



Corporate Green Tariffs vs Open Access PPAs in India 2026: Cost, Risk, RPO

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A 2026 practitioner guide to utility green tariffs vs open access PPAs in India: landed cost, risk allocation, RPO impact and buyer decisions.

Corporate Green Tariffs vs Open Access PPAs in India 2026: Cost, Risk, RPO and Buyer Strategy

Indian commercial and industrial power buyers now have one more procurement route to evaluate alongside third-party and group captive open access: utility-backed green tariffs and green power programs. In 2026, this comparison has become commercially material. Several state discoms and central frameworks now offer some form of green power supply, green day-ahead market access, or premium renewable procurement through the utility bill. For many CFOs and energy heads, the choice is no longer only whether to sign an open access PPA. It is whether the complexity of open access is justified versus a simpler utility green product.

That decision cannot be made on headline tariff alone. The right comparison is landed cost, hourly consumption fit, policy durability, renewable claims, operational flexibility, and balance-sheet implications. A buyer paying Rs 6.80-8.20/kWh under an effective utility green arrangement may still prefer it over a nominal Rs 4.10-4.80/kWh open access tariff if the latter becomes Rs 5.80-7.20/kWh after transmission, wheeling, CSS, AS, banking losses, scheduling overhead, and curtailment risk. Equally, a well-structured captive or third-party deal can still significantly outperform utility green power where state charges are manageable and load shape supports banking.

This article examines when utility green tariffs compete with open access PPAs in India in 2026, how buyers should compare them, and where developers, lenders, utilities and policymakers should focus.

Why this comparison matters in 2026

The policy environment has pushed renewable procurement into multiple channels:

- Green Energy Open Access Rules continue to support access pathways for eligible consumers, subject to state implementation.
- State electricity regulatory commissions have issued or revised frameworks on banking, cross-subsidy surcharge, additional surcharge, and green tariff offerings.
- C&I buyers face continued pressure from export customers, ESG-linked procurement mandates, and internal decarbonisation targets.
- Discoms, under pressure to retain paying industrial consumers, are responding with green supply products rather than losing high-paying demand entirely.

For buyers, the practical options now include:

- Standard grid power from the discom
- Discom green tariff or green power procurement add-on
- Third-party open access solar, wind, or hybrid PPA
- Group captive open access structure



- Shorter-term market purchases through exchanges or traders, including green products

The economic gap between these options has narrowed in some states and widened in others. In states with punitive open access charges, limited banking, or restrictive scheduling conditions, utility green tariffs can be surprisingly competitive on a risk-adjusted basis. In states with stable policy, reasonable wheeling/transmission charges and usable banking, open access still offers superior long-term savings.

What a utility green tariff actually offers

A utility green tariff is not a single national product. In practice, it can mean one of several structures:

- A premium over the normal retail tariff in exchange for renewable power allocation or accounting
- A designated green power tariff approved by the state regulator
- A discom-facilitated renewable supply bundle sourced from generators, exchanges, or bilateral arrangements
- A central or state-enabled green market supply routed through the utility framework

For the consumer, key features usually include:

- No separate open access application and coordination burden
- No direct scheduling and forecasting interface with SLDC for the end consumer in most cases
- Energy billed through the existing utility account
- Easier internal approvals because there is no SPV equity requirement, no shareholding lock-in, and no long-form PPA negotiation in many cases
- Potentially weaker control over source, contract tenor, curtailment regime, and price discovery than a dedicated PPA

The tariff itself may be quoted as a premium over the applicable retail tariff or as a separate green energy rate. In 2026, observed effective utility green pricing for C&I buyers in several markets can sit anywhere from around Rs 0.30 to Rs 1.50/kWh above standard supply, though the final all-in bill depends on base HT tariff, demand charges, time-of-day slabs, electricity duty treatment, and whether the state ring-fences green procurement costs.

Open access still wins on headline tariff, but not always on landed cost

Developers and advisors often quote open access solar or hybrid tariffs such as:

- Solar: roughly Rs 3.10-4.20/kWh, state and profile dependent
- Wind-solar hybrid: roughly Rs 3.80-5.20/kWh
- Firmed or RTC-style renewable supply: often Rs 5.20-7.50/kWh or higher depending on storage depth and shaping obligations

But buyers should compare these against delivered cost, not busbar tariff. In 2026, the following cost items remain decisive in open access economics:

- Inter-state or intra-state transmission charges
- Wheeling charges
- Wheeling losses and transmission losses
- Cross-subsidy surcharge for third-party structures where applicable
- Additional surcharge where imposed and not exempt



- SLDC fees and scheduling charges
- Banking charges and banking loss adjustment
- Deviation, DSM or imbalance settlement exposure depending on structure
- Standby and residual grid consumption cost
- Electricity duty implications under state law

Illustratively, a third-party solar PPA at Rs 3.60/kWh can land at Rs 5.40-6.60/kWh in a high-charge state once network charges and non-bypassable items are added. The same asset in a group captive structure may land at Rs 4.40-5.50/kWh if CSS is avoided and AS exposure is lower or absent, provided captive compliance is robust. In contrast, a discom green tariff in that state could result in an effective delivered renewable bill of Rs 6.20-7.10/kWh with much lower implementation effort.

That means utility green power may not be the cheapest option, but it can be close enough to become viable where transaction simplicity and policy certainty are valued.

This is why serious buyers increasingly start with [Demand & ToD analysis](/coreservices/greenenergyppa/demandandtodanalysis) rather than supplier-first discussions. If the consumption profile is daytime-heavy, weekend-light, and located in a state with weak banking economics, the expected savings from open access can shrink materially. If the load is large, stable, multi-shift, and banking is still usable, open access remains hard to beat.

Decision framework: when utility green tariff makes sense

A utility green tariff is usually more attractive in the following cases:

- Load below the practical scale at which open access transaction costs are justified
- Highly variable or seasonal consumption creating mismatch with fixed renewable generation
- Management preference for short approval cycles and no equity participation
- Sites where open access policy has a record of abrupt charge revisions or banking withdrawal
- Multi-location buyers wanting a standardised procurement route across smaller facilities
- Buyers prioritising renewable accounting and operational simplicity over maximum savings

In 2026, many mid-sized C&I buyers with annual consumption below roughly 10-15 GWh per site are reassessing whether a custom open access PPA is worth the execution overhead unless there is a portfolio-scale aggregation strategy.

A utility green product can also function as an interim bridge:

- While waiting for captive equity closure
- During open-access approval delays
- When a plant expansion changes contracted demand and load factor assumptions
- As a transition solution before a hybrid or RTC procurement round

For utilities, this route helps retain premium industrial consumers who might otherwise migrate fully or partially to open access.

Where open access PPAs retain clear advantage

Despite growing interest in utility green supply, open access remains superior in many use cases.



First, cost advantage can still be meaningful. In favorable states, group captive solar or hybrid structures can deliver savings of Rs 1.0-2.5/kWh versus grid supply and still beat utility green products by Rs 0.5-1.5/kWh on a risk-adjusted annual basis.

Second, open access offers greater customisation:

- Tenor of 12-25 years versus often shorter or more revisable utility programs
- Choice of solar, wind, hybrid, or shaped supply
- Contracted capacity aligned to consumption blocks
- Negotiated curtailment relief, change-in-law treatment and termination framework
- Better visibility for long-term energy budgeting

Third, large consumers often need more than renewable accounting. They need procurement strategy integrated with tariff risk, manufacturing expansion, and RPO posture. A buyer with 20-100 MW cumulative load across sites can unlock significantly better outcomes through [Sourcing strategy]/(coreservices/greenenergypa/sourcingstrategy), [Competitive developer selection]/(coreservices/greenenergypa/competitivedeveloperselection) and PPA structuring & negotiation than through a standard tariff product.

For lenders and developers, open access PPAs also provide bankable long-tenor revenue visibility that utility green programs may not always replicate.

RPO, renewable claims and compliance questions buyers should ask

One reason some corporates prefer utility green supply is the assumption that compliance and environmental claims are simpler. That is only partially true.

Buyers should ask the following before signing any utility green arrangement:

- Is the renewable supply physically allocated, financially settled, or only notionally pooled?
- How are energy attributes tracked and retired?
- Is there any risk of double counting between utility RPO compliance and consumer green claim usage?
- Will the buyer receive a clear statement of renewable procurement by month and source category?
- How does the utility treat shortfall if contracted green quantum is unavailable?
- Is the tariff approved by the SERC, and can it be revised during the service period?

Under open access, these questions also matter, but contract allocation is usually clearer. The buyer can specify metering hierarchy, accounting methodology, treatment of unutilised generation, and documentary support for renewable claims.

RPO interaction is especially important for obligated entities and for sectors supplying export markets with stricter Scope 2 accounting expectations. Utility green supply may satisfy internal clean power goals, but the documentary package must be reviewed carefully if the buyer intends to make facility-level renewable consumption claims.

The biggest risk is policy design, not technology

Technology is no longer the principal barrier. Solar, wind, hybrid and storage options are available. The principal risk in 2026 is state-level commercial design.

For open access, that means:



- Sudden banking restriction or monthly settlement disadvantage
- Revision in CSS or AS methodology
- Curtailment and must-run enforcement weakness
- Delays in connectivity, metering and energisation
- Inconsistent treatment of change in law by counterparties

For utility green tariffs, the risks are different:

- Premium revision without long-term price certainty
- Limited transparency on source and balancing cost
- Lack of contractual remedies if green supply falls short
- Dependence on discom procurement quality and regulatory support
- Possible mismatch between tariff design and the buyer's ToD profile

This is why a side-by-side financial model should compare at least three scenarios over 10-15 years:

- Utility green tariff under base-case and escalated retail tariff assumptions
- Third-party open access under current and stressed charge scenarios
- Group captive under current and stressed compliance and charge assumptions

The model should include hourly or monthly profile fit, not just annual units. Landed-cost management depends on understanding spillover, banking value, residual grid purchase and demand-charge interaction.

What policymakers and utilities should take from this trend

The rise of utility green tariffs is not evidence that open access is failing. It is evidence that buyers want multiple credible pathways to decarbonise.

A well-designed market should allow both:

- Open access for consumers able to contract directly and manage complexity
- Utility green products for consumers prioritising simplicity, standardisation and speed

Policymakers should focus on transparency and comparability. Every state should require a standard disclosure format for green utility products covering source mix, balancing approach, tariff components, revision triggers, and treatment of renewable attributes. Similarly, open access charge notifications should be timely, machine-readable and stable enough for investment decisions.

Utilities should recognise that retaining C&I consumers through transparent green products may be better than forcing exit through opaque tariff design. Developers should recognise that not every C&I buyer is best served by a long-tenor PPA on day one. Some customers need a phased roadmap from utility green supply to open access once load and internal governance mature.

For buyers, the practical lesson is straightforward: do not compare procurement routes using only per-kWh headline price. Compare delivered economics, risk allocation, flexibility, claims integrity and administrative burden.

In many 2026 cases, the answer will still be open access. In some, especially smaller or more variable loads, the answer may be a utility green tariff. For a growing number of sophisticated C&I portfolios, the answer will be a combination of both, sequenced over time by site, load shape and state policy.



If your team is evaluating utility green supply against third-party or group captive open access, contact Growthifye's advisory desk for a state-specific assessment of tariffs, charges, profile fit, compliance and contracting options.

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This analysis connects directly to our advisory practice: [Demand & ToD analysis](/coreservices/greenenergyppa/demandandtodanalysis) · [Sourcing strategy](/coreservices/greenenergyppa/sourcingstrategy) · [Competitive developer selection](/coreservices/greenenergyppa/competitivedeveloperselection) · [PPA structuring & negotiation](/coreservices/greenenergyppa/ppastructuringandnegotiation).

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