

Open Access Solar PPA Approvals in India 2026: Timeline, Risks and Charges

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A practical 2026 guide to open access solar PPA approvals in India: timelines, charges, permits, risks and execution strategy.

India's open access solar market in 2026 is no longer constrained only by tariff discovery. For many commercial and industrial consumers, the bigger determinant of project success is approval execution: whether the plant, evacuation system, contracting structure and utility permissions can be aligned without losing months in state-level process friction. This is where landed cost economics are won or lost.

For C&I buyers, developers, lenders and advisers, the approval pathway now matters as much as the quoted PPA tariff. A bid at Rs 3.10/kWh can become less attractive than one at Rs 3.35/kWh if the former carries commissioning uncertainty, banking ambiguity, connectivity bottlenecks or captive-compliance risk. In 2026, the practical question is not only whether open access solar is cheaper than DISCOM power. It is whether the project can reliably achieve injection, scheduling, accounting and monthly billing treatment as assumed in the financial model.

This article focuses on a distinct but decisive angle: the approvals stack for open access and corporate PPAs in India, with a practical look at timelines, authorities, checkpoints, state-level risk items, and the resulting effect on landed cost. It is intended for energy buyers evaluating third-party or group captive structures, developers building state pipelines, lenders underwriting risk, utilities managing system integration, and policymakers interested in where project execution still gets delayed.

Why approvals have become the real battleground in 2026

Open access procurement has matured. Many C&I consumers already understand the broad difference between third-party and group captive procurement, the role of wheeling and banking, and the sensitivity of landed tariff to cross-subsidy surcharge, additional surcharge and transmission charges. What continues to cause avoidable delays is fragmented approval sequencing.

In a typical 10 MW to 50 MW solar open access project, the PPA may be negotiated in a few weeks, but execution can still stretch to 6-12 months depending on:

- state nodal process complexity
- n- substation bay availability
 - STU or DISCOM connectivity studies
 - captive shareholding and consumption compliance checks
 - approval dependency between project SPV, consumer agreements and metering
 - local land-use, CEIG and electrical inspectorate milestones
 - utility responsiveness on open access registration and energy accounting

In practical terms, delay costs are not theoretical. If a 20 MW AC plant with 32-35 million units annual generation loses three months of operation, the revenue deferment can be material. At a PPA rate of Rs 3.20/kWh, even one quarter of lost generation can imply roughly Rs 2.5-2.8 crore of delayed billings, before considering interest during construction, safeguard against module warranty commencement mismatch, and

counterparty frustration.

That is why 2026 open access procurement needs to be managed like a regulatory project, not only a power purchase transaction.

The approval chain: what actually needs to happen

Although exact nomenclature differs by state, most open access solar projects require an approval chain across five layers: land and site readiness, grid connectivity, electrical safety and commissioning, contractual registration, and post-commissioning scheduling and accounting readiness.

A practical checklist usually includes:

- land title or lease validation, mutation and land-use permissibility
- right of way and evacuation route planning
- connectivity application to STU, DISCOM or CTU-linked system where relevant
- load-flow or feasibility approval for interconnection
- bay allocation or substation augmentation requirement identification
- execution of connectivity agreement, evacuation agreement or wheeling agreement
- open access application for long-term or medium-term access depending on state structure
- PPA and, where relevant, energy sale agreement or captive shareholder documentation
- metering approval, ABT-compliant metering plan and communication architecture
- CEIG or equivalent electrical inspector approval for energisation
- synchronization approval and commissioning certificate
- monthly scheduling, SLDC registration, state energy accounting and invoicing workflow setup

In theory, these are linear. In practice, they are interdependent. For example, some utilities may seek a finalized consumer tie-up before processing long-term open access, while lenders may insist on stronger connectivity certainty before debt disbursement. If the project uses a group captive model, legal structuring of equity participation and proof of minimum 26% captive user ownership and 51% annual consumption assumptions need to align with commissioning and offtake planning. A mismatch here can trigger reclassification risk and affect surcharge assumptions.

Typical approval timelines in 2026: what sponsors should actually budget

There is no single India-wide approval timeline, but market experience in 2026 suggests the following practical ranges for a standard intrastate open access solar project, assuming no major litigation or evacuation upgrade requirement:

- land diligence and route assessment: 2-6 weeks
- connectivity application to feasibility grant: 4-12 weeks
- substation bay allocation or evacuation approval: 4-16 weeks
- open access registration and agreements: 3-10 weeks after prerequisite documentation
- CEIG and electrical safety approvals: 2-6 weeks near commissioning stage
- synchronization, meter sealing and injection readiness: 1-4 weeks

A well-prepared project can move from mandate to commissioning in 5-7 months for smaller capacities in responsive states. More commonly, 7-10 months is a safer budgeting assumption. Projects requiring

substation augmentation, transmission line extension, forest or highway crossing approvals, or multiple offtakers with separate utility procedures can take longer.

For cross-state projects, timelines can stretch further because interstate approvals, scheduling protocols and transmission allocation add another layer of coordination. Even when the commercial case appears attractive, approval lead times can negate tariff advantage if a buyer needs near-term replacement of high-cost DISCOM procurement.

For CFOs and procurement heads, this has a direct implication: evaluate proposals on commercial operation date credibility, not just quoted tariff.

How approval risk changes landed cost economics

Most C&I buyers compare open access power to grid tariffs in the range of roughly Rs 7/kWh to Rs 11/kWh depending on state, voltage level, consumer category, time-of-day and demand profile. Solar open access landed cost may still come in at roughly Rs 4.0/kWh to Rs 6.5/kWh depending on state charges, banking treatment, transmission path and project structure. But these estimates often assume smooth approvals.

Approval risk changes economics in four ways.

First, delay increases interest during construction. For utility-scale open access projects, every month of extension can affect IDC, overheads, site security, insurance and contractor mobilization costs.

Second, delay can expose the buyer to continued procurement from the DISCOM at higher tariffs. A consumer expecting 30 million units annually from open access may continue paying a Rs 2-4/kWh premium over open access landed cost during the slippage period.

Third, a delayed project may miss a favorable regulatory window. State commissions periodically revise banking rules, open access charges, CSS methodology or additional surcharge treatment. A project modeled under one regulatory order may commission under another.

Fourth, approval uncertainty affects debt terms. Lenders are more comfortable where connectivity, evacuation and OA permissions are advanced. Where these remain conditional, financing may see tighter covenants, delayed disbursement or higher pricing.

As a result, the true comparison is not simply tariff A versus tariff B. It is delivered energy cost at the consumer meter, adjusted for commissioning confidence and regulatory durability.

Key state-level friction points buyers and developers must underwrite

The largest execution mistakes in 2026 still arise from assuming that one state's process is replicable elsewhere. Open access remains highly state-specific. Even within the central Green Energy Open Access framework, implementation varies materially.

The most common state-level friction points include:

- connectivity applications submitted before realistic substation capacity validation
- inadequate clarity on whether the project qualifies for long-term, medium-term or annual open access treatment
- mismatch between sanctioned demand, contract demand and proposed procurement quantum
- banking assumptions carried over from older orders despite reduced banking periods, time-of-day restrictions or non-banking categories

- failure to map monthly energy accounting, especially where multiple consumer units are involved
- captive structuring done for legal form, not operational compliance with annual consumption ratios
- underestimation of local line-construction approvals, right of way and shutdown coordination
- ambiguity on meter locations and responsibility for meter procurement, testing and sealing

For developers, a practical state-screening matrix should include:

- current wheeling and transmission charges by voltage and category
- cross-subsidy surcharge and additional surcharge applicability
- banking availability, banking charges and settlement treatment
- open access application queue conditions at the target substation
- historical curtailment behavior and grid congestion trends
- regulator's recent orders on OA eligibility and consumer thresholds
- timeline realism for CEIG and utility energisation

This matrix often determines whether a project should be marketed as third-party sale, captive sale, multi-buyer aggregation, or deferred until evacuation improves.

What lenders and sophisticated buyers now expect in diligence

By 2026, sophisticated offtakers and lenders increasingly ask for a more granular approval diligence package before signing off. The days of relying only on a generic statement that “all approvals will be obtained” are largely over.

A bankable diligence package should cover:

- land chain summary and litigation search
- connectivity application copy and approval status
- single-line diagram and evacuation concept vetted by system experts
- substation capacity note and any augmentation dependencies
- draft or executed PPA, OA application, wheeling and banking agreements where applicable
- captive compliance memo if the structure is group captive
- charge build-up sheet showing transmission, wheeling, CSS, AS, SLDC and losses assumptions
- regulatory tracker identifying which tariff and charge orders are currently operative
- commissioning critical path with owner, utility and contractor responsibilities
- energy accounting and billing workflow post-COD

For buyers, this diligence is especially important where they are replacing expensive short-term market procurement or planning internal decarbonisation targets tied to fiscal-year reporting. A delay of even one quarter can distort both energy cost savings and sustainability claims.

It is also increasingly common for larger C&I buyers to seek milestone-linked contracting structures, including:

- notice-to-proceed after connectivity visibility
- tariff effectiveness linked to actual OA grant
- long-stop dates with termination rights

- deemed-generation or delay-risk allocation language where curative action depends on the seller
- change-in-law provisions tied specifically to OA charges and banking

These are signs of a maturing market, not of distrust. Approval risk is now a core commercial variable.

A practical execution strategy for 2026 open access projects

For stakeholders trying to improve execution outcomes, a few practices are consistently working better than generic procurement.

First, freeze the state and substation strategy before finalizing headline tariff. A lower base tariff is not meaningful if evacuation is weak or application backlogs are severe.

Second, build the charge model and approval pathway together. Banking treatment, losses, SLDC charges, CSS and wheeling are not post-signing details; they determine whether the project remains viable after approvals are secured.

Third, align legal structure with actual operations. For group captive projects, annual consumption forecasting across captive users should be realistic. If one user under-consumes materially, compliance stress emerges.

Fourth, run a commissioning critical path review with all parties. This should include developer, EPC, utility liaison, metering vendor, legal team and buyer operations personnel.

Fifth, document all utility interfaces. In many states, successful execution still depends on rigorous follow-up, complete filings and quick response to clarifications. Poor document control is a major source of slippage.

Sixth, maintain a regulatory watchlist through COD and the first operating year. Open access economics can change with new tariff orders, banking rules or surcharge determinations. Sponsors should model downside cases, not only current charges.

Finally, buyers should evaluate suppliers on approval conversion track record in the target state. The best partner is often not the one quoting the lowest headline tariff, but the one demonstrating repeatable commissioning performance, clean documentation, realistic scheduling and robust post-COD settlement management.

In 2026, open access solar remains one of the strongest pathways for Indian C&I consumers to reduce power costs and procure renewable energy at scale. But the market has moved beyond simple tariff shopping. Approvals, grid-readiness and regulatory execution now shape whether the promised savings actually reach the electricity bill. For developers and lenders, this means deeper diligence and sharper state selection. For consumers, it means choosing structures and counterparties that can deliver not just a PPA, but a functioning monthly energy outcome.

If your team is evaluating an open access or corporate PPA opportunity and needs help on approvals, charge modelling, captive structuring, state selection or landed cost economics, contact Growthifye's advisory desk.

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