

CASE UPDATE

SKV Law Offices Secures Landmark MERC Order: TPREL Entitled to Relief as Amendments to Project Import Regulations Now Classified as Change in Law.



SKV Law Offices successfully represented Tata Power Renewable Energy Limited (**TPREL**) before the Maharashtra Electricity Regulatory Commission (**MERC**), seeking recognition of the 2022 and 2023 amendments to the Project Import Regulations (**PIR**) as Change in Law events.

MERC held that the notifications dated 19.10.2022 and 01.02.2023, issued after the bid submission date, qualify as Change in Law events under the Power Purchase Agreement. Consequently, the Commission granted in-principle approval enabling TPREL to seek compensation for the increased customs duty on solar cells and modules.

MERC noted that the said notifications withdrew the concessional customs duty benefit under Chapter 98 of the Customs Tariff Act for solar projects, compelling developers to pay an additional 25% duty on imported solar cells under Chapter 85. Importantly, MERC clarified that even though the project had already achieved Commercial Operation Date (**COD**), such post-bid regulatory changes continue to qualify as Change in Law, entitling the developer to compensatory relief..

This nuanced ruling secured by SKV Law Offices provides financial protection to developers against post-bid policy changes and reinforces regulatory certainty, it also aligns with MERC's earlier decision in a similar cases on the very same issue. While MERC has granted only an in-principle approval, requiring TPREL to later substantiate actual costs for recovery, the Order significantly strengthens the developer's position and establishes a favourable precedent for other developers similarly affected.

The Order's significance extends beyond the immediate relief granted to TPREL. MERC's ruling clarifies that Change in Law protection survives beyond COD and that the relevant trigger is the bid submission date, not project completion. Importantly, the Commission recognized that the delay in PPA execution, though the bid closed in July 2022, the PPA was signed only in July 2023 was attributable to MSEDCL,

which deprived TPREL of the opportunity to avail the concessional import route under the pre-amendment regime. By holding that the developer cannot be penalized for such delay or for the consequent unavailability of fiscal benefits, the Commission has reinforced the principle of equitable risk allocation between contracting parties. By explicitly linking the PIR amendments to the contractual framework of the PPA, the Commission has harmonized fiscal policy developments with electricity sector regulation, a crucial step toward legal and commercial certainty in renewable project implementation.

The Order enhances investor confidence in the stability of India's renewable energy regulatory framework and underscores the importance of contractual protection against unforeseen policy changes. For future projects, this ruling is expected to guide both developers and off-takers in structuring tariff and risk-sharing mechanisms more effectively, a significant step in strengthening India's clean energy ecosystem.

Click [here](#) to read the Order.

TPREL was represented before the MERC by SKV Law Offices' Founding Partner, Shri Venkatesh who was supported by Suhael Buttan (Partner), Priya Dhankhar (Counsel), Nikunj Bhatnagar (Associate) and Vedant Choudhary (Associate).