

To  
The Secretary,  
Central Electricity Regulatory Commission,  
6th, 7th & 8th Floors, Tower B,  
World Trade Centre, Nauroji Nagar,  
New Delhi-110029

**Subject: Comments on draft CERC (Power Market) (First Amendment), Regulations, 2025-reg.**

**Reference: Draft Notification No. L-1/257/2020/CERC dated 17.06.2025**

Dear Sir,

Greetings from India Power Corporation Limited (“IPCL”)!!!!

This is in reference to the notification issued by the Hon’ble CERC inviting comments/suggestions on draft regulations for “**Power Market (First Amendment), Regulations, 2025**”. We are herewith submitting our comments as per attachment mentioned in the Appendix.

At the outset, we humbly like to thanks the Hon’ble CERC for giving us an opportunity to express our views/comments/suggestion on the draft guidelines issued for the stakeholder’s consultation. We appreciate the opportunity to contribute our perspectives towards the development of these guidelines.

We trust that our submission will receive your positive consideration. We are available to provide any further clarification or information.

Thanking You,

Yours sincerely,

**For India Power Corporation Limited**

  
**D M (Regulatory Affairs)**

Enclosed: Appendix

**India Power Corporation Limited**

CIN - L40105WB1919PLC003263

Registered Office : Plot No. X1 - 2 & 3, Block - EP, Sector - V, Salt Lake City, Kolkata - 700091

Ph : +91 33 6609 4300 / 08 / 09 / 10, Fax : +91 33 2357 2452

Central Office : Sanctoria, P.O. - Dishergarh, District - Burdwan, Pin - 713333 (W.B.)

Ph : (0341) 2520021 / 2520028, E-mail : pr@indiapower.com, Web : www.indiapower.com

**INDIA POWER CORPORATION LIMITED**

**Appendix: Comments on Draft CERC Power Market (First Amendment), Regulations, 2025**

Hon'ble Central Electricity Regulatory Commission ("**Hon'ble CERC/Commission**") has invited comments from all stakeholders on the proposed Draft Regulations for Power Market (First Amendment), Regulations, 2025 vide its communication dated 17<sup>th</sup> June, 2025. Accordingly, the comments on the proposed guidelines are provided in the following Table.

**TABLE: COMMENTS ON DRAFT POWER MARKET (FIRST AMENDMENT), REGULATIONS, 2025**

REGULATIONS	PROPOSED	COMMENTS
Regulation 2.2(a)	<p><i>"(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;"</i></p>	<p>We request the Hon'ble Commission to not restrict the eligible sellers limited to Renewable Energy ("<b>RE</b>") Generators only because in the current context many a time Distribution Licensee also may have the surplus RE Generations which they may tie up under the Virtual Power Purchase Agreements with the prospective Consumers or a Designated Consumer in order to successfully implement the aforesaid mechanism by penetrating the increasing participants of the eligible sellers.</p> <p>We further request the Hon'ble Commission to allow Aggregator of Distributed Energy Resources ("<b>DER's</b>") as the eligible sellers for VPPA participation. The aggregators of the multiple DERs, such as rooftop solar panels, small wind turbines, Electric Vehicles and battery storage etc., into a single, controllable entity and commonly known as Virtual Power Plants ("<b>VPP</b>").</p> <p>VPPs will use advanced software and communication technologies to manage these resources as a unified power source, optimizing their output and responding to grid needs. VPPs may act as intermediaries, aggregating individual DERs (like rooftop solar panels or small wind turbines) and representing them as a single, larger entity to the market. This aggregation makes it possible for these smaller DERs to participate in a VPPA, which might otherwise be inaccessible due to their size or</p>



**INDIA POWER CORPORATION LIMITED**

**Appendix: Comments on Draft CERC Power Market (First Amendment), Regulations, 2025**

REGULATIONS	PROPOSED	COMMENTS
		<p>contractual limitations. For example, a VPP could aggregate the output of multiple residential solar systems and sell the combined energy to a buyer through a VPPA.</p> <p><b>Benefits of Aggregation of DERs/VPPs:</b></p> <ol style="list-style-type: none"> <li><b>1) Increased access to renewable energy:</b> DERs that are too small to participate in a VPPA individually can join a VPP and contribute to renewable energy procurement.</li> <li><b>2) Enhanced grid stability:</b> VPPs can help balance supply and demand, improve grid stability, and facilitate the integration of more renewable energy sources.</li> <li><b>3) Economic opportunities:</b> By aggregating DERs, VPPs can create new revenue streams for resource owners and offer buyers a wider range of renewable energy options.</li> </ol>
Regulation 2.2(b)	<p><i>“(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;”</i></p>	<p>We request the Hon’ble Commission to fix the minimum ceiling and maximum ceiling cap or limit of the VPPA price based on the analysis of the international practices which may be applicable in the Indian power sector context as the aforesaid mechanism is proposed for a long term power purchase agreement, its financial implication will be for a longer duration. Further, when such mechanism will be streamlined, then such capping or limit may be removed by the Hon’ble Commission in future and will cater and linked to the market driven mutually agreed VPPA price based on the experience of such transaction.</p> <p>In this regard, we request the Hon’ble Commission to kindly give some illustrative examples with respect to the bilateral settlement of such transactions between the contracting parties as per the mutually agreed</p>



**INDIA POWER CORPORATION LIMITED**

**Appendix: Comments on Draft CERC Power Market (First Amendment), Regulations, 2025**

REGULATIONS	PROPOSED	COMMENTS
		<p>terms. This will give ample clarity to the stakeholders in understanding the VPPA mechanism proposed in the draft guidelines.</p> <p>Further, we request the Hon'ble Commission to kindly define the duration of long term, medium term and short term bilateral VPPA in the proposed draft guidelines for better understanding and clarity to all the stakeholders. In our considerate opinion we humbly suggest the Hon'ble Commission to kindly link the duration of the each type of contracts with the vision of India's "<b>Net Zero Emission targets by 2070</b>".</p>
<p>Regulation 4 (2)</p>	<p><i>"(2) Contracts in the OTC Market, including:</i>  <i>(a) Delivery-based Energy Contracts</i>  <i>(b) Capacity Contracts</i>  <i>(c) Renewable Energy Certificates</i>  <i>(d) Contracts relating to Virtual Power Purchase Agreements (VPPAs)</i>  <i>(e) Battery Energy Storage System (BESS) Contracts</i>  <i>(f) Banking of Power</i>  <i>(g) Any other contracts, as approved by the Commission."</i></p>	<p>We request the Hon'ble Commission to kindly streamline the introduction Capacity Contracts before including it in the OTC Market through floating staff paper/guidelines on the same for stakeholder's consultation. Pursuant to the stakeholder's consultation, the Hon'ble Commission may finalize the Capacity Contract market and then include it in the OTC Market framework.</p> <p>India's power market is currently an energy-only market, where electricity is primarily traded based on energy consumption. However, this will be introductory steps towards implementing capacity markets to ensure long-term resource adequacy and grid reliability.</p>
<p>Regulation 43 (1) (b)</p>	<p><i>"(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."</i></p>	<p>Over the Counter (OTC) platform is an electronic platform where there are information of potential buyers and sellers. Apart from that it maintains repository of data related to buyers and sellers and provides such historical data to Market Participants for advanced data analysis tools. Therefore, in our humble opinion we feel that going forward, registration in OTC platform will play a pivotal role for the development of Power Market in India. Penetration of more Market participant into</p>



**INDIA POWER CORPORATION LIMITED**

**Appendix: Comments on Draft CERC Power Market (First Amendment), Regulations, 2025**

REGULATIONS	PROPOSED	COMMENTS
		<p>this platform will enhance and developed the power market position in the sector.</p> <p>Hence, we request the Hon'ble Commission to restore the minimum Net worth of the applicant to Rs. 1 Crore as mentioned in the Principal Regulations and accordingly the draft provisions may be amended as mentioned below:</p> <p><i>"(b) The minimum Net worth of the applicant shall be Rs. 1 Crore as on any date falling within 30 days immediately preceding the date of filing the application for grant of registration."</i></p>

