

Progressive steps by the Bombay High Court: quick disposal of writ petitions restores consumer rights and reinforces government initiatives on rooftop solar

The Bombay High Court (“**Bombay HC**”), in its recent judgments dated March 13, 2026 in *Aly India Renewable Energy Association and Ors. vs. Maharashtra State Electricity Distribution Company Limited and Ors.* and batch directed Maharashtra State Electricity Distribution Company Limited (“**MSEDCL**”) to approve all applications made by consumers in the State of Maharashtra, for installation of Solar Photovoltaic (“**PV**”) Rooftop Systems (“**Rooftop Systems**”) of upto 10 (ten) kW capacity and simultaneous increase in their sanctioned load upto 10 (ten) kW power.

Brief facts

1. On December 30, 2019, the Maharashtra Electricity Regulatory Commission (“**MERC**”) notified MERC (Grid Interactive Rooftop Renewable Energy Generating Systems) Regulations, 2019 (as amended from time to time) (“**2019 Regulations**”) wherein in terms of Regulation 6.2, the capacity of Renewable Energy Generating System (“**REGS**”) is to not exceed the sanctioned load or contract demand of the consumer.
2. On December 31, 2020, the Ministry of Power (“**MoP**”) notified the Electricity (Rights of Consumers) Rules, 2020 (“**2020 Rules**”) under Section 176 of the Electricity Act, wherein in terms of Rule 11(1), while the consumers will maintain the consumer status and have the same rights as the general consumer, they will also have the right to set up renewable energy generation unit including Rooftop Solar PV systems either by himself or through a service provider.
3. On February 24, 2021, MERC amended the 2019 Regulations, wherein *inter-alia* the second Proviso to Regulation 2.1(j) was included which provides that in case of net-metering arrangement, the capacity of REGS will be limited to 5 (five) MW or contract demand or sanctioned load of the consumer, whichever is lower.
4. On February 22, 2024, MoP notified the Electricity (Rights of Consumers) Amendment Rules, 2024, wherein, in terms of Rule 11(7A), the application for Rooftop Systems up to 10 (ten) kW capacity, which is complete in all respects will be deemed to have been accepted without requiring technical feasibility study and any commensurate enhancement of the sanctioned load of the consumer must be carried out by the distribution licensee.
5. On July 5, 2024, MSEDCL issued an internal letter stating that:
 - a) in terms of Rule 11(7A) of the 2020 Rules, the competent authority has accorded auto approval (deemed approval) for technical feasibility for roof top solar application having PV capacity upto 10 (ten) kW subject to payment of registration fees as per MSEDCL’s rules and regulations;

- b) if the applied solar PV capacity is higher than sanctioned load of a roof top solar consumer, such application for load enhancement of such consumer for increasing sanctioned load upto the applied PV capacity (maximum 10 (ten) kW) is generated through system automatically; and
 - c) upon payment of necessary charges, load enhancement will be made automatically effective.
6. Prior to February 13, 2026, MSEDCL was implementing Rule 11(7A) of the 2020 Rules, whereby deemed approval of technical feasibility upto 10 (ten) kW for rooftop solar applications and auto approval for enhancement of sanctioned load upto 10 (ten) kW was allowed.
 7. However, around February 13, 2026, MSEDCL, without any change in the applicable statutory framework or orders from MERC, surreptitiously, altered its online portal and introduced an algorithmic restriction limiting solar capacity approvals to the consumer's average electricity consumption over the preceding 12 (twelve) months, in blatant disregard to the extant statutory framework and prosumer's vested rights.
 8. Between February 13, 2026 and February 16, 2026, consumer's applications exceeding the past 12 (twelve) months' average consumption were arbitrarily auto-curtailed/rejected by MSEDCL through portal-generated pop-ups and automatic reductions in solar capacities.
 9. Between February 16, 2026 to February 24, 2026, although visible pop-up messages relating to the '12 (twelve) months restriction' was removed by MSEDCL, the consumption-based restriction continued to be arbitrarily enforced, thereby preventing consumers from submitting applications beyond the said 12 (twelve) months' average consumption, even if the same was required to meet their future power requirement and was well within the 10 (ten) kW auto approval limit.
 10. From February 25, 2026, the visible portal blockers on MSEDCL's portal were removed. However, thousands of consumer applications remained kept in a 'pending' status, without providing any cogent reasons or timelines.
 11. The aforesaid restrictions alongwith second Proviso to Regulation 2.1(j) and Regulation 6.2 of the 2019 Regulations were challenged by Aly India Renewable Energy Association and certain consumers in Maharashtra by way of writ petitions filed before the Bombay HC.

Issues

1. Whether the 2019 Regulations, in so far as they enable MSEDCL to restrict approval of prosumer's applications for: (a) installation of Rooftop Systems upto 10 (ten) kW capacity; and (b) corresponding enhancement of sanctioned load of the consumer upto 10 (ten) kW, are ultra vires MoP's 2020 Rules and Section 181 of the Electricity Act, 2003, particularly in light of:
 - a) the second Proviso to Regulation 2.1(j) of the 2019 Regulations, which, in cases of net metering arrangement, limits the capacity of REGS to 5 (five) MW, or the contract demand, or the sanctioned load of the consumer, whichever is lower; and
 - b) Regulation 6.2 of the 2019 Regulations, the capacity of REGS must not exceed the sanctioned load or contract demand of the consumer.
2. Given the constitutional duty and the mandate of the National Electricity Policy and National Tariff Policy, whether the 2019 Regulations notified by MERC regarding promotion of renewable energy have to be aligned with and be consistent with the Rules framed by the Ministry of Power, *inter alia*, to give effect to PM Saurya Ghar Yojana?

Findings and analysis

1. The entire gist of the writ petitioners' case is that on February 22, 2024, the Government of India published the Electricity (Right of Consumers) Amendment Rules, 2024 in terms of which, Rule 11(7A) states that the applications for Rooftop Systems upto 10 (ten) kW capacity, complete in all respects will be deemed to have been

accepted without requiring technical feasibility study and any commensurate enhancement of the sanctioned load of the consumer, as required, must be carried out by the distribution licensee.

2. On July 5, 2024, MSEDCL took note of Rule 11(7A) of the 2020 Rules, and wrote to its chief engineers regarding auto approval (deemed approval) of technical feasibility upto 10 (ten) kW for rooftop solar applications and auto approval for enhancement of sanctioned load upto 10 (ten) kW after online payment of necessary charges.
3. The following statement made by MSEDCL's counsel, on instructions from MSEDCL's official, and was accepted as an undertaking given to the Bombay HC *viz.*:
 - a) MSEDCL is accepting the submission of, and will continue to accept all applications filed for installing Rooftop Systems of capacity upto 10 (ten) kW;
 - b) MSEDCL is approving and will approve all applications received for installing Rooftop Systems of capacity upto the sanctioned load of the consumer (upto a maximum of 10 (ten) kW), immediately upon receipt of such application, provided the application filed is complete in all respects, and the applicable fees, if any, is duly paid by the consumer;
 - c) MSEDCL must approve all applications received for installing the Rooftop Systems of capacity upto 10 (ten) kW, but in excess of the sanctioned load of the consumer, immediately upon increase of sanctioned load of such consumer upto the solar capacity applied for, provided the application filed is complete in all respects and the applicable fees, if any, is duly paid by the consumer; and
 - d) MSEDCL will simultaneously process and approve the application for increase in the sanctioned load and complete the process within the timelines stipulated in the MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021.
4. Considering that MSEDCL's statement has been accepted as an undertaking given to the Bombay HC, the writ petitions were disposed of, by directing MSEDCL to act strictly in accordance with the statement made by it.

Conclusion

The judgment passed by the Bombay HC ensures that:

1. all applications made by consumers in the State of Maharashtra, for installation of Rooftop Systems of upto 10 (ten) kW capacity and simultaneous increase in their sanctioned load upto 10 (ten) kW power will be approved by the distribution licensee i.e., MSEDCL in compliance with Rule 11(7A) of the 2020 Rules;
2. MSEDCL does not curtail consumers' applications based on arbitrary restrictions such as limiting such approvals to a consumer's average consumption of electricity over the past 12 (twelve) months which was earlier imposed through blockers on its online portal; and
3. there is no impediment being imposed by MSEDCL in promotion of Renewable Energy which is a matter of national importance, to ensure implementation of India's treaty obligations which have been given effect through the PM Saurya Ghar Yojana as well as finding of the Hon'ble Supreme Court in its judgment, *Hindustan Zinc Limited vs. RERC*¹.

¹ (2015) 12 SCC 611

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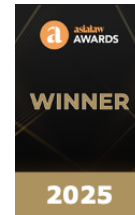
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