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No. ED/Coml./Tariff/CERC (20)/ Date :21.10.2026

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

Sub: Submission of the Comments/Suggestions on Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026.

Ref: Public Notice No. L-1/265/2022/CERC vide dated 21.09.2026

Respected Sir,

With reference to the above, enclosed please find Submission of Comments/Suggestions on Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026. DVC humbly prays before this Hon'ble Commission to kindly consider the comments/suggestions

Thanking You.

Yours faithfully,



Sr. General Manager
(Commercial)

Comments / Suggestions of Damodar Valley Corporation (DVC) on the Draft CERC (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026

The following comments and suggestions are based on the provisions contained in the Draft CERC (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026. The "Section No." column refers to the paragraph numbering of the draft Second Amendment, and the "Existing Provision" column reproduces the relevant draft text verbatim.

Sl.NO	Section No.	Existing Provision	Suggestion	Detailed Rationale
1	Para 2(1) - Amendment to Regulation 3: Definition 29a	29a. 'Congestion charge' means the supplementary charge levied on regional entity, when the net injection or net drawal of power in the inter-regional or intra-regional transmission links exceeds the Total Transfer Capability;	Clarify that the definition shall be read with Regulation 30A, under which the warning is linked to ATC and application of congestion charge is linked to TTC. The detailed procedure should specify whether liability is determined corridor-wise, control-area-wise or entity-wise.	The proposed definition links congestion charge to TTC, whereas the notice mechanism under Regulation 30A first refers to crossing ATC. Clear alignment of the trigger and attribution methodology is required for consistent implementation and settlement.
2	Para 2(1) - Amendment to Regulation 3: Definition 35a	35a. 'Default trigger date' (i) In case of non-payment of dues, shall be 75 days after the issue of respective account by the Regional Power Committee, and; (ii) In case of non-maintenance of the payment security mechanism, shall be the next bank working day after the payment security mechanism is due to be replenished but is not replenished;	Provide for a formal default notice, confirmation of the undisputed amount and a reasonable cure period before regulation of access. Amounts under a bona fide dispute should be dealt with separately, subject to payment of admitted dues.	Regulation of access has significant operational and commercial consequences. A notice and reconciliation mechanism would reduce the risk of access being restricted because of accounting differences or pending corrections.
3	Para 10(5) - Amendment to Regulation 30(11)(k)	The words "(including percentile other than 99 percentile)" shall be added after the words "Such other methodology" in sub-clause (k) of Clause 11 of Regulation 30 of the principal Regulations.	Require NLDC to publish the proposed percentile, input data set, data cleansing criteria, treatment of outliers and comparative impact before seeking approval of the Commission, after stakeholder consultation.	A change in percentile directly affects reserve obligations and associated costs. Disclosure of the methodology and its impact will enable validation and consistent application across control areas.
4	Para 10(6) - Amendment to Regulation 30(11)(p)	The words "state control area" shall be substituted with the words "regional and state control area on quarter-ahead and" in sub-clause (p) of Clause 11 of Regulation 30 of the principal Regulations.	Clarify the data cut-off, publication timeline, revision cycle and responsibility for quarter-ahead assessment at regional and state control-area levels.	A quarter-ahead obligation requires a defined information and revision framework so that reserve planning can be aligned with demand, generation availability and contracted resources.
5	Para 10(7) to 10(9) - Amendment to	The words "and regional entity bulk consumer," shall be inserted after the words "State control	Explicitly provide that an entity shall not be subjected to duplicate reserve	The proposed insertions extend reserve-related provisions to regional

	Regulation 30(11)(q) and (t)	area" occurring multiple times in sub-clause (q) of Clause 11 of Regulation 30 of the principal Regulations. The words "and regional entity bulk consumer," shall be inserted after the words "for that State" in sub-clause (q) of Clause 11 of Regulation 30 of the principal Regulations. The words "or regional entity bulk consumer, as the case may be," shall be inserted after the word "State" occurring multiple times in sub-clause (t) of Clause 11 of Regulation 30 of the principal Regulations.	obligations where the same load or deviation is already captured within a regional or state control area. Allocation should be based on net ACE contribution and clearly defined metering boundaries.	entity bulk consumers. A non-duplication rule is necessary where classifications or accounting boundaries overlap.
6	Para 11(1)(b) - New Regulation 30A(1)(b)	Where a control area/region simultaneously acts as an importing control area (downstream) with respect to one congested corridor and an exporting control area (upstream) with respect to another congested corridor (i.e. the control area/region is wheeling power and both its incoming and outgoing corridors are congested at the same time), any deviation from schedule by regional entities in that control area/region shall attract congestion charge irrespective of the direction or nature of the deviation and irrespective of whether the deviation apparently relieves or aggravates the congestion on a particular corridor.	Congestion charge should be applied only where the deviation has an adverse impact on at least one constrained corridor. The detailed procedure should prescribe a de-minimis threshold and a transparent corridor-sensitivity or attribution methodology.	The proposed provision applies the charge irrespective of whether the deviation relieves or aggravates congestion. A causation-based approach would avoid charging deviations that are electrically neutral or beneficial.
7	Para 11(2) - New Regulation 30A(2)	The Commission may, from time to time, by order specify the rate of congestion charge applicable to whole or a part of the region:	Specify the principles for determination of the rate, whether the rate may be corridor-specific, and the frequency and effective date of revision. Any revision should follow prior stakeholder consultation.	Predictability of the rate is necessary for scheduling decisions, market participation and verification of weekly congestion-charge statements.
8	Para 11(3) - New Regulation 30A(3)	When, in the opinion of the NLDC or RLDCs, flow of electricity on an inter-regional or intra-regional corridor or link used for transfer of electricity has crossed the ATC of such corridor	Provide a single auditable electronic notice with timestamp, affected corridor, applicable entities, effective time block and acknowledgement status. In	The short lead time before application of the charge requires an unambiguous and verifiable notice so that affected entities can take corrective action and

		or link, the NLDC or RLDC shall issue a warning notice to the defaulting entities. If the flow of electricity on the inter-regional or intra-regional corridor or link exceeds the TTC, the NLDC or RLDC may, after notice through e-mail or voice message and through posting on its website and the common screen available on the Energy Management System, which is common to NLDC, RLDC and SLDCs, decide to apply congestion charge on the defaulting entities from a particular time-block in accordance with Clause (1) of this Regulation:	case of inconsistency among communication channels, the common EMS timestamp should prevail.	the subsequent account can be reconciled.
9	Para 11(5) and 11(6) - New Regulation 30A(5) and (6)	The statement of payment and disbursal of congestion charge shall be issued by the Regional Power Committee Secretariat on weekly basis along with statement for Deviation charge. The Regional Entity liable to pay congestion charge, shall deposit the amount in Pool Account within 10 days of issue of statement by the Regional Power Committee Secretariat:	Provide for a preliminary statement, a defined objection window and issuance of a final statement. Payment of the undisputed amount should continue within the stipulated period, while corrections should be carried into the final or subsequent account.	Congestion-charge computation depends on schedules, actual interchange, corridor status and notice timing. A time-bound reconciliation process would reduce disputes without affecting pool liquidity.
10	Para 12(2) - Amendment to Regulation 45(8)(a)	Provided also that regional entity thermal generating stations shall not declare the declared capacity in the Peak hours less than declared capacity in the off-peak hours, other than in case of forced outage or partial outage, failing which declared capacity for such generating station for the purpose of fixed charges shall be taken as the lower of the two.	Also exclude duly demonstrated technical constraints, including ramp limitations, start-up or shutdown sequence, fuel-handling constraints, environmental restrictions and RLDC directions. Any fixed-charge adjustment should be limited to the affected time blocks.	A lower peak-hour declaration may arise from verified technical or system conditions other than forced or partial outage. A proportionate treatment would avoid unintended fixed-charge impact.
11	Para 12(3) - New Regulation 45(16)(a)(iii)	The reduction or withdrawal of access for sale and purchase of electricity through contracts other than short-term contracts shall be in such a manner that the quantum of reduction in drawal or injection schedule increases progressively by five per cent (5%) for each month of default.	Clarify the base quantum on which the five per cent reduction will be computed, the order of curtailment across contracts and the treatment of essential supply, statutory allocation and grid-security requirements. The restriction should remain	Without a defined base and priority order, progressive reduction may be applied inconsistently and may create wider operational consequences beyond the default amount.

			proportionate to the outstanding undisputed dues.	
12	Para 13(6) - Amendment to Regulation 46	NLDC may run SCUC at any time of the day to commit or decommit a unit for managing the grid security. In case of decommitting a unit or station thereof, the schedules of such station or unit shall be adjusted as per the Procedure under Annexure-9.	Specify the minimum notice, electronic communication protocol, treatment of start-up and shutdown costs, schedule adjustment and settlement where a unit is committed or decommitted after finalisation of beneficiary requisitions.	Running SCUC at any time can alter operational plans and commercial positions close to delivery. Clear communication and settlement provisions are necessary to avoid disputes.
13	Para 16(B) - Second phase of implementation	The words “7th” shall be substituted with words “5th” in the following: (a)sub-clause (b) of Clause (2) of Regulation 48 of the Principal Regulations; (b) sub-clause (b) of Clause (3) of Regulation 48 of the Principal Regulations; (c) sub-clause (b) of Clause (3) of Regulation 49 of the Principal Regulations; (d) sub-clause (c) of Clause (4) of Regulation 49 of the Principal Regulations; (e) sub-clause (f) of Clause (5) of Regulation 49 of the Principal Regulations; (f) first proviso to Clause (7) of Regulation 49 of the Principal Regulations;	Make implementation of the second phase conditional upon certified end-to-end readiness of NLDC, RLDCs, SLDCs, WBES, power exchanges and participating entities, supported by successful mock runs, API testing and fallback arrangements.	The shorter revision timeline depends on reliable automation and timely exchange of schedules across multiple systems. A readiness condition would reduce schedule mismatch and unintended deviation exposure.
14	Para 17(1) - New Regulation 59(5)	The Central Electricity Regulatory Commission (Measures to relieve congestion in real time operation) Regulations, 2009 and all subsequent amendments, rate of congestion charge and Procedures made thereunder shall stand repealed from the date of effectiveness of the CERC (Indian Electricity Grid Code) (Second Amendment), Regulations, 2025.	Replace “2025” with “2026”.	The draft notification is titled the Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026. The year in the proposed repeal and savings provision should be consistent with the title of the amendment.

Concluding Observation

The above suggestions seek greater clarity, consistency and implementability of the proposed amendments, particularly in relation to reserve obligations, congestion-charge administration, regulation of access, SCUC operation and compressed scheduling timelines.

ADDITIONAL SUGGESTION

Earlier, DVC was treated in a manner similar to a **State Electricity Board (SEB)** because of its vertically integrated structure comprising generation, transmission and distribution, with DVC SLDC performing SLDC functions for the DVC area. The IEGC, 2023, however, materially changed this position by treating DVC as a **Regional Entity** and prescribing a separate control-area framework for DVC generating stations in the manner in which the Power is being evacuated from the generating stations.

Therefore, in line with the provisions contained in the **Regulations 57 and 58 of the IEGC Regulations, 2023**, DVC is seeking relaxation/ removal of difficulties arising from the **implementation of Regulations 43(9), 45(5)(a)(v) and 45(5)(a)(vi) of the IEGC Regulations, 2023**, considering DVC's unique status as a vertically integrated utility.

Strict application of the IEGC, 2023 provisions relating to control-area jurisdiction and seller-buyer contracts would create serious operational and financial difficulties which had already been brought into the knowledge of Hon'ble Commission by way of submission in a petition by DVC numbered as **279/MP/2023**. DVC in the instant petition has detailed at length the operational and financial difficulties to be faced on implementation of **Regulations 43(9), 45(5)(a)(v) and 45(5)(a)(vi) of the IEGC Regulations, 2023** and the Petition is not yet disposed off and under active consideration. Accordingly, DVC has sought relaxation of the relevant provisions so that the existing integrated scheduling mechanism through DVC SLDC may continue until the structural difficulties are appropriately addressed and mutually resorted involving all the stakeholders.