BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR

Petition No. 2466 of 2025.

In the matter of:

In the matter of filing of Petition for providing clarification for applicable provision of Regulation for Grid Interactive Rooftop PV solar Project commissioned on 11th May, 2022, before the publication of GERC Net Metering Regulations Amendment - 3 on 31st May, 2022.

Petitioner	:	Surya Roshni Ltd.
Represented by	:	Mr. Kalpesh B. Ramjiyani and Mr. P.R. Thukral

V/s.

Respondent No. 1	:	Paschim Gujarat Vij Company Limited
Represented by	:	Ld. Adv. Ms. Shrishty Khindaria along with Mr. S.N. Parmar and Mr. J.R. Bavalia
Respondent No. 2	:	Gujarat Urja Vikas Nigam Limited
Represented by	:	Nobody was present.

CORAM:

Mehul M. Gandhi, Member
S. R. Pandey, Member

Date: 29/09/2025.

ORDER

1. The Petitioner has filed the present Petition seeking following prayers:

   (a) To admit the petition;

   (b) To clarify the applicable Regulation for the Petitioner's Solar PV Project being commissioned on 11th May 2022 before the date of Ammendment-3 Regulation by Honourable Commission;

(c) *To direct the Respondent No.1 -PGVCL to enter in to a fresh agreement/amendment to the interconnection agreement entered for petitioners Rooftop PV project.*

(d) *To direct Respondent No.1-PGVCL that Banking charges are not applicable to the generation of solar energy from project commissioned before effective date of Ammendment-3 regulations i.e. 31/05/2022 and accordingly,*

(e) *To direct respondent No.1-PGVCL to refund the banking charges charged so far from the petitioner for their Rooftop PV generation.*

(f) *To pass any other order as the Honourable Commission may deem fit and appropriate under the circumstances of the case to avoid further delay and in the interest of justice.*

2. Brief facts as stated in the Petition are as under: -

2.1. The Petitioner Company, registered under the Companies Act 1956, is engaged in the business of manufacturing activity at Survey No. 188, Anjar Mundra Highway, Village Bhuvad, Ta: Anjar, Dist: Kutch, Gujarat-370130 in the area of Respondent. No.1-PGVCL.

2.2. The Petitioner had commissioned 750KWp (AC Capacity and 951.60 DC KVWP) rooftop solar PV system on 11th May 2022 having consumer No. 31537.

2.3. The commissioning of Rooftop PV project was allowed by entering into provisional Grid Interconnection Agreement dated 07.05.2022 with the Respondent No. 1 pursuant to awaited necessary amendment to GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 (Net Metering Regulations, 2016) with respect to Gujarat Solar Power Policy, 2021.

2.4. The Interconnection agreement entered with Respondent No. 1 was on provisional basis and it was defined to sign a final Interconnection agreement as per the Order of the Commission for amendment in Net Metering Regulations corresponding to Gujarat Solar Power Policy, 2021.

2.5. The Commission has notified Notification No. 2 of 2022, GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) (Third Amendment) Regulations, 2022 dated 31.05.2022 and same is given effect from the date of its publication i.e. 31.05.2022. The GERC Net metering regulation amendment-3 statement of reasons, read as under:

"2. These Regulations shall come into force with effect from the date of their publication in the Official Gazette." "The Regulations which may be made hereinafter for any amendment in any existing Regulations shall come into force from the date of Notification in the Official Gazette and it has a prospective effect from the date of publication. The suggestion regarding giving effect after 3 months from date of notification is not acceptable as the Regulations are amended to give effect in the existing Regulations immediately on its publication so as to avoid any ambiguities in the applicability of provisions to such projects including disputes which may arise on that basis"

2.6. With consideration to above clarity petitioner has made representation to respondent no.1 and 2 (copy of representations enclosed as Annexure-3) for entering into fresh interconnection agreement under the provisions of existing regulations as on date of project commissioning i.e. 11/05/2022 which is GERC Net Metering Regulations-2016 and its Second Amendment of 2020.

2.7. The Petitioner subsequently made representation to Respondent No. 1, PGVCL and requested for signing of final agreement. The Respondent No. 1 responded to the Petitioner vide letter dated 21.06.2023 stating that:

"Anent to the above, your application received for aforesaid matter on 12.10.2022 & 05.01.2023 we have reply already sent to you vide this office letter no ADO/Rev/HT/31537/01- 2023/0398 Dt. 20.01.2023 for Banking charges charged as per Inter Connection Agreement for Captive use (for other than Residential consumer), agreement clause no. 9 Banking Charge".

2.8. It is submitted that the above response from Respondent No. 1 is without any attention to the query raised for applicable regulation of net metering and signing of new fresh agreement to replace provisional agreement thereof and only reiterating the fact of charging banking charges under provisional agreement.

2.9. With disagreement to above response, the Petitioner has made representation at corporate office of Respondent-1 PGVCL and successively to the office of respondent 2 GUVNL.

2.10. However, there is no further response till date from any respondent and no any such action is taken by Respondent-1 and unilaterally continued to charge banking charges for total Solar power generation under the provisions of amendment-3 of GERC net metering regulations.

2.11. It is further submitted that as per The Third Amendment regulation-2022, amendment No. 11) Amendment in Regulation 9 of the principal regulations and its Second amendment, point 9 (d) "The solar rooftop power projects commissioned under the provisions of earlier notifications of net metering regulations notified by the commission, the energy accounting of such projects shall be governed by the provisions of net metering regulations under which they were commissioned.

2.12. The respondent has till date (period 11/05/2022 to 31/12/2024) charged Rs. 4298259 as banking charge for 2865506 Units generated from Solar Rooftop PV System.

Reply of Respondent No.1 PGVCL

3. The Respondent PGVCL has filed its reply to the Petition *inter-alia* stating as under:

3.1. It is submitted that the Petitioner and the Respondent PGVCL entered into a provisional Grid Interconnection Agreement dated 07.05.2022 for evacuation of power from the 951.60 kw DC Solar Rooftop project of the Petitioner. With respect to banking charges, the Agreement provided as under

> ***9. Banking Charge***
> *i. In case of MSME Manufacturing Enterprises and other demand Based Consumers – Banking Charge of Rs. 1.10/ unit on solar energy consumed by consumer*
> *ii. In other cases – Banking Charge of Rs. 1.50 / Unit on solar energy consumed by Consumer*
>
> *Provided that Banking Charge shall not be applicable in case of Solar Project for Residential building, Government Building and Solar project set up for compliance of RPO.*
> *For the purpose of applicability of Banking Charges, the solar energy consumption shall be worked out as per the solar generation units recorded in solar energy meter or solar power system during the billing period LESS surplus solar units on which Surplus Injection Compensation is paid by DISCOM.*

3.2. It is not disputed between the parties that the Petitioner commissioned its Power Project on 11.05.2022.

3.3. In response to the representation of the Petitioner vide letters dated 12.10.2020 and letter dated 05.01.2023 inter alia requesting for refund of banking charges, the Respondent PGVCL, vide its letter dated 20.01.2023, stated as under:

With reference to the above subject, this is to inform that Banking Charges as per the Inter Connection Agreement for Captive Use (for other than Residential consumer), Agreement Clause no. 9 Banking Charge

3.4. It is submitted that the issue is in regard to the applicable mechanism for the Petitioner. The Petitioner had commissioned the power project on 11.05.2022 i.e. under the Gujarat Solar Power Policy 2021 and after the Order dated 11.06.2021 in Petition No. 1936 of 2021 amending the Order dated 08.05.2020 for Solar Power Projects. The Petitioner's claim is that it was commissioned prior to the Third Amendment to the Net Metering Regulations.

3.5. It is submitted that the Government of Gujarat, notified the Gujarat Solar Power Policy, 2021 on 29.12.2020. The said Policy provided for payment of banking charges by MSME Manufacturing units setting up rooftop solar PV Plants. In this regard, the Solar Power Policy, 2021, provided as under:

1.12 Banking charges of Rs.1.50/ unit on solar energy consumed in case of Demand Based Consumers shall be applicable. In case of MSME units and other than Demand Based Consumers, Banking Charges of Rs.1.10 per unit on Solar Energy Consumed shall be applicable. Banking Charges shall not be applicable to government buildings.

3.6. In pursuance to the above, Gujarat Urja Vikas Nigam Limited ('GUVNL') initiated proceedings being Petition No. 1936 of 2021 for incorporation of provisions of the Gujarat Solar Power Policy, 2021, in the Net Metering Regulations, 2016.

3.7. It is submitted that the order dated 11.06.2021 passed by this Hon'ble Commission in Petition No. 1936 of 2021 also provided for the banking charges to be levied on MSME and manufacturing units setting up rooftop solar power plants. In this regard, the Order dated 11.06.2021 of the Hon'ble Commission provides as under:

"16.29. The banking charges have been provided in the Solar Power Policy 2021 by the Government of Gujarat after due consideration in public interest balancing the interest of consumers as well as solar power developers.
...
16.33. In order to balance the interest of solar power projects and general body of consumers specifically when solar capacity ceiling is removed in the Policy, it is provided to levy banking charges of Rs. 1.10/1.50 per unit, so that part of additional cost implication can be recovered from solar power consumption and burden on the general body of consumers can be reduced to that extent. Therefore, these charges cannot be considered arbitrary or unreasonable considering the fact that only part of fixed cost liability towards conventional generation capacity for providing banking facility is sought to be recovered as banking charges.

16.34. The other charges, such as cross subsidy surcharge, additional surcharge, wheeling charges, transmission charges, electricity duty etc., are not relevant. Each of these charges are applicable for a particular purpose and are determined by the Commission. The objectors cannot raise a general ground that the other charges are too high and therefore there should not be a banking charge. The banking charges are payable for banking facility and are independent of all other charges. There cannot be any dispute that the banking facility entails impact on the distribution licensee.

16.35. There is sufficient justification and rationale in the provisions of the Solar Power Policy 2021 issued by Government of Gujarat in public interest. Further the Policy aims to balance the interests of solar power projects and distribution companies/general body of consumers.

16.36. The equation of banking charges to demand charges is facetious. The demand charges are payable for contract demand maintained by a consumer with the distribution licensee and are payable by all consumers, irrespective of whether they are only consumers or seek open access, purchase conventional power or renewable power etc. Therefore, clearly the provision of banking facility is not related to such demand charges."

3.8. The Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 ('Net Metering Regulations') notified by the Commission on 18.06.2016, at that time did not specifically provide for levy of banking of charges on MSME Manufacturing units with

Rooftop Solar PV projects but also did not provide that there would be no banking charges applicable.

3.9. The Regulations were subsequently amended on 06.10.2017 ('first amendment') and 23.01.2020 ('second amendment'). The said amendments also did not provide for any levy of Banking Charges on MSME Manufacturing units with Rooftop Solar PV projects and also did not provide that there would be no banking charges. Banking charges were introduced vide the third amendment dated 31.05.2022.

3.10. Though the amount of Banking Charges to be levied on MSME Manufacturing Units with Rooftop Solar PV Plants were specifically introduced vide the 3rd amendment dated 31.05.2022, the Net Metering Regulations, 2016 along with the 1st and 2nd amendment did not bar PGVCL from levying any banking charges. Therefore until 31.05.2022, the Net Metering Regulations were silent on the aspect of banking charges.

3.11. It is submitted that as a promotional measure, initially no Banking charges were levied on Solar Projects developed prior to the Gujarat Solar Power Policy, 2021. However this does not mean that there cannot be any imposition of banking charges at all. The Commission is entitled to impose banking charges as considered appropriate. Therefore the Commission vide Order dated 11.06.2021 had provided for banking charges. The Petitioner in the Petition has completely failed to address the implications of Order dated 11.06.2021. The Order dated 11.06.2021 cannot be ignored. It cannot be that despite the Order dated 11.06.2021 providing for banking charges, the same cannot be applied to the Petitioner.

3.12. The Net Metering Regulations, 2016 along with the first and second amendments, do not bar banking charges, especially if such charges are provided under the Gujarat Solar Policy, 2021 and the Hon'ble Commission vide Order dated order dated 11.06.2021 in Petition No. 1936 of 2021 had provided for the same. In the event, there is a lacuna in the statutory Regulation, i.e. the Regulations do not provide for a certain situation, the gap can be filled by the Order of the Commission, as in this present case.

3.13. The reliance on the provisions of Amendment to Net Metering Regulations on Regulation 2 and Regulation 9 (d) only refers to the applicability of Net Metering Regulations and even otherwise only that energy accounting has to be as per prior Regulations. It does not prohibit or bar the applicability of the Orders such as Order dated 11.06.0221.

3.14. Even as per the prior Regulations, in view of absence of any provision to the contrary in the Regulations, the provisions of the Order dated 11.06.2021 would be applicable. Since admittedly, the Petitioner's project was commissioned on 11.05.2022 i.e. after Order dated 11.06.2021, the Petitioner is governed by the Order dated 11.06.2021.

3.15. It is submitted that the prayer of the Petitioner to sign a fresh interconnection agreement without the provision of banking charges is not maintainable. The Petitioner entered into the Interconnection Agreement dated 07.05.2022 providing for banking charges in terms of the relevant order of this Hon'ble Commission and the same is valid and binding between the parties. The terms of the contract entered into between the parties are sacrosanct and cannot be altered. The interconnection Agreement has been entered into by the parties and it is not open for the terms to be unilaterally changed. It has been held repeatedly and consistently that the terms of the contract are binding and the courts cannot create a new bargain between the parties. In this regard, the Respondent relying on the following decisions of the Hon'ble Supreme Court:

(a) Alopi Parshad and Sons Ltd. -v-Union of India, AIR 1960 SC 588 (Para 21);

(b) Naihati Jute Mills Ltd. -v- Khyalirm Jagannath, (AIR 1968 SC 522 (Para 10);

(c) Shree Ambica Medical Stores -v- Surat People's Cooperative Bank Limited (2020) 13 SCC 564 (Paras 20 and 21)

(d) Shin Satellite Public Co. Ltd.-v- Jain Studios Ltd. (2006) 2 SCC 628 (Para 15);

(e) Food Corpn. of India -v- Chandu Construction, (2007) 4 SCC 697 (Paras 11,12,13,19 and 20)

(f) Rajasthan State Industrial Development & Investment Corpn -v- Diamond & Gem Development Corpn. Ltd, (2013) 5 SCC 470 (Paras 23 and 24);

3.16. The Banking charges paid by the Petitioner/recovered by PGVCL are in terms of the binding contract entered into between the parties and PGVCL is not liable to refund the same.

4. During the hearing, Sh. Kalpesh B. Ramjiyani appearing on behalf of the Petitioner submitted that there is no dispute that the Petitioner's Rooftop project was commissioned on 11.05.2022 and the commissioning of the project was allowed by the Respondent, PGVCL by signing provisional Interconnection Agreement dated 07.05.2022.

4.1. In the present matter, the dispute between the parties is with respect to the applicability of the Regulations effective as on date of commissioning of solar rooftop project installed by the Petitioner.

4.2. It is stated that the provisions of inter-connection agreement executed on 07.05.2022 between the Petitioner, who is installing grid connected rooftop solar PV project at its consumption premise, and Respondent PGVCL, is to be in accordance with the provisions of Net Metering Regulations of the Commission as amended from time to time and as applicable as on date of commissioning of aforesaid Grid connected rooftop solar PV project.

4.3. As per GEDA registration certificate no. PG/HT/10079886, 14.02.2022, the Solar Rooftop PV project installed by the Petitioner was commissioned on 11.05.2022. In the present matter, the Commission is required to decide as to whether the provisional inter-connection agreement signed by the parties on 07.05.2022, contains the provisions of Net Metering Regulations of the Commission as applicable as on date of commissioning of solar rooftop project of the Petitioner or not.

4.4. The GUVNL filed the Petition No. 1936 of 2021 under Section 86 and other applicable provisions of the Electricity Act, 2003 seeking incorporation of provisions of Solar Power Policy - 2021 notified by the Government of Gujarat vide GR No. SLR – 11/2020/77/B1 dated 29.12.2020 appropriately in the Order No. 3 of 2020 dated 08.05.2020 for Tariff framework for procurement of power by Distribution Licensees and Others from Solar energy projects and other commercial issues for the State of Gujarat and GERC (Net-Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 as amended from time to time.

4.5. The Commission vide Order dated 11.06.2021 in the Petition No. 1936 of 2021, has amended the Order dated 08.05.2020 read with Order dated 05.08.2020 and decided that the solar power projects which are commissioned prior to the date of order shall be governed by the provisions of earlier Order No. 3 of 2020 dated 8.05.2020 read with Suo-Motu Order No. 6 of 2020 dated 05.08.2020. As far as amendment in the GERC (Net-Metering Rooftop Solar PV Grid Interactive Systems) Regulations, is concerned, the Commission in the Order dated 11.06.2021 decided to undertake separate procedure for amendment in the GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 and amendments thereto and directed to the staff of the Commission to initiate process for amendment in the GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 and follow the procedure specified for pre-publication etc. prior to notification of the regulations.

4.6. The Commission issued third amendment to the Net Metering Regulations vide Notification No. 02 of 2022 on 31.05.2022 effective from date of its gazette notification and accordingly, solar rooftop PV project installed by consumer at its consumption premises and commissioned on or after 31.05.2022 shall be governed by the provisions of third amendment.

4.7. The Solar Rooftop project of the Petitioner is governed by the provisions of 2nd amendment to the net Metering Regulations which do not provide for levy of any baking charge. Therefore, it is wrong on part of Respondent PGVCL to incorporate the provisions related to levy of banking charge in the provisional Inter-connection Agreement executed with the Petitioner prior to the effective date of 3rd amendment to the Net Metering Regulations.

5. Par contra, the Ld. Adv appearing on behalf of the Respondent, PGVCL submitted that the Respondent has considered the applicability as per Order dated 11.06.2021 which was passed prior to the commissioning of the rooftop solar project of the Petitioner.

5.1. The Commission in the said Order dated 11.06.2021, explicitly observed that such levy of banking charge is neither arbitrary nor unreasonable nor unprecedented. The Commission, while keeping public interest in view, clarified that the banking charges are intended to recover only a part of the fixed cost liability associated with conventional generation capacity used to provide the banking facility. PGVCL has acted as per the above Order.

5.2. Until 31.05.2022, the Net Metering Regulations were silent on the aspect of banking charges. But they do not bar the banking charges, especially if such charges are provided under the Gujarat Solar Policy, 2021 and the Commission vide Order dated order dated 11.06.2021 in Petition No. 1936 of 2021 had provided for the same.

5.3. The Net Metering Regulations, 2016 along with the first and second amendments, do not bar banking charges, especially if such charges are provided under the Gujarat Solar Policy, 2021 and the Commission vide Order dated order dated 11.06.2021 in Petition No. 1936 of 2021 had provided for the same. In the event, there is a lacuna in the statutory Regulation, i.e. there are no Regulations or the Regulations do not provide for a certain situation, the gap can be filled by the Order of the Commission, as in this present case.

5.4. It is submitted that the State Commissions can fill in the gap through orders:

a. The Constitution Bench of the Hon'ble Supreme Court in *PTC India Ltd. v. Central Electricity Regulatory Commission*, (2010) 4 SCC 603 (*PTC*, supra),held as under:

> "***55.*** *To regulate is an exercise which is different from making of the regulations. However, making of a regulation under Section 178 is not a precondition to the Central Commission taking any steps/measures under Section 79(1). As stated, if there is a regulation, then the measure under Section 79(1) has to be in conformity with such regulation under Section 178.* *This principle flows from various judgments of this Court which we have discussed hereinafter. For example, under Section 79(1)(g) the Central Commission is required to levy fees for the purpose of the 2003 Act. An order imposing regulatory fees could be passed even in the absence of a regulation under Section 178. If the levy is unreasonable, it could be the subject-matter of challenge before the appellate authority under Section 111 as the levy is imposed by an order/decision-making process. Making of a regulation under Section 178 is not a precondition to passing of an order levying a regulatory fee under Section 79(1)(g). However, if there is a regulation under Section 178 in that regard then the order levying fees under Section 79(1)(g) has to be in consonance with such regulation.*
>
> ***56.*** *Similarly, while exercising the power to frame the terms and conditions for determination of tariff under Section 178, the Commission has to be guided by the factors specified in Section 61. It is open to the Central Commission to specify terms and conditions for determination of tariff even in the absence of the regulations under Section 178. However, if a regulation is made under Section 178, then, in that event, framing of terms and conditions for determination of tariff under Section 61 has to be in consonance with the regulations under Section 178.*
>
> ***57.*** *One must keep in mind the dichotomy between the power to make a regulation under Section 178 on the one hand and the various enumerated areas in Section 79(1) in which the Central Commission is*

mandated to take such measures as it deems fit to fulfil the objects of the 2003 Act. Applying this test to the present controversy, it becomes clear that one such area enumerated in Section 79(1) refers to fixation of trading margin. Making of a regulation in that regard is not a precondition to the Central Commission exercising its powers to fix a trading margin under Section 79(1)(j), however, if the Central Commission in an appropriate case, as is the case herein, makes a regulation fixing a cap on the trading margin under Section 178 then whatever measures the Central Commission takes under Section 79(1)(j) have to be in conformity with Section 178.*

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***59.** To elucidate, we may refer to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004. The said Regulations have been made under Section 178 of the 2003 Act. Regulation 15 deals with various components of tariff. It includes advance against depreciation ("AAD", for short). Regulations 21(1)(ii) and 38(ii) deal with computation of depreciation including AAD.*

***60.** Recently, this concept of AAD came for consideration before this Court in National Hydroelectric Power Corpn. Ltd. v. CIT [(2010) 3 SCC 396 : (2010) 1 Scale 5] . AAD was suggested by the Central Commission as part of the tariff in order to overcome the cash flow problems faced by Central power sector utilities for meeting loan repayment obligations. The important point to be noted is that although under Section 61 of the 2003 Act the Central Commission is empowered to specify AAD as a condition for determination of the tariff, the Central Commission in its wisdom thought it fit to bring in the concept of AAD by enacting a regulation under Section 178 giving the benefit of AAD across the board to all Central power sector utilities. In other words, instead of giving the benefit of AAD on a case-to-case basis under Section 61, the Central Commission decided to make a specific regulation giving benefit of AAD across the board to all Central power sector utilities.*

……..

***63.** One more citation may be noticed. Reserve Bank of India is a regulator under the RBI Act, 1934 (the 1934 Act). Under the 1934 Act, RBI is empowered not only to regulate banks but also financial institutions, NBFCs, etc. Chapter III-B of the 1934 Act deals with provisions relating to financial institutions and NBFCs receiving deposits from the public. Under Section 45-JA of the 1934 Act, RBI is given the power to determine policy and issue directions to NBFCs and financial institutions in public interest or in order to regulate the financial system of the country. Section 45-JA, however, is confined to Chapter III-B. However, under Section 58, which falls in Chapter IV,* *dealing with general provisions, the Board of Directors of RBI are given the power to make regulations consistent with the 1934 Act to provide for all matters for which provision is necessary. The principle of "generality versus enumeration" is also applicable to Section 58 of the RBI Regulations because under Section 58(2) there is a list of topics enumerated on which regulations could be made. In other words, Sections 58(1), (2) of the 1934 Act are similar to Sections 178(1), (2) of the 2003 Act.*

64. *Recently, before the Division Bench of this Court, the question arose, inter alia, as to the accounting treatment to be given by NBFCs accepting deposits from the public in the context of provision to be made for non-performing assets (NPAs). An order was passed by RBI under Section 45-JA of the 1934 Act stating that although provision for doubtful debts is required to be reduced from the assets side of the balance sheet under the provisions of the Companies Act, 1956, for proper disclosure under the 1934 Act, such a provision should be shown in the balance sheet specifically on the liabilities side. It is interesting to note that the order was passed under Section 45-JA which, as stated above, is part of Chapter III-B of the 1934 Act, which Chapter expressly deals with provisions relating to NBFCs. There was no regulation enacted under Section 58 on the topic, namely, NPAs. The point to be noted is, that there could be an order/decision of a regulator under the Act even in the absence of regulations. RBI like CERC is a regulator under the 1934 Act. Under Section 45-JA it is empowered to issue directions in contradistinction to its powers to enact regulations under Section 58 of the 1934 Act. Giving directions under Section 45-JA need not be preceded by regulations made under Section 58, however, if in a given case, RBI/Board would have enacted a regulation on making of provision for NPAs under Section 58 then the order of RBI under Section 45-JA of the 1934 Act was required to be in conformity with the said regulations. (See the judgment of this Court in Southern Technologies Ltd. v. CIT [(2010) 2 SCC 548 : (2010) 1 Scale 329] .)*

65. *The above two citations have been given by us only to demonstrate that under the 2003 Act, applying the test of "general application", a regulation stands on a higher pedestal vis-à-vis an order (decision) of CERC in the sense that an order has to be in conformity with the regulation. However, that would not mean that a regulation is a precondition to the order (decision). Therefore, we are not in agreement with the contention of the appellant(s) that under the 2003 Act, power to make regulations under Section 178 has to be correlated to the functions ascribed to each authority under the 2003 Act and that CERC can enact regulations only on topics enumerated in Section 178(2). In our view, apart from Section 178(1) which deals with* *"generality" even under Section 178(2)(ze) CERC could enact a regulation on any topic which may not fall in the enumerated list provided such power falls within the scope of the 2003 Act. Trading is an activity recognised under the said 2003 Act."*

[Emphasis Supplied]

b. Further, the Hon'ble Supreme Court has more recently reaffirmed the view taken in *PTC* (supra) in *Power Grid Corporation of India Ltd. v. M.P. Power Transmission Co. Ltd.*, 2025 SCC OnLine SC 1128.

The relevant para(s) of the said judgment is herewith for the ready reference of this the Commission:

"42. In Energy Watchdog v. CERC, reported in (2017) 14 SCC 80, this Court has further held that Section 79(1) is the repository of the regulatory powers of the CERC and such powers must be exercised in consonance with the guidelines or regulations under Section 178. However, if there are no such guidelines or regulations in place, it cannot be said that the hands of the CERC are tied when it encounters a regulatory lacuna. The relevant portion of the judgment reads thus:

> *"20. It is important to note that the regulatory powers of the Central Commission, so far as tariff is concerned, are specifically mentioned in Section 79(1). This regulatory power is a general one, and it is very difficult to state that when the Commission adopts tariff under Section 63, it functions dehors its general regulatory power under Section 79(1)(b). For one thing, such regulation takes place under the Central Government's guidelines. For another, in a situation where there are no guidelines or in a situation which is not covered by the guidelines, can it be said that the Commission's power to "regulate" tariff is completely done away with? According to us, this is not a correct way of reading the aforesaid statutory provisions. The first rule of statutory interpretation is that the statute must be read as a whole. As a concomitant of that rule, it is also clear that all the discordant notes struck by the various sections must be harmonised. Considering the fact that the non obstante clause advisedly restricts itself to Section 62, we see no good reason to put Section 79 out of the way altogether. The reason why Section 62 alone has been put out of the way is that determination of tariff can take place in one of two ways — either under Section 62, where the Commission itself determines the tariff in accordance with the provisions of the Act (after laying down the terms and conditions for determination of tariff mentioned in Section 61) or under Section 63 where the Commission adopts tariff*

that is already determined by a transparent process of bidding. <u>In either case, the general regulatory power of the Commission under Section 79(1)(b) is the source of the power to regulate, which includes the power to determine or adopt tariff. In fact, Sections 62 and 63 deal with "determination" of tariff, which is part of "regulating" tariff. Whereas "determining" tariff for inter-State transmission of electricity is dealt with by Section 79(1)(d), Section 79(1)(b) is a wider source of power to "regulate" tariff. It is clear that in a situation where the guidelines issued by the Central Government under Section 63 cover the situation, the Central Commission is bound by those guidelines and must exercise its regulatory functions, albeit under Section 79(1)(b), only in accordance with those guidelines. As has been stated above, it is only in a situation where there are no guidelines framed at all or where the guidelines do not deal with a given situation that the Commission's general regulatory powers under Section 79(1)(b) can then be used."</u>

(Emphasis supplied)

43. In the case on hand, the CERC vide its orders dated 21.01.2020 and 27.01.2020 respectively imposed the liability of payment of compensation for delay onto the respondent no. 1. It is the case of the respondent no. 1 that by doing so, the CERC did not act in conformity with the 2014 Tariff Regulations which do not provide for payment of transmission charges by a party to whom the delay is attributable. <u>In our considered view, the said argument does not hold any water. This Court's dictum in PTC (supra) and Energy Watchdog (supra) respectively settles the law in this regard and the absence of a regulation under Section 178 does not preclude the CERC from exercising its powers under Section 79(1) to make specific regulations or pass orders between the parties before it.</u>

……

46. It is the submission of the respondent no. 1 that the CERC does not possess any regulatory or legislative power while adjudicating a petition and it functions as a purely quasi-judicial body, therefore, it does not have the jurisdiction to impose a charge on the respondent no. 1. <u>In our considered view, the said argument must fail for the reason that Section 79 of the Act, 2003 envisages dual function of regulation and adjudication to be performed by the CERC. The expressions "to regulate", "to determine" and "to adjudicate" are used for different purposes in the list of matters enumerated under Section 79(1) and cannot be incorporated within the umbrella term of "adjudication". 47. The exposition of law in PTC (supra) clarifies the scheme of regulatory powers and functions under the Act, 2003. It was held therein that Section 178 that deals with making of regulations by way of</u>

subordinate legislation by the CERC, is wider than Section 79(1) which enumerates specified areas where the CERC exercises regulatory functions to be discharged by orders or decisions. Therefore, unlike the regulations enacted under Section 178 that have a general application, the CERC, under Section 79, has both regulatory and adjudicatory functions which it exercises in respect of specific issues arising between specific parties. The relevant portion of the judgment reads thus:

> *"92. (i) In the hierarchy of regulatory powers and functions under the 2003 Act, Section 178, which deals with making of regulations by the Central Commission, under the authority of subordinate legislation, is wider than Section 79(1) of the 2003 Act, which enumerates the regulatory functions of the Central Commission, in specified areas, to be discharged by orders (decisions)."*

………

48. The regulatory powers provided to the CERC under Section 79 are of ad hoc nature and are required to be exercised by the CERC in context of the specific circumstances of the parties before it. The rationale for provision of such ad hoc powers by the Act, 2003 is to ensure that regulatory gaps, if any, that may be discovered on a case-to-case basis, are filled or removed. Therefore, there is no doubt in our mind that the CERC is enabled to exercise its regulatory powers by way of orders under Section 79 and the purview of Section 79 is not limited to only adjudicatory orders but includes within its scope administrative functions as well.

…………

57. The respondent no. 1 has averred that the CERC cannot conflate its powers of regulation with its adjudicatory functions and a regulation cannot be brought into force by way of a judicial order. In the specific case of Nuclear Power Corporation (supra), we are inclined to agree with the submission of the respondent no. 1 to the extent that a regulation cannot be done through the process of adjudication. However, could it be said that there is a blanket ban on the CERC to exercise its regulatory functions by way of orders under Section 79(1)? In light of this Court's dictum in AERA (supra), our answer to this question must be an emphatic 'No'.

58. We are of the view that even though the orders under Section 79 may not always be limpid as regards the matters where CERC is exercising its regulatory functions yet this cannot be the reason to conclude that the CERC passes all orders in its capacity as an adjudicator. The nomenclature "judicial order(s)" as used in Nuclear Power Corporation (supra) does not change the nature of a specific *order that the CERC gives in its capacity as a regulator and the courts must understand the true import of an order to determine the nature thereof.*

59. The CERC granted liberty to the appellant herein to claim compensation from the respondent no. 1 to deal with a situation caused due to an unprecedented event not covered by any guidelines, regulations or contractual provisions between the parties. The dictum of this Court in paragraph 20 of Energy Watchdog (supra), indicates that in such a situation where there is an absence of regulations and guidelines, the Act, 2003 mandates the CERC to strike a judicious balance between the parties keeping in mind commercial principles and consumers' interest, in exercise of its general regulatory powers under Section 79(1).

60. The aforesaid leaves no manner of doubt in our mind that though the CERC's orders dated 21.01.2020 and 27.01.2020 respectively were for determination of tariff, yet the order granting liberty to the aggrieved appellant to claim compensation from the defaulting party is a consequence of a regulatory lacuna in the 2014 Tariff Regulations and therefore, is an instance of regulation of tariff between the parties"

[Emphasis Supplied]

5.5. It is submitted that Hon'ble Appellate Tribunal has also consistently upheld the Commission's authority to issue binding orders to address regulatory gaps. In *Punjab State Power Corporation Limited v. Patran Transmission Company Limited*, 2018 SCC OnLine APTEL 66, relying upon the judgment of the Hon'ble Supreme Court in *PTC* (supra), reaffirmed that in the absence of specific regulatory provisions, the Commission is empowered to fill such gaps through its orders. The relevant para(s) of the said judgment read as under:

"15. After having a careful examination of principle submissions of the rival parties on various issues raised in the instant Appeal, our observations are as follows:-

…

b) On Question No. 9 (a) i.e. Whether a recovery can be sought to be made from the Appellant which is neither authorised in law nor in contract?, we decide as follows:

…

(v) The Central Commission has submitted that the statutory basis for the decision by the Central Commission to assign liability on the Appellant for payment of transmission charges is based on the Hon'ble

Supreme Court's judgement dated 15.3.2010 in SLP (C) No. 22080/2005 in case of PTC India Ltd. v. CERC (2010) 4 SCC 603. After perusal of the said judgement we find that it has been held that the Central Commission is the decision-making Authority under Section 79 (1) of the Act and such decision making or taking steps/ measures under the said Section of the Act is not dependent upon making of regulations under Section 178 of the Act. It is further stated in the judgement that if any regulations are framed by the Central Commission under Section 178 of the Act then the decision of the Central Commission has to be in accordance with the said regulations. Accordingly, in absence of specific provisions in the Sharing Regulations/ Tariff Regulations, 2014 to deal with the situation under question the Central Commission through exercise of its regulatory power has prescribed a principle for sharing of transmission charges of the Transmission System of the Respondent No. 1 in the Impugned Order. Thus, it is observed that by way of exercising its regulatory power by a way of judicial order (s) the Central Commission has laid down the principles of payment of transmission charges in such an eventuality.

(vi)However, it is felt that the Central Commission in the Impugned Order has abruptly concluded the payment liability on the Appellant just by referring to its earlier orders and not establishing the linkage with the present case explicitly. This Tribunal would like to make it clear the same."

[Emphasis Supplied]

5.6. Further, the Hon'ble Tribunal has taken a similar view in *Nuclear Power Corporation of India Limited v. Central Electricity Regulatory Commission*, 2019 SCC OnLine APTEL 83, wherein it reiterated the principle that in the absence of specific regulatory provisions, the Commission has the authority to issue binding orders to address such gaps.

5.7. It is also required to note that the Petitioner voluntarily entered into the Interconnection Agreement dated 07.05.2022, which expressly provided for the levy of banking charges, in terms of the order of the Commission dated 11.06.2021 passed in Petition No. 1936 of 2021. Accordingly, there is no question of the Petitioner rescinding from the terms of an agreement that was lawfully and knowingly executed, particularly in the absence of any plea suggesting that the Petitioner was forced into signing it. The terms of the contract entered into between the parties are sacrosanct and cannot be altered. The interconnection Agreement has been entered into by the parties, and it is not open for the terms to be unilaterally changed. It has been held repeatedly and consistently that the terms of the contract are binding, and the courts cannot create a new bargain between the parties. The Respondent PGVCL has sought to refer following decisions of the Hon'ble Supreme Court:

(g) Alopi Parshad and Sons Ltd. -v- Union of India, AIR 1960 SC 588 (Para 21);

(h) Naihati Jute Mills Ltd. -v- Khyalirm Jagannath, (AIR 1968 SC 522 (Para 10);

(i) Shree Ambica Medical Stores -v- Surat People's Cooperative Bank Limited (2020) 13 SCC 564 (Paras 20 and 21);

(j) Shin Satellite Public Co. Ltd.-v- Jain Studios Ltd. (2006) 2 SCC 628 (Para 15);

(k) Food Corpn. of India -v- Chandu Construction, (2007) 4 SCC 697 (Paras 11,12,13,19 and 20); and

(l) Rajasthan State Industrial Development & Investment Corpn -v- Diamond & Gem Development Corpn. Ltd, (2013) 5 SCC 470 (Paras 23 and 24).

5.8. Hence, the prayer of the Petitioner seeking execution of a fresh Interconnection Agreement based on the Net Metering Regulations and their First and Second Amendments as applicable on the date of project commissioning (i.e.11.05.2022), and without the inclusion of banking charge provisions is untenable and not maintainable.

Commission's Analysis

6. Heard. We note that the Petitioner has disputed the provisions of provisional Interconnection Agreement executed by PGVCL with the Petitioner for allowing grid connectivity to solar rooftop project installed and commissioned by the Petitioner, specifically with respect to provision stipulating for levy of banking charges by the Respondent PGVCL from the Petitioner.

6.1. It is submitted that in the present case it is required to see as to whether the terms and conditions contained in the Interconnection agreement executed between the parties including the stipulations for levy banking charges is in consonance with the Net Metering regulations of the Commission as applicable as on date of commissioning of solar rooftop power project of the Petitioner or not.

6.2. We note the submission of the petitioner that they have installed 750 (AC) / 951.60 KW (DC) Solar Rooftop Power Plant at their premise of consumption. The Respondent PGVCL allowed commissioning of the said rooftop project by signing of provisional Inter-connection Agreement on 07.05.2022 and the solar project was declared to be commissioned thereafter on 12.05.2022 as per Joint Inspection Report. The inter-connection agreement executed on 07.05.2022 is provisional in nature subject to finalization as per the amendment in the Net-Metering Regulations by the Commission corresponding to Gujarat Solar Power Polciy-2021.

6.3. The Commission has notified GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) (Third Amendment) Regulations, 2022 vide Notification No. 2 of 2022 dated 31.05.2022 providing for levy of banking charges from the grid interactive solar rooftop projects installed by the consumer at its premise. The third amendment to the Net-metering regulations is effective from the date of its publication i.e. effective from 31.05.2022.

6.4. With consideration that GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) (Third Amendment) Regulations, 2022 effective from 31.05.2022 only, the Petitioner represented to the Respondent PGVCL to enter into a fresh inter-connection agreement under the provisions applicable regulations of the Commission as on commissioning date of 12.05.2022 of the solar rooftop project of the petitioner, which is second amendment to the Net-Metering Regulations. Under the second amendment to the Net-Metering Regulations, there is no provisions for levy of banking charges. Despite of repeated representations, PGVCL has not been amending the inter-connection agreement and not refunding the banking charge amount of Rs. 4298259 recovered from the petitioner till date.

6.5. Per contra, the Respondent PGVCL submitted that the levy of Baking charges is held to be valid by the Commission in the Order dated 11.06.2021 in Petition No. 1936 of 2021. The Net Metering Regulations, 2016 along with the first and second amendments, do not bar levy of banking charges, specifically when banking charges are provided under the Gujarat Solar Policy, 2021 and the Commission's Order dated order dated 11.06.2021 in Petition No. 1936 of 2021.

6.6. It is submitted that in the event of lacuna in the statutory Regulation, like the present case, there are no Regulations or the Regulations do not provide for levy of banking charge, such gap can be filled by the Order of the Commission. Accordingly, in present case, the Respondent PGVCL has levied the Banking charges in terms of Commission's Order dated 11.06.2021 though the Regulations are silent on the aspect of banking charge. In support of the aforesaid contentions, the Respondent has relied on following judgments:

(i) Hon'ble Supreme Court judgment in PTC India Ltd. v. Central Electricity Regulatory Commission, (2010) 4 SCC 603

(ii) Hon'ble Supreme Court judgment in Power Grid Corporation of India Ltd. v. M.P. Power Transmission Co. Ltd., 2025 SCC OnLine SC 1128.

(iii) Hon'ble APTEL Judgment in Punjab State Power Corporation Limited v. Patran Transmission Company Limited, 2018 SCC OnLine APTEL 66.

(iv) Hon'ble APTEL Judgment in Nuclear Power Corporation of India Limited v. Central Electricity Regulatory Commission, 2019 SCC OnLine APTEL 83

6.7. The Respondent PGVCL further submitted that the Petitioner voluntarily entered into the Interconnection Agreement dated 07.05.2022, which expressly provided for the levy of banking charges , in terms of the order of the Commission dated 11.06.2021 passed in Petition No. 1936 of 2021. Accordingly, the Petitioner now cannot rescind from the terms of an agreement that was lawfully and knowingly executed. The terms of the contract are binding, and the courts cannot create a new bargain between the parties. In support of the same, the Respondent PGVCL has relied upon following decisions of the Hon'ble Supreme Court:

(a) Alopi Parshad and Sons Ltd. -v- Union of India, AIR 1960 SC 588 (Para 21);

(b) Naihati Jute Mills Ltd. -v- Khyalirm Jagannath, (AIR 1968 SC 522 (Para 10);

(c) Shree Ambica Medical Stores -v- Surat People's Cooperative Bank Limited (2020) 13 SCC 564 (Paras 20 and 21);

(d) Shin Satellite Public Co. Ltd.-v- Jain Studios Ltd. (2006) 2 SCC 628 (Para 15);

(e) Food Corpn. of India -v- Chandu Construction, (2007) 4 SCC 697 (Paras 11,12,13,19 and 20); and

(f) Rajasthan State Industrial Development & Investment Corpn -v- Diamond & Gem Development Corpn. Ltd, (2013) 5 SCC 470 (Paras 23 and 24).

6.8. As per the submission of parties and documents on record, it is undisputed that the Petitioner and Respondent PGVCL has signed provisional Interconnection Agreement on 07.05.2022 for allowing grid connectivity to the Petitioner's its 750 KWp (AC) Solar Rooftop project. Further, as per the Joint Inspection Report, the aforesaid Solar Rooftop project is declared to be commissioned on 12.05.2022.

6.9. Given the aforesaid facts, in the present case, it is necessary to examine the provisions of Interconnection Agreement executed by Respondent UGVCL with consideration of applicable "Net Metering Regulations" and to see as to whether the terms and conditions contained in the Interconnection agreement including the stipulations for levy banking charges is in consonance with the applicable Net Metering regulations or not. We, therefore, deemed it necessary to refer various facts as discussed and deliberated hereinafter.

6.10. We note that the Commission vide Notification No. 05 of 2016 notified the Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 ('Net Metering Regulation'). The Regulation 2.1 (b) of the Net Metering Regulations defines the "Agreement" *means a connection agreement entered into between the Distribution Licensee and the consumer*. Thus, the consumer setting up Rooftop Solar PV project is required to enter into connection agreement with the concerned distribution licensee.

6.11. The Regulation 4 of the aforesaid Net Metering Regulations inter-alia states as under:

"4 General Principles

The distribution licensee shall provide the net metering arrangement to the eligible consumer, who intends to install grid connected Rooftop Solar PV System, in its area of supply on non-discriminatory and first come first served basis.

Provided that the consumer is eligible to install the grid connected Rooftop Solar PV System of the rated capacity as specified under these Regulations;"

As per the aforesaid Regulations, the distribution licensee is mandated to provide net metering arrangement to the eligible consumers who are installing grid connected Rooftop Solar PV System of the rated capacity as specified under the Net Metering Regulations by.

6.12. The Regulation 7 of aforesaid Net-Metering Regulations stipulated the procedures to be followed by the Distribution Licensee for processing of applications for installation of Rooftop Solar PV Generating Plant. The Item No. 7 of the procedure chart under the Regulation 7 of the Regulations provides for signing of connectivity agreement by the consumer with the concerned distribution licensee. The Annexure-IV to the Net -Metering Regulations contains the draft of Inter connection Agreement to be executed between Distribution Licensees and Solar Rooftop PV Project owner.

6.13. We thus note that the Inter connection Agreement is part of Net-Metering Regulations notified by the Commission and the consumer owning and installing the Rooftop Solar PV Project at their premise of consumption are required to sign aforesaid Inter-Connection Agreement with concerned distribution licensee and need to complete other formalities before commissioning of the Rooftop Solar PV Project and get it connected with network of the distribution licensee. Thus, the Rooftop Solar PV Project installed by the consumer in its premise and connected with the grid is governed by the provision of the GERC net-Metering Regulations as amended from time to time and applicable as on date of commissioning of such Rooftop Solar PV Project and the provisions of the Inter-connection Agreement to be signed with the concerned distribution licensee shall be in accordance with the applicable provisions of Net-Metering Regulations.

6.14. We note that in present case the Petitioner who is consumer of Respondent Distribution licensee and installed Rooftop Solar PV Project in its premise has entered into Inter Connection Agreement with Respondent PGVCL on 07.05.2022 as provided under the Net Metering Regulations notified by the Commission. The relevant part of the Inter-connection Agreement executed on 07.05.2022 read as under:

<u>Inter Connection Agreement (Provisional) between Distribution Licensees and Solar PV project owner</u>

Inter Connection agreement for Captive use
[for other than Residential consumer]

This provisional Agreement is made and entered into at Anjar, Kutch on this 7th May 2022 between the Consumer, by the name of <u>M/s. Surya Roshni Limited Ltd</u> Consumer Number <u>31537</u> having premises at (address) ___________ (hereinafter referred to as "Consumer" which expression shall include its permitted assigns and successors) as first party

AND

<u>Paschim</u> Gujarat Vij Company Limited, a Company registered under the Companies Act 1956/2013 and functioning as the "Distribution Company" or "DISCOM" under the Electricity Act 2003 having its Head Office at, __________(hereinafter referred to as 'PGVCL' or "Distribution Licensee" or "DISCOM" which expression shall include its permitted assigns and successors) a Party of the Second Part.

AND WHEREAS

The solar project of 'M/s. Surya Roshni Limited Ltd' has been registered by the Gujarat Energy Development Agency (i.e. GEDA) vide letter No. __________________ dtd. ______________ to set up Photovoltaic (PV) based Solar Power Generating Plant (SPG) of 951.60 KW (DC) capacity at his/her/its premises in legal possession including any rooftop or terrace at ______________________________ connected with PGVCL's grid at 66 KV Voltage level for his/her/its own use within the same premises and commissioned during the operative period of Gujarat Power Policy – 2021 under the option:

☐ ~~*Option 1: MSME (Manufacturing) Enterprise.*~~

Or

☐ *Option 2: Other than MSME (Manufacturing) Enterprise.*

Or

☐ ~~*Option 3: Solar Project set up for RPO Compliance [applicable only for Obligated Entity]*~~

[Note: The eligible MSME (Manufacturing) Enterprise desiring to avail benefits of the Policy, may opt for the Operation 1 upon submission of documentary proof]

**[Not applicable Operations are to be strike out]*

Consumer No. ***31537***

AND WHEREAS

Government of Gujarat has declared Gujarat Solar Power Policy 2021 on 29.12.2020 operative for the control period from date of its notification (29.122020) to 31st December 2025. The Solar Power Systems installed and commissioned during the operative period shall become eligible for the *benefits and incentives declared under the Policy, for the period of 25 years from the date of commissioning or for the life span of the Solar Power System, whichever is earlier.*

The incorporation of provisions of Solar Power Policy - 2021 in the Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016, is the subject matter of pending petition filed by GUVNL before GERC.

AND WHEREAS

In order to facilitate commissioning of the solar. projects pursuant to notification of New Solar Power Policy - 2021 effective from 12.2020, UGVCL has agreed to sign this agreement with Consumer in terms of provisions of Solar Power Policy-2021 on provisional basis as an interim arrangement subject to change as per further directive / decision of GERC.

AND WHEREAS

The Distribution Licensee agrees to provide grid connectivity to the Consumer and injection of the electricity generated from his Solar PV System of capacity 951.60 KW (DC) into the power system of Distribution Licensee as per conditions of this agreement and in compliance with the applicable Policy / rules/ Regulations/ Codes (as amended from time to time) by the Consumer which includes-

1. *Government of Gujarat Solar Power Policy 2021*
2. *Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010.*
3. *Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations7 2007 as amended from time to time.*
4. *Central Electricity Authority (Installation and Operation of Meters) Regulation 2006.*

5. *Gujarat Electricity Regulatory Commission (Electricity Supply Code & Related Matters) Regulations, 2015,*
6. *Gujarat Electricity Regulatory Commission Distribution Code, 2004 and amendments thereto,*
7. *Instruction, Directions and Circulars issued by Chief Electrical Inspector from time to time.*
8. *CEA (Technical Standards for connectivity of the Distributed Generation) Regulations, 2013 as amended from time to time.*
9. *Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid interactive Systems) Regulations, 2016 as amended from time to time.*

   ………………

7. *Commercial Settlement*

The commercial settlement will be as follows:

i. ***In case of HV/EHV consumers:*** *The solar energy set-off shall be allowed between 07.00 hours to 18.00 hours of the same day basis. That means, the injected solar energy in the grid shall be set off against consumption of HT or EHV consumer during 07.00 hours to 18.00 hours on the same day basis.*

In case of net import of energy by the consumer from grid during 07.00 hours to 18.00 hours of same day, it shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall pay demand charges, other charges, penalty etc. as applicable to other consumers of respective category.

In case of net export of solar energy oy consumer in the grid during 07.00 hours to 18.00 hours on the same day basis, it shall be considered as surplus *injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.*

ii. ***LT demand-based consumers:*** *The set-off of solar energy shall be allowed between 07.00 hours to 18.00 hours of the same billing cycle basis. That means, the injected solar energy in the grid during a billing cycle shall be set off against consumption of consumer during 07.00 hours to 18.00 hours of the same billing cycle.*

After giving set off of solar energy in terms of above, in case of net import of energy by the consumer from grid during 07.00 hours to 18.00 hours of billing cycle, it shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall pay demand charges, other charges, penalty etc. as applicable to other consumers of respective category.

In case of net export of solar energy by consumer in the grid during 07.00 hours to 18.00 hours of billing cycle, it shall be considered as surplus injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.

iii. ***LT Other than demand-based consumers:*** *The energy set-off shall be allowed on billing cycle basis. That means, the generated solar energy during a billing cycle shall be consumed by the consumer during the same billing cycle. In case of net import of energy by the consumer from grid, the energy consumed from Distribution Licensee during the same billing cycle shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall pay demand charges, other charges, penalty etc. as applicable to the respective category of consumers.*

In case of net export of solar energy by consumer in the grid during the billing cycle, it shall be considered as surplus injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.

iv. ***Solar Project set up for RPO Compliance (Option 3):*** *The energy set-off shall be allowed on 15 minutes time block basis. That means, the injected solar energy in the grid during a 15 minute time block shall be set off against the consumption of the consumer during the same 15 minute time block.*

In case of net import of energy by the consumer from grid on 15 minute time block basis, shall be billed as per applicable tariff to respective category of consumers as approved by the Commission from time to time. The energy generated by Solar PV System shall be set off against units consumed (not against load/demand) and consumer shall pay demand charges, other charges, penalty etc. as applicable to the respective category of consumers.

In case of net export of solar energy by consumer in the grid on 15 minute time block basis, it shall be considered as surplus injection by consumer and same shall be compensated by DISCOM as per the rate mentioned in this agreement.

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8. ***The rate for Surplus Injection Compensation (SIC):*** *Any surplus energy not consumed as per energy accounting shall be compensated by DISCOM at following rate towards Surplus Injection Compensation:*

i. ***In case of MSME Manufacturing Enterprises*** *- At Rs. 2.25/ unit for first 5 years from commissioning of project and thereafter for the remaining term of the project at 75% of the simple average of tariff discovered and contracted under competitive bidding process conducted by GUVNL for Non-park based solar projects in the preceding 6-month period, i.e., either April to*

September or October to March as the case may be, from the commercial operation date (COD) of the project.

*ii. **In other cases** - At 75% of the simple average of tariff discovered and contracted through competitive bidding process conducted by GUVNL for Non-park based solar projects in the preceding 6-month period, i.e., either April to September or October to March as the case may be, from the commercial operation date (COD) of the project. The same shall remain fixed for the entire term of the agreement.*

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9. Banking Charge

*i. In case of MSME Manufacturing Enterprises and other than Demand **Based Consumers** - Banking charge of Rs. 1.10 /Unit on solar energy consumed by consumer.*

*ii. **In other cases** - Banking charge of Rs. 1.50 /Unit on solar energy consumed by consumer.*

Provided that Banking charge shall not be applicable in case of Solar Project for Residential building, Government Building and Solar project set up for compliance of RPO.

For the purpose of applicability of Banking Charges, the solar energy consumption shall be worked out as per the solar generation units recorded in solar energy meter of solar power system during the billing period LESS surplus solar units on which Surplus Injection Compensation is paid by DISCOM.

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6.15. Thus, we note that in present cases the Petitioner has executed Inter-connection agreement with distribution licensee under the provisions of Net

Metering Regulations notified by the Commission as amended from time to time.

6.16. Therefore, we are of the view that as per the facts involved in the present case, the consideration should be as to whether the provisions of inter-connection agreement executed between the Petitioner who has installed grid connected rooftop solar PV project at its consumption premise and Respondent PGVCL on 07.05.2022 is in accordance with the provisions of Net Metering Regulations of the Commission as amended from time to time and as applicable as on date of commissioning of aforesaid Grid connected rooftop solar PV project and as to whether applicable regulations provides for levy of banking charges or not. As per the Joint Inspection Report placed on record of the Petition, the Solar Rooftop PV project installed by the Petitioner and executed Inter-connection agreement as provided under Net Metering Regulations of the Commission was commissioned on 12.05.2022. Accordingly, the important consideration is as to whether the inter-connection agreement signed by the parties for allowing grid connectivity of solar rooftop project contains the provisions of applicable Net Metering Regulations of the Commission or not.

6.17. We note that the Commission vide Notification No. 2 of 2020 issued Second Amendment to the Net Metering Regulations titled as Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) (Second Amendment) Regulations, 2020(Second amendment to Net Metering Regulations). The aforesaid second amendment to the Net Metering Regulations is effective from the date of its gazette notification i.e., 22.01.2020. The relevant amendments in the principle Regulations brought out through aforesaid Second Amendment are stated as under:-

> *"Amendment in Regulation 6.2 of the Principal Regulations read with First Amendment: (a) The first para of Regulation 6.2 of the Principal Regulations as well as the amended Regulations (First Amendment)*

shall stand amended as under: The maximum Rooftop Solar PV System capacity to be installed at any Eligible Consumer's premises except Residential Consumers (including connections for common utilities such as water works, elevators, common passage lights, street lights, garden, gym, swimming pool etc. which are being charged residential tariff) and MSME (Manufacturing) Enterprise shall be upto a maximum of 50% of consumer's sanctioned load/contract demand; whereas in case of Residential Consumers (including connections for common utilities such as water works, elevators, common passage lights, street lights, garden, gym, swimming pool etc. which are being charged residential tariff) and MSME (Manufacturing) Enterprise, the Rooftop Solar PV System capacity shall be irrespective of their sanctioned load/contract demand.

9) Energy Accounting and Settlement

9.2 For Industrial other than MSME (Manufacturing) Enterprise, Commercial and Other Consumers utilizing the 'energy attribute' of the generated solar energy from the Rooftop Solar PV System and not registered under REC mechanism

In the event the electricity supplied by the distribution licensee during any billing period exceeds the electricity generated by the Eligible Consumer's Rooftop Solar PV System, the distribution licensee shall raise an invoice for the net electricity consumption at the consumer's prevailing tariff; In the event the electricity injected exceeds the electricity consumed during the billing period, such excess injected electricity after adjustment of consumption shall be compensated by the concerned Distribution Licensee at the rate Rs. 1.75 per unit or the rate, if any, specified by the Commission for Surplus Injection Compensation (SIC) from time to time for whole life of the Rooftop Solar PV System; Banking of energy shall be allowed within one billing cycle of the consumer, wherein set off may be given against energy consumed at any time of the billing cycle. However, peak charges shall be applicable for consumption during peak hours. The distribution licensee in addition to consumer tariff shall be eligible to raise an invoice for any other charges as allowed by the Gujarat Electricity Regulatory Commission from time to time.

9.3 For MSME (Manufacturing) Enterprise Consumers utilizing the 'energy attribute' of the generated solar energy from the Rooftop Solar PV System and not registered under REC mechanism.

The energy accounting shall be carried out on 15 minutes time block basis In the event the electricity injected by the Rooftop Solar PV System exceeds the electricity consumed during any 15 minutes time block resulting in net energy injection in to the grid, such excess injection after in to the grid shall be compensated by the concerned Distribution Licensee at the rate of Rs. 1.75 per unit or the rate, if any, specified by the Commission for Surplus Injection Compensation (SIC) from time to time for whole life of the Rooftop Solar PV System; In the event the electricity consumption by the eligible consumer during any 15 minutes time block period exceeds the electricity injected by the Eligible Consumer's Rooftop Solar PV System resulting in energy supplied by the distribution licensee, the distribution licensee shall raise an invoice for the aggregated sum of such electricity supply in each 15 minutes time block during the billing period at the consumer's prevailing tariff.; The distribution licensee in addition to consumer tariff shall be eligible to raise an invoice for any other charges as allowed by the Gujarat Electricity Regulatory Commission from time to time. However, if the installation of Roof Top Solar PV by the MSME (Manufacturing Enterprise) consumer is within 50% of the Contracted capacity, then it shall be governed by Regulation 9.2 as above.

9.4 For Industrial, Commercial and Other Consumers utilizing the 'energy attribute' of the generated solar energy from the Rooftop Solar PV System and utilizing the 'renewable attribute' for RPO compliance.

The energy accounting shall be carried out on 15 minutes time block basis. In the event the electricity injected by the Rooftop Solar PV System exceeds the electricity consumed during any 15 minutes time block resulting in net energy injection in to the grid, such excess injection after adjustment of consumption in 15 minutes time block shall be compensated by the concerned Distribution Licensee at the rate of Rs. 1.75 per unit or the rate, if any, specified by the Commission for Surplus Injection Compensation (SIC) from time to time for whole life of the Rooftop Solar PV System; In the event the electricity consumption by the eligible consumer during any 15 minutes time block period *exceeds the electricity generated by the Eligible Consumer's Rooftop Solar PV System resulting in energy supplied by the distribution licensee, the distribution licensee shall raise an invoice for the aggregated sum of such electricity supply in each 15 minute time block during the billing period at the consumer's prevailing tariff.*

9.5 For Industrial, Commercial and Other Consumers utilizing the 'energy attribute' of the generated solar energy from the Roof top Solar PV System and utilizing the 'renewable attribute' for REC.

The energy accounting shall be carried out on 15 minutes time block basis. In the event the electricity injected by the Rooftop Solar PV System exceeds the electricity consumed during any 15 minutes time block resulting in net energy injection in to the grid, such excess injection after adjustment of consumption in 15 minutes time block shall be compensated by the concerned Distribution Licensee at the rate of Rs. 1.50 per unit or the rate, if any, specified by the Commission for Surplus Injection Compensation (SIC) from time to time for whole life of the Rooftop Solar PV System; In the event the electricity consumption by the eligible consumer during any 15 minutes time block period exceeds the electricity injected by the Eligible Consumer's Rooftop Solar PV System resulting in energy supplied by the distribution licensee, the distribution licensee shall raise an invoice for the aggregated sum of such electricity supply in each 15 minute time block during the billing period at the consumer's prevailing tariff. 9.6 The energy accounting and settlement for wheeling power from solar projects other than Rooftop set up for self-consumption purpose shall be in line with the provision at Regulation 9.2 to Regulation 9.5. 9.7 In the event of any amount payable by the concerned DISCOM at the end of billing cycle, the same shall be shown as credit and to be carried forward in the next billing cycle. At the end of Financial Year, if the credit amount for the consumer is more than Rs. 100/- , such credit amount shall be paid by the concerned DISCOM to the consumer. In case the credit amount at the end of the Financial Year is less than Rs. 100/-, the same shall be carried forward in the next billing cycle of the following Financial Year.

The aforesaid amendment in the Principal Regulations stipulates as under:

a. The maximum Rooftop Solar PV System capacity to be installed at any Eligible Consumer's premises shall be upto a maximum of 50% of consumer's sanctioned load/contract demand;

b. whereas in case of Residential Consumers and MSME (Manufacturing) Enterprise, the Rooftop Solar PV System capacity shall be irrespective of their sanctioned load/contract demand.

c. For Industrial other than MSME (Manufacturing) Enterprise, Commercial and Other Consumers utilizing the 'energy attribute' of the generated solar energy from the Rooftop Solar PV System and not registered under REC mechanism, Banking of energy is allowed within one billing cycle of the consumer, wherein set off is to be given against energy consumed at any time of the billing cycle. However, peak charges shall be applicable for consumption during peak hours.

d. If the installation of Roof Top Solar PV by the MSME (Manufacturing Enterprise) consumer is within 50% of the Contracted capacity, then it shall be eligible banking of energy as applicable for other industrial consumers who are setting up solar rooftop PV system upto a maximum of 50% of consumer sanction load.

Thus, the aforesaid amendments in the Net Metering Regulations effective from 22.01.2020 contains the provisions that the maximum Rooftop Solar PV System capacity to be installed at any Eligible Consumer's premises shall be upto a maximum of 50% of consumer's sanctioned load/contract demand and they shall be eligible for energy banking facility on billing cycle basis.

6.18. We note that the Petition No. 1936 of 2021 was filed by GUVNL under Section 86 and other applicable provisions of the Electricity Act, 2003 seeking incorporation of provisions of Solar Power Policy - 2021 notified by the

Government of Gujarat vide GR No. SLR – 11/2020/77/B1 dated 29.12.2020 appropriately in the Order No. 3 of 2020 dated 08.05.2020 for Tariff framework for procurement of power by Distribution Licensees and Others from Solar energy projects and other commercial issues for the State of Gujarat and GERC (Net-Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 as amended from time to time."

6.19. The Commission vide Order dated 11.06.2021 has decided the Petition No. 1936 of 2021. The operative part of the Order dated 11.06.2021 reads as under: -

ORDER

"33. In view of the above, the present petition partly succeeds and order to the following effect is passed:

1) The Order No. 3 of 2020 dated 8.05.2020 read with Suo-Motu Order No. 6 of 2020 dated 05.08.2020 stands amended from the date of order of this petition as decided above. The solar power projects which are commissioned prior to the date of order shall be governed by the provisions of earlier Order No. 3 of 2020 dated 8.05.2020 read with Suo-Motu Order No. 6 of 2020 dated 05.08.2020.

2) The prayer made in the Petition regarding qualifying group captive generating plant based on Gujarat Solar Power Policy, 2021 is rejected. The captive generating plants fulfilling criteria of ownership and consumption on annual basis as specified in Electricity Rules, 2005 qualify as Captive Generating Plant.

3) The capacity of plant, banking facilities, energy accounting and surplus energy injection for the residential consumers, captive consumption, third party sale, REC based projects, and RPO compliance based projects for different consumers i.e. (i) Residential, (ii) MSME manufacturing, (iii) LT non demand based, (iv) LT demand based, and (v) HT/EHV consumers, as prayed for in the Petition are accepted and allowed. (see Table-A at para 32.1)

4) The amendments sought for in provisions regarding Cross subsidy surcharge, additional surcharge, wheeling charge and wheeling losses as prayed for in the Petition are accepted and allowed.

5) The Commission shall under take separate procedure for amendment in the GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 and amendments thereto.

6) The staff of the Commission is directed to process for amendment in the GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 based on the decision made in present petition with consideration of the provisions of the Electricity Act, 2003 and Gujarat Solar Power Policy 2021 and Electricity (Rights of Consumers) Rules, 2020 and follow the procedure specified for pre-publication etc. prior to notification of the regulations.

Thus, in the Order dated 11.06.2021, the Commission has amended the Order dated 08.05.2020 read with Order dated 05.08.2020 and decided that the solar power projects which are commissioned prior to the date of order shall be governed by the provisions of earlier Order No. 3 of 2020 dated 8.05.2020 read with Suo-Motu Order No. 6 of 2020 dated 05.08.2020.

As regards amendment sought in the GERC (Net-Metering Rooftop Solar PV Grid Interactive Systems) Regulations, the Commission in aforesaid Order dated 11.06.2021 decided to undertake separate procedure for amendment in the GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 and amendments thereto and directed to the staff of the Commission to initiate process for amendment in the GERC (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 and follow the procedure specified for pre-publication etc. prior to notification of the Regulations.

6.20. Thus, vide Order dated 11.06.2021, the Commission has amended its Order dated 08.05.2020 read with Order dated 05.08.2020 in the matter of Tariff

Framework for Solar power projects. The said amendment in the Order brought about levy of banking charges for extending banking facility for consumption of solar energy. Whereas the amendment to the Net Metering Regulations which is governing regulations for grid connected rooftop Solar PV projects installed by consumers at their consumption premises, was directed to be initiated by following the procedure specified for pre-publication etc., prior to notification amendment in the Regulations.

6.21. We note that after following due process of law and previous publication etc., the Commission issued third amendment to the Net Metering Regulations vide Notification No. 02 of 2022 dated 31.05.2022 effective from date of its gazette notification. The Regulations 9.2 applicable for captive solar rooftop project provides as under: -

> *"………*
> *9.2.1 This section of the Regulations shall refer to industrial, commercial, institutional and other consumers setting up projects under Captive use.*
> *9.2.2 The captive use of electricity for self-consumption within the same premises or at different premises by the consumer must having ownership of SPS shall be as specified in the Electricity Rules, 2005 and amendments made thereto from time to time.*
> *9.2.3 No capacity restrictions shall be applicable under this category subject to consideration of the limit*
> ………
> *9.2.11 Banking charges of Rs.1.50 / unit shall be applicable on solar energy consumed in the case of Demand based Consumers shall be applicable. In case of MSME manufacturing units and other than Demand based Consumers, Banking Charges of Rs.1.10 per unit on Solar Energy consumed shall be applicable. Banking Charges shall not be applicable to government buildings.*

Thus, the provisions related to removal of capacity limit and levy of banking charges is given effect to vide third amendment to the Net Metering Regulations, effective from 31.05.2022.

6.22. This clearly establishes that solar rooftop PV project installed by consumer at its consumption premises and commissioned on or after 31.05.2022 shall be governed by the provisions of third amendment and solar rooftop PV project commissioned prior to effective date of third amendment to the Net Metering Regulations i.e., prior to 31.05.2022, shall be governed by the second amendment to the net metering Regulations.

6.23. We note that in present case the solar rooftop PV project of the Petitioner is commissioned on 12.05.2022 which is prior to the effective date of third amendment to the Net Metering Regulations. Therefore, the provisions of the inter connection agreement signed between the Petitioner and Respondent PGVCL shall be governed by the provisions of the second amendment to the Net Metering Regulations as applicable on the date of the commissioning of the solar rooftop PV project of the Petitioner.

6.24. As regards submission of the Respondent PGVCL that in absence of express provisions in Second Amendment to Net-Metering Regulations regarding banking charges, it has considered the Order dated 11.06.2021 and Gujarat Solar Power Policy-2021 for levy of Banking charges from the Petitioner, is concerned, we note that in present case the Petitioner has installed grid connected rooftop solar PV project at its consumption premises for captive use, hence the Regulations pertaining to Net Metering will be applicable and the Inter connection agreement to be executed for allowing grid connectivity of such rooftop solar PV project, shall be governed by the provisions of Net Metering Regulations notified by the Commission and its amendments as applicable on the date of commissioning of such rooftop solar PV project and not by the Order dated 11.06.2021.

6.25. We pursued various judgments cited by the Respondent, PGVCL to argue that in event of lacuna in the statutory Regulation or the Regulations do not provide for a certain situation, such gap can be filled by the Order of the Commission, like present case. We note that these judgments are on different facts and not applicable in facts of present case. We do not find any merit in the contention of the Respondent PGVCL to suggest that prior to 31.05.2022, there existed regulatory gap or any lacuna in the applicable regulations. We note that the Commission has notified Net-Metering Regulations for grid connected solar rooftop solar project to be established by consumer at its premise of consumption and amended the same from time to time after following the due process of law.

6.26. We observe that in present case the grid connected rooftop solar PV project set up by the Petitioner is commissioned during the applicability of Second amendment to the Net Metering Regulations. However, the inter-connection agreement signed by the Respondent with the Petitioner for allowing grid connectivity of its solar rooftop project contains different provisions than second amendment to Net Metering Regulations by incorporating provisions of third amendment to the net metering Regulations subsequently notified by the Commission, which is not legal and valid.

6.27. With regard to the various judgment of Hon'ble Supreme Court relied upon by the Respondent to contend that the Petitioner has voluntarily executed the interconnection Agreement providing for banking charges, which is binding to the Petitioner and the courts cannot create a new bargain between the parties, is concerned , we are of the view that the judgments cited by the Respondent have no applicability in the facts of the present as the present case involves disputes related to the Inter-connection agreement provided under the net-metering regulations notified by the Commission, which is statutory in nature.

6.28. It is well settled principal that without issuing amendment in the Regulations by the Commission, it is not permissible to make any modifications in it by the distribution licensee and make that applicable on the affected persons. It is relevant to refer Order dated 22.11.2019 in Petition No. 1727 of 2018, wherein the Commission has clarified about the applicability of the Order/Regulations of the Commission. The relevant para of the said Order relevant to refer, as under: -

"15.31. We note that the provisions made in the regulations as well as in the solar tariff order dated 17.08.2015 are having effect from the date of notification. In absence of any revision made by the Commission in the tariff rate payable by the distribution licensee for surplus energy of solar or solar roof-top projects under the provisions of the Electricity Act, 2003, it is not permissible to alter the rate for the surplus power available from solar project or solar rooftop projects by the distribution licensee.

.....

15.34. As the objectors have raised the issue that without amendment in the regulations by the Commission, the Petitioner distribution licensee and other distribution licensees have unilaterally amended/modified the regulations. It is necessary to refer The Electricity (Procedure for Previous Publication) Rules, 2005 framed under the Electricity Act, 2003 which is relevant in the present case is reproduced below.

......

The aforesaid Rules provides that the Authority or appropriate Commission prior to making regulations is required to publish a draft of the Regulations for the information of persons likely to be affected thereby. It is also mandated that to issue public notice with regards to affecting persons by way of such Regulations, date on or after which it will be taken into consideration. The regulations are than finalised after considering objections and suggestions from public.

We, therefore, decide that without issuing amendment in the Regulations by the Commission, it is not permissible to make any modifications in it by the distribution licensee and make that applicable on the affected persons. Hence, the amendment is effective from the date of notification after following the due process of law which will be prospective and not retrospective.”

Thus, it is not permissible to make any modifications / changes in the Inter-connection agreement for grid connected Solar Rooftop PV project by the distribution licensee without amending the applicable Net Metering regulations by the Commission.

6.29. As recorded earlier, in the Order dated 11.06.2021 in the Petition No. 1936 of 2021, the Commission had decided to amend the existing Net Metering Regulations and for that the Commission had directed the staff of the Commission to initiate the process like previous publication, inviting comments/suggestions etc. The Second Amendment to the Net Metering Regulations contains different provisions with respect to capacity limit for rooftop Solar PV project, banking facility etc. then the provisions incorporated in the third amendment to Net Metering Regulations. As discussed earlier, the Amendment to the said Regulations were carried out by the Commission vide Notification No. 02 of 2022 dated 31.05.2022, GERC (Net Metering Rooftop Solar PV Grid Interactive System) (Third Amendment) Regulations, 2022 and the said Regulations were in effect from the date of publication in Official Gazette. Prior to that the Net Metering Regulations 2016 and its Amendments were in force which contained different provisions related to energy accounting, capacity limit and Energy Banking facility etc. Hence, we are of the view that the Respondent PGVCL has failed to apply the relevant Regulations which was in force as on date of commissioning of solar rooftop project of the Petitioner.

6.30. As stated earlier, the Respondent PGVCL is required to amend the Inter-connection Agreement with the Petitioner in accordance with the provisions of (Net Metering Rooftop Solar PV Grid Interactive System) (Second Amendment) Regulations, 2020 as applicable as on date of commissioning of rooftop solar power project of the petitioner. We, therefore, decide to dispose of this Petition as per the above discussions and pass the following Order:

Order

1. We direct the Respondent PGVCL to amend the Inter-connection agreement executed with the Petitioner in accordance with the provisions of Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) (Second Amendment) Regulations, 2020 as applicable as on date of commissioning of said Solar PV Project owned and installed by the Petitioner and take the consequential actions such as giving the adjustment of excess charges/amount recovered from the Petitioner and / or shortfall in recovery of charges/amount from the Petitioner, as the case may be, in the electricity bill of the Petitioner as a result of applicability of the aforesaid Regulations with respect to energy accounting and settlement, compliance of ceiling limit for solar power project capacity, billing and banking facility, payment of Surplus Injection Charges etc., as applicable.

2. Order accordingly.

3. With this order, the present Petition stands disposed off.

Sd/-	Sd/-
(S.R. Pandey)	**(Mehul M. Gandhi)**
Member	**Member**

Place: Gandhinagar.
Date:29/09/2025.