Ref: HFEL/CERC/IEGC-2ndAmdt/2026/01 Date: 21.10.2026

To

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

Subject: **Comments on the Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026**

Reference: Draft Notification No. L-1/265/2022/CERC dated 21.09.2026 read with the Explanatory Memorandum

Dear Sir/Madam,

Hero Future Energies Limited (HFEL) develops and operates renewable energy projects of approximately 4.8 GW connected to the inter-State transmission system under the GNA Regulations. The portfolio spans solar, wind, hybrid and FDRE projects with energy storage.

Our detailed comments, with the proposed text for each provision of the captioned Amendment, are at Annexure A. We welcome in particular the reduction of the trial run notice period and the phased shortening of the Real Time Market timeline and of the schedule revision lead time, which will help renewable generators manage forecast error.

We request the Commission to consider these submissions.

Yours faithfully,

For Hero Future Energies Limited



Authorised Signatory

Encl.: Annexure A

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Annexure A

Comments on the Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026

S. No.	Draft provision and regulatory basis	Comment and rationale	Proposed modification
1	**Regulation of access to defaulting entities** *Draft Para 12(3) and Para 2(1): Regulation 45(16) and Regulation 3(1), Sr. No. 35a*		
	Para 12(3) of the Draft inserts Regulation 45(16). Para 2(1) inserts the definition of 'Default trigger date' at Sr. No. 35a of Regulation 3(1). On non-payment of 'statutory charges viz DSM charge, congestion charge, reactive energy charge' after the default trigger date: (i) T-GNA 'shall be regulated entirely'; (ii) after two months, short term contracts under GNA 'shall be regulated entirely'; (iii) for other contracts, the 'reduction in drawl or injection schedule increases progressively by five per cent (5%) for each month of default'. Default trigger date: '75 days after the issue of respective account by the Regional Power Committee'. EM paras 16.1 to 16.4: modelled on Regulation 33 of the CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024.	**1. Scope of concern.** HFEL supports prompt settlement of pool dues. Our concern is twofold. The clause applies the same schedule cut to a must-run renewable plant as to a drawee entity. It also draws no distinction between a wilful default and an amount lawfully withheld. **2. Conflict with must-run status.** The Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 notified on 22.10.2021 provide that a must-run power plant shall not be subjected to 'curtailment or regulation of generation or supply of electricity on account of merit order dispatch or any other commercial consideration'. A cut in injection for non-payment is a commercial consideration. Section 178(1) of the Electricity Act, 2003 requires regulations to be consistent with the Act and the rules. Even for grid security, Regulation 49(3)(a)(A) of the Grid Code curtails wind and solar only after other sources. The draft would curtail them first, for a payment default. **3. The cost falls on the wrong party.** Under a long-term PPA, a progressive cut in the injection of a renewable plant deprives the distribution licensee and its consumers of contracted renewable energy. The pool dues remain unpaid. **4. An adequate remedy already exists.** Regulation 10 of the DSM Regulations, 2024, as amended on 25.08.2026, provides payment within 10 days, late payment surcharge at 0.04% per day, a Letter of	Insert the following provisos after sub-clause (a) of Regulation 45(16): *"Provided that regulation of access under this clause shall not apply to a must-run power plant under the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021, whose dues shall be recovered through encashment of the Letter of Credit under the DSM Regulations, adjustment against amounts payable to it from the Deviation and Ancillary Service Pool Account and late payment surcharge:* *Provided further that this clause shall not apply to any amount which is the subject matter of proceedings before a court, the Appellate Tribunal for Electricity or the Commission including an amount governed by an interim order of such forum, if the amount not so disputed has been paid:* *Provided also that where WS sellers are aggregated through a QCA, regulation of access shall apply only to the WS seller whose de-pooled share remains unpaid and who has not paid such share directly into the Deviation and Ancillary Service Pool Account:*

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		Credit of 110% of average weekly liability for an entity that defaulted in the previous year and encashment of that Letter of Credit by the RLDC. The pool also owes the same generator for its over-injection, which permits set-off. **5. Amounts under adjudication.** Charges under the DSM Regulations, 2024 are the subject of proceedings before more than one High Court. Interim orders govern the amount that certain generators pay. Without a carve-out, RLDCs would be required to regulate access for amounts that a court has permitted to be withheld or without a reasonable opportunity to be heard by RLDC. **6. Aggregation through a QCA.** Deviation charges of WS sellers aggregated at a pooling station are settled through the QCA and de-pooled by mutual arrangement (Note-2 to Regulation 8(18) of the DSM Regulations, 2024). A default by the QCA would regulate the schedule of every generator behind it, including those that have paid their share.	*Provided also that regulation of access shall be preceded by a written notice of at least seven days to the defaulting entity and its buyers."*
2	**Commercial operation under the Grid Code and under the contract** *Draft Para 9(5) and Para 7: Regulations 27(1)(e)(i) and 25A*		
	Para 9(5) of the Draft substitutes the words 'and subject to fulfilment of other conditions, if any, as per PPA' in Regulation 27(1)(e)(i) with a proviso. The entity 'shall meet those conditions in terms of the contract prior to power supply under such contract, however such generating station or ESS shall declare commercial operation for the purpose of these regulations after successful trial run'.	**1. Scope of concern.** HFEL supports the principle. A plant that has passed its trial run should not remain on infirm power for long periods. For the principle to work, two consequences need to be addressed. **2. Two CODs.** A plant will now carry a COD under the Grid Code and a separate COD under its contract. For hybrid and FDRE projects, the contract COD may follow only when all components across locations are ready (EM para 11.3). Unless the Grid Code says so, a procurer may treat the Grid Code COD as the contract COD to start	**(a) Add two provisos at the end of Regulation 27(1)(e)(i):** *"Provided further that the declaration of commercial operation under these regulations shall be without prejudice to the rights and obligations of the parties under such contract, including the date of commercial operation under such contract:* *Provided also that the electricity generated after the declaration of commercial operation under these regulations*

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	Para 7 inserts Regulation 25A on scheduling of infirm power after the certificate of successful trial run. Absent contract provisions, power is first offered to contracted buyers 'with an advance notice of at least seven (7) days'. On consent it is scheduled 'at a tariff mutually agreed'. Silence is deemed refusal. EM paras 11.3 and 11.4: hybrid stations at different locations defer COD citing contract conditions. 'Power supply under the PPA shall start only after fulfilment of conditions under the respective Contract.'	performance obligations and the related penalties before the contracted project is complete. **3. No home for the power.** Between the Grid Code COD and the start of supply under the contract, the power is neither infirm power under Regulation 25A nor contracted power. The draft is silent on its treatment. A generator bound by exclusivity under its PPA cannot safely sell it to a third party. Clean energy that the grid can absorb would be lost. **4. Regulation 25A(3)(b) can deadlock.** If a buyer consents but the tariff is not agreed, the power can go neither to the buyer nor to a third party. The seven-day offer also strands generation after the trial run certificate unless the offer can run in parallel with the trial run notice, now reduced to three days.	*and before the commencement of supply under such contract shall be dealt with in the manner specified in clauses (2) and (3) of Regulation 25A, mutatis mutandis."* **(b) Add at the end of Regulation 25A(3)(b):** *"Provided that where the tariff is not agreed within the notice period, it shall be considered as deemed refusal under sub-clause (c)."* **(c) Add at the end of Regulation 25A(3)(a):** *"The offer may be made together with the notice of trial run under Regulation 21."*
3	**Primary response from Energy Storage Systems** *Draft Paras 10(1), 10(2), 10(4) and 6(1): Regulations 30(10)(g), 30(10)(h) and 24(2)*		
	Paras 10(1) and 10(2) of the Draft amend Regulation 30(10)(g): 'All the generating units and Energy Storage Systems (ESS) shall have their governors or frequency controllers in operation all the time', with ESS (excluding Pumped Storage Plant) at a droop of 3 to 6%. Para 10(4) adds ESS (except Pumped Storage Plant) of '10 MW and connected at 33 kV and above' to Table 4 under Regulation 30(10)(h). Existing Regulation 30(10)(e): NLDC may identify ESS to provide PRAS 'for which PRAS Providers	**1. Scope of concern.** HFEL supports primary response capability in every ESS. Frequency support is what storage does best. The concern lies in the words 'in operation all the time' without compensation. **2. Storage is energy-limited.** A thermal governor draws on fuel. An ESS draws down its state of charge. Continuous response moves the state of charge away from schedule, adds cycles, increases round-trip losses and consumes warranty life. Most ESS are contracted under capacity and availability-based agreements that measure delivery at a contracted state of charge. Energy spent on mandatory response can leave the ESS short when the buyer calls, with penalties under the contract that the Grid Code does not recognise.	**(a) Add the following provisos to Regulation 30(10)(g) as proposed:** *"Provided that an ESS (excluding Pumped Storage Plant) shall keep its frequency controller capable of operation at all times and shall provide primary response in operation when identified by NLDC as a PRAS provider under sub-clause (e) of this clause, for which it shall be compensated in accordance with the Ancillary Services Regulations:* *Provided further that the energy exchanged by an ESS on account of primary response, as computed by the concerned RLDC, shall be stated separately in the energy accounts and*

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	shall be compensated in accordance with the Ancillary Services Regulations'. Para 6(1) amends Regulation 24(2): ESS (excluding Pumped Storage Plant) of 25 MW and above shall submit documents confirming enablement of automatic operation from the appropriate load despatch centre before COD. EM paras 9.3 and 12.3 to 12.8.	**3. The Grid Code already has the right design.** Regulation 30(10)(e) treats ESS as PRAS providers 'compensated in accordance with the Ancillary Services Regulations'. Moving ESS into the mandatory Table 4 without compensation reverses that design. It removes the incentive for storage to offer frequency response as a paid service, which the grid will need more of as storage scales. EM para 12.3 cites a projected 41 GW of BESS by 2030. **4. COD should not wait on the load despatch centre.** AGC enablement under Regulation 24(2) depends on integration at the load despatch centre, which the ESS does not control.	*the ESS may restore its state of charge through revision of schedule."* **(b) Add a proviso to Regulation 24(2):** *"Provided that where an ESS has completed the integration at its end and the integration at the load despatch centre is pending for reasons not attributable to the ESS, the declaration of commercial operation shall not be withheld on that account."*
4	**Trial run of hybrid stations and of capacity added within existing Connectivity** *Draft Para 5(1) to 5(6): Regulations 22(3)(a), 22(3)(c), 22(3)(e) and 22(3)(g)*		
	Paras 5(1) and 5(3) of the Draft: the existing rule of a 50 MW minimum followed by a maximum of four instalments for solar under Regulation 22(3)(a) is confined to projects of more than 50 MW and less than 250 MW. A project of 250 MW or more may be tested in instalments of at least 50 MW 'without any limit on the number of instalments. Para 5(6) applies the same bands to a standalone ESS under Regulation 22(3)(e): a minimum of 50 MW, followed by a maximum of three instalments of at least 5 MW for a project below 250 MW. Paras 5(2), 5(4) and 5(6): trial run below 50 MW is allowed only for entities covered under clause	**1. Scope of concern.** Hybrid and FDRE stations form a growing share of tendered capacity. Capacity added behind existing Connectivity is the most efficient use of transmission already built. The new trial run bands do not say how they apply to either. **2. The basis of the band is unclear for a hybrid station.** Regulation 22(3)(g) tests each source separately. The bands in Regulations 22(3)(a) and 22(3)(e) refer to the capacity of 'a project'. Take a 300 MW hybrid station with 150 MW solar plus 150 MW wind. Its solar component falls in the band below 250 MW if read source-wise. It falls in the band of 250 MW or more if read on the total capacity of the station. The instalment rules for the two bands differ materially. RLDCs will read the provision differently and trial run will be delayed. **3. A small component has no route.** Such stations often include an ESS or a solar or wind component below 50 MW. A solar or wind component of that size cannot meet the 50 MW minimum. The	**(a) Insert a new sub-clause (k) after the proposed sub-clause (j) of Regulation 22(3):** *"(k) For a hybrid generating station, the capacity thresholds and the number of instalments for trial run under sub-clauses (a), (c) and (e) of this clause shall be determined separately for each source, with reference to the installed capacity of the solar or wind source and the rated power capacity of the ESS forming part of such station. A source having a capacity of less than 50 MW, including an ESS forming part of such station, may undertake trial run for its full capacity, subject to compliance with the applicable technical requirements under these regulations. The aggregate net injection at the point of interconnection shall not exceed the quantum of Connectivity granted to the hybrid generating station."*

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	(e) or clause (f) of Regulation 4.1 or Regulation 4.4 of the GNA Regulations, 'for the capacity for which Connectivity has been granted' to such entity. Existing Regulation 22(3)(g): trial run of a hybrid system means 'successful trial run of each individual source of the hybrid system in accordance with the applicable provisions of these regulations. GNA Regulation 5.2: an existing Connectivity grantee may, with prior approval of the Nodal Agency and within the quantum of Connectivity granted to it, install additional generation capacity or ESS 'including the capacity owned by any other entity'. Net injection shall not exceed the quantum allowed to the existing grantee (clause (c)). The SCOD 'shall not be later than 24 months from the date of in-principle grant' (clause (g)). The capacity is subject to Regulations 11A, 11B and 24 (clause (i)). GNA Regulation 5.1, second proviso: a Renewable Hybrid Generating Station or REGS with storage may hold Connectivity for a quantum 'less than or equal to the installed capacity'.	relaxation below 50 MW is tied to the Connectivity granted to such entity, whereas Connectivity for a hybrid station is granted for the station as a whole and may be lower than its installed capacity. The amended Regulation 22(3)(e) speaks only of a standalone ESS and is silent on an ESS forming part of a hybrid station. Without a trial run for one component, the trial run of the hybrid station under Regulation 22(3)(g) cannot be completed. **4. Capacity added within existing Connectivity has no route.** An addition below 50 MW under GNA Regulation 5.2 cannot meet the 50 MW minimum. It is also outside the relaxation, because it is added within the existing quantum of Connectivity under Regulation 5.2 and not under clause (e) or clause (f) of Regulation 4.1. Yet the GNA Regulations require its SCOD within 24 months of in-principle grant and attach the consequences under Regulation 11B to any failure. The Grid Code would block the very COD that the GNA Regulations require. Such additions also use transmission already built. The two instruments should speak with one voice.	**(b) Insert the following as the last proviso of each of Regulations 22(3)(a), 22(3)(c) and 22(3)(e):** *"Provided also that where a REGS or ESS having an installed capacity of less than 50 MW, including one owned by an entity other than the existing Connectivity grantee, is added within the quantum of Connectivity of an existing Connectivity grantee under Regulation 5.2 of the GNA Regulations, its trial run may be undertaken for the additional capacity approved under that Regulation. The aggregate net injection at the point of interconnection shall not exceed the quantum of Connectivity granted to the existing Connectivity grantee."*