

April 2026

Introduction

The Indian power sector is witnessing significant developments amid global uncertainties and evolving challenges. In response, Indian regulators have been taking proactive measures to improve the overall sector resilience.

Notably, the first quarter of 2026 (i.e., January to March 2026), continued the momentum of reforms with a strong focus on enhancing efficiency and ensuring financial sustainability.

According to a Press Release issued by the Ministry of Power (“**MoP**”)¹, India has added 52,536.49 (Fifty-two thousand five hundred and thirty-six point four nine) megawatt (“**MW**”) installed generation capacity in the current Financial Year (“**FY**”) 2025-26.

The first quarter of 2026 has witnessed some interesting pronouncements from the Hon'ble Supreme Court of India’s (“**Supreme Court**”) on various aspects, such as:

1. the burden of proof in delay-related damages for Renewable Energy (“**RE**”) projects;
2. scope of coal block cancellation;
3. levy of customs duty on electricity cleared from Special Economic Zone (“**SEZ**”) units;
4. treatment of Generation-Based Incentives (“**GBI**”) in tariff determination; and

¹ Dated [March 12, 2026](#)

² For a detailed analysis, please refer to the [JSA Prism of April 6, 2026](#).

³ Section 11 empowers the Government to direct a generating company to operate and maintain any generating station in

Additionally, this edition of the Newsletter (“**NL**”) captures significant **High Court** and Appellate Tribunal for Electricity (“**APTEL**”) rulings. The rulings cover issues related to electricity duty, cross-subsidy surcharge, legacy electricity dues, compensation for delayed evacuation, relaxation of Normative Annual Plant Availability Factor (“**NAPAF**”) on account of coal shortage etc. It also tracks the updates from the Central Electricity Regulatory Commission (“**CERC**”) and the State Electricity Regulatory Commissions (“**SERCs**”), including Change in Law (“**CIL**”) compensation, carrying cost and deemed capacity issues, adoption of the Renewable Consumption Obligation (“**RCO**”) framework, and amendments related to Deviation Settlement Mechanism (“**DSM**”) etc.

On the policy and **regulatory level**, this NL includes updates on Ministry of New and Renewable Energy’s (“**MNRE**”) relief for GIB-affected projects, the National Generation Adequacy Plan, amendments strengthening the captive power framework, the proposed Approved List of Models and Manufacturers (“**ALMM**”) framework for solar wafers², Maharashtra’s RE and Battery Energy Storage System (“**BESS**”) Policy, directions under Section 11³ of the Electricity Act, 2003 (“**Electricity Act**”) to Coastal Gujarat Power, and amendments to CERC’s carbon credit, tariff and RE Certificate (“**REC**”) regulations. Digital infrastructure is reshaping how electricity is produced, consumed, and valued⁴.

extraordinary circumstances (threat to security of the State, public order, natural calamity or public interest). The Appropriate Commission may offset the adverse financial impact of such directions.

⁴ Press release dated [March 18, 2026](#)

Judgments of the Supreme Court

No customs duty on electrical energy cleared from an SEZ to the Domestic Tariff Area: Supreme Court directs full refund

On January 5, 2026, the Supreme Court in *Adani Power Limited vs. Union of India and Ors.*⁵, held that no customs duty can be leviable on electrical energy cleared by Adani Power from its SEZ generating unit to the Domestic Tariff Area (“DTA”). The Customs Tariff Act, 1975 does not impose any custom duty on imported electrical energy, and clearance of electricity from a SEZ unit to the DTA cannot attract a levy without an existing statutory authority.

The Union of India through the ministry and the jurisdictional customs authorities concerned, was directed to refund to Adani Power the amount deposited in cash or through encashment of security, towards customs duty on the clearance of electrical energy from SEZ unit into the DTA. The Supreme Court further clarified that the judgment was limited to the statutory framework governing the period in question and did not preclude Parliament from enacting a different legislative regime in the future.

Supreme Court outlines law regarding burden of proof to justify delay in RE projects vis-à-vis awarding damages

On January 30, 2026, in *Saisudhir Energy Limited vs. NTPC Vidyut Vyapar Nigam Limited*⁶, the Supreme Court laid down key principles for determining damages on account of commissioning delay concerning a public utility project.

The Supreme Court was dealing with an appeal which was filed to challenging the decision passed by High Court of Delhi (“**Delhi HC**”) under Section 37⁷ of the Arbitration and Conciliation Act, 1996, wherein the court reduced the Liquidated Damages (“**LD**”), granted by the single judge on account of delay by Solar Power

Developer (“**SPD**”) in commissioning the project, from INR 27,06,00,000 (Indian Rupees twenty seven crore six lakh) to INR 20,70,00,000 (Indian Rupees twenty crore and seventy lakh). The Supreme Court held that once the commissioning timelines agreed in the Power Purchase Agreement (“**PPA**”) were breached, the LD clause was automatically triggered. The relevant period of delay is determinative of the quantum. Section 74⁸ of the Indian Contract Act, 1872 entitles the party complaining of breach to reasonable compensation not exceeding the stipulated amount, whether or not actual damage is proved. The Supreme Court applied its earlier decision in *Construction and Design Services vs. Delhi Development Authority* (2015) (“**DDA Case**”) ⁹, which arose in the context of delay in providing a public utility. that the DDA Case held that, delay in commissioning a public utility is itself a form of loss resulting in environmental degradation. Where parties have pre-estimated loss by agreeing to a LD figure, it would be unjustified to treat the breaching party as not liable merely because quantum cannot be precisely established.

Supreme Court held that since the solar plant was part of the Jawaharlal Nehru National Solar Mission and its commissioning was in public interest, SPD, having agreed to Clause 4.6¹⁰, could not escape liability by arguing that the nodal agency had not quantified its precise loss.

Supreme Court affirms change in law relief on account of coal block cancellation by interpreting terms of the contract with ‘attending circumstances’

On February 27, 2026, in *West Bengal State Electricity Distribution Company Limited vs. Adhunik Power andand Natural Resources Limited*¹¹, the Supreme Court partly upheld APTEL’s judgment of September 4, 2025¹² resolving a long-standing dispute over the

⁵ 2026 3 SCC 143 (decided on January 5, 2026)

⁶ 2026 SCC OnLine SC 125 (decided on January 30, 2026)

⁷ Section 37 provides for appeals against specified orders, including orders setting aside or refusing to set aside an arbitral award under Section 34.

⁸ Section 74 provides for compensation for breach of contract where a sum is named in the contract as payable upon breach, or where the contract contains any stipulation by way of penalty.

⁹ 14 SCC 263 (decided on February 4, 2015)

¹⁰ LD clause of the PPA

¹¹ 2026 SCC OnLine SC 328, (decided on February 27, 2026)

¹² Appeal Nos. 143 of 2020 and 66 of 2022 (decided on September 4, 2025)

consequences of the Supreme Court's de-allocation of the Ganeshpur captive coal block in Jharkhand.

It was affirmed that cancellation of the Ganeshpur coal block by the Supreme Court's judgment of August 25, 2014¹³ and the enactment of the Coal Mines (Special Provisions) Act, 2015 constitutes a 'change in law ("CIL")' event entitling *Adhunik* to compensation under its PPA/Power Sale Agreement ("PSA").

A significant issue was whether the Ganeshpur block was indeed the identified fuel source, given that the PPA/PSA did not expressly name it. The Supreme Court held that although a written contract must ordinarily be interpreted on the basis of its express terms, surrounding circumstances may be considered where they connect the contractual terms to the factual context in which the contract was executed. On this basis, the Court concluded that the Ganeshpur block was clearly the designated source of fuel.

The Supreme Court overturned APTEL's grant of compensation for the period before the coal block cancellation, when *Adhunik* had procured coal through e-auctions and imports to cover shortfalls in tapering linkage. Court held that APTEL's restrictive reading of this clause attributing the pre-cancellation shortfall to third-party inaction was untenable.

GBIs cannot be deducted from tariff: Supreme Court reinforces purposive tariff determination

On March 25, 2026, the Supreme Court in *Southern Power Distribution Company of Andhra Pradesh Limited vs. Green Infra Wind Solutions Limited*¹⁴, clarified the scope of SERC tariff-determination powers in relation to Government incentive schemes especially the GBI schemes.

The issue in consideration was whether GBI providing wind energy generators a performance-linked incentive of INR 0.50 (Indian Rupees fifty paise) per unit, payable over and above the tariff, could be factored into tariff determination by SERC, reducing the tariff payable to generators? The Andhra Pradesh Electricity Regulatory Commission had factored in the

GBI and deducted tariff, effectively passing the benefit to consumers rather than retaining it as an additional payment to generators.

The Supreme Court held that while SERCs enjoy plenary tariff-determination powers under the Electricity Act, those powers must be exercised in a purposive and policy-consistent manner. The Supreme Court drew a clear distinction between a "customer subsidy" and a "generator-focused incentive". GBI falls squarely in the latter category. Regulatory authorities are required to respect and give effect to such schemes, not nullify them through tariff adjustments.

JSA represented Tata Power RE Limited before the Supreme Court in this matter.

For a detailed analysis, please refer to the [JSA Prism of March 27, 2026](#).

State's power to withdraw electricity duty exemption upheld; one-year transition period ordered

On March 25, 2026, in the case of *State of Maharashtra vs. Reliance Industries Limited*¹⁵, the Supreme Court upheld the power of the State Government to withdraw or modify exemption from electricity duty previously granted to captive Power Generators ("CPG") under Section 5A¹⁶ of the Bombay Electricity Duty Act, 1958.

The exemption had been granted as a policy measure to encourage industrial self-sufficiency in power generation and reduce pressure on the public electricity supply system. The Supreme Court held that the exemption was a defeasible concession flowing from the exercise of statutory power. It was not a vested or indefeasible right. The doctrine of promissory estoppel applies against the State but may be displaced by supervening public equity.

Balancing these principles against the practical reality, the Supreme Court also held that sudden withdrawal without transition would impose an immediate and unfair fiscal burden. It accordingly directed that the impugned notifications withdrawing the exemption would take effect only after 1 (one) year from their respective dates of issue.

¹³ Manohar Lal Sharma vs. Principal Secy., (2014) 9 SCC 516 (decided on August 25, 2014)

¹⁴ C.A. No. 4495 of 2025 (decided on March 25, 2026)

¹⁵ 2026 SCC OnLine SC 477 (decided on March 25, 2026)

¹⁶ Section 5A empowers the State Government, in public interest, to exempt specified energy consumption, wholly or partly and prospectively or retrospectively, from payment of electricity duty.

Judgments by APTEL

APTEL holds Karnataka Electricity Regulatory Commission cannot be bound by State Government directions in tariff adjudication, orders generic tariff for small hydro project

On January 5, 2026, in *Minar RE Projects Private Limited vs. Karnataka Electricity Regulatory Commission and Ors.*¹⁷, APTEL set aside Karnataka Electricity Regulatory Commission's ("KSERC") order determining project-specific tariff for Minar's 8 (eight) MW small hydro project. project specific tariff was determined pursuant to State Government order. APTEL held that tariff determination is an adjudicatory and quasi-judicial function lying exclusively within the Commission's domain. A policy direction under Section 108¹⁸ of the Electricity Act, 2003 requires the commission to be guided by State Government directions on policy. Further, it does not make the commission bound by them the commission's independent adjudicatory discretion. Project-specific tariff could be determined only where the developer itself applied for it under the relevant regulation which Minar had not done. APTEL directed KSERC to determine generic tariff.

APTEL denies compensation for generation loss caused by delay in evacuation facilities, holds no agreed timeline or breach by State transmission utility was established

On January 6, 2026, in *Sahu Hydro Power Private Limited vs. Himachal Pradesh Regulatory Commission*¹⁹, APTEL upheld Himachal Pradesh Electricity Regulatory Commission's ("HPERC") refusal to award compensation to a small hydro developer for generation loss caused by the State Transmission Utility's ("STU") alleged delay in providing evacuation facilities the small hydro electric project. Generator argued that the connection agreement and applicable regulations were sufficient to impose liability, and that

a reasonable timeline for provision of facilities could be implied.

APTEL rejected the appeal and held that the connection agreement required the parties to separately agree on scope, timelines, milestones, penalties, and indemnification for delay. No such agreed document was produced and consequently no binding timeline breach could be fastened on STU.

Sahu Hydro Power Private Limited has preferred an appeal before the Supreme Court (Diary No. 14324/2026), which is pending adjudication.

APTEL holds CERC ought to have relaxed Normative Annual Plant Availability Factor from 85% to 83% for National Thermal Power Corporation Limited stations affected by coal shortfall

On January 13, 2026, in *NTPC Limited vs. Chhattisgarh State Power Distribution Company Limited and Ors.*²⁰, APTEL set aside CERC's order refusing to reduce the Normative Annual Plant Availability Factor ("NAPAF") for 4 (four) NTPC Limited ("NTPC") generating stations from 85% to 83% for the period from April 1, 2017 to March 31, 2019. The dispute was closely similar to APTEL's earlier judgment i.e. *NTPC Tamil Nadu Energy Company Limited vs. A.P. Transmission Corporation Limited and Ors.*²¹ ("**Vallur Judgment**") where identical relief had been granted to the generator *qua* persistent coal supply constraints. In the *Vallur Judgment*, APTEL observed that domestic coal supply remained constrained and that the 2014 Tariff Regulations had already recognised this by setting NAPAF at 83% up to that date, and that the mandatory regulatory review of coal supply conditions thereafter had not been undertaken by CERC. APTEL had directed CERC to exercise its relaxation power and continue the dispensation of 83% NAPAF. APTEL held the present case was covered on substantially identical facts by the *Vallur Judgment* and set aside CERC's order accordingly.

This judgment is presently under challenge before the Supreme Court. Appeals have been filed by NTPC (Diary

¹⁷ 2026 SCC OnLine APTEL 1 (decided on January 5, 2026)

¹⁸ Section 108 empowers the State Government to issue written policy directions involving public interest, by which the State Commission will be guided while discharging its functions.

¹⁹ Appeal No. 401 of 2018 (decided on January 6, 2026)

²⁰ Appeal No. 399 of 2019 (decided on January 13, 2026)

²¹ Appeal No. 318 of 2019 (decided on April 8, 2025)

No. 5847 of 2026) and Maharashtra State Electricity Distribution Company Limited (Diary No. 15918 of 2026).

APTEL awards compensation for wrongful denial of Long-Term Open Access despite subsequent open access approval

On January 19, 2026, in *J.K. Minerals vs. Madhya Pradesh Electricity Regulatory Commission and Ors.*²², the APTEL held that the distribution licensee was liable to compensate the solar generator for the period during which Long-Term Open Access (“LTOA”) was denied and the power was being injected into the grid without payment. APTEL had earlier remanded the matter to Madhya Pradesh Electricity Regulatory Commission (“MPERC”). On remand, MPERC granted LTOA prospectively, subject to the generator maintaining drawl within its contract demand, a condition the generator was willing to accept all along. However, MPERC declined to award compensation for the period of denial. APTEL has allowed the appeal in part. Since LTOA was ultimately granted on substantially the same conditions, the earlier refusal was held to be erroneous. The distribution licensee had during this period continued to accept and utilise energy injected by the solar project without payment and without directing the generator to stop injecting. APTEL held that the licensee could not retain the benefit of the energy without paying for it. Though compensation was not awarded for the initial period before APTEL’s earlier remand order, during which the generator had synchronised the project on an explicit understanding that injection would be free of cost.

The Supreme Court dismissed the Distribution Companies (“Discoms”)’s challenge to this judgment on March 25, 2026 (Civil Appeal No. 3383 of 2026). APTEL’s findings have attained finality.



²² Appeal No. 375 of 2019 (decided on January 19, 2026)

²³ Appeal No. 54 of 2020 (decided on February 3, 2026)

Force Majeure for commissioning delays: APTEL rejects Scheduled Commissioning Date extension but corrects a one-day tariff error

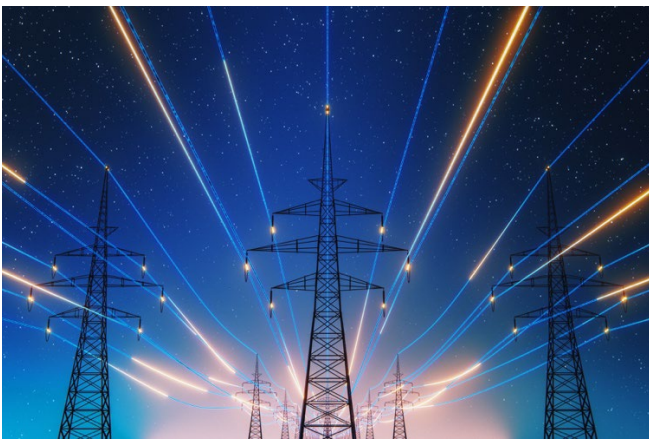
On February 3, 2026, in *M/s. Talettutayi Solar Projects Four Private Limited vs. Solar Energy Corporation of India and Ors.*,²³ APTEL considered a challenge to CERC’s order refusing to extend the Scheduled Commissioning Date (“SCOD”) of a 50 (fifty) MW solar project in Maharashtra, upholding LD for commissioning delay, and directing a downward tariff revision on the ground that commissioning occurred after 3 (three) month grace period. The generator cited delays by State authorities in approvals and clearances, delay in grid connectivity, delay in execution of the power sale agreement by Solar Energy Corporation of India (“SECI”), and demonetization. APTEL rejected all these grounds. APTEL also held that SECI had suffered genuine loss by being unable to fulfil its downstream obligations and the LD clause was a genuine pre-estimate of that loss, not a penalty. SECI was not required to prove exact actual loss. APTEL though found a narrow point in favour of the generator. CERC had recorded the commissioning date as August 11, 2017. The evidence on record showed the project had actually been commissioned on August 10, 2017, a day earlier and within 3 (three) month grace period from SCOD. The downward tariff revision was therefore set aside.

Single-project benchmarking impermissible in solar tariff determination; evacuation cost forms part of capital cost

On February 13, 2026, APTEL in *Amplus Sun Solutions Private Limited vs. Haryana Electricity Regulatory Commission and Ors.*²⁴, set aside Haryana Electricity Regulatory Commission’s (“HERC”) re-determined tariff for a 50 (fifty) MW solar project and remanded the matter to HERC on 2 (two) significant grounds. Amplus had installed 75 MW DC (seventy-five MW direct current) capacity to achieve the approved Capacity Utilisation Factor (“CUF”) of 25.91%. HERC declined to accept the full 75 MW DC (seventy-five MW direct current) claim. To assess the appropriate Direct

²⁴ (2026 SCC OnLine APTEL 18) (decided on February 13, 2026)

Current to Alternating Current (“DC:AC”) ratio, HERC compared Amplus’ project only with a single comparator project in the same district and arrived at a DC:AC ratio of 1.4:1, allowing only 70 (seventy) MW DC (seventy direct current) capacity. APTEL held that effective benchmarking for project-specific tariff under Section 62²⁵ of the Electricity Act, 2003 cannot rest on a single comparator, particularly where the comparator’s own figure was itself a claimed value and not validated against standard conditions. HERC was remanded with liberty to adopt a more robust methodology, including an independent simulation study if necessary. Further, HERC had excluded the cost of transmission/evacuation infrastructure. APTEL disagreed and held that Regulation 11 of the HERC RE Regulations, 2017 expressly provides that capital cost includes evacuation infrastructure up to the interconnection point.



APTEL upholds MERC approval of TPCL’s phased network rollout in Brihanmumbai Electric Supply and Transport Undertaking area, rejects challenge to parallel distribution framework

On March 11, 2026, in *Municipal Corporation of Greater Mumbai vs. Maharashtra Electricity Regulatory Commission and Ors. (Appeal No. 279 of 2017)*, APTEL upheld Maharashtra Electricity Regulatory Commission’s (“MERC”) approval of Tata Power’s phased 2 (two) stage distribution network rollout in

²⁵ Section 62 empowers the Appropriate Commission to determine tariff *inter alia* for supply of electricity by a generating company to a distribution licensee.

²⁶ Section 42 requires every distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in its area of supply and to supply electricity in accordance with the Electricity Act.

the area overlapping with Brihanmumbai Electric Supply and Transport Undertaking (“BEST”) in Mumbai. BEST argued that permitting a phased rollout over 7 (seven) years was contrary to the universal service obligation, enabled cherry-picking of high-end consumers, did not adequately address stranded assets, arrears, and meter-tampering disputes arising on consumer migration. BEST also contended that phased development was inconsistent with the specific conditions of Tata Power’s distribution licence. APTEL dismissed the appeal. The Electricity Act does not require a distribution licensee to lay its entire network before or immediately upon grant of a licence. A combined reading of Sections 42²⁶ and 43²⁷ of the Electricity Act establishes that network development is a continuous and progressive process. The 2 (two) phase rollout consisted of - Phase I from existing substations and Phase II covering new substations and the remaining network, with Phase I to be completed first. Pending dues or subsequently discovered meter irregularities could not justify denying consumers their right to switch.

Commercial unviability of an ageing unit does not amount to *force majeure*: PPA sanctity upheld

On March 16, 2026, in *Simbhaoli Power Private Limited vs. Uttar Pradesh Electricity Regulatory Commission and Ors.*²⁸, APTEL dismissed the generator’s appeal against Uttar Pradesh Electricity Regulatory Commission’s (“UPERC”) refusal to allow a reduction in contracted export capacity after it dismantled 1 (one) of its older 12 (twelve) MW generating units. The generator contended that the unit had become commercially unviable due to high bagasse consumption, rising and unavailable fuel, obsolete technology, and frequent shutdowns. APTEL held that none of these factors constituted a *force majeure* event. Factors cited are part of the ordinary commercial risks of operating a generating unit and were not shown to be wholly beyond the generator’s control. A PPA is a binding commercial agreement; its sanctity cannot be diluted

²⁷ Section 43 requires every distribution licensee to give supply of electricity to such premises within one month after receipt of the application requiring such supply and, if required, to provide electric plant or electric line for giving such supply.

²⁸ Appeal No. 128 of 2021 (decided on March 16, 2026)

merely because one party finds performance financially inconvenient.

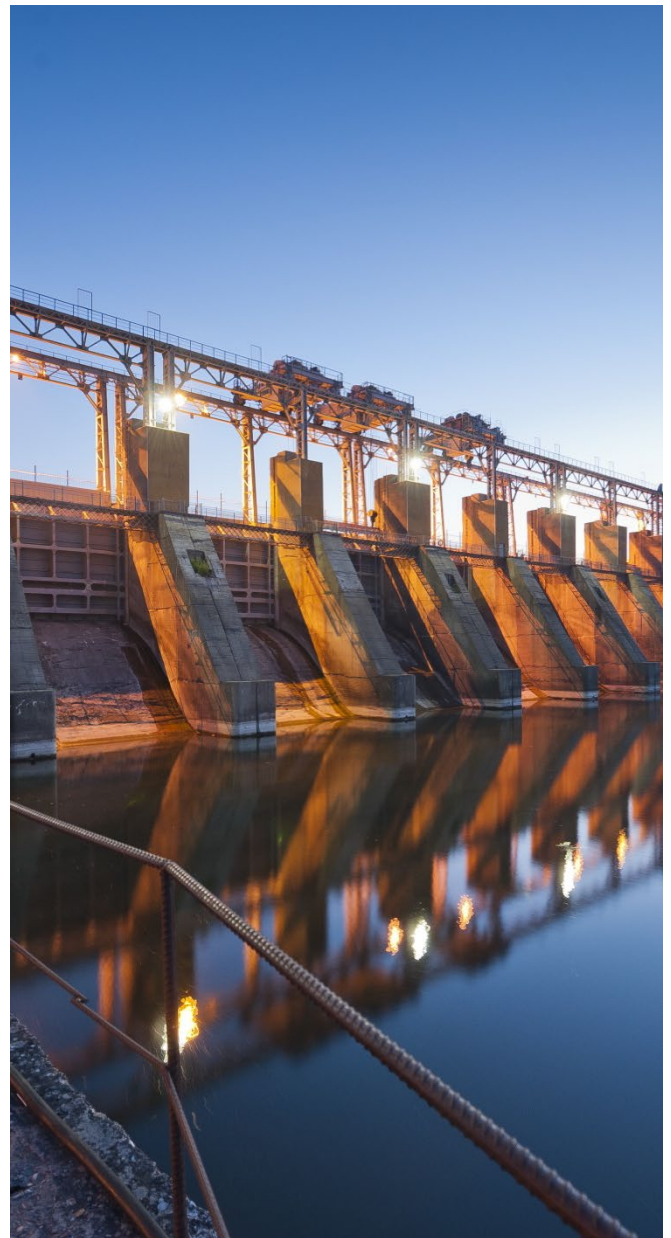
Consumer associations qualify as 'person aggrieved' under Section 111 of the Electricity Act

On March 23, 2026, in *Damodar Valley Power Consumer Associations vs. CERC and Ors.*,²⁹ APTEL dealt with Damodar Valley Corporation's ("DVC") preliminary objection that the Damodar Valley Power Consumers' Association ("DVPCA") lacked standing to challenge tariff orders, being a Section 8³⁰ company distinct from its members and not itself a consumer of DVC's electricity. APTEL rejected the objection. Section 111³¹ of the Electricity Act uses the expression "any person aggrieved" a deliberately wider formulation that is not confined to consumers in the strict statutory sense. DVPCA is a non-profit organisation incorporated specifically to safeguard the interests of electricity consumers in the Damodar Valley region; its membership consists of high-voltage DVC consumers directly affected by tariff orders.

Tariff enhancement for changed hydrology requires proof of an existential threat to the project

On March 25, 2026, in *Patikari Power Private Limited vs. Himachal Pradesh Electricity Regulatory Commission and Ors.*³², APTEL dismissed the challenge to Himachal Pradesh Electricity Regulatory Commission's ("HPERC") refusal to revise upward the tariff for Patikari's 16 (sixteen) MW hydro project. The developer contended that actual river discharge was substantially lower than the hydrology modelled in the detailed project report, reducing the project's design energy and warranting a corresponding upward tariff revision. APTEL applied the standard from its own earlier judgment dated April 23, 2012 titled as *M/s. Patikari Power Limited vs. Himachal Pradesh Electricity Regulatory Commission and Ors.* in Appeal No. 179 of

2010 *i.e.*, regulatory intervention to reopen contractual tariff is permissible only where the change in hydrology has threatened the very existence of the project, meaning that revenues have fallen so drastically that the project can no longer sustain its operation and maintenance and remain viable as a going concern. On the evidence before it, APTEL found that this threshold was not crossed and APTEL did not allow revision of tariff sought based on river discharge being lower than the detailed project report hydrology.



²⁹ IA No. 726 of 2025 in Appeal No. 123 of 2017 and Ors (decided on March 23, 2026)

³⁰ Section 8 of the Companies Act, 2013 provides for incorporation of non-profit companies formed for promoting commerce, art, science, education, social welfare, charity or any other useful object, where profits or income are applied solely

for promoting the objects of the company and no dividend is paid to its members.

³¹ Section 111 confers a right of appeal before the APTEL on any person aggrieved by an order of the Appropriate Commission or adjudicating officer.

³² Appeal Nos. 107 of 2019 and 166 of 2020 (decided on March 25, 2026)

Judgments of the High Courts

Jharkhand High Court: 'net charges' basis for electricity duty is *ultra vires* the parent act

On January 5, 2026, Hon'ble Jharkhand High Court in *Pali Hill Breweries Private Limited vs. State of Jharkhand*³³ and a large batch of connected petitions, struck down the Jharkhand Electricity Duty (Amendment) Act, 2021 ("**2021 Amendment Act**") and the Jharkhand Electricity Duty (Amendment) Rules, 2021 ("**2021 Amendment Rules**"). The challenged amendments had fundamentally altered the methodology for levying electricity duty, i.e., instead of a per-unit levy on energy consumed or sold, the 2021 Amendment Act substituted duty to be calculated as a percentage of "net charges" for energy consumed or sold, with the 2021 Amendment Rules purporting to define "net charges". The Jharkhand High Court held that the Bihar Electricity Duty Act, 1948 as adopted by the State of Jharkhand clearly authorised levy of electricity duty only on the basis of units of energy consumed or sold and that the 2021 Amendment Act was directly inconsistent with the charging section of the parent act the Bihar Electricity Duty Act, 1948. The term "net charges" was also found undefined and uncertain. However, the court upheld the subsequent amendment applicable to captive power plants, which restored a unit based levy of 50 (fifty) paise per unit, holding that the said levy was separately introduced and consistent with the parent Act i.e. Bihar Electricity Duty Act, 1948. (*The State of Jharkhand has preferred SLP (C) No. 12009 of 2026 before the Supreme Court, which is pending adjudication.*)

Telangana High Court quashes cross subsidy surcharge demand; central exemption notification prevails over state order

On February 20, 2026, the Hon'ble High Court of Telangana in *Rain Cements Limited vs. State of Telangana*³⁴ quashed demand notices issued by the

distribution licensee of the State of Telangana levying Cross Subsidy Surcharge ("**CSS**") on the petitioner which was purchasing power from a generator holding a valid consent under Section 43A(1)(c)³⁵ of the Electricity (Supply) Act, 1948. Demand was levied based on Telangana State Electricity Regulatory Commission ("**TSERC**")'s re determination of CSS *vide* Order dated August 30, 2024. Hon'ble High Court noted that under the MoP's Electricity (Removal of Difficulties) 2nd Order dated June 8, 2005, sale of electricity by a generator having such consent is exempt from payment of CSS under Section 42 (2)³⁶ of the Electricity Act. Hon'ble High Court held that:

1. Exemption from payment of CSS continues -power generated and supplied by generator having a valid Section 43A (1)(c) consent.
2. Re-determination of CSS by TSERC does not override the exemption granted by MoP.
3. Demand for CSS is in contravention of *inter alia* MoP's Electricity (Removal of Difficulties) 2nd Order and vitiated by non-application of mind.

Electricity dues extinguished by The Insolvency and Bankruptcy Code, 2016 resolution plan; demand against auction purchaser also time-barred

On March 16, 2026, in *Sanjiv Kumar Gupta vs. State of Telangana* 2026³⁷, the Telangana HC quashed a demand raised by the Telangana Discom for electricity arrears relating to FY 2008-09, served on the petitioner who had purchased the relevant premises in an auction conducted on February 12, 2020 under the aegis of the National Company Law Appellate Tribunal (NCLAT). The Telangana HC held that under the Insolvency and Bankruptcy Code, 2016, once a resolution plan is approved, all statutory and Governmental dues not presented before the liquidator stand extinguished. The State or Central Government or local authority cannot subsequently make any claim for dues not included in the resolution plan. Separately, the demand was also held barred under limitation.

³³ W.P.(T) No. 3228 of 2021 (decided on January 5, 2026)

³⁴ W.P. No. 5098 of 2025 (decided on February 20, 2026)

³⁵ Section 43A(1)(c) of the Electricity (Supply) Act, 1948 permits a generating company to sell electricity generated by it to any other person with the consent of the competent Government.

³⁶ Section 42(2) provides for open access on payment of a surcharge (in addition to wheeling charges) to meet cross-subsidy requirements. The surcharge is not leviable in the case of open access availed by a captive generating plant for its own use.

³⁷ SCC OnLine TS 2237 (decided on March 16, 2026)

Orders and regulations of ERCs

Actual fuel costs fully pass-through under Section 62 of the Electricity Act regardless of merit order position: Late Payment Surcharge also upheld

On January 7, 2026, in *Adani Power Limited vs. Power Company of Karnataka Limited and Ors.*³⁸ CERC directed the Karnataka Electricity Supply Companies (ESCOM) to release energy charges withheld for June and July 2021, together with Late Payment Surcharge ("LPS"). CERC held that under the Section 62³⁹ of the Electricity Act, 2003 cost-plus tariff regime, a generator is entitled to full recovery of its actual and admissible fuel costs. The right to recover actual costs is independent of the generator's position in the merit order despatch (MOD) stack. Power Company of Karnataka Limited had accepted the same contractual adjustment mechanism for April-May; its inconsistent conduct for June-July was unjustifiable. As for LPS, it is a statutory entitlement under the tariff regulations that accrues automatically when valid tariff invoices remain unpaid beyond the 45 (forty-five) day due date. It cannot be unilaterally waived.

Benchmark coal pricing formula extends to all spot purchases, not only related-party transactions

On January 30, 2026, in *Adani Power Limited vs. Power Company of Karnataka Limited*⁴⁰, CERC passed an Order in the petition where Adani Power sought to restrict the scope of CERC's benchmark formula i.e. base cost insurance freight (CIF) price for spot coal procured from various countries from sister companies. CERC held that there is no distinction between related-party and third-party spot purchases and Adani itself had not raised any such distinction at that time. The benchmark formula was therefore intended to apply to all spot coal procurements during the disputed period not just those involving sister companies.

³⁸ Petition No. 151/MP/2024 (decided on January 7, 2026)

³⁹ Section 62 requires the Commission to determine tariff for supply of electricity by generating companies to distribution licensees, transmission, wheeling and retail sale of electricity.

Coal block cancellation compensation: CERC reworks tapering linkage methodology and rejects historical LPS claim

On February 11, 2026, in *Adhunik Power and Natural Resources Limited vs. West Bengal State Electricity Distribution Company Limited and Ors.*⁴¹ CERC determined on remand the quantum of CIL compensation flowing from the deallocation of the Ganeshpur captive coal block and the shortfall in tapering linkage coal supply. CERC recognised 3 (three) heads of compensation: (a) the coal block cancellation as a CIL event; (b) expenses incurred in procuring alternate coal to meet the shortfall in tapering linkage; and (c) carrying cost. CERC held that the entire quantity of tapering linkage coal could not be apportioned pro-rata across all recipients. CERC also rejected Adhunik Power's claim for historical LPS on past CIL amounts. Adhunik Power was entitled only to carrying cost on the compensation now being crystallised, not LPS.

CERC notified the 'buy out' price for Renewable Consumption Obligation fulfilment

On February 18, 2026, CERC initiated *suo motu* proceedings⁴² following the MoP's notification of September 27, 2025 specifying Renewable Consumption Obligation ("RCO") targets for DISCOMs, open access consumers, and captive users to determine the buyout price the third of 3 (three) alternative compliance mechanisms (alongside direct RE consumption and purchase of REC's. A central concern from stakeholders was calibration: if the buyout price fell below prevailing REC prices, obligated entities would prefer the buyout over procuring RECs or renewable power. Conversely, a high buyout would increase compliance costs potentially passed through to retail tariffs. CERC adopted a market-linked approach, calculating the weighted average REC price across Indian Energy Exchange ("IEX"), Power Exchange India Limited (PXIL), Hindustan Power Exchange Limited (HPX), and traders for December

⁴⁰ 2026 SCC OnLine CERC 10 (decided on January 30, 2026)

⁴¹ 2026 SCC OnLine CERC 14 (decided on February 11, 2026)

⁴² Petition No. 12/SM/2025 (decided on February 18, 2026)

2024 to November 2025 (INR 346.74/MWh (Indian Rupees three hundred and forty six and seventy-four paise per MW per hour)). The buyout price was fixed at INR 347/MWh (Indian Rupees three hundred and forty-seven per MW hour) for FY 2024-25 and FY 2025-26, escalating at 5% per annum to FY 2029-30. CERC clarified that the buyout price represents only the green attribute cost; electricity must still be separately purchased. Buyout is an alternative compliance mechanism, not a penalty.

Deviation and Ancillary Service pool account reserve-shortfall deficit mechanism deferred to October 5, 2026

On March 30, 2026, by *s* order⁴³, CERC deferred the commencement of the reserve-shortfall-based deficit sharing mechanism for the Deviation and Ancillary Service (“DAS”) pool account under Regulation 9(7)⁴⁴ of the DSM Regulations, 2024. The mechanism was originally to take effect from April 1, 2026, with deficits in the DAS pool account to be recovered from designated Inter-State Transmission System (“ISTS”) Consumers in proportion to the shortfall of reserves allocated to them by National Load Despatch Centre (“NLDC”). Grid India/NLDC reported that additional time was required to establish an appropriate methodology. Exercising its power to remove difficulties, CERC directed that the existing methodology recovering deficits 50% in proportion to ISTS drawl and 50% in proportion to General Network Access (“GNA”) will continue until October 4, 2026. The transition to the reserve-shortfall allocation framework takes effect from October 5, 2026.

'X' factor for Wind and Solar deviation calculations: phased reduction to zero by April 2031

On March 31, 2026, by *suo motu* order⁴⁵, CERC determined the value of the ‘X’ factor for computing deviations for Wind and Solar (“WS”) sellers under the DSM Regulations, 2024, which came into effect from April 1, 2026. CERC struck a balance with a technology-differentiated, phased transition. For FY 2026-27, X

remains at 100% for all WS sellers, offering a window for industry to improve forecasting capabilities and adopt pooling station aggregation. Thereafter, X reduces progressively every year, reaching 0% from April 1, 2031. Wind projects receive a slightly more relaxed reduction curve than solar and hybrid projects (for example, wind drops to 95% in FY 2027-28 compared to 90% for solar/hybrid). Enforcement of the new trajectories remains subject to interim orders of the Delhi HC in pending writ petitions.

The practical implications for RE developers are significant. As X reduces over the 5 (five) year trajectory, the financial exposure from forecast errors and generation deviations will increase progressively. Developers with projects operating under long-term PPAs at fixed tariffs may need to factor deviation settlement costs into their revenue projections.

For a detailed analysis, please refer to the [JSA Prism of April 16, 2026](#).



Gujarat Energy Transmission Corporation relaxes RE evacuation commissioning timelines; reiterates continuing legislative power over tariff

Gujarat Energy Transmission Corporation Limited (“GETCO”) filed multiple petitions before Gujarat Electricity Regulatory Commission (“GERC”) seeking modification of the commissioning timelines for evacuation infrastructure prescribed in GERC’s WS Hybrid Tariff Order (dated February 22, 2024), Wind Tariff Order (dated August 31, 2024), and Solar Tariff Order (dated August 31, 2024). On January 21, 2026, GERC, by separate orders allowed GETCO’s petitions. The GERC found that the difficulties were not isolated to individual developers but reflected systemic constraints facing the RE sector in the State. The tight

⁴³ Petition No. 02/SM/2026 (decided on March 30, 2026)

⁴⁴ Regulation 9(7) provides that any deficit in the DAS Pool Account will first be met from surplus in other regions; the balance will be recovered from drawee DICs - 50% in proportion

to drawal and 50% in proportion to GNA (till March 31, 2025), and thereafter in proportion to the shortfall of reserves allocated by NLDC.

⁴⁵ Petition No. 9/SM/2025 (decided on March 31, 2026)

timelines were defeating the very objective of RE promotion under the Electricity Act.

Rajasthan Electricity Regulatory Commission adopts national RCO framework; existing RPO targets subsumed from FY 2024-25

On March 19, 2026, the Rajasthan Electricity Regulatory Commission (“**REERC**”) adopted the MoP’s RCO Notification of September 27, 2025 in its entirety for the State of Rajasthan. The RCO targets, compliance framework, computation methodology, fungibility provisions, exclusions, and reporting formats all apply to DISCOMs, open access consumers, and captive users in Rajasthan with immediate effect.

CERC notifies Carbon Credit Certificate Trading Regulations, 2026: India's carbon market gets a regulatory framework

On February 27, 2026, CERC notified the CERC (Terms and Conditions for Purchase and Sale of Carbon Credit Certificates) Regulations, 2026, establishing the market oversight framework for trading of Carbon Credit Certificates (“**CCC**”) within India’s Carbon Credit Trading Scheme. CERC to exercise market oversight, approve trading rules, and set price caps. Bureau of Energy Efficiency (“**BEE**”) acts as administrator. All transactions must occur on Power Exchanges approved by CERC. Trading occurs monthly or at such frequency as approved by CERC. Market-driven price discovery through exchange bidding, subject to CERC-approved floor and forbearance prices for the compliance market. CERC retains power to intervene in cases of abnormal price volatility. Sale bids cannot exceed registry holdings. 3 (three) or more defaults in a quarter (placing bids exceeding holdings) result in a 6 (six) month trading suspension.

For a detailed analysis, please refer to the [JSA Prism of March 20, 2026](#).

CERC introduces supplementary tariff framework for co-located energy storage systems

On March 20, 2026, CERC notified the Terms and Conditions of Tariff (Second Amendment) Regulations,

2026, establishing a comprehensive supplementary tariff framework for Integrated Energy Storage Systems (Integrated ESS) co-located with coal, lignite, or gas-based thermal generating stations or inter-state transmission systems.

CERC amends REC regulations: Virtual PPA framework, revised multipliers, and three-month filing limit

On March 24, 2026, CERC notified the REC (First Amendment) Regulations, 2026, amending the 2022 REC Regulations. Key changes include: introduction of a framework for treatment of RECs under Virtual PPA (“**VPPA**”), under which RECs issued to a generating station under a VPPA are transferred to the consumer or designated consumer party; transferred RECs are eligible for RPO/RCO compliance but, once used, are extinguished and cannot be sold on exchanges (surplus may be carried forward); a strict three-month limitation period for REC issuance applications from the date of State Commission certification, with no RECs to be issued for late applications; expanded eligibility for captive RE stations that do not fulfil captive conditions but have self-consumption; and revised Certificate Multipliers for stations commissioned after December 5, 2022, ranging from 1(one) for solar and onshore wind to 2.5 (two point five) for biomass and biofuel.

Joint Electricity Regulatory Commission amends Conduct of Business Regulations, 2009

On January 2, 2026, the Joint Electricity Regulatory Commission (“**JERC**”) notified the JERC (Conduct of Business) (7th Amendment) Regulations, 2025, substituting the Schedule of Fees and Charges under Regulation 68 in its entirety with a revised schedule.

Bihar Electricity Regulatory Commission notifies Deviation Settlement Mechanism Regulations, 2025

On January 6, 2026, The Bihar Electricity Regulatory Commission (“**BERC**”) notified BERC (Deviation Settlement Mechanism and Related Matters)

Regulations, 2025 (effective June 1, 2026), replacing the erstwhile BERC (Intra-State Availability Based Tariff and Deviation Settlement Mechanism) Regulations, 2020 and aligning it with CERC's 2024 DSM Regulations.

Telangana Electricity Regulatory Commission amends Licensee's Duty for Supply of Electricity Regulations

On January 17, 2026, the Telangana Electricity Regulatory Commission ("TGERC") notified the TGERC (Licensee's Duty for Supply of Electricity on Request) Second Amendment Regulation, 2026 which introduced uniform load-based service line charges (INR/kilowatt ("kW")) for LT connections and additional loads *via* overhead lines within 1 (one) km of the electrified network, replacing site-specific estimation. Distribution Transformers are to be supplied and erected by the licensee at no additional cost. Dedicated transformer costs for commercial complexes and multi-storied buildings are to be fully recovered from consumers, with Development Charges applicable only where contracted load does not exceed 20 (twenty) kW.

Delhi Electricity Regulatory Commission amends Group Net Metering and Virtual Net Metering Guidelines, 2019

On January 20, 2026, Delhi Electricity Regulatory Commission ("DERC") notified the DERC (Group Net Metering ("GNM") and Virtual Net Metering ("VNM") for RE) (Seventh Amendment) Guidelines, 2025, amending its GNM and VNM Guidelines of 2019 by extending VNM applicability to all consumers in the NCT of Delhi including single-point supply consumers. Consumers may now revise credit-sharing arrangements or add participating connections twice per FY with 2 (two) months' notice. Distribution Licensees are required to bear SLD and network augmentation costs for RE projects as a pass-through in the ARR, subject to capacity caps of 110 (one hundred and ten) MW, 100 (one hundred) MW, 30 (thirty) MW, and 10 (ten) MW for BRPL, TPDDL, BYPL, and NDMC respectively.

MPERC amends Intra-State Open Access Regulations, 2021

On January 20, 2026, MPERC notified the MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations (Revision-I) 2021, and substituted Regulation 13.2 of its Open Access Regulations to clarify availing options for consumers.

RERC amends Electricity Supply Code Regulations, 2021

On January 21, 2026, RERC notified RERC (Electricity Supply Code and Connected Matters) (Third Amendment) Regulations, 2026 and introduced a regulatory framework for dual-source electricity supply to HT/EHT consumers by inserting Sub-Regulation 6.14, permitting simultaneous or standby supply from two sources subject to technical feasibility. Consumers may draw contracted demand from either source, ranging from zero to the full contracted demand. Double the plant cost will be levied for dual-source supply, in addition to line extension expenses for both sources.

TGERC amends terms and conditions of Open Access Regulations

On January 24, 2026, TGERC by notifying the *TGERC (Terms and Conditions of Open Access) First Amendment Regulation, 2026* aligned its Open Access Regulations with CERC's REC Mechanism Procedure, 2024. Energy injected prior to submission of the wheeling agreement must be treated as inadvertent power, with no entitlement to energy charges. Entitlement to RECs for unutilised banked energy is now vested in the RE Generating Station, replacing the earlier provision which vested such entitlement in the GEOA consumer.

Tamil Nadu Electricity Regulatory Commission notifies Tamil Nadu Electricity Grid Code, 2026

On February 13, 2026, the Tamil Nadu Electricity Regulatory Commission ("TNERC") notified a comprehensive new Grid Code repealing the 2005 Code, applicable to the SLDC, intra-state transmission users, and generators and open access consumers connected to distribution systems. The Code

establishes functional responsibilities of key grid entities, provides for resource adequacy planning, system security, scheduling and despatch, frequency and voltage management, metering standards, cyber security, and prescribes penalties for non-compliance with Grid Code provisions and SLDC directions.

Karnataka Electricity Regulatory Commission notifies Cross-Subsidy Reduction Roadmap Regulations, 2026

On February 17, 2026, pursuant to the Karnataka High Court's directions, the Karnataka Electricity Regulatory Commission ("KEREC") notified KEREC (Roadmap for Reducing Cross-Subsidy and Cross Subsidy Surcharge) Regulations, 2026 prescribing a phased reduction roadmap for two tariff categories exceeding the $\pm 20\%$ cross-subsidy threshold: LT-6c (EV Charging Stations) at -48.83%, to be reduced by 5% annually over six years from FY 2028-29; and HT-3 (Lift Irrigation - Private) at -78.98%, to be reduced by 10% annually over 6 (six) years from FY 2028-29. All other categories are to be maintained within the $\pm 20\%$ band, with annual adjustments capped at 5% of the FY 2027-28 cross-subsidy level.

RERC notifies RERC (Battery Energy Storage Systems) Regulations, 2026

On March 10, 2026, RERC established a comprehensive regulatory framework for BESS. Minimum project size is set at 1 (one) MW with a two-hour energy rating at 11 (eleven) kilovolt or above. All licensee procurement must be through competitive tariff-based bidding. RE used to charge BESS retains its renewable character upon discharge for RPO/RCO compliance purposes.

MPERC amends Cogeneration and RE Regulations, 2021

On March 12, 2026, MPERC notified the MPERC (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-II) Regulations 2021 (Fifth Amendment) [ARG-33(II)(v)

⁴⁶ Section 26(3) provides that any person failing to comply with directions issued under clauses (n) and (x) of section 14 will be liable to a penalty not exceeding ten lakh rupees for each failure

of 2026] and revised the RPO targets for distribution licensees, open access consumers, and captive users from FY 2024-25 to FY 2029-30, with wind, hydro, and other RE components made fungible inter se. RPO compliance may be achieved through direct consumption, purchase or self-generation of RECs (including under VPPAs), or payment of the CERC-specified buyout price, with 75% of proceeds transferred to the State Energy Conservation Fund. Compliance monitoring is vested in the BEE, with shortfalls liable to attract penalties under Section 26(3)⁴⁶ of the Energy Conservation Act, 2001.

DERC amends Terms and Conditions for Open Access Regulations, 2005

On March 19, 2026, DERC notified the DERC (Terms and Conditions for Open Access) (Second Amendment) Regulations, 2026 and amended Regulation 12 (1) of its open access regulations⁴⁷ to provide for linear phasing out of additional surcharge for GNA and Open Access consumers over four years from the date of grant, with no refund of surcharge already collected.



and an additional penalty not exceeding twice the price of every metric ton of oil equivalent in excess of the prescribed norms.

⁴⁷ DERC (Terms and Conditions for Open Access) Regulations 2005

Regulatory updates

MNRE grants extension of SCOD to RE projects qua approvals under Section 68 of the Electricity Act

On January 12, 2026, the MNRE extended the SCOD for RE projects that suffered delay in obtaining approvals under Section 68⁴⁸ of the Electricity Act on account of the pendency of the judgment by Supreme Court in *M.K. Ranjitsinh vs. Union of India*⁴⁹ i.e. the Great Indian Bustard (“GIB”) Judgment. The extension covers the period from the date of the Section 68 application (or March 21, 2024, whichever is later) to December 19, 2025 i.e., the date of the final judgment. To claim the relief, developers must apply to the relevant RE implementing agency with documentary evidence of delay along with an undertaking to comply with Supreme Court’s directions. Brief description of the GIB Judgment is as follows:

1. GIB Judgment laid down the final regulatory framework governing conservation of birds i.e. GIB and the Lesser Florican (“LF”) vis-à-vis transmission infrastructure in Rajasthan and Gujarat. The case arose from concerns regarding mortality of the species due to collision of birds with overhead transmission lines.
2. Supreme Court passed 2 (two) earlier orders i.e., April 19, 2021 (1st GIB Order), which demarcated priority and potential areas of GIB habitat spanning and imposed a blanket mandate to underground all existing and future overhead transmission lines within these areas. A three-member committee was constituted to examine cases where undergrounding was technically infeasible. 3 (three) years later, by its second order of March 21, 2024 (2nd GIB Order), Supreme Court recalled the blanket undergrounding requirement and constituted a fresh 9 (nine) member expert committee (“Expert Committee”) to recommend a balanced approach.
3. Through the final judgment, Supreme Court accepted the Expert Committee’s

recommendations in substance and passed directions striking a balance between protection of the endangered species and India’s RE goals under the Companies Act, 2013, must extend to environmental and wildlife protection. Judgment replaces the original blanket prohibitions which had created considerable regulatory uncertainty, with a clear, expert-guided framework that confines restrictions to a significantly reduced priority area footprint. Following suggestions by the Expert Committee were accepted by Supreme Court:

1. adoption of ‘revised priority areas’ for strict regulation, with areas outside classified as ‘potential areas’;
2. prohibition of new wind projects and restriction on solar projects and transmission infrastructure within ‘priority areas’;
3. prescription of voltage-specific mitigation measures- undergrounding, rerouting and use of insulated cables for transmission lines;
4. establishment of dedicated power corridors to minimise ecological impact;
5. time-bound implementation of mitigation measures, including undergrounding of identified critical lines;
6. deferment of mandatory bird flight diverters pending further scientific study; and
7. implementation of broader conservation measures, including habitat restoration, predator management etc.

MoP Amends captive generating plant rules; revises group captive ownership, consumption and verification framework

On March 13, 2026, the MoP notified the Electricity (Amendment) Rules, 2026, amending Rule 3⁵⁰ of the Electricity Rules, 2005 governing CGPs. The amendments effect significant changes to the group captive framework:

⁴⁸ Section 68 requires prior approval of the appropriate Government for laying overhead electricity lines, and also empowers the Government to regulate their placement, alteration or removal where required.

⁴⁹ W.P.(C) No. 838 of 2019 (decided on December 19, 2025)

⁵⁰ Rule 3 of the Electricity Rules, 2005 lays down the requirements for a generating plant to qualify as a captive generating plant, including the prescribed ownership and consumption thresholds, group captive conditions, and verification of captive status.

1. **Wider group definition:** A company, its subsidiaries, its holding company, and any other subsidiary of the holding company (fellow subsidiaries) are now collectively treated as a single captive user for the purposes of ownership and consumption thresholds. Ownership includes proprietary interest or voting equity held directly or through any part of this group structure.
2. **Association of Persons:** The collective captive requirement of 26% ownership and 51% consumption applies at the group level. An individual captive user's admissible captive consumption is capped at its proportionate ownership share; any excess is treated as supply from a generating company and attracts Cross Subsidy Surcharge and Additional Surcharge. However, that excess consumption still counts toward the group's collective 51% qualifying requirement. A user holding 26% or more individually is not subject to the proportionate consumption cap.
3. **Verification:** Annual verification of captive status is by NLDC (inter-state) or a State-appointed nodal agency (intra-state). Pending verification, CSS and AS are not levied if the prescribed declaration is submitted. Failure to qualify triggers CSS and AS with carrying cost at the base rate under the Electricity (LPS) Rules, 2022.
4. **Effective dates:** Association of Persons and verification provisions take effect from April 1, 2026; all other amendments from March 13, 2026.

For a detailed analysis, please refer to the [JSA Prism of March 18, 2026](#).

Maharashtra RE and BESS Policy 2025-2036: 100 gigawatt target, mandatory storage, and a suite of fiscal incentives

On March 18, 2026, the Government of Maharashtra notified its RE and Battery Energy Storage System ("BESS") Policy for 2025-2036, targeting 100 (hundred) gigawatts ("GW") of RE capacity by 2035-36 - constituting up to 65% of the State's total power demand. DISCOMs are mandated to ensure that a

minimum of 10% of their total energy consumption is sourced from RE projects paired with BESS. Monthly banking facility for RE generators provided; Grid Support Charges ("GSC") (to be determined by MERC) for projects of 3 (three) kW and above; mandatory BESS compliance for all projects seeking grid connectivity from April 1, 2026; a 10 (ten) year electricity duty exemption for captive long-term open access projects paired with a 4 (four) hour BESS; waiver of non-agricultural tax for RE and BESS projects; and full exemption of BESS connected to the intra-state transmission system or distribution network from transmission charges, distribution demand charges, electricity duty, and CSS.

For a detailed analysis, please refer to the [JSA Prism of April 22, 2026](#).

MoP invokes Section 11 of the Electricity Act for Coastal Gujarat Power Limited

On March 22, 2026, the MoP exercised its powers under Section 11⁵¹ of the Electricity Act to direct Coastal Gujarat Power Limited ("CGPL") to operate its 4 (four) GW imported-coal-based plant at full capacity from April 1, 2026 onwards, in anticipation of a likely rise in power demand.

CEA notifies national generation adequacy plan 2026-27 to 2035-36

On April 6, 2026, the CEA notified the National Generation Adequacy Plan for FY 2026-27 to FY 2035-36 ("Plan"), covering a 10 (ten) year horizon. The Plan recommends, *inter alia*:

1. increase in non-fossil fuel generating capacity;
2. greater reliance on energy storage systems as RE penetration rises;
3. parallel transmission network strengthening

The Plan also recognises the Government's 100 (one hundred) GW nuclear capacity target by 2047 under the Nuclear Energy Mission (announced in Union Budget 2025-26).

operate and maintain its generating station in the manner specified by the Government.

⁵¹ Section 11 empowers the appropriate Government, in extraordinary circumstances, to direct a generating company to

Power Practice

JSA is the leading national practice in the power sector – conventional and non-conventional. JSA provides legal services at all stages of the value chain in the sector - across the spectrum of contractual, commercial, policy, regulatory and legal issues. We represent clients in all segments: generation, transmission, distribution and trading. JSA serves its clients by transaction-specific integrated teams across various locations and practice areas (Banking & Finance, Mergers & Acquisition and Private Equity, Projects and project related contracting, Dispute Resolution, Taxation, Regulatory proceedings and Policy advisory).

JSA has been regularly engaged in; (a) providing policy advice to Governments of Bangladesh and Maldives, as also the Government of India besides various Indian states. Also, JSA partners have presented expert testimony to the Parliamentary Standing Committees and the Forum of Regulators on challenges faced by the power sector and proposed legislative and policy changes, development financial institutions like the World Bank, the Asian Development Bank, DfID, USAID regulatory authorities and industry bodies; (b) advising project developers, investors, suppliers and contractors on commercial / transactional issues and all aspects of licensing, market structures, competition, performance standards and tariffs; (c) advising financial institutions and borrowers in relation to financing transactions; (d) Advising clients on sustainable development issues like clean development mechanism and environmental compliances; and (e) specialized dispute resolution.

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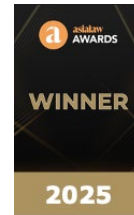
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