

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 365/MP/2025

Subject : Petition under Section 79(1)(a)&(f) of the Electricity Act, 2003 seeking acknowledgement and declaration of increase in rate of Goods and Service Tax and subsequent increase in Usage Charges for 1990 MW Solar Projects is a Change in Law event in terms of Article 10 of the Power Usage Agreements.

Petitioner : NTPC Limited (NTPC) and Anr.

Respondent : Indian Renewable Energy Development Agency Limited and Ors.

Date of Hearing : **12.5.2026**

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

Parties Present : Shri S. Venkatesh, Advocate, NTPC
Shri Vineet Kumar, Advocate, NTPC
Shri Manav Bhatia, Advocate, NTPC
Shri D. Abhinav Rao, Advocate, Telangana Discoms
Shri D Abhishek Das, Advocate, Telangana Discoms
Shri Aditya Singh, Advocate, MPPMCL

Record of Proceedings

Learned counsel for the Petitioners submitted that the present Petition has been filed *inter alia* seeking an acknowledgement and declaration that the increase in usage charges from Rs. 2.45/kWh to Rs. 2.57/kWh on account of GST Amendment Notification for 1990 MW Projects set-up under the CPUS Scheme Phase II is a Change in Law event in terms of Article 10 of the Power Usage Agreements (PUAs). The learned counsel submitted that under the CPSU Scheme, the bid parameter was a Viability Gap Funding (VGF) and not tariff, and at the time of bidding, the tariff/ usage charges fixed under the Scheme were Rs. 2.45/kWh and the Petitioner became the successful bidder on the basis of VGF quoted by it. The learned counsel, referring to Clauses 3.2.3 and 3.2.5 of the CPSU Scheme and Clause 7 of the RfS dated 29.1.2021, emphasised that the Scheme contemplated pre-determined usage charges and selection of a successful bidder based on VGF as the bid parameter. The learned counsel further submitted that, upon an increase in GST from 5% to 12%, MNRE, *vide* Notification dated 16.9.2022, revised the usage charges from Rs. 2.45/kWh to Rs. 2.57/kWh as an impact of the said Change in Law. Further, the Petitioners and the Respondents have also entered into the PUAs and/or Supplementary PUAs, at the revised usage charges of Rs. 2.57/kWh, thereby factoring into the increase of the Change in Law event. The learned counsel submitted that the Commission, in its order dated 22.1.2025 in Petition No. 119/AT/2024, had recognised that the Petitioner had been selected through a transparent competitive bidding process with VGF as the bid parameter and had permitted the Change in Law compensation, as communicated by MNRE, to be charged on a provisional basis pending final determination.



In view of this, the learned counsel prayed the Commission to approve the Change in Law impact already communicated by the MNRE *vide* Notification dated 16.9.2022 and permit recovery in terms thereof.

2. The learned counsel for Respondent Nos. 2 & 3, Telangana DISCOMs, submitted that they agree with the increase in usage charges on account of the GST Notification in terms of MNRE Notification dated 16.9.2022. However, the applicable GST rates on solar goods and RE equipment were reduced from 12% to 5% in September 2025, and the benefits thereof need to be passed on to the Respondents/ beneficiaries. The learned counsel further submitted that, apart from the above, certain duties have also been reduced, and as the necessary instructions from DISCOMs in this regard were awaited, he sought time to file written submissions and to conclude his oral submissions on the next date.

3. In response, the learned counsel for the Petitioner submitted that the subsequent reduction in GST rates in the year 2025 would have no bearing on the present case, since the Project works had already been completed prior to that.

4. Learned counsel for the Respondent, MPPMCL, submitted that MPPMCL has already filed its reply in the matter, which may be considered and that he does not wish to make any further submissions.

5. After hearing the learned counsel for the parties, the Commission permitted both sides to file their brief written submissions/ notes of arguments, if any, within two weeks, with a copy to the other side.

6. The matter will be listed for further hearing on **14.7.2026**.

By order of the Commission
Sd/-
(T.D. Pant)
Joint Chief (Law)