



ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ಸಂಪುಟ ೧೬೧ Volume 161	ಬೆಂಗಳೂರು, ಗುರುವಾರ, ೨೨, ಅಕ್ಟೋಬರ್, ೨೦೨೬ (ಆಶ್ವಯುಜ , ೩೦, ಶಕವರ್ಷ, ೧೯೪೮) BENGALURU, THURSDAY, 22, OCTOBER, 2026 (AASHWAYUJA , 30, SHAKAVARSHA, 1948)	ಸಂಚಿಕೆ ೨೦೩ Issue 203
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ಸರ್ಕಾರದ ಆಯಾ ಇಲಾಖೆಗಳ ಮುಖ್ಯಸ್ಥರ ಮತ್ತು ಸ್ಥಳೀಯ ಪ್ರಾಧಿಕಾರಿಗಳಿಗೆ
ಸಂಬಂಧಿಸಿದ ಅಧಿಸೂಚನೆಗಳು

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No. 16, C-1, Millers Tank Bed Area, Vasanthanagara, Bengaluru, Karnataka 560 052.

Notification

No: KERC/SC(F)/RPO Regulations/2026

dated 12/10/2026

DRAFT

KERC (Procurement of Energy from Renewable Sources) Regulations, 2026.

Preamble

In exercise of the powers conferred under clause (e) of subsection (1) of Section 86 read with Section 181 of the Electricity Act 2003 (Central Act 36 of 2003) and all the other powers enabling it in this behalf, the Commission has notified the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations 2011, and it had been amended several times, to incorporate the changes that have taken place in the sector, including the changes in the RPO trajectories and REC Regulations of CERC. In the meantime, Government of India has issued notification No. S.O. 4421(E) dated 27-09-2025 (*hereinafter mentioned as Gol notification*), as per the provisions of the clauses (n) and (x) of section 14 of the Energy Conservation Act, 2001 (52 of 2001 which was amended vide the Energy Conservation (Amendment) Act, 2022 notified in December 2022). The said notification substantially revised the methodology on Renewable Consumption Obligation(RCO), compared to the earlier notification of the Government of India dated 20-10-2023 and the Renewable Purchase Obligation as

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notified in the KERC Regulations. Accordingly, the designated consumers under the Gol notification and obligated entities under the KERC Regulations are required to undergo different methods of compliance monitoring, timelines and REC mechanism, which created difficulties on the said entities. In order to streamline the compliance monitoring and associated issues, the Commission decided to comprehensively modify the KERC Regulations keeping in view the above changes, which necessitates repealing of the existing regulations and formulate new regulations. In order to give effect to the above, in terms of section 181(3) of the Electricity Act, 2003, the Commission has decided to publish the Draft Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2026, soliciting the views of the stakeholders and affected persons and as such, notice is hereby issued intimating that, the said draft will be taken into consideration after 30 (thirty) days from the date of its publication in the official gazette. The Stakeholders and interested persons may file their objections/suggestions/views on the proposed draft within 30 (thirty) days from the date of publication to:

**The Secretary,
Karnataka Electricity Regulatory Commission,
No. 16, C-1, Millers Tank Bed Area, Vasanthanagara,
Bengaluru- 560 052, Karnataka, India.
Email : kerc-ka@nic.in**

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Regulations**

- 1. Short title, Application and Commencement.** - (1) These Regulations shall be called the Karnataka Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2026;
(2) These Regulations shall extend to the whole of the State of Karnataka;
(3) These Regulations shall come into force from the date of notification in the Karnataka State Gazette.
- 2. Definitions.**-(1) In these regulations, unless the context otherwise requires. –
(a) “Act” means the Electricity Act, 2003 (Act 36 of 2003);

- (b) "Bureau of Energy Efficiency" or BEE means the entity established under the provisions of the Energy Conservation Act, 2001;
- (c) "Central Agency" means the agency as may be designated by the Central Electricity Regulatory Commission under Central Regulations from time to time;
- (d) "Central Regulations" means CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 and its amendments, if any;
- (e) "Commission" or "KERC" means the Karnataka Electricity Regulatory Commission;
- (f) "Contract Demand" means the load expressed in MW as mutually agreed to between the Distribution Licensee and the consumer as entered in the Power Supply Agreement;
- (g) "Designated Consumer" shall have the same meaning as assigned to it under the Energy Conservation Act, 2001, as amended from time to time or any reenactment thereof;"
- (h) "Distribution Licensee" means a Distribution licensee as defined in the Act
- (i) "Obligated Entity" means an entity, having mandated to fulfil the renewable purchase obligation under these Regulations namely (a) distribution licensee in the State or (b) an open access consumer having a contracted demand of one MW and above with the distribution licensee, and availing electricity exceeding one MW through open access, or (c) a captive consumer with grid connected captive plant having installed capacity of 1MW and above;
- (j) "REC" means Renewable Energy Certificates issued by the Central agency notified by the Central Electricity Regulatory Commission;
- (k) "Renewable Energy" means energy generated from renewable sources of energy;
- (l) "Renewable Sources of Energy" means sources of renewable energy such as hydel, wind, solar, biomass (including bagasse-based co-generation), urban/municipal waste, or such other sources as approved by Government of India or Government of Karnataka as the case may be;
- (m) "Renewable Consumption Obligation" or "RCO" means the requirement specified by the Central Government under clauses (n) and (x) of Section 14 of

the Energy Conservation Act, 2001, as amended from time to time or any reenactment thereof, for the minimum share of consumption of non-fossil sources (renewable energy);

- (n) "Renewable Energy Purchase Obligation" or "RPO" means minimum quantity of Renewable Energy to be consumed by the Obligated entities as specified in these Regulations;
- (o) "State" means the State of Karnataka;
- (p) "State Agency" means the State Load Despatch Centre (SLDC) or any other agency designated by the Commission for according accreditation of eligible entities in the State for grant of REC and to monitor & report RPO compliance of obligated entities and undertake such other functions as may be specified or directed by the Commission;
- (q) "Tariff" means the tariff determined by the Commission for purchase of renewable sources of energy by a distribution licensee, as provided in these Regulations;
- (r) "Year" means a financial year;
- (2) The words and expressions used in these Regulations, and not defined herein but defined in the Act, shall have the same meaning as in the Act.

3. Renewable Purchase Obligation.– (1) All obligated entities in every year shall consume minimum share of renewable energy as a percentage of their total consumption of electricity as specified in these Regulations;

(2) The total consumption of electricity to be considered for deciding the RPO subject to sub Regulation (3) below for the obligated entities shall be as follows:

1. Distribution licensee: In the case of distribution licensee(s), the total electrical energy supplied to its consumers within the periphery of the distribution licensee at interface point excluding:

- a. the consumption of open access users from the sources other than the distribution licensee
- b. the electricity generated and self- consumed by captive users and
- c. the green energy requested by the consumers and sold at green tariff.

[Note: the components at a, b and c above shall be computed at interface point]

II. Open Access Consumer: The total electricity availed through open access from all sources at its metering point excluding energy consumption from distribution licensee. The total electricity consumption, shall include the energy availed through open access from grid connected captive sources or behind the meter installations.

III. Captive users: Total electricity consumption shall include electricity generated and self-consumed, net of auxiliary consumption from captive generating sources. The total energy shall exclude:

- a. electricity consumed from distribution licensee;
- b. electricity generated and self-consumed from waste heat recovery process using fossil-based sources, except for electricity generated from a Waste Heat Recovery Steam Generator in a captive Combined Cycle Gas-Based Generating Station; and
- c. electricity generated and self-consumed through waste energy recovery, including from by-product gases, or other forms of residual energy sources associated with industrial processes.

(3) Obligated entities shall also exclude the following from the total electricity consumption;

- a) Electricity consumed from Nuclear Power sources, if any;
- b) 50% of the electricity generated and self-consumed from fossil-fuel based co-generation plant; and
- c) 50 % of the fossil fuel-based electricity consumed in Aluminum smelters.

(4) The minimum share of Renewable energy consumption as a percentage of the total consumption of electricity by obligated entities shall be as given in the table:

Table

Year	Wind RE	Hydro RE	Distributed RE	Other RE	Total RE
2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

- (5) The percentage of RPO specified as per sub regulation (4) above shall be subject to the following conditions:
- (a) The Wind Renewable Energy (Wind RE) component shall be met by energy produced from Wind Power Projects (WPPs) commissioned after the 31st March, 2024.
- (b) The Hydro Renewable Energy (Hydro RE) component shall be met only by energy produced from Hydro Power Projects, commissioned after the 31st March, 2024:
- Provided that the Hydro RE component may also be met out of the free power being provided to the State/distribution licensee from the Hydro Power Projects commissioned after the 31st March, 2024
- Provided further that the Hydro RE component may also be met from Hydro Power Projects located outside India as approved by the Central Government on a case to- case basis.
- (c) The Distributed Renewable Energy (Distributed RE) component shall be met only from the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar PV installations (roof top or otherwise) under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government.
- Provided that the compliance against Distributed RE shall ordinarily be considered in terms of energy (kilowatt hour units):
- Provided further that in case the obligated entity is unable to provide generation data against distributed renewable energy installations, the reported capacity shall be transformed into distributed renewable energy generation in terms of energy by a multiplier of 3.5 units per kilowatt per day (kWh/kW/day).
- (d) The Other Renewable Energy (Other RE) component may be met by energy produced from any renewable energy power project other than specified in sub clauses (a), (b), and (c) of clause 5 above and shall include but not limited to energy generated from all WPPs and Hydro Power Projects commissioned before the 1st April, 2024 and co-firing of biomass pellets and charcoal produced from Municipal Solid Waste.
- (e) Shortfall in Obligations if any, under Wind, Hydro, or Other RE components may be met from surplus in any of the RE sources including Distributed RE, while shortfall in Distributed RE energy shall not be met from any other sources.

Provided that the Open access consumers and Captive users may meet the specified total RPO from any of the RE sources.

(6) The RPO targets and the conditions as per the respective provisions of KERC (Procurement of Energy from Renewable Sources) Regulations 2011 (amended from time to time) as they stand immediately prior to the amendments shall continue to be applicable to the obligated entities for the respective periods.

4. Methods of meeting RPO.- (1) The Obligated entities may, fulfill their RPO specified under sub regulation (4) of Regulation 3, through any one or more of the following methods, namely: -

(a) consumption of renewable energy from captive source or purchase of RE from any other source including purchase of RE from traders or market or through an energy storage system;

Provided that the capacity of the captive Renewable Energy Power Plant owned by the obligated entity shall not be less than 250 kW;

(b) purchased or self-generated Renewable Energy Certificates issued in accordance with Regulations notified by the Central Electricity Regulatory Commission including Renewable Energy Certificates acquired under Virtual Power Purchase Agreements;

Provided that, the redemption of RECs (self-retained or otherwise), if any, by obligated entities against its RPO compliance, shall be in accordance with Central Regulations; and;

(c) payment of the buyout price specified by the Central Electricity Regulatory Commission:

Provided that, the proceeds received through the buyout mechanism shall be utilized as per the notification issued by Ministry of Power from time to time;

(2) In the case of consumers being units of a single legal entity but, located in more than one place within Karnataka State, the combined RPO of all such units within the Karnataka State shall be reckoned for the purpose of meeting the RPO, specified above;

(3) Redemption of RECs (self-retained or otherwise), if any, by obligated entities against its RPO compliance, shall be in accordance with Central Regulations.

5. Monitoring of RPO.- (1) The State Agency shall monitor the RPO compliance of all Obligated entities, other than designated consumers under the Energy Conservation Act.

Provided that in the case of designated consumers, State Agency shall accept the compliance report of BEE.

(2) The obligated entities, shall furnish the information as required by State Agency, on the total consumption of electricity and Renewable Energy for every year after meeting the shortfall, if any, through purchase of REC or through buyout price by July 31st of subsequent year, for the verification of RPO compliance.

Provided that Distribution licensees shall furnish consumption details including meter reading details if any, of consumers availing open access including captive users as the case may be, at the close of each year in a time bound manner as required by the State Agency for facilitating the preparation of compliance report on RPO by State Agency for the year.

Provided further that open access consumers and captive consumers shall furnish the details including copies of bills etc., as required by State Agency for any year in a time bound manner for monitoring of RPO.

Provided also that any person withholding the required information or not furnishing information as required by State Agency on time in connection with monitoring of RPO shall be liable to face proceedings under Section 142 of the Act, based on the report of State Agency.

(3) The State Agency shall after verification of the details furnished by the obligated entities, furnish a comprehensive report pertaining to all the obligated entities, whether complied or not, by August 31st of every year before the Commission for the previous year. The report shall include details of persons failing to provide details in the required manner as per sub regulation (2) above with reasons and recommendation for initiating action as per sub regulation (4).

(4) Based on the report from the State Agency, the Commission if required may initiate the proceedings under Section 142 of the Act for non-compliance of RPO by the obligated entities.

Provided that, proceedings against the non-compliance of designated consumers shall be dealt with as per the provisions of the Energy Conservation Act, 2001.

6. Eligible entities for issuance of RECs.- The eligible entities for issuance of RECs shall be the Distribution Licensees and Captive Consumers.

7. Grant of Accreditation for RECs.- (1) Accreditation to the eligible entities connected to intra-State transmission system or the distribution system, shall be granted by the State Agency as per the provisions of Central Regulations:

Provided that the eligible entities granted accreditation prior to the date of coming into force of these regulations shall be deemed to have been granted accreditation under these regulations till validity of their respective accreditations.

(2) Accreditation to the eligible entities connected to inter-State transmission system shall be as per Central Regulations

(3) The State Agency shall within 3 (three) months from the date of these Regulations coming into force formulate and notify procedures and Terms and Conditions for Accreditation, with prior approval of the Commission thereon, and shall in formulating such procedures be generally guided by the procedures / rules stipulated by the Central Agency under Central Regulations.

(4) The Commission if required, may from time to time fix the charges payable by RE Generating Companies and the Distribution Licensees to the State Agency for discharge of its functions under these regulations.

8. Conditions for Accreditation.- (1) An obligated entity being a distribution licensee or a captive consumer, which purchases electricity from renewable energy sources in excess of the RPO specified in these Regulations for a given year, shall be eligible for issuance of Certificates to the extent of purchase of such excess electricity from such renewable energy sources. Such distribution licensee or captive consumer satisfying the eligibility conditions shall be deemed to have been accredited for grant of registration.

(2) A renewable energy generating station shall be eligible for issuance of Certificates, if it meets the following conditions:

(a) the tariff of such renewable energy generating station, for part or full capacity, has not been either determined or adopted under section 62 or section 63 of the Act respectively, or the electricity generated is not sold directly or through

an electricity trader or in the Power Exchange, for RPO compliance by an obligated entity:

- (b) such renewable energy generating station has not availed any (i) waiver of or concessional transmission charges or (ii) waiver of or concessional wheeling charges or (iii) other Open Access charges.

Provided further that, Renewable Energy station in the State applying for accreditation to the State Agency for securing REC shall satisfy the following conditions: -

- (a) The Renewable Generating station shall not have any subsisting power purchase agreements related to such generation capacity with any of the distribution licensees of the State;
 - (b) A Renewable Generating station shall not, in case of premature termination of a power purchase agreement, be eligible in respect of the generation capacity covered by such PPA, for participating in REC Scheme for a period of one year from the date of termination of such agreement or till the scheduled date of expiry of PPA, whichever is earlier.
 - (c) A Renewable Generating station opting for REC Scheme shall sell the electricity generated by it to ESCOMs of the State at the pooled cost of power purchase of the State for the relevant year, as notified by the Commission from time to time or at 75% of Generic Tariff as determined by the Commission for the respective RE source for that relevant year, whichever is lower.
- (3) A captive generating station based on renewable energy sources including renewable energy generating station not fulfilling the conditions of captive generating plant as prescribed in the Electricity Rules, 2026 but having self-consumption and meeting the conditions as specified under sub Regulation (2) of this Regulation in respect of renewable energy generating station shall be eligible for issuance of Certificates:

Provided that the Certificates issued to such captive generating station to the extent of self-consumption, shall not be eligible for sale.

- (4) If any entity obtains accreditation contrary to these Regulations, the Commission may either *suo motu* or otherwise cancel the accreditation after giving notice to such entity or Generating Company.

9. Determination of Tariff for electricity from Renewable sources of energy. -

- (1) The Commission may determine at any time the tariff for purchase of electricity from Solar other than MW-scale projects, Waste to Energy Projects and for any new technology RE sources, by the Distribution Licensees, either *suo motu* or on an application either by generator or by Distribution Licensee;
- (2) In all other cases namely Mini-Hydel, Solar MW-Scale, Wind, Co-generation and Bio-mass based projects, the tariff shall be arrived at a transparent process of bidding, in accordance with the guidelines issued by the Central Government under Section 63 of the Act.

Provided that the tariff approved by the Commission including the PPAs deemed to have been approved under sub- section (2) of section 27 of the Karnataka Electricity Reform Act, 1999, prior to the coming into force of these regulations shall continue to apply for such period as mentioned in those PPAs.

- (3) The Commission shall be guided by the principles and methodologies, if any, specified by the CERC, National Electricity Policy, and Tariff Policy, while determining tariff for renewable sources of energy.
- (4) While determining the tariff, the Commission may consider factors affecting the costs of generation including technology, fuel, market risk, environmental benefits and social contribution and other relevant factors relating to each type of renewable sources of energy.

10. Power to amend.- The Commission may from time to time add, vary, alter, modify or amend any provisions of these Regulations.

11. Power to call for information.- The Commission may call for information or documents as may be necessary from the Generators, Distribution Licensees and other consumers specified in clause 3 above, to monitor the compliance of these Regulations.

12. Power to remove difficulties. - The Commission may at any time either *suo motu* or otherwise by order remove any difficulty arising in giving effect to the provisions of these Regulations.

13. Interpretation.-

The decision of the Commission regarding the interpretation of these Regulations shall be final and binding.

14. Repeal & Savings.-

- (1) The KERC (Power Procurement from Renewable Sources by Distribution Licensee) Regulations, 2011 along with its amendments thereto are hereby repealed.
- (2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken including any notification, inspection, order or notice made or issued, or any appointment, confirmation or declaration made or any licence, permission, authorization or exemption granted under the repealed Regulations shall, in so far as it is not inconsistent with the provisions of these Regulations be deemed to have been done or taken under the corresponding clauses of these Regulations.

By Order of the Commission

Secretary
Karnataka Electricity Regulatory Commission

PD-157

ಕರ್ನಾಟಕ ಸರ್ಕಾರ

ಸಂಖ್ಯೆ:ಐಟಿಬಿಟಿ 13 ಡಿಐಎಸ್ 2026

ಕರ್ನಾಟಕ ಸರ್ಕಾರ ಸಚಿವಾಲಯ,
ಬಹುಮಹಡಿ ಕಟ್ಟಡ,
ಡಾ: ಬಿ.ಆರ್. ಅಂಬೇಡ್ಕರ್ ವೀದಿ,
ಬೆಂಗಳೂರು, ದಿನಾಂಕ:17.08.2026.

ಅಧಿಸೂಚನೆ

ವಿದ್ಯುನ್ಮಾನ, ಮಾಹಿತಿ ತಂತ್ರಜ್ಞಾನ ಮತ್ತು ಜೈವಿಕ ತಂತ್ರಜ್ಞಾನ ನಿರ್ದೇಶನಾಲಯದ ಸಿಸ್ಟಮ್ಸ್ ಅನಾಲಿಸ್ಟ್ [ಉಪ ನಿರ್ದೇಶಕರು (ತಾಂತ್ರಿಕ)] ವೃಂದದ ದಿನಾಂಕ:01.01.2025 ರಿಂದ 31.12.2025ರ ಅವಧಿಗೆ ದಿನಾಂಕ:01.01.2026ರಲ್ಲಿದ್ದಂತೆ ತಾತ್ಕಾಲಿಕ ಜೇಷ್ಠತಾ ಪಟ್ಟಿಯನ್ನು ಸಮ ಸಂಖ್ಯೆಯ ದಿನಾಂಕ:23.04.2026ರ ಅಧಿಸೂಚನೆಯಲ್ಲಿ ಪ್ರಕಟಿಸಿ, ಆಕ್ಷೇಪಣೆಗಳಿದ್ದಲ್ಲಿ, ಸಂಬಂಧಪಟ್ಟ ಅಧಿಕಾರಿಗಳು ತಮ್ಮ ಆಕ್ಷೇಪಣೆಗಳನ್ನು ಸಲ್ಲಿಸಲು 15 ದಿನಗಳ ಕಾಲಾವಕಾಶವನ್ನು ನೀಡಲಾಗಿತ್ತು ಹಾಗೂ ನಿಗದಿತ ಕಾಲಮಿತಿಯ ನಂತರ ನೀಡುವ