Press Release

MERC Proposes Future-Ready Regulatory Framework for Renewable Energy and Energy Storage Deployment and Sustainable and Secure Electricity Sector in Maharashtra

The Maharashtra Electricity Regulatory Commission (MERC) has proposed a revised regulatory framework for public consultation to support faster integration of renewable energy and energy storage systems across the State.

Background

Maharashtra's power sector is rapidly evolving with growth in solar power, rooftop solar, green open access and agricultural feeder solarisation, alongside rising electricity demand in major cities and from data centres requiring reliable, round-the-clock renewable power.

Through initiatives such as Mukhyamantri Saur Krishiwahini Yojana 2.0, Maharashtra aims to meet 50% of electricity demand from renewable sources by 2030. Renewable generation has already grown by 25% in the past year, including 36% growth in solar and 12% in wind. The Maharashtra Renewable Energy and Energy Storage Policy 2035-36 further targets 65% renewable demand by 2036 and at least 10% demand through storage such as battery energy storage and pumped hydro, requiring 100 GW of renewable capacity and 100 GWh of storage.

Energy storage can bridge the gap between daytime solar generation and round-the-clock demand by storing surplus renewable energy and supplying it during peak periods.

The coming decade will be crucial as Maharashtra balances rising demand, higher variable renewable generation, competitive consumer choices and the financial viability of distribution companies needed to ensure reliable supply.

The framework aims to support this transition through coordinated planning, prudent investment, reliable supply, affordable tariffs and consumer protection.

Key Features of the Proposed Framework

The proposed framework is designed to support Maharashtra's objective of meeting 50% of its electricity demand from renewable energy by FY 2029-30 and progressing towards 65% by FY 2035-36. It also provides for greater deployment of battery and other energy storage systems to enable solar and wind power to be stored and dispatched when required. The proposed framework seeks to;

- Streamline Intra-State transmission connectivity and General Network Access to ensure fair access to the grid, and it's optimal utilisation;
- Revamp Distribution Open Access and grid-interactive rooftop renewable energy systems to provide balanced benefits and cost for distribution licensees, beneficiaries of renewable energy systems, consumers at large, and expand options for competitive power procurement by consumers;

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- Promote Battery energy storage systems,
- Improve discipline in forecasting and scheduling, and deviation settlement mechanisms; and
- Provide a long-term path for Renewable Purchase Obligation, Energy Storage Obligation and related amendments to the State Grid Code.

Expected Benefits

The proposed changes are expected to facilitate additional solar, wind, and storage capacity, strengthen grid reliability, and promote fair allocation of network and system service costs. The framework also proposes to protect existing contracts under the prevailing regulatory regime, while allowing eligible consumers and project developers the option to migrate to the new framework.

Invitation for Public Suggestions/Objections

MERC invites comments and suggestions from consumers, industry stakeholders, developers, utilities, experts and members of the public on the proposed regulations. Stakeholders are encouraged to review the draft regulations and submit their views within the 21-day timeline (i.e., by 12th October 2026) and any counter-submission within 3 days (i.e., latest by 15th October 2026). The comments received will be considered before the regulations are finalised. These Draft Regulations can be accessed and downloaded from the Commission's website, www.merc.gov.in.

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