

**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY
COMMISSION
ITANAGAR**

Petition No. TP 06 of 2026 (Suo Motu)

CORAM:

Shri R. K., Chairperson

Shri Nich Rika, Member

Date: 05/10/2026

In the matter of:

Determination of the Average Power Purchase Cost (APPC) for Financial Year 2026-27, and its applicability as the Feed-in-Tariff for accounting and settlement of energy under Net Metering, Group Net Metering, Virtual Net Metering, Net-Billing/Net Feed-In and Gross Metering arrangements under the Arunachal Pradesh State Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy System with Net Metering including Group Net Metering and Virtual Net Metering, Net Billing/Net Feed-In, Gross Metering and Its Related Matters) Regulations, 2024 — reg..

1. Background

1.1. In exercise of the powers conferred under Sections 61, 66 and 86 read with Section 181 of the Electricity Act, 2003, the Arunachal Pradesh State Electricity Regulatory Commission ("the Commission") has notified, inter alia, the following Regulations relevant to the present proceeding:

- (a) the Arunachal Pradesh State Electricity Regulatory Commission (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024 ("RE Tariff Regulations, 2024"); and
- (b) the Arunachal Pradesh State Electricity Regulatory Commission (Grid Interactive Distributed Renewable Energy System with Net Metering including Group Net Metering and Virtual Net Metering, Net Billing/Net Feed-In, Gross Metering and Its Related Matters) Regulations, 2024 ("Grid/Net Metering Regulations, 2024").


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- 1.2. Regulation 2.1(iii) of the RE Tariff Regulations, 2024 defines "Average Power Purchase Cost" or "APPC" as under:

"Average Power Purchase Cost" or 'APPC' means the weighted average price at which the Distribution Licensee has purchased or is expected to purchase electricity (excluding procurement from RE sources and liquid fuel sources), including the cost of self-generation, if any, as approved by the Commission in the relevant Tariff Order or any other general or specific Order."

- 1.3. Regulation 2.1(k) of the Grid/Net Metering Regulations, 2024 defines "Feed-in-Tariff" as under:

"Feed-in-Tariff" means the Generic Tariff determined by the Commission for the generation of electricity from Renewable Energy projects for Gross Metering or net-billing in accordance with the Terms and Conditions for Tariff determination from Renewable Energy Sources Regulation framed by the Commission."

- 1.4. Regulation 2.1(p) of the Grid/Net Metering Regulations, 2024, defines "Gross-meter" as under:

"Gross Meter" means a unidirectional energy meter installed at the point at which the electricity generated by renewable energy system of prosumer is delivered to the grid of the distribution licensee"

- 1.5. Regulation 2.1(q) of the Grid/Net Metering Regulations, 2024, defines "Gross-metering" as under:

"Gross-metering" means a mechanism whereby the total renewable energy generated from Grid Interactive Renewable Energy System of a Prosumer and the total energy consumed by the Prosumer are accounted separately through appropriate metering arrangements and for the billing purpose, the total energy consumed by the Prosumer is accounted at the applicable retail tariff and total renewable power generated is accounted for at feed-in tariff determined by the Commission"

- 1.6. Regulation 11.1(e) of the Grid/Net Metering Regulations, 2024, governing settlement under the Net Metering Arrangement, provides as under:

"The unadjusted net credited Units of electricity as at the end of each financial year shall be considered as units purchased by the Distribution Licensee at Average Power Purchase cost of the concerned Distribution Licensee or Feed-in-Tariff determined for that Year whichever is lower."

- 1.7. Under Gross Metering, all the electricity generated by a rooftop solar system is injected into the grid, and the Distribution Licensee pays the prosumer for this electricity at the Feed-in-Tariff fixed by the Commission. Regulation 11.5(c)(ii) of the Net Metering Regulations, 2024 provides:



"The Distribution Licensee shall reimburse the prosumer for the quantum of injected electricity by the Renewable Energy System during the billing period at the Feed-in-Tariff determined by the Commission for that year."

- 1.8. Regulation 11.2(e) and Regulation 11.3(f) of the Grid/Net Metering Regulations, 2024 extend the applicability of Regulation 11.1(e) to the settlement of unadjusted net credited units under the Group Net Metering Arrangement and the Virtual Net Metering Arrangement, respectively. Further, Regulation 11.4, governing the Net-Billing/Net Feed-In Arrangement, requires exported energy to be accounted for at the "Feed-in-Tariff approved by the Commission".
- 1.9. The Commission is accordingly required to fix the Feed-in-Tariff, on an annual basis, for accounting and settlement of energy exported by grid-connected renewable energy system prosumers under the aforesaid arrangements. This Order fixes that tariff for FY 2026-27

2. Basis for the Tariff

- 2.1. No separate cost-based tariff has yet been determined for grid connected renewable energy system. In such cases, the Commission has adopted the Average Power Purchase Cost (APPC) of the Distribution Licensee as the Feed-in-Tariff. This approach is also consistent with Regulation 11.1(e) of the Net Metering Regulations, 2024, which treats APPC as the benchmark rate for valuing power injected by prosumers.
- 2.2. The Distribution Licensee has furnished source-wise particulars of energy procured and the cost thereof for FY 2024-25 (true-up), along with the treatment proposed for each source for the purpose of computation of APPC in terms of Regulation 2.1(iii) of the RE Tariff Regulations, 2024, reproduced in the table below:

Sl.	Source	Agency	Fuel/Type	Energy (MU)	Charges (₹ Cr.)	Rate (₹/kWh)	Proposed Treatment for APPC
1	LOKTAK	NHPC	Hydro	34.15	10.56	3.0922	Exclude
2	KOPILI-I	NEEPCO	Hydro	30.02	7.03	2.3418	Exclude
3	KOPILI-II	NEEPCO	Hydro	9.95	2.44	2.4523	Exclude
4	KHANDONG	NEEPCO	Hydro	—	—	—	Exclude
5	Panyor Lower	NEEPCO	Hydro	67.75	20.62	3.0435	Exclude
	Free Energy – Panyor Lower	NEEPCO	—	125.81	—	—	Exclude
6	DOYANG	NEEPCO	Hydro	14.21	10.89	7.6636	Exclude

Sl.	Source	Agency	Fuel/Type	Energy (MU)	Charges (₹ Cr.)	Rate (₹/kWh)	Proposed Treatment for APPC
7	PARE	NEEPCO	Hydro	25.46	13.60	5.3417	Exclude
	Free Energy – Pare	NEEPCO	—	45.35	—	—	Exclude
8	KAMENG	NEEPCO	Hydro	70.18	28.48	4.0581	Exclude
	Free Energy –Kameng	NEEPCO	—	324.32	—	—	Exclude
9	AGBPP	NEEPCO	Gas	105.28	68.03	6.4618	Include
10	AGTCCPP	NEEPCO	Gas	42.68	25.38	5.9466	Include
11	PALATANA	OTPC	Gas	112.52	38.55	3.4261	Include
12	BgTPP	NTPC	Coal	260.70	157.82	6.0537	Include
13	FARAKKA	NTPC	Coal	21.52	8.95	4.1589	Include
14	KAHALGAON	NTPC	Coal	11.44	4.49	3.9248	Include
15	TALCHAR	NTPC	Coal	13.78	3.17	2.3004	Include
16	DHPD	GoAP	Hydro	61.25	8.70	1.4204	Exclude
17	HPDCAPL	SPSU	Hydro	5.23	1.49	2.8489	Exclude
18	DIKSHI	IPP	Hydro	85.06	44.66	5.2504	Exclude
	Free Energy – Dikshi	—	—	9.45	—	—	Exclude
19	Khangtang	IPP	Hydro	30.99	10.36	3.3430	Exclude
20	SOLAR	APEDA	Solar	0.49	—	—	Exclude
21	Deviation	—	—	41.25	2.41	0.5842	Exclude
22	IEX Purchase	—	—	42.61	6.49	1.5231	Exclude
23	Banking (Import)	—	—	71.52	—	—	Exclude
24	Supplementary Bills	—	—	—	11.78	—	Exclude
25	Diesel Generation	—	Diesel	0.32	—	—	Exclude
26	Reactive Energy Charges	—	—	—	0.02	—	Exclude
Total (All Sources)				1,663.29	485.92	—	—

3. Commission's Analysis

3.1. Regulation 2.1(iii) of the RE Tariff Regulations, 2024 excludes from APPC (a) procurement from RE sources, and (b) procurement from liquid fuel sources. Applying this test to the particulars furnished:

- a) the Hydro stations at Sl. Nos. 1 to 8, 16 to 19 (together with the associated free-energy quantum) have been proposed to be excluded, being treated as hydro/RE-linked sources for the purpose of this computation;


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- b) the Solar station of APEDA (Sl. No. 20) is an RE source and stands excluded;
- c) Deviation, IEX (power exchange) Purchase, Banking (Import), Supplementary Bills and Reactive Energy Charges (Sl. Nos. 21 to 24 and 26) do not represent power purchased from an energy supplier under a long-term, medium-term or short-term arrangement, and have accordingly been excluded;
- d) Diesel Generation (Sl. No. 25), being liquid-fuel based, stands excluded; and
- e) the Gas-based stations of NEEPCO and OTPCL (AGBPP, AGTCCPP, PALATANA) and the Coal-based stations of NTPC (BgTPP, Farakka, Kahalgaon, Talcher) at Sl. Nos. 9 to 15 constitute conventional thermal generation, being neither RE-based nor liquid-fuel based, and are accordingly includible for computation of APPC.

3.2. On the basis of the sources found includible in the above table, the eligible energy and eligible cost for computation of APPC for FY 2026-27 are summarised below:

Sl.	Source	Agency	Fuel/Type	Energy (MU)	Charges (₹ Cr.)	Rate (₹/kWh)	Proposed Treatment for APPC
1	AGBPP	NEEPCO	Gas	105.28	68.03	6.4618	Include
2	AGTCCPP	NEEPCO	Gas	42.68	25.38	5.9466	Include
3	PALATANA	OTPCL	Gas	112.52	38.55	3.4261	Include
4	BgTPP	NTPC	Coal	260.70	157.82	6.0537	Include
5	FARAKKA	NTPC	Coal	21.52	8.95	4.1589	Include
6	KAHALGAON	NTPC	Coal	11.44	4.49	3.9248	Include
7	TALCHAR	NTPC	Coal	13.78	3.17	2.3004	Include
Total				567.92	306.39	-	

Particulars	Value
Energy purchased from conventional (thermal) sources in FY 2024-25 (true up)	567.92 MU
Cost of such power purchased	₹306.39 Crore
APPC = (Eligible Cost, (₹ Cr.) × 10) ÷ (Eligible Energy, (MU))	(306.39 × 10) ÷ 567.92
Average Power Purchase Cost (APPC) / Feed-in-Tariff	₹5.39/unit


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3.3. No generic or project-specific Feed-in-Tariff for the RE technologies covered under Regulation 7 or Regulation 8 of the RE Tariff Regulations, 2024 has been separately determined by the Commission as on date except small hydro projects upto 1MW. Absent such determination, and having regard to Regulation 11.1(e) read with Regulation 2.1(k) of the Grid/Net Metering Regulations, 2024, the APPC as determined in this Order is required to be applied for the purposes set out in paragraph 1.9 above.

4. Order

In view of the foregoing, and in exercise of the powers conferred under Regulation 2.1(iii) of the RE Tariff Regulations, 2024 and Regulation 11 of the Grid/Net Metering Regulations, 2024 read with Sections 61, 66 and 86 of the Electricity Act, 2003, the Commission orders as follows:

- (i) The Average Power Purchase Cost (APPC)/ Feed-in-Tariff for FY 2026-27 is hereby determined at ₹5.39 per unit.
- (ii) The APPC determined at (i) above shall be applied, in terms of Regulation 11.1(e), Regulation 11.2(e) and Regulation 11.3(f) of the Grid/Net Metering Regulations, 2024, for valuation of unadjusted net credited units of electricity under the Net Metering, Group Net Metering and Virtual Net Metering Arrangements, as the case may be, as at the end of FY 2026-27, subject to the said Regulations' requirement that the lower of the APPC and the applicable Feed-in-Tariff for the year shall govern.
- (iii) The APPC determined at (i) above shall also be applied as the Feed-in-Tariff, in terms of Regulation 2.1(k) read with Regulations 11.4 and 11.5 of the Grid/Net Metering Regulations, 2024, for accounting and billing of energy exported to the Grid under Net-Billing/Net Feed-In and Gross Metering arrangements during FY 2026-27.
- (iv) The Distribution Licensee shall give effect to this Order in the billing and settlement of accounts of all prosumers under Net Metering, Group Net Metering, Virtual Net Metering, Net-Billing/Net Feed-In and Gross Metering arrangements, and shall compute and pay amounts due to prosumers under Regulation 11.1(f) and the corresponding provisions of the Grid/Net Metering Regulations, 2024, within the timelines specified therein.


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- (v) This determination is without prejudice to the Commission's power to review or revise the APPC determined herein upon subsequent truing-up, or to separately determine a technology-specific Feed-in-Tariff under the RE Tariff Regulations, 2024.
- (vi) This Order shall come into force with effect from 1st April 2026 and shall remain in force until superseded by a subsequent Order of the Commission.

We order accordingly.

S/d-
Nich Rika
Member

S/d-
R. K. Joshi
Chairperson

Place: Itanagar
Date: 05/10/2026




Secretary
State Electricity Regulatory Commission