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-LAW IN ACTION



Legal Updates

The Hon'ble Supreme Court, in *Ramayana Ispat Pvt. Ltd. & Anr. v. State of Rajasthan & Ors.*, Civil Appeal No. 7964 of 2019, has held that State Electricity Regulatory Commissions ("SERCs") are competent to regulate inter-state open access transactions if such transactions affect the intra-state electricity grid. It held that although the Central Electricity Regulatory Commission ("CERC") has jurisdiction over inter-state transmission under Section 79(1)(c) of the Electricity Act, 2003 ("2003 Act"), the Hon'ble Supreme Court clarified that this does not oust the powers of the SERC's under Sections 42, 86, and 181 of the Act, particularly when intra-State grid stability is affected.

The challenge pertained to the validity of the Rajasthan Electricity Regulatory Commission (Terms and Conditions for Intra-State Open Access) Regulations, 2016 ("**Impugned Regulations**") which, *inter-alia*, imposed restrictions on simultaneous drawal from the distribution licensee and under open access, and prescribed penalties for deviation from scheduled power. The appellants argued that these provisions were arbitrary and discriminatory, and that they infringed upon CERC's exclusive jurisdiction over inter-State open access.

The Hon'ble Supreme Court, however, upheld the findings of the Ld. High Court of Rajasthan and affirmed that the RERC had acted within its statutory powers under Sections 42(2), 42(3), and 181 of the 2003 Act. It held that the Impugned Regulations were framed by RERC in valid exercise of these powers. The requirements relating to scheduling, imposition of penalties, and restrictions on drawal were held to be neither arbitrary nor ultra vires, but rather regulatory measures intended to ensure grid discipline, maintain stability, and promote fair competition. The 2003 Act envisions a structured and equitable framework for open access, while safeguarding against practices prejudicial to the broader consumer base. Furthermore, under Section 42 of the 2003 Act, the State Commission is expressly empowered to regulate open access in distribution and to specify the applicable charges and conditions.

Supreme Court affirms State Commissions' Power to Regulate Inter-State Open Access if it impacts Intra-State Grid

Accordingly, the Hon'ble Supreme Court upheld the validity of the Impugned Regulations and dismissed the appeal, holding that State Commissions are within their jurisdiction to regulate open access transactions involving inter-state supply, where it has an impact on the intra-state grid.

In *National Agricultural Co-operative Marketing Federation of India Limited v. Roj Enterprises (P) Ltd. & Ors.*, Commercial Arbitration Appeal No. 15/2024, while deciding a Commercial Arbitration Appeal under Section 37 (1) (c) of the Arbitration and Conciliation Act, 1996 ("AC Act"), vide Judgment dated 07.03.2025, the Bombay High Court observed that:

- (a) Interference under Section 34 of the AC Act on the ground of patent illegality is permissible if
 - i. the decision is found to be perverse or so irrational that no reasonable person would have arrived at such decision; or
 - ii. the construction of the contract is such that no fair or reasonable person could take such view; or
 - iii. the finding has been arrived at by ignoring vital evidence; or
 - iv. a matter not within the jurisdiction of the Arbitrator is decided.
- (b) Jurisdiction under Section 37 of the AC Act is akin to the jurisdiction under Section 34 of the AC Act and is restricted to the same grounds of challenge.
- (c) While the scope for interference under Section 34 (2) of the AC Act would be limited, it would nevertheless be necessary for the Court to examine the challenge as raised on such permissible grounds.
- (d) The Court would be expected to assign some reasons for either accepting such challenge or for turning down the same.
- (e) The Court would not be justified in refusing to examine specific challenges raised to the award on the grounds on which it can be set aside merely by stating that the scope of interference was limited.
- (f) The order passed under Section 34 of the AC Act ought to indicate consideration of the challenges raised on the touchstone of the said provision and briefly indicate the reasons for either accepting the same or negating such challenge.

The Appeal arose from a judgment passed by the District Judge dismissing the application filed by the Appellant under Section 34 of the AC Act challenging the award passed by the Arbitrator. The High Court quashed and set aside the judgment passed by the District Judge based on the aforesaid observations.

In *M/s Greenbilt Industries Private Limited v. M/s A B Dinesh Concrete Private Limited, AP (COM) No. 421/2024*, while deciding an Application for appointment of an Arbitrator, vide Judgment dated 27.03.2025, the Calcutta High Court has held that an arbitration clause in a Memorandum of Understanding ("MOU") that was not finalized cannot serve as the basis for invocation of the arbitration proceedings.

The Respondent wanted to acquire the Petitioner's manufacturing unit at Karga village. The parties arrived at an oral agreement with respect to the same, after which the parties reduced the terms and conditions of the substantive agreement into a MoU.

As per the Petitioner, since it did not raise any objection to the final draft MoU circulated via email, the same should be treated as the final MoU and the conduct of the parties clearly displayed such intention. Further, disputes arose between the parties as the Respondent failed to pay the balance of the agreed advance, remaining consideration upon MoU finalization and occupational charges, after which the Respondent abandoned the plant without any notice. Moreover, despite the parties mutually agreeing to invoke the arbitration clause contained in the MoU, neither the Respondent

Bombay High Court observes that even though the scope for interference under Section 34 (2) of the Arbitration and Conciliation Act, 1996, would be limited, it would nevertheless be necessary for the Court to examine the challenge as raised on such permissible grounds and assign reasons for acceptance or rejection

Calcutta High Court observes that an arbitration clause contained in an incomplete / draft Memorandum of Understanding cannot be treated as an enforceable clause

nor its appointed Arbitrator attended the hearing and the tribunal's mandate stood terminated. As per the Petitioner, the arbitration clause in the MoU constituted a valid and binding arbitration clause in terms of Section 7 (4) (b) of the Arbitration and Conciliation Act, 1996.

As per the Respondent, the MoU had not been executed between the parties and various blank spaces had been left in the draft MoU, which were never filled up by the parties, and the parties did not sign the same.

The High Court observed that the MoU was at the draft stage as it contained various blank spaces with regard to vital information (identity of the representatives, loan amount availed by the Respondent, modalities of takeover, outstanding liability, etc.), last page was not signed by the parties and the witnesses, and schedules to the MoU were blank. Although the alleged draft MoU contained an arbitration clause, it was neither finalized nor executed between the parties. Thus, the arbitration clause could not be said to be binding and could not be treated as an enforceable clause.

The Court further observed that it could not act as the referral court as no part of the cause of action arose within its jurisdiction and the mere receipt of a draft MoU at the Petitioner's office would not confer jurisdiction on it.

MP High Court has declined to exercise Writ jurisdiction against an order passed by the Electricity Ombudsman considering the fact that a remedy of appeal was available under the Madhya Pradesh Electricity Act

In *Kanhaiya Lal Parmar v. State of Madhya Pradesh and Others*, 2025 SCC OnLine MP 2670, the Petitioner invoked the Writ jurisdiction of the High Court under Article 226 of the Constitution of India against an order passed by the Electricity Ombudsman, Madhya Pradesh Electricity Regulatory Commission on the ground that the matter arose out of a contract between the parties.

A preliminary objection was raised by the Respondent regarding the maintainability of the Petition on the ground that an efficacious alternate remedy by way of an appeal was available under Section 111 of the Madhya Pradesh Electricity Act, which remained unexhausted. Vide Order dated 25.03.2025, the High Court held that it was not a fit case to entertain under Article 226 of the Constitution of India considering the fact that a remedy of appeal was available to the Petitioner.

Ministry of Power invites comments on the Draft Amendment to Electricity (Transmission System Planning, Development and Recovery of Inter State Transmission Charges) Rules, 2021

The Ministry of Power (“**MOP**”) vide notification dated 28.03.2025 has invited comments from the stakeholders on the Draft Amendment in Electricity (Transmission System Planning, Development and Recovery of Inter State Transmission Charges) Rules, 2021 (“**Draft Amendment**”). The comments in word file may also be emailed at transdesk-mop@nic.in by 26.04.2025.

In terms of the Draft Amendment, it has been provided that the Central Government may delegate powers to the National Committee on Transmission and Central Transmission Utility for approving ISTS projects subject to the cost limits specified by the Central Government from time to time. The Draft Amendment can be accessed from the following [Link1](#)

Central Electricity Authority issues Advisory on co-locating energy storage with solar power projects

The Central Electricity Authority (“**CEA**”) in terms of letter dated 18.02.2025 issued ‘Advisory on co-locating Energy Storage Systems with Solar Power Projects to enhance grid safety and cost efficiency’ (“**Advisory**”). Salient features of the Advisory are as follows:

1. It underlines the importance of energy storage systems (“**ESS**”) to ensure grid stability and the intermittency challenges of the renewable projects.
2. In terms of the National Electricity Plan published by the CEA, India would require around 74 GW / 411 GWh of storage capacity in integrate solar power and wind power by FY 2031-32.
3. The Renewable Energy Implementing Agencies and the State Utilities have been advised to incorporate a minimum of 2-hour co-located ESS, equal to 10 per cent of the installed solar project capacity, in future solar tenders.

4. A suitable compliance mechanism may also be explicitly mentioned in the bid document to ensure the availability of storage during non-solar hours.
5. Distribution licensees may also consider mandating 2-hour storages with rooftop solar plants as well.
6. The ESS can run either in single cycle operation where it is charges using the co-located solar power or in double cycle operation where it can also be charged using grid energy.

Apart from the above, CEA in terms of Clarification dated 01.04.2025 has further clarified that all the ongoing schemes of the Central Government (including PM Surya Ghar Muft Bijli Yojna) will continue to be governed by the existing provisions of the schemes. The CEA Advisory can be accessed from the following [Link 2](#)

CERC has invited suggestions and objections to the proposal to grant license for inter-State trading in electricity made by Visan Infrastructure Private Limited

Visan Infrastructure Private Limited (“**VIPL**”) has made an application before the Central Electricity Regulatory Commission (“**CERC**”) for the grant of a Category-V licence for inter-State trading in electricity across India.

CERC is *prima facie* satisfied that VIPL qualifies for the grant of the license and by order dated 26.03.2025, it has proposed to grant the same to VIPL.

CERC has, vide public notice dated 27.03.2025, invited suggestions and objections to the said proposal latest by **11.04.2025**. The application is fixed for final disposal on **14.04.2025**.

The public notice can be accessed from the following [Link 3](#)The application filed by VIPL can be accessed from the following [Link 4](#)

CERC has invited suggestions and objections to the proposal to establish the ‘Transmission system for evacuation of power from Rajasthan REZ Ph-IV’ made by POWERGRID Bikaner IV Transmission Limited

POWERGRID Bikaner IV Transmission Limited has made an application before CERC to establish the ‘Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-3: 6GW) [Bikaner complex]: Part A’ on a Build, Own, Operate and Transfer basis.

CERC has, vide order dated 22.03.2025, proposed to issue a transmission license for establishment of the transmission system.

CERC has, vide public notice dated 21.03.2025, invited suggestions and objections to the said proposal by **11.04.2025**. The application is fixed for further hearing on **15.04.2025**.

The public notice can be accessed from the following [Link 5](#)

CERC has issued a public notice on the Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025

CERC has issued the Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Fourth Amendment) Regulations, 2025 on 03.03.2025 keeping in view the imminent requirement to consider access during solar hours and non-solar hours for optimum utilization of transmission system apart from a few other changes.

The name of the proposed participant has to be submitted by **07.04.2025** and the public hearing will be held on **09.04.2025 at 10 A.M.**

The draft Regulations can be accessed from the following [Link 6](#)The public notice can be accessed from the following [Link 7](#)

The Himachal Pradesh State Electricity Board Limited (“**HPSEBL**”) had filed a Petition before CERC seeking direction against NLDC for issuance of Renewable Energy Certificates (“**RECs**”) for the period FY 2019-20, FY 2020-21 and FY 2021-22.

CERC has invoked its 'Power to relax' under Regulation 18 of the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022, by relaxing the timelines stipulated under the same for issuance of Renewable Energy Certificates to HPSEBL

HPSEBL had procured surplus Non-Solar RE for FY 2019-20, FY 2020-21 and FY 2021-22 in excess of the Non-Solar RPO specified by the State Commission. It was accredited by the State Agency from 05.04.2016 to 04.04.2021 and was registered for the period 11.07.2016 to 10.06.2021.

HPSEBL faced significant procedural delays during the re-accreditation and re-registration due to several reasons, including due to pending petitions, authentication issues, and technical challenges while submitting information, etc.

NLDC denied RECs to HPSEBL for FY 2019-20 and FY 2020-21 on the ground that the application was received when HPSEBL's registration had expired. Further, NLDC denied REC to HPSEBL for FY 2021-22 on the ground that HPSEBL had not submitted its application within the prescribed limit of 3 months from the end of the financial year.

Vide order dated 31.03.2024, CERC has held that the delay in re-accreditation and re-registration is purely procedural in nature and a procedural law may not be an impediment in achieving the real object of the law i.e., promotion of generation of renewable energy. It invoked its 'Power to relax' under Regulation 18 of the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022, to achieve the objective of the Regulations by relaxing the timelines stipulated under the same. NLDC has been directed to issue RECs to HPSEBL after due verification and satisfying itself that it meets all conditions and has submitted all the required documents.

The order dated 31.03.2025 can be accessed from the following [Link 8](#)

CERC issued directions to NLDC to mitigate the risks on India's power system after Grid-India submitted a report that persistent high-frequency operation was observed on 3 days in August 2024

In the matter of '**Measures to mitigate the risks on the power system under Clauses (2) and (3) of the Regulation 30 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023**', *Suo-Motu Petition No. 2/SM/2025*, Grid-India submitted a report to CERC that persistent high-frequency operation was observed on 3 days in August 2024 in India's power system, with frequency remaining above 50.05 Hz, due to several reasons, including but not limited to suppressed demand due to widespread rains and weekend, over-injection by VRE sources, lack of DOWN reserves at the interstate level, inadequate flexibility of intra-state thermal generating stations and under drawl, etc.

As per CERC (Indian Electricity Grid Code) Regulations, 2023, the National Reference Frequency is 50.000 Hz, and the allowable band of frequency is 49.900 Hz - 50.050 Hz. Further, NLDC, RLDC and SLDC shall endeavour that the grid frequency remains close to 50.000 Hz, and in case the frequency goes outside the allowable band, they shall ensure that the frequency is restored within the allowable band of 49.900 Hz - 50.050 Hz at the earliest. Accordingly, all users of the grid are required to maintain their drawl as per schedule to ensure frequency remains within the specified band.

In view of the same, after analysing the material on record, CERC issued the following directions vide Order dated 29.03.2025:

- (a) As a pilot, NLDC shall identify regional entity thermal generating stations, whose tariff is determined by CERC, to be operated in two-shift operation, in consultation with the owner(s) of such thermal units and CEA. To start with, rail-fed 500 MW Units may preferably be selected under the pilot. NLDC is directed to identify such pilot thermal units and issue a detailed procedure for operating such units under a two-shift cycle within 2 months. The Detailed Procedure shall contain the guidelines regarding operational aspects, including scheduling, dispatch, accounting, settlement, compensation on account of expenses due to two-shift operation (including start-up cost, heat rate, etc.), and any residual matter. The same shall be shared with stakeholders and submitted to CERC for approval.
- (b) Under the pilot, units operating under two shifts shall be paid incentive at 20 paise/kwh for the down reserve created (below the Minimum Turndown Level) for the hours it is kept off-bar during the day.
- (c) NLDC and the owner(s) of the thermal generating units selected for this pilot project are directed to apprise CERC regarding the experience gained in the form of a feedback report covering all the aspects within 1 month of completion of the 6 months of pilot operation. For

this purpose, the owner(s) shall maintain a record of extra expenditure incurred by it due to operating two shifts, including operational parameters, wear and tear of units on this account.

- (d) NLDC to furnish the PRAS response given by REGS (which is mandated to provide PRAS under the Grid Code and CEA Standards) during the high frequency events within 1 month.
- (e) NLDC to submit implementation modalities and suitable commercial mechanisms to facilitate such AGC services from REGS within 3 months after consultation with stakeholders.
- (f) CERC's staff to work out modalities for the implementation of ESS at thermal generating stations.

The order dated 29.03.2025 can be accessed from the following [Link 9](#)

The Gujarat Electricity Regulatory Commission (“**GERC**”) has issued the GERC (Terms & Conditions for Green Energy Open Access) (Second Amendment) Regulations, 2025, on 28.03.2025 to amend the GERC (Terms & Conditions for Green Energy Open Access) Regulations, 2024 (**‘Principal Regulations’**).

GERC has amended Regulation 17.6 (viii) of the Principal Regulations providing that the banking charge at Rs. 1.50 per unit shall be effective from the date of the said Regulations i.e., 01.04.2025 up to 30.09.2025 or earlier date on which GERC notifies such charges, after which the banking charge for the period starting from the separate notification by Regulations notified by GERC shall be applicable.

The amended Regulations can be accessed from the following [Link 10](#)

On 16.10.2024, the Government of Andhra Pradesh released the Integrated Clean Energy (ICE) Policy, 2024, which aims to establish Andhra Pradesh as a leader in clean energy, focusing on attracting investments and promoting sustainable development. The said policy targets achieving 50% cumulative electric power capacity from non-fossil fuel sources by 2030 and net-zero emissions by 2047. The said policy can be accessed from the following [Link 11](#)

In order to successfully implement the said policy, the Government proposed certain amendments *inter alia* to the following Regulations and requested APERC to incorporate the same:

- (a) APERC (Terms and Conditions of Open Access) Regulation, 2005. The draft amendment can be accessed from the following [Link 12](#)
- (b) APERC (Terms and Conditions for Determination of Tariff for Transmission of Electricity) Regulation, 2005.
- (c) APERC (The Grid Interactive Solar Rooftop Photovoltaic Systems under Net/Gross Metering) Regulation, 2023. The draft amendment can be accessed from the following [Link 13](#)

APERC has decided to make appropriate amendments to the said Regulations, except the Regulation at point (c) above. In view of the same, APERC has, vide its public notice dated 26.03.2025, invited suggestions and objections to the draft amendments to be submitted via email or post on or before **16.04.2025** for consideration. APERC has notified that the amendments will be finalised after the expiry of 21 days from the date of the public notice.

The public notice can be accessed from the following [Link 14](#)

On 28 March 2025, the Himachal Pradesh Electricity Regulatory Commission (HPERC) issued a comprehensive Tariff Order for FY 2025-26 in Petition No. 156/2024, filed by Himachal Pradesh State Electricity Board Limited (HPSEBL) under Sections 62, 64, and 86 of the Electricity Act, 2003, in line with the MYT Regulations of 2011 and 2023. This order addresses the final true-up of uncontrollable parameters for FY 2022-23, the provisional true-up for FY 2023-24, the true-up of controllable parameters for the 4th MYT period (FY 2020-2024), and the 1st Annual Performance

GERC issues GERC (Terms & Conditions for Green Energy Open Access) (Second Amendment) Regulations, 2025 to amend the Principal Regulations

APERC has issued a public notice inviting suggestions and objections to the draft amendments to various Regulations with a view to successfully implement the Integrated Clean Energy (ICE) Policy

HPERC Issues Tariff Order for FY 2025-26 with stringent compliance directions to HPSEBL

Review (APR) for the 5th MYT period (FY 2024–2029), along with approval of the Aggregate Revenue Requirement (ARR) and tariff for FY 2025-26. The Commission, while approving tariffs effective from 1 April 2025, expressed serious concerns over HPSEBL's persistent non-compliance with several critical directives. Notably, outstanding consumer dues have escalated to ₹405.76 crore, employee costs remain among the highest in the country, and the mandatory segregation of accounts by business units under the MYT Regulations, 2023, has not been implemented. Additional compliance lapses include delays in smart metering, ineffective control over T&D losses—exceeding 20% in several circles—and recurring delays in project execution, such as the Uhl-III HEP. The Commission has warned HPSEBL that continued non-compliance may lead to penal consequences under Sections 142 and 146 of the Electricity Act, and that any inefficiencies will not be passed on to consumers.

In line with its regulatory mandate, HPERC has issued explicit directions to HPSEBL:

- Submit a concrete action plan for recovery of outstanding dues and details of enforcement action taken against defaulters.
- Maintain separate, audited accounts for each business unit and certified Allocation Statements as per the 2023 MYT Regulations.
- Submit the auditor-certified Fixed Asset Register (FAR) on time.
- Accelerate the implementation of smart metering and submit loss reduction plans.
- Present an efficiency improvement plan aimed at reducing employee costs by 1% annually.
- Prohibit new recruitment except for technical roles, with prior Commission approval.
- Conduct periodic consumer awareness initiatives at least once per quarter.
- Submit status updates on the Uhl-III HEP commissioning.
- Account for transmission and distribution losses separately and provide detailed audits of circle-wise T&D losses.
- Submit a concrete plan to reduce T&D losses in circles with losses exceeding 20% and provide regular progress updates.

The Commission emphasized that any continued deviation from these directives will result in appropriate regulatory actions, including disallowance of costs and financial penalties.

RERC Approves Purchase of Power from Solar PV Plants under PM KUSUM SCHEME

The Rajasthan Electricity Regulatory Commission, Jaipur (**RERC**) vide order dated 02.04.2025 in Petition No. RERC/2282/2025 under section 63 (Determination of tariff by bidding process) of the Electricity Act 2003, read with regulation 19 and 21 of RERC (Transaction of Business), Regulations, 2021, has approved the purchase of power from solar PV plants in TN-09 for 25 years under Component-C of PM KUSUM Scheme in Petition filed by Jaipur Vidyut Vitran Nigam Limited (**JVVNL**).

The Order outlines the approved electricity tariffs and Annual Revenue Requirement (**ARR**) issued for the Financial Year 2023-24. It includes detailed analysis and approval process of JVVNL's proposals, covering aspects such as Projected Revenue, Power Purchase Costs, Distribution Losses, Capital Investment Plans, and Tariff Adjustments. The commission examined data including actual performance from previous years and applied prudence checks to determine justified expenditures.

A significant focus is placed on reducing Aggregate Technical and Commercial (**AT&C**) losses, improving supply reliability, and ensuring cost-reflective tariffs. The Order also discusses Consumer category-wise tariff revisions, promoting energy efficiency, and steps toward financial sustainability of the Discom.

Public objections and stakeholder feedback were considered before finalizing the approved tariffs. The order reflects RERC's commitment to balancing utility viability with consumer affordability, and emphasizes compliance monitoring, accountability, and long-term reforms in Rajasthan's power distribution sector.

The Madhya Pradesh Electricity Regulatory Commission (**MPERC**) vide order dated 29.03.2025 in Petition No.72 of 2024 published Aggregate Revenue Requirement and Retail Supply Tariff Order for FY 2025-26. The Order presents the MPERC Comprehensive Review and Approval of Electricity Tariffs proposed by the state's three distribution companies, Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited. MPPKVVCL (Indore), Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited. MPMKVVCL (Bhopal), and Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited. MPPoKVVCL (Jabalpur).

The order evaluates the Aggregate Revenue Requirement (ARR) submitted by each DISCOM, scrutinizing components such as Power Purchase Costs, Operation and Maintenance (O&M) expenses, Capital Investments, and Transmission Charges. After due diligence and prudence checks, the Commission makes adjustments to the claimed amounts, ensuring that only justified costs are passed on to consumers. The Tariff structure is revised with a focus on protecting low-income consumers, rationalizing cross-subsidies, and incentivizing efficiency.

Special attention is given to improving supply quality, reducing distribution losses, and promoting consumer-centric services. The order strikes a balance between ensuring financial sustainability for utilities and affordability for consumers, resulting in a moderate tariff revision across various consumer categories.

BERC, vide Tariff Order dated 28.03.2025 passed in Case Nos. 29/2024, 30/2024, 33/2024, and 34/2024, determines retail tariff for supply of electricity by North Bihar Power Distribution Company Limited ("**NBPDCL**") and South Bihar Power Distribution Company Limited ("**SBPDCL**") in there are of supply for Financial Year ("**FY**") 2025-26.

Key features of the Tariff Order are as follows:

- The average power purchase cost of DISCOMs (NBPDCL and SBPDCL) is computed as Rs.5.43/kWh including transmission cost. Whereas the Average Cost of Supply for DISCOMs is Rs.9.30/kWh for FY 2025-26.
- The BERC has set renewable power purchase obligation (RPO) target of 33.01%, 35.95%, and 38.81% of the total energy sales for the FY 2025-26, 2026-27, & 2027-28 respectively.
- It has introduced kVAh based tariff for NDS-I and NDS-II (Contract demand above 0.5 kW upto 70kW) consumers, i.e. demand charges in terms of Rs/kVA and energy charges in terms of Rs/kVAh.
- Time of Day ("**ToD**") tariff has been made applicable for all consumers (including all industrial and commercial consumers) having Contract Demand more than 10 KW (excluding Agriculture consumer). The evening peak hours, for the purpose of ToD tariff will be from 5 PM to 11 PM only.

MPERC published ARR and Retail Supply Tariff Order for FY 2025-26

BERC issues common Tariff Order for NBPDCL and SBPDCL determining retail tariff for FY 2025-26

- BERC has accepted the proposal to introduce “Green Tariff” so as to encourage consumption of clean energy in the State of Bihar. The “Green Tariff” approved will be incremental @Rs.0.42/kWh over and above the applicable tariff of respective category.

The Tariff Order can be accessed from the following link.

The Bihar Electricity Regulatory Commission (“BERC”), vide public notice dated 22.03.2025, has invited comments/ suggestions/ objections from General Public and Stakeholders on the draft Bihar Electricity Regulatory Commission (Renewable Purchase Obligations, its Compliance & REC Framework Implementation) Regulations, 2025 (“**Draft RPO Regulations**”), framed pursuant to initiation of Suo Motu Proceedings No. SMP- 8/2025.

The BERC has framed the Draft RPO Regulations in view of provisions and trajectory prescribed by the MoP, vide notification S.O. 4617(E) dated 20.10.2023.

Key Provisions of the Draft RPO Regulations are as follows:

- **Applicability:** The Draft RPO Regulations shall apply to all obligated entities, including distribution licensees, captive power consumers, and open access consumers in the State of Bihar.
- **RPO Targets:** The percentage share of energy procurement from various renewable sources including Wind energy, Hydro energy HPO, Distributed Renewable Energy, and Other renewable energy for the period FY 2024-2025 to FY 2029-30 is specified.
- **Compliance Mechanisms:** Obligated entities can meet RPO through direct procurement, Open Access, and RECs.
- **Penalty & Enforcement:** Non-compliance will attract penalties as specified in the Draft RPO Regulations and shall also attract penalty as per Section 142 of the Electricity Act, 2003.
- **Monitoring & Reporting:** Obligated Entities must submit half-yearly compliance reports to the State Nodal Agency i.e., Bihar Renewable Development Agency -BREDA which will submit the data to the BERC.

The public notice and the Consultative Paper on Draft Bihar Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance, and REC Framework Implementation) Regulations, 2025 can be accessed from the following [Link 15](#)

In *Appeal No. 13 of 2022*, the Punjab State Power Corporation Limited (PSPCL) challenged an order passed by the Central Electricity Regulatory Commission (CERC) allowing JSW Hydro Energy Ltd. to recover ₹26.63 crores for shortfall in saleable scheduled energy during the financial year 2018-19. The dispute centred on whether 35.97 MUs of unscheduled energy, injected by JSW under the Deviation Settlement Mechanism (DSM) Regulations, 2014, should be adjusted against the claimed energy shortfall under Regulation 44(6) of the CERC Tariff Regulations, 2019.

JSW argued that the 35.97 MUs were generated to support grid stability and accounted under DSM and therefore should not be adjusted against the shortfall. CERC accepted this reasoning and allowed JSW to recover the shortfall charges. PSPCL contended this led to double recovery – first through DSM payments and then through energy shortfall compensation – and therefore the revenue from DSM should be offset.

The Tribunal found that CERC had, in later orders (in 2023 and 2024), adopted the opposite view, holding that DSM energy should indeed be adjusted against energy shortfall for determining

BERC invites comments/ suggestions/ objections from General Public and Stakeholders on the draft Bihar Electricity Regulatory Commission (Renewable Purchase Obligations, its Compliance & REC Framework Implementation) Regulations, 2025

APTEL remands PSPCL-JSW Dispute back to the Commission on noting the inconsistency in DSM Rulings over the years



recoverable charges. Despite referring to the 2020 order in those cases, CERC gave no justification for its deviation, thus creating regulatory inconsistency.

Accordingly, the Tribunal set aside the impugned order and remanded the case back to the Commission for fresh adjudication consistent with its later rulings. CERC was directed to complete this reconsideration within three months.

APTEL affirms CERC's jurisdiction in NPCIL v. GUVNL dispute over Tax on RoE under PPAs

In Appeal No. 134 of 2024, the Appellate Tribunal for Electricity upheld an interim order of the Central Electricity Regulatory Commission (CERC) asserting jurisdiction under Section 79(1)(f) of the Electricity Act, 2003 to adjudicate a dispute between NPCIL and GUVNL regarding the over-recovery of tax on Return on Equity (RoE) under PPAs governed by tariff notifications of the Department of Atomic Energy (DAE). NPCIL argued that it was exempt under Section 184 of the Electricity Act as an agent of the Central Government and that only DAE could interpret tariff notifications under Section 22 of the Atomic Energy Act, 1962. However, the Tribunal rejected this, affirming NPCIL's status as a separate legal entity under the Companies Act, with no exemption notification under Section 184. It ruled that while tariff determination remains with DAE, disputes on implementation and interpretation of tariff—including tax components on RoE—fall within CERC's adjudicatory powers. The Tribunal harmonised the Atomic Energy Act with the Electricity Act, applying Section 8 of the General Clauses Act to read references to the repealed 1948 Act as applicable to the 2003 Act. CERC's jurisdiction was found valid where disputes are traceable to tariff regulation. The Tribunal emphasized that Section 79(1)(a) includes regulation beyond mere rate-setting, and disputes involving generating companies and tariff issues attract Section 79(1)(f). The matter was remanded for adjudication on merits, reaffirming that public sector undertakings like NPCIL are subject to CERC's oversight unless specifically exempted, thereby preserving regulatory consistency across the energy sector.

MOP notifies amendments to the Standard Bidding Documents for procurement of Inter-State Transmission Service through Tariff Based Competitive Bidding process

In terms of letter dated 27.03.2025, MOP has notified amendments to the Standard Bidding Documents (Request for Proposal and Transmission Service Agreement) for procurement of Inter-State Transmission Service through Tariff Based Competitive Bidding process, 2021. The amendments pertain to location of substations, switching stations or HVDC terminal or inverter stations in the transmission system.

The above amendment provides that the location of Greenfield Substation (Switching Station or HVDC Terminal or Inverter Station) shall not be beyond:

1. 3 km radius from the specified location in case of a Generation Pooling Substation.
2. 5 km radius from the specified location in case of a Load Serving Substation.
3. 10 km radius from the specified location in case of an Intermediate Substation.

The amendments can be accessed from the following [Link 16](#)

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