

# GATI - विधि

-LAW IN ACTION



## Legal Updates

The Appellate Tribunal for Electricity (“**APTEL**”), *vide* judgment dated 29.05.2026 in Appeal No.10 of 2018 titled *NTPC Limited v. AP Eastern Power Distribution Company Limited & Ors.*, set aside Central Electricity Regulatory Commission (“**CERC**”), order dated 16.02.2017 in Petition No. 293/GT/2014 (“**Impugned Order**”) to the extent the Commission rejected factoring additional capitalization from Wagon Tippler towards determination of tariff.

NTPC approached CERC for determination of tariff for Talcher Station - Stage II from 01.04.2014 to 31.03.2019 and claimed projected additional capitalization towards installation of Wagon Tippler and associated works under Regulation 14(3)(x) of the Tariff Regulations, 2014, which was disallowed by CERC on the ground that NTPC failed to provide any documentary evidence demonstrating phasing out of Bottom Opening Bottom Releasing (“**BOBR**”) wagons and further observed that the estimated coal requirement is lower than actual availability of 14.5 MTPA.

In appellate proceedings, NTPC contended that Regulation 14(3)(x) did not mandate submission of documentary evidence and that the CERC ought to have exercised its powers to seek further information before rejecting the expenditure. NTPC further argued that Wagon Tipplers had become operationally necessary owing to increasing reliance on BOXN wagons for transportation of coal from alternate sources and that manual unloading of such wagons was unsafe, inefficient and environmentally undesirable.

APTEL observed that the mandate of documentary evidence is not a specific requirement under Regulation 14(3)(x) and that the CERC, as an expert statutory regulator in exercise of its tariff jurisdiction could have called for additional information whenever necessary. APTEL also found deficiencies in CERC’s assessment of coal availability and observed that the methodology adopted in the review proceedings for computing coal requirements suffered from inconsistencies. At the same time, the APTEL noted that NTPC had not furnished a sufficiently detailed and comprehensive justification in support of its claim.

**APTEL remands NTPC’s Tariff Petition to CERC for reconsideration of Additional Expenditure towards procurement of Coal from alternate sources**

Accordingly, APTEL held that CERC erred in rejecting the claim without seeking the requisite information and set aside the Impugned Order to the extent it disallowed additional capitalization towards Wagon Tippler and associated works. The matter was remanded to the CERC for fresh consideration after calling for appropriate information and documents from NTPC, undertaking prudence check, and providing an opportunity of hearing to all affected beneficiaries.

APTEL *vide* judgment dated 25.05.2026 in Appeal No. 21 of 2020 titled *BSES Yamuna Power Ltd & Anr v. The Secretary, Delhi Electricity Regulatory Commission & Ors.*, set aside Order dated 10.12.2019 passed by the Delhi Electricity Regulatory Commission (“DERC”) in Petitions 24 of 2016 and 28 of 2016 (“**Impugned Order**”).

The dispute arose from PPAs executed between the parties for procurement of power from M/s Indraprastha Power Generation Company Ltd. ’s (“IPGCL”) Rajghat Power House. Clause 13.1 of the PPAs provided valid of agreements for twenty-five years from the date of commercial operation of the last unit of the generating station unless specifically extended on mutually agreed terms. Upon expiry of the PPAs, the distribution licensees informed IPGCL that they did not intend to extend the agreements. Despite such communications, power continued to be scheduled and dispatched by the State Load Despatch Centre (“SLDC”), and IPGCL continued to raise energy bills until the generating station was eventually shut down pursuant to directions of the Delhi Pollution Control Committee. The distribution licensees sought withdrawal of the energy bills raised after expiry of the PPAs before the DERC.

While the DERC upheld expiration of the PPAs, the Commission nevertheless directed the licensees to pay the bills raised by IPGCL relying upon a meeting convened by the Government of NCT of Delhi, wherein it was decided that allocation of power from Rajghat Power House would continue for a limited period pending stabilization of a 400 kV grid substation.

Before APTEL, IPGCL contended that power allocation pursuant to the Government meeting and operational requirements of the Delhi grid justified continuation of billing until closure of the generating station. APTEL observed that upon expiry of the contractual term of a PPA, all obligations of the parties ceased to have existed unless the agreement was renewed or extended on mutually agreed terms. On the issue of deemed extension on account of the meeting, APTEL held that the issue of renewal of PPAs was open and the parties did not dispense with the contractual requirement of mutually agreed extension. APTEL also examined the role of the SLDC under Section 32 of the Electricity Act, 2003 and held that scheduling and dispatch functions must be performed in accordance with subsisting contractual arrangements between generating companies and distribution licensees. APTEL observed that once SLDC was informed of the expiry of the PPA, it was required to verify the position and discontinue scheduling of power rather than continue dispatch solely on the basis of capacity declarations made by the generating station. Accordingly, APTEL set aside the Impugned Order and held that the BSES Distribution licensees were not liable to pay energy charges beyond the expiration of their agreements.

The Ministry of Environment, Forest and Climate Change (“MoEF&CC”), Government of India, in pursuance to Rule 10(1) of the Environment Protection (Management of Contaminated Sites) Rules, 2025 (“**Rules**”) constituted the Central Remediation Committee to review the remediation activities under the Rules and to oversee the implementation of the Rules.

The Terms of Reference (ToR) for the Committee would be as follows:

- i. The Committee shall monitor the implementation of the Environment Protection (Management of Contaminated Sites) Rules, 2025
- ii. The Committee shall review the remediation activities under the Rules.
- iii. The Committee shall annually review the list of suspected contaminated sites, probable contaminated sites and contaminated sites and details of activities under the Rules.
- iv. The Committee shall guide and supervise the development and operation of the centralised online portal under Rule 9 of the Rules.
- v. The Committee shall meet at least once in six months and furnish its report to MoEF&CC on a yearly basis.
- vi. The Committee may recommend the guidelines regarding the environmental compensation prepared by the Central Pollution Control Board.

**APTEL holds Distribution Licensees not Liable for Energy Charges after expiry of Power Purchase Agreements**

**MoEF&CC constitutes Central Remediation Committee for effective implementation of the Environment Protection (Management of Contaminated Sites) Rules, 2025**

- vii. The Committee may recommend the modalities for utilisation of funds collected under Environmental Compensation to MoEFCC as per rule 13(6).
- viii. The Committee may undertake any other matter referred to it by MoEF&CC/ Central Pollution Control Board.

Copy of the Notification issued by Ministry of Environment, Forest and Climate Change can be accessed [here](#).

### MoP&NG amends Oilfields (Regulation and Development) Act, 1948

The Ministry of Petroleum and Natural Gas (“**MoP&NG**”) vide its Notification No. S.O. 2860(E) dated 04.06.2026 and in exercise of powers conferred by sub-section (4) of Section 6A of the Oilfields (Regulation and Development) Act, 1948 (“**the Act**”) has amended the Schedule to the Act which provides for Royalty Rates for production of Crude Oil and Casing Head Condensate.

Further, the amendment provides computing the royalty on *cum*-royalty basis for Onland areas awarded on nomination basis to National Oil Companies, Onland Exploration Blocks awarded to Private or Joint Venture Contractors prior to New Exploration Licensing Policy (“**NELP**”) and Onland Discovered Fields Contracts awarded to Joint Venture Contractors prior to NELP. It further provides for computing the royalty on *ex*-royalty basis for Offshore contracts.

### CERC issues Draft Third Amendment to DSM Regulations, 2026 proposing revised deviation pricing and new framework for renewable energy and Energy Storage projects

Central Electricity Regulatory Commission (“**CERC**”) has issued the draft CERC (Deviation Settlement Mechanism and Related Matters) (Third Amendment) Regulations, 2026, proposing significant changes to the existing Deviation Settlement Mechanism (“**DSM**”) framework. The proposed amendments seek to strengthen grid discipline, align deviation settlement with evolving market conditions, and provide a clearer regulatory framework for renewable energy and energy storage projects. Stakeholder comments and suggestions have been invited before the amendments are finalized.

#### Key Proposed Amendments

- CERC has proposed replacing the existing time-block-wise weighted average Area Clearing Price (“**ACP**”) with a daily weighted average ACP across power exchanges for determining market-linked deviation charges.
- Wind, solar, and other renewable energy generators classified as “**WS Sellers**” are proposed to be brought under the same deviation settlement framework applicable to conventional generators. The proposal would apply to projects awarded through competitive bidding processes with bid submission dates on or after 01.01.2027 and to other renewable projects commissioned on or after 01.01.2029.
- The draft amendments introduce specific provisions for standalone Energy Storage Systems (“**ESS**”). Infirm power injected into the grid from the date of first synchronisation until successful completion of trial runs is proposed to be compensated at the normal rate of deviation charges, subject to a ceiling of Rs. 2/kWh.
- For standalone Pumped Hydro Storage Projects (“**PSPs**”) regulated under Section 62 of the Electricity Act, 2003, deviation charges are proposed to be linked to the applicable energy charge rate determined under the CERC Tariff Regulations.
- The scope of provisions relating to infirm power has been expanded to cover standalone energy storage systems, thereby providing regulatory certainty during the testing and commissioning phase of such projects.
- The draft amendments propose that payment and settlement timelines for deviation charges shall be governed by the procedures prescribed under the National Deviation and Ancillary Services Pool Account framework, replacing the existing fixed ten-day payment requirement.

The draft CERC (Deviation Settlement Mechanism and Related Matters) (Third Amendment) Regulations, 2026 can be accessed [here](#).

The Telangana Electricity Regulatory Commission (TGERC) has notified the Telangana Electricity Regulatory Commission (Multi Year Tariff) First Amendment Regulation, 2026, being Regulation No. 05 of 2026, dated 03.06.2026. The amendment modifies the TGERC Multi Year Tariff Regulation, 2023, which governs determination of ARR and tariff for generating companies, transmission licensees, distribution licensees, deemed distribution licensees, exempted distribution/retail supply utilities and SLDC in Telangana.

The key change concerns Fuel Cost Adjustment (FCA). TGERC has recognised that the earlier timelines and restrictions on FCA recovery were creating operational and financial difficulties for distribution licensees by preventing timely recovery of actual fuel cost variations. The amendment now provides that distribution licensees may levy FCA up to ₹0.30 per unit, whether positive or negative, without prior approval of the Commission. Any FCA amount exceeding this limit will be adjusted during the pass-through of gains and losses on account of uncontrollable ARR items for that year.

The amendment also clarifies that FCA charges shall be passed on to all consumer categories except LT-V agricultural consumers. For LT-V agricultural consumers, the distribution licensee will be required to claim the FCA charges from the Government of Telangana. Further, where the distribution licensee fails to pass through FCA within the prescribed timelines, such claims will not be lost entirely, but will be considered during the true-up/pass-through process for uncontrollable ARR variations.

TGERC has also substituted the FCA computation mechanism by prescribing separate voltage-wise FCA formulas for EHT, 33 kV, 11 kV and LT consumers, factoring in approved transmission and distribution losses at the relevant voltage levels. For arriving at actual power purchase cost, the amendment expressly provides that the actual fixed cost paid to each generating station shall also be considered. This is significant because it broadens the cost base for monthly FCA computation and may improve cost recovery for DISCOMs.

On procedural compliance, the amendment requires distribution licensees to compute monthly FCA and publish the charges on their official websites within 45 days after completion of the relevant month. The FCA of the Nth month must be displayed by the 15th day of the N+2 month, levied on consumption during the N+2 month, and included in bills issued in the N+3 month. The licensee must also submit FCA calculations to the Commission on a monthly basis and provide detailed FCA disclosures at the time of true-up.

Separately, TGERC has amended the framework for Tariff Based Competitive Bidding (TBCB) in transmission projects. A proviso has been added to Clause 68.3 permitting the State Government to grant exemption from TBCB for specific important projects or works requiring urgent execution, on a case-to-case basis. In such cases, the transmission licensee must enclose the State Government's exemption while submitting investment proposals to the Commission.

The Telangana Electricity Regulatory Commission (Multi Year Tariff) First Amendment Regulation, 2026 can be accessed [here](#).

The TGERC has notified the Telangana Electricity Regulatory Commission (Establishment of Mechanism for Redressal of Grievances of Consumers) Regulation, 2026 (“**Regulation**”), being Regulation No. 06 of 2026, dated 03.06.2026, which repeal the earlier Regulation No. 3 of 2015, along with its 2018 and 2021 amendments. The Regulation seeks to streamline the functioning of Consumer Grievance Redressal Forums (CGRFs) and the Vidyut Ombudsman in Telangana in light of the evolving consumer grievance framework.

The Regulation requires every distribution licensee in Telangana to establish two or more CGRFs within its licensed area. The definition of “complainant” has been kept broad and includes consumers, applicants for new connections, registered and unregistered consumer associations, legal heirs/representatives of deceased consumers, and even tenants, lessees or occupiers consuming electricity through a service connection standing in the owner’s name. The definition of “grievance” also covers billing disputes, standards of performance issues, and matters relating to safety of the distribution system or potential danger to life or property.

The Regulation prescribes a time-bound redressal mechanism. Grievances relating to non-supply, reconnection after payment of dues, and disconnection must be decided by the CGRF within 15 days, while all other grievances must be decided within 45 days. The Forum may direct refund of

### TGERC amends MYT Regulations to revise FCA recovery and TBCB framework

### TGERC notifies new CGRF and Vidyut Ombudsman Regulation, 2026

undue charges with 9% simple interest, compensation for loss or injury caused due to negligence of the licensee, costs in exceptional cases, and departmental action against erring employees. The CGRF may also pass interim orders, and where interim relief is sought, the licensee cannot take coercive or adverse steps until the interim prayer is decided.

The Regulation also strengthens enforcement of CGRF and Vidyut Ombudsman orders. Non-compliance with CGRF orders may attract compensation up to ₹25,000, with an additional ₹1,000 per day for continuing failure. Non-compliance with Vidyut Ombudsman orders may attract compensation up to ₹50,000, with an additional ₹2,000 per day for continuing failure. In appropriate cases, such compensation may be recovered from the salary of the responsible employee(s), including concerned Directors, and if the licensee fails to recover the amount from such employees, the amount will not be allowed as part of ARR recovery.

A complainant aggrieved by the CGRF's order, or by non-redressal within the prescribed period, may approach the Vidyut Ombudsman within 45 days, extendable by a further 15 days on sufficient cause. The Ombudsman is required to dispose of representations within 60 days and may also pass interim orders in cases involving threatened disconnection or other coercive action.

Copy of Telangana Electricity Regulatory Commission (Establishment of Mechanism for Redressal of Grievances of Consumers) Regulation, 2026 can be accessed [here](#).

### TGERC amends Electricity Supply Code

The TGERC has notified the Telangana Electricity Regulatory Commission (Electricity Supply Code) Third Amendment Regulation, 2026, being Regulation No. 4 of 2026, dated 27.05.2026. The amendment modifies the existing Electricity Supply Code framework originally notified as Regulation No. 5 of 2004, which continues to apply in Telangana pursuant to the post-bifurcation adoption of earlier APERC regulations. The amendment has been issued under Section 181(1) read with Section 50 of the Electricity Act, 2003.

The amendment substitutes Clause 4.7.3 of the Principal Regulation. As per the amended provision, where a consumer challenges a bill and the licensee, upon examination, finds the bill to be erroneous, the licensee must issue a revised bill with a revised due date. Such revised due date cannot be fixed earlier than seven days from the date of delivery of the revised bill to the consumer. The key consumer-facing change is that, where the consumer has already paid an excess amount due to wrong billing, the excess amount must be refunded through adjustment in subsequent bills, and the licensee is required to pay interest at 18% per annum on the excess amount outstanding on account of such wrong billing. The amendment was proposed by TGSPDCL to remove disparity between interest charged on consumers for delayed payment/installments and interest payable by DISCOMs to consumers in cases of erroneous billing.

Copy of Telangana Electricity Regulatory Commission (Electricity Supply Code) Third Amendment Regulation, 2026 can be accessed [here](#).

### KERC issues Draft Karnataka Electricity Regulatory Commission (Grid Interactive Distributed Solar Photovoltaic (DSPV) Plants) Regulations, 2026

The Karnataka Electricity Regulatory Commission (“KERC”) has issued the Draft Karnataka Electricity Regulatory Commission (Grid Interactive Distributed Solar Photovoltaic (DSPV) Plants) Regulations, 2026 (“**Draft Regulations**”), dated 02.06.2026, proposing a comprehensive framework for installation, operation, metering, billing, and grid integration of Distributed Solar Photovoltaic (“**DSPV**”) plants in the State. The Draft Regulations seek to replace the existing KERC (Implementation of Solar Rooftop Photovoltaic Power Plants) Regulations, 2016 and align Karnataka's regulatory framework with recent developments in distributed renewable energy and the Forum of Regulators' Model Regulations for Distributed Renewable Energy Systems.

Under the Draft Regulations, DSPV project is defined as a solar power generation system of up to 10MW connected to the distribution network at 33 kV or below, with or without energy storage, having an anti-islanding protection to prevent flow of energy into the grid when grid supply is not available. Consumers may either own the DSPV Plant or engage a renewable energy service company under mutually agreed commercial arrangements for the establishment and operation of the plant under the various metering mechanisms prescribed in the Draft Regulations. However, consumers having outstanding dues payable to the distribution licensee would not be eligible to install a DSPV system under the Regulations. The Draft Regulations also permit consumers availing open access to establish DSPV Plants within their premises under the net metering framework.

Further, consumers installing DSPV systems with a capacity exceeding 10 kW, under metering arrangements other than Behind-the-Meter, would be required to install either hybrid inverters or battery energy storage systems with a minimum storage capacity equivalent to 20% of the plant's generation potential.

The Draft Regulations also prescribe hosting capacity limits for integration of DSPV plant with the distribution network, technical and safety standards, smart metering requirements, energy accounting mechanisms, and timelines for processing applications and commissioning projects. Distribution Licensees would be required to commission eligible projects within prescribed timelines, failing which consumers may become entitled to deemed generation benefits and compensation for delays.

The Commission has accordingly invited stakeholders to submit objections and suggestions within 15 days from publication of the Draft Regulations in the Official Gazette.

The Karnataka Electricity Regulatory Commission (Grid Interactive Distributed Solar Photovoltaic (DSPV) Plants) Regulations, 2026 can be accessed [here](#).

The Andhra Pradesh Electricity Regulatory Commission (“APERC”) has notified the APERC (Framework for Resource Adequacy) Regulations, 2026 (“**Regulations**”), published in the Andhra Pradesh Gazette on 02.06.2026. The Regulations establish a comprehensive framework for resource adequacy planning in the State with the objective of ensuring reliable, secure, and cost-effective electricity supply through long-term assessment of demand and availability of generation, storage, and transmission resources.

The Regulations apply to all relevant grid-connected stakeholders, including generating companies, distribution licensees, the State Transmission Utility (APTRANSCO), and the State Load Despatch Centre (SLDC). The notified framework seeks to align resource planning in Andhra Pradesh with the resource adequacy guidelines issued by the Central Electricity Authority (CEA) and to facilitate integration of renewable energy resources while maintaining system reliability.

Under the Regulations, each Distribution Licensee is required to undertake a rolling resource adequacy assessment and prepare Long-Term, Medium-Term, and Short-Term Distribution Resource Adequacy Plans (“DRAPs”). The planning process is required to be updated periodically and is structured around the following key components:

- i. Demand assessment and forecasting;
- ii. Generation resource planning;
- iii. Transmission network augmentation and strengthening planning;
- iv. Distribution network augmentation and strengthening planning;
- v. Power procurement planning; and
- vi. Monitoring, review, and compliance.

The Regulations require Distribution Licensees to demonstrate their strategy for meeting projected energy and peak demand requirements through an optimal mix of long-term, medium-term, and short-term power procurement arrangements, including procurement through Power Exchanges where necessary. The planning framework also incorporates consideration of flexible generation resources, and demand response measures to address the variability and intermittency associated with renewable energy generation.

A key feature of the notified framework is the requirement of assessment for Planning Reserve Margins representing capacity available above projected peak demand which must be factored into when planning generation resources. The Regulations further introduce the framework of Capacity Credit (“CC”) for generation resources, enabling determination of the proportion of installed capacity that can be counted towards resource adequacy requirements.

The Regulations also prescribe the roles and responsibilities of Distribution Licensees, the STU, and the SLDC in the preparation, validation, and monitoring of resource adequacy plans, and establish a mechanism for periodic review and reporting to the Commission.

APERC (Framework for Resource Adequacy) Regulations, 2026 can be accessed [here](#).

**APERC notifies the  
APERC (Framework for  
Resource Adequacy)  
Regulations, 2026**



The Uttar Pradesh Electricity Regulatory Commission (“UPERC”) issued the *Terms and Conditions for Open Access Regulations (Removal of Difficulty) First Order, 2026* (“**Order**”) on 22.05.2026, pursuant to representations received regarding certain application and registration fee provisions applicable to Green Energy Open Access (“**GEOA**”) transactions.

Vide the said order, the Commission has introduced clarifications and amendments to the *UPERC (Terms and Conditions for Open Access) Regulations, 2019* and its amendments thereof, provided as below:

- i. Under Regulation 29.6, for the purpose of metering and accounting of open access consumers directly connected to the transmission or distribution system, the location of interface meters (main meter, check meter and standby meter) shall now be governed in accordance to the standards prescribed under the *CEA (Installation and Operation of Meters) Regulations, 2006*, and its amendments thereof. Significantly, the proviso to the regulation has been revised to remove the requirement for installation of check and standby meters for consumers connected at voltage levels up to 650 volts, unless specifically requested by such consumers.
- ii. Addressing concerns regarding the fee structure applicable to GEOA projects involving multiple consumers represented through a single Lead GEOA Consumer, the Commission has modified the second proviso to Clause 2.3(ii) of Schedule A. Under the revised framework, a Lead GEOA Consumer representing multiple consumers shall be required to pay an application fee of ₹5,000 per individual consumer or ₹50,000, whichever is higher, for availing GEOA. Further, where there is a change in the green energy source, the Lead GEOA Consumer must submit a fresh application for grant of Long-Term or Medium-Term Open Access and pay the applicable non-refundable application fee on behalf of all participating consumers intending to procure power from the new source.
- iii. The proviso under Clause 2.1 of Schedule B relating to registration fees payable to the State Load Despatch Centre (“SLDC”) has also been revised. The registration fee payable by a Lead GEOA Consumer shall now be ₹1,500 per individual consumer or ₹15,000, whichever is higher. Additionally, in the event of a change in the green energy source, a fresh application must be submitted along with the applicable application and registration fees for all participating consumers seeking to continue availing GEOA from the new source.

Uttar Pradesh Electricity Regulatory Commission Terms and Conditions for Open Access Regulations (Removal of Difficulty) First Order, 2026 can be accessed [here](#).

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