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PROJECTS, ENERGY & INFRASTRUCTURE

MONTHLY NEWSLETTER

AUGUST - SEPTEMBER 2026



LEGAL & POLICY UPDATES



In this Section

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Karnataka Electricity Regulatory Commission (KERC) has notified the Draft Karnataka Electricity Regulatory Commission (Electricity Supply) Regulations, 2026.

- The Karnataka Electricity Regulatory Commission (KERC) has notified the Draft KERC (Electricity Supply) Regulations, 2026 dated August 14, 2026, with the objective of consolidating and streamlining the regulatory framework governing electricity supply in Karnataka.
- The draft proposes to repeal and replace six existing instruments, namely the KERC (Electricity Supply) Code, 2004; KERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2004; KERC (Interest on Security Deposit) Regulations, 2005; KERC (Procedures for filing Appeal before the Appellate Authority) Regulations, 2005; Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka, 2006; and KERC (Security Deposit) Regulations, 2007.
- The Draft KERC (Electricity Supply) Regulations, 2026, inter alia, provide for the following:
  - The draft Regulations comprehensively address new connections, assessment and modification of sanctioned load, metering and billing, disconnection and reconnection, security deposits, tariff classification and unauthorized use.
  - A structured framework is proposed for Initial and Additional Security Deposits.
  - The framework also provides for annual review of security deposits, refund of excess deposits and interest on security deposits.

Gujarat Electricity Regulatory Commission (GERC) has notified the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (Sixth Amendment) Regulations, 2026

- The Gujarat Electricity Regulatory Commission (GERC) has notified the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (Sixth Amendment) Regulations, 2026 (Amended Regulations) dated August 19, 2026, vide Notification No. 07 of 2026.
- The amendments to the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 (Principal Regulations) have been made under Sections 39, 40, 42, 61 and 86 read with Section 181 of the Electricity Act, 2003
- The Amended Regulations, inter alia, provide for the following:

Maharashtra Electricity Regulatory Commission (MERC) notified Draft Maharashtra Electricity Regulatory Commission (State Grid Code) (Second Amendment) Regulations, 2026

Maharashtra Electricity Regulatory Commission (MERC) notified the Draft Maharashtra Electricity Regulatory Commission (Intra-State Transmission Connectivity and General Network Access) Regulations, 2026

- Under amended Regulation 1(4), the Banking Charge has been fixed at INR 1.00 per unit from September 01, 2026 to March 31, 2027.
- From April 01, 2027 onwards, Banking Charges would be determined in accordance with Regulation 17.6, as amended from time to time.
- Regulation 17.6(viii) provides that the Banking Charge computed under Annexure-I would remain applicable until March 31, 2027.
- From April 01, 2027, the Banking Charge for each financial year would be determined using data and information for the immediately preceding calendar year provided by Distribution Licensees.
- Annexure-I prescribes a methodology based on the ratio of aggregate net revenue impact on the Distribution Licensee to total banked energy.
- The methodology would use actual 15-minute block data for injection and consumption.
- Market prices and variable generation costs would also be considered.
- Transmission charges and applicable losses would form part of the methodology.
- The banking period is fixed at one calendar month, and cumulative banking is capped at 30% of the consumer's total monthly energy consumption.

The Central Electricity Regulatory Commission (CERC) has notified Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (Third Amendment) Regulations, 2026

- The Central Electricity Regulatory Commission (CERC) notified the CERC (Deviation Settlement Mechanism and Related Matters) (Third Amendment) Regulations, 2026 on August 25, 2026, effective from August 31, 2026.
- The amendment provides that Wind-Solar (WS) Sellers shall be treated at par with General Sellers for deviation charges for specified projects commissioned on or after the prescribed dates.
- For standalone Energy Storage Systems (ESS), including pumped hydro storage plants, deviation charges shall be computed based on the applicable energy charge rate under the CERC Tariff Regulations, 2024.
- Infirm power injected by a standalone ESS from first synchronization until successful trial run completion shall be compensated at the Normal Rate of Charges for Deviations, subject to a ceiling of ₹2.00/kWh.
- The amendment allows payment of deviation charges within the timeline prescribed under the Detailed Procedure for operation of the National Deviation and Ancillary Services Pool Account, while retaining the late payment surcharge of 0.04% per day.
- It further empowers the Regional Load Despatch Centre (RLDC) to encash the Letter of Credit of a defaulting entity and requires replenishment of the encashed amount within three days.
- The amendment seeks to strengthen the DSM framework, integrate ESS projects, and improve payment security and compliance mechanisms.

Maharashtra Electricity Regulatory Commission has notified the Draft Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2026

- The Maharashtra Electricity Regulatory Commission (MERC), vide public notice dated September 22, 2026, has notified the Draft MERC (Distribution Open Access) Regulations, 2026 (Draft DOA Regulations). The Draft DOA Regulations propose to replace the existing Distribution Open Access framework and introduce a banking mechanism linked to the contracted RE capacity of an Open Access consumer.
- The salient features of the Draft DOA Regulations, inter alia, provide for the following:
- Banking would be available to Open Access Consumers, including Green Energy Open Access and Captive Open Access Consumers, procuring "non-firm power"

from wind, solar, wind-solar hybrid and micro, mini and small hydro projects up to 25 MW.
  - Banking would not be available to consumers opting for Full Open Access or GNA to the intra-State or inter-State transmission network.
  - Capacity-linked banking and settlement would be introduced, with settlement periods ranging from annual to monthly and intra-day slots increasing from four for 10-100 kW consumers to 24 hourly slots for consumers with 5 MW and above.
- Fixed and variable Banking and Standby Charges would be introduced, with limits on the utilization of banked energy.
  - Fixed charges would be proposed on a ₹/kW/month basis and variable charges on a ₹/kWh basis.
  - For consumers with 5 MW or more of contracted RE capacity, banked energy credited in a particular banking slot would be capped at 10% of consumption from the Distribution Licensee in that slot.
  - Consumers exceeding 5 MW would transition from the 24-slot banking framework to 15-minute scheduling within 3 years, following which fixed charges and compensation for surplus energy would cease and unutilized surplus would lapse, subject to the proposed treatment of RE Certificates.
- Capacity-linked banking and settlement would be introduced, with settlement periods ranging from annual to monthly and intra-day slots increasing from four for 10-100 kW consumers to 24 hourly slots for consumers with 5 MW and above.
- Transitional provisions would apply to existing consumers and applicants under the proposed framework.
- Existing consumers and applicants would have a one-time option to continue under the existing framework or migrate to the proposed framework, while augmentation of existing RE Open Access capacity would require mandatory migration.

Maharashtra Electricity Regulatory Commission (MERC) has notified the Draft Maharashtra Electricity Regulatory Commission (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2026

- The Maharashtra Electricity Regulatory Commission (MERC), vide public notice dated September 22, 2026, has notified the Draft MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2026 (Draft Rooftop Regulations). The Draft Rooftop Regulations propose to replace the existing rooftop RE framework and regulate Net Metering, Net Billing, Group Net Metering, Virtual Net Metering, Gross Metering and Behind-the-Meter (BTM) systems.
- Upon notification, the MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 would stand repealed.
- The salient features of the Draft Rooftop Regulations, inter alia, provide for the following:
- Mandatory ESS integration would be introduced for all new grid-interactive rooftop REGS and BTM systems having capacity above 100 kW.
- Such systems would be required to install ESS equivalent to at least 50% of installed RE capacity with a minimum 2-hour storage duration, or 25% with a minimum 4-hour storage duration.
- The minimum ESS capacity would be 1 kWh/kW of installed RE capacity up to 2030 and 2 kWh/kW thereafter.
- Cumulative rooftop RE capacity connected to a particular Distribution Transformer or feeder would generally be capped at 70% of its rated capacity.
- Connectivity beyond the proposed 70% limit may be permitted following a detailed load study.
- The proposed banking framework would be linked to cumulative contracted RE capacity.
- The applicable banking mechanism would therefore depend on the consumer's contracted RE capacity.
- The framework would operate alongside the proposed rooftop RE and Open Access requirements.

- Existing REGS covered under the prevailing regulations would continue to be governed by those regulations until expiry of their existing agreements, unless the prosumer opts to terminate the existing agreement and migrate to the new framework.
- Any enhancement, augmentation or modification in the capacity or configuration of an existing REGS after notification would bring the REGS within the new framework.

Maharashtra Electricity Regulatory Commission notified the Draft Maharashtra Electricity Regulatory Commission (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (Second Amendment) Regulations, 2026

- The Maharashtra Electricity Regulatory Commission (MERC), vide public notice dated September 22, 2026, has notified the Draft MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) (Second Amendment) Regulations, 2026 (Draft RPO Amendment Regulations).
- The draft proposes amendments to the 2019 framework to incorporate Maharashtra's target of achieving 65% RE procurement by FY 2035-36, together with a minimum storage obligation for Distribution Licensees.
- The Draft RPO Amendment Regulations, inter alia, provide for the following:
  - Every Obligated Entity would be required to plan its power procurement so that procurement from RE sources constitutes at least 65% of its total procurement from all sources by FY 2035-36.
  - MERC may separately specify annual RPO targets for the intervening period from FY 2030-31 to FY 2035-36.
  - A progressively increasing storage requirement would be introduced on an energy basis.
  - The proposed storage requirement would be 1.5% in FY 2024-25, and the requirement would increase to 2.5% in FY 2026-27 and 5% in FY 2030-31.
  - The requirement would ultimately increase to 10% in FY 2035-36.

Maharashtra Electricity Regulatory Commission (MERC) notified Draft Maharashtra Electricity Regulatory Commission (State Grid Code) (Second Amendment) Regulations, 2026

- The Maharashtra Electricity Regulatory Commission (MERC), vide public notice dated September 22, 2026, has notified the Draft MERC (State Grid Code) (Second Amendment) Regulations, 2026 (Draft Grid Code Amendment Regulations). The draft proposes to bring ESS and REGS within the scope of the State Grid Code and prescribe specific requirements for their integration with the InSTS.
- BESS and REGS connected to, or seeking connection with, the InSTS would be required to comply with the State Grid Code, applicable Central Electricity Authority (CEA) technical standards and prescribed connectivity, communication and protection requirements.
- The Draft Grid Code Amendment Regulations, inter alia, provide for the following:
  - Owners or operators of InSTS-connected BESS would be designated as "State Entities" and would be subject to requirements relating to connectivity, communication, metering, scheduling and despatch, operation, maintenance and system security.
  - Specific real-time telemetry and operational data requirements would apply to BESS.
  - BESS would be required to provide SLDC with charging and discharging status.
  - The information would include available energy and charging and discharging capacity.

- BESS would further provide its State of Charge through approved communication systems.
- BESS would be required to comply with SLDC directions concerning charging, discharging, frequency support, voltage regulation, congestion management, reserve support, system restoration and grid security.
- InSTS-connected BESS would participate in scheduling and despatch in accordance with the Grid Code and SLDC procedures.

Maharashtra Electricity Regulatory Commission (MERC) notified the Draft Maharashtra Electricity Regulatory Commission (Intra-State Transmission Connectivity and General Network Access) Regulations, 2026

- The Maharashtra Electricity Regulatory Commission (MERC), vide public notice dated September 22, 2026, has notified the Draft MERC (Intra-State Transmission Connectivity and General Network Access) Regulations, 2026 (Draft GNA Regulations). The Draft GNA Regulations propose a consolidated framework for Connectivity, General Network Access (GNA) and Temporary General Network Access (T-GNA) to the Intra-State Transmission System (InSTS) in Maharashtra.
- The Draft MERC (Intra-State Transmission Connectivity and General Network Access) Regulations, 2026, inter alia, provide for the following:
- Upon notification, the MERC (Transmission Open Access) Regulations, 2016 would stand repealed.
- Generating stations, REGS, captive generating plants, standalone ESS, Renewable Power Park Developers (RPPD), Distribution Licensees and eligible Bulk Consumers/Captive Users may seek Connectivity.
- A minimum threshold of 5 MW is generally proposed for generating stations, captive plants, standalone ESS and RPPD, including through aggregation using Lead Generator or Lead ESS arrangements.
- The framework proposes integration of ESS and differential access for solar and non-solar hours.
- REGS applying for Connectivity would generally be required to install ESS corresponding to prescribed proportions of Connectivity capacity, subject to minimum discharge-duration requirements.
- Defined timelines and financial requirements would apply to processing Connectivity applications.
- Eligible entities for GNA would include Distribution Licensees, drawee entities including Bulk Consumers and Captive Users connected to the InSTS, Intra-State Transmission Licensees requiring auxiliary power and standalone ESS requiring power for charging or auxiliary consumption.
- With prior approval, a GNA grantee could authorize another eligible GNA grantee to use its GNA, wholly or partly, for up to 3 years at a time, while the original grantee would remain liable for transmission charges.
- GNA may be relinquished wholly or partly, generally subject to 1 year's notice and applicable relinquishment charges.
- A curtailment hierarchy is proposed for transmission constraints, with non-RE T-GNA, RE T-GNA, non-RE GNA and RE GNA consumers curtailed sequentially, followed by T-GNA or GNA of Distribution Licensees, with pro-rata curtailment within each category.
- An Open Access Monitoring and Review Committee would be convened by the State Transmission Utility to monitor implementation, examine implementation issues and periodically recommend remedial measures to MERC.



RECENT JUDGMENTS

In this Section

Dakschinanchal Vidyut Vitran Nigam Ltd. v. Vidyut Lokpal, Uttar Pradesh & Ors.

Daulat Ram Engineering Services Ltd. & Anr. v. State of Madhya Pradesh & Ors.

Adani Power v. MERC and Ors.

Techno Electric and Engineering Company v. MERC and Ors.

Hyderabad MSW Energy Solutions v. TSERC and Anr.

ACME Kudligi Solar v. KERC and Ors.

Jind Bio-Energy and Fatehabad Bio-Energy v. HPPC and Ors.

Indian Energy Exchange Limited v. Grid Controller of India Limited & Ors.

Dakschinanchal Vidyut Vitran Nigam Ltd. v. Vidyut Lokpal, Uttar Pradesh & Ors.

Supreme Court Judgment dated September 10, 2026 in Civil Appeal arising out of SLP (C) No. 14138 of 2012

Background facts

- Dakschinanchal Vidyut Vitran Nigam Ltd. (DVVNL) entered into an electricity supply agreement dated February 24, 1997 with Respondent No. 3 for supply of 2000 KVA load, although the consumer had originally applied for 4000 KVA load.
- Upon improvement in power availability, DVVNL offered to release the balance 2000 KVA load and requested the consumer to complete the necessary formalities. However, the consumer expressed its unwillingness to avail the additional 2000 KVA load.
- After nearly nine years, DVVNL raised a demand of INR 57,74,164 towards Minimum Consumption Guarantee Charges (MCGC) for the period February 1998 to September 1998 on the premise that it had kept the additional load available for the consumer.
- Aggrieved by the demand, the consumer approached the Consumer Grievance Redressal Forum and thereafter the Electricity Ombudsman.
- The Electricity Ombudsman set aside the demand, holding that the consumer had never accepted the additional load, the load was never actually released, and the demand was barred by limitation under Section 56(2) of the Electricity Act, 2003.
- DVVNL challenged the Ombudsman's order before the Allahabad High Court, Lucknow Bench. The High Court dismissed the writ petition and upheld the Ombudsman's decision.
- Aggrieved thereby, DVVNL preferred an appeal before the Supreme Court.

Issues at Hand

- Whether Minimum Consumption Guarantee Charges could be recovered in respect of additional load that had never been accepted or availed by the consumer.
- Whether the Electricity Ombudsman had jurisdiction to adjudicate the dispute and grant relief to the consumer.
- Whether the demand raised by DVVNL in 2007 for the period February 1998 to September 1998 was barred by limitation under Section 56(2) of the Electricity Act, 2003.
- Whether Clause 8 of the U.P. Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulations, 2007 was ultra vires the Electricity Act, 2003.

Decision of the Court/Tribunal

- The Hon'ble Supreme Court observed that the liability to pay Minimum Consumption Guarantee Charges could arise only where the consumer had

agreed to and availed the contracted load. It was noted that Respondent No. 3 had never accepted the offer for the additional 2000 KVA load and had expressly declined the same.

- The Hon'ble Court held that merely keeping additional load available did not entitle DVVNL to raise Minimum Consumption Guarantee Charges in the absence of acceptance and actual release of the load in favour of the consumer.
- The Hon'ble Court further observed that the demand was raised almost nine years after the relevant period and that such dues had never been continuously reflected as recoverable in the electricity bills.
- Relying upon the principles governing Section 56(2) of the Electricity Act, 2003, the Hon'ble Court held that the impugned demand was barred by limitation and could not be recovered from the consumer.
- The Hon'ble Court also rejected the challenge to Clause 8 of the U.P. Electricity Regulatory Commission Regulations and held that the Electricity Ombudsman possessed the jurisdiction to entertain and decide the consumer's grievance.
- It was further observed that the findings recorded by the Electricity Ombudsman and affirmed by the High Court did not suffer from any legal infirmity warranting interference under Article 136 of the Constitution.



HSA
Viewpoint

The judgment reaffirms that liability towards Minimum Consumption Guarantee Charges cannot arise merely because a distribution licensee keeps electricity capacity available. Such liability can be imposed only where the consumer has accepted and availed the contracted load in accordance with the governing agreement. The decision also provides important guidance on Section 56(2) of the Electricity Act, 2003 by reiterating that stale electricity dues cannot be recovered after prolonged delay where such amounts were not continuously shown as recoverable. The judgment further strengthens the role of Electricity Ombudsmen in providing an effective consumer grievance redressal mechanism under the Electricity Act, 2003.

Daulat Ram Engineering Services Ltd. & Anr. v. State of Madhya Pradesh & Ors.

Madhya Pradesh High Court Judgment dated August 31, 2026 in W.P. No. 49694 of 2025 and W.P. No. 32213 of 2025

Background facts

- MP Power Transmission Company Limited (MPPTCL) approved the second circuit stringing of the 132 KV DCSS Mandideep-Nahar transmission line for supply of electricity to Nahar Poly Films Ltd.
- The approved alignment traversed lands situated in Village Simrai, including lands owned by Daulat Ram Engineering Services Ltd., Nasa Corporation and the Petitioners in the connected writ petition.
- MPPTCL initially examined an alternative alignment but rejected the same as the proposed tower location was situated in close proximity to an existing gas pipeline and did not satisfy the prescribed safety clearances.
- Thereafter, the Petitioners suggested a further alternative alignment. However, MPPTCL rejected the proposal on the ground that it traversed residential properties and was also inconsistent with applicable safety requirements.
- Pursuant to powers conferred under Section 164 of the Electricity Act, 2003, the Collector permitted execution of the transmission project along the approved route.
- Aggrieved thereby, Daulat Ram Engineering Services Ltd. and Nasa Corporation filed W.P. No. 49694 of 2025 challenging the approved alignment and seeking restraint on construction of the transmission line.
- Separately, the Petitioners in W.P. No. 32213 of 2025 contended that their land bearing Khasra No. 115/3 had been wrongly included in the survey alignment and sought exclusion of their land from the transmission project.
- Both writ petitions challenged the implementation of the transmission scheme and raised issues concerning the exercise of powers under Section 164 of the Electricity Act, 2003 and the rights of affected landowners.

Issues at hand

- Whether prior consent of landowners was required where powers under Section 164 of the Electricity Act, 2003 had been conferred upon the transmission utility?
- Whether landowners could insist upon an alternative alignment for the transmission line?
- Whether a transmission line serving an industrial consumer could be implemented by invoking Section 164 of the Electricity Act, 2003??

Decision of the Court/Tribunal

- The Hon'ble Court observed that MPPTCL had been vested with powers under Section 164 of the Electricity Act, 2003 and, therefore, consent of landowners was not required for laying transmission lines and erecting towers.
- It was noted that the alternative routes proposed by the Petitioners had been duly examined and rejected on valid technical and safety considerations. The Hon'ble Court held that landowners cannot insist upon an alignment of their choice and that their remedy lies in claiming compensation under the Indian Telegraph Act, 1885.
- The Hon'ble Court further held that a transmission line does not lose its public character merely because it is intended to supply electricity to a particular industrial consumer. The Hon'ble Court also found that several objections raised by the petitioners involved disputed questions of fact and that the petitions suffered from suppression of material facts and delay.

HSA
Viewpoint

The judgment reiterates that once Section 164 powers are conferred on a transmission utility, prior landowner consent is not required for development of transmission infrastructure. The decision further affirms judicial deference to technical decisions relating to transmission line alignment and route selection. The judgment also reinforces that challenges to transmission projects cannot ordinarily be sustained merely because private land is affected, and that compensation remains the primary statutory remedy available to landowners.

Adani Power v. MERC and Ors.

APTEL's Judgments dated August 19, 2026 in Appeal Nos. 316 of 2021 and 317 of 2021

Background facts

- Adani Power operates the 3,300 MW Tiroda generating station in Maharashtra and had entered into four PPAs with MSEDCL.
- In Appeal No. 316 of 2021, Adani Power sought Change in Law compensation arising from changes in domestic coal supply assurance under the New Coal Distribution Policy, 2007 and related governmental measures.
- In Appeal No. 317 of 2021, Adani Power sought Change in Law compensation for shortfall in domestic coal allocation following the SHAKTI Policy, which MERC had recognized as a Change in Law event.

Issues at hand

- Whether MERC could reopen issues already decided by APTEL while issuing consequential orders pursuant to its earlier judgments?
- Whether MERC had exceeded the limited scope of remand by conducting a fresh hearing and determining additional issues relating to the computation and restriction of Change in Law compensation?

Decision of the Court/Tribunal

- APTEL held that its earlier judgments had finally decided the relevant issues and that MERC was required only to issue consequential orders in accordance with those findings.
- The Tribunal held that MERC had exceeded the scope of the remand by reopening the matters and returning findings contrary to APTEL's earlier judgments.

- APTEL accordingly set aside the impugned MERC orders and directed MERC to issue consequential orders in favor of Adani Power in accordance with its earlier judgments within six weeks.



HSA
Viewpoint

The judgments reinforce judicial discipline in electricity regulatory proceedings and clarify that a State Commission cannot reopen issues finally decided by APTEL where the matter has been remanded only for consequential implementation. The principle is relevant to generating companies and distribution licensees involved in Change in Law compensation proceedings, by limiting the scope of regulatory reconsideration following an appellate determination.

Techno Electric and Engineering Company v. MERC and Ors.

APTEL's Order dated August 19, 2026 in IA Nos. 1385 and 1664 of 2026 in Appeal No. 279 of 2026

Background facts

- The underlying appeal concerns the 400/220 kV GIS Ambernath intra-state transmission project in Maharashtra, intended to address demand growth in the Thane region and benefit a large pool of general consumers.
- MERC had permitted development of the Ambernath project under the Distribution Framework – Dedicated Distribution Facility and had permitted recovery of O&M charges, after separately approving exclusion of the project from the Tariff Based Competitive Bidding framework.
- Techno Electric sought interim protection, contending that it had emerged as the lowest bidder in the e-reverse auction and that the project should not proceed in the manner approved by MERC.
- The Tribunal found that the bidding process had not concluded, no authoritative bid sheet or Letter of Intent had been issued to Techno Electric, and the bidding process had subsequently been annulled.

Issues at hand

- Whether Techno Electric had acquired any vested right as a successful bidder capable of supporting interim relief?
- Whether the bid process could be annulled in the circumstances and whether the appellant had correctly represented its status in the bidding process?
- Whether interim relief should continue pending consideration of the maintainability of the main appeal?

Decision of the court/tribunal

- APTEL held that the system-generated indication showing L-1 status during the ongoing e-reverse auction was provisional and did not establish that Techno Electric had been declared the successful bidder.
- The Tribunal held that the bid process coordinator had not issued any authoritative confirmation of Techno Electric as the successful bidder and that the bidding process had subsequently been annulled.
- APTEL dismissed IA No. 1385 of 2026, vacated the ex parte interim order and allowed IA No. 1664 of 2026 filed by the respondent.
- The Tribunal also directed that the main appeal be taken up on the issue of maintainability.

HSA
Viewpoint

The order has regulatory relevance for transmission procurement because it clarifies the distinction between a provisional bid position displayed during an e-reverse auction and a formally concluded procurement outcome. It also illustrates the importance of the authoritative bid sheet and formal award process before a bidder can assert a vested right in a transmission bidding process.

Hyderabad MSW Energy Solutions v. TSERC and Anr.

APTEL's Order dated September 02, 2026 in IA No. 890 of 2024 in Appeal No. 85 of 2024

Background facts

- Hyderabad MSW Energy Solutions operates a 19.8 MW RDF-based Waste-to-Energy plant at Jawaharnagar, Hyderabad, under a PPA with the Telangana distribution licensee.
- The underlying appeal concerns the applicability of the normative Plant Load Factor to energy generated and delivered by the Waste-to-Energy plant.
- The State Commission had treated normative PLF as a ceiling for payment and had denied payment for energy generated beyond the applicable normative PLF.
- The developer sought interim relief for payment for energy generated beyond normative PLF but within the contracted capacity pending final adjudication of the appeal.

Issues at hand

- Whether normative PLF operates as a ceiling on payment for energy actually generated and delivered under the PPA?
- Whether the developer should receive interim payment for energy generated beyond normative PLF and up to the contracted capacity while the main appeal remains pending?

Decision of the court/tribunal

- APTEL found that the appellant had made out a prima facie case and that the balance of convenience favoured interim protection.
- The Tribunal did not finally determine the substantive PLF issue, which was left for final adjudication in the main appeal.
- Pending final disposal, the Discom was directed to pay the levelized variable cost under the applicable Generic Tariff Order for energy generated beyond normative PLF and up to the contracted capacity.
- The Discom was directed to make payment for the past period within six weeks and to make corresponding future payments through the respective invoices, subject to the outcome of the main appeal.

HSA
Viewpoint

The order is relevant to Waste-to-Energy projects because it addresses whether energy generated above normative PLF can be treated as non-compensable even where the electricity is actually delivered and consumed. Although interim in nature, the order provides immediate regulatory guidance on payment treatment pending final determination of the underlying contractual and regulatory issue.

ACME Kudligi Solar v. KERC and Ors.

APTEL's Judgment dated September 09, 2026 in Appeal No. 225 of 2021

Background facts

- ACME Kudligi Solar developed a solar power project in Karnataka under a PPA with BESCOM, with a Scheduled Commercial Operation Date of November 03, 2019.
- The project was ready for commissioning, but evacuation could not take place because the 220/66 kV Kudligi sub-station and associated upstream transmission line had not been commissioned by KPTCL.
- ACME had repeatedly sought information regarding the commissioning timeline and had issued force majeure notices when it became clear that the evacuation infrastructure would not be available by the SCOD.
- KERC rejected the claim for extension of SCOD, holding that the developer had assumed the risk by accepting the evacuation scheme and had not established an applicable force majeure event.

Issues at hand

- Whether non-availability of the evacuation sub-station and associated transmission infrastructure could constitute a force majeure event under the PPA?
- Whether the developer had complied with the contractual procedure for invoking force majeure and seeking extension of SCOD?
- Whether the developer could be subjected to liquidated damages, tariff reduction or other contractual consequences for the delayed commissioning?

Decision of the Court/Tribunal

- APTEL held that the project was ready for commissioning and that the delay in availability of the evacuation infrastructure was attributable to KPTCL and not to the developer.
- The Tribunal held that the non- commissioning of the 220 kV Kudligi sub-station, incoming lines and terminal bays qualified as a force majeure event under the PPA.
- APTEL held that the developer had complied with the notice requirements and had acted on the commissioning assurances given by KPTCL.
- The Tribunal extended the SCOD from November 03, 2019 to May 30, 2020, being the actual date of commissioning and synchronization, and held that the developer was not liable for liquidated damages, tariff reduction or contractual penalty.

HSA
Viewpoint

The ruling reaffirms that delays caused by the transmission utility's failure to provide evacuation infrastructure cannot be attributed to the generator. The decision protects developers from contractual penalties where commissioning is delayed due to force majeure events beyond their control.

Jind Bio-Energy and Fatehabad Bio-Energy v. HPPC and Ors.

APTEL's Judgment dated September 09, 2026 in Appeal Nos. 348 of 2019 and 95 of 2022

Background facts

- Haryana undertook procurement of 49.8 MW from paddy-straw biomass-based power projects through a competitive bidding process under an RfP issued by HAREDA.
- The bidding process used a ceiling tariff as the basis on which bidders were required to offer discounts, after which successful bidders were required to approach HERC for tariff determination under Section 62 of the Electricity Act, 2003.

- Jind Bio-Energy and Fatehabad Bio-Energy subsequently entered into PPAs containing a definition of tariff that referred to the 2017-18 ceiling tariff, and the developers challenged the resulting treatment before HERC
- .In a connected dispute, HERC directed modification of the PPAs because the executed PPAs did not conform to the Commission-approved draft PPA.

Issues at hand

- Whether the ceiling tariff used for competitive bidding operated as an upper limit on the tariff subsequently determined by HERC under Section 62?
- Whether the executed PPAs could contain a tariff definition that deviated from the Commission-approved draft PPA?
- Whether the discount offered during bidding continued to apply to the tariff determined by HERC on a year-to-year basis?

Decision of the court/tribunal

- APTEL held that the ceiling tariff was used for the purpose of bidding and offering a discount and was not an upper cap on the tariff to be determined by HERC under Section 62.
- APTEL held that the discount offered by the successful bidder was to be applied to the tariff determined by HERC for the relevant year rather than treating the historical ceiling tariff as a permanent tariff ceiling.
- APTEL upheld HERC's direction requiring the executed PPAs to conform to the Commission-approved draft PPA.
- Accordingly, Appeal No. 348 of 2019 was allowed and Appeal No. 95 of 2022 was dismissed.



HSA
Viewpoint

The judgment has implications for renewable and biomass procurement frameworks because it clarifies the relationship between a bidding-stage ceiling tariff, bidder discounts and subsequent tariff determination under Section 62. It also reinforces that PPAs executed after regulatory approval of a draft PPA must conform to the approved contractual framework.

Adani Hybrid Energy Jaisalmer One Limited v. SECI Ltd.

CERC's Order dated September 10, 2026 in Petition Nos. 345/MP/2022 and 6/MP/2024

Background facts

- Adani Hybrid Energy Jaisalmer One Limited (AHEJOL) operates two 195 MW wind-solar hybrid projects in Jaisalmer, Rajasthan, with a cumulative capacity of 390 MW, under PPAs with SECI.
- AHEJOL sought Change in Law relief for the imposition/increase of Safeguard Duty, Basic Customs Duty and GST, and compliance costs arising from the Supreme Court's directions concerning installation of bird diverters and undergrounding of transmission lines.
- HPPC filed a connected petition seeking recovery of the benefit arising from the reduction in Safeguard Duty under the 2020 notification.

Issues at hand

- Whether the identified tax, customs duty and regulatory measures constituted Change in Law events under the PPAs?
- Whether AHEJOL was entitled to compensation and carrying cost for the additional expenditure arising from those events, including expenditure incurred after the Commercial Operation Date?
- What mechanism and rate should govern compensation and carrying cost, and whether the directions relating to post-COD compensation and carrying cost could presently be enforced?

Decision of the court/tribunal

- CERC held that the 2021 GST Notification, 2020 Safeguard Duty Notification, 2021 BCD Notifications and the Supreme Court's 2021 directions concerning bird diverters and undergrounding constituted Change in Law events under the PPAs.
- AHEJOL was held entitled to recover additional costs attributable to the 2021 GST Notification, while it was not entitled to compensation for the 2020 Safeguard Duty reduction; HPPC was held entitled to recover the applicable 0.5% difference arising from the reduced duty.
- Compensation was directed to be paid through a 15-year annuity at a discount rate of 9.12%, with carrying cost subject to the conditions specified in the Order. Directions relating to post-COD compensation and carrying cost were made subject to further orders of the Supreme Court.



HSA
Viewpoint

The Order has sectoral relevance for renewable-energy PPAs because it addresses the treatment of multiple Change in Law events arising from tax and customs measures as well as transmission-related compliance requirements. It also provides a framework for compensation and carrying-cost treatment in renewable projects, while highlighting the effect of pending Supreme Court proceedings on enforceability of certain directions.

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