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## Case Update

### CERC Affirms Its Jurisdiction Over Change In Law Disputes For Projects Having Inter-State Generation And Supply Of Electricity

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On February 20, 2025, the Central Electricity Regulatory Commission (**CERC**) ruled in Petition No. 240/MP/2023, affirming its jurisdiction to adjudicate over claim for in-principle approval for Change in Law by M/s TP Saurya Limited (**TPSL**) on account of imposition of Basic Customs Duty (**BCD**) on imported solar modules. The project in question is a 110 MW Solar PV Plant located in Noorsar, Rajasthan, with power being supplied to Kerala State Electricity Board Ltd. (**KSEBL**) in Kerala.

KSEBL had objected to CERC's jurisdiction to adjudicate the claim, arguing that the Kerala State Electricity Regulatory Commission (**KSERC**) was the appropriate authority to adjudicate the matter in terms of the PPA. KSEBL also contended that since the tariff as well as the PPA between parties was approved by KSERC, it alone has the jurisdiction to adjudicate over the claims being raised by TPSL. KSEBL also relied on Section 64(5) of Electricity Act, 2003 (**EA**) to contend that TPSL consented to the jurisdiction of KSERC at the time of tariff approval.

TPSL, asserted that the project involved composite scheme of generation and sale of electricity, CERC is the 'Appropriate Commission' to adjudicate the claims raised under Section 79(1)(b) and (f) of the EA. This law, as submitted on behalf of TPSL, is well settled in the light of several decisions, Energy Watchdog, as well as decisions passed by Appellate Tribunal for Electricity and CERC itself. TPSL also emphasized that Section 64(5) of the Electricity Act, which allows a State Commission to determine inter-state tariffs upon joint application by the parties, was not applicable in this case, as no such joint application was made.

After examining the submissions, CERC held that jurisdiction over the dispute lies with the Central Commission, as the Electricity Act, 2003 does not permit parties to contractually override the statutory jurisdiction of the CERC. The PPA's reference to KSERC as the adjudicatory body could not supersede the statutory mandate of Section 79, which vests jurisdiction in CERC for projects involving inter-state generation and sale of electricity.

The ruling reaffirms CERC's authority in inter-state power disputes and strengthens the regulatory framework for renewable energy developers engaged in inter-state transactions. It also provides clarity on the non-applicability of Section 64(5) in cases where tariff has been discovered through competitive bidding under Section 63 of the EA.

Click [here](#) to read the CERC's full order in Petition No. 240/MP/2023.

*TP Saurya Limited was represented by Shri Venkatesh, Managing Partner; Suhael Buttan, Counsel; Vineet Kumar, Senior Associate and Nikunj Bhatnagar, Associate of the SKV Law Offices Team.*