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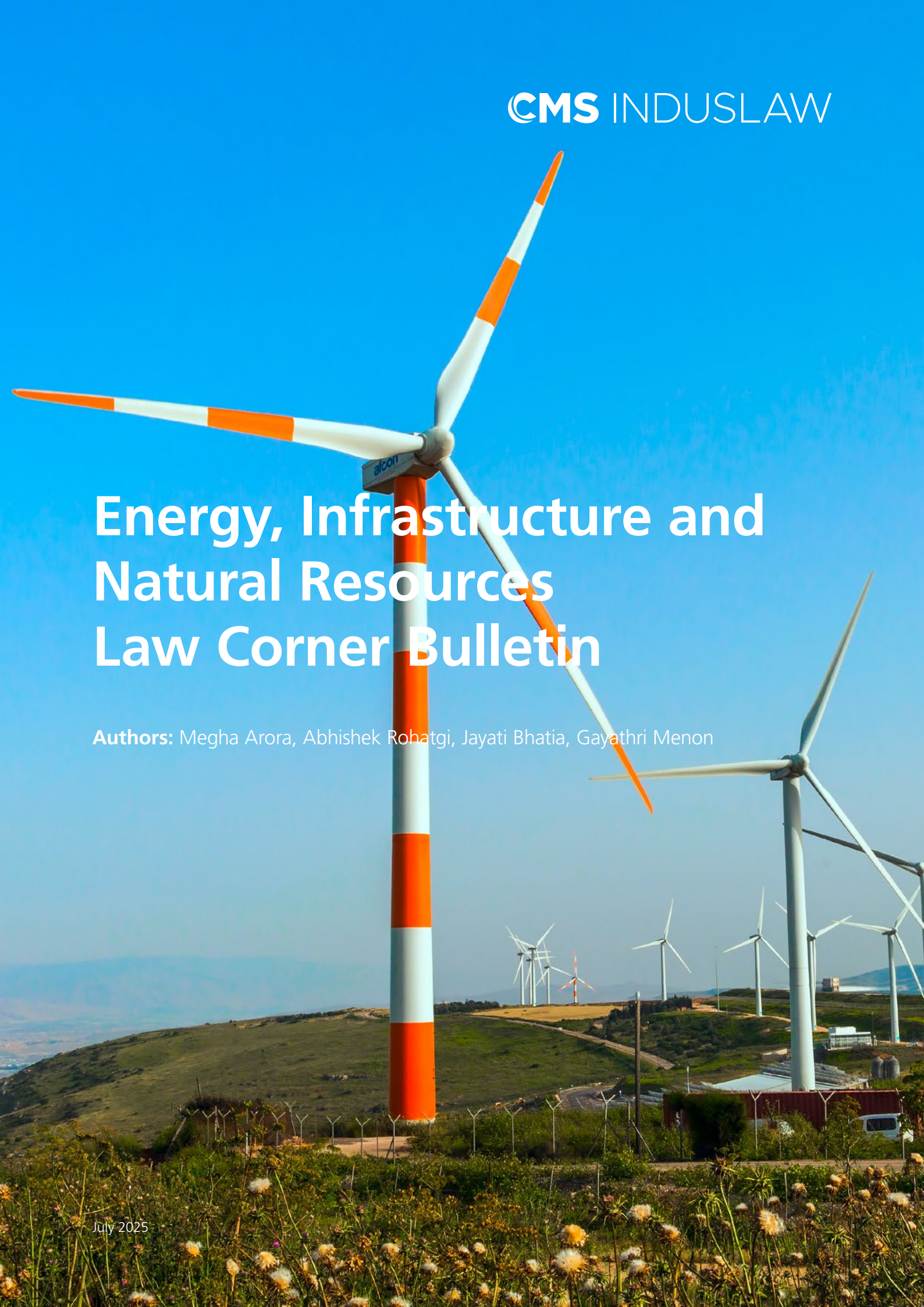

Energy, Infrastructure and Natural Resources Law Corner Bulletin

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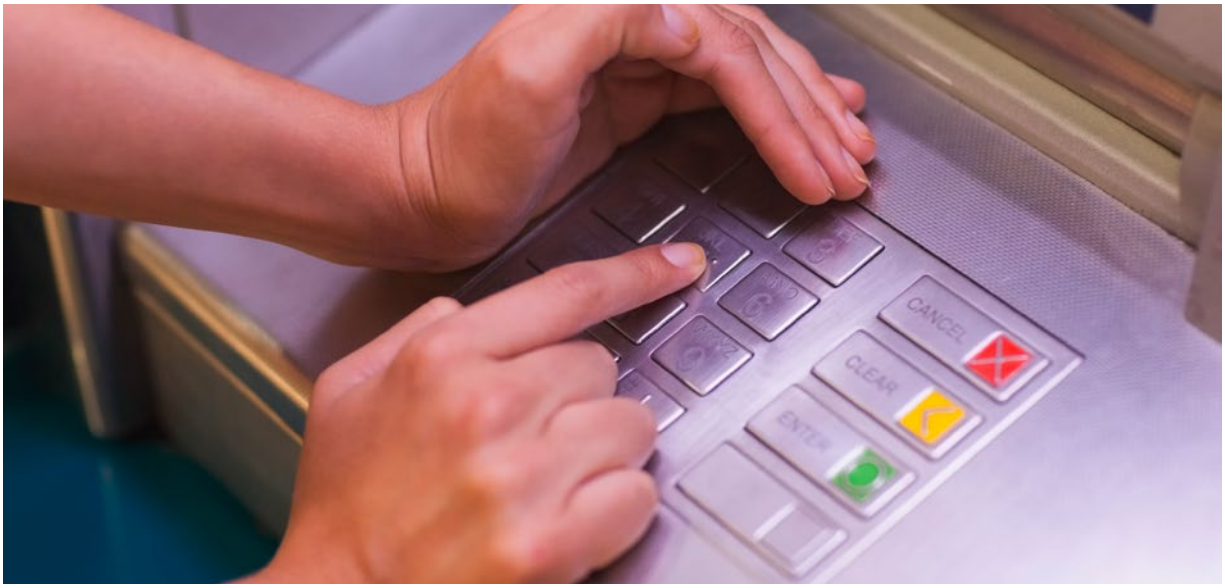
Introduction

In this edition of our Energy, Infrastructure and Natural Resources Newsletter, CMS INDUSLAW's Megha Arora, Abhishek Rohatgi, Jayati Bhatia, and Gayathri Menon bring you key legal, regulatory, and judicial developments from July 2025. This edition covers important updates, including the revision of guidelines for setting up Hydrogen Valley Innovation Cluster and Green Hydrogen Hubs in India under National Green Hydrogen Mission, amendments to the implementation mechanism under the ALMM Order for solar PV cells, and the clarifications regarding the applicability of the ALMM Order for solar power plants connected to BESS. We also discuss key judicial pronouncements relevant to the sector.

Ministry of Finance (MoF)



Notification of IREDA Bonds as a long-term asset under Section 54EC of the Income-tax Act, 1961

The MoF has notified that the bonds issued by the Indian Renewable Energy Development Agency (**IREDA**), redeemable after 5 years, will qualify as a 'long-term specified asset' under Section 54EC of the Income-tax Act, 1961 (**IT Act**), vide notification dated July 09, 2025. Under Section 54EC of the IT Act, capital gains arising from the transfer of long-term capital assets can be exempt from being charged under Section 45 of the IT Act – which provides for capital gains tax, provided that the capital gains are reinvested into specified bonds within a period of 6 months. With this notification, IREDA bonds redeemable after 5 years — if issued on or after July 09, 2025—will now be eligible instruments for such reinvestment.

To qualify for the exemption under Section 54EC of the IT Act, the bonds must be held for a minimum of 5 years, during which they cannot be transferred or encashed. The maximum capital gain that can be invested in such bonds to avail exemption is capped at INR 50 lakhs per financial year.

Additionally, proceeds raised by IREDA through these bonds must be deployed exclusively in renewable energy projects capable of servicing their own debt without depending on state government.

Ministry of New and Renewable Energy (MNRE)

Revision of guidelines for setting up Hydrogen Valley Innovation Cluster and Green Hydrogen Hubs in India under National Green Hydrogen Mission

The MNRE notified the revised scheme guidelines for establishing hydrogen valley innovation cluster (**HVIC**) and green hydrogen hubs (**GH_2 Hubs**) under the national green hydrogen mission (**NGHM**) (**Revised Scheme Guidelines**), on June 27, 2025. The Revised Scheme Guidelines supersede the earlier scheme guidelines for setting up hydrogen hubs under the NGHM, issued by the MNRE on March 15, 2024.

HVICs will be strategically established across various regions in India to showcase the diverse applications of Green Hydrogen (**GH_2**). These clusters will foster business innovation, develop new business models, and create linkages between hydrogen producers and end-users. HVICs are expected to build localized hydrogen value chains, create demand commitments from end-users for GH_2, and ensure long-term sustainability beyond the period of NGHM funding.

Under the Revised Scheme Guidelines, the (**GH_2 Hubs**) will be developed as geographically concentrated zones where hydrogen production, end use (domestic or export), and associated infrastructure such as storage, processing, and transport will be co-located. GH_2 Hubs may be located inland or near ports and must have a minimum planned capacity of 1,00,000 Metric Tonnes Per Annum.

The Department of Science and Technology will nominate the implementing agency for HVICs, while MNRE and its nominated implementation agency will be responsible for GH_2 Hubs.

Amendment to the implementation mechanism under the ALMM Order for solar PV cells

The MNRE issued amendment (**ALMM Amendment**) to its earlier office memorandum dated December 09, 2024 (**Earlier OM**), on July 28, 2025. The Earlier OM had implemented the Approved Models and Manufacturers of Solar Photovoltaic Modules (Requirements for Compulsory Registration) Order, 2019 (**ALMM Order**), in relation to solar PV cells.

The ALMM Order mandates that all projects falling within its purview must use solar PV modules from List-I of the ALMM Order, and those modules must use solar PV cells listed in List-II of the ALMM Order. The Earlier OM detailed the implementation of List-II of ALMM Order for solar PV cells.

Under the Earlier OM, projects falling within the purview of the ALMM Order were exempt from the requirement to use solar PV cells from List-II of the ALMM Order if the last date for bid submission was on or before December 09, 2024. This fixed date, by virtue of the ALMM Amendment, has now been replaced by a newly introduced "cut-off date," defined as the date falling exactly 1 month after the publication of List-II of the ALMM Order for solar PV cells.

Similarly, under the Earlier OM, the requirement to include provisions in bid documents mandating the use of solar cells from List-II of the ALMM Order, applied to projects with bid submission dates after December 09, 2024. After the ALMM Amendment, this obligation is now triggered if the bid submission date falls after the defined cut-off date.

The amendment further clarifies that no relaxation shall apply to domestic content requirement obligations under other MNRE schemes such as PM-KUSUM, PM Surya Ghar, and CPSU Scheme Phase-II.

Clarification on applicability of the ALMM Order for Energy Storage Systems

The MNRE issued clarifications regarding the applicability of the ALMM Order for solar power plants connected to battery energy storage systems (**BESS**), on July 28, 2025.

The MNRE has clarified that if a solar plant is used to charge a BESS which, directly or indirectly, supplies power to the grid, such a solar plant will not qualify as a "behind-the-meter" project solely for captive consumption. Therefore, it will not be exempt from requirements of the ALMM Order for solar PV modules. It was further clarified that the "behind-the-meter" exemption only applies to those solar plants which are used solely for captive use by a consumer or group of consumers, without any grid interaction.

The MNRE has also clarified that for solar PV cells, the applicability of the ALMM Order to a solar plant exclusively charging a BESS will follow the status of that BESS i.e., - if the BESS is exempt from the ALMM Order for solar PV cells (as per MNRE's office memorandum dated December 09, 2024), then the solar plant charging it will also be exempt. Conversely, if the BESS is subject to the ALMM Order, the associated solar plant must also comply with it.

Ministry of Environment, Forest and Climate Change (MoEF&CC)

Notification of Environment Protection (Management of Contaminated Sites) Rules, 2025 under the Environment (Protection) Act, 1986

The MoEF&CC notified the Environment Protection (**Management of Contaminated Sites**) Rules, 2025 (Management of Contaminated Site Rules) under the Environment (Protection) Act, 1986, on July 24, 2025.

The Management of Contaminated Site Rules establish a regulatory framework for the management and remediation of sites contaminated by hazardous substances. Sites contaminated solely due to radioactive waste, mining operations, oil spills, or solid waste from dump sites are excluded from the scope of these Rules. However, where a contaminant is mixed with any of these excluded sources and the contamination exceeds the response level limits specified under the Rules, remediation obligations under the Rules will still apply.

Local bodies and district administrations are tasked with identifying suspected contaminated sites based on complaints, waste management records, studies, or the industrial history of the site. Once identified, the relevant State Pollution Control Board must determine the responsible person and direct them to prepare a remediation plan and carry out remediation through a selected organisation at their own cost. The remediation plan is required to set out the proposed remediation level, risk assessment methodology, remediation techniques, funding sources, safety measures, and post-remediation monitoring procedures. Where no responsible person is identified, the State Pollution Control Board may undertake the remediation itself or with governmental support.

The Management of Contaminated Site Rules further empower the State or Central Pollution Control Boards to impose environmental compensation on any responsible person who fails to undertake or comply with remediation requirements. Such compensation is in addition to the cost of remediation and is to be credited to the Environmental Relief Fund established under the Public Liability Insurance Act, 1991. The fund is to be utilised for assessing and remediating contaminated sites and for implementing the provisions of the Rules.

Amendment to the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The MoEF&CC notified the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2025 (**Hazardous Waste Amendment**), on July 01, 2025, which will come into effect from April 01, 2026.

The Hazardous Waste Amendment introduces a new Chapter VIII to the principal regulations, establishing an extended producer responsibility framework for scrap of non-ferrous metals. It sets out the registration requirements and responsibilities of manufacturers, producers, collection agents, refurbishers, and recyclers

of non-ferrous metals. Additionally, it prescribes the roles and obligations of the Central Pollution Control Board, State Pollution Control Boards, municipalities, local bodies, and other relevant government agencies in relation to non-ferrous metals.

The Hazardous Waste Amendment further provides that any manufacturer, producer, collection agent, refurbisher, or recycler who fails to comply with the rules and thereby causes loss, damage, or injury to the environment or public health will be liable to pay environmental compensation, as per guidelines issued by the Central Pollution Control Board.

Ministry of Heavy Industries

Notification of Scheme for Electric Drive Revolution in Innovative Vehicle Enhancement program, offering demand incentives for electric trucks (e-trucks)

The Ministry of Heavy Industries issued a notification under the PM Electric Drive Revolution in Innovative Vehicle Enhancement (**PM E-DRIVE**) Scheme, on July 28, 2025, providing incentives to electric trucks (**e-trucks**).

The notification aims to accelerate electric vehicle adoption in the commercial freight segment by offering demand incentives for e-trucks falling under categories N2 and N3, as defined under the Central Motor Vehicle Rules: (i) N2—vehicles with a gross vehicle weight (**GVW**) exceeding 3.5 tonnes but not exceeding 12 tonnes; and (ii) N3—vehicles with a GVW exceeding 12 tonnes up to 55 tonnes. In the case of articulated vehicles i.e., tractor-trailer combinations, the incentive will be applicable only to the N3-category 'puller tractor'.

The incentives under the PM E-DRIVE Scheme are linked to battery capacity or capped at 10% of the ex-factory price, subject to maximum limits based on the e-truck's GVW. To promote fleet modernization, incentives will be granted only upon submission of a valid scrapping certificate for an internal combustion engine (**ICE**) truck of equal or higher GVW. Claims will be verified via the PM E-DRIVE and Vahan portals.

Several conditionalities must be met to avail the incentive, including minimum warranty requirements for the battery, motor, and vehicle. The scheme also mandates performance and efficiency thresholds by vehicle category. A Phased Manufacturing Programme (**PMP**) has been introduced to promote domestic manufacturing and technology localization.

Ministry of Mines

Introduction of Offshore Areas Atomic Minerals Operating Right Rules, 2025 under the OAMDR Act, 2002

The Ministry of Mines notified the Offshore Areas Atomic Minerals Operating Right Rules, 2025 (**Atomic Mineral Rules**) under the Offshore Areas Mineral (Development and Regulation) Act, 2002, on July 14, 2025.

The Atomic Mineral Rules establish a dedicated framework for reconnaissance, exploration, and production of offshore atomic minerals where the grade meets or exceeds the prescribed threshold. Operations below this threshold fall under the Offshore Areas Operating Right Rules, 2024.

Under the Atomic Mineral Rules authorised central agencies may undertake reconnaissance and exploration without an operating right, provided prior intimation

and compliance with Schedule A of the Atomic Mineral Rules. Upon confirmation that the threshold grade is met, operating rights—either a composite licence or production lease—may be granted exclusively to government entities.

Composite licences require Department of Atomic Energy approved exploration plans, submission of 0.25% performance security, and are valid for 3 years, extendable by 2 more years. Production leases, tied to resource viability, require 0.5% security and remain valid until reserves are exhausted.

Applications, approvals, and execution of deeds are bound by timelines. Discovery of atomic minerals under general offshore rights mandates reporting and area surrender, with reimbursement eligibility.

Petroleum and Natural Gas Regulatory Board (PNGRB)

Second Amendment to Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008

The PNGRB notified the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Second Amendment Regulations, 2025 (**Second Amendment**), on July 03, 2025.

Key changes introduced by the Second Amendment include reducing Unified Tariff Zones from three to two, simplifying the gas transportation system and improving access in underserved areas. The benefit of Zone 1's Unified Zonal Tariff has been extended nationwide to compressed natural gas and piped natural gas for domestic consumers.

Pursuant to the Second Amendment, pipeline operators are now required to procure at least 75% of system-use gas through long-term contracts of a minimum 3-year tenure.

Further, a new 'Pipeline Development Reserve' has been introduced to fund infrastructure expansion. Entities exceeding 75% utilization will contribute 50% of their net-of-tax earnings to infrastructure development, with the remaining 50% benefiting consumers through tariff adjustments.

Central Electricity Authority (CEA)

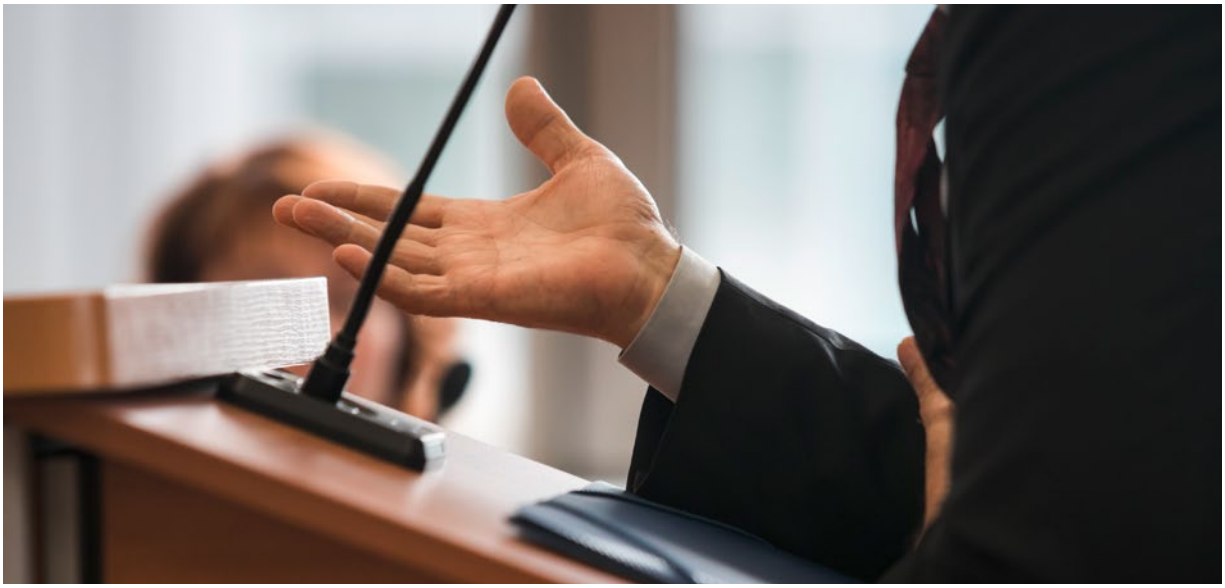
Publication of the Guidelines for Automatic Weather Stations for Solar and Wind Power Plants

The CEA issued guidelines mandating the installation of automatic weather stations (**AWS**) at solar and wind power plants, on July 07, 2025.

Renewable energy generation from solar and wind sources is inherently dependent on weather conditions. Inaccurate weather forecasts often lead to forecasting errors, which in turn attract significant financial penalties under the deviation settlement mechanism. Accurate measurement of critical meteorological parameters is essential to optimize renewable energy generation, improve predictability and efficiency, enhance grid reliability, and ensure compliance with regulatory requirements.

To address these concerns, Renewable Energy Implementing Agencies have also been advised to incorporate the requirement for AWS in their bid documents.

KEY JUDICIAL PRONOUNCEMENTS



SUPREME COURT OF INDIA		
	Summary	**Ratio**
Torrent Power Limited v. Uttar Pradesh Electricity Regulatory Authority Commission & Others | Judgment dated July 14, 2025 | Civil Appeal No. 23514 of 2017	**Facts** Respondent No. 4 in the instant matter, an individual consumer, filed a petition before the Uttar Pradesh Electricity Regulatory Commission (**UPERC**): (i) challenging the execution of the distribution franchisee agreements (**DFAs**) between the Appellant and the distribution licensee, Respondent No. 3, alleging that the appointment of the franchisee without UPERC's prior approval amounted to a violation of Section 17 of the Electricity Act, 2003 (**Electricity Act**), (ii) demanding investigation into the conduct of the Appellant vis-à-vis its functions as a franchise of a distribution licensee under Section 128 of the Electricity Act. The Appellant raised preliminary objections regarding jurisdiction and maintainability, which the UPERC rejected on the grounds of public interest. UPERC clarified that the DFA did not amount to a transfer under Section 17 of the Electricity Act and observed that the franchisee model was intended to improve distribution efficiency and service quality, it ordered an investigation against the Appellant's role as a distribution franchise under 7th proviso of Section 14 of the Electricity Act. Aggrieved by this, the Appellant filed an appeal before the Appellate Tribunal for Electricity (**APTEL**). APTEL dismissed the appeal and upheld the decision of the UPERC.	*SERCs have no adjudicatory jurisdiction under Section 86(1)(f) of the Electricity Act, 2003 in matters involving individual consumer grievances, which must be addressed under Section 42 of the Electricity Act through the consumer grievance redressal mechanism.* *Further, an investigation under Section 128 requires the prior recording of satisfaction by the appropriate commission; failure to do so renders such proceedings unsustainable in law.* *Franchisees, being agents of licensees, are not independently regulated under the Electricity Act and fall outside the*

SUPREME COURT OF INDIA		
	Summary	**Ratio**
	Aggrieved by the decision of the APTEL, the Appellant preferred an appeal to the Supreme Court. **Contentions** The Appellant contended that UPERC lacked jurisdiction to entertain the petition, arguing that consumer related grievances must be addressed through the redressal mechanism prescribed under Section 42(5) of the Electricity Act. The Appellant further challenged the initiation of investigation proceedings against itself under Section 128 of the Electricity Act. **Observations and Decision** The Court held that under the Electricity Act, adjudicatory jurisdiction of state electricity regulatory commissions (**SERCs**) is confined to disputes between licensees and generating companies under Section 86(1)(f), and individual grievances must be addressed through the consumer grievance redressal forum under Section 42 of the Electricity Act. The Court held that UPERC failed to record the mandatory satisfaction under Section 128 before ordering an investigation, rendering the proceedings against the Appellant unsustainable and not maintainable under the Electricity Act. It further held that franchisees are not independently regulated under the Act; they function as agents of licensees and remain outside the electricity regulatory commission's direct jurisdiction. Accordingly, the impugned order passed by the APTEL was set aside.	*regulatory jurisdiction of the appropriate commission.*

SUPREME COURT OF INDIA		
	Summary	**Ratio**
The State of Himachal Pradesh & Another v. JSW Hydro Energy	**Facts** Respondent - JSW Hydro Energy Limited developed and commissioned a 1045 MW hydroelectric power project in Himachal Pradesh pursuant to a grant and an	*Note 3 of Regulation 55 of Tariff Regulations 2019, governing tariff computation, does not override or invalidate*

SUPREME COURT OF INDIA		
	Summary	**Ratio**
Limited & Ohers | Judgment dated July 16, 2025 | Civil Appeal No. 32542 of 2024	implementation agreement with the appellant–State of Himachal Pradesh. Under the implementation agreement, the respondent was obligated to provide 18% of net power generation free of cost to the State of Himachal Pradesh. Upon commencement of its obligation to supply 18% free power, the respondent filed a writ petition before the Himachal Pradesh High Court seeking modification for the implementation agreement to align with the CERC (Terms and Conditions of Tariff) Regulations, 2019 (**Tariff Regulations 2019**), specifically Note 3 of Regulation 55, which caps free energy to the home State (FEHS) – in this case, the state of Himachal Pradesh – at 13% (or actual, whichever is less). The High Court of Himachal Pradesh held that, in view of the Tariff Regulations 2019, the implementation agreement stood modified, limiting the respondent's free power supply obligation to 13% of net generation. **Contentions** The Supreme Court observed that the core issue was whether Note 3 of Regulation 55 of the Tariff Regulations 2019 prohibited a generator from supplying free power beyond 13% and whether it invalidated the generator's contractual obligation under the Implementation Agreement. **Observations and Decision** The Court emphasized that the supply of free power formed part of lawful consideration under the Agreement, akin to a royalty for using a public resource and was thus enforceable as a contractual obligation. It clarified that Note 3 of Regulation 55 of the Tariff Regulations 2019 pertains only to tariff determination — that is, for calculating recoverable capacity and energy charges from beneficiaries, the regulator assumes FEHS as 13% or actual, whichever is less. This has no bearing on the contractual freedom of parties to agree to a higher percentage of free power supply. The Court further observed that the phrase "shall be taken as 13% or actual, whichever is less", appearing in the Tariff Regulations 2019, merely limits the pass-through cost	*independent contractual obligations regarding free power supply.*

SUPREME COURT OF INDIA		
	Summary	**Ratio**
	in tariff computation but does not prohibit or invalidate contractual terms exceeding 13%. The Court thus held that the Tariff Regulations 2019 do not override the implementation agreement, and the respondent cannot rely on the Tariff Regulations 2019 to escape its binding contractual obligation.	

SUPREME COURT OF INDIA		
	Summary	**Ratio**
Additional Director Directorate General of GST Intelligence (DGGI) & Another v. Central Electricity Regulatory Commission | Judgment dated July 21, 2025 | SLP(C) No. 019662 - 019663 / 2025	**Facts** The Central Electricity Regulatory Commission and the Delhi Electricity Regulatory Commission (collectively, **Commissions**) were issued show cause notices by the Directorate General of GST Intelligence (**DGGI**) alleging that the Commissions had failed to discharge their tax liability under the Central Goods and Services Tax Act, 2017 (**CGST Act**) and the Integrated Goods and Services Tax Act, 2017 (**IGST Act**). The tax demand primarily related to license fees and charges received by the Commissions in the discharge of their regulatory functions under the Electricity Act, 2003. The DGGI contended that while adjudicatory functions of the Commissions may be exempt from Goods and Service Tax (**GST**), regulatory functions such as issuing licences and collecting related fees constituted "**supply of services**" under Section 7 of the CGST Act and were therefore taxable. The Commissions challenged the show cause notice before the Delhi High Court, asserting that the fees were collected in discharge of their statutory obligations, not in the course of business, and thus fell outside the scope of taxable supply under GST law. The Delhi High Court ruled in favour of the Commissions, holding that the discharge of regulatory functions by the Commissions under the Electricity Act, 2003 would not be liable to be construed as activities undertaken in the furtherance of business, and therefore not taxable under the CGST Act and IGST Act.	*Regulatory functions discharged by electricity commissions under statutory mandate do not amount to "supply of services" under the GST regime, as such functions are not carried out in the course or furtherance of business, and hence are not taxable under CGST Act or IGST Act.*

SUPREME COURT OF INDIA		
	Summary	**Ratio**
	Observations and Decision The Supreme Court dismissed the special leave petition filed by the DGGI against the Delhi High Court judgment, thereby upholding the Delhi High Court's decision that GST is not applicable on license fees collected by the Commissions.	

APPELLATE TRIBUNAL FOR ELECTRICITY		
	Summary	**Ratio**
Punjab Energy Development Agency v. Punjab State Electricity Regulatory Commission and Others | Order dated July 10, 2025 | Appeal No. 286 of 2015	**Facts** Multiple power generators filed petitions under Section 86(1)(f) of the Electricity Act, 2003 before the Punjab State Electricity Regulatory Commission (**PSERC**), impleading the Punjab Energy Development Agency (**PEDA**), a nodal agency designated by the State Government. PEDA, had issued letters of intent, executed implementation agreements with generators, and collected performance bank guarantees, prior to the execution of power purchase agreements between generators and the Punjab State Power Corporation Limited i.e., the distribution licensee (**PSPCL**). The PSERC issued directions against PEDA, despite it being neither a generating company nor a licensee. **Contentions** PEDA and PSPCL argued that PSERC lacked jurisdiction under Section 86(1)(f) to adjudicate disputes involving PEDA, as it is not a licensee or generating company. PEDA and PSPCL further submitted that PSERC, being a statutory authority, cannot assume powers not expressly conferred by the Electricity Act. PSERC argued that effective adjudication of the dispute required PEDA to be a party, as its actions formed the foundation of the contractual chain. Contended that the term "dispute" in Section 86(1)(f) of the Electricity Act should be interpreted broadly, encompassing all entities engaged in activities integral to generation and procurement, including nodal agencies. Submitted that regulatory jurisdiction under Section 86(1)(b) of the Electricity Act extended to the entire procurement process, including PEDA's role. **Observations and Decision** The Tribunal held that the PSERC's power under Section 86(1)(f) of the Electricity Act must be interpreted in conjunction with Section 86(1)(b) of the Electricity Act, which grants it broad regulatory authority. It found that where a nodal agency like PEDA is directly involved in the power procurement process—executing implementation agreements and facilitating power purchase agreements—disputes become inherently tripartite. The Tribunal emphasized that implementation agreements	*When a nodal agency is integrally involved in power procurement through implementation agreements that are contractually linked to power purchase agreements, the SERC's jurisdiction under Sections 86(1)(f) and 86(1)(b) of the Electricity Act extends to such agency, making it a necessary party to adjudication.*

APPELLATE TRIBUNAL FOR ELECTRICITY		
	Summary	**Ratio**
	and power purchase agreements are back-to-back contracts and cannot be adjudicated in isolation. Accordingly, it upheld the PSERC's jurisdiction to issue directions against PEDA and ruled that PEDA was a necessary party to such proceedings.	

APPELLATE TRIBUNAL FOR ELECTRICITY		
	Summary	**Ratio**
TANGEDCO v. Central Electricity Regulatory Commission and Others | Order dated July 15, 2025 | Appeal No. 66 of 2017	**Facts** The NP Kunta transmission system was constructed by the Central Transmission Utility (**PGCIL**) for evacuation of power from the NP Kunta solar park, located entirely within the State of Andhra Pradesh. Although the solar power generated at the park was largely consumed within Andhra Pradesh, PGCIL sought tariff recovery through the inter-State point of connection (**PoC**) mechanism, treating the system as part of the inter-state transmission system (**ISTS**). This classification was accepted by the CERC, relying on Section 2(36)(iii) of the Electricity Act, 2003, which states that any transmission system, even if it is located within a state, would qualify as ISTS if it is built, owned, operated, or maintained by the Central Transmission Utility. **Contentions** TANGEDCO, the appellant, argued that the NP Kunta system did not facilitate inter-state transmission and should not be considered ISTS. It submitted that clause (iii) of Section 2(36) of the Electricity Act could not be read in isolation and must be harmonised with clauses (i) and (ii) of Section 2(36) of the Electricity Act, both of which require an inter-state element. It also contended that the system operated solely within Andhra Pradesh and functioned as a dedicated transmission line, the cost of which should not be pooled nationally. CERC and PGCIL responded that Section 2(36)(iii) of the Electricity Act creates an independent ground for classifying a transmission system as ISTS and does not require Electricity Actual inter-state flow of electricity.	*Section 2(36)(iii) of the Electricity Act operates independently to classify a transmission system as ISTS solely based on its construction by the Central Transmission Utility, irrespective of actual inter-state power flow.*

APPELLATE TRIBUNAL FOR ELECTRICITY		
	Summary	**Ratio**
	They further argued that the system could not be a dedicated transmission line within the meaning of Section 2(16) of the Electricity Act, which permits such lines only when constructed by generating companies. The CERC and PGCIL argues that as PGCIL is the Central Transmission Utility, the provision was inapplicable. **Observations and Decision** The Appellate Tribunal for Electricity (**APTEL**) held that clause (iii) of Section 2(36) of the Electricity Act operates as a standalone provision, and any intra-state transmission system constructed by the Central Transmission Utility would be classified as ISTS, irrespective of whether it transmits electricity across State boundaries. It agreed with the CERC that the legal character of the system depended on who constructed it, not on the direction or usage of power flow. The Tribunal further observed that since the NP Kunta system was not constructed by a generating company, it could not qualify as a dedicated transmission line under Section 2(16) of the Electricity Act. The Tribunal therefore upheld the CERC's decision and confirmed that costs associated with the NP Kunta system could be recovered under the PoC mechanism. The appeal was accordingly dismissed.	

CENTRAL ELECTRICITY REGULATORY COMMISSION		
	Summary	**Ratio**
Tadas Wind Energy Private Limited v. Karnataka Power Transmission Corporation Limited & Another | Order dated July 7, 2025 | Petition No. 223/MP/2023 with IA No. 53/2023	**Facts** The petitioner operated a wind energy project spread across multiple districts of Karnataka. The petitioner's wind energy project was granted approval for a single evacuation scheme and a single interconnection point at the 220 kV Karnataka Power Transmission Corporation Limited's (**KPTCL**) Bidnal substation. Subsequently, the petitioner applied to the National Open Access Registry (**NOAR**) for issuance of standing clearance for short-term open access. KPTCL, however, directed the petitioner to submit seven separate applications in NAOR corresponding to the seven project locations. **Contentions** Aggrieved by the insistence of KPTCL to submit seven separate applications in NAOR corresponding to the seven project locations, the petitioner approached the Central Electricity Regulatory Commission (**CERC**) under Sections 79(1)(c) and 79(1)(f) of the Electricity Act, contending that the insistence on submitting seven separate applications, despite a single evacuation scheme and interconnection point, was contrary to regulatory provisions. **Observations and Decision** The CERC observed that the primary issue in the matter pertained to the denial of standing clearance by KPTCL for use of the intra-state transmission network for facilitating inter-state open access. Referring to the judgment of the APTEL in UPPCL v. UPERC & Others (Appeal Nos. 231/2015 and 251/2015), the CERC noted that where disputes arise in connection with the non-issuance of no objection certificates by the state load despatch centres for use of intra-state transmission systems — even when used in conjunction with inter-state transmission systems — such matters fall within the jurisdiction of the concerned SERC, and not the CERC. Accordingly, the CERC held that the grant of standing clearance to the petitioner for use of the intra-state transmission system of KPTCL is an issue squarely governed by Section 86 of the Electricity Act. The CERC accordingly rejected the petitioner's reliance on Section 79(1)(c) and Section 79(1)(f), for claiming jurisdiction of the CERC.	*Disputes relating to denial of open access clearance by state utilities for intra-state transmission falls within the jurisdiction of the respective SERC under Section 86 of the Electricity Act, even when such transmission is in conjunction with inter-state transmission.*

CENTRAL ELECTRICITY REGULATORY COMMISSION		
	Summary	**Ratio**
CESC Limited v. Purvah Green Power Private Limited & Another | Order dated July 9, 2025 | Petition No. 241/AT/2025	**Facts** The petitioner filed a petition under Section 63 of the Electricity Act, seeking adoption of tariff for a 300 MW ISTS-connected wind-solar hybrid power project located in the Madhya Pradesh, with power to be supplied to consumers in West Bengal. The petitioner submitted that the bidding process was conducted pursuant to the 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects' (**Hybrid Guidelines**) issued by the Ministry of Power on August 21, 2023, and the petitioner had obtained approval for a deviation from Clause 6.2.4 of the Hybrid Guidelines from the Government of West Bengal. **Contentions** The petitioner argued that the bidding process was transparent and in substantial compliance with the Hybrid Guidelines and thus warranted tariff adoption under Section 63 of the Electricity Act. It contended that the deviation had been approved by the Government of West Bengal, and therefore the process should be treated as valid. **Observations and Decision** The CERC observed that since the project was located in Madhya Pradesh and the power was being supplied to consumers in West Bengal, the transaction was inter-State in nature. Accordingly, any deviation from the bidding guidelines issued by the Central Government required the approval of the Central Government, and not of any State Government. Referring to the Supreme Court's judgment in Energy Watchdog v. CERC ((2017) 14 SCC 80), it confirmed that the Central Government and the Central Commission are the appropriate authorities for inter-state transactions. The petition was rejected for non-compliance with Section 63, owing to lack of proper approval for deviation from the Central Government.	*In Inter-State power procurement, any deviation from Central Government bidding guidelines requires approval of the Central Government. State Government approval is insufficient, and non-compliance renders the bidding process invalid under Section 63 of the Electricity Act.*

CENTRAL ELECTRICITY REGULATORY COMMISSION		
	Summary	**Ratio**
In the matter of: Directions by the Commission for Implementing Market Coupling Central Electricity Regulatory Commission | Order dated July 23, 2025 | Petition No. 8/ SM/2025	**Facts** The CERC, by its order in petition no. 1/SM/2024, directed Grid-India to implement a shadow pilot for market coupling across three key segments: (a) coupling of the Real-Time Market (**RTM**) of the power exchanges, (b) coupling of RTM with Security Constrained Economic Dispatch (**SCED**), and (c) coupling of the Day-Ahead Market (**DAM**) of the power exchanges. Grid-India was subsequently also tasked with submitting a feedback report on the operational experience of running a shadow pilot for a period of four months, which it did on June 30, 2025. **Observations and Decision** Basis the review of the feedback report submitted by Grid-India, the CERC noted that while the technical feasibility of market coupling had been established, a cautious and phased approach was warranted due to operational concerns. Accordingly, it directed the following: a) Market coupling of the DAM segment across exchanges will be implemented in a round-robin manner starting January 2026; b) Further coupling of RTM and RTM-SCED will be considered separately after addressing identified challenges; c) A shadow pilot for the Term Ahead Market (**TAM**), including contingency contracts, will be undertaken, followed by a three-month pilot run and submission of a feedback report by Grid-India; and d) A consultative process will be initiated to finalise the implementation framework for DAM coupling and necessary amendments to the Power Market Regulations, 2021.	

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