REGULATORY FLIPBOOK • CENTRAL ELECTRICITY REGULATORY COMMISSION

CERC Terms & Conditions of Tariff, 2024–29

Consolidated reference edition — principal regulations, amendments, filing forms & procedures

2024
Principal Regulations
Notified 15 Mar 2024

2025
Amendment + Procedure
First Amendment & Part-Load Compensation

2026
Second Amendment
Integrated Energy Storage System

Tariff period: 1 April 2024 – 31 March 2029 • Gazette of India, Part III—Section 4

WHY IT MATTERS

Ten source documents compiled into one map: know exactly which one to open — principal text, amendment, filing form or procedure — for the question at hand.

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At a Glance

Core facts for the 2024–29 tariff period

TARIFF PERIOD

1 April 2024 to 31 March 2029 — five years, unless reviewed earlier or extended by the Commission.

RETURN ON EQUITY

Base rates of 15.00%–17.00% depending on asset type and existing/new project status.

STRUCTURE

15 chapters plus appendices; 10 source documents compiled in this edition.

AVAILABILITY NORM

85% Normative Annual Plant Availability Factor (NAPAF) for most thermal stations.

DEBT-EQUITY RATIO

70:30 for new projects as on COD; equity beyond 30% treated as normative loan.

DEPRECIATION

Straight Line Method; salvage value 10%; max. 90% of capital cost depreciable.

WHY IT MATTERS

Six numbers anchor almost every tariff computation in this regulation — keep this page open while reviewing a petition or filing form.

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Regulatory Evolution

How the ten supplied documents fit together

15 Mar 2024
Principal Tariff Regulations notified

9 Apr 2024
Corrigendum: textual corrections

4 Feb 2025
First Amendment: Bank Rate defined

14 Jul 2025
Part-Load Compensation Procedure approved

20 Mar 2026
Second Amendment: ESS provisions added

Statement of Objects & Reasons published 11 July 2024, explaining the regulatory approach, consultation record and policy rationale behind the principal regulations.

SOURCE-DERIVED NOTE

The 2026 Second Amendment states that amendments to Regulations 51 and 52 are applicable from 1 April 2024, while the other amendments generally take effect from notification in the Official Gazette.

WHY IT MATTERS

Effective dates aren't uniform — check which regulation you're relying on before assuming the 2026 amendment date applies.

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Chapter Map

Principal Regulations — 15 chapters

1	Preliminary
2	Date of Commercial Operation
3	Procedure for Tariff Determination
4	Tariff Structure
5	Capital Structure
6	Computation of Capital Cost
7	Additional Capital Expenditure
8	Computation of Annual Fixed Cost
9	Input Price of Coal/Lignite (Integrated Mine)
10	Components of Energy Charge
11	Capacity Charges & Energy Charges
12	Norms of Operation
13	Scheduling, Accounting & Billing
14	Sharing of Benefits
15	Miscellaneous Provisions

WHY IT MATTERS

Chapters 4–8 build the Annual Fixed Cost step by step; Chapter 12 sets the operating norms that determine how much of it a station actually earns.

Tariff & Capital Structure

Chapters 4–5 — what makes up the Annual Fixed Cost

1	2	3	4	5
Return on Equity	**Interest on Loan Capital**	**Depreciation**	**Interest on Working Capital**	**O&M Expenses**

Together these 5 components form the Annual Fixed Cost (AFC) — recovered as capacity charge (Reg. 15)

DEBT-EQUITY RATIO (REG. 18)

70 : 30

For new projects, as on date of commercial operation. Equity actually deployed beyond 30% of capital cost is treated as normative loan.

ENERGY CHARGE (REG. 16)

Landed fuel cost of primary fuel + secondary fuel oil cost + cost of limestone/reagent (as applicable).

WHY IT MATTERS

The 70:30 ratio isn't optional headroom — equity deployed above 30% is normatively treated as debt, capping what earns the (higher) equity return.

CERC (Terms and Conditions of Tariff) Regulations, 2024–29

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Return on Equity

Regulation 30 — base rates by asset type and project status

Asset Type	Existing Projects	New Projects (COD ≥ 1.4.2024)
Thermal / Transmission / Run-of-river Hydro	15.50%	15.50% (Transmission: 15.00%)
Storage-type & Pumped Storage Hydro	16.50%	17.00%

Additional capitalisation beyond original scope (incl. emission control, Change in Law, Force Majeure): 1-year SBI MCLR + 350 bps, capped at 14%.

PERFORMANCE-LINKED ADJUSTMENTS (THERMAL)

- −1.00% for a defined period if FGMO, telemetry, comms or protection systems are missing at COD
- −0.25% for failure to achieve the ramp rate specified under IEGC Regulations, 2023
- +0.125% for every incremental 0.50%/min ramp rate achieved above the CEA-specified rate, capped at +1.00%

WHY IT MATTERS

RoE isn't a flat number — grid-code compliance and ramp-rate performance can move it by up to 2 percentage points either way.

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Norms of Operation

Chapter 12 — what a thermal station must deliver to earn full recovery

85%
Normative Annual Plant Availability Factor (NAPAF) most thermal stations

83%
NAPAF for coal/lignite units completing 30 years from COD as on 31.3.2024

90%
Max. depreciable value of capital cost (10% salvage value retained)

AUXILIARY ENERGY CONSUMPTION (REG. 70(E))

200–300 MW coal-fired sets	**8.50%**
300/330/350/500 MW+ — electrically driven BFP	**8.00%**
300/330/350/500 MW+ — steam driven BFP	**5.25%**
Gas Turbine / Combined Cycle	**2.75%**
Gas Turbine / Open Cycle	**1.00%**

WHY IT MATTERS

Miss NAPAF and capacity-charge recovery scales down proportionally — auxiliary consumption above norm is a cost the generator absorbs, not the beneficiary.

CERC (Terms and Conditions of Tariff) Regulations, 2024–29

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Key Amendments

What changed after the principal regulations

FIRST AMENDMENT (4 FEB 2025) — "BANK RATE" DEFINED

New Regulation 3(9A): "Bank Rate" means the one-year MCLR specified by the State Bank of India from time to time (or its replacement), plus 100 basis points. This replaces earlier "1-year SBI MCLR + 100 bps" references across Regulations 9 & 10 (working capital and delayed payment interest).

PART-LOAD COMPENSATION PROCEDURE (14 JUL 2025)

NLDC procedure, approved by the Commission, for compensating heat-rate, auxiliary-consumption and secondary fuel-oil degradation caused by part-load operation and multiple start/stops — effective from the First Amendment's commencement.

SECOND AMENDMENT (20 MAR 2026) — INTEGRATED ENERGY STORAGE SYSTEM

- Extends tariff determination to co-located ESS at thermal generating stations and ISTS elements
- Lithium-ion battery ESS useful life fixed at 15 years
- Round-trip efficiency (RTE) norm: higher of 85% or actual RTE
- Amendments to Regulations 51 & 52 apply retrospectively from 1.4.2024; rest apply from Gazette notification

WHY IT MATTERS

The ESS amendment doesn't create a new regulation — it folds storage into the existing tariff machinery, with two provisions reaching back to April 2024.

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Practical Reader Guide

Which source document to open, by task

IF YOU NEED TO…	START WITH…
Understand the legal tariff framework	**Principal Regulations**
Check why a provision was framed	**Statement of Objects & Reasons**
Prepare a tariff petition / filing package	**Tariff Filing Forms, Parts I–IV**
Check 2025 tariff changes	**First Amendment Regulations**
Assess part-load compensation	**CERC-approved NLDC Procedure**
Assess 2026 ESS-related tariff provisions	**Second Amendment Regulations**
Check corrections to the original text	**Corrigendum**

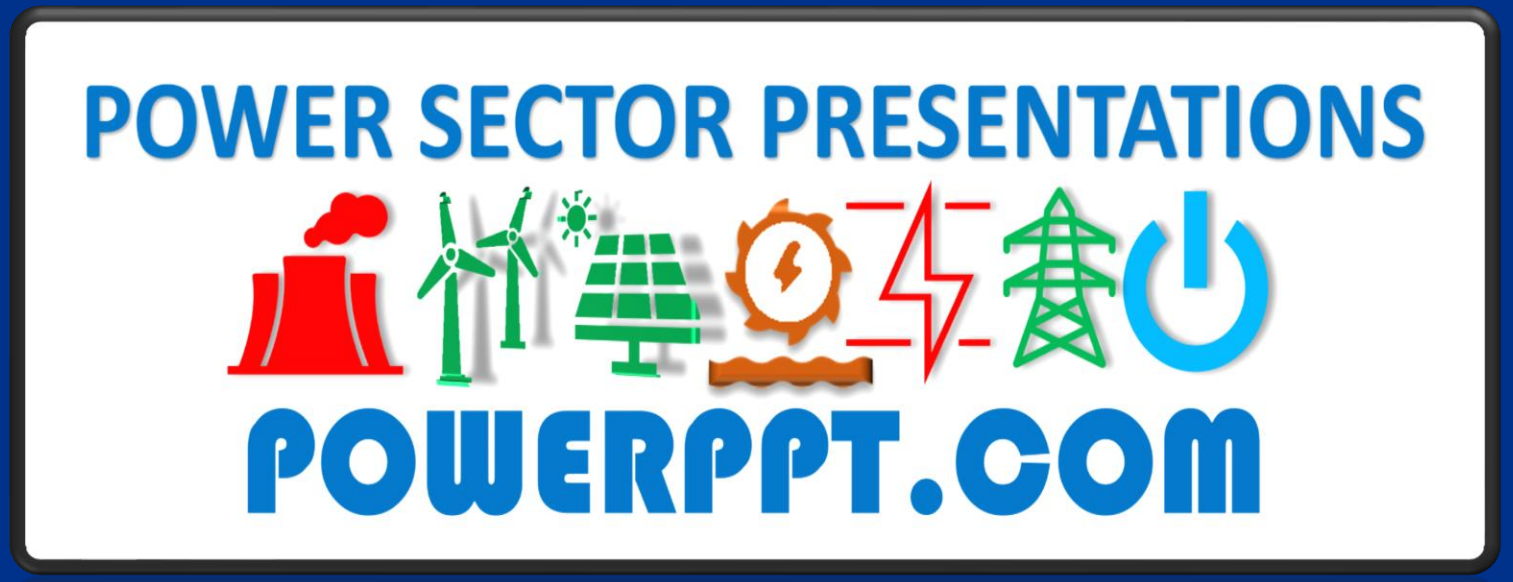
WHY IT MATTERS

This is the fastest way into a 600-page compiled set — match your task to a row and skip straight to the right document.

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WHY IT MATTERS

Bookmark this deck as your pre-filing checklist — confirm the tariff period, applicable RoE and NAPAF norms before a petition goes in.