neeti niyaman
Law, Regulatory & Policy

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Legal Updates

Supreme Court orders time-bound recovery of regulatory assets

On 06.08.2025, the Hon'ble Supreme Court, in ***BSES Rajdhani Power Ltd. & Anr. v. Union of India & Ors***., delivered a significant judgment on the recovery of regulatory assets owed to power distribution companies across India. The Bench of Justice P.S. Narasimha and Justice Sandeep Mehta dealt with the long-standing problem caused by tariff approvals lower than the actual cost of electricity supply, with the resulting shortfall recorded as "regulatory assets" to be recovered in future.

The case arose from tariff orders of the Delhi Electricity Regulatory Commission **("DERC")** between 2011 and 2014, where recovery of certain earlier regulatory assets was disallowed. These assets had accumulated because DISCOMs were not permitted to charge full supply costs and were promised deferred recovery. As recoveries were repeatedly postponed, the amounts swelled, causing severe financial strain on DISCOMs and affecting the stability of the power supply system. In Delhi alone, such assets stood at around ₹27,200 crore.

In 2014, the Appellate Tribunal for Electricity ("**APTEL**") disagreed with DERC's decision and directed a fresh examination of the matter. This was challenged by consumer groups, leading to the present proceedings. The Supreme Court observed that the unchecked accumulation of regulatory assets burdens both DISCOMs and consumers, undermines financial stability in the power sector, and defeats the objectives of the Electricity Act, 2003. It criticised the failure of both Regulatory Commissions and APTEL to exercise their powers effectively, stressing that electricity is a public good and tariff setting must prioritise transparency, independence, and long-term sustainability over short-term populism.

Referring to Rule 23 of the Electricity Rules, 2005 (as amended in 2024), the Court noted that tariffs must be cost-reflective and the gap between approved annual revenue requirement and estimated revenue from tariffs should not exceed 3% of the approved Annual Revenue Requirement. Applying this principle, the Court directed that all existing regulatory assets be recovered in full within four years from 1.04.2024, and that any new regulatory assets be recovered within a maximum of three years. Regulatory Commissions must prepare clear recovery plans, including carrying costs, and conduct audits to explain delays in past recoveries.

The Court further directed APTEL to monitor the process under Section 121 of the Electricity Act by issuing directions to regulators, initiating suo motu proceedings, and continuing oversight until the four-year recovery period ends.

Supreme Court confirms jurisdiction of GERC in determining project specific tariff despite tariff stipulation under PPA

The Supreme Court, vide its judgment dated 04.08.2025 in ***Gujarat Urja Vikas Nigam Limited vs. Green Infra Corporate Wind Pvt. Ltd. & Ors. And batch*** [Civil Appeal Nos. 14098-14101 of 2015], has held that under the Electricity Act, 2003, the tariff at which a distribution licensee buys power from a generating company is fixed by the Appropriate Commission and is not a matter for private negotiation.

The matter arose in context of wind energy companies that were not availing accelerated depreciation approaching the Gujarat Electricity Regulatory Commission ("**GERC**") for determination of tariff, notwithstanding the tariff stated under the PPA. GERC had fixed a levelised tariff for wind power projects that availed accelerated depreciation under the Income Tax Act, 1961. The law allows a generator to choose between accelerated depreciation and normal depreciation only when filing the first income tax return after starting generation. The respondent companies did not opt for accelerated depreciation, but GUVNL sought to apply the tariff stated in the PPAs for the entire project life, even though that rate was meant only for projects availing the benefit.

The Supreme Court noted that the companies could not be compelled to commit to accelerated depreciation years before the law required them to choose. It found that GUVNL had acted contrary to GERC's tariff order and to the government's renewable energy policy. Being a state-owned utility, GUVNL was expected to act fairly and not purely in its own commercial interest. The Court remarked that GUVNL's attempt to enforce an inapplicable tariff was "patently unfair".

It was also observed that GUVNL had not obtained any commitment from the companies at the time of signing the PPAs that they would avail accelerated depreciation. Without such a commitment, GUVNL had no legal right to apply the lower tariff meant only for projects using that benefit.

The Supreme Court concluded that the GERC and APTEL were correct in holding that the applicable tariff must be based on the actual depreciation benefit availed by the project. Since the respondents had not availed accelerated depreciation, GUVNL could not bind them to the lower rate under the PPAs. The appeals were therefore dismissed.

SC recalls its order directing liquidation of Bhushan Power & Steel Limited

In the matter titled ***Punjab National Bank & Anr. v. Kalyani Transco & Ors.***, Review Petition (C) No. 1432/2025 in Civil Appeal No. 1808/2020, vide order dated 31.07.2025, the Supreme Court has allowed the Revision Petition and recalled its common judgment dated 02.05.2025 whereby it directed the liquidation of Bhushan Power & Steel Limited ("**BPSL**") under Section 33 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**").

In Civil Appeal No. 1808 of 2020, the Supreme Court had rejected JSW Steel's Rs. 19,350 crores' Resolution Plan citing arbitrary conduct by the Committee of Creditors, misuse of commercial discretion, and failure to adhere to statutory compliance requirements.

While allowing the Review Petitions, the Supreme Court observed that the impugned judgment had overlooked significant IBC precedents, relied on certain incorrect factual aspects, and considered arguments that had not been advanced during the hearing.

The matter is now being heard afresh, and it is now listed on 11.08.2025 at 2 P.M.

Ministry of Power issues clarification on Renewable Generation Obligation

The Ministry of Power ("**MoP**") on 06.08.2025 has issued clarification to its Resolution dated 27.02.2023 on Renewable Generation Obligation ("**RGO**") mandating the Generating company establishing a coal/lignite based thermal generating station having the Commercial Operation Date ("**COD**") of the project on or after 01.04.2023 to establish a minimum capacity of Renewable Energy ("**RE**") generation sources or purchase and supply the RE equivalent to such capacity.

Upon receipt of representations seeking clarification regarding RGO compliance through subsidiaries, the Ministry has clarified that RE generated or procured and supplied by wholly owned subsidiary of the Generating company or wholly owned subsidiary of any of the companies of a Joint Venture ("**JV**") company shall be counted towards RGO compliance for the Generating Company or the JV company establishing Coal / Lignite based thermal generating station. lt is also clarified that establishment of a minimum capacity of Renewable Energy generation sources or purchase and supply the renewable energy equivalent to such capacity, as mentioned in the subject notification is voluntary.

A copy of the clarification can be viewed *here*.

Ministry of Power issues Office Memorandum revoking the Uniform Renewable Energy Tariff (URET) mechanism

MoP vide its Office Memorandum dated 01.08.2025 has revoked the Uniform Renewable Energy Tariff ("**URET**") mechanism.

The URET mechanism and the associated Central Pools were notified to address the potential impact on procurers in a context of declining bid-discovered prices. However, Renewable Energy lmplementing Agencies ("**REIAs"**) and RE developers have expressed concerns over procurers reluctant to sign Power Supply Agreements under URET on account of uncertainty of tariffs over a 3 year period.

The decision also includes the dissolution of the 'Solar Power Central pool' and 'Solar-Wind Hybrid Central Pool'. However, the bids received, and Letters of Award issued there under shall remain valid on standalone basis and may be considered for the signing of Power Purchase Agreements. The REIAs may proceed to execute the PSAs/PPAs with the Procurers / Developers for these bids.

A copy of the Office Memorandum can be viewed *here*.

Ministry of Power issues Revised Draft Gazette Notification on Renewable Consumption Obligation (RCO) under the Energy Conservation Act, 2001.

MoP vide its notification dated 05.08.2025 has issued the Revised Draft of the Gazette Notification on Renewable Consumption Obligation ("**Draft RCO Notification"**). The Draft RCO Notification provides for the minimum share of renewable energy consumption by designated consumers i.e. distribution licensees, open access consumers and captive users. The RCO targets shall be progressively increased to 43.33% by 2029-30. The year by year targets are as under:

Year	**Wind Energy**	**Hydro Energy**	**Distributed Renewable Energy***	**Other Renewable Energy**	**Total Renewable Energy**
2024–25	0.67%	0.38%	1.50%	27.35%	29.91%
2025–26	1.45%	1.22%	2.10%	28.24%	33.01%
2026–27	1.97%	1.34%	2.70%	29.94%	35.95%
2027–28	2.45%	1.42%	3.30%	31.64%	38.81%
2028–29	2.95%	1.42%	3.90%	33.1	41.36%

2029–30	3.48%	1.33%	4.50%	34.02%	43.33%

For the States in the hilly and North-Eastern states / Union Territories, the Distributed Renewable Energy (“**DRE**”) shall be half of the abovementioned minimum share and the remainder shall be shifted to other renewable obligations. DRE compliance must come strictly from sub-10 MW installations and shall include all solar installations under all configurations.

Obligations under Wind, Hydro and other renewable energy components are fungible while DRE is non-fungible for its shortfall, but its surplus can offset other components.

Open Access Consumers and Captive users specified as designated consumers shall meet the specified total Renewable Consumption Obligation from any renewable energy source and for Distribution Licensees, the Renewable Consumption Obligation shall be calculated based on electrical energy supplied to consumers within the periphery of the Distribution Licensee.

The Bureau shall monitor compliance with specified annual deadlines for data submission and compliance settlement. Penalties for non-compliance shall be in accordance with the Energy Conservation Act, 2001 and the rules made thereunder.

Comments and objections, if any, may be sent by 19.08.2019 to rcmdivision-mop@gov.in

A copy of the draft Notification can be viewed *here*.

The Ministry of New and Renewable Energy issues Amendment to Procedure for inclusion / updating Wind Turbine Model in the Revised List of Models and Manufacturers of Wind Turbines

Vide its Office Memorandum dated 31.07.2025, the Wind Energy Division of the Ministry of New and Renewable Energy (“**MNRE**”) has amended the Procedure for inclusion / updating Wind Turbine Model in the Revised List of Models and Manufacturers of Wind Turbines.

The revised Clause 4(g) includes the details of vendors / sources for blade, tower, generator, gearbox and special bearings (Main, Pitch and Yaw Bearing)

The revised Clause 4(h) now mandates the Type Certificate for a wind turbine model to include the manufacturing/assembly facility for blade, tower, generator, gearbox and special bearings (Main, Pitch and Yaw Bearing. It further provides that a technical team constituted by the MNRE shall inspect the manufacturing facilities for blade, tower, generator, gearbox and special bearings. It further provides that the components shall only be sourced from such facilities which are included in the Approved List of Models and Manufacturers of Wind Turbines (“**ALMM**”).

The new Clause 4(i) aims to strengthen the cybersecurity ecosystem by ensuring the following:

1. Data centers and/or servers must be located within India, and all data related to wind turbines must be stored and maintained domestically.
2. The transfer of real-time operational data outside of India is prohibited.
3. Operational control of a wind turbine must be conducted exclusively from a facility located in India.
4. Manufacturers are required to establish an R&D Centre in India within one year from the issuance of this memorandum.

The newly introduced Clause 4(j) provides for the Application procedure.

Clause 4(h) shall not be applicable to the following cases:

1. Projects where bids have been closed before the issuance of this OM, provided they are commissioned within three years.
2. Wind power projects commissioned within 18 months from the date of this OM under Captive/Open Access/C&I/Third Party sale modes.
3. New Wind Turbine Manufacturers and/or New Models are granted an exemption for a period of two years from their enlistment in ALMM(Wind), limited to 800 MW capacity. However,

these exempted entities must submit a quarterly progress report to show compliance progress, with failure to do so possibly leading to delisting.

This amendment shall be applicable on all wind turbine models including the existing models enlisted in the Revised List of Models and Manufacturers of Wind Turbines and the new wind turbine models to be submitted for enlistment.

A copy of the MNRE amendment can be viewed *here*.

Ministry of New and Renewable Energy issues Clarification with respect to Revised Guidelines for installation of prototype wind turbine models.

The Wind Energy Division of the Ministry of New and Renewable Energy vide its Office Memorandum dated 06.08.2025 has issued clarification with regard to clause 1(ii)(e) of the Revised Guidelines for the installation of prototype wind turbine models.

The clarification states that the revised recommendation letter from NIWE for grid synchronization for the prototype wind turbine models may be issued. The issuance would be subjected to the condition that earlier recommendation letter from NIWE was issued after the date of issuance of IECRE type-certification scheme, Edition 3.0 which includes variants or alternative configurations of the same wind turbine type.

A copy of the clarification can be viewed *here*.

The Ministry of New and Renewable Energy issues Revised Scheme Guidelines for implementation of Pilot projects and use of Green Hydrogen using innovative methods / pathways in the Residential, Commercial, Localized Community, Decentralized/Non-Conventional, applications, including any new sector or technology not covered in previous mission schemes

The Hydrogen Division of the Ministry of New and Renewable Energy on 04.08.2025 has issued the Revised Scheme Guidelines for implementation of Pilot projects and use of Green Hydrogen using innovative methods / pathways in the Residential, Commercial, Localized Community, Decentralized/Non-Conventional, applications, including any new sector or technology not covered in previous mission schemes (**Revised Guidelines**).

The objective of the Revised Guidelines are as follows:
1. To support innovative models/technologies/pathways for production of Green Hydrogen including inter alia floating solar based Green Hydrogen production, biomass based Green Hydrogen production and production of Green Hydrogen from wastewater.
2. To support the utilisation of Green Hydrogen and its derivatives as fuel for decentralized applications in cooking, heating, off-grid electricity generation, off road vehicles on a pilot basis.
3. To validate the technical feasibility and performance of Green Hydrogen as a fuel for household/ residential and commercial appliances including city gas, local community applications.
4. To demonstrate safe and secure use of Green Hydrogen and its derivatives in other new sectors.

The Annexure A to the Revised Guidelines provides for the implementation methodology which *inter alia* deals with budgetary outlay, rationale and salient features, funding and disbursement, timelines and penalty provisions, monitoring framework etc.

A copy of the Revised Guidelines can be viewed *here*.

NGT rules cause of action in Environmental cases arises on discovery of damage; Orders restoration measures in Gurugram ponds dispute

In the matter titled ***Rohit Thakran v. State of Haryana & Ors.***, O.A. No. 543/2023, vide order dated 08.08.2025, the NGT held that for environmental claims under Section 15 (3) of the National Green Tribunal Act, 2010 ("**NGT Act**"), the limitation clock starts when the environmental damage or its direct impact becomes known, not when the land was acquired or development plans were approved. Mere acquisition or sanction of layouts, without demonstrable harm to the environment, does not trigger the '*first cause of action*'.

The OA was filed by the applicant against various State entities alleging illegal construction activities on two historically recognized water bodies and seeking restoration of these water bodies, a halt to construction, and replanting of cut trees. The Haryana Shehri Vikas Paradhikaran

("**HSVP**"), who is the main respondent qua construction activities, *inter alia* contended that the OA was time-barred as the land acquisition occurred in the year 2003 – 2005, and development plans were approved in the year 2008, with infrastructure laid in the year 2014.

The NGT rejected this contention stating that the land acquisition proceedings and mere approval of a layout plan do not constitute '*cause of action first arose*' for environmental dispute under the NGT Act and the first public auction notice issued in the year 2021 was the relevant '*first cause of action*' for this case, bringing it within the 5-year limitation period.

On merits of the case, the NGT held that the concerned water bodies are 'wetland' as defined under the Wetlands (Conservation and Management) Rules, 2017, and ought to have been maintained as it is. Further, in view of the directions of the Supreme Court in *Hinch Lal Tiwari v. Kamla Devi & Ors.*, (2001) 6 SCC 496, irrespective of the applicability of the said Rules, once they are recorded as 'pond' in the revenue records, they must be preserved in their original state. The NGT applied the 'Polluter Pays' principle and directed HSVP deposit Rs. 50 lakhs for environmental restoration.

NGT emphasises unified State accountability and urgent environmental remedial action for the closed Indian Drugs and Pharmaceutical Limited (IDPL) pharmaceutical plant in Rishikesh, Dehradun

In the matter titled ***Digambar Prasad v. State of Uttarakhand & Ors.,*** M.A. 70/2025 in O.A. No. 784/2024, vide order dated 08.08.2025, the National Green Tribunal ("**NGT**") has clarified the scope of State accountability in environmental matters. The NGT emphasised the constitutional obligation of the State under Article 48A of the Constitution of India to protect and improve the environment. It underscored that all State instrumentalities must take prompt remedial measures and that environmental grievances require urgent action, unimpeded by procedural approvals or budgetary constraints.

The NGT also held that impleading the State as a party is sufficient and there is no requirement for separately impleading every instrumentality, department, or official. Once the State is a party, its representative is legally bound to ensure that all relevant government entities comply with the directions of the Tribunal.

In this case, the applicant raised serious environmental concerns regarding the Indian Drugs and Pharmaceutical Limited (IDPL) pharmaceutical plant in Rishikesh, Dehradun, including but not limited to the plant emitting poisonous gases, presence of radioactive substances, likely contamination of Ganga river, continuous release of gases despite closure of the factory, etc. By way of an earlier order, the NGT had constituted a Joint Committee to inspect the site and recommend remedial measures. Despite the findings of the inspection and recommendations, no remedial action was implemented. The application filed by the applicant was disposed of with directions to the relevant authorities to ensure compliance within the stipulated time.

NCLAT holds that Section 60 (2) of the Insolvency and Bankruptcy Code, 2016 overrides the territorial jurisdiction under Section 60 (1) where CIRP proceedings against principal borrower are already pending

In the matter titled ***M/s. Prakash Oil Depot v. G. Madhusudhan Rao & Anr***., Company Appeal (AT) (CH) (Ins) No. 304/2025 and 306/2025, vide order dated 01.08.2025, the National Company Law Appellate Tribunal ("**NCLAT**") has held that the 90-day timeline prescribed under Regulation 2B (1) of the IBBI (Liquidation Process) Regulations, 2016 ("**Regulations**"), for completing a scheme of compromise or arrangement under Section 230 of the Companies Act, 2013 ("**Companies Act**"), is directory and not mandatory.

In this case, M/s Sarda Agro Oils Limited was placed under liquidation and the Appellant proposed a scheme under Section 230 of the Companies Act however, it was not finalised within the 90-day period prescribed under the Regulations due to delays in obtaining financial creditor approvals and depositing of earnest money. The application for extension filed by the liquidator was rejected by the National Company Law Tribunal ("**NCLT**"). In the appeal, the NCLAT examined whether the timeline is to be rigidly followed or if extension is permissible.

The NCLAT has observed that the core objective is the revival and continuation of the corporate debtor and a scheme of arrangement under Section 230 of the Companies Act should be preferred over liquidation, which should be the last resort. The Statute does not create any specific bar under law on extension of the timeline and the decision to grant such extension ought to be made permissible if it facilitates the enforcement of the scheme, such as promoting revival of the corporate debtor, reducing litigation, and upholding the commercial wisdom of stakeholders. A strict enforcement of the timeline provided under Regulation 2B would defeat the purpose and objective of the scheme.

In the matter titled ***S. Vasudevan v. IDBI Trusteeship Services Ltd. & Ors.,*** Company Appeal (AT) (CH) (Ins) No. 362/2023, vide order dated 09.10.2023, the NCLAT upheld the admission of the application filed against the corporate debtor under Section 7 of the IBC before the NCLT (Chennai) despite the company's registered office being in Bangalore on the basis of the interpretation of the term '*pending*' in Section 60(2) of the IBC.

The Appellant had challenged the territorial jurisdiction of NCLT (Chennai) under Section 60(1) of the IBC on the ground that the registered office of the Corporate Debtor was in Bangalore and no Corporate Insolvency Resolution Process ("**CIRP**") was pending in Chennai. Section 60(1) of the IBC provides that the insolvency proceedings should be carried out before the NCLT having territorial jurisdiction over the place where the registered office is located. Section 60(2) provides for an exception in cases where the CIRP or liquidation proceedings are already '*pending*' before another NCLT. In this case, the Appellant contended that on the date of filing of the application under Section 7 of the IBC, the CIRP proceedings were not pending in Chennai as the application was only '*filed*' and not '*admitted*'.

The NCLAT rejected the narrow interpretation of the term '*pending*' in Section 60(2) of the IBC and held the term '*pending*' for the purpose of Section 60(2) means the period from the filing of the application under Section 7 until its final determination and not from the date of commencement i.e., admission.

The NCLAT observed that the primary objective of Section 60(2) is to group together related insolvency proceedings (corporate debtor and its guarantors) before a single forum to ensure that the two proceedings do not proceed on different tracks and to avoid multiplicity and contradictory rulings. It was held that once CIRP proceedings are initiated and pending before a particular NCLT, any related insolvency proceedings must also be filed before the same forum.

MCA notifies the last date for compliance with the direction to file the statement in Form No. IEPF – 1A as per Rule 5 (4A) of the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016

The Investor Education and Protection Fund Authority had directed all concerned companies to ensure strict compliance with the provisions of Rule 5 (4A) of the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules) i.e., all companies, which had transferred any amount referred to in Section 205C (2) (a) to (d) of the Companies Act, 1956 to Investor Education and Protection Fund or Central Government and have not filed the statement or have filed the statement in any format other than in excel template, as required under Rule 5 (1), have to submit the details as mentioned in Form No. IEPF – 1A along with excel template within 60 days from the notification dated 20.08.2019.

The Authority observed that despite multiple instructions and adequate time provided, over 3000 companies had not complied with the said direction. In view of the same, vide Public Notice dated 31.07.2025, the Ministry of Corporate Affairs has directed companies to comply with the said direction within 30 days of the notification i.e., on or before 30.08.2025, failing which regulatory action would be taken under the Companies Act.

TRAI warns public against rising fraud scams using its name

The Telecom Regulatory Authority of India ("T**RAI**"), vide its Press Release No. 71/2025 dated 06.08.2025, has issued an immediate advisory cautioning the public about increasing cyber and financial scams involving impersonation of TRAI officials.

The key scams identified by TRAI are as follows:

1. **Digital Arrest Scam**: The callers / impersonators pretend to be officials of TRAI or law enforcement, accuse victims of telecom or financial offences, use fake legal papers and threats of arrest or account freeze to demand '*bail*' or '*verification*' payments.
2. **SIM Deactivation Threats**: Fraudulent messages or calls claiming mobile services will be disconnected due to KYC issues unless immediate action is taken.
3. **Fake Mobile Tower Installation Offers**: False proposals promising high rental income in return for upfront registration fees, often supported by forged TRAI approvals.
4. **Forged Letters / Emails**: Circulation of fake documents or emails bearing TRAI's logo to demand money, push investment schemes, or demand compliance actions.

TRAI has clarified that it does not conduct investigations against individual consumers; request Aadhaar, bank account, OTP, or other personal detail; and issue arrest threats or warnings via digital platforms.

The following public advisory for safety has been issued:
1. Hang up immediately on suspicious or threatening calls.
2. Never share Aadhaar, banking, OTP, or other personal details over calls or video chats.
3. Do not transfer any money in response to unsolicited demands.
4. Always verify information through TRAI's or government's official channels.
5. Report scams to the National Cybercrime Helpline (1930) or www.cybercrime.gov.in.

Use the Chakshu facility on Sanchar Saathi or the TRAI DND app to flag suspicious numbers.

APTEL rejects claim for compensation for power injected before execution of Wheeling and Banking Agreement

APTEL vide order dated 28.07.2025 in Appeal No. 240 of 2020 titled ***Jindal Aluminium Limited v. KERC and Ors***., upheld the Karnataka Electricity Regulatory Commission's **("KERC")** decision denying compensation to Jindal Aluminium Ltd. for electricity injected into the grid before the signing of a Wheeling and Banking Agreement ("**WBA**").

Jindal Aluminium Ltd. commissioned 12 MW of wind power on 3.10.2015 for captive use and third-party sale. The WBA with Karnataka based distribution companies, and the Karnataka Power Transmission Corporation, was signed only on 18.11.2015. However, the generator began injecting power into the grid from 4.10.2015 and raised invoices on the distribution companies for the power supplied for the period before the singing of the WBA. Due to non-receipt of said invoiced amounts, the generator approached KERC, seeking payment for the same, or return of equivalent amount of energy, on the ground that the distribution licensees received the power without any demur. However, the Commission rejected the claim, holding that without an agreement, Section 70 of the Indian Contract Act, 1872, did not apply.

Before APTEL, the generator argued that the power injection was lawful, not gratuitous, and accepted by the distribution companies, which should therefore pay for it under Section 70 of the Indian Contract Act, 1872. The respondents countered that the injected power was neither used nor counted towards Renewable Purchase Obligations **("RPOs")** and that the KERC order was correct. APTEL compared the case with earlier rulings where compensation was granted, viz., *Green Energy Association vs. Maharashtra Electricity Regulatory Commission & Ors.* [Appeal No. 187 of 2017] and *Greenko Maha Wind Energy Pvt. Ltd. vs. Maharashtra Electricity Regulatory Commission and Ors.* [Appeal No. 103 of 221], noting that in those cases, the distribution companies had utilized such power by selling it to its consumers and realizing tariff from them for the same thereby causing financial gain. In the present case case, the distribution licensees had filed affidavits confirming that they had not used the injected power in any way. Since Section 70 requires the recipient to gain a benefit, APTEL held that this condition was not met.

The Tribunal also referred to a 01.10.2015 letter from the Karnataka Power Transmission Corporation granting provisional interconnection approval, which clearly stated that any injection of power before signing an agreement or obtaining load dispatch approval would not be compensated. On these facts, APTEL held that the generator was aware of the risks and could not claim payment for power injected before the agreement was signed. The appeal was dismissed, and the KERC order was upheld.

APTEL upholds Rosa Power's claim for Late Payment Surcharge under PPA

APTEL, in its order dated 28.07.2025 in *Rosa Power Supply Co. Ltd. v. Uttar Pradesh Power Corporation Ltd.*, Appeal No. 107 of 2020, set aside a decision of the Uttar Pradesh Electricity Regulatory Commission **("UPERC")** that had cancelled Rosa Power's Late Payment Surcharge **("LPS")** invoice. APTEL held that the terms of the Power Purchase Agreement **("PPA")** remain binding for its entire duration.

Rosa Power operates a generating plant in Uttar Pradesh under a PPA with the Uttar Pradesh Power Corporation Limited ("**UPPCL**"). The PPA allowed 30 days for bill payment, after which LPS at 1.25% per month would apply. Pursuant to the same, the generator raised an invoice for LPS due to delayed payments. UPPCL argued that the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2014 ("**2014 Regulations**"), which allow 60 days before LPS applies, overrode the PPA. The Commission agreed and set aside the LPS invoice.

APTEL disagreed with the order of UPERC and observed that the dispute resolution process under the PPA had not been followed before UPPCL approached the Commission, and that the Commission should have directed the parties to resolve the matter under the PPA first. On the main issue, the Tribunal held that the PPA was signed in line with the UPERC (Terms and Conditions of Generation Tariff) Regulations, 2004 ("**2004 Regulations**"), after negotiations between parties with equal bargaining power, and that the 2014 Regulations did not state they applied to existing PPAs. APTEL further observed that since the LPS clause was valid when the PPA was executed, and no later regulation expressly changed it, the 30-day trigger period for LPS continued to apply. APTEL therefore upheld Rosa Power's LPS invoice as lawful and payable by UPPCL.

Bihar Electricity Regulatory Commission issues the draft Bihar Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2025

Bihar Electricity Regulatory Commission **("BERC")** vide notification no. SMP- 28/2025 dated 29.07.2025 has issued the draft Bihar Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2025 **("Draft BERC Regulations.")**

The objective of the Draft BERC Regulations is to enable the implementation of Resource Adequacy framework by outlining a mechanism for planning of generation resources to reliably meet the projected demand under various scenarios in a cost-effective manner. These Regulations further aim to ensure that the load is served reliably in accordance with the reliability standards, through an optimal capacity mix that promotes efficiency, optimal utilization of resources, sustainability, and grid security. The Resource Adequacy framework shall cover a mechanism for demand assessment and forecasting, generation resource planning, procurement planning, and monitoring & compliance.

The Draft BERC Regulations will apply to the generating companies, distribution licensees, State Load Despatch Centre, State Transmission Utility, and other grid connected entities within the State of Bihar. Resource adequacy framework shall cover demand assessment and forecasting, generation resource planning, procurement planning, monitoring and compliance.

BERC has invited comments, suggestion and objections from the general public and all stakeholders on the draft Regulations which may be submitted to the Secretary, Bihar Electricity Regulatory Commission, Vidyut Bhawan II Nehru Path, Patna 800021 and has to reach on or before 02.09.2025. BERC will conduct hearing in the matter on 09.09.2025 at 11:30 A.M. The Draft BERC Regulations may be accessed from the following *link*.

KERC issues Karnataka Electricity Grid Code (KEGC), 2025

The Karnataka Electricity Regulatory Commission ("**KERC**") vide its notification dated 21.07.2025, issued Karnataka Electricity Grid Code (KEGC), 2025. It replaces the earlier 2015 version and aligns Karnataka's transmission regulations with the Indian Electricity Grid Code (IEGC), 2023. Its main objective is to ensure the secure, reliable, economical, and efficient operation of the intra-state transmission system (In-STS), while facilitating seamless integration with the Southern Regional and National Grids. The Code also supports the integration of renewable energy, promotes open access, enables competition in power generation, ensures demand–supply balancing, and advances the state's clean energy transition.

The Code applies to all key entities connected to the In-STS, including generating stations, transmission and distribution licensees, the SLDC, ALDC, DCC, open access/EHV consumers, renewable energy parks, and coordinating agencies. It clearly defines the roles and responsibilities of each entity, including SLDC, STU, and distribution licensees, and lays out governance processes for review and amendments through stakeholder consultation. It also specifies technical and operational standards such as reliability norms, reserve requirements, protection settings, operating procedures, and renewable energy curtailment measures. The Code is issued under the authority of Sections 86(1)(h) and 181(2)(zp) of the Electricity Act, 2003. Karnataka Electricity Grid Code (KEGC), 2025 can be accessed here.

KERC issues Karnataka Electricity Distribution Code (KEDC), 2025

KERC vide its notification dated 21.07.2025, issued the Karnataka Electricity Distribution Code (KEDC), 2025. This Code has been issued under Sections 42 and 181 of the Electricity Act, 2003, and updates the earlier Karnataka Electricity Distribution Code, 2015. It brings the rules in line with the latest guidelines issued by CERC, CEA, and the Forum of Regulators on important areas like metering, safety, power quality, connectivity, cyber security, and planning. The main aim is to ensure safe, reliable, and good-quality electricity supply in Karnataka by setting clear standards for all distribution licensees, deemed licensees, certain consumers, and other connected entities.

- The Code is structured into five chapters, each addressing a specific aspect of electricity distribution in Karnataka.
- Chapter 1 provides key technical and legal definitions such as consumer, distribution system, point of common coupling, harmonic distortion, captive power plant, and prosumer.
- Chapter 2 outlines the objectives and scope of the Code, including the Distribution Planning Code, Distribution Operation & Maintenance Code, and Safety Standards for Distribution. It applies to all distribution licensees, open access consumers, and certain institutions, and lays down provisions for implementation, confidentiality, compliance, and review through the Distribution Code Review Panel (DCRP).
- Chapter 3 focuses on planning, aiming for reliable 24x7 power supply, asset optimisation, loss reduction, and sustainability. It covers system design, expansion, compliance with CEA standards, voltage regulation, energy audits, safety standards, GIS mapping, standardisation, quality assurance, and metering.
- Chapter 4 deals with operational and maintenance aspects, including the role of Distribution Control Centres (DCCs), demand estimation, outage planning, load shedding, coordination with generators, and maintenance practices.
- Chapter 5 contains miscellaneous provisions granting powers to remove difficulties, repeal earlier codes, and issue suo motu orders and operational directions.

Karnataka Electricity Distribution Code (KEDC), 2025 cane be accessed *here.*

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