FORTNIGHT IN ELECTRICITY REGULATION

1–15 OCTOBER 2026 | EXECUTIVE REGULATORY NEWSLETTER

Tariff recovery • Renewable procurement • BESS • Regulatory jurisprudence

THE EXECUTIVE TAKEAWAY

Four developments stand out from the first half of October 2026. APTEL's depreciation ruling highlights the need for tariff deductions to remain within the governing regulatory framework. CERC's wind-tariff adoption provides a current procurement benchmark. CERC's Khurja interim tariff order illustrates provisional recovery while time-overrun scrutiny remains open. DERC's BESS proceeding raises practical questions about regulatory approval and the commercial framework for distribution-level storage.

Editorial discipline: the APTEL matter is a judgment; the CERC matters are tariff orders; the DERC record is procedural and does not amount to final approval of the proposed BESS.

RANKED REGULATORY DIGEST

Rank / date	Matter / official link	Why it matters	Impact
1 **Decision date: 9 Oct** **Uploaded: 13 Oct**	APTEL — Appeal 329/2025 & IA 1185/2025 Bihar State Power Transmission Co. v. BERC Official APTEL judgments register	APTEL set aside BERC's 25% depreciation disallowance, reported at approximately ₹119.98 crore, and remanded for consequential adjustments and a fresh order within two months. The central issue is the lawful basis for a tariff deduction, not whether asset records may be scrutinised.	Very high 5/5
2 **14 Oct**	CERC — 179/AT/2026 SECI Tranche-XIX: 1,200 MW ISTS-connected wind Official CERC order PDF	Tariffs adopted under Section 63 range from ₹3.67–₹3.69/kWh across seven bidders. A current benchmark for competitive wind procurement and the conditions attached to tariff adoption.	High 4.5/5
3 **6 Oct**	CERC — 9/GT/2026 Khurja STPP, 2 × 660 MW Official CERC order PDF	Provisional tariff granted pending final determination. The order records a 690-day delay in Unit I COD but leaves the time-overrun issue for detailed scrutiny at the final stage.	Medium 3/5
4 **6 Oct**	DERC — 39/2026 BSES Yamuna: 65 MW/130 MWh grid-scale BESS	DERC admitted the petition, heard the petitioner and reserved the matter for orders. This is procedural—not final approval of the BESS or procurement terms.	High 4/5

Official DERC record of proceedings

DEVELOPMENT NOTES

01 | APTEL — Tariff deductions must have a lawful basis

Appeal No. 329 of 2025 & IA No. 1185 of 2025 | Decision date recorded by APTEL: 9 October 2026; uploaded 13 October 2026.

Bihar State Power Transmission Company Limited challenged BERC's disallowance of 25% of claimed depreciation because a certified Fixed Asset Register had not been submitted. The disputed amount was reported at approximately ₹119.98 crore. APTEL set aside the disallowance and remanded the matter for consequential adjustments and a fresh order within two months.

The decision should be read narrowly: it does not make asset documentation optional. It underscores the distinction between scrutinising evidence and imposing a financial deduction without a sufficient basis in the governing regulations.

Executive implications

- Reconcile fixed-asset registers, capitalisation records and depreciation schedules before tariff filings.
- Separate an evidentiary deficiency from the legal authority to disallow a tariff component.
- Review whether the Commission's regulations specify the consequence of missing documentation.

02 | CERC — 1,200 MW wind tariff adoption

Petition No. 179/AT/2026 | Order date: 14 October 2026 | Procurer: Solar Energy Corporation of India Ltd.

CERC adopted tariffs discovered through competitive bidding for 1,200 MW of ISTS-connected wind projects under Section 63 of the Electricity Act, 2003. The bidder-level allocations are: K.P. Energy Ltd. — 100 MW at ₹3.67/kWh; Ganeko Three Energy Pvt. Ltd. — 180 MW at ₹3.68/kWh; Waaree Forever Energies Pvt. Ltd. — 300 MW at ₹3.68/kWh; Opera Energy Pvt. Ltd. — 50 MW at ₹3.68/kWh; Purvah Green Power Pvt. Ltd. — 250 MW at ₹3.69/kWh; Vena Energy Aura Pvt. Ltd. — 124 MW at ₹3.69/kWh; and Refex Holding Pvt. Ltd. — 196 MW at ₹3.69/kWh.

Executive implications

- Treat the tariff range as a procurement reference, not a substitute for comparing tender design and contractual risk allocation.
- Review the order's treatment of PPAs/PSAs, bidding compliance and SECI's requested trading margin.
- Examine commissioning, payment security and contractual remedies alongside the headline tariff.

03 | CERC — Khurja STPP: provisional tariff and time-overrun risk

Petition No. 9/GT/2026 | Order date: 6 October 2026 | THDC India Ltd. | 2 × 660 MW.

CERC granted provisional tariff for Khurja Super Thermal Power Plant and its dedicated transmission line pending final tariff determination, or until 31 March 2029, whichever is earlier. The order records Unit I COD as 26 January 2025 and Unit II COD as 26 September 2025, and notes a 690-day delay for Unit I against the original schedule. The Commission left the time-overrun issue for detailed examination at the final tariff stage.

Provisional recovery is not a final finding that all claimed costs are admissible. The final tariff exercise may affect capital-cost admissibility, time-overrun claims and consequential adjustments.

Executive implications

- Generators should model the cash-flow difference between provisional billing and final tariff determination.
- Beneficiaries should track capital-cost prudence checks, delay claims and later true-up exposure.
- Maintain contemporaneous evidence explaining delays and their causes.

04 | DERC — Distribution-level BESS approval proceeding

Petition No. 39/2026 | Record of proceedings: 6 October 2026 | Petitioner: BSES Yamuna Power Ltd.

BSES Yamuna Power Ltd. sought prior Commission approval for a cumulative 65 MW/130 MWh grid-scale BESS at Vivek Vihar, Ghonda East of Loni, PPG GH-II and DDU Marg grid stations, and permission to conduct competitive bidding. DERC admitted the petition, heard the petitioner's counsel and reserved the matter for orders. The record does not itself grant final approval or settle procurement terms.

Questions to watch in the eventual order

- What grid service is being procured, and how will the benefit be measured?
- How are charging energy, losses, degradation, augmentation and availability treated?
- What performance guarantees, bidding requirements and tariff-recovery arrangements will apply?

EXECUTIVE ACTION TRACKER

Priority	Action	Expected output
1	Analyse APTEL Appeal No. 329 of 2025	Precedent note on depreciation, evidence and lawful tariff deductions
2	Review CERC Petition No. 179/AT/2026	Wind-tariff benchmark and PPA/PSA risk-allocation note
3	Review CERC Petition No.	Interim-versus-final tariff and time-overrun risk

	9/GT/2026	assessment
4	Monitor DERC Petition No. 39/2026	BESS approval, procurement and tariff-recovery checklist

In brief:

The period's strongest legal signal is that tariff recovery depends on both substantive entitlement and the regulatory framework governing its determination. CERC's wind-tariff adoption offers a fresh procurement benchmark, while the Khurja order demonstrates the distinction between interim recovery and final cost admissibility. DERC's BESS proceeding is worth monitoring for the approval and commercial framework that may emerge for distribution-level storage.

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