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Legal Updates

**Supreme Court reaffirms
that tariff cannot be
changed by private
negotiation and requires
Commission's approval**

The Supreme Court, vide judgment dated 29.08.2025 in the matter of *M/s KKK Hydro Power Limited v. Himachal Pradesh State Electricity Board Limited & Ors.*, held that a power generating company and a distribution licensee cannot independently fix electricity tariffs through a Power Purchase Agreement (“PPA”). The Court ruled that approval of the State Electricity Regulatory Commission (“SERC”) under Section 86(1)(b) of the Electricity Act, 2003 is mandatory. The judgment was delivered by a Division Bench of Justice Sanjay Kumar and Justice N.V. Anjaria.

The dispute arose from a 3 MW hydro project in Himachal Pradesh. A PPA executed in 2000 fixed the tariff at ₹2.50 per kWh. After the project was expanded to 4.9 MW in 2008, KKK Hydro and the Himachal Pradesh State Electricity Board (“HPSEB”) entered into a supplementary PPA in 2010 revising the tariff to ₹2.95 per kWh. However, this revised tariff was never submitted to the Himachal Pradesh Electricity Regulatory Commission (“HPERC”) for approval.

HPERC held that the supplementary PPA was invalid and the original tariff of ₹2.50 per kWh continued to apply. In appeal, the Appellate Tribunal for Electricity (“APTEL”) attempted a compromise by proposing a weighted average tariff of ₹2.60 per kWh, applying different rates to the original and expanded capacities. Dissatisfied, KKK Hydro approached the Supreme Court, seeking application of the higher tariff of ₹2.95 per kWh for the entire project.

The Supreme Court dismissed the appeal, emphasizing that tariff determination is a statutory function of the Commission under Section 86(1)(b) and cannot be the subject matter of private

negotiation. The Court clarified that both the tariff and any PPA must be reviewed and approved by the Commission before coming into effect.

The Bench held that the parties were required to approach HPERC before implementing any increase in tariff. Since they did not obtain such approval, the enhancement under the supplementary PPA could not be enforced.

The Supreme Court also clarified that attempts to adjust the tariff through a weighted average or other mechanisms without Commission approval are not permissible. Such decisions fall solely within the jurisdiction of the regulatory Commission.

The judgment reinforces that any PPA or supplementary agreement stipulating a tariff without SERC approval has no legal effect, and the parties cannot bypass the statutory process for tariff determination.

In **Ajay Rana v. Sanjay Kumar Goel & Ors.**, Comp. App. (AT) (Ins) No. 1045/2023, vide order dated 29.08.2025, the National Company Law Appellate Tribunal (“**NCLAT**”) has held that a Corporate Insolvency Resolution Process (“**CIRP**”) order, which is passed based on a letter neither addressed to nor received by the corporate debtor, is invalid.

In this case, the operational creditor filed an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”). The corporate debtor admitted the principal amount but disputed the interest claim. It alleged that the GST department had directed it to stop payment to the operational creditor due to an investigation into “fake invoicing and wrongful tax credit”. It was contended that without the interest amount, the outstanding amount did not meet the threshold for insolvency proceedings under Section 4 of the IBC. The National Company Law Tribunal (“**NCLT**”) admitted the application on the ground that interest formed part of the debt and the GST department confirmed issuing a letter directing the corporate debtor to pay dues.

The NCLAT allowed the appeal and held as follows:

- i. The principal amount was below the threshold for insolvency proceedings. In the absence of any agreement between the parties, interest claimed merely based on unilateral invoices cannot be added to reach the threshold limit under Section 4 of the IBC.
- ii. The corporate debtor had rightly withheld payment in view of the ongoing GST investigation and directions received from the department.

In **ICICI Bank Ltd. v. Seeta Neeraj Shah and Anr.**, Company Appeal (AT) (Insolvency) No. 731/2025, vide order dated 03.09.2025, the NCLAT has held that the liability of a guarantor cannot be confined only to the capped amount prescribed under the Guarantee Deed in respect of the principal borrower’s liability.

The creditor extended credit facility to the principal borrower. A corporate guarantee was issued in favour of the creditor. The creditor invoked the corporate guarantee on the principal borrower’s default. The insolvency application was admitted and CIRP was initiated. The RP admitted the principal amount and kept the default interest under verification. After a revised claim was submitted, the principal amount and the default interest was admitted. An application was filed to cap the liability as per the Guarantee Deed, which was allowed by the NCLT.

The NCLAT observed that the guarantor’s liability to discharge repayment obligations upon invocation of the guarantee and the principal borrower’s liability operate in separate spheres. While the Guarantee Deed may prescribe a cap on the principal borrower’s liability, the guarantor remains independently liable to pay default interest for failing to discharge their own obligations under the guarantee. The Guarantee Deed specifically included a clause imposing default interest on delayed payment by the guarantor, which cannot be overridden by the liability cap meant for the borrower’s principal dues. Ignoring this clause would deny the creditor the agreed remedy for late payment,

NCLAT holds that the interest claimed based on unilateral invoices in the absence of agreement between the parties cannot be added to reach the threshold limit under Section 4 of the IBC

NCLAT holds that the liability of a guarantor cannot be confined only to the capped amount prescribed under the Guarantee Deed in respect of the principal borrower’s liability

which formed an integral part of the guaranteed contract. Since the guarantor failed to pay the guaranteed sum within the cure period, the creditor was entitled to claim default interest in addition to the capped liability.

NCLAT holds that once it is held that the issue of share application money is financial debt, it cannot be raised again in a fresh application under Section 7 of the IBC as it is barred by res judicata

In *Ajit Kumar Gupta v. Uniexcel Ltd. & Anr.*, Company Appeal (AT) (Insolvency) No. 1686/2023, vide order dated 03.09.2025, the NCLAT has held that once the issue of whether share application money constitutes a financial debt has already been decided in earlier proceedings, the same question cannot be raised again in a subsequent application under Section 7 of the IBC, and such a plea is barred by the principle of res judicata.

In this case, the financial creditor remitted money to the corporate debtor for the allotment of shares in the corporate debtor's company. The project could not materialize, and the share allotment was put on hold. Later, the financial creditor requested a refund. The corporate debtor wrote to the bank but the bank indicated that the application needed to come from the financial creditor. Thus, the financial creditor sent a letter to the corporate debtor for a refund. Due to non-refund, the financial creditor filed an application under Section 7 of the IBC. The NCLT held that the share application money was a financial debt. As the corporate debtor was willing to refund the money, liberty was granted to revive the application if the refund was not issued. In the appeal against this order, the NCLAT set aside the portion granting the said liberty. The issue regarding the amount being a financial debt was not agitated before the NCLAT.

When the amount was not refunded, another application was filed under Section 7 of the IBC, which was dismissed by the NCLT on the ground of limitation. In the appeal against this order, the NCLAT remitted the matter for fresh consideration as it was within limitation. The NCLT admitted the application against which an appeal was filed before the NCLAT.

The NCLAT observed that in the earlier proceedings between the parties, it had already been held that the amounts advanced by the financial creditor to the corporate debtor constituted a financial debt. Since that decision had attained finality, the corporate debtor could not re-agitate the same issue. The NCLAT further noted that despite repeated demands, the corporate debtor failed to refund the amount, thereby establishing default.

NCLAT holds that a corporate debtor cannot file an appeal under Section 61 of the IBC in its own name after appointment of IRP

In *Dhara Cements (India) Pvt. Ltd. v. Dineshbhai Khimjibhai Patel*, Company Appeal (AT) (Insolvency) No. 444/2024, vide order dated 29.08.2025, the NCLAT has held that once CIRP is initiated and an Interim Resolution Professional ("IRP") is appointed, the management of the corporate debtor stands suspended, and therefore, the corporate debtor cannot file an appeal under Section 61 of the IBC in its own name. The NCLAT also observed that the defect was not curable by way of an amendment primarily due to the extreme delay in filing of the amendment application.

In this case, an application under Section 7 of the IBC was filed by the financial creditor, which was admitted by the NCLT and an IRP was appointed. An appeal was filed against this order by the corporate debtor under Section 61 of the IBC. An objection on the maintainability of the appeal was raised inasmuch as it was filed by the corporate debtor and not through its suspended director.

It was submitted by the Appellant that Section 61 of the IBC allows "any person aggrieved" to prefer an appeal, and Section 3(23) defines "person" to include a company, and the filing by the corporate debtor directly, rather than through its suspended director, is a curable lacuna that can be rectified by amendment. It was submitted by the Respondent that once an IRP is appointed and the board of directors is suspended, the corporate debtor, as a company, loses the authority to challenge the admission order on its own.

In *Kiran Kumar Jain v. Cosmos Co-Operative Bank Ltd. & Anr.*, Company Appeal (AT) (Insolvency) No. 955/2025, vide order dated 02.09.2025, the NCLAT has upheld the NCLT's order admitting the application filed by the bank under Section 95 of the IBC against the personal guarantor.

NCLAT holds that a counter claim before DRT challenging the liability under the guarantee deed does not preclude the bank from initiating proceedings under the IBC as it provides a separate remedy and it is within the bank's discretion to proceed against one or all personal guarantors

In this case, the financial creditor granted various credit facilities to the corporate debtor. The personal guarantors had executed a guarantee deed, and issued a promissory note and a continuing guarantee letter of lien. The corporate debtor failed to honor its repayment obligations. The financial creditor issued a call back notice to the corporate debtor and all personal guarantors demanding repayment. The bank filed an application before the Debt Recovery Tribunal (DRT), wherein the appellant filed a counter claim questioning the liability under the guarantee. Insolvency proceedings were initiated against the corporate debtor by a different financial creditor, which resulted in a liquidation order. The bank issued a notice to the appellant demanding the unpaid debt amount to which the appellant replied and claimed that no amount was disbursed by the bank for which the guarantee was obtained. Thereafter, the bank filed an application under Section 95 of the IBC for insolvency resolution against the appellant, which was admitted by the NCLT.

The NCLAT held that:

- i. The guarantee deed clearly stated it was in consideration of the bank “having agreed to grant and / or continue to grant and / or granted to the Borrower/s banking facility / facilities or accommodation...”. The term “granted” indicated that the guarantee covered facilities already extended to the borrower.
- ii. The loan agreement stipulated that the repayment for the term loan was to begin just two days after the guarantee was executed, which clearly proves that loan was already disbursed. Further, there would be no occasion for issuance of promissory note unless a consideration has already received.
- iii. The appellant's counter claim, challenging the liability under the guarantee deed, pending before the DRT, does not preclude the bank from initiating proceedings under Section 95 of the IBC. The IBC provides a separate remedy.
- iv. It is within the bank's discretion to proceed against one or all personal guarantors of a corporate debtor under Section 95, and this fact alone cannot be a reason to reject the application.

During the pendency of the appeal, the bank and the appellant entered into a settlement however, as per Rule 11(1)(b) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019, an application can be withdrawn after admission only if 90% of the creditors agree to such withdrawal, which could not be ascertained in this case. Thus, the NCLAT directed the IRP to upload the list of creditors with admitted amounts, allow the bank to file an application for withdrawal and ascertain whether 90% creditors agree to the withdrawal, subsequent to which NCLT will consider the withdrawal application.

NCLAT holds that mere bald assertions of fraud or corruption, without supporting evidence, cannot be a ground to invalidate an otherwise valid and transparent auction

In *Jai Agarwal v. Satyendra Prasad Khorania*, Company Appeal (AT) (Ins.) No. 30/2024, vide order dated 02.09.2025, the NCLAT has held that mere bald assertions of fraud or corruption, without supporting evidence, cannot be a ground to invalidate an otherwise valid and transparent auction.

The appellant alleged that the liquidator engaged in irregularities, collusion, and unfair conduct during the e-auction. As per him, he was the sole genuine bidder until the last few minutes when an unauthorized bidder was introduced in a non-transparent manner, thereby vitiating the process and undermining the IBC's objective of “maximization of value”. As per him, the NCLT dismissed his application without properly appreciating evidence of “foul play”.

The NCLAT dismissed the appeal and held that:

- i. Auctions in liquidation proceedings are not mere private transactions. They are mechanisms designed under the IBC to ensure transparency, fairness, and maximisation of value.
- ii. The unsuccessful bidder was duly logged into the system throughout the process and was fully aware of the bidding but failed to place a higher valid bid despite having the opportunity.
- iii. The rival bidder was validly registered and eligible to participate, and the allegations of collusion, manipulation, and illegal gratification against the liquidator were baseless, speculative, and unsupported by any complaint or contemporaneous evidence.

Interference with a concluded auction on such unsubstantiated allegations would undermine the certainty of liquidation and delay creditor recoveries.

NCLAT hold that the NCLT can grant ex-post facto approval for criminal complaints against ex-management

In ***Pankaj Tandon v. Isolux Corsan India Engineering & Construction Pvt. Ltd.***, Company Appeal (AT) (Insolvency) No. 201/2025, vide order dated 02.09.2025, the NCLAT has held that the NCLT is empowered to grant ex-post facto approval to criminal complaints filed by the liquidator against the ex-management, provided sufficient reasons are recorded.

In this case, the NCLT allowed an application filed by the liquidator seeking ex-post facto approval / ratification / regularization of the criminal complaints filed against the ex-management. It was submitted on behalf of the appellant that neither any reasons had been given nor any special facts had been mentioned due to which the approval could have been granted. It was submitted on behalf of the liquidator that the NCLT had permitted the liquidator to pursue all litigations and consequential civil / criminal proceedings.

The NCLAT observed that the NCLT had, by its earlier order, already authorized the liquidator to pursue civil and criminal proceedings. The NCLT's order only granted ex-post facto approval for complaints already filed, with reasons duly recorded. The NCLAT dismissed the appeal since no error was found in the NCLT's reasoning.

MNRE issues Clarification to Amendment to Procedure for Inclusion/Updating Wind Turbine Models in the Revised List of Models and Manufacturers of Wind Turbines (RLMM) dated 31.07.2025

The Ministry of New & Renewable Energy ("**MNRE**") vide its Circular dated 04.09.2025 has issued a clarification to the "Amendment to Procedure for Inclusion/Updating Wind Turbine Models in the Revised List of Models and Manufacturers of Wind Turbines (RLMM)" issued on 31.07.2025.

Vide the Circular, the MNRE has clarified that the Type Certificate under Clause 4(h) may be revised / updated within three months from the date of the amendment. A clarification issued by the Type Certification Body, specifying the location / address details of the components mentioned in Clause 4(h) of the said amendment shall also be considered for updation within stipulated time.

The Circular dated 04.09.2025 can be viewed [here](#).

APTEL confirms OERC's Authority over Intra-State Transmission Charges for Odisha Grid

The Appellate Tribunal for Electricity ("**APTEL**") , in the matter of ***Odisha Power Transmission Corporation Limited vs Jindal Stainless Steel*** vide its order dated 29.08.2025 in Appeal No. APL No. 61 of 2016, clarified that the Odisha Electricity Regulatory Commission ("**OERC**"), and not the Central Electricity Regulatory Commission ("**CERC**"), has the jurisdiction to determine transmission charges for use of the Odisha intra-State transmission system, even when electricity is transferred under inter-State Medium Term Open Access. The case arose when Jindal Stainless Ltd. ("**JSL**") moved power from its captive plant in Odisha to its unit in Haryana, using Odisha's transmission network at the starting point. The dispute concerned the quantum of charges for using Odisha's intra-State grid.

OPTCL had contended that only CERC could decide the matter, relying on provisions of the CERC (Grant of Connectivity, Long-Term and Medium-Term Open Access) Regulations, 2009. APTEL rejected this, noting that OERC had framed regulations in 2005 and 2006 empowering it to determine charges for intra-State transmission. The Tribunal also observed that even CERC's regulations recognise that, where state networks are involved, the state commission sets the charges if the parties fail to agree.

Further, APTEL highlighted inconsistencies in OPTCL's stance, noting that for years it had levied charges based on OERC's orders. However, when JSL disputed the rate, OPTCL changed its position and claimed that OERC lacked jurisdiction. The Tribunal found this approach contradictory and reaffirmed its earlier judgments, including *Bharat Aluminium Company Limited vs Chhattisgarh Power Transmission Company Limited (Appeal No. 210 of 2012)* and *State Load Dispatch Centre v. Gujarat Electricity Regulatory Commission (Appeal*

No. 17 of 2015), holding that disputes concerning intra-State networks fall within the jurisdiction of the respective State Commission.

In the matter of *M/s Lord Chloro Alkali Limited vs Rajasthan Electricity Regulatory Commission & Ors*, APTEL, vide its order dated 28.08.2025 in Appeal No.282 of 2016 and connected matters, set aside the order of the Rajasthan Electricity Regulatory Commission (“RERC”) dated 24.08.2016. By that order, RERC had allowed Distribution Licensees to levy an additional surcharge of ₹0.80 per unit on electricity procured through open access from 01.05.2016. The appeals were filed by industrial consumers and associations in Rajasthan, challenging the legality of the levy.

The central issue was whether RERC had properly applied Section 42(4) of the Electricity Act, 2003 while approving the surcharge. The appellants contended that the discoms failed to prove that their stranded capacity and fixed costs were directly and solely due to consumers opting for open access. They also highlighted that Rajasthan continued to face a power deficit, while at the same time the discoms were purchasing short-term power and backing down long-term contracts, often to save costs.

APTEL observed that an additional surcharge is not to be imposed automatically but can only be applied as a compensatory charge when long-term power purchase agreements are left stranded due to consumers shifting to open access. The Tribunal emphasized that the responsibility to prove this lies entirely with the discoms, who must clearly show that stranded capacity exists and that it is caused solely by open access consumers. It further clarified that capacity left unused because of the discoms’ own decisions, inefficiencies, or procurement practices cannot be used to justify the levy. APTEL held that RERC had committed a “grave error” by presuming the existence of stranded capacity without properly examining its actual cause.

APTEL, in reaching its decision, placed reliance on the Supreme Court’s ruling in *Sesa Sterlite Ltd. v. OERC*, which clarified that an additional surcharge serves both to safeguard cross-subsidies and to recover stranded costs. It also referred to the National Tariff Policies of 2006 and 2016, which restrict the levy of such surcharge to situations where stranded capacity is conclusively attributable to open access.

Accordingly, APTEL set aside RERC’s order and remanded the matter for fresh consideration. RERC has been directed to examine whether any stranded capacity of the discoms arose solely due to open access. Only such evidence, the Tribunal held, could justify the imposition of an additional surcharge.

In the matter of *South Indian Sugar Mills Association & Ors. Vs Tamil Nadu Electricity Regulatory Commission & Ors.*, APTEL vide its judgment dated 03.09.2025 in Appeal No. 200 of 2016 and other connected appeals, examined challenges filed by the South Indian Sugar Mills Association and several sugar mills in Tamil Nadu against Tamil Nadu Electricity Regulatory Commission’s (“TNERC”) R.A. No. 3 of 2014, issued pursuant to Tariff Order No. 7 of 2012. The dispute related to the determination of fixed and variable costs for bagasse-based cogeneration plants, including capital cost, fuel and O&M charges, working capital, and incentives for generation beyond normative PLF, as well as the applicability of the order to plants commissioned before 15.05.2006. The Appellants also contended that TNERC delayed proceedings on the remand directions issued in APTEL’s earlier judgment in Appeal No. 199 of 2012, despite a 180-day timeline, and submitted their inputs to TNERC for reconsideration. On the issue of capital cost, APTEL noted that most plants commissioned after 2009 employed high-pressure boiler configurations, which entail higher capital expenditure. The Tribunal observed that TNERC’s uniform capital cost of ₹5.10 crores/MW did not adequately reflect

APTEL quashes RERC’s order on additional surcharge for open access consumers in Rajasthan

APTEL directs TNERC to reconsider tariff components for bagasse-based cogeneration plant

these variations. TNERC was directed to admit actual, documented costs for site-specific necessities, including air-cooled condensers.

Regarding fuel cost, APTEL held that TNERC's fixation based solely on the equivalent heat value approach benchmarked to avoided coal cost did not fully reflect market conditions in Tamil Nadu. The Tribunal directed that the commercial price of bagasse must also be considered, and the escalation rate applied flexibly to reflect actual cost trends. In relation to Station Heat Rate ("**SHR**"), APTEL directed for restoring it to 3700 kcal/kWh for the control period, noting that TNERC was not remanded to modify this parameter.

On O&M charges, APTEL found that TNERC had not fully incorporated the escalation mechanism as per CERC's 2012 Regulations, resulting in understated admissible costs. The Tribunal held the impugned determination invalid and remanded the matter to TNERC for reconsideration, directing that interim O&M costs be allowed as per CERC norms until final determination.

Additionally, APTEL confirmed that the Appellants are entitled to carrying cost, i.e., interest on differential amounts arising from delayed payment of revised tariffs, calculated from the original bill due date until actual payment. The Tribunal emphasized that the revised tariff and its components shall apply retrospectively from the relevant dates determined above and not merely from the date of issuance of the impugned orders. The Commission was directed to complete all reconsideration in a timely manner, ensuring that the principles of transparency and consistency with prior directives are fully adhered to.

The Central Electricity Regulatory Commission ("**CERC**"), vide notification dated 31.08.2025, has issued the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2025. These amendments mark the third update to the 2022 principal regulations, following the first amendment in 2023.

One of the key changes has been introduced under Regulation 2.1, with the insertion of a new clause (h-i) defining a "*Cluster of ISTS Substations.*" This allows one or more ISTS substations to be grouped together by the CTU based on geographical, technical, and planning considerations, with the details published on the Central Transmission Utility's ("**CTU**") website. The amendment clarifies that control of the Connectivity Grantee, whether a single company or a consortium, must remain with the promoters/shareholders or consortium members, as applicable, until the commissioning of the project.

Further, Regulation 2.1 has also been expanded through the addition of clauses (ak-i) to (ak-iv), introducing formal definitions of "*Solar Hours,*" "*Solar Hour Access,*" "*Non-Solar Hours,*" and "*Non-Solar Hour Access.*" As per these changes, the NLDC will declare solar and non-solar hours every Friday for the upcoming week, based on anticipated solar insolation, with flexibility to revise in case of unforeseen events. This new framework directly links scheduling rights to solar and non-solar time blocks, thereby aligning grid operations with renewable generation patterns.

The amendments also substitute Regulation 3.7 and insert new provisions Regulations 3.8 and 3.9, dealing with the withdrawal of applications for Connectivity or GNA and the treatment of bank guarantees. The revised framework prescribes a graded approach depending on the stage at which an application is withdrawn. For instance, under Regulation 3.7.1, if an application is withdrawn before in-principle grant, 50% of the application fee is forfeited, while bank guarantees are returned. However, under Regulation 3.7.3 and 3.7.4, withdrawals after in-

**CERC issues Third
Amendment to
Connectivity and GNA
Regulations, 2025**



principle or final grant attract progressively higher forfeiture percentages of both application fees and bank guarantees, with detailed timelines for closure of applications.

These amendments provide greater clarity on connectivity obligations, introduce a forward-looking framework for renewable energy scheduling through solar/non-solar hours, and streamline the process for withdrawal of applications.

Notification dated 31.08.2025 issued by CERC can be accessed from the following [link](#).

The Gujarat Electricity Regulatory Commission (“**GERC**”) has issued the Draft Terms and Conditions for Green Energy Open Access (Third Amendment) Regulations, 2025 for public comments.

It provides that Banking Charge at rate of Rs. 1.50 per unit shall be effective from the date of the notification of these Regulations up to 31.03.2026. Thereafter, the banking charge for the period starting from 01.04.2026 and onwards as decided by the Commission and separately notified by the Regulation, shall be applicable.

Stakeholders can share their comments with the Commission by 14.09.2025 addressed to Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT ONE, Road 5-C, Zone 5, GIFT City, Gandhinagar-382 355 along with supporting documents (if any) in five sets duly supported by an affidavit on or before 14.09.2025. The hearing on the objections/ suggestions of the Stakeholders will be held on 15.09.2025 at 11:30 A.M. at the Office of the Commission. Copy of the Draft Terms and Conditions for Green Energy Open Access (Third Amendment) Regulations, 2025 can be accessed from the following [link](#).

Rajasthan Electricity Regulatory Commission (“**RERC**”) has invited comments/suggestions on the Petition filed by Jaipur Vidyut Vitran Nigam Limited (“**JVVNL/Petitioner**”) seeking amendment in the Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) Regulations, 2021 and amendments thereof to enable introduction of virtual net metering and group net metering in Rajasthan.

As per the Petitioner, Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) Regulations, 2021 inter-alia are applicable to : a) Net Metering arrangements; b) Net Billing arrangements; c) Grid Interactive Distributed Renewable Energy generating systems connected behind the meter and operating in parallel with Distribution Licensees’ grid and who have not opted either for Net Metering arrangement or Net Billing arrangement. According to the Petitioner, the Government of India has approved the PM Surya Ghar: Muft Bijli Yojana (“PM Surya Ghar Yojana”) on 29.02.2024. The scheme aims to install solar rooftop plants in one crore households. To accelerate the adoption of rooftop solar, the Government of India has also notified Operational Guidelines for implementation of “Payment Security Mechanism” Component and Central Financial Assistance for Renewable Energy Service Company (“**RESCO**”) models/Utility Led Aggregation Models on 28.12.2024 with subsequent Amendments thereof.

The Operational Guidelines on the PM Surya Ghar Yojana notified by the Government of India provides for two implementation modes: a) RESCO mode: RESCO procures, installs, operates and maintains the rooftop solar system for a minimum of 5 years. b) Utility Led Aggregation (“**ULA**”) mode: Discoms / State Governments / state designated entities install rooftop solar projects on behalf of individual residential households. According to the Petitioners, while the Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) Regulations, 2021 provides for RESCO model, however, provisions related to Virtual Net Metering and Group Net Metering are needed to be implemented.

GERC issues draft Third Amendment to the Green Energy Open Access Regulations

RERC invites comments/suggestions on the Petition filed by JVVNL seeking amendment in the Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) Regulations, 2021 and amendments thereof to enable introduction of virtual net metering and group net metering in Rajasthan.

According to the Petitioners, Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) Regulations, 2021, have the salutary effect on the growth of renewable energy installations in the State, yet substantial potential for growth can be tapped by exploring arrangements such as Virtual Net Metering and Group Net Metering. The Petitioner has therefore, approached the Hon'ble Commission seeking amendment in the Rajasthan Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy Generating Systems) Regulations, 2021.

RERC has therefore invited comments from the stakeholders and the last date for submission of the comments/suggestions is 12.09.2025. Petition can be accessed from the following [link](#).

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