



TELANGANA ELECTRICITY REGULATORY COMMISSION
‘Vidyut Niyantran. Bhavan’ G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

I.A. No. 15 of 2026

In

O.P. No. 32 of 2025

Dated 18 -05-2026

Present

Dr. Justice Devaraju Nagarjun, Chairman
Sri. Raghu Kancharla, Member Technical
Sri. Cherukuri Srinivasa Rao, Member Finance

1. Southern Power Distribution Company of Telangana Limited,
6-1-50, Mint Compound, Hyderabad-500 063, Telangana
2. Northern Power Distribution Company of Telangana Limited,
Corporate Office, Vidyuth Bhavan, Hanumakonda, Warangal

...Petitioners

This Interlocutory Application has come up for hearing on 11.05.2026, Sri. Mohammad Bande Ali, Law Attaché being the representative of the petitioners was present. The matter having been heard and having stood over for consideration to this day, the Commission passed the following .

ORDER

The present interlocutory application is filed by M/s. Southern Power Distribution Company of Telangana Limited (TGSPDCL) and M/s. Northern Power Distribution Company of Telangana Limited (TGNPDCL) (TGDISCOMS) (Petitioners) under section 61, 62(1)(a), 86(1)(b) and 86 (1) (e) of the Electricity Act, 2003 (Act, 2003) read with TGERC Regulation No. 2 of 2015 seeking extension of Commissioning timelines in accordance with the guidelines issued by the Ministry of New and Renewable Energy (MNRE), Government of India in respect

of Model PPA approved in O.P No. 32 of 2025 dated 22.04.2025 for procurement of solar power under PM KUSUM Component- A scheme.

FACTS OF THE CASE:

1. The Petitioners are the Distribution Licensees within the State of Telangana engaged in the business of procurement and supply of electricity to consumers in its licensed area, in accordance with the provisions of the Electricity Act, 2003. The Government of India, through the Ministry of New and Renewable Energy (MNRE), has launched Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM-KUSUM) Scheme, inter alia, Component-A, which envisages setting up of decentralized ground-mounted grid-connected solar power plants. In pursuance of the said scheme, Petitioners stated that they undertook procurement of solar power from eligible Solar Power Generators (SPGs).

2. The Commission, vide order dated 22.04.2025 in O.P. No. 32 of 2025, approved the procurement of 4000 MW (inclusive of 1000 MW capacity for Women Self Help Groups (SHGs) under Indira Mahila Shakti Scheme (IMSS)) decentralized ground mounted grid connected solar power for a period of 25 years from the Commercial Operation Date (COD) by TGDISCOMs under Component-A of PM KUSUM Scheme along with Model PPA. Pursuant thereto, the Petitioners stated that they have entered into PPAs with various solar power generators in line with the approved Model PPA. Petitioners' have stated that PPAs were entered with the solar power generators comprises the stipulated timelines for commissioning of the solar power projects. Subsequently, MNRE, vide its Office Memorandum F. No. 32/645/2017-SPV Division dated 28.03.2026, issued revised guidelines permitting the extension of commissioning timelines under the PM KUSUM Scheme, considering practical difficulties faced by developers including delays in land acquisition, connectivity, supply chain constraints, and other force majeure conditions. The extension of timelines issued by MNRE is specified below-

Component	Mile Stone	Deadline
Component A and Component C (FLS)	Financial Closure of Projects	30.09.2026
	Project Commissioning	31.03.2027

3. Petitioners stated that since the PPAs were executed based on the Model PPA approved by this Commission vide Order dated 22.04.2025 in O.P. No. 32 of 2025, it is sine quo non that

any modification to the PPA requires prior approval of this Commission and further submit that Solar Power Generators are facing genuine difficulties, including delays in obtaining statutory clearances, grid connectivity issues, supply chain disruptions, and delays in achieving financial closure.

4. Petitioners stated that allowing extension of commissioning timelines would prevent cancellation of projects and facilitate achievement of Renewable Purchase Obligations (RPO), and also augment clean energy capacity in the state having no adverse impact on tariff or financial commitments under the PPAs and that the proposed amendment is limited solely to the extension of commissioning timelines to align the PPAs with MNRE guidelines along with the applicability of Liquidated Damages (LD) provisions within revised schedules and seeking to extend financial closure timeline of projects until 30.09.2026 and further seeking completion and commissioning timelines to be extended up to 31.01.2027, with an additional grace period of two (2) months up to 31.03.2027 subject to the applicability of the Liquidated Damages.

5. Petitioners submitted that the following relevant provisions of PPA as per order dated 22.04.2025 which govern the timelines and LD are detailed below-

ARTICLE 1: DEFINITION AND INTERPRETATION

"Scheduled Commissioning Date" (SCOD): shall mean Nine (9) months from the date of signing of PPA.

ARTICLE 3: CONDITION SUBSEQUENT

The SPG agrees and undertakes to make project financing arrangement for its projects and shall provide the necessary documents to TGDISCOMS in this regard within 180 Days from the date of issue of LOA by TGREDCO for the project.

ARTICLE 4: CONSTRUCTION & DEVELOPMENT OF THE PROJECTS

4.5 Liquidated Damages for delay in commencement of supply of power to TGDISCOMS:

4.5.1 (Para2): Delay beyond the SCOD upto (& including) the date as on eleven (11) months from the date of signing of PPA, the Performance Bank Guarantee (PBG) amount shall be encashed on per day basis proportionate to the balance capacity not commissioned in the following manner:

4.5.2. The maximum time period allowed for commissioning of the full project capacity with encashment Performance Bank Guarantee (PBG) except the provisions mentioned

at Article 4.4 shall be limited to eleven (11) months from the date of signing of PPA. In case, the commissioning of the Solar Power Project is delayed beyond the stipulated time as stated above i.e., beyond two months (max. of 60 days) from the date of SCOD, it shall be considered as an SPG's Event of Default and provisions of Article 14 shall apply and the Contracted Capacity shall stand reduced/amended to the Project Capacity commissioned at the end of eleven (11) months from the date of signing of PPA and PPA for the balance capacity will stand terminated and shall be reduced from the Project Capacity

ARTICLE-5: INTERCONNECTION FACILITIES, COMMISSIONING AND COMMERCIAL OPERATION SYNCHRONIZATION,

5.7 The SPG shall commission the Project within Nine (9) months from the date of signing of PPA. Declaration of COD shall be only be done upon the successful verification by the Commissioning Committee.

5.8. In case, the SPG commissions the plant beyond Nine (9) months and within 11 months from the date of signing of PPA, the SPG shall pay TGDISCOMS liquidated damages for such delay in commencement of supply of power as prescribed under Article 4.5 of this PPA.

6. The petitioners sought the following relief through this interlocutory application-
 - “a) To approve the amendment of the Power Purchase Agreements (PPAs) executed under the PM KUSUM Component-A Scheme to
 - (i) To extend the timelines for achieving Financial Closure up to 30.09.2026,
 - (ii) To extend the timelines for completion and commissioning of the projects, in line with the guidelines issued by MNRE, up to 31.03.2027, with a further grace period of two (2) months up to 31.03.2027, subject to the applicability of the Liquidated Damages (LD) clause; and permit the Petitioner to revise the commissioning schedule of the projects accordingly.”
7. The Commission has heard the petitioners and also considered the material available on record.
8. The petitioners’ plea of extending timelines is based on the revised guidelines issued by MNRE permitting the extension of commissioning timelines under the PM KUSUM Scheme and thereafter considering practical difficulties faced by developers including

but not limited to delays in land acquisition, connectivity, supply chain constraints and other force majeure conditions is herewith considered.

9. Hence, for the above said reasons, considering the request of the petitioners in accordance with the MNRE guidelines, the Commission hereby allows the prayer made by the petitioners by extending the timelines for achieving financial closure under PM-KUSUM-Component-A up to 30.09.2026 and extending the timelines for commissioning of the projects until 31.03.2027. The petitioners shall make necessary corrections in PPAs which were entered on or before 31.12.2025 and submit the copy of PPAs for record of the Commission. Accordingly, the I.A. is allowed without any costs.

This Order is corrected and signed on this the 18th day of May, 2026.

Sd/-

CHERUKURI SRINIVASA RAO
MEMBER (FINANCE)

Sd/-

RAGHU KANCHARLA
MEMBER (TECHNICAL)

Sd/-

Dr. JUSTICE DEVARAJU NAGARJUN
CHAIRMAN

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