

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 194/MP/2026 along with IA No. 68/2026

Subject : Petition under Sections 66 and 79 of the Electricity Act, 2003 read with Regulations 54, 55 and 56 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 seeking inclusion of Pumped Storage Projects as an eligible seller category for participation in the High Price Day Ahead Market.

Petitioner : Greenko AP01 IREP Pvt. Limited (GARPL)

Respondents : Indian Energy Exchange Limited (IEX) and Ors.

Date of Hearing : **23.6.2026**

Coram : Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member

Parties Present : Shri Parinay Deep Shah, Advocate, GARPL
Shri Harsh Dev Singh, Advocate, GARPL
Shri Kartik Sharma, Advocate, GARPL

Record of Proceedings

Learned counsel for the Petitioner submitted that the present Petition has been filed seeking the Commission's intervention to permit Pumped Storage Projects ("PSPs") to participate as eligible sellers in the High-Price Day-Ahead Market ("HPDAM") segment of the Power Exchanges in India. He further made the following submissions in the matter:

- (i) In 2022, in view of abnormal increases in electricity demand coupled with supply constraints, the Commission imposed a temporary price ceiling on electricity traded in the DAM and RTM on power exchanges. This intervention, initially intended as a short-term measure to protect consumer interests and curb extreme price volatility, limited the bid price range, thereby constraining price discovery in the market.
- (ii) Recognising that the price ceiling could exclude certain high-variable-cost generators from the market, the Commission subsequently approved the introduction of the HPDAM segment on power exchanges vide the orders dated 16.2.2023 in Petition No. 359/MP/2022, 11.4.2023 in Petition No. 14/MP/2023, and 24.7.2023 in Petition No. 122/MP/2023.
- (iii) Subsequently, the Ministry of Power notified the Guidelines for Promotion of Development of Pumped Storage Projects, 2023 ("MoP PSP Guidelines, 2023"), which have directed that PSPs be allowed to participate in all segments

of power trading, including HP-DAM, so that they can take suitable advantage of the price differential between peak and off-peak tariffs. The MoP PSP Guidelines, 2023, further recognise PSPs as a crucial component of India's energy storage framework for integrating large-scale renewable energy.

(iv) The Commission exercises wide discretionary powers under Section 66 of the Electricity Act, 2003 ("the Act") for the development of the power market. The exercise of discretion under Section 66 may appropriately be informed by the stated policy of the Central Government.

(v) The present Petition only seeks the inclusion of PSPs within the eligible seller categories, in a manner consistent with the stated policy of the Central Government and with the Commission's own reservation of power to periodically review the categories of eligible generating stations.

(vi) The National Electricity Plan, 2023, prepared by the Central Electricity Authority, projects a requirement of 27 GW of PSP capacity by 2031-32 as part of a total storage requirement of 74 GW required to support the integration of India's planned renewable energy capacity. The achievement of this objective would require PSP projects, including merchant PSP projects, to have a commercially viable pathway to recover their costs. Notably, as per Section 79(4) of the Act, the Commission, while discharging its functions, is to be guided by the National Electricity Policy, National Electricity Plan and the Tariff Policy.

(vii) The inclusion of PSPs in HP-DAM would be consistent with the rationale already recognised by the Commission while creating the HP-DAM segment, namely, to ensure that market design does not exclude resources whose cost structure requires access to such an enabling market segment.

(viii) The cost of power from PSPs comprises three principal components, namely, (i) cost of input power used for pumping, (ii) cost attributable to conversion losses arising from pumping generation cycle, and (iii) storage cost, representing the fixed capital component allocated per unit of electricity delivered during generation. The Petitioner has also placed on record an analysis of actual DAM prices for the period from 1.4.2022 to 16.3.2026, assessing the extent to which a PSP operating on a daily arbitrage basis can recover its fixed-cost component through participation in the DAM. This analysis indicates that the average amount available towards the recovery of the fixed-cost component is approximately Rs. 3.52/kWh in FY 2022-23, Rs. 3.24/kWh in FY 2023-24, Rs. 4.31 in FY 2024-25 and Rs. 4.35/kWh in FY 2025-26 (up to 16.3.2026).

2. Considering the submissions of the learned counsel for the Petitioner, the Commission reserved the matter for order.

By order of the Commission

Sd/-

(T.D. Pant)

Joint Chief (Law)