No. 283/27/2026-GRID SOLAR

भारत सरकार / Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy (MNRE)

Atal Akshay Urja Bhawan
Lodi Road, New Delhi – 110003
Dated: 11th April 2026

OFFICE MEMORANDUM

Sub: Non-Requirement of No-Objection Certificate (NOC) in existing or future bids/PPAs under FDRE Bidding Guidelines, from the intermediatory procurer/ end procurer / buying entity, in cases where Energy Storage System (ESS) is charged using power other than RE power, and sold under merchant/third-party sale mode, in cases where the corresponding renewable energy source is not commissioned.

MNRE has received representations from RE Industry Associations requesting for issuance of a clarification on subject issue.

2. The matter has been examined in MNRE in line with provisions of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power and following has been noted:

i. Para 2.2(b) of FDRE SBGs defines/ explains Renewable (RE) power as follows:

'Renewable (RE) Power': The term 'RE Power', or 'Renewable Power', or 'Renewable Energy Power', wherever used in these Guidelines, shall refer to power from Solar Power Generating Systems, Wind Power Generating Systems, Wind Solar hybrid; or any other renewable energy resource based Generating System or a combination thereof, with Energy Storage System (ESS). It is clarified that ESS charged using a source other than RE power would not qualify as RE power.

ii. Para 2.2(c) of FDRE SBGs defines/ explains FDRE as follows:

'Firm and Dispatchable RE Power': The term 'firm and dispatchable power' denotes, the power profile configuration that is defined in the RfS that is sought to be met by RE power sources and will include configurations like assured peak power, Round the Clock RE with firm delivery of power at rated capacity at any hour of the day as per demand or load following power delivery as specified by DISCOM, RE projects with firm delivery of power for fixed hours of requirement by DISCOMs etc.

iii. Para 14.5 of FDRE SBGs, after amendment dated 17.11.2023, is as follows:

Clause 14.5: Early Commencement of Supply of Power from single component outside PPA:
In case of multiple project components and if one or more such component (wind or solar or other RE power generating system) is ready for injection of power into the grid, but the remaining component is unable to commence supply of power, the Generator will be allowed to commence supply of power from such component which is ready outside the ambit of PPA.
The developer shall give fifteen (15) days advance notice to both End Procurer(s) and Intermediary Procurer regarding the advance commissioning of full or part capacity. The End Procurer(s) and Intermediary Procurer shall give acceptance for availing such power within 15 days from the date of service of notice. In case both the End Procurer(s) and Intermediary Procurer do not give their acceptance to purchase power within the stipulated period, the developer can sell the power to the extent not accepted by the End Procurer(s) and Intermediary Procurer in the power exchanges or through bilateral arrangements.
Provided that in case both the End Procurer(s) and Intermediary Procurer give their acceptance to purchase power, the End Procurer(s) will be accorded priority in availing such power.
Provided further that in such cases tariff payable by the End Procurer(s) and Intermediary Procurer shall be up to 50% of the PPA tariff or specific provisions in this regard will be stipulated in the tender documents.

3. From perusal and analysis of the FDRE SBGs, following is inferred:

a) Energy Storage System is a storage component and not a RE generating component.

b) FDRE SBGs explicitly clarify that ESS charged using a source other than RE power would not qualify as RE power.

c) The right of First Refusal to the End Procurer (and in case denied by End Procurer, to the Intermediary Procurer), as coming out from para 14.5 (regarding early commencement of supply of RE power) is in respect of only the RE power which is injected into the grid from a RE Power generating component (wind, solar, etc.) and cannot be extrapolated to cover power discharged from ESS (a non-RE generating component) where the ESS is charged using a source other than RE power, as FDRE SBGs explicitly clarify that ESS charged using a source other than RE power would not qualify as RE power.

d) FDRE projects, generally involve setting up of solar, Wind and ESS components, and it may happen that BESS gets commissioned much earlier while the commissioning of solar and/ or wind component takes place much later. In such case, if the RE developer in absence of any RE generating component commissioned under the PPA, uses the BESS to charge through grid (and not exclusively through RE which may anyway not be possible in absence of commissioning of RE generating components under the PPA), such power when discharged from ESS will not qualify as RE power and will thus be ineligible for supply under PPA, leaving the RE developer with the only option to sell such power from BESS to merchant/third party sale. And in case, some agency insists on getting NOC from End Procurer/ Intermediary Procurer for such power, which is not even qualifying as 'RE power' under the PPA, it creates anomaly in the sense that even if the End Procurer/ Intermediary Procurer agrees to procure such power then End Procurer/ Intermediary Procurer would be buying such power which is not qualifying to the RE power as required under PPA and such power procurement by End Procurer/ Intermediary Procurer is not likely to withstand regulatory scrutiny. So, it is inferred that the provisions of Right of First Refusal or NOC from Intermediary Procurer/ End Procurer / Buying Entity, as contained in FDRE PPAs, triggers only after at least one of the RE generating component (eg. solar / wind) is commissioned.

4. In view of above, it is hereby clarified that in existing or future bids/PPAs under FDRE Bidding Guidelines, no NOC from the intermediatory procurer/buying entity/end procurer would be required in cases where Energy Storage System (ESS) is charged using power other than RE power, and sold under merchant/third-party sale mode, in cases where the corresponding renewable energy source is not commissioned.

5. This issues with the approval of Secretary, MNRE.

Mohd Azmal Mansoori
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To

1. **The CMD, Grid Controller of India Limited**
2. **The MD, Solar Energy Corporation of India Limited**
3. **The CMD, NTPC Limited**
4. **The CMD, NHPC Limited**
5. **The CMD, SJVN Limited**

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2. The Chairperson, CEA
3. The COO, CTUIL

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