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Legal Updates

Kerala High Court has holds that a newly appointed arbitrator is required to initiate proceedings afresh that when the appointment of an erstwhile arbitrator is adjudged *void ab initio*

In ***M.I. Mohammed v. M/s HLL Life Care Ltd. & Ors***., AR No. 95 of 2025, the Kerala High Court has held that when the appointment of an arbitrator is adjudged *void ab initio,* the newly appointed arbitrator is required to initiate the proceedings afresh.In this case, the arbitrator, who had passed an award, was unilaterally appointed by one of the parties. In a challenge to the award under Section 34 of the Arbitration and Conciliation Act, 1996 ("**A&C Act**"), the award was set aside as the arbitrator was appointed without the written consent of one of the parties to the agreement, subsequent to which the Petitioner filed an application under Section 11 (6) of the A&C Act.

The Petitioner submitted that the new arbitrator may commence proceedings from the point where the evidence was concluded considering the voluminous documents placed on record of the proceedings. The Respondent opposed this contention on the ground that it was specifically held that the award is *void ab initio* and all the proceedings are *non est*, in view of which the evidence recorded earlier could not be looked into.

Agreeing with the Respondent, the High Court observed that where an award is declared *void ab initio*, the entire proceedings which have already taken place before the arbitrator are effaced and the newly appointed arbitrator has to initiate the proceedings afresh. Whether the evidence already tendered is admissible before the new arbitrator is to be adjudicated upon by the new arbitrator when it is produced before him. No such direction *qua* the proceedings and admissibility of any document or evidence can be given while considering an application under Section 11 (6) of the A&C Act.

Gujarat High Court holds that an application under Section 34 of the A&C Act cannot be entertained after the expiry of the time period prescribed under Section 34(3)

In ***Yash Textiles v. Vinayak Fashions***, R/First Appeal No. 2507 of 2017, the Gujarat High Court has held that an application under Section 34 of the A&C Act cannot be entertained after the expiry of the prescribed limitation and in such cases, the merits of the award cannot be considered under Section 37 of the A&C Act.

This case pertains to an appeal under Section 37 of the A&C Act challenging a judgement passed under Section 34 of the A&C Act, whereby the award passed by the arbitrator was set aside. The appellant contended that the Court had no jurisdiction to entertain an application under Section 34 of the A&C Act which was filed beyond the time period prescribed under sub-section (3) – 3 months with an additional period of 30 days i.e., 120 days, which is the outer limit. On the other hand, the respondent made submissions on merits that the arbitrator was unilaterally appointed.

The High Court observed that a grave error of law was committed in entertaining an application under Section 34 of the A&C Act in the first place, since the period prescribed under section 34 sub-section (3) had already expired. In view of the same, any deliberation on the validity of the award under appellate proceedings would be wholly without jurisdiction also in view of the settled principle of law that the provisions of the Limitation Act do not apply in such cases.

NCLAT holds that the proceedings under the Insolvency and Bankruptcy Code is distinct from ordinary civil litigation and a distinct approach is required while dealing with the cases under the IBC

In ***Swaminarayan Diamonds Pvt. Ltd. v. Canara Bank***, Company Appeal (AT) (Insolvency) No. 885 of 2025, the National Company Law Appellate Tribunal ("**NCLAT**") has relied upon Dena Bank v. C. Shivakumar Reddy and Another, (2021) 10 SCC 330, to hold that the nature of the proceedings under the Insolvency and Bankruptcy Code ("**IBC**") is distinct from ordinary civil adverbial litigation and a distinct approach is required while dealing with the cases under the IBC.

In this case, the appeal was filed against the order of the National Company Law Tribunal ("**NCLT**") granting liberty to the respondent to amend Form No. 1 to change the date of default and to the appellant to file a reply to the same within 7 days. The appellant has submitted that NCLT has taken away a valuable defence and the manner in which the order has been passed would itself show that no opportunity was provided to the appellant to be heard to put forth his objections. Further, no formal amendment application was filed. On the other hand, the respondent has submitted that it was only permitted to clarify its earlier stand with regard to the date of default.

NCLAT has held that the proviso to Section 7(5)(b) of the IBC empowers NCLT to give notice to an applicant to rectify any defect in its application within 7 days of receipt before rejecting it. However, the discretion required to be exercised in disposal of any request to amend the application or Form No. 1 must be exercised on sound settled principles. In this case, NCLT had not decided the application and had only given time to the applicant to rectify a defect and thus, no valuable right was being defeated by the permitted amendment.

NCLAT holds that an appeal under the Contempt of Courts Act, 1971 is maintainable only against an order that imposes punishment for contempt and not an order dismissing the contempt

In ***H. Kishen and Anr. v. G. Kalpana and Anr***., Company Appeal (AT) (CH) (Ins) No. 295 of 2025, NCLAT has held that an appeal under Section 19 of the Contempt of Courts Act, 1971 ("**Contempt Act**"), is maintainable only against an order that imposes punishment for contempt and not an order dismissing the contempt.

In this case, a contempt petition filed by the resolution professional was dismissed by NCLT as being rendered infructuous on account of the resolution plan being approved. NCLAT observed that Section 19 of the Contempt Act provides for "*any order or decision of the High Court in the exercise of its jurisdiction to punish for contempt*'', which means that this provision is only available when the alleged contemnor is punished by an order and no appeal would lie against a dismissal as the same is not an order of punishment. Further, the drawing of a contempt by taking cognizance of it and initiation of the same is the exclusive prerogative of the Tribunal or the Court before whom such proceedings are drawn.

MOEFCC invites comments on the Draft Greenhouse Gas Emission Intensity Targets, 2025

The Ministry of Environment, Forest and Climate Change ("**MOEFCC**"), vide draft notification dated 23.06.2025, has invited comments / suggestions from the public and stakeholders on the proposed Greenhouse Gas Emission Intensity Targets, 2025 ("**Draft GEI Targets**").

The Draft GEI Targets have been framed pursuant to the Carbon Credit Trading Scheme, 2023, notified vide S.O. 2825(E) dated 28.06.2023, which establishes a carbon credit market infrastructure to enable trading of carbon credit certificates aimed at reducing, removing, or offsetting greenhouse gas ("**GHG**") emissions.

Key Provisions of the Draft GEI Targets are as follows:

- **Applicability**: The Draft GEI Targets shall apply to "obligated entities" listed in the Schedule to the notification, primarily covering entities in high-emission sectors such as aluminium, iron and steel, among others.

- **GEI Targets**: GHG emission intensity (tCO_2e per tonne of output) reduction targets have been specified for each obligated entity for the compliance years 2025 – 26 and 2026 – 27, with FY 2023 – 24 as the baseline year.

- **Compliance Mechanism**: Obligated entities failing to meet GEI targets shall purchase equivalent carbon credit certificates from the Indian Carbon Market (ICM). Surplus certificates may be banked or traded.

- **Penalties**: In case of non-compliance, the Central Pollution Control Board (CPCB) shall impose environmental compensation equivalent to twice the average market price of the carbon credits, as determined by the Bureau of Energy Efficiency (BEE).

- **Monitoring & Reporting**: Obligated entities shall register on the ICM portal and submit relevant documents as per the timelines and procedures prescribed by the BEE.

The draft notification is open for public comments for sixty (60) days from the date of publication in the Official Gazette. Comments may be submitted to the MOEFCC by email at ccts.hsm-moefcc@gov.in or addressed to the Joint Secretary, MOEFCC, New Delhi.

The draft notification on Greenhouse Gas Emission Intensity Targets, 2025 can be accessed from the following *link*.

TRAI launches Digital Consent Pilot Project with Reserve Bank of India and select banks

On 16.06.2025, Telecom Regulatory Authority of India ("**TRAI**") issued a Press Release No. 48/2025 announcing the launch of a pilot project for digital consent management, in collaboration with the Reserve Bank of India ("**RBI**") and select banks. This move comes in response to the persistent consumer complaints about spam communications from businesses with whom the consumers had previously transacted.

Under the Telecom Commercial Communications Customer Preference Regulations, 2018, an entity can make commercial communications to a consumer irrespective of his / her 'Do Not Disturb' ("**DND**") preferences provided the entity has taken explicit consent from the consumer. However, TRAI has observed that in many cases, such consents are acquired through offline or unverifiable means, making it difficult to determine their authenticity. In some instances, consumers have reported that their mobile numbers were accessed through misrepresentation, deception, or unauthorized data-sharing practices.

TRAI had previously introduced several regulatory initiatives to curb such spam and unsolicited communications, including enabling consumers to file complaints against unregistered telemarketers (UTMs) without requiring prior DND registration, and directing telecom service providers (TSPs) to disconnect resources being misused for spam activities. However, verifying consent based on offline claims continues to be a significant regulatory challenge.

To address the above concerns, TRAI has now launched a pilot project under the regulatory sandbox framework, as part of the nationwide rollout of the digital consent system. The banking sector has been prioritized for the first phase, given the sensitive nature of financial data and the increasing incidents of financial fraud through spam calls.

This pilot project is being used as a test phase to check if the new system for collecting and verifying consumer consent (called the Consent Registration Function or CRF) works properly from technical, practical, and legal angles.

The Press Release issued by TRAI can be accessed from the following *link*.

MoP notifies Draft Amendments to the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid connected Power Projects

The Ministry of Power (**MoP**) has proposed the draft amendment to the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar Power Projects, Wind Power Projects, Wind Solar Hybrid Projects and Firm and Dispatchable Power from Grid Connected Renewable Energy Projects with Energy Storage Systems (“**Principle Guidelines**”).

The proposed common amendments to the Principle Guidelines are summarised as under:

i. Addition of new proviso under Clause 11.4 which provides for requirement of approval of Power Sale Agreement (**PSA**) from the appropriate commission under Section 86(1)(b) of the Electricity Act, 2003 (**EA, 2003**) within 30 days from the date of signing of the PSA in cases where the procurement of power is through intermediary procurement and the end procurer is a Distribution Licensee.
ii. Clause 11.5 is modified to the effect where it encompasses approval of PSA and the time limit for the appropriate commission to approve the application has been extended to 120 days from 60 days. The extension of time in scheduled commencement of supply date granted to the generators has been increased to 120 days.
iii. The minimum Performance Guarantee to be fixed by the procurer under Clause 12.2 has been reduced to 3% from the existing 5%.

The MoP has further invited for comments on the draft amendments which may be emailed to nre.section-mop@gov.in before 09.07.2025. A copy of the draft amendments can be viewed *here*.

MoP issues Guidelines for designating a Company as Renewable Energy Implementing Agency

The Ministry of Power (**MoP**) has issued the Guidelines for designating a Company as Renewable Energy Implementing Agency (**REIA**) which are as follows:

1. Indian Companies registered under the Companies Act, 2013 and holding a valid Category-1 electricity trading license are eligible to become REIA if they have a net worth (excluding revaluation reserve) exceeding Rs. 500 crore and a long term credit rating of A or above. The Company must also have the approval of its Board of Directors for designating it as a REIA.

2. The designated REIA shall follow the procurement guidelines laid out by the Central Government under Section 63 of the Electricity Act, 2003. All procurement shall be exclusively through e-bidding platforms prescribed by CERC. However, until such platforms are officially designated, existing e-procurement platforms with a proven track record and security features may be used. In a bidding process carried out by REIA, it must be ensured that the subsidiary or group company of the REIA do not participate in the

bidding process. Further, if there is any change in ownership, merger, or demerger of the designated REIA company, the eligibility criteria must continue to be met even after the change.

3. These guidelines will apply in designating new REIAs after the date of issuance of these guidelines. Companies such as SECI, NTPC Ltd, NHPC Ltd, and SJVN Ltd., which have already been designated as REIAs, will continue to function as per the earlier orders issued by the Central Government.
4. The designation of a company as a REIA will remain valid for five years at a time. However, the Central Government reserves the right to terminate the designation before the completion of the term if the REIA fails to fulfil its responsibilities as per the relevant rules, guidelines, or orders of the Central Government. In the event of such termination, the company shall still continue to remain responsible to discharge its duties towards the RE developers and procurers as per the bidding documents and agreements till the tenure of such agreements.

5. These guidelines are subject to modification by the approval of Ministry of Power in consultation with the Ministry of New and Renewable Energy.

A copy of the Guidelines for designating a Company as Renewable Energy Implementing Agency can be viewed *here*.

MNRE revises Guidelines for the Biomass Programme under the Umbrella scheme of National Bioenergy Programme for duration of FY 2021-22 to 2025-26

The Ministry of New and Renewable Energy (**MNRE**) has amended the Guidelines for the Biomass Programme as under:

1. The clause under i (d) and (e) of Part A under Annexure I pertaining to list of documents required for in-principle approval of proposals for Briquette/Pellet manufacturing plants stands omitted.
2. The clause under I (e) of Part B under Annexure I pertaining to list of documents required for release of CFA for Briquette/Pellet manufacturing plants stands omitted.
3. Under the current Clause i (f) of Part B of Annexure I which pertains to list of documents required for release of CFA for Briquette/Pellet manufacturing plants, copy of contract agreement for sale of briquettes/pellets for a minimum period of 2 years is required. Under the amended clause, copy of offtake/Sale agreement for sale of briquettes/pellets is to be submitted.
4. Under the current Clause i (h) of Part B of Annexure I which pertains to list of documents required for release of CFA for Briquette/Pellet manufacturing plants, details of SCADA/remote monitoring system installed by the plant is required to be submitted. Under the amended clause, details of IoT based monitoring solution or undertaking have to share data of biomass briquette/pellet manufactured on quarterly basis.
5. Clause 3.0 of the current guidelines uses the term Central financial assistance whereas the amended clause 3.0 uses the term capital subsidy.
6. Under clause 4.3 (ii) of the current guidelines, if a developer intends to commission the plant after submission of the application in Bio Urja portal but before in-principle approval is accorded by MNRE, prior intimation of the commissioning of the project to the implementing agency is mandatory. Clause 4.3 (ii) of the amended guidelines provides that if a developer commissions the plant after submission of application in the Bio Urja portal, the developer has to update the status of the plant as commissioned on the Bio Urja Portal.
7. The current clause 4.4 (i) required the inspection of the plant to be carried out within 18 months from the date of commissioning beyond which "In-Principle" approval stands cancelled except in cases where the reasons of delay are beyond the control of the developer. The amended Clause 4.4 (i) allows inspection of plant to be carried out within a period of 18 months from the date of commissioning or within 18 months from the date of issue of "In-Principle" approval whichever is later.

8. The amended clause 4.4. (iii) and (iv) provides that the performance testing of Briquette/Pellet Manufacturing Plants would imply operation of the plant at an average of 80% rated capacity measured over continuous period of 10 hours for eligibility to receive 100% CFA. In cases where the developer fails to operate the plant at minimum 80% of the rated capacity during performance inspection of the plant by the inspection agency, pro-rata based disbursement will be made based on the percentage of output achieved.

The abovementioned revision shall be applicable to all projects sanctioned under Biomass component of the National Bioenergy Programme Phase-I of MNRE notified on 02.11.2022.

A copy of the amended guidelines can be viewed *here* and *here* .

MNRE amends Waste to Energy Guidelines dated 02.11.2022, 28.02.2020 and 30.07.2018

The Ministry of New and Renewable Energy (**MNRE**) has amended the Waste to Energy Guidelines dated 02.11.2022, 28.02.2020 and 30.07.2018 as under:

1. The amended Clause 4.4 (iii) which pertains to plant performance provides that the condition of successful commissioning of the Waste to Energy plants would imply operation of the plant for at least 3 consecutive months, including continuous operation for at least 24 hours at an average of 80% of the rated capacity of the plant. It further provides that 50% of the total Central Financial Assistance (**CFA**) will be released after obtaining the consent to operate certificate from the State Pollution Control Board against the bank guarantee for the amount to be released. Balance CFA shall be released after achieving (during continuous running of 24 hours) 80% of the rated capacity or maximum eligible capacity, whichever is lesser. It further provides that the claim for CFA shall be made within 18 months from the date of commissioning or from the date of in-principle approval of CFA, whichever is later.
2. The current clause 4.4(i) which pertains to performance inspection of the Waste to Energy project provides that inspection will have to be carried out within 18 months from the date of commissioning beyond which "In-Principle" approval stands cancelled except in cases where the reasons of delay are beyond the control of the developer. The amended Clause 4.4 (i) allows inspection of plant to be carried out within a period of 18 months from the date of commissioning or within 18 months from the date of issue of "In-Principle" approval whichever is later.
3. The current clause 4.4 (ii) which provides for inspection of the plant by single agency i.e. Concerned State Nodal Agencies for Renewable Energy or Sardar Swaran Singh National Institute of Bio-Energy or Biogas Technology Development Centre, whereas, the amended clause 4.4 (ii) provides for a joint visit by Sardar Swaran Singh National Institute of Bio-Energy along with any of the above mentioned agency. The Joint inspection team has to visit the facility and submit inspection reports both prior to 50% release of CFA after obtaining Consent to Operate certificate from the State Pollution Control Board and secondly prior to releasing the remaining CFA. Further, if the developer does not opt for advance CFA, only one single inspection report will be needed to submit by the investigation agencies.

The amendments will be applicable to all projects sanctioned under the Waste to Energy Scheme guidelines dated 02.11.2022, 28.02.2020 and 30.07.2018.

A copy of the amended guidelines can be found *here*.

PNGRB to support Airports Economic Regulatory Authority of India's directive for 'Shared Fuel

Vide press release dated 18.06.2025, Petroleum and Natural Gas Regulatory Board **("PNGRB")** has announced its support / collaboration with Airports Economic Regulatory Authority of India **("AERA")**, in implementing a key infrastructure reform. Earlier through an order dated 16.05.2025, AERA directed the establishment of 'Common Fuel Storage Facilities' on an open access basis at major airports across the country. This initiative, now jointly backed

Infrastructure' at Airports	by PNGRB, is aimed at promoting sustainable infrastructure development in the aviation and petroleum sectors. All airport operators, including those governed by the Airports Authority of India (AAI) and state governments have been directed to develop such shared infrastructure within 12 months if not already available. This initiative also supports the PNGRB's vision of creating a nationwide pipeline network for petroleum products, including Aviation Turbine Fuel ("**ATF**"). The setup aims to improve safety, ensure a steady fuel supply, and reduce environmental impact at airports across India. Key Benefits of the Initiative: a. Enhanced safety and efficiency in airside operations b. Open access and fair competition among Oil Marketing Companies (OMCs) c. Lower operational costs for suppliers and airlines d. Reduced emissions and congestion within airport premises e. Minimized dependence on road-based ATF transportation f. Optimized logistics and supply chain efficiency. AERA's mandate highlights the need to reduce dependence on carbon-intensive transport like road and rail. By shifting to pipeline-based ATF distribution, the goal is to cut emissions, improve safety, and support India's broader climate and sustainability targets. The creation of shared fuel infrastructure is also expected to significantly lower costs across the ATF supply chain, enhance India's global standing in aviation, and help build a competitive and future-ready aviation sector. Copy of the PNGRB Press release can be accessed from the following *link*.
BERC approves the procurement of 300 MW Wind Power from SECI @3.97/Kwh plus trading margin of Rs. 0.07/Kwh payable to SECI	Bihar Electricity Regulatory Commission **("BERC")** vide its order dated 19.06.2025 in the case of ***Bihar State Power Holding Company Ltd.*** **("BSPHCL")** ***Vs. Solar Energy Corporation of India and Ors.*** approves the procurement of 300 MW wind power from Solar Energy Corporation of India **("SECI")** @3.97/ Kwh plus the trading margin of Rs. 0.07/Kwh payable to SECI. The brief factual matrix of the case is that the Petition was filed by Chief Engineer, BSPHCL seeking regulatory approval to procure 300 MW wind power from SECI under Inter-State Transmission System **("ISTS")** connected wind power projects(Tranche-XVIII) on long term basis and for approval of draft Power Sale Agreement **("PSA")** to be executed with the intermediary procurer, i.e. SECI Ltd. Petitioner apprised BERC that SECI had issued Request for Selection **("RFS")** along with draft Power Purchase Agreement **("PPA")** and Power sale Agreement **("PSA")** for procurement of grid connected wind power under Tariff Based Competitive Bidding Scheme **("TBCB")** in the capacity of intermediate procurer as per guidelines issued on 28.07.2023 by Ministry of Power **("MOP")**. SECI had offered to the BSPHCL **("Petitioner")** 300 MW from successful bidder vide offer letter dated 26.05.2025 at discovered tariff of Rs 3.97/Kwh plus trading margin of Rs 0.07/Kwh. It further mentioned that waiver of ISTS transmission charges and losses would be applicable for the offered wind power as per provisions of regulation no. 11(4) (a) & (f) of the CERC (sharing of inter-State Transmission Charges and Losses) (First amendment) Regulations. 2023. It was also mentioned that wind projects commissioned up to 30.06.2025 were eligible for full waiver of transmission charges. Further, vide letter dated 03.06.2025 the Petitioner communicated the in-principle consent for procurement of 300 MW wind power from successful bidder under tranche-XVIII ISTS connected wind power project of SECI at discovered tariff of Rs 3.97/Kwh plus trading margin

of Rs 0.07/Kwh. It was submitted by the Petitioner that out of the available PSA of 1050 MW of wind power, only 550 MW had been commissioned, and the balance 500MW had been terminated by the intermediary procurer i.e SECI. Due to this reason, the Petitioner was facing shortage of a considerable quantum of wind energy, which was affecting its Renewable Purchase Obligation **("RPO")** compliance.

BERC adjudicated upon two issues that is i) Whether the proposed procurement of 300 MW wind power is required or not? and ii) Whether the discovered rate at which power is proposed to be procured is reasonable, cost effective and market aligned?

BERC observed that the state of Bihar has onerous responsibility to contribute its share towards the fulfilment of national target of setting 500 GW power capacities from renewable energy sources by 2030. Therefore, it accepted the quantum of purchase proposed in the instant procurement and also observed that the tariff for instant procurement is reasonable. With regards to the ISTS waiver of charges, BERC has observed that waiver of ISTS losses is applicable only for those projects whose bidding process was completed upto 15.01.2021. The bidding in the instant case was done in the light of TBCB guidelines of MoP issued on 28.07.2023 and hence the projects concerned shall not qualify for ISTS losses waiver. In view of the facts and circumstances, BERC approved the procurement of 300 MW Wind Power from SECI @3.97/Kwh plus trading margin of Rs. 0.07/Kwh payable to SECI.

RERC clears 500 MW/1000 MWh Battery Storage Tariffs to Boost Peak Power Management and RE Integration in Rajasthan.

The RERC, vide its order dated 17.06.2025, in Petition No. RERC 2302/2025 approved the adoption of tariffs discovered through a competitive bidding process for setting up 500 MW/1000 MWh standalone Battery Energy Storage Systems **(BESS)** across Rajasthan.

The project, led by Rajasthan Rajya Vidyut Utpadan Nigam Ltd. **(RRVUNL)**, is part of a central government-supported initiative under the Viability Gap Funding **(VGF)** scheme and follows the Build-Own-Operate **(BOO)** model. After evaluating bids from eleven developers, four were selected JSW Neo Energy, Rays Power, Solarworld, and Oriana Power offering tariffs between Rs. 2.21 to Rs. 2.24 lakh per MW/month.

The Commission found that the bidding was fair, transparent, and aligned with market rates, and that the project would lead to substantial savings for the state discoms by reducing power purchase costs, especially during peak hours. The selected sites were strategically chosen for technical and operational benefits, and the battery systems are expected to help integrate renewable energy more efficiently, support grid stability, and meet renewable energy storage obligations. The Commission also directed RRVUNL to explore advanced BESS technologies in future projects, reduce trading margins to ease consumer burden, and report project progress quarterly.

RERC approves Competitive Tariffs for 233.97 MW Solar Projects under PM-KUSUM Scheme to Benefit Agricultural Consumers in Rajasthan

The Rajasthan Electricity Regulatory Commission **(RERC),** vide its order dated 16.06.2025, in Petition NO. RERC/2314/2025 approved the levelized tariffs discovered through competitive bidding for setting up 82 grid-connected solar power plants with a total capacity of 233.97 MW under Component-C (Feeder Level Solarisation) of the PM-KUSUM scheme. This initiative, led by Jaipur Vidyut Vitran Nigam Ltd. **(JVVNL),** aims to provide clean and affordable solar power to around 24,841 agricultural consumers across Rajasthan.

The project follows the Renewable Energy Service Company **(RESCO)** model, where private developers will install, operate, and maintain the solar plants for 25 years and supply power to the Discoms at the agreed tariffs. The bidding process was conducted transparently and in line with guidelines issued by the Ministry of New and Renewable Energy **(MNRE)**. Developers will also receive Central Financial Assistance **(CFA)** of up to Rs. 1.05 crore/MW from MNRE.

	The Commission reviewed various factors such as capital cost assumptions, land lease rates, return on equity, operation & maintenance costs, and government subsidies. It noted that all discovered tariffs are lower than the average power purchase cost of Discoms (Rs. 4.03/unit), which will help reduce overall costs and benefit farmers. The Commission also highlighted benefits like improved daytime power supply for irrigation, enhanced voltage stability in rural feeders, and better compliance with renewable energy obligations. The order supports the long-term goal of decentralizing solar energy generation and strengthening rural energy infrastructure.
TSERC to hold Public Hearing on Power Surcharge for H2 of FY 2025–26	The Telangana State Southern Power Distribution Company Limited (**TGSPDCL**) and the Northern Power Distribution Company of Telangana Limited (**TGNPDCL)** have filed petitions before the Telangana State Electricity Regulatory Commission (**TSERC**) seeking approval for the levy of Additional Surcharge for the second half (H2) of the financial year 2025–26, i.e., from 1 October 2025 to 31 March 2026. This surcharge is proposed to be levied on open access consumers who do not procure power through the discoms but still rely on their infrastructure, thereby imposing fixed costs on the utilities. In response to the petitions, TSERC has admitted the filings as O.P. No. 39 of 2025 (for TGSPDCL) and O.P. No. 36 of 2025 (for TGNPDCL) and has issued a public notice inviting comments, suggestions, or objections from stakeholders. Written objections or suggestions must be submitted to both the discom concerned and TSERC on or before 18 July 2025, clearly indicating whether the stakeholder wishes to be heard during the proceedings. The Commission has scheduled a public hearing on the matter to be held on 1 August 2025 at 11:00 AM in the Court Hall of TSERC, located at 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad. The public notice can be accessed from the following *link*.
MERC allows Review petition and modifies Tariff Order in Case No. 75 of 2025	The Maharashtra Electricity Regulatory Commission ("**MERC**"), in its final order dated 25 June 2025 in Case No. 75 of 2025, allowed several key prayers of Maharashtra State Electricity Distribution Company Ltd. (**MSEDCL**) relating to its Multi Year Tariff (MYT) Order for the fifth control period (FY 2025-26 to FY 2029-30). The Commission had earlier granted a stay on the implementation of the MYT Order on 2 April 2025 and extended the applicability of tariffs from the previous period pending the outcome of this review petition. In its review, MSEDCL highlighted numerous errors it claimed were apparent on the face of the record, including disallowance of capital expenditure, erroneous energy sales projections, flawed power procurement modelling, and unjustified exclusions in the calculation of operational expenses and returns. After detailed examination, MERC accepted several of MSEDCL's contentions. It allowed the inclusion of capitalisation related to schemes funded through government grants and consumer contributions, as well as capex under schemes where Detailed Project Reports (DPRs) had been submitted or already approved. A total additional capitalisation of ₹55,624.5 crore was approved, significantly altering the projected Gross Fixed Assets (GFA) base. MERC also revised its earlier assumptions regarding energy sales and power purchase costs, accepting MSEDCL's modelling based on the Resource Adequacy (RA) framework, and rectified errors in variables such as solar CUF, energy charge rates, and demand forecasting. As a result, a revised total power purchase cost of ₹5,20,024 crore for the control period was approved. Additionally, MERC corrected its approach to the estimation of agricultural (AG) sales by accepting MSEDCL's use of CYMDIST software to determine technical losses at 9.1%, as opposed to the previously used 18%. This correction significantly increased the approved AG sales index and led to a consequential revenue impact in favour of MSEDCL. The Commission also acknowledged the need to revise Operation and Maintenance (O&M) expenses, depreciation, Return on Equity, and other ARR elements linked to the increased capital base.

Crucially, the Commission clarified that under its Transaction of Business Regulations, it has inherent powers to rectify clerical or arithmetical mistakes on a suo motu basis, and that the scope of review does not necessitate a repeat of the public consultation process that had already been conducted during the original MYT determination. Accordingly, all pending intervention applications from stakeholders and consumer groups seeking to participate in the review process or requesting fresh public hearings were dismissed in a separate but related order. The Commission concluded that no further consultation was necessary, as no new relief beyond what was already subject to public consultation was being granted.

CERC notifies (Sharing of Inter-State Transmission Charges and Losses) (Fourth Amendment) Regulations, 2025

The Central Electricity Regulatory Commission **("CERC")** has notified the fourth amendment to the 'Sharing of Inter-State Transmission Charges and Losses Regulations, 2020 **("Principal Regulation")**, introducing key changes aimed at promoting renewable energy, battery storage, and green hydrogen projects.

The amendment clarifies waivers, eligibility timelines, and cost-sharing for renewable and storage projects using ISTS. One of the main changes is the revision of Regulation 13 of the Principal Regulations, which extends transmission charge waivers for renewable energy generation stations based on wind, solar, or hybrid sources. Projects commissioned by 30.06.2025, will get a 100% waiver for 25 years. Projects coming up between July 2025 and June 2028 will receive a graded waiver that reduces over time from 75% to 25%, with no waiver available after June 2028. For offshore wind and green hydrogen or ammonia plants, waivers will continue until December 31, 2035, under a similar graded system

Further, Battery Energy Storage Systems **("BESS")** co-located with renewable projects will receive a full waiver if commissioned by June 2028, valid for 12 years. Standalone BESS will get a partial waiver depending on commissioning timelines, phasing out after June 2028. Hydro-based pumped storage and hydro stations will also be eligible for waivers if construction contracts are awarded and power purchase agreements are signed by June 2025. Hydro PSPs will enjoy a 25-year waiver, while hydro stations will have an 18-year waiver.

It is pertinent to emphasize the amendment to Regulation 12 of the Principal Regulations which allows projects with both intra-state and inter-state connections to have deviations calculated based on net injections beyond their approved capacity. In addition to these changes, the amendment also provides relief for projects delayed due to force majeure or lack of grid infrastructure. Such projects can retain waiver benefits if the delay does not exceed two extensions of up to six months each, subject to approvals.

Additionally, the amendment also provides that the cost-sharing approach for transmission assets, including terminal bays and availability calculations will be according to the Tariff Regulations, 2024 while the Central Transmission Utility has been tasked with determining yearly transmission charges for billing when detailed cost data is unavailable.

CERC Issues (Deviation Settlement Mechanism and Related Matters) (Second Amendment) Regulations, 2025.

The Central Electricity Regulatory Commission **("CERC")** has issued the Deviation Settlement Mechanism and Related Matters (Second Amendment) Regulations, 2025. These were notified on June 25, 2025, and will come into effect from July 1, 2025. The amendment introduces important changes to how charges for injecting infirm power into the grid will be handled.

The amendment revises Regulation 8 of the Deviation Settlement Mechanism and Related Matters Regulations 2024 **("Principal Regulations")**. It provides that, in general, no charges will be levied for injecting infirm power into the grid. However, for thermal generating stations, any infirm power injected from the date of first synchronization of a unit until the successful completion of the trial run will be paid at the normal deviation charges, subject to a cap of ₹2.86 per kilowatt-hour for each time block.

	Further, where infirm power is scheduled after the successful trial run as defined in the Grid Code, any deviation from the schedule will attract charges applicable to either a general seller or a wind and solar seller, depending on the case. The amendment also clarifies that if the system frequency rises above 50.05 Hz, no charges will apply for injecting infirm power or any deviation caused by over-injection.
CERC issues Draft Power Market (First Amendment) Regulations, 2025	The Central Electricity Regulatory Commission **("CERC")** has issued the Draft Power Market (First Amendment) Regulations, 2025. These proposed changes aim to modernise India's electricity market, strengthen the role of Over-the-Counter **("OTC")** platforms, and introduce new contract options like Virtual Power Purchase Agreements **("VPPAs")**. The amendments expand the definitions in the Power Market Regulations, 2021 **("Principal Regulations")** to cover newer concepts such as General Network Access and Designated Consumers under the Energy Conservation Act, 2001. The terminology has also been updated to reflect the transition from "Open Access" to the framework under the Connectivity and GNA Regulations. A key highlight is the introduction of sub-clause (a) under Clause (2) of Regulation 2 of the Principal Regulations, which formally recognises VPPAs as an OTC contract. Under a VPPA, a renewable energy generator and a consumer agree on a fixed tariff. The generator sells power on the market, and both parties settle any difference between the market price and the contracted price bilaterally. The draft also proposes revisions to Regulation 4 of the Principal Regulations on the functioning of OTC platforms. Platforms will be allowed to facilitate trading in Renewable Energy Certificates, Battery Energy Storage System contracts, power banking, capacity contracts, and VPPAs. However, an amendment to Regulation 46 of the Principal Regulations specifies that OTC platforms must not assume counterparty or credit risk and should only act as transaction facilitators. Further, platforms must now maintain a minimum net worth of INR 35 crore at all times, a significant increase from earlier requirements. Existing operators have been given 12 months to comply, subject to submission of audited financial statements. The amendment to Regulation 44 of the Principal Regulations extends the registration period for OTC platforms to 10 years, providing greater stability and predictability for market participants. The amendment to Regulation 53 of the Principal Regulations also strengthens the Commission's enforcement powers. CERC may inspect or audit any Power Exchange or OTC platform through its officers or external agencies. It can also direct cancellation of memberships in case of non-compliance and require full cooperation during inspections or inquiries. Stakeholders and interested parties have been invited to submit their comments, suggestions, or objections by emailing secy@cercind.gov.in and ashutosh.sharma@nic.in , comments can also be uploaded by 14th July 2025 through the SAUDAMINI Portal by logging in and selecting the "e-Regulation" link on the e-filing home page. Draft Power Market (First Amendment) Regulations, 2025 can be accessed from the following *link*.
APTEL sets aside TNERC's Decision to Raise Banking Charges for Wind Energy Generators	The Hon'ble Appellate Tribunal for Electricity **("APTEL")**, by its judgment dated 16.06.2025, allowed a batch of appeals filed by the Tamil Nadu Spinning Mills Association and the Indian Wind Power Association. The Tribunal set aside the orders passed by the Tamil Nadu Electricity Regulatory Commission **("TNERC")** on 31.03.2016 and 9.12.2016, which had imposed higher banking charges on wind energy generators.

TNERC's orders had substantially increased the banking charges applicable to wind power producers and changed the cost framework for these projects in Tamil Nadu. The appellants argued that between 2012 and 2016, TNERC had already raised banking charges to 10%. In the 2016 Wind Tariff Order, the Commission further increased the charges to 12%, which was challenged in the present appeals. Later, in the 2018 Wind Tariff Order, the banking charges were raised again to 14%. Notably, APTEL had struck down the 2018 increase vide its judgment dated 28.01.2021 passed in APL No. 191 of 2018 and batch.

TNERC defended its decision by stating that energy banking imposes financial burdens on the state Discom, Tamil Nadu Generation and Distribution Corporation, since it must procure expensive power to supply the banked units during periods when wind generation is low. However, APTEL found that TNERC had not carried out any detailed study supported by reliable data before deciding to raise the banking charges. The Tribunal also observed that there was a lack of adequate consultation with stakeholders on this issue. It held that banking facilities are a vital incentive that encourage investment in wind energy, and any sudden or arbitrary increase in banking charges can severely affect the economic viability of renewable energy projects.

In view of these findings, APTEL ordered that the earlier, lower banking charges applicable prior to the 2016 Order should be restored. The Tribunal further directed TNERC to undertake a comprehensive study to assess the actual costs associated with banking and to issue a fresh decision based on evidence and proper stakeholder engagement.

APTEL clarifies Solar Park's obligation to pay Transmission Charges despite partial Commissioning

APTEL through its judgment dated 24.06.2025 in Appeal No. 116 of 2023 and Appeal No. 177 of 2023, has upheld the Central Electricity Regulatory Commission's **("CERC")** order holding Saurya Urja Company of Rajasthan Ltd. **("SUCRL")** liable to pay inter-state transmission charges. The matter related to SUCRL's 1,000 MW solar park at Bhadla, Rajasthan, and the delays in commissioning the generating units located within the park.

SUCRL had entered into a Long-Term Access **("LTA")** Agreement and Transmission Service Agreements **("TSA")** with Power Grid Corporation of India Limited. Under these agreements, signed in May 2016, SUCRL expressly accepted the responsibility to discharge all liabilities concerning the LTA on behalf of the solar power generators using the park, as required by CERC regulations.

Although the internal infrastructure of the solar park was completed by March 2019, only 200 MW of the agreed 500 MW capacity was actually commissioned and operational by the middle of 2019. The remaining 300 MW capacity was subsequently commissioned in phases between October 2019 and February 2020. Meanwhile, the inter-state transmission system constructed by PGCIL became operational on 25.10.2019. Based on these facts, CERC directed SUCRL to pay the entire transmission charges from the date the ISTS became operational, irrespective of the partial commissioning of the solar generators.

SUCRL challenged CERC's orders dated 11.06.2022 and 29.08.2022, claiming it only acted as a facilitator or agent for the generators and therefore should not be held accountable for the charges. However, APTEL rejected this contention. The Tribunal noted that SUCRL had willingly undertaken clear contractual commitments to bear such liabilities. It referred in particular to the undertaking dated 23.11.2015 and the subsequent agreements, which specifically required SUCRL to pay transmission charges if the generators failed to commission their capacity on time.

APTEL held that by assuming the role of a Designated ISTS Customer, SUCRL became directly liable under the applicable CERC regulations (*CERC's Fifth Amendment to Connectivity*

Regulations, 2015 & Third Amendment to Sharing Regulations, 2015). The judgment clarified that the obligation to pay transmission charges does not depend on the actual usage or injection of power into the grid but flows from the entity's contractual undertakings and operational arrangements to secure access to the transmission system.

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