

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

In the matter of:

Gujarat Electricity Regulatory Commission (Terms & Conditions For Green Energy Open Access) (Fourth Amendment) Regulations, 2026

CORAM:

Pankaj Joshi, Chairman

Hiren Shah, Member

Jatin N. Thakkar, Member

STATEMENT OF REASONS (SOR)

1. Background:

The Gujarat Electricity Regulatory Commission (GERC) has notified the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 through Notification No. 08 of 2024 dated 21.02.2024 (Principal Regulations). Thereafter, the GERC has made an amendment thereto vide GERC (Terms and Conditions for Green Energy Open Access) (First Amendment) Regulations, 2024 through Notification No. 16 of 2024 dated 23.09.2024, GERC (Terms and Conditions for Green Energy Open Access) (Second Amendment) Regulations, 2025 through Notification No. 06 of 2025 dated 28.03.2025 and GERC (Terms and Conditions for Green Energy Open Access) (Third Amendment) Regulations, 2025 through Notification No. 08 of 2025 dated 25.09.2025

In connection with the Banking Charges, the Third Amendment Regulations specifies that:

“1. Short Title, Extent and Commencement

.....

- 4) *The Banking Charge specified in the Regulation 17.6 shall be effective from the date of notification of these Regulations up to 31st March 2026 or earlier date on which the Commission notifies such charges through a separate notification of Regulation.*

.....

17.6 Banking facility and Charges

.....

- (viii) *The Banking Charge at rate of Rs. 1.50 per unit shall be effective from the date of notification of these Regulations up to 31st March 2026 or earlier date on*

which the Commission notifies such charges through a separate notification of Regulation. Thereafter the banking charge for the period starting from the separate notification by Regulations notified by the Commission shall be applicable”

The Commission has initiated study for determination of framework for banking charges. It is noticed that the said study for determination of the framework for banking charges is still under process and requires some more time as the said assignment involves collection and compilation of voluminous data and its scientific analysis and study to specify the banking charge framework. In the meantime, it is proposed to continue with the existing Banking Charge of Rs. 1.50 per unit till 30.06.2026 or earlier date on which the Commission notifies such charges through a separate notification.

Accordingly, it is proposed to amend the existing GERC Regulations through Draft Fourth Amendment Regulations, providing that:

The Clause 1 (4) shall be substituted as under:

“1. Short Title, Extent and Commencement

.....

- 4) *The Banking Charge specified in the Regulation 17.6 shall be effective from the date of notification of these Regulations up to 30th June 2026 or earlier date on which the Commission notifies such charges through a separate notification of Regulation.”*

The 17.6 (viii) shall be substituted as under:

“17.6

.....

- (viii) *The Banking Charge at rate of Rs. 1.50 per unit shall be effective from the date of notification of these Regulations up to 30th June 2026 or earlier date on which the Commission notifies such charges through a separate notification of Regulation. Thereafter, the banking charge for the period starting from the separate notification by Regulations notified by the Commission shall be applicable.”*

2. Consultation Process:

The Draft GERC (Terms and Conditions for Green Energy Open Access) (Fourth Amendment) Regulations, 2026 dated 11.03.2026 for amendment in Principal Regulations read with its First Amendment Regulations, 2024, Second Amendment Regulations, 2025 and Third Amendment Regulations, 2025 was published and also issued Public Notices on 13.03.2026 in two Gujarati newspapers and one English newspaper, inviting comments / suggestions / objections from the stakeholders in the matter.

Thereafter, the Commission conducted a public hearing on the Draft GERC (Terms and Conditions for Green Energy Open Access) (Fourth Amendment) Regulations, 2026 on 30.03.2026. List of stakeholders who submitted written comments and those who have made representation during public hearing is as shown in Table below:

Sr. No.	Name of Stakeholder	Written Submission	Submission of comments / suggestions during Public Hearing
1	Distributed Solar Power Association (DiSPA)	Yes	Yes
2	The Southern Gujarat Chamber of Commerce & Industry (SGCCI)	Yes	No
3	Gujarat Urja Vikas Nigam Limited (GUVNL)	No	Yes

3. Views of the Stakeholders, Analysis and Findings of the Commission thereon:

- i. The stakeholder has submitted that the Commission vide its First, Second and Third Amendment Regulations has extended the terms of Banking Charges of Rs. 1.50 per unit up to 31st March, 2026 on the basis of ongoing study. Thus, making it full 2 years, a significant period for an interim Banking Charges. An interim Banking Charges cannot be allowed to operate indefinitely, as it defects the purpose of statutory determination process.

Commission's Analysis and Decision:

The Commission has noted the aforesaid submission. The Commission notes that the present Fourth Amendment does not seek to introduce any new banking charge or alter the existing rate or methodology, but only proposes continuation of the existing banking charge of Rs. 1.50 per unit for a further limited period up to 30th June, 2026 or earlier date on which the Commission notifies such charges through separate Regulations. The Commission further notes that in the explanatory memorandum of the Fourth Amendment, the Commission had already recorded that determination of the framework for computation of banking charges requires collection of voluminous data from utilities, collation, scientific analysis and detailed study followed by public consultation, and for that reason the existing banking charge was continued in the overall interest of stakeholders. Since the said exercise is still under progress, the Commission is of the view that continuation of the existing banking charge for a short further period is necessary and reasonable, so as to avoid any regulatory vacuum till final determination of the banking charge framework.

- ii. The stakeholder has submitted that neither the State utilities nor the draft amendment provide calculations, simulation, study material or logic for arriving at the banking charge of Rs. 1.50 per unit. It has been contended that, in absence of such study and supporting data, the present interim charge should not be continued and, instead, the banking charge prescribed in the Green Energy Open Access Rules / Forum of Regulators' recommendation, namely 8% in kind of banked energy, should be adopted till final determination by the Commission.

Commission's Analysis and Decision:

The Commission has examined the aforesaid submission. The Commission notes that the present proceedings are confined to the limited issue of extending the operative period of the existing banking charge already forming part of the Principal Regulations, and do not involve final determination of the banking charge framework. The Commission further notes that similar submissions seeking adoption of banking charges at 8% in kind in place of Rs. 1.50 per unit were also raised during the previous amendment proceedings as well as at the time of finalization of Principal Regulations, and the Commission had then observed that the framework for computation of banking charges required detailed study and, pending such finalisation, continuation of the existing charge was necessary in the overall interest of stakeholders. The Commission continues to hold the same view. The request for adoption of 8% in kind of banked energy as an interim substitute is not accepted in the present proceedings. The issue of final methodology and quantum of banking charges shall be considered separately upon completion of the ongoing study and due public consultation.

- iii. The stakeholder has contended that the existing banking charge of Rs. 1.50 per unit was originally justified in the context of solar power and cannot uniformly apply to other technologies such as wind and wind-solar hybrid, which have different CUF/PLF characteristics. It has been submitted that wind-solar hybrid projects have much higher CUF/PLF and, therefore, the same banking charge should not be uniformly levied across technologies. The stakeholder has also argued that backing down cost of conventional generation is already recovered through additional surcharge and should not again form part of banking charge. On this basis, the stakeholder has alternatively suggested differentiated banking charges for different technologies, namely Solar – Rs. 1.50/kWh, Wind – Re. 1.00/kWh and Wind-Solar Hybrid – Re. 0.50/kWh.

Commission's Analysis and Decision:

The Commission has noted the aforesaid submissions. The Commission observes that the objections relating to technology-wise differentiation of banking charges, alleged

overlap with additional surcharge, and proposal for separate banking charge rates for solar, wind and wind-solar hybrid pertain to the substantive framework, design and methodology of banking charges, require detailed examination based on technical and commercial data, including study of technology profile, grid balancing requirement, operational impact and cost implications. The present amendment, however, is a limited amendment only for continuation of the existing banking charge for a short further period and does not reopen the substantive determination of banking charge methodology. The Commission, therefore, is not inclined to consider these broader issues in the present proceedings. The same may be examined in the separate exercise for finalisation of banking charge framework.

- iv. The stakeholder has referred to the Green Energy Open Access Rules, 2022 and banking charge provisions prevailing in certain other States, and has submitted that, in the absence of final determination by the Commission, the provisions adopted elsewhere, particularly banking charge at 8% in kind of banked energy, may be made applicable in Gujarat till such time the Commission determines the issue finally.

Commission's Analysis and Decision:

The Commission has noted the aforesaid submission. The Commission is of the view that the regulatory framework applicable in the State of Gujarat is governed by the Regulations notified by the Commission, and the present proceedings are limited to amendment of Regulation 1(4) and Regulation 17.6(viii) for extending the period of the existing banking charge up to 30th June 2026 or earlier notification through separate Regulations. The banking charge framework applicable in other States cannot be adopted mechanically, as the same depends upon State-specific regulatory design, network conditions, power procurement structure and policy considerations. Accordingly, the Commission is not persuaded to substitute the existing framework with energy Banking Charge framework adopted by other States.

- v. One of the stakeholder has sought amendment / clarification with respect to certain Regulations of the Principal Regulations stating as under:
 - (a) It is requested to amend Regulation 17.8.3 to reduce the Transaction Charges and Meter Reading Charges.
 - (b) It is requested to issue clarification with respect to permissible quantum of banked energy at 30% of total consumption of electricity from the distribution licensees by the consumer during the billing period as provided under Regulation 17.6(vi) of the Principal Regulations.

- (c) It is contended that consumers who registered their green energy projects prior to 31.08.2024 proceeded on the basis that 100% banking was permissible, and therefore such consumers should be allowed banking beyond 30%, up to the entire self-generated green energy.
- (d) It is requested to amend the Principal Regulations to allow a captive Renewable Energy plant owner to sell its excess generated energy to any third party or in the open market, without payment of relinquishment charges, by changing wheeling arrangement up to a maximum of 30% of its total generated energy in a year.

Commission's Analysis and Decision:

The Commission has noted considered the aforesaid submission. The Commission observes that the aforesaid submissions / suggestions of the stakeholder do not fall within the scope of the present proceedings and therefore not considered in this proceedings.

4. With consideration to above, the Commission decide and directs to the Office of the Commission that the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) (Fourth Amendment) Regulations, 2026 be published in the Official Gazette as decided in the foregoing paragraph of this Statement of Reasons.

Sd/-
JATIN N. THAKKAR
Member

Sd/-
HIREN SHAH
Member

Sd/-
PANKAJ JOSHI
Chairman

Place: Gandhinagar
Date: 30/03/2026