

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

No. L-1/257/2020/CERC

Dated: 17th June 2025

DRAFT NOTIFICATION

In exercise of powers conferred under Section 66 read with sub-section (1) of Section 178 and clause (y) of sub-section (2) of Section 178 of the Electricity Act, 2003 (36 of 2003) and paragraph 5.7.1(f) of the National Electricity Policy, and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations to amend the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (hereinafter referred to as “the Principal Regulations”) namely:

1. Short title and commencement

- 1.1. These regulations may be called the Central Electricity Regulatory Commission (Power Market) (First Amendment) Regulations, 2025.
- 1.2. These regulations shall come into force from the date of their publication in the Official Gazette.

2. Amendment to Regulation 2 of the Principal Regulations:

- 2.1. A new sub-clause (o-i) shall be inserted after sub-clause (o) under Clause (1) of Regulation 2 of the Principal Regulations as under:

“(o-i) “Connectivity and GNA Regulations” means the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, as amended from time to time and any re-enactment thereof;”
- 2.2. Sub-clause (p) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

“(p) “Contingency Contract” means a contract wherein transactions occur on day (T) after the finalization of day ahead transactions and the delivery of electricity is on the next day (T+1);”
- 2.3. A new sub-clause (t-i) shall be inserted after sub-clause (t) under Clause (1) of Regulation 2 of the Principal Regulations as under:

“(t-i) “Designated Consumer” means the designated consumer as defined in the Energy Conservation Act, 2001;”

- 2.4. A new sub-clause (v-i) shall be inserted after sub-clause (v) under the Clause (1) of Regulation 2 of the Principal Regulations as under:

“(v-i) “General Network Access (GNA)” shall have the same meaning as defined under the Connectivity and GNA Regulations;”

- 2.5. Sub-clause (w) of Clause (1) of Regulation 2 of the Principal Regulations shall be deleted.

- 2.6. Sub-clause (ae) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

“(ae) “Market” means a platform or a place where buyers and sellers, either directly or through Trading Licensees, or through Power Exchanges, or through OTC Platforms, buy or sell electricity or Renewable Energy Certificates or Energy Savings Certificates or any other product as may be decided by the Commission;

- 2.7. Sub-clause (ai) (1) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

“(ai) (1) Grid connected entities;”

- 2.8. Sub-clause (ai) (6) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

“(ai) (6) OTC Platform and its members;”

- 2.9. Sub-clause (ak) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

“(ak) “Member of Power Exchange or an OTC Platform” means a person who has been admitted as such by a Power Exchange or an OTC Platform in accordance with these regulations or OTC Guidelines and in accordance with bye-laws, rules, and business rules of the concerned Power Exchange or OTC Platform;”

- 2.10. Sub-clause (am) of Clause (1) of Regulation 2 of the Principal Regulations shall be deleted.

- 2.11. Sub-clause (ao) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

“(ao) “Over the Counter (OTC) Market” is a market where OTC Contracts are transacted between the sellers and the buyers directly or through a Trading Licensee or on an OTC Platform;”

- 2.12. Sub-clause (ap) of Clause (1) of Regulation 2 of the Principal Regulations shall be substituted as under:

“(ap) “Over the Counter (OTC) Platform” is an electronic platform for exchange of information amongst the buyers and sellers of electricity, and for facilitating the buyers and the sellers to engage in transactions as specified in these Regulations and the Guidelines for OTC Platform;”

- 2.13. A new sub-clause (ap-i), shall be inserted under Clause (1) of Regulation 2 of the Principal Regulations as under:

“(ap-i) “OTC Guidelines” means the Guidelines for Registration and Filing Application for Establishing and Operating Over the Counter (OTC) Platform, 2022, as amended from time to time;”

- 2.14. A new sub-clause (a) shall be inserted under Clause (2) of Regulation 2 of the Principal Regulations as under:

“(a) “Virtual Power Purchase Agreement (VPPA)” means the non-transferable specific delivery (NTSD) based Over-the-Counter (OTC) contracts entered between a Consumer or Designated Consumer and a RE generator, wherein, the Designated Consumer guarantees payment of the mutually agreed price (VPPA price) to the RE generator for the entire duration of the agreement. The RE generator shall sell electricity through Power Exchange or any other mode authorized under the Electricity Act 2003, and the difference between the VPPA price and the market price shall be settled bilaterally between the contracting parties as per mutually agreed terms;”

- 2.15. A new sub-clause (b) shall be inserted under Clause (2) of Regulation 2 of the Principal Regulations as under:

“(b) “VPPA Price” means the price of electricity as mutually agreed between a Consumer or a Designated Consumer and an RE generator either directly or through a Trader or by listing on an OTC Platform;”

3. Amendment to Regulation 4 of the Principal Regulations:

- 3.1. Clause (2) of Regulation 4 of the Principal Regulations shall be substituted as under:

“(2) Contracts in the OTC Market, including:

- (a) Delivery-based Energy Contracts
- (b) Capacity Contracts
- (c) Renewable Energy Certificates
- (d) Contracts relating to Virtual Power Purchase Agreements (VPPAs)
- (e) Battery Energy Storage System (BESS) Contracts
- (f) Banking of Power
- (g) Any other contracts, as approved by the Commission.”

4. Amendment to Regulation 5 of the Principal Regulations:

4.1. The words “Open Access Regulations” appearing multiple times, shall be replaced with the words “Connectivity and GNA Regulations” in sub-clause (b) of Clause (1), sub-clause (b) of Clause (2), and sub-clause (b) of Clause (3) of Regulation 5 of the Principal Regulations.

5. Amendment to Regulation 6 of the Principal Regulations:

5.1. The words “Open Access Regulations” shall be replaced with the words “Connectivity and GNA Regulations” in Clause (1) of Regulation 6 of the Principal Regulations.

6. Amendment to Regulation 7 of the Principal Regulations:

6.1. Clause (1) of Regulation 7 of the Principal Regulations shall be substituted as under:

“(1) The price and other terms of contract in the OTC Market shall be determined either through mutual agreement between the buyer and the seller directly or through a Trading Licensee, or on an OTC Platform, or through a competitive bidding process, or as determined by the Appropriate Commission.”

6.2. Clause (2) of Regulation 7 of the Principal Regulations shall be substituted as under:

“(2) The application for scheduling of contracts in the OTC market, wherever applicable, shall be in accordance with the Connectivity and GNA Regulations and the Grid Code.”

6.3. Clause (3) of Regulation 7 of the Principal Regulations shall be substituted as under:

“(3) Virtual Power Purchase Agreement: The implementation arrangement and terms of contract of VPPA shall be in accordance with the guidelines as may be notified by the Commission.”

7. Amendment to Regulation 41 of the Principal Regulations:

7.1. A new Clause (4) shall be inserted under Regulation 41 of the Principal Regulations as under:

“(4) To facilitate the buyers and sellers to engage in transactions of the Contracts in the OTC Market referred to in Clause (2) of Regulation 4 of these Regulations.”

8. Amendment to Regulation 43 of the Principal Regulations:

8.1. Sub-clause (b) of Clause (1) of Regulation 43 of the Principal Regulations shall be substituted as under:

“(b) The minimum Net worth of the applicant shall be Rs. 35 Crore as on any date falling within 30 days immediately preceding the date of filing the application for grant of registration.”

9. Amendment to Regulation 44 of the Principal Regulations:

9.1. Clause (3) of Regulation 44 of the Principal Regulations shall be substituted as under:

“(3) The registration of an OTC Platform shall continue to be in force for a period of ten (10) years from the date of grant of registration unless such registration is revoked or cancelled earlier.

Provided that the OTC platform which have been granted registration by the Commission prior to the date of coming into force of these regulations shall be deemed to be registered for a period of 10 years from the date of their registration.”

10. Amendment to Regulation 46 of the Principal Regulations:

10.1. Clause (1) of Regulation 46 of the Principal Regulations shall be substituted as under:

“(1) The OTC Platform shall facilitate the buyers and the sellers to execute contracts as listed in Clause (2) of Regulation 4 of these regulations, without taking counter-party risk or credit risk on behalf of the buyers or the sellers.”

10.2. A new Clause (3) shall be inserted under Regulation 46 of the Principal Regulations as under:

“(3) An OTC Platform Operator shall have a minimum Net Worth of Rs 35 Crore at all times. Provided that the OTC Platform Operators which have been granted registration by the Commission prior to the date of coming into force of these Regulations shall meet the minimum Net Worth criteria within a period of twelve months from the date of coming into

force of these regulations and submit an audited special balance sheet to support the compliance of Net Worth requirement.”

11. Amendment to Regulation 50 of the Principal Regulations:

11.1. Clause (d) of Regulation 50 of the Principal Regulations shall be substituted as under:

“(d) direct the Power Exchange or OTC Platform to cancel membership of a member; or”

12. Amendment to Regulation 53 of the Principal Regulations:

12.1. Clause (1) of Regulation 53 of the Principal Regulations shall be substituted as under:

“(1) The Commission may at any time undertake inspection, conduct inquiries or audit of any Power Exchange or OTC Platform, either through its officers or through a third-party agency, in accordance with the provisions of the Act.”

12.2. Clause (2) of Regulation 53 of the Principal Regulations shall be substituted as under:

“(2) Where an inspection under clause (1) of this regulation is undertaken by the Commission, such Power Exchange or OTC Platform and every Director, Manager, officer and any other employee of such Power Exchange or OTC Platform shall cooperate for such inspection, inquiries or audit.”

(Harpreet Singh Pruthi)
Secretary

Note:

- (i) The Central Electricity Regulatory Commission (Power Market) Regulations, 2021, were published on 16.06.2021 in Part III, Section 4 of the Gazette of India (Extraordinary) No. 241.