

MATTER UPDATE

HSA Advocates Successfully Represents Juniper Green Three Private Limited Before the GERC

HSA Advocates successfully represented **Juniper Green Three Private Limited** (“Juniper”) before the **Gujarat Electricity Regulatory Commission** (“GERC”) in a petition filed under Sections 86(1)(e), 86(1)(f) and 86(1)(k) of the Electricity Act, 2003, seeking declaration of Change in Law events arising from the imposition of Basic Customs Duty (BCD) and the increase in Goods and Services Tax (GST) on solar project components, and consequential compensatory relief under Article 9 of the Power Purchase Agreement (“PPA”) executed with **Gujarat Urja Vikas Nigam Limited** (“GUVNL”).

Juniper is the developer of a 190 MW solar photovoltaic power project in Gujarat, awarded through a tariff-based competitive bidding process under the Gujarat Solar Policy, 2015. The petition arose from two key fiscal changes that occurred after the bid submission date of 7 March 2020 — first, the imposition of Basic Customs Duty on solar inverters pursuant to Notifications No. 03/2021-Customs and 07/2021-Customs dated 1 February 2021, and second, the increase in the rate of GST on solar modules and other solar power generating equipment from 5% to 12% under Notification No. 8/2021-Integrated Tax (Rate) dated 30 September 2021. Juniper contended that these changes, being beyond its reasonable control, had a direct financial impact on project cost and thus qualified as Change in Law events under the PPA, warranting restitution so as to restore the company to the same economic position as if the events had not occurred.

The principal issues before the Commission included the scope of Change in Law provision under the PPA, particularly whether GST relief despite not having been recognized to be a change in law event under Clause 9.1.1 (b) of the PPA, extended to all input components forming part of the generating facility, and the period for which carrying cost and compensatory tariff adjustment were admissible. By its Final Order dated 5 November 2025, GERC allowed Juniper’s petition.

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The Commission held that the Customs Notifications imposing BCD on solar inverters constitute Change in Law events under Article 9 of the PPA and allowed Juniper's claim in full. It further held that the increase in GST on solar modules and inverters also qualifies as a Change in Law event since the same are essential inputs for generation and sale of electricity, granting restitutionary relief of Rs. 41.84 crore while disallowing Rs. 2.26 crore claimed towards other balance-of-system equipment.

GERC also granted carrying cost at 8.89% from the date of actual payments made by Juniper to the statutory authorities till the Scheduled Commercial Operation Date (SCOD) of the project, and computed the total impact of the Change in Law as an incremental tariff of Rs. 0.12 per kWh. The Commission accordingly directed that Juniper may raise supplementary bills on GUVNL for recovery of the incremental tariff, with GUVNL being liable to make payment within the prescribed timelines under the PPA, failing which late payment surcharge would apply. As a result, the effective tariff for Juniper's project stands enhanced from Rs. 2.63 per unit to Rs. 2.75 per unit for the entire tenure of the PPA.

The order establishes a significant precedent in the renewable energy regulatory framework, as it reaffirms that the imposition of new or increased statutory duties and taxes on all inputs costs necessary for generation and sale of electricity after the bid submission date constitutes a Change in Law event under the PPA in line with principles of business efficacy, and that affected generators are entitled to compensatory relief to preserve the financial equilibrium of their projects. This decision strengthens regulatory predictability and reinforces investor confidence in India's renewable energy sector, particularly in the context of cost pass-through and tariff stability for long-term PPAs.

HSA's team led the matter at every stage — advising, strategizing, drafting pleadings, and representing Juniper before the Commission. The matter was led by **Hemant Sahai** (Founding Partner), along with **Nitish Gupta** (Partner), **Rishabh Sehgal** (Principal Associate) and **Varnika Tyagi** (Associate).