

Weekly Report
Key Developments in Power Sector
(Week ended 17.07.2026)

During the week, key developments in the Power Sector were examined from an Audit perspective. The following observations were noted:

1. CERC passes suo motu order on treatment of stranded GNA connectivity

The Central Electricity Regulatory Commission (CERC) has introduced a new mechanism for renewable energy projects that have obtained connectivity under the General Network Access (GNA) Regulations but have not signed a power purchase agreement (PPA) within 12 months of receiving a letter of award (LoA). The order provides developers with four options, including retaining connectivity under revised conditions, replacing the LoA with another PPA-backed LoA, surrendering connectivity, or continuing under the existing regulatory framework.

The same is proposed to be circulated to Admin Coordination group for information.

2. POWERGRID commissions transmission system for 7 GW Khavda RE zone

Power Grid Corporation of India Limited (POWERGRID) has commissioned the Transmission System for Evacuation of Power from the Potential Renewable Energy Zone in Khavda, Gujarat under Phase IV (7 GW) – Part E4. The project achieved commercial operation on June 21, 2026, in accordance with the applicable regulations of the Central Electricity Regulatory Commission (CERC), strengthening the transmission infrastructure for renewable energy integration.

From an audit perspective, the commissioning of the project in compliance with regulatory requirements, commercial operation date (COD), asset capitalization and recognition of transmission revenue supported by requisite regulatory approvals may be verified during compliance audit of Powergrid Transmission Limited.

The same is proposed to be sent to the Power Transmission and Finance Group for information and further necessary action.

3. NHPC and TSECL sign PPA for 1,720 MW Kamala hydro project

NHPC Limited has signed a 40-year power purchase agreement (PPA) with Tripura State Electricity Corporation Limited (TSECL) for the supply of power from its 1,720 MW Kamala Hydro Electric Project in Arunachal Pradesh. Separately, NHPC has resumed commercial generation from Units 1 and 2 (170 MW each) of the 510 MW Teesta-V Power

Station in Sikkim following grid synchronisation, while the commissioning of Unit 3 will be announced separately.

The same is proposed to be sent to the Power Admin Coordination Group for information.

4. POWERGRID secures LoI for Krishnagiri REZ transmission system under TBCB

Power Grid Corporation of India Limited (POWERGRID) has received a Letter of Intent (LoI) under the tariff-based competitive bidding (TBCB) route to develop the Transmission System for Integration of Krishnagiri REZ Phase-I on a build, own, operate and transfer (BOOT) basis. The project includes the establishment of two new 765/400 kV substations in Andhra Pradesh and the construction of 765 kV and 400 kV transmission lines across Andhra Pradesh, Telangana, and Karnataka, along with associated bay works.

The same is proposed to be sent to the Power Transmission and Finance Group for information.

5. NTPC board clears Rs 204.57 billion investment for Lara STPP Stage III

The Board of Directors of NTPC Limited has approved an investment of Rs 204.57 billion for Stage III of the Lara Super Thermal Power Project (STPP) in Chhattisgarh. The expansion comprises two 800 MW units, adding 1,600 MW of approved generation capacity.

The same is proposed to be sent to Power Generation Group for information.

6. REC signs Rs 150 billion agreements for power and renewable projects in Tripura

REC Limited has signed two MoUs with the Government of Tripura to finance renewable energy and power sector projects worth Rs 150 billion. The first MoU, with TRED, provides financial support of up to Rs 50 billion for renewable energy projects, while the second, with the Department of Power through TSECL, facilitates financing of up to Rs 100 billion for power infrastructure expansion and modernization.

The same is proposed to be sent to the Power Transmission and Finance Group for information.

7. POWERGRID secures LoI for ISTS augmentation project under TBCB

POWERGRID has received a Letter of Intent (LoI) under the TBCB route for establishing the Inter-State Transmission System (ISTS) for augmentation at Bhadla-III, Ramgarh PS, and Kanpur (PG) on a BOOT basis. The project includes augmentation and bay extension works at substations located in Rajasthan and Uttar Pradesh.

The same is proposed to be sent to the Power Transmission and Finance Group for information.