive bidding for a four-hour standalone BESS on a Build-Own-Operate basis. Of 27 bidders, 25 qualified for the e-reverse auction. Six bidders emerged successful at the same lowest tariff: Ultra Vibrant Solar Energy Private Limited, Rama Reflection India Private Limited, Mecpower Solutions Limited, Bhagwati Lacto Vegetarian Exports Private Limited and Diwakar Renewable and Infra Private Limited (50 MW each), and Patanjali Ayurved Limited (250 MW). Letters of award were issued on December 19, 2025, and a Battery Energy Storage Sale Agreement was executed on February 2, 2026 with Rajasthan Urja Vikas and IT Services Ltd on behalf of the discoms.

RERC noted the tariff is lower than recent bids by SJVN Limited, Solar Energy Corporation of India and NHPC Limited, and consistent with the state's Energy Storage Obligation trajectory. RVUNL has been directed to disclose bid details and submit executed agreements.

RERC aligns RPO with central RCO; sets DRE targets to FY30

The Rajasthan Electricity Regulatory Commission has amended its Renewable Purchase Obligation Regulations, 2023 to align with the Central Renewable Consumption Obligation framework. Effective April 1, 2026, the amendment replaces interim directions issued on March 19, 2026 and establishes revised RPO targets, introduces a Distributed Renewable Energy (DRE) category, and clarifies compliance treatment for designated consumers.

The amendment defines DRE as renewable energy from projects up to 10 MW, including solar under net metering, gross metering, net billing, virtual and group net metering, and behind-the-meter configurations.

For FY 2024–25, RPO targets are set at 2.46% wind, 1.08% hydro, and 26.37% other, totalling 29.91%. For FY 2025–26, targets rise to 3.36% wind, 1.48% hydro, and 28.17% other, totalling 33.01%. From FY 2026–27, a four-year trajectory applies to distribution licensees, with total RPO increasing from 35.95% in 2026–27 to 43.33% in 2029–30. A DRE sub-target is introduced, increasing from 2.70% to 4.50% over the same period.

Wind and hydro obligations are to be met from projects commissioned after March 31, 2024. Free power from hydro projects is permitted, and overseas hydro may be considered subject to Central approval. Wind, hydro, and other components are interchangeable. The DRE component is non-fungible for shortfall, though surplus may offset other categories. Where generation data is unavailable, DRE capacity is converted to energy using 4 kWh per kW per day.

The amendment establishes separate compliance treatment. For FY 2024–25 and FY 2025–26, designated consumers under the Energy Conservation Act are governed by Central RCO notifications. State RPO obligations are deemed met to the extent of RCO compliance, with enforcement under the Energy Conservation Act. From FY 2026–27, such consumers are governed entirely by the Central framework, with no additional state RPO. Other obligated entities continue under the state RPO and REC framework.

Entities shifting between designated and non-designated status within a year are required to apportion compliance and file a declaration within 30 days. In case of inconsistency, Central provisions prevail for designated consumers.

The Energy Storage Obligation continues to apply to distribution licensees. The Commission declined relaxation of targets and rejected a separate biomass category, retaining it within the “other” component. Legacy RPO compliance for FY 2011 to FY 2024 remains under separate adjudication.

RERC sets compensation mechanism for part-load thermal operation

The Rajasthan Electricity Regulatory Commission (RERC) has finalised the compensation framework for thermal generating stations operating below normative levels under the Rajasthan Electricity Grid Code Regulations, 2024. The order, dated March 6, 2026, arises from suo motu proceedings under Regulation 51 and applies prospectively.

Compensation is conditional on compliance with minimum turndown levels specified in the Grid Code. The State Load Dispatch Centre (SLDC) is required to certify such compliance before any payment is admissible. The Commission declined to revise heat rate degradation norms for loading below 55%, holding that existing norms are aligned with Central Electricity Regulatory Commission (CERC) regulations.

For secondary fuel oil, additional compensation is allowed beyond seven start-stop cycles per year, linked to Regulation 52 on unit shutdowns. Units operating below 55% load are entitled to an additional 0.2 ml/kWh of specific secondary fuel oil consumption. Supercritical and ultra-supercritical units are allowed 10% additional start-up oil for three years from commercial operation. The framework now explicitly covers units below 200 MW, with norms specified across unit sizes up to 800 MW for hot, warm and cold starts.

The Commission has retained a 1:1 sharing mechanism for financial gains between generating stations and beneficiaries, consistent with recent CERC tariff regulations. Annual reconciliation based on weighted average operational parameters will continue; requests for monthly settlement were not accepted.

SLDC has been directed to submit, within 30 days, a detailed procedure for compensation calculation covering heat rate degradation, auxiliary consumption and secondary fuel oil usage, along with a dispute resolution mechanism, for Commission approval. Retrospective application from January 29, 2025 has been rejected.

RERC adopts amended captive rules; nodal verification mandated

The Rajasthan Electricity Regulatory Commission (RERC) has adopted the Electricity (Amendment) Rules, 2026, which revise the captive generating plant framework under the Electricity Rules, 2005. The order, dated March 19, 2026, gives effect to the Central notification G.S.R. 186(E) issued on March 13, 2026.

The amendment substitutes Rule 3 in entirety. It expands the definition of captive user to include consumption through energy storage systems, extends ownership provisions to group entities, and treats special purpose vehicles as an Association of Persons. It also introduces proportionate consumption requirements for individual users within such structures and provides for state-level verification of captive status.

Implementation provisions require state governments to designate a nodal agency for verifying captive status of intra-state plants and to prescribe procedures, including formats for declarations seeking interim protection from cross-subsidy surcharge. A Grievance Redressal Committee is to hear appeals against nodal agency decisions. While most provisions took effect on March 13, 2026, those relating to verification and grievance redressal apply from April 1, 2026.

Exercising powers under the Electricity Act, 2003, RERC has directed that captive status verification in Rajasthan be undertaken by the state government's designated nodal agency in accordance with its prescribed procedure. The appellate mechanism will operate through the committee constituted under the amended rules.

Maharashtra

MERC clears MSEDCL solar and RE-RTC bids with revised design

The Maharashtra Electricity Regulatory Commission (MERC), through orders in March 2026, approved two procurement proposals by Maharashtra State Electricity Distribution Company Limited (MSEDCL): 2,269 MW of distributed solar under MSKVY 2.0 and 2,500 MW of round-the-clock renewable energy (RE-RTC), with key design modifications.

For MSKVY 2.0, MERC on March 6 approved competitive bidding with a ceiling tariff of Rs 2.90/kWh, at the lower end of the earlier Rs 2.90–3.10/kWh range. The revision followed delinking from PM-KUSUM support. The Commission accepted the tighter ceiling to improve price discovery but directed MSEDCL to submit progress reports on earlier tranches.

Despite approvals of 14,791 MW under MSKVY 2.0, only 2,229 MW had been commissioned by November 2025. MSEDCL cited right-of-way issues, forest clearances, election-related restrictions, weather disruptions, and shortages of DCR-compliant modules. It has issued notices to 84 developers for delays.

The new 2,269 MW tender remains within approved limits, factoring shortfalls from MSKVY 1.0, where 620 MW was commissioned against 1,531 MW contracted.

In a separate order dated March 30, MERC approved the 2,500 MW RE-RTC procurement with a bundled structure. MSEDCL will provide 5,000 MW of already contracted solar power (at Rs 2.70/kWh) to the selected bidder, who will schedule it and supply firm power to meet round-the-clock demand, including through storage if required.

MERC allowed deviations from Ministry of Power guidelines. Annual and monthly supply thresholds were set at 80% and 70%, below the standard 90%, citing weak bidder response in similar tenders. The tariff was structured as a single fixed charge over 25 years, replacing the earlier two-part design. The minimum bid size was increased to 1,250 MW or 2,500 MW.

At least 51% of annual supply must be traceable renewable energy on an hourly basis, and any storage must be co-located with the 5,000 MW solar capacity.

MSEDCL has been directed to seek tariff adoption under Section 63 of the Electricity Act, 2003 after completion of bidding.

MERC adopts Rs 1.66 lakh/MW/month tariff for 2,000 MW BESS

The Maharashtra Electricity Regulatory Commission (MERC), in its March 6, 2026 order, adopted a tariff of Rs 1,65,998 per MW per month for procurement of 2,000 MW / 4,000 MWh of standalone Battery Energy Storage Systems (BESS) by Maharashtra State Electricity Distribution Company Limited (MSEDCL). The procurement, supported by Viability Gap Funding (VGF) under the Power System Development Fund (PSDF), attracted 46 bidders with offers totalling 11,110 MW. MERC recorded that the discovered tariff is lower than recent benchmarks in other states.

The tender, issued on July 25, 2025, and concluded through an e-reverse auction on November 5, 2025, was split into two parts. Part-A covered up to 1,500 MW at MSEDCL or Maharashtra State Electricity Transmission Company Limited (MSETCL) substations, including 500 MW reserved for MSKVY 2.0 developers. Part-B covered 500 MW co-located with existing solar capacity. The Part-B tariff of Rs 1,76,100/MW/month was higher than the Part-A L1 tariff. As the Part-B bidder did not match L1, the entire 500 MW was merged into Part-A.

MSEDCL allowed additional L1 matching up to 1,200 MW on a first-come, first-served basis. MERC benchmarked the final tariff against recent tenders in Gujarat, Rajasthan, Tamil Nadu, and Karnataka and found it lower across comparable cases.

The Commission addressed post-bid disputes. Onward Solar Power, which claimed L2 status for 50 MW, challenged allocation before the Bombay High Court. Following withdrawal of capacity by another bidder, MSEDCL agreed to allocate 100 MW to the company. MERC approved the allocation, subject to the court outcome. Bhilwara Energy limited its allocation to its original 500 MW bid and declined additional capacity offered during L1 matching.

MERC also examined a Ministry of Power communication dated December 31, 2025 on a 6,300-cycle usage condition over 15 years. Bidders argued this exceeded the one cycle per day provision in the RfS. HVPNL clarified that the condition applies only for VGF eligibility under PSDF and does not alter operational requirements. MERC accepted this clarification.

The final allocation totals 2,000 MW across seven bidders, including 900 MW to OPG Power Generation and 500 MW to Bhilwara Energy. The adopted tariff applies uniformly, except for Bhilwara Energy, where higher round-trip efficiency of 87% results in an effective charge of Rs 1,69,386/MW/month.

Battery Energy Storage Purchase Agreements are to be executed within 15 days. The capacity will contribute to MSEDCL's Energy Storage Obligation under MERC Renewable Purchase Obligation (RPO) Regulations, rising from 1.5% in 2024–25 to 4% by 2029–30.

MERC sets Rs 2.82/kWh rooftop solar surplus tariff for FY27

The Maharashtra Electricity Regulatory Commission (MERC), in a suo motu order dated March 30, 2026, set a tariff of Rs 2.82/kWh for procurement of surplus energy from rooftop solar systems under net-metering and net-billing for FY 2026–27. The rate, effective April 1, 2026, is aligned with Rs 2.82–3.10/kWh tariffs discovered under MSKVY 2.0.

MERC rejected stakeholder proposals at both ends. Consumer groups and industry associations sought linkage to consumer tariffs or Average Power Purchase Cost, citing value to utilities. Maharashtra State Electricity Distribution Company Limited (MSEDCL) proposed Rs 0.30/kWh, linked to Renewable Energy Certificate floor prices, citing grid and surplus management concerns. The Commission did not accept either position. MERC held that rooftop solar is primarily for self-consumption, with surplus injection incidental and limited. It therefore treated the tariff as having limited financial impact. A Rs 2.24/kWh benchmark cited by MSEDCL was excluded as it lacks formal adoption.

For FY 2026–27, MERC also set variable charges of Rs 6.85/kWh for biomass projects and Rs 5.29/kWh for bagasse-based co-generation. These include the 5% annual fuel price escalation under the Renewable Energy Tariff Regulations, 2019. The Commission rejected MSEDCL's proposal for a lower escalation factor.

Gujarat

GERC retains tariffs; expands ToU benefits and cuts green power rate

The Gujarat Electricity Regulatory Commission (GERC) has approved Aggregate Revenue Requirement (ARR) and retail tariffs for FY 2026–27, retaining existing rates for consumers of state-owned distribution companies and Torrent Power Limited in Ahmedabad, Gandhinagar, and Surat. The orders, issued after hearings on February 24–25, 2026, introduce wider time-of-use (ToU) discounts and a lower green power tariff to pass through benefits of lower-cost daytime solar. The tariffs apply from April 1, 2026.

State-owned discom consumers

GERC increased the prepaid smart meter rebate from 2% to 3% on energy charges for consumers of UGVCL, DGVCL, MGVCL, and PGVCL. The ToU discount of 60 paise/kWh has been extended from three hours (11:00 AM–2:00 PM) to six hours (11:00 AM–5:00 PM). Eligibility now includes residential, general purpose, non-residential general purpose, low tension multi-purpose, and LT EV charging consumers on postpaid smart meters, removing the earlier prepaid condition. Waterworks connections of all sizes are now eligible, replacing the earlier 50 HP threshold. The additional green power tariff has been reduced from Rs 0.90 to Rs 0.75/kWh.

Torrent Power consumers

For Torrent Power consumers, the night-time concession has been replaced with a solar hours rebate of 30 paise/kWh for high tension multi-purpose consumers between 11:00 AM and 3:00 PM. ToU charge slots have been standardised across Ahmedabad, Gandhinagar, and Surat at 6:00 AM–8:00 AM and 5:00 PM–11:00 PM. The green power tariff reduction to Rs 0.75/kWh applies here as well.

Distribution loss performance

UGVCL reported losses of 6.23% against a target of 7.00% for FY 2024–25 and has been assigned 5.28% for FY 2026–27. DGVCL reported 3.95% against 1.60%, with a revised target of 1.31%. MGVCL recorded 8.38% against 8.37% and has a target of 5.66%. PGVCL reported 12.61% against 15.50%, with a target of 12.15%. Torrent Power (Ahmedabad and Gandhinagar) reported 3.33% against 3.74%, retaining the same target; Torrent Power (Surat) reported 2.81% against 3.17%, with a target of 2.77%.

GERC extends banking charge; sets Rs 0.76/kWh additional surcharge

The Gujarat Electricity Regulatory Commission (GERC), through its Green Energy Open Access (Fourth Amendment) Regulations, 2026, has extended the banking charge of Rs 1.50/kWh for green energy open access consumers until June 30, 2026 or until revised charges are notified.

The extension follows an ongoing study to determine a comprehensive banking framework. During consultation, stakeholders proposed an interim 8% in-kind banking charge and differential rates by technology. GERC did not accept these proposals, stating that the amendment is limited to continuation of the existing charge and that technology-specific rates require detailed assessment of utilisation patterns, grid balancing, and cost impacts.

Additional surcharge

GERC has also determined an additional surcharge of Rs 0.76/kWh for open access consumers of DGVCL, MGVCL, PGVCL, and UGVCL for April 1 to September 30, 2026.

The surcharge applies to consumers procuring power from sources other than their distribution licensee.

The determination is based on data submitted by GUVNL for April–September 2025, using the methodology from GERC's August 2022 order. Transmission and distribution losses were considered at 12.06%, being the lower of the normative level for FY 2025–26 and the latest trued-up losses for FY 2023–24.

GERC partly allows Torrent deviations in 200 MW RE-with-storage bid

The Gujarat Electricity Regulatory Commission (GERC), in its March 6, 2026 order, approved two of four deviations sought by Torrent Power Limited for competitive procurement of firm and dispatchable renewable energy with storage, and rejected the remaining two.

The procurement supports Renewable Purchase Obligation targets under the GERC (Procurement of Energy from Renewable Sources) Regulations, 2025, which set a 43.33% trajectory by FY 2029–30. Bidding proceeded after in-principle approval on August 29, 2025, with technical and financial bids opened on September 1 and 5, 2025.

GERC allowed removal of the 50% cap on allocation to a single bidder, noting that such limits are suited to large central tenders and may restrict competition in a 200 MW bid. It held that lifting the cap can improve price discovery. The Commission also approved a clause treating delays in General Network Access or evacuation readiness as beyond the generator's control, with extension of the Scheduled Commercial Operation Date by up to 60 days from confirmation of transmission readiness.

GERC rejected removal of the 175-hour annual threshold below which no compensation is payable for grid curtailment, citing its role in limiting claims from routine curtailment and absence of evidence on tariff impact.

GERC also rejected extending commissioning timelines beyond the six-month outer limit in Clause 14.3, after which capacity is terminated, holding that existing force majeure provisions and the approved transmission-delay clause are adequate.

The Commission noted that Torrent Power opened financial bids without disclosing the earlier rejection of the delay-extension request and without awaiting final approval on all deviations.

GERC adopts tariffs for Torrent Power's short-term RTC procurement

The Gujarat Electricity Regulatory Commission (GERC), in an order dated March 24, 2026, adopted tariffs for Torrent Power Limited's short-term procurement of round-the-clock power for April to October 2026, covering the utility's licensed areas in Ahmedabad, Surat, Dahej SEZ, and Dholera SIR.

The tender was issued on January 2, 2026. An e-reverse auction was conducted on January 16, 2026 through MSTC, with 41 initial participants followed by a revised-offer round. GERC certified that the process complied with applicable guidelines. Supply has been tied up with multiple traders and suppliers, including PTC India Limited, Tata Power Trading Company Limited, and Manikaran Power Limited.
Discovered rates reflect seasonal demand. Tariffs range from Rs 6.36–6.77 per kWh in April 2026, declining to Rs 4.81–4.82 per kWh by October 2026.

Tamil Nadu

TNERC adopts Rs 3.15–3.16 lakh/MW/month tariff for 375 MW BESS

The Tamil Nadu Electricity Regulatory Commission (TNERC) has adopted capacity tariffs of Rs 3,15,000/MW/month and Rs 3,16,000/MW/month for a 375 MW / 1,500 MWh standalone Battery Energy Storage System (BESS) project across 11 substations. A third bidder matched the L1 rate, as required under tender rules mandating bids within 2% of the lowest tariff. The petition was filed by Tamil Nadu Green Energy Corporation Limited and Tamil Nadu Power Distribution Corporation Limited.

Tariffs were discovered through a reverse auction after technical qualification. The tender covered seven projects with four-hour discharge and 1.5 cycles per day. TNERC ratified nine corrigenda issued between November 2025 and January 2026, including changes to eligibility, consortium provisions, MSME exemptions, timelines, locations, and a 20% local content requirement.

Project locations were revised from seven to 11 substations following site constraints. Pudukkottai was found unsuitable, and capacity at Karamadai and Anaikadavu was reduced. Load flow studies by TANTRANSCO identified Alagarkoil, Othakalmandapam, Kamudhi, and Thuvakudy as feasible alternatives. In a related order, TNERC approved the revised locations and extended land lease tenure from 15 to 18 years, with lease rent unchanged at Rs 1 per project per year.

TNERC benchmarked the tariffs against a similar procurement by Uttar Pradesh Power Corporation Limited, where higher tariffs were discovered despite viability gap funding. It estimated that the BESS would supply about 45 million kWh per month, implying an effective peak cost of Rs 6.16/kWh versus about Rs 10/kWh in peak markets, yielding annual savings of around Rs 315 crore and about Rs 4,730 crore over 15 years.

The Commission allowed issuance of letters of award and execution of battery energy storage purchase agreements at the adopted tariffs. It directed that the capacity be used for grid support, peak management, and compliance. A minimum round-trip efficiency of 85% (AC-to-AC) and separate auxiliary connections apply.

TNERC clears Rs 5,110 crore intra-state transmission bid framework

The Tamil Nadu Electricity Regulatory Commission (TNERC), in its March 3, 2026 order, approved the draft request for proposal and transmission service agreement for a Rs 5,109.65 crore intra-state transmission project. The approval enables tariff-based competitive bidding (TBCB) to select a private developer on a build, own, operate and transfer basis. The petition was filed by TANTRANSCO.

The project comprises a 765/400 kV air-insulated substation at Kavathampalayam with associated lines (Rs 4,646.40 crore) and a 400/230–110 kV substation at Edayarpalayam (Rs 463.25 crore). Land is largely in place, and the scheduled commercial operation date is 36 months from the agreement's effective date.

Bidding documents follow the Ministry of Power's August 2021 guidelines, as amended in July 2023. Technical qualification requires at least Rs 1,650 crore of power sector capital expenditure over the previous five years, with no single project below Rs 350 crore. Financial qualification requires net worth of at least Rs 675 crore. The selected bidder must hold 100% equity in the special purpose vehicle until commissioning, with the lead consortium member retaining at least 26% for two years thereafter.

Transmission charges will be quoted for 35 years and linked to availability against a 98% target. Full charges apply within the 98–98.5% band, with adjustments above and penalties below. Sustained availability below 95% for six months can trigger termination. Delay damages are set at 3.33% of monthly charges per day for the first 60 days, rising to 5% thereafter, capped at six months of charges.

TNERC found the framework consistent with Section 63 of the Electricity Act, 2003 and central guidelines, noting that qualification thresholds and equity lock-in provisions are proportionate to project scale. Submission of a detailed bill of quantities and cost mapping before execution was noted as a transparency measure.

The approval is limited to the bidding framework. TANTRANSCO will require prior approval for material changes. A separate petition for tariff adoption under Section 63 and a transmission licence application by the selected bidder's SPV will follow. Tariff and project cost will be examined at the adoption stage.

TNERC adopts Rs 5.91/kWh tariff for 618 MW medium-term RTC power

The Tamil Nadu Electricity Regulatory Commission (TNERC), in its March 6, 2026 order, adopted a tariff of Rs 5.91/kWh for procurement of 618 MW of round-the-clock power under five-year medium-term agreements from April 1, 2026 to March 31, 2031. The petition was filed by Tamil Nadu Power Distribution Corporation Limited (TNPDCL).

The tariff was discovered through competitive bidding on the DEEP portal for 1,000 MW. An e-reverse auction on December 24, 2025 yielded an L1 rate of Rs 6.10/kWh at the state periphery, later negotiated to Rs 5.91/kWh, split equally between fixed and generation components. Supply will be provided by Moxie Power Generation Limited (558 MW) and Manikaran Power Limited (60 MW sourced from Tulsyan NEC Limited).

TNPDCL justified the procurement citing a projected deficit of 2,408–3,310 MW between FY 2026–27 and FY 2029–30 and the requirement under the Resource Adequacy Regulations to meet at least 20% of demand through medium-term contracts. TNERC ratified three corrigenda issued during bidding but recorded disapproval of the delay in seeking approval.

The Commission approved the procurement at the discovered tariff.

TNERC voids Rs 31.14 crore LPS; orders Rs 15.53 crore refund

The Tamil Nadu Electricity Regulatory Commission (TNERC), in its March 3, 2026 order, declared null and void five late payment surcharge (LPS) invoices totalling Rs 31.14 crore raised by Tata Power Renewable Energy Limited against Tamil Nadu Green Energy Corporation Limited (TNGECL). It directed refund of Rs 15.53 crore paid under protest, with 12% annual interest if not refunded within 30 days.

The dispute relates to solar energy purchase agreements. The Appellate Tribunal for Electricity, on November 28, 2022, held that payment is due up to 19% CUF at PPA tariff and above that at 75% of tariff; the Supreme Court dismissed the appeal on March 3, 2023. Neither forum addressed LPS.

After settlement of principal dues, the respondent raised LPS claims in December 2023 for FY 2015–16 to FY 2021–22 at 1% per month and uploaded them on the PRAAPTI portal. Following a Madras High Court direction in February 2025, TNGECL deposited 50% of the claim (Rs 15.53 crore) and approached TNERC.

TNERC rejected the plea of res judicata, noting that adjudication was expressly left open. On merits, it held that LPS provisions apply to undisputed dues and not to amounts under prolonged litigation. It also held that supply above contracted CUF was an enabling provision, not an entitlement, and does not attract interest.

All invoices were set aside. Parties were directed to bear their own costs.

TNERC adopts Rs 4.47/kWh tariff for 15 MW solar-plus-storage

The Tamil Nadu Electricity Regulatory Commission (TNERC), in its March 6, 2026 order, adopted a composite tariff of Rs 4.47/kWh for a 15 MW solar project with a 45 MWh battery energy storage system in Thiruvarur. The approval includes conditions to limit payment risk in case of storage underperformance. The petition was filed by Tamil Nadu Green Energy Corporation Limited and Tamil Nadu Power Distribution Corporation Limited.

The tariff was discovered through competitive bidding under Ministry of Power guidelines. BVG India Limited emerged as L1 at Rs 4.47/kWh. The project is structured as a single composite tariff without separate capacity or storage charges, with daily peak discharge of 45 MWh (15 MW for three hours). Performance requirements include a minimum 21% solar CUF, 95% availability for peak discharge, and 85% round-trip efficiency.

TNERC imposed conditions to address risks from the composite structure. The DC-to-AC ratio is capped at 1.3:1, with excess capacity ineligible for payment. During storage outage, solar supply is paid at the lower of the latest SECI tariff or a weighted average discovered under Section 63, and no composite tariff applies. The 4.47/kWh tariff is payable only for energy discharged from storage during peak hours and for solar generation within the CUF trajectory. Generation above 21% CUF may be procured at 75% of benchmark solar tariff at TNPDCL's discretion. Separate metering and accounting are required for solar and storage.

TNERC ratified two corrigenda but recorded disapproval of issuing them without prior intimation. It approved issuance of the letter of award to BVG India Limited and execution of the power purchase and power sale agreements, with a trade margin of Rs 0.03/kWh.

TNERC rejects NSEFI curtailment claim; seeks verified data for relief

The Tamil Nadu Electricity Regulatory Commission (TNERC), in its March 6, 2026 order in M.P. No. 39 of 2023, dismissed a petition by the National Solar Energy Federation of India (NSEFI) seeking implementation of the Grid Controller of India's second report on solar curtailment. The Commission held that the report is not conclusive legal evidence and that compensation cannot be based on post-facto, estimated, and incomplete data. Liberty was granted to seek fresh determination on submission of complete, verified data.

The matter arises from NSEFI's 2016 petition alleging backing-down of solar generation for reasons other than grid security. While TNERC dismissed the claim in 2019, the Appellate Tribunal for Electricity (APTEL) in August 2021 set aside that order, recorded misfeasance by TANGEDCO and TNSLDC, and directed compensation at 75% of the PPA tariff for 1,080 time blocks between March and June 2017. It also directed a further assessment for July 2017 to October 2020 by POSOCO (now Grid Controller of India). A civil appeal is pending before the Supreme Court, and 50% payment has been made to five generators based on the first report. The present petition sought enforcement of the second report submitted in February 2022.

TNERC found material inconsistencies in the claimant pool, with the number of generators varying across proceedings. On merits, it held that the report's methodology assumed curtailment could be avoided by backing down thermal generation without accounting for ramp-rate limits and real-time dispatch constraints. The analysis relied on post-facto 15-minute average frequency and deviation settlement mechanism data, whereas system operation is based on instantaneous conditions.

Data gaps were significant. Complete data was available for only 16 of 26 developers, with partial or limited data for the rest. Irradiance inputs for several plants were proxied from nearby stations, and block-wise generation data was absent. The Commission held that compensation based on estimated or interpolated data would be imprudent, as costs would pass through to retail tariffs. It also noted that Forum of Regulators guidelines issued in 2022 are prospective and not applicable to the period in question.

TNERC declined to rely on the second report as the basis for compensation. The petition was dismissed, with liberty to refile on submission of complete and verified data. Parties were directed to bear their own costs.

Madhya Pradesh

MPERC approves 4.80% tariff hike; trims ARR and power purchase cost

The Madhya Pradesh Electricity Regulatory Commission (MPERC), in its March 26, 2026 order in Petition No. 140 of 2025, approved an average tariff increase of 4.80% for FY 2026–27, lower than the 10.19% sought by state distribution companies. The total Aggregate Revenue Requirement (ARR), after true-up, was fixed at Rs 62,624.02 crore against estimated revenue of Rs 59,757.08 crore, leaving a gap of Rs 2,866.94 crore to be recovered through tariff revision. On a standalone basis, ARR was reduced to Rs 55,350.33 crore from the claimed Rs 57,559.11 crore.

Power purchase cost, including inter-state transmission charges, was approved at Rs 40,512.88 crore against Rs 42,196.75 crore claimed, equivalent to Rs 3.64/kWh at ex-bus level. The Commission declined a shift to hourly power purchase cost methodology but allowed the impact of technical minimum scheduling of thermal stations.

Energy sales were approved at 84,129.15 million units. Distribution loss targets were retained at 14% for East and Central discoms and 12% for West discom, which has already achieved lower losses. Operations and maintenance expenses were approved at Rs 5,812.10 crore, including employee cost of Rs 3,905.81 crore, repair and maintenance of Rs 1,002.51 crore, RDSS expenditure of Rs 307.08 crore, and Rs 210 crore towards pension liabilities. Depreciation was allowed at Rs 968.32 crore against Rs 1,190.74 crore claimed, and return on equity at Rs 828.13 crore at 14%.

On renewable purchase obligations, no additional procurement was required for FY 2026–27, as deficits in wind and hydro were offset by surplus distributed and other renewable sources. Green energy charges were set at Rs 0.30/kWh for certification, Rs 0.40/kWh for wind, Rs 2.61/kWh for hydro, and Rs 0.40/kWh for other renewable energy.

Wheeling charges were fixed at Rs 0.17/kWh at 33 kV, Rs 0.69/kWh at 11 kV, and Rs 1.19/kWh at LT. Cross-subsidy surcharge was capped at 20% of the average cost of supply of Rs 7.44/kWh. Minimum charges were removed for HV-5, HV-6, and HV-9 categories. Proposals for kVAh-based billing for HT consumers and withdrawal of off-peak time-of-day rebates were rejected.

The Commission flagged slow metering progress. Unmetered rural domestic connections remain at 4.07% and 5.07% for East and Central discoms, and distribution transformer metering for agriculture remains low. Discoms have been directed to accelerate feeder and DTR metering and undertake energy audits.

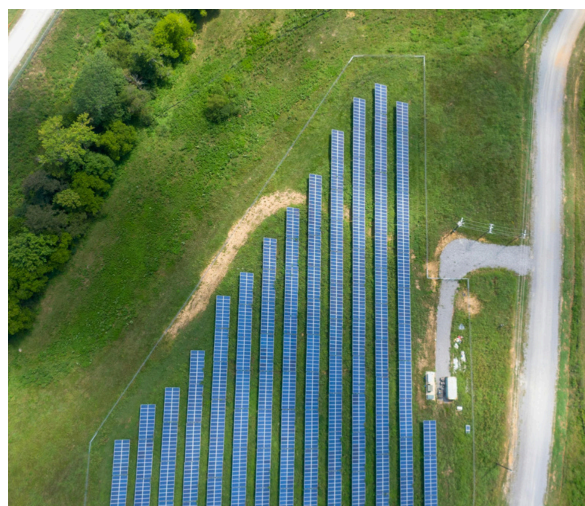
MPERC revises RPO trajectory, introduces buyout and shifts oversight

The Madhya Pradesh Electricity Regulatory Commission (MPERC) has notified the Fifth Amendment to its Renewable Energy Regulations, 2021, revising the renewable purchase obligation (RPO) trajectory through FY 2029–30, introducing a buyout mechanism for shortfalls, and assigning compliance monitoring to the Bureau of Energy Efficiency (BEE).

For FY 2026–27, the total RPO is set at 35.95%, comprising wind (1.97%), hydro (1.34%), distributed renewable energy (2.70%), and other renewables (29.94%). Targets rise to 38.81% in FY 2027–28, 41.36% in FY 2028–29, and 43.33% in FY 2029–30. Wind and hydro obligations apply only to projects commissioned after March 31, 2024. Hydro targets may also be met through free power allocations or, subject to central approval, imports from projects outside India.

The distributed RE component covers projects up to 10 MW, including net metering, gross metering, virtual and group net metering, and behind-the-meter systems. Shortfalls in this category cannot be offset by surplus in others, though surplus distributed RE may be used to meet deficits elsewhere. Other RPO components remain fungible.
Nuclear power is excluded from RPO computation. For captive users, electricity from fossil-based waste heat recovery is excluded, except for combined cycle gas systems. Half of self-consumed electricity from fossil-fuel-based co-generation and aluminium smelters is also excluded.

A buyout mechanism allows obligated entities to meet shortfalls by paying a price determined by the Central Electricity Regulatory Commission (CERC). Proceeds are credited to the Central



Energy Conservation Fund, with 75% transferred to the State Energy Conservation Fund for non-fossil and storage deployment.

BEE is designated as the sole authority for RPO compliance. Obligated entities are required to submit certified energy accounts on BEE's portal by July 31 each year, with certification by accredited energy auditors. Distribution licensees and MPPMCL are also required to obtain certification from the State Load Dispatch Centre. Compliance reports, including settlement through renewable energy certificates or buyout, are due by December 31, with March 31, 2026 specified for FY 2024–25. Non-compliance attracts penalty under Section 26(3) of the Energy Conservation Act, 2001.

The amendment permits renewable procurement through open access, trading licensees, and power markets. Provisions on REC carryover, banking of renewable energy, and the role of the State Agency have been removed. The amendment takes effect from the date of gazette notification.

MPERC completes FY 2024-25 true-up for distribution and transmission utilities

The Madhya Pradesh Electricity Regulatory Commission (MPERC), through its March 25, 2026 order in Petition No. 138 of 2025, approved true-up for the state's three distribution companies and MPPMCL, with a total Aggregate Revenue Requirement (ARR) of Rs 54,499.45 crore for FY 2024–25 and a revenue gap of Rs 6,963.27 crore to be recovered in subsequent tariff cycles.

Power purchase cost was approved at Rs 41,462.43 crore against a claim of Rs 47,582.07 crore, reflecting adjustments under the MYT Regulations, 2021. AT&C losses remained a key driver. East and Central discoms reported losses of 25.53% and 29.37% against normative levels of 19.49% and 19.57%, resulting in unrecovered power purchase costs. West discom reported 8.87% against 13.40%, generating efficiency gains. Under the sharing mechanism, East and Central discoms absorbed Rs 503.55 crore and Rs 949.14 crore respectively.

O&M expenses were approved at Rs 4,317.75 crore. Depreciation was reduced to Rs 853.17 crore based on asset registers. Return on equity of Rs 732.09 crore was allowed, including performance incentives for East and Central discoms. Prior period capitalisation of Rs 906.31 crore for Central discom was admitted, with an ARR impact of Rs 623.02 crore. Energy sales were approved at 75,823.78 million units, with revenue of Rs 29,621.70 crore and state subsidy of Rs 23,779.88 crore. Carrying cost on the gap was allowed at 12.15%, amounting to Rs 635.73 crore.

For transmission, MPERC in its March 23, 2026 order in Petition No. 135 of 2025 approved ARR of Rs 5,695.28 crore for MPPTCL, with a net true-up of Rs 338.96 crore recoverable from long-term open access users. Pension and terminal benefits rose to Rs 3,447.08 crore due to higher pensioners and dearness relief. Interest on working capital of Rs 97.50 crore was disallowed due to absence of loans. O&M expenses were approved at Rs 571.39 crore. Transmission capacity was revised to 21,382.61 MW, and non-tariff income adjusted to Rs 104.55 crore after excluding amounts under litigation.

MPERC approves Rs 4,552 crore capacity charges for MPPGCL

The Madhya Pradesh Electricity Regulatory Commission (MPERC) has approved net annual capacity charges of Rs 4,552 crore for Madhya Pradesh Power Generating Company Limited (MPPGCL) for FY 2024–25, slightly below the MYT allowance of Rs 4,574.72 crore, resulting in a marginal surplus.

Additional capitalisation of Rs 151.67 crore was approved against Rs 213.72 crore claimed. In the ERP project (e-GENCO), Rs 65.57 crore was allowed out of Rs 110.46 crore, with directions for completion of pending modules. Interest during construction was reduced to Rs 9.70 crore based on actual loan utilisation.

De-capitalisation of Rs 578.45 crore was approved, mainly due to retirement of Satpura TPS Phase-2 and Phase-3 units from September 30, 2024. Return on equity of Rs 807 crore was allowed at 15.50% for thermal and 16.50% for hydro assets. Depreciation of Rs 1,020.87 crore, interest on loans of Rs 702.22 crore, and interest on working capital of Rs 409.40 crore were approved. O&M expenses stood at Rs 1,613.60 crore, including a special allowance of Rs 75.70 crore for Sanjay Gandhi units.

On non-tariff income, 50% of Rs 103.64 crore from liquidated damages was directed to be passed to consumers. Total non-tariff income was approved at Rs 101.74 crore, with Rs 76.79 crore shareable with MPPMCL. The final true-up was Rs 4,199.51 crore against Rs 4,200.67 crore allowed, leaving a surplus of Rs 1.16 crore to be passed to MPPMCL and discoms in six monthly instalments during FY 2026–27.

Karnataka

KERC mandates demand flexibility targets for distribution companies

The Karnataka Electricity Regulatory Commission (KERC) has notified the Framework for Demand Flexibility and Demand Side Management Regulations, 2026, setting binding peak demand reduction targets for distribution licensees. Issued on March 10, 2026, the regulations replace the earlier KERC Demand Side Management Regulations, 2015.

Under the framework, distribution licensees must meet Demand Flexibility Portfolio Obligations based on the previous year's peak demand: 0.5% in FY 2026-27, rising annually to 2.0% by FY 2029-30. Licensees that exceed targets will receive an incentive of Rs 0.20 crore per MW overachieved; those that fall short will face a disincentive of the same amount per MW.

Each licensee is required to establish a dedicated Demand Flexibility and DSM Cell to manage implementation and reporting. Programme portfolios and action plans must be submitted alongside multi-year tariff filings, with annual updates included in performance review submissions. All programmes must pass a cost-effectiveness screen and be aligned to reduce overall tariffs.

Priority areas for programmes include time-based pumping for irrigation and water supply, smart electric vehicle charging, behind-the-meter battery storage, heat pumps and thermal storage in buildings, efficient refrigeration and cold storage, appliance replacement, consumer awareness, and load management for high-consumption devices such as air conditioners.

Cost-effectiveness is evaluated in two stages. Programmes must first pass the Total Resource Cost test, demonstrating a positive net present value of benefits. Those clearing this threshold are then assessed under the Ratepayer Impact Measure test to confirm that implementation does not adversely affect tariffs.

For measurement and verification, licensees must empanel Independent Verification Agencies with Bureau of Energy Efficiency-accredited professionals. Accepted methods include direct measurement, deemed savings for standardised programmes, and time-series data analysis. Licensees are required to publish load research studies, programme plans, progress reports, and verification findings on their websites.

KERC proposes wind tariff ceiling of Rs 3.24/kWh for FY 2026-29

The Karnataka Electricity Regulatory Commission (KERC) has proposed a ceiling tariff of Rs 3.24 per kWh for wind power projects for the period April 2026 to March 2029. The rate is Rs 0.10 lower than the existing ceiling of Rs 3.34 per unit, set in July 2023 and expired on March 31, 2026.

The ceiling serves as the upper limit for competitive e-reverse bidding and for payments against banked energy procured by distribution licensees. Wind power procurement in Karnataka is conducted through competitive bidding, with the generic tariff functioning as a reference benchmark.

In arriving at the revised figure, KERC drew on two international cost studies. The International Renewable Energy Agency's Renewable Power Generation Costs 2024 report records a 55% decline in global installed costs for onshore wind between 2010 and 2024, including a 12% drop in the most recent year, alongside an improvement in capacity factors from 26% to 39%. The National Renewable Energy Laboratory's Cost of Wind Energy Review 2024 projects a 32% reduction in capital expenditure and a 31% fall in operations and maintenance costs for land-based wind, attributed to advances in turbine manufacturing and maintenance practices.

KERC noted that most state commissions, including the Central Electricity Regulatory Commission, no longer determine generic tariffs for wind projects and rely instead on competitive bidding for price discovery. Based on available cost data, the Commission has derived a levelised tariff of Rs 3.24 per unit for the next three-year control period. Stakeholder comments are invited and may be submitted to the Commission's Secretary in Bengaluru.

KERC extends discounted energy scheme, allows open access users

The Karnataka Electricity Regulatory Commission (KERC) has extended the Discounted Energy Rate Scheme for FY 2026-27 and FY 2027-28, and revised eligibility to allow participation by open access consumers. The order, issued on March 31, 2026 following a request from Bangalore Electricity Supply Company, removes an earlier condition that required participants to relinquish open access and wheeling arrangements.

Consumers under tariff categories HT-2a, HT-2b, HT-2c1, HT-3a, and HT-5, including those with open access arrangements, are now eligible to opt in. However, open access participants in the scheme will not be entitled to the additional 20% contract demand that is otherwise available without penalty for exceeding sanctioned load.

Existing participants enrolled under Tariff Order 2025 conditions will continue under the original terms for their contracted open access quantum but will similarly not qualify for the 20% contract demand benefit. For new participants, base consumption will be calculated as the average monthly consumption over FY 2024-25 and FY 2025-26. Where two full years of data are not available, a minimum of six months of consumption data will be used. All other terms of the scheme remain unchanged per Tariff Order 2025.

Uttar Pradesh

UPERC clears UPPCL BESS tender, adopts tariffs for NVVN project

The Uttar Pradesh Electricity Regulatory Commission (UPERC) has approved bidding documents for a 375 MW / 1,500 MWh standalone Battery Energy Storage System (BESS) procurement by UPPCL and adopted tariffs for a separate 250 MW / 1,000 MWh BESS project procured by NTPC Vidyut Vyapar Nigam Limited (NVVN). Both projects are supported by Viability Gap Funding under Ministry of Power schemes.

While approving UPPCL's proposal, the Commission recorded "extreme displeasure" over discrepancies in filings. It found that the Battery Energy Discharge Purchase Agreement submitted to UPERC differed from the version uploaded on the bidding portal, including a 15-month compensation clause against the 6-month limit under Ministry of Power guidelines. UPERC also noted that UPPCL claimed State Government approval for four deviations from standard bidding documents, whereas only three had been approved in the government's March 9 communication. The proposed restriction on Alternative Investment Funds was not cleared. UPPCL submitted an unconditional apology, citing an inadvertent error. UPERC allowed the three approved deviations, rejected the AIF restriction, and directed UPPCL to file corrected documents before proceeding.

For the NVVN project at the 400/220 kV Garautha substation in Jhansi, tariffs were discovered through a July 2025 e-reverse auction with 11 bidders. Sunsure Energy was awarded 125 MW at Rs 6.64/kWh and Enerica Infra 3 secured 125 MW at Rs 6.65/kWh. UPPCL will procure power under a 15-year arrangement, with commissioning targeted for February 2027.

UPERC observed that the discovered tariffs are lower than a comparable Bihar tender at about Rs 8.44/kWh, while noting structural differences between the two models. It approved a trading margin of 7 paise/kWh for NVVN and clarified that GST on this margin will not be payable separately by UPPCL.

The Uttar Pradesh Electricity Regulatory Commission (UPERC) has issued notices to all seven discoms, including Noida Power Company Limited and Torrent Power, over delays in restoring supply after automatic disconnections of smart prepaid meters. Managing directors have been directed to submit detailed data for February 1 to March 20, 2026 within 15 days. The action follows a petition alleging that around 5.79 lakh consumers were disconnected between March 13 and 18 due to negative prepaid balances. UPERC did not dispute the disconnections but found that supply was not restored for several hours in many cases after recharge, in violation of the Standard of Performance Regulations, 2019. The Commission also noted law-and-order concerns arising in some areas. The state has installed over 74 lakh smart prepaid meters, with about 69.6 lakh consumers on prepaid mode. At the time, around 5.84 lakh consumers had negative balances totalling about Rs 1,753 crore. UPERC has sought data on restoration timelines, reasons for delays, and the number of consumers eligible for compensation. Further action will be taken after review of submissions.

Bihar

BERC revises tariffs, rejects hike; expands ToD applicability

The Bihar Electricity Regulatory Commission (BERC) has approved revised tariffs for North Bihar Power Distribution Company (NBPDCL) and South Bihar Power Distribution Company (SBPDCL) for FY 2026–27, effective April 1, 2026. The Commission simplified tariff structures, rejected a proposed increase of 35 paise/kWh, and expanded mandatory Time-of-Day (ToD) tariffs.

Multiple slabs in Domestic II, Non-Domestic I, and Non-Domestic II categories have been merged into single slabs, with energy charges set at the lower of earlier rates. This results in effective reductions of Rs 1.53/kWh for Domestic II, Rs 0.42/kWh for Non-Domestic I, and Rs 1.20/kWh for Non-Domestic II consumers. Fixed charges have been reduced in select segments, including Non-Domestic II consumers with contract load up to 0.5 kW, where charges fall to Rs 150 per connection per month from Rs 200, and Low Tension Industrial Service Categories I and II, where fixed charges decline by Rs 10/kVA per month. The Commission also rejected the proposal to increase the billing demand threshold from 75% to 85%.

ToD tariffs apply mandatorily from April 1 to all consumers with contract demand above 10 kW, except agriculture, and to all non-agricultural consumers with smart meters irrespective of load. The framework provides a 20% rebate during solar hours and a 20% surcharge during peak evening hours.

The order introduces a green tariff option at an additional Rs 0.68/kWh for renewable energy supply and includes mushroom farming within the agricultural category, including operations using powered equipment.

BERC approved a net Aggregate Revenue Requirement of Rs 16,555.69 crore for NBPDCL and Rs 18,908.97 crore for SBPDCL, including trued-up balances for FY 2024–25. The average cost of supply is Rs 8.89/kWh for NBPDCL and Rs 8.42/kWh for SBPDCL. Distribution loss targets are set at 11.97% and 15.91%, respectively. The order is valid until March 31, 2027.

BERC issues draft Supply Code 2026, mandates prepaid smart meters

The Bihar Electricity Regulatory Commission has issued the draft Bihar Electricity Supply Code, 2026, replacing the 2007 code and subsequent amendments. The draft mandates smart prepaid meters for all new connections, with any exception requiring prior Commission approval. Consumers may procure meters and associated equipment from approved vendors or opt for licensee supply against a security deposit. Disconnection due to exhausted prepaid balance will not be treated as regulatory disconnection, and supply will resume automatically upon recharge.

The code prescribes timelines for new connections from the existing network: 3 days in metropolitan areas, 7 days in other municipal areas, 15 days in rural areas, and 30 days in hilly rural terrain. Where a network extension or a substation is required, the timeline is 90 days. Delays attract penalties of up to Rs 1,000 per day, except in force majeure cases. For loads up to 150 kW in electrified areas, self-certification of installations is permitted in place of mandatory inspection.

Billing is to be based on actual meter readings, with delivery at least 10 days before the due date, along with SMS or email alerts and same-day online upload. At least one year of billing history must be available online. Cash payments are capped at Rs 5,000.

For meter disputes, testing is required within 30 days of complaint, with a check meter to be installed within five days and observed over at least three months. No testing fee is payable where the defect is not attributable to the consumer.

For non-payment, disconnection requires 15 working days' notice, and reconnection after payment is to be completed within six working hours. Licensees are required to compute SAIFI, SAIDI, and CAIDI and pay compensation for failure to meet guaranteed standards, without recovery through the annual revenue requirement.

The code will take effect upon publication in the official gazette.

BERC rejects SJVN's Rs 540 crore startup power refund claim

The Bihar Electricity Regulatory Commission (BERC) has dismissed a petition by SJVN Thermal Private Limited seeking a refund of about Rs 540 crore paid to SBPDCL for startup power during commissioning of Unit 1 of the 1,320 MW Buxar Thermal Power Project.

The order is dated March 2, 2026.

SJVN had executed a high-tension agreement for 25 MVA at 400 kV, with supply at SBPDCL's Naubatpur Grid Substation, about 126 km from the project. Between May 2024 and March 2025, SBPDCL billed around Rs 565 crore, which SJVN paid under protest.

SJVN contended that actual drawal was 2–5 MW, while metering at Naubatpur reflected about 90 MVA due to reactive power effects over the long transmission line.

BERC held that such reactive power implications were foreseeable and should have been assessed before execution of the agreement. Having accepted the metering arrangement at energisation and continued drawal without objection, SJVN could not seek relief on agreed terms.

The Commission also noted that the agreement provides for arbitration under the Indian Contracts Act, 1872, and that contractual disputes cannot be bypassed through regulatory proceedings. The refund claim was rejected in full. The order does not cover the separate supply arrangement at the 220 kV Karamnasa Grid.

BERC sets RE tariffs; clears Rs 3.25/kWh Kajra solar+BESS

The Bihar Electricity Regulatory Commission (BERC) has determined generic levelised tariffs for biomass, bagasse cogeneration, MSW, and refuse-derived fuel projects, and approved a provisional tariff for a solar-plus-storage project at Kajra.

In its March 2, 2026 suo motu order, BERC set tariffs applicable from April 1, 2025. Tariffs range from Rs 6.48/kWh for MSW Rankine cycle projects with accelerated depreciation to Rs 10.35/kWh for biomass projects using rice straw or juliflora. Bagasse cogeneration is set at Rs 7.77–7.95/kWh and biomass gasifiers at Rs 9.49–9.63/kWh, depending on depreciation benefits.

Normative parameters include a 70:30 debt-equity ratio, 10.99% interest rate, and 14% pre-tax return on equity. Biomass fuel cost is fixed at Rs 4,472.72/metric tonne for FY 2025–26 with 3.45% annual escalation. Developers are required to forgo additional depreciation claims.

In a separate order dated March 16, 2026, BERC approved a provisional tariff of Rs 3.25/kWh for BSPGCL's 185 MW solar project with a 282 MWh battery energy storage system at Kajra, Lakhisarai, against a petitioned Rs 3.40/kWh.

The project achieved partial commissioning in October 2025 with 66 MW synchronised at 132 kV, while the battery system is yet to be commissioned. About 25% of daily generation is allocated for charging, with discharge of around 45.4 MW during the 6 PM to 10 PM peak window. The provisional tariff applies from partial commissioning until final determination after full commissioning and cost audit.

Delhi

DERC rejects BSES revised tariff claims of Rs 3,552 crore

The Delhi Electricity Regulatory Commission (DERC) has rejected revised tariff filings by BSES Rajdhani Power Ltd. (BRPL) and BSES Yamuna Power Ltd. (BYPL), holding that additional claims of about Rs 3,552 crore are not maintainable under the prevailing regulatory framework.

The discoms had filed petitions in November 2024 for true-up up to FY 2023-24 and ARR for FY 2025-26. While admitting the petitions in December 2025, DERC allowed limited supplementary affidavits confined to claims arising from appellate decisions already decided in their favour. Instead, both utilities filed revised affidavits seeking to expand their claims and include past-period costs with carrying cost, including amounts linked to disputes not yet decided in their favour.

DERC held that the revised filings exceeded the scope of liberty granted. It ruled that petitions under the DERC Tariff Regulations, 2017 and Business Plan Regulations, 2023 cannot be used to seek relief under central rules while state regulations remain in force.

On the Appellate Tribunal for Electricity (APTEL) order of December 2025, DERC noted it is binding but does not automatically invalidate existing state regulations. Referring to PTC India Ltd. v. CERC, the Commission held that APTEL does not have jurisdiction to test the validity of regulations framed by state commissions. As the validity of DERC's regulations is under challenge before the Delhi High Court, the issue should be decided there.

On ARR for FY 2025-26, DERC observed that the year is nearly complete and tariffs continue under the September 2021 order, leaving no basis to consider fresh ARR claims. The discoms may proceed with true-up for FY 2023-24 based on their original November 2024 petitions.

DERC phases out additional surcharge for open access consumers over four years

The Delhi Electricity Regulatory Commission has amended its open access regulations to gradually eliminate the additional surcharge for open access and General Network Access consumers, with the charge reducing to zero over four years from the date such access is first granted. The changes, notified as the DERC (Terms and Conditions for Open Access) (Second Amendment) Regulations, 2026, modify the Principal Regulations of 2005 by inserting four provisos to Regulation 12(1).

The first proviso establishes the phase-out mechanism: the surcharge reduces on a linear basis beginning from the year access is granted and reaches zero after four continuous years of availing. The second proviso bars consumers from claiming refunds, adjustments, or recovery of surcharges already levied under the existing framework. The third provides that open access consumers are exempt from the surcharge to the extent their contract demand is maintained with the distribution licensee. The fourth limits the surcharge's applicability to consumers who are, or have been, consumers of the concerned distribution licensee.

An explanatory note clarifies that GNA and Temporary-GNA carry the same meanings as defined in the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.

DERC extends business plan norms to FY27, resets loss targets

The Delhi Electricity Regulatory Commission has extended the Business Plan Regulations, 2023 for one additional year through FY 2026-27, effective April 1, 2026, with all operational and financial parameters carried over unchanged from FY 2025-26.

The only revision concerns distribution loss targets, which have been reset to the actual levels each utility achieved in FY 2024-25: 6.63% for BSES Rajdhani, 6.57% for BSES Yamuna, and 5.61% for Tata Power Delhi Distribution. NDMC, which did not submit actual loss data, has been assigned 6.63%, corresponding to the highest figure among the three distribution companies.

DERC noted that at already low loss levels, further reductions would require materially higher effort, and that maintaining targets at achieved levels is appropriate in the absence of additional operational or financial allowances. The existing incentive and penalty framework remains in place.

Renewable Purchase Obligation targets are not covered under this extension and continue to be governed by the DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2025, notified in October 2025.

Andhra Pradesh

APERC approves FY27 tariffs with no hike, Rs 15,790 crore gap funded

The Andhra Pradesh Electricity Regulatory Commission has approved tariffs for FY 2026–27 without any increase across consumer categories, after the state government committed to fund a revenue gap of Rs 15,790.57 crore. The March 25, 2026 order also completes the FY 2024–25 true-up for APSPDCL, APCPDCL, and APEPDCL.

The discoms had projected a deficit of Rs 17,508.17 crore. APERC approved a lower gap of Rs 15,790.57 crore, to be met through state support. The approved aggregate revenue requirement is Rs 59,158.29 crore against expected revenue of Rs 44,901.89 crore. The utility-wise gaps are Rs 7,551.97 crore for APSPDCL, Rs 4,465.20 crore for APCPDCL, and Rs 3,773.40 crore for APEPDCL. About 1.13 crore domestic consumers will see no tariff change. Around 22 lakh agricultural consumers will continue to receive free power, while another 22 lakh consumers from Scheduled Castes, Scheduled Tribes, and economically weaker sections will receive subsidised or free electricity through direct benefit transfer. Commercial tariffs have been reduced from Rs 12.25 to Rs 9.95 per kWh.

The order introduces a separate tariff category for solar module manufacturing units and reclassifies water purification plants and printing presses under industrial tariffs. Proposals to revise Time of Day tariffs and introduce non-telescopic billing for small consumers were rejected. The FY 2024–25 true-up, including fuel and power purchase cost variations, has been completed without additional burden on consumers. APERC has directed discoms to clear pending subsidy dues and departmental payments in line with RDSS timelines.

APERC removes FPPCA cap, shifts to monthly cost pass-through

The Andhra Pradesh Electricity Regulatory Commission has removed the Rs 0.40 per kWh ceiling on fuel and power purchase cost adjustment (FPPCA), allowing full pass-through of actual monthly cost variations. The change, effective April 1, 2026, was notified through the Eighth Amendment to the 2005 Tariff Regulation on March 17, 2026.

The fixed cap is replaced by a formula-based mechanism linked to actual power purchase cost, sales, and transmission losses. FPPCA will be billed with a lag of two months (N+2): costs incurred in April will be reflected in July bills. The Commission revised this timeline from an earlier proposal following concerns over delays in finalising agricultural consumption data.

Adjustments will be recovered or refunded automatically without prior approval. Licensees are required to publish detailed calculations on their websites at least one week before billing.

A forfeiture provision applies to delayed recovery. If a licensee misses the billing window without force majeure, the amount is forfeited and excluded from annual true-up. Delayed refunds to consumers will be adjusted in the true-up.

Power purchase costs will be allocated based on actual draw, while costs from distributed renewable energy projects will be assigned to the host licensee. APERC has retained annual loss targets under Multi-Year Tariff orders and rejected a proposal for separate monthly loss norms.

APERC clears 500 MW BESS, caps NHPC margin at 0.5%

The Andhra Pradesh Electricity Regulatory Commission has approved procurement of 500 MW battery energy storage system (BESS) capacity for 12 years and capped the trading margin payable to NHPC Limited at 0.5% of capacity charges. It rejected NHPC's claim for a 7 paise/kWh margin as unjustified.

Projects will be set up at three substations. Patel Infrastructure Limited will develop 225 MW at the 400 kV Jammalamadugu substation at Rs 2,08,000 per MW per month. ACME Solar Holdings will set up 225 MW at the 400 kV Ghani substation at Rs 2,22,000 per MW per month and 50 MW at the 220 kV Kuppam substation at Rs 2,10,000 per MW per month. APERC estimated storage cost for the Ghani project at about Rs 1.85/kWh, based on two daily cycles at 85% round-trip efficiency.

On trading margin, APERC held that BESS involves a service model rather than energy resale, with discoms supplying and drawing back the same energy. It found NHPC's role administrative under fixed-capacity contracts, with no material financial or operational risk due to payment security through letters of credit and state guarantees. The margin was therefore capped at 0.5% in line with Ministry of Power guidelines.

The Commission upheld the procurement process, noting participation of 17 bidders with 15 qualifying technically and tariffs discovered through a June 24, 2025 e-reverse auction. It rejected calls to defer procurement for lower battery prices, citing delays to capacity addition. The 12-year term was upheld as aligned with cost recovery and the operational life of lithium iron phosphate systems.

APERC drafts resource adequacy rules with binding planning norms

The Andhra Pradesh Electricity Regulatory Commission has issued draft Resource Adequacy Regulations, 2026, mandating distribution licensees to prepare rolling plans over one, five, and ten years covering demand forecasting, resource assessment, and procurement strategy.

The draft requires demand forecasts at hourly or sub-hourly intervals using time series, econometric, or AI-based methods. It introduces reliability metrics such as Loss of Load Probability and Normalised Energy Not Served, and requires maintenance of a Planning Reserve Margin above the state's share of national peak demand. Licensees are required to demonstrate 100% contracted capacity for the first year and at least 90% for the second year.

Capacity credit will be determined using a net load-based approach. For renewable energy, credit will be based on contribution during peak net load hours using five years of historical data. Prior Commission approval is required for all long-term and medium-term power purchase agreements. Short-term procurement without prior approval is permitted only in specified cases such as grid stability requirements or SLDC directions, with reporting within 15 days. The framework provides for non-compliance charges and performance-linked incentives tied to reliability and cost optimisation. Each licensee is required to establish a dedicated resource adequacy planning cell within three months of notification, along with a separate cell for real-time procurement and market operations. The draft will override the 2000 guidelines on load forecasting and procurement. Stakeholder comments have been invited.

Jharkhand

JSERC approves FY27 tariffs across utilities, sets solar incentives

The Jharkhand State Electricity Regulatory Commission (JSERC) has approved revised tariffs effective April 1, 2026 for JBVNL, DVC, and Tata Steel's Jamshedpur supply area. The orders also introduce rooftop solar tariffs, green energy charges, and metering incentives.

JBVNL: Modest hike after lower ARR approval

Urban domestic tariffs rise to Rs 7.40 per unit from Rs 6.85, while rural domestic tariffs increase to Rs 7.20 from Rs 6.70. Commercial tariffs above 5 kW increase to Rs 6.70 (rural) and Rs 7.30 (urban), with Rs 8 per unit set for select urban establishments. Agricultural tariffs remain unchanged.

JSERC approved a 6.12% overall increase, against JBVNL's 59% proposal. ARR for FY 2026–27 is set at Rs 10,832.70 crore versus a claim of Rs 12,678.17 crore. For FY 2025–26, ARR is Rs 8,261.21 crore against Rs 11,411.08 crore. A 13% distribution loss target has been set, and meter rent has been waived.

JUSNL transmission: five-year plan approved

JSERC has approved JUSNL's business plan for FY 2026–27 to FY 2030–31, with provisional true-up for FY 2024–25 and performance review for FY 2025–26. Demand is projected to rise from about 14,424 MU to over 17,533 MU by FY 2030–31.

The approved ARR for FY 2026–27 includes about Rs 212 crore for O&M, Rs 232 crore for depreciation, and Rs 123 crore for interest and finance charges. Funding will include state loans at around 13% and multilateral financing near 2.5%. JSERC directed adherence to timelines and filing based on audited data.

DVC: 40% hike approved with category-wise variation

JSERC approved a 40% revision against DVC's 45% proposal. LT domestic tariffs decline marginally to Rs 4.25 per unit from Rs 4.30, while LT commercial tariffs increase to Rs 4.80 from Rs 4.30. HT domestic tariffs rise sharply to Rs 5.30 per kVAh from Rs 3.80, with fixed charges increasing to Rs 115. Industrial tariffs rise by Rs 1.70–1.80 per unit, with fixed charges increased to Rs 450. A regulatory asset surcharge of Rs 0.35 per kWh applies across categories except agriculture and irrigation.

Tata Steel supply area: limited increase approved

Domestic tariffs in Jamshedpur increase by 20–50 paise per unit. Consumption up to 100 units is priced at Rs 3.30, and above 100 units at Rs 5.50. Fixed charges rise to Rs 40 and Rs 75 respectively.

HT domestic tariffs increase to Rs 5.75 per unit with fixed charges of Rs 110. Commercial tariffs rise to Rs 6.50 per unit with Rs 150 fixed charges. Industrial LT fixed charges remain unchanged, while energy charges rise to Rs 6.00 per unit. HT industrial tariffs are set at Rs 6.50 per unit with Rs 450 fixed charges. Agricultural tariffs remain unchanged. JSERC approved a 4.74% increase against a 12% proposal.

Solar and green energy provisions

JSERC has set rooftop solar tariffs at Rs 4.16 per unit under gross metering and Rs 3.80 per unit under net metering. A green energy tariff of Rs 0.95 per unit applies for JBVNL consumers, while DVC consumers will pay the base tariff plus Rs 0.45 per unit. A 3% rebate on energy charges is available for prepaid consumers, along with a 2% rebate for payments made within five days of billing.

Assam

AERC admits APDCL plan for rooftop solar peer-to-peer trading

The Assam Electricity Regulatory Commission (AERC) has admitted a petition by Assam Power Distribution Company Limited (APDCL) to introduce peer-to-peer (P2P) rooftop solar trading. By its March 7, 2026 order, the Commission directed APDCL to publish draft guidelines and invite stakeholder comments for at least 15 days before final approval.

The proposed framework allows residential consumers with rooftop solar to sell surplus power directly to other households. The pilot will be launched in Guwahati in phases, with participation limited to low-tension domestic consumers with connected load up to 10 kW. Expansion to other areas will depend on operational experience.

AERC has capped the P2P transaction price at 90% of the lowest Domestic-A base tariff in the applicable tariff order, replacing APDCL's proposal of a fixed Rs 6.29 per kWh. Trading will be permitted from 11:00 AM to 9:00 PM, with settlement on the following day. Surplus energy not sold during the window will be adjusted under the net metering framework at the average power purchase cost at the end of the financial year.

APDCL indicated that the platform will be developed using existing infrastructure without initial capital expenditure and integrated with billing and metering systems. No transaction or service charges will apply during the initial phase.

The utility has proposed amendments to the AERC (Grid Interactive Solar PV Systems) Regulations, 2019 to enable participation by residential consumers up to 10 kW, and confirmed compliance with national cybersecurity standards, including audits under the Indian Computer Emergency Response Team framework.

APDCL has been directed to publish the draft guidelines in newspapers and on its website and to submit stakeholder comments with responses within one week after the consultation period. Final approval will follow Commission review.

AERC retains FY27 tariffs across Assam, cites marginal surplus

The Assam Electricity Regulatory Commission (AERC) has approved tariff orders for APDCL, APGCL, AEGCL, and the State Load Despatch Centre (SLDC) for FY 2026–27, with no change in retail tariffs across consumer categories. The orders are effective from April 1, 2026.

AERC found that APDCL recorded a revenue surplus of Rs 5.41 crore against the deficit projected in its filings. The impact was assessed at 0.4 paise per kWh, which the Commission considered insufficient to warrant a tariff revision. The approved average cost of supply is Rs 9.06 per kWh. State subsidies continue to support key categories.

Under the Jeevan Dhara scheme, consumers will pay Rs 3.35 per kWh against a cost of Rs 5.34 per kWh. Domestic consumers with consumption up to 120 units will pay Rs 4.25 per kWh.

The Time of Day tariff structure remains unchanged, with a 20% discount from 9 AM to 5 PM and a 20% surcharge from 5 PM to 10 PM. Electric vehicle charging tariffs are retained at Rs 8.72 per kWh for low-tension connections and Rs 8.35 per kWh for high-tension connections. AERC has approved a generation tariff of Rs 6.29 per kWh for APGCL and a transmission charge of Rs 0.45 per kWh for AEGCL, along with the SLDC tariff framework.

AERC sets three-year reliability targets for APDCL to FY28

The Assam Electricity Regulatory Commission (AERC) has prescribed a three-year trajectory for system reliability indices for Assam Power Distribution Company Limited (APDCL) up to FY 2027–28, with quarterly reporting mandated.

For the System Average Interruption Duration Index (SAIDI), rural outage duration is to reduce from 810 minutes per month in FY 2025–26 to 765 minutes per month by FY 2027–28, with an intermediate target of 785 minutes for FY 2026–27. Urban SAIDI is to decline from 386.43 minutes per month to 350 minutes per month over the same period, with a FY 2026–27 target of 367 minutes.

For the System Average Interruption Frequency Index (SAIFI), rural outages are to reduce from 11.53 interruptions per month in FY 2025–26 to 10.00 by FY 2027–28, with a FY 2026–27 target of 10.18. Urban outage frequency is to improve from 7.99 interruptions per month to 6.12, with an intermediate target of 6.76 for FY 2026–27.

The framework has been issued under Rule 10 of the Electricity (Rights of Consumers) Rules, 2020. APDCL has been directed to meet the trajectory and submit quarterly reliability data to the Commission for monitoring.

The Assam Electricity Regulatory Commission (AERC) has approved tariff orders for APDCL,

Chhattisgarh

CSERC notifies resource adequacy rules with 10-year planning horizon

The Chhattisgarh State Electricity Regulatory Commission (CSERC) has notified the CSERC (Framework for Resource Adequacy) Regulations, 2026, effective March 18, 2026. The regulations establish a structured approach to demand forecasting, capacity planning, and procurement compliance for generating companies, distribution licensees, the State Load Despatch Centre (SLDC), transmission utilities, and other grid-connected entities.

The framework adopts a 10-year rolling horizon. Distribution licensees are required to prepare Long-Term plans for 10 years and Medium-Term plans up to five years, while SLDC will prepare Short-Term plans up to one year. Planning is anchored in reliability metrics, including Loss of Load Probability, Normalized Energy Not Served, Planning Reserve Margin, and Capacity Credit.

Distribution licensees are required to undertake multi-method demand forecasting using techniques such as trend analysis, end-use modelling, ARIMA, econometric models, and machine learning. Forecasts are to incorporate demand-side measures, open access, distributed resources, electric vehicles, time-of-day pricing, and policy drivers, and must include at least three scenarios. Submissions are due to SLDC by April 21 annually, with state-level aggregation to be submitted to the Central Electricity Authority and National Load Despatch Centre by May 31.

The regulations define a net-load-based approach for renewable capacity credit using peak load hours, with separate treatment for thermal and hydro resources. Licensees are required to submit capacity credit computations to SLDC by May 21 each year.

Procurement is to be aligned with reliability targets, with 75–80% of demand met through long-term contracts, 10–20% through medium-term contracts, and the balance through short-term sources, excluding Day-Ahead Market purchases from adequacy calculations. All procurement is to follow Ministry of Power competitive bidding guidelines, and prior Commission approval is required for long-term and medium-term power purchase agreements.

Resource adequacy plans are to be submitted to the Central Electricity Authority by September 30 annually, with Commission approval within 45 days. Distribution licensees are required to establish dedicated planning and round-the-clock operations cells within three months, maintain at least 10 years of historical data, and share relevant data with SLDC. Non-compliance may attract charges as determined by CSERC.

CSERC waives feeder rule for solar open access, grants exemption

The Chhattisgarh State Electricity Regulatory Commission (CSERC) has amended its Connectivity and Intra-State Open Access Regulations, 2026 to allow consumers sourcing power from in-state distributed renewable energy (DRE) solar projects to avail open access without a dedicated feeder. The amendment, effective March 18, 2026, modifies Clause 5(5) of the principal regulations and applies subject to load limits under the DRE framework.

In a separate order dated March 11, 2026, CSERC granted a project-specific exemption from the dedicated feeder requirement to Shivalik Engineering Industries Limited and its group captive users. The exemption permits drawal from a 50 MW captive solar project at Katalbod, Bemetara, through existing common distribution feeders, covering drawal points in Bhilai and Mahasamund.

The approval is subject to installation of Availability Based Tariff-compliant meters with Automatic Meter Reading capability and Remote Terminal Units for real-time data at all drawal points. The petitioners are required to submit undertakings to CSPDCL and CSPTCL and will not be entitled to compensation for outages, maintenance, or shutdowns. CSPTCL has confirmed technical feasibility for power transfer from the 220/132 kV Bemetara substation to the identified locations.

The amendment and the exemption order together remove a key network constraint for intra-state solar procurement while retaining metering and operational safeguards.

The Assam Electricity Regulatory Commission (AERC) has approved tariff orders for APDCL,

Punjab

PSERC cuts FY27 tariffs by 50 paise/unit, Rs 7,852 crore relief

The Punjab State Electricity Regulatory Commission (PSERC) has reduced tariffs across all consumer categories for FY 2026–27, effective April 1, 2026, providing aggregate relief of Rs 7,851.91 crore.

The base rate has been reduced by 50 paise per unit to Rs 1.50 per unit.

The reduction is supported by a decline in the average cost of supply from Rs 7.15 per kWh to Rs 6.15 per kWh, enabling tariff cuts without expanding the revenue gap beyond prudence limits. Domestic tariffs decrease by 55 paise to Rs 1.55 per unit. Commercial consumers see reductions of 50–79 paise per unit, and ndustrial consumers 12–75 paise per unit across sub-categories.

PSERC has set EV charging tariffs at Rs 5 per kVAh. Existing subsidies continue, including free supply up to 300 units for domestic consumers and free power for agricultural pump sets, with a combined annual subsidy exceeding Rs 20,000 crore.

Punjab State Power Corporation Limited had projected a revenue deficit of Rs 453 crore. PSERC approved a revenue requirement of Rs 48,996.28 crore but did not pass the deficit to consumers. The order remains in force until March 31, 2027.

PSERC proposes June–May banking cycle for green open access

The Punjab State Electricity Regulatory Commission (PSERC) has issued a draft amendment to shift the banking settlement cycle for green energy open access consumers and captive renewable users from a financial year basis to a June 1–May 31 period. The draft, dated March 16, 2026, is yet to be finalised.

The proposal, forming the 13th Amendment to the Intra-state Open Access Regulations, 2011, addresses implementation issues following the introduction of monthly carry-forward under the 10th Amendment in June 2023. The revised cycle would allow an additional two months to utilise banked energy before lapse.

The draft also extends the scope of Regulation 28(6) to include captive users of renewable energy-based generating plants connected to the intra-state network, in addition to green energy open access consumers.

A transitional provision extends the FY 2025–26 settlement period to May 31, 2026, avoiding lapse of banked energy on March 31. Any surplus beyond this date will be governed by the Green Energy Open Access Amendment Rules, 2023.

Aligned changes have been proposed under the draft PSERC (Harnessing Captive Power Generation) (1st Amendment) Regulations, 2026. Comments are invited by April 20, with a public hearing scheduled for April 22 in Chandigarh.

PSERC amends Supply Code on unauthorised use, abandoned colonies

The Punjab State Electricity Regulatory Commission (PSERC) has notified amendments to its Electricity Supply Code on March 17, 2026, revising the treatment of unauthorised consumption and establishing a framework for releasing connections in colonies where promoters have defaulted.

For unauthorised use, PSERC has introduced a three-stage escalation. Where demand exceeds sanctioned contract demand by more than 10% in a billing cycle, the licensee is required to issue a notice within seven days of bill generation. Demand surcharge applies for the first instance and for any breach in the immediately following cycle. Only subsequent recurrence leading to a tariff category change qualifies for booking under unauthorised use. Charges are to be computed on a pro-rata basis over a 30-day billing cycle.

The amendment replaces Regulation 16 to address electrification of abandoned colonies. Where promoters fail to obtain or comply with no-objection certificate conditions, the licensee is required to report the matter to the competent authority under the Punjab Apartment and Property Regulation Act with cost estimates. If no action follows within three months, the licensee may approach a court or authority. A colony may be treated as abandoned where the promoter's licence is suspended or cancelled, or where the three-month period lapses and residents seek connections.

Connection release is permitted through defined routes. Where a bank guarantee exists, the licensee will complete low-tension works and charge only standard service connection charges. Where partial connectivity exists without a guarantee, the licensee will complete works at its own cost. Where resident groups undertake works, connections will be released on payment of service connection charges and development charges of Rs 3,000 per kW or Rs 2,850 per kVA.

PSERC has rejected a proposal to levy additional connectivity charges of Rs 4,600 per kVA on such consumers, holding it disproportionate. It clarified that residents cannot be denied supply due to promoter default, while promoter liabilities remain recoverable separately.

In a separate amendment, PSERC has linked the interest rate on advance payments to the one-month marginal cost of funds-based lending rate of the State Bank of India as on April 1 each year, minus 1%, subject to a ceiling of 7.50%.

The Punjab State Electricity Regulatory Commission (PSERC), by order dated March 2, 2026, has clarified computation of bank guarantees and system loading charges when a distribution franchisee shifts supply from 66 kV to 11 kV. Bank guarantees under revised NOCs will exclude load already covered by completed and verified LT infrastructure. For loading charges, where the original NOC was at 11 kV, charges apply only to incremental demand. Where the original NOC was at 66 kV and partial connectivity is later taken at 11 kV, charges apply to total combined demand. Franchisees with contract demand below 70% of estimated load may continue at existing levels until revision, after which the 70% threshold will apply.

The Assam Electricity Regulatory Commission (AERC) has approved tariff orders for APDCL,

Kerala

KSERC finalises resource adequacy rules with firm renewable credit method

The Kerala State Electricity Regulatory Commission (KSERC) has notified the final Resource Adequacy Framework Regulations, 2026, after issuing draft regulations in February and holding a public hearing on February 25, 2026. The final framework incorporates stakeholder inputs from KSEB Limited (KSEB), Indian Institute of Technology Kanpur (IIT Kanpur)'s Centre for Energy Regulation, and buyer licensees including the Thrissur Corporation Electricity Department, and adds specificity on renewable capacity credit and planning timelines.

On capacity assessment, KSERC has finalised the methodology for calculating capacity credit of renewable energy. The regulations adopt the "Top Net Load Hours" approach, under which licensees are required to identify the top 250 hours of annual gross load and compute net load by subtracting actual wind or solar generation during those periods. The capacity credit factor is then derived as the ratio of scheduled generation to installed capacity during these high-demand hours. The regulations also note that the Expected Load Carrying Capability method may be introduced at a later stage as data availability improves.

The framework also establishes a structured annual planning calendar. Distribution licensees are required to submit demand forecasts to the State Load Dispatch Centre (SLDC) by April 30, with subsequent stages of review, aggregation, and procurement planning extending through the year. Any identified capacity shortfall is to be addressed by March of the following year, including through participation in national-level procurement or auction mechanisms.

To strengthen planning robustness, the regulations mandate the use of Monte Carlo simulations for modelling uncertainties. These simulations are to capture forced outages, variability in renewable capacity utilisation factors, and different demand and hydrological scenarios, enabling more reliable long-term capacity planning.

The final regulations formalise a data-driven approach to resource adequacy, with defined methodologies and timelines intended to align demand forecasting, procurement planning, and system reliability requirements across the state.

Himachal Pradesh

HPERC sets FY27 solar tariffs at Rs 3.34–3.52/kWh for up to 5 MW

The Himachal Pradesh Electricity Regulatory Commission (HPERC) has notified generic levelised tariffs for solar PV projects up to 5 MW for FY 2026-27, in the range of Rs 3.34–3.52/kWh. The order was issued on March 31, 2026.

Tariffs remain differentiated by capacity and location. For projects outside urban and industrial areas, rates are Rs 3.47/kWh (up to 1 MW), Rs 3.40/kWh (1–3 MW), and Rs 3.34/kWh (3–5 MW). For urban and industrial locations, tariffs are Rs 3.52/kWh, Rs 3.46/kWh, and Rs 3.40/kWh respectively. The approved rates are marginally lower than FY 2025-26 levels.

HPERC has set the normative capital cost for a 3–5 MW rural project at Rs 335.79 lakh/MW. Module cost is based on USD 0.0745/W, converted at a six-month average exchange rate of Rs 88.15/USD and increased by 30% for duties and related costs. The reduction in GST on solar equipment from 12% to 5% has been factored in. Cost premiums of 5% (up to 1 MW) and 2.5% (1–3 MW) apply for smaller projects.

The Commission retained the CUF at 21%, rejecting requests to lower it for hilly terrain. Auxiliary consumption and losses are set at 1.45% of gross generation. First-year O&M is fixed at Rs 10.96 lakh/MW with an annual escalation of 3.84%.

A state royalty of 5 paise/unit will be allowed as a pass-through for projects above 1 MW, computed on actual generation and payable to the state government.

Financial parameters include a 70:30 debt-equity ratio, post-tax return on equity of 14% (grossed up to 16.81% for the first 20 years and 19.40% for the next five years), and an interest rate of 10.80%. The levelisation discount factor is 9.66%.

The tariffs apply to PPAs executed between April 1, 2026 and March 31, 2027 for projects commissioned by March 31, 2028. They exclude procurement through SECI or competitive bidding under Section 63, and net-metered rooftop systems.

HPERC sets FY27 free power rate at Rs 2.73/kWh

The Himachal Pradesh Electricity Regulatory Commission (HPERC) has fixed the rate for sale of the state government's free power to Himachal Pradesh State Electricity Board Limited (HPSEBL) at Rs 2.73/kWh for FY 2026-27, up from Rs 2.70 in FY 2025-26.

The rate is determined as the higher of HPSEBL's average power purchase cost (APPC) and the ex-bus tariff of generating stations, weighted by the quantum of free power. For FY 2026-27, APPC for FY 2025-26 is estimated at Rs 2.66/kWh. HPSEBL is expected to receive about 548.23 MU of free power, with a notional value of around Rs 149 crore.

The Commission noted that HPSEBL currently receives free power only from stations directly connected to its system, while allocations from other stations have not been provided by the state government. It observed that since hydro tariffs are determined after excluding the free power component, consumers bear the cost without receiving the benefit. HPERC has urged the state government to allocate the maximum possible quantum of free power to HPSEBL.

HPERC cuts FY27 tariffs by 1 paise/unit, sets ACOS at Rs 6.75

The Himachal Pradesh Electricity Regulatory Commission (HPERC) has approved a reduction of 1 paise/unit in energy charges across all consumer categories for FY 2026-27. The average cost of supply (ACOS) for Himachal Pradesh State Electricity Board Limited (HPSEBL) is set at Rs 6.75/unit, marginally lower than Rs 6.76 in the previous year.

HPERC has approved an aggregate revenue requirement (ARR) of Rs 8,636.16 crore for FY 2026-27, up from Rs 8,403.25 crore in FY 2025-26, driven by true-up for FY 2023-24 and a mid-period review under the multi-year tariff (MYT) framework.

For domestic consumers, lifeline usage up to 60 units/month is priced at Rs 4.71/kWh. Other domestic consumption is charged at Rs 5.44/kWh up to 125 units and Rs 5.89/kWh thereafter.

Agricultural tariff is Rs 5.03/kWh. Commercial tariffs range from Rs 6.20 to Rs 6.39/kWh depending on load, while EV charging is set at Rs 6.78/kWh. Large industrial consumers at EHT (220 kV and above) have a tariff of Rs 5.45/kWh.

For two-part tariffs, energy charges will be billed in Rs/kVAh. The revised tariffs are effective from April 1, 2026.

The Assam Electricity Regulatory Commission (AERC) has approved tariff orders for APDCL,

Haryana

HERC keeps Haryana power tariffs unchanged for FY 2026-27

The Haryana Electricity Regulatory Commission (HERC) has retained electricity tariffs for FY 2026-27, effective April 1, 2026, covering 83.79 lakh consumers.

The decision follows ARR filings by Uttar Haryana Bijli Vitran Nigam (UHBVNL) and Dakshin Haryana Bijli Vitran Nigam (DHBVNL), which projected a combined revenue gap of Rs 4,484.71 crore. HERC declined a tariff increase and directed the discoms to address the gap through operational measures, including improved billing and collection, tighter receivables management, optimised power procurement, and reduction in distribution losses.

HERC has set UHBVNL's distribution loss target at 9.3% and directed both utilities to strengthen feeder-level monitoring. It also emphasised reinforcement of the Haryana Power Purchase Centre and expansion of demand-side management measures.

For agriculture, the Commission approved a subsidy of Rs 7,870.32 crore. Farmers will pay 10 paise/unit against an average cost of Rs 7.48/unit. Eligible applicants for tubewell connections have been allowed a one-time load enhancement until May 31, 2026.

On consumer measures, HERC directed rollout of EV charging infrastructure in key cities and approved a 5% rebate on energy and fixed charges for prepaid smart meter users.

HERC approves Rs 240 crore HVPNL ARR, waives FY27 reactive charges

The Haryana Electricity Regulatory Commission (HERC) has approved an aggregate revenue requirement (ARR) of about Rs 240.18 crore for Haryana Vidyut Prasaran Nigam Limited (HVPNL) for FY 2026-27.

The costs will be recovered through transmission tariffs, with Dakshin Haryana Bijli Vitran Nigam (DHBVNL) bearing about 53.5% and Uttar Haryana Bijli Vitran Nigam (UHBVNL) about 44.6%, while Northern Railways and select industrial consumers account for the balance.

HERC also finalised the true-up for FY 2024-25, approving a revenue gap of about Rs 88.72 crore. Interest on working capital was allowed based on actuals, and claims relating to employee expenses and foreign exchange variation were examined. HVPNL achieved transmission availability of 99.5965%, above the normative 99.20%.

For the State Load Dispatch Centre (SLDC), operated by HVPNL, the Commission approved a true-up of Rs 3.36 crore for FY 2024-25, lower than the earlier approved Rs 9.24 crore due to higher non-tariff income.

HERC has directed that no reactive energy charges will be levied on discoms for FY 2026-27, citing a surplus of over Rs 50 crore in the reactive energy pool account as of September 2025. The order took effect from April 1, 2026.

Telangana

TSERC revises wheeling tariffs for TGSPDCL, TGNPDCL

The Telangana Electricity Regulatory Commission (TSERC) has approved revised wheeling tariffs for FY 2026-27 for Southern Power Distribution Company of Telangana Limited (TGSPDCL) and Northern Power Distribution Company of Telangana Limited (TGNPDCL), while finalising the true-up for FY 2024-25.

In the true-up, TGSPDCL reported a net ARR of Rs 5,234.92 crore, higher by Rs 545.18 crore than earlier approved. TGNPDCL also recorded increased costs, mainly due to employee expenses, including dearness allowance revisions, medical reimbursements, and repairs following flood damage.

TSERC conducted prudence checks and disallowed employee-related costs that had already been capitalised, preventing double recovery.

For FY 2026-27, both utilities have proposed capital investments, including conversion of overhead lines to underground cables in urban areas, which will increase wheeling charges. Stakeholders raised concerns on tariff impact and transparency during January 2026 hearings.

The Commission has directed both utilities to maintain separate accounts for wheeling and retail supply to avoid cross-subsidisation and improve cost attribution.

TSERC proposes load-based charges for new HT connections

The Telangana Electricity Regulatory Commission (TSERC) has issued a draft third amendment to its regulations on licensees' duty to supply electricity, proposing load-based service line charges for new high-tension (HT) connections at 11 kV and 33 kV. Comments were invited until March 12, 2026.

The draft extends a per-kVA charging framework, introduced earlier for low-tension connections, to HT consumers. Proposed charges are Rs 3,500/kVA for 11 kV overhead lines and Rs 8,000/kVA for 11 kV underground cables. For 33 kV connections, rates are Rs 7,000/kVA for overhead lines and Rs 12,000/kVA for underground cables.

The framework applies where supply is drawn from a common feeder within 20 km of the existing electrified network. For mixed infrastructure, charges will be apportioned based on the length of overhead and underground lines.

The amendment also proposes to dispense with individual site inspection and detailed cost estimation under relevant clauses of the principal regulations for connections covered by this framework. No final order has been issued.

Arunachal Pradesh

APSERC notifies intra-state open access regulations 2026

The Arunachal Pradesh State Electricity Regulatory Commission has notified the APSERC (Terms and Conditions of Intra-State Open Access) Regulations, 2026, establishing the framework for open access to the state transmission and distribution systems. The regulations define eligibility, access categories, timelines, charges, and operational procedures.

Consumers and generators of 5 MW and above are eligible for connectivity to the intra-state transmission system, while those between 1 MW and below 5 MW may connect at the distribution level. Generating stations below 1 MW are also permitted connectivity to the distribution system. The framework provides three access categories: short-term (up to one month), medium-term (three months to three years), and long-term (12 to 25 years). The State Transmission Utility (STU) will act as the nodal agency for medium- and long-term access, and the State Load Dispatch Centre (SLDC) will process short-term applications.

Approval timelines are set at 5–7 working days for short-term access, while long-term access involving system augmentation may take 120–180 days. Application fees range from Rs 5,000 to Rs 2 lakh, depending on capacity, access type, and network.

Open access users will pay transmission and wheeling charges, cross-subsidy surcharge, and additional surcharge where applicable, along with scheduling and system operation charges. Short-term transactions will also attract a composite operating charge of Rs 2,000 per day per transaction payable to SLDC. Transmission and distribution losses will be settled in kind. Long-term users relinquishing access before expiry will pay 66% of the estimated transmission charges for the stranded period.

The regulations introduce congestion-based electronic bidding for short-term access where demand exceeds capacity. Existing users will continue under current agreements for their term. STU and SLDC have been directed to publish procedures and network availability within three months of the regulations coming into force.

APSERC issues FY27 tariff order, introduces green and TOD tariffs

The Arunachal Pradesh State Electricity Regulatory Commission has issued its tariff order for the Department of Power for April 1, 2026 to March 31, 2027, covering true-up for FY 2024-25, annual performance review for FY 2025-26, and ARR and retail tariff approval for FY 2026-27.

The order introduces a green tariff option for consumers opting for renewable energy and a separate tariff category for electric vehicle charging stations. Time-of-day (TOD) tariffs have been formalised with differential peak and off-peak rates. Retail tariffs across consumer categories have been determined based on audited accounts and cost assessments.

The Commission noted a gap between tariff revenue and total expenditure, to be met through government grants. It applied multi-year tariff principles in determining tariffs.

APSERC flagged high Aggregate Technical and Commercial (AT&C) losses and directed the Department to expand metering of unmetered consumers and replace defective meters to improve billing. It also directed improvements in load forecasting and power procurement planning.

The tariff petition was filed in November 2025, with public hearings held in January 2026. The order is effective from April 1, 2026.

APSERC sets FY27 small hydro tariffs up to 1 MW

The Arunachal Pradesh State Electricity Regulatory Commission (APSERC) has determined levelised generic tariffs for small hydro projects up to 1 MW for FY 2026-27, the final year of the FY 2024-27 control period. The order was issued on March 31, 2026 under the Renewable Energy Tariff Regulations, 2024.

For projects without government support, tariffs are set at Rs 7.14/kWh for capacities below 500 kW and Rs 5.97/kWh for 500 kW to below 1 MW. For projects fully funded through central or state support, tariffs are Rs 2.53/kWh and Rs 1.90/kWh respectively.

Projects with partial funding are excluded from the generic framework and will require project-specific tariff determination.

APSERC has retained earlier capital cost norms at Rs 1,400 lakh/MW for projects below 500 kW and Rs 1,236 lakh/MW for the 500 kW to 1 MW range. Other parameters remain unchanged, including a 70:30 debt-equity ratio, loan interest rate of 10.73%, and capacity utilisation factor of 45%.

The order completes tariff determination for small hydro projects under the current control period.

The Assam Electricity Regulatory Commission (AERC) has approved tariff orders for APDCL,

Uttarakhand

UERC rejects tariff hike, finds FY27 surplus under existing rates

The Uttarakhand Electricity Regulatory Commission (UERC) has declined any tariff increase for FY 2026-27, rejecting UPCL's proposed hike of 17–40%. The Commission revised the annual revenue requirement (ARR) downward and found a surplus under existing tariffs, removing the basis for revision.

UPCL had projected an ARR of Rs 14,731.98 crore with a revenue gap of Rs 2,183.90 crore, citing higher costs and losses. UERC reduced the ARR to Rs 12,489.54 crore and approved a cost of supply of Rs 7.60/unit. Based on expected sales of 16,444 MU, it projected revenue of Rs 12,590.41 crore, resulting in a surplus of Rs 100.87 crore. Total energy requirement is estimated at 19,524 MU, with a distribution loss target of 12.2%. Cross-subsidy levels remain within ±20% in line with the National Tariff Policy.

While retaining tariffs, UERC introduced consumer measures. A green tariff of Rs 0.39/unit has been approved. Prepaid consumers will receive a 3–4% rebate on energy charges. Payment incentives include 1.5% for digital payments and 1% for other modes. High-voltage consumers with load factor above 50% are eligible for concessions.

UERC has also directed UPCL to implement smart metering within a defined timeline.

UERC fixes additional surcharge at Rs 1.05/unit for Apr–Sep 2026

The Uttarakhand Electricity Regulatory Commission (UERC) has fixed the additional surcharge for open access consumers at Rs 1.05/unit for April 1, 2026 to September 30, 2026. The order, dated March 30, 2026, was issued on a petition filed by Uttarakhand Power Corporation Limited (UPCL).

The surcharge is levied under Section 42(4) of the Electricity Act, 2003 to recover fixed costs that remain stranded due to migration of consumers to open access. UPCL submitted that it had contracted power for its entire consumer base, and subsequent migration left it with unavoidable fixed cost obligations.

For April–September 2025, UPCL reported open access energy of 241.97 MU and stranded energy of 241.93 MU at the state periphery. It identified six generating stations as sources of stranded costs, estimating fixed cost at Rs 57.67 crore. Stakeholders contested the applicability, methodology, and existence of stranded power.

UERC recalculated stranded energy on a slot-wise basis, taking the lower of open access and surrendered power to isolate the impact of migration. It derived stranded energy of 266.67 MU at the state periphery. After applying transmission losses of 1.03% and distribution losses of 12.75%, stranded energy at the consumer level was computed at 230.27 MU, with a weighted fixed cost of Rs 1.07/unit and total stranded cost of Rs 24.56 crore.

Based on open access consumption of 233.37 MU at the consumer level, UERC determined the additional surcharge at Rs 1.05/unit for the applicable period.

Meghalaya

MSERC cuts MePDCL ARR to Rs 1,076 crore, revises FY27 tariffs

The Meghalaya State Electricity Regulatory Commission (MSERC) has approved an ARR of Rs 1,076.17 crore for Meghalaya Power Distribution Corporation Limited (MePDCL) for FY 2026-27, sharply lower than the utility's claim of Rs 1,456.40 crore, and notified revised tariffs effective April 1, 2026.

The Commission reduced power purchase cost to Rs 1,082.90 crore and transmission charges to Rs 230 crore. It disallowed procurement from higher-cost gas-based plants and approved 220 MU of short-term power at Rs 2.90/kWh. Sales were revised to 1,694.20 MU against the claimed 2,195.79 MU, with distribution losses set at 16%. At existing tariffs, this yielded a surplus of Rs 68.28 crore, which reduces to about Rs 25,000 after tariff revision.

MSERC approved sale of 708.19 MU of surplus power outside the state at Rs 7.00/kWh. The average cost of supply is set at Rs 8.17/kWh.

Retail tariffs have been revised across categories. Domestic LT consumers will pay Rs 90/kVA/month with energy charges of Rs 5.00/unit (first 100 units), Rs 5.04 (next 100), and Rs 5.10 beyond 200 units. Commercial LT tariff is Rs 170/kVA/month and Rs 7.45/kWh. HT industrial tariff is Rs 340/kVA/month and Rs 5.55/kVAh, and EHT industrial tariff is Rs 500/kVA/month and Rs 6.60/kVAh.

The EV charging tariff has been reduced to Rs 6.00/kWh. The green tariff continues with a premium of Rs 0.30/kWh. Wheeling charges are set at Rs 2.68/kWh. Cross-subsidy surcharge is Rs 0.95/kWh for HT and Rs 1.47/kWh for EHT consumers, with ferro alloy units exempted. The additional surcharge is provisionally set at Rs 2.11/kWh for April–September 2026. Time-of-day tariffs continue for HT and EHT consumers, with a 20% premium during evening peak hours and a 15% discount during night off-peak hours. The renewable purchase obligation for FY 2026-27 is set at 35.95%, equivalent to 725.07 MU.

The MSERC has finalised the true-up for Meghalaya Power Distribution Corporation Limited (MePDCL) for FY 2024-25, determining a revenue gap of Rs 307.27 crore. The Commission approved an ARR of Rs 1,306.36 crore against revenue of Rs 1,020.33 crore, lower than the claimed Rs 1,401.37 crore.

Power purchase cost was reduced to Rs 1,240.07 crore from Rs 1,268.31 crore. The Commission disallowed Rs 23.12 crore under Fuel and Power Purchase Adjustment Surcharge, citing non-passing of benefits to consumers. Repair and maintenance expenses were sharply revised, with Rs 4.38 crore approved against Rs 28.04 crore claimed. An amount of Rs 23.66 crore was reclassified as capital expenditure and added to fixed assets. MSERC approved AT&C losses at 10.88% and did not impose any penalty.

The Commission held that Rs 468 crore received under the UDAY scheme does not qualify as non-tariff income, as it relates to past loss restructuring. The approved gap of Rs 307.27 crore will be carried forward for adjustment in a future tariff order.

Odisha

OERC keeps tariffs flat for FY 2026-27, trims transmission charges

The Odisha Electricity Regulatory Commission (OERC) has retained retail electricity tariffs for FY 2026-27 at existing levels, extending a freeze that has continued for five years. The tariff structure remains unchanged from FY 2025-26, when the Commission had reduced rates by 10 paisa per unit for certain domestic consumer categories.

On the transmission side, the Commission reduced the approved charge for Odisha Power Transmission Corporation Limited (OPTCL) from 25.5 paise per unit to 24 paise per unit for FY 2026-27. For bulk supply, OERC approved procurement by the Grid Corporation of Odisha Limited (GRIDCO) of 49,893 million units (MU) against projected sales of 41,109 MU. The resulting surplus of about 8,000 MU is to be sold in the open market. The Commission directed that revenue from these surplus sales be used to offset a recognised revenue gap of Rs 664 crore.

OERC also acknowledged GRIDCO's accumulated losses since 2015 and permitted adjustment against proceeds from surplus power sales. The Commission noted an increase of 6.83 paise per unit in GRIDCO's average power purchase cost but decided not to pass this impact through to retail tariffs at this stage.

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