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Case Update

SKV LAW OFFICES SUCCESSFULLY REPRESENTS NTPC LIMITED IN SEEKING ADOPTION OF ITS CPSU TARIFF



On January 22, 2025, the Central Electricity Regulatory Commission (“CERC”) issued an order in Petition No. 119/AT/2024. This petition, filed by NTPC Limited and its subsidiary NTPC Renewable Energy Limited (collectively referred to as “the Petitioners”), sought the adoption of usage charges for a 1990 MW Solar Photovoltaic (“PV”) Power Station (Tranche III) under the Central Public Sector Undertaking (“CPSU”) Scheme Phase II.

The CPSU Scheme Phase II, initiated by the Ministry of New and Renewable Energy (“MNRE”), aims to establish 12,000 MW of grid-connected solar PV power projects by government producers with Viability Gap Funding (“VGF”). This petition pertains to Tranche III of the scheme, under which the Indian Renewable Energy Development Agency Limited (“IREDA”) was tasked with coordinating the bid process. NTPC was awarded 1990 MW of capacity following an e-reverse auction conducted on September 23, 2021. Subsequently, NTPC allocated 735 MW to itself and assigned the remaining 1255 MW to NTPC Renewable Energy Limited.

During the proceedings, the Petitioners argued that the bidding process adhered to the standard guidelines set forth by the Ministry of Power and the CPSU Scheme provisions. Power Usage Agreements (“PUAs”) were signed with the Respondents, including Telangana’s power distribution companies, the Damodar Valley Corporation, the Military Engineer Services, the Madhya Pradesh Power Management Company Limited, and the Jammu and Kashmir Power Corporation Limited. These agreements stipulated usage charges for power supplied by the solar PV projects.

Initially, the usage charges were capped at ₹2.45/kWh. However, the MNRE later revised this ceiling to ₹2.57/kWh, effective September 16, 2022. This change was made considering a statutory change in Goods and Services Tax (GST) rates as a “Change in Law.”

After thoroughly examining the petition and submissions, the CERC concluded that the bidding process for Tranche III adhered to the CPSU Scheme Phase II guidelines and the principles of Section 63 of the Electricity Act, 2003, ensuring transparency and compliance. Consequently, the Commission adopted the usage charges of ₹2.45/kWh for the 1990 MW capacity, in line with the parameters specified during the bidding process. However, it acknowledged the revision to ₹2.57/kWh due to a statutory GST change, provisionally allowing the updated charge as interim relief under the Change in Law provision. The Petitioners were directed to submit a separate petition for final approval of this adjustment within six weeks of the order.

The CERC’s order can be accessed [here](#)

NTPC Limited and NTPC Renewable Energy Limited were Represented before the Central Electricity Regulatory Commission by Shri Venkatesh, Managing Partner; Anant Singh Ubeja, Senior Associate and Kunal Veer Chopra, Associate of the SKV Law Offices Team.