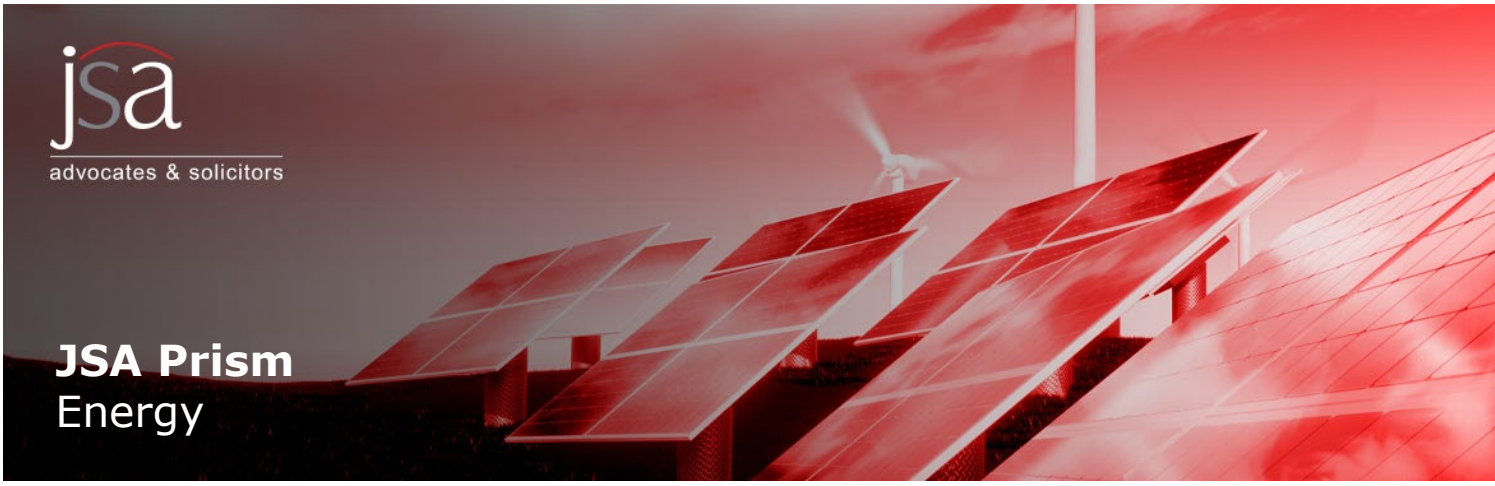

April 2026

Maharashtra sets decade-long framework for renewable energy and energy storage expansion

To mark a recalibration of the Maharashtra State's energy transition strategy, the Government of Maharashtra *vide* Government resolution dated March 18, 2026, has notified the Maharashtra Renewable Energy and Energy Storage Policy 2025-26 to 2035-36 ("**MRE Policy**"). The MRE Policy supersedes the earlier 2020 renewable energy framework, while continuing to govern projects already operational or under development under the prior policies.

The MRE Policy sets out a comprehensive framework for grid-connected renewable energy and energy storage projects in Maharashtra. It combines procurement targets with measures on hybridisation, land access, transmission planning, green open access, distributed energy, consumer choice, institutional reform and implementation monitoring. Notably, the MRE Policy clarifies that non-implementation will not, by itself, constitute a 'change in law' under private agreements.

Salient features

1. **Long-term renewable energy and storage trajectory**: The MRE Policy targets 50% renewable energy in electricity consumption by Financial Year ("**FY**") 2029-30 and 65% by FY 2035-36. The Distribution Companies ("**DISCOMS**") must procure storage capacity equivalent to at least 10% of demand by FY 2035-36, with compliance contingent on at least 85% of the total energy stored is sourced from renewable energy annually.
2. **Scale of capacity envisaged**: The MRE Policy estimates a requirement of approx 228 (two hundred and twenty-eight) billion unit of renewable generation, translating into approx 100 (one hundred) gigawatt capacity (assuming 26% capacity utilisation factor), along with approx 35 (thirty-five) billion unit storage (approx 100 (one hundred) gigawatt per hour per day) or 20 (twenty) gigawatt at an assumed 5 (five) hour duration).
3. **Storage as a distinct grid asset and charging exemptions**: Energy Storage Systems ("**ESS**") are recognised as a distinct asset class. Where storage draws power for intermediate use and such energy is consumed within Maharashtra, it is exempt from transmission charges, distribution demand or wheeling charges, electricity duty or cross-subsidy surcharge.
4. **Co-located storage, hybridisation and retrofit of existing projects**: The MRE Policy promotes solar, wind and hybrid projects with co-located storage, targeting 10 (ten) gigawatt by FY 2029-30 and 25 (twenty-five) gigawatt by FY 2035-36. Existing projects may retrofit storage or additional renewable energy without reopening tariffs, subject to connectivity and regulatory compliance.
5. **Stand-alone and distributed storage**: Stand-alone storage (pumped storage project/Battery ESS ("**BESS**")) is permitted, including through technology-agnostic procurement and storage-as-a-service models. DISCOMs must evaluate distributed storage within 1 (one) year, with approx 10% of the overall storage target expected through

decentralised ESS. Storage is also proposed for rooftop projects above 100 (one hundred) kilowatts (minimum storage requirement of 50% of renewable capacity for 2 (two) hours), subject to biennial review.

6. **Land access and non-agricultural use reforms**: The MRE Policy categorises the Government land into 3 (three) types. It provides different routes for making land available for renewable and BESS projects through lease, revenue sharing or nominal rent structures. The revenue department land may be made available, including at a nominal rent of INR 1 (Indian Rupee one) per annum for a 30 (thirty) year lease in specified cases. For private land, the base annual lease is to be the mutually agreed rate or the higher of 6% of land value determined by the registration and stamps department or INR 1,25,000 (Indian Rupees one lakh twenty-five thousand) per hectare, with a flat 3% annual escalation. Non-agricultural tax and premium for renewable energy and storage projects are to be waived, subject to a revenue department notification within 3 (three) months.
7. **Renewable energy industrial zones and transmission-led planning**: The MRE Policy envisages at least 10 (ten) renewable energy industrial zones by FY 2029-30 and 15 (fifteen) by FY 2035-36, each of at least 100 (one hundred) megawatt, with aggregate budgetary support of INR 500,00,00,000 (Indian Rupees five hundred crore). Transmission planning is to be aligned with the renewable energy and storage targets, including storage integration, grid modernisation and optimisation measures.
8. **Transmission-linked storage and grid reliability**: Storage is positioned as a grid-planning tool, with targets of 4 (four) gigawatt per hour by FY 2029-30 and 10 (ten) gigawatt per hour by FY 2035-36. Within 1 (one) year of the MRE Policy, the Maharashtra State Electricity Transmission Company Limited/State Transmission Utility, are to develop a plan for a 500-1000 megawatt grid-connected BESS or energy storage plant specifically for grid stability and ancillary services.
9. **Consumer choice, rooftop framework and green open access**: The MRE Policy introduces a layered framework for direct renewable procurement by consumers, including net metering, net billing and green open access. It targets 5 (five) gigawatt/10 (ten) billion unit of long-term green open access by FY 2029-30 and 10 (ten) gigawatt/20 (twenty) billion unit by FY 2035-36. Captive projects integrating storage of at least 4 (four) hours for 50% of contracted renewable capacity are to receive electricity duty exemption for 10 (ten) years from commissioning. DISCOMs are also encouraged to offer 24x7 renewable power supply.
10. **Ease of doing business, institutional strengthening and implementation governance**: The MRE Policy expands Maharashtra Energy Development Agency's single-window system and mandates process digitisation. It also introduces institutional reforms, including training mandates, Research and development centre, wind repowering targets, and restructuring of key state entities, supported by defined implementation timelines.

Conclusion

The MRE Policy seeks to bring about structural reforms within the renewable energy framework in Maharashtra. It links Maharashtra's next decade of renewable energy growth to mandatory storage integration, land and transmission readiness, consumer-side market development and institutional restructuring. For developers, utilities, storage participants, and open access consumers, the commercial implications will turn materially on the follow-on regulations, procedures, portal changes, and agency-specific implementation actions contemplated by the MRE Policy.

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- ESG compliance, Carbon Markets and nature-based projects

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