

THURSDAY | 17 MARCH 2025

## Case Update

### CERC Clarifies Tariff Applicability for Delayed RE Projects under the CERC RE Tariff Regulations 2012.

DATED: 17/03/2025



The Ld. Central Electricity Regulatory Commission ("Ld. CERC"), on 17.03.2025, passed its Order in Petition No. 160/MP/2015, directing Madhya Pradesh Power Management Co. Ltd. ("MPPMCL") to pay generic tariff at Rs. ₹7.87/kWh (after deduction of accelerated depreciation benefit) as determined for FY 2013-14 for NTPC Green Energy Limited's ("NGEL") 50 MW Solar PV Project at Rajgarh ("Project").

NGEL had entered into a Power Purchase Agreement ("PPA") with Madhya Pradesh Power Management Company Limited ("MPPMCL") on 28.12.2011 for procurement of power from the Project. The project was commissioned in two phases, with 30 MW becoming operational on 31.03.2014, i.e., in FY 2013-14, and the remaining 20 MW on 30.04.2014, i.e., in FY 2014-15.

NGEL argued that, in accordance with Regulation 8 of the CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations, 2012 ("CERC RE Tariff Regulations"), the applicable tariffs should be Rs. 9.35/kWh for 30 MW as determined for FY 2012-13 and Rs. 7.87/kWh for 20 MW as determined for FY 2013-14. However, MPPMCL contended that the entire project was completed in FY 2014-15 and therefore, the tariff applicable for that year, Rs. 6.95/kWh, should be applied uniformly to the whole 50 MW capacity.

Ld. CERC, in its Order, after analysing Regulation 8(2)(a) of the CERC RE Tariff Regulations, held that while the regulation allows the previous year's tariff if the project is commissioned by 31 March of the following year, it does not specify the treatment for delays beyond that period. Noting that 60% of the project was commissioned in 2013-14, with the remaining 40% in the first month of 2014-15, the Commission decided that, in the absence of any contrary provision, the tariff of the year preceding the commissioning year should apply. Therefore, it directed that the tariff of ₹7.87/kWh (less accelerated depreciation benefit) applicable for FY 2013-14 shall apply to the entire project.

Click [here](#) to read the the full text of the order.

*NTPC Green Energy Limited was represented before the Central Electricity Regulatory Commission by Shri Venkatesh (Founding Partner), Nihal Bhardwaj (Senior Associate) and Aashwyn Singh (Associate) of the SKV Law Offices Team.*