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KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Corporate Identity Number (CIN):U40109KA1999SGC025521
Registered Office of the Company, Corporate Office, Indhana Bhavan, Race Course Road, Bengaluru-09.

No. KPTCL/B36/76541/2026-27/ 1116 Date: 28-10-2026
Encl:

The Secretary,
Central Electricity Regulatory Commission (CERC),
3rd and 4th Floor, Chanderlok Building,
36, Janpath,
New Delhi - 110001

Sir,

Sub: Draft CERC (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026- Suggestions/ Comments of KPTCL- Regarding

Ref: 1.CERC Public Notice No.: L-1/265/2022/CERC Dated :21.09.26
2.CERC Public Notice No.: L-1/265/2022/CERC Dated :22.10.26
(Extension of Time)

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CERC vide Public Notice Dated: 21.09.2026 cited under reference has informed that the Commission has notified Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations 2026 and has sought comments/suggestions from the stakeholders.

In this regard, I am directed to enclose herewith the comments/suggestions of KPTCL/SLDC on the Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations 2026 with a request to kindly place the same before the Hon'ble Commission for incorporating the suggestions made by KPTCL/SLDC.

" Approved by
the Managing Director, KPTCL."

Yours faithfully,

S.K. Gayatri

Financial Advisor
Regulatory Affairs

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

Sl. No.	Clause No./	As per proposed CERC Draft CERC Regulation, 2026	Comments/Views/ Suggestion of KPTCL	Reasons
1.	Para 2, New definition 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.	It is suggested that the definition be modified in-order to apply to the entities involved in inter-State transmission transactions, as follows: "Congestion charge" means the supplementary charge levied on the entities involved in Inter-State transmission transactions (including regional entities) where the net injection or net drawal of power in the inter-regional or intra-regional transmission links exceeding the Total Transfer Capability;"	(a) The definition limits the charge to a "regional entity". Entities that are not regional entities but are involved in inter-State transmission transactions (for example, intra-State generators and consumers transacting through the power exchange) can cause the congestion yet would not be liable for the congestion charge, hence the modification is suggested. (b) The change is required in Reg 30A(1)(a), which refers to "Regional entity or entities" causing and relieving congestion.
2.	Para 5(8), Reg 22(3)(f) Reg 22(3)(i)	**Pumped storage plant trial run** Proviso (iv): if it is not possible to demonstrate the design capabilities at rated water drawing level due to insufficient reservoir levels, COD may be declared, subject to demonstrating the same immediately when sufficient	(a) A pumped storage plant is expected to arrange sufficient water (reservoir levels) before it goes for the trial run. It is not clear what the logic is for allowing a PSP to declare COD on the ground of insufficient reservoir level. The provision allows COD, and the start of capacity charges, without the	-

		reservoir level is available after COD. Further proviso: if the plant cannot then demonstrate the design capabilities, it may either repeat the trial run or de-rate the capacity, the de-rating being effective from COD.	plant having demonstrated its capacity. (b) Proviso (iv) and the further proviso that follows it should be removed for pumped storage plants. (c) If a PSP does not meet its rated capacity or MCR in the trial run, it may de-rate the capacity to the capacity it has actually demonstrated against its design, and COD should be declared only on that de-rated capacity.	
3.	Para 6(3) Reg 24(4)(9)	The word "generating" occurring multiple times in sub-clause (a) of Clause (4) of Regulation 24 of the Principal Regulations, shall be deleted.	It is suggested to retain the Original Clause in the principal Regulation i.e., "The generating company shall submit OEM documents for the turbine characteristics curve indicating the operating zone(s) and forbidden zone(s). In order to demonstrate the operating flexibility of the generating unit, it shall be operated below and above the forbidden zone(s)".	It is observed that there the word "generating "has not occurred multiple times but has occurred only twice with appropriate meaning. Hence the existing sub-clause(a) of Clause 4 of Regulation 24 may be retained (as in principal Regulation).
4.	Para 10(7)-(9), Reg 30(11)(q) and (t); Para 18, Annexure-3	The words "regional entity bulk consumer" are added after "State control area" / "for that State" / "State" in Reg 30(11)(q) and (t), and in clauses 1 and 6 of Annexure-3.	(a) It is not clear how a consumer can be a regional entity. Under the Electricity Act, 2003, consumers are generally supplied through distribution licensees, which also carry out their metering and energy accounting. The Commission is requested to provide explanation on how such a consumer would fit the definition of a regional	Clarification / definition required.

			entity without conflicting with the Electricity Act, 2003. (b) If the Commission wishes to bring such consumers into the Regulations, the term "regional entity bulk consumer" should be clearly defined in Reg 3, specifying the criteria (point of connection, voltage level, metering and energy accounting at regional level) and how such a consumer is treated against the State control area and the SLDC. (c) The definition should be in place before these provisions in Reg 30(11) and Annexure-3 take effect.	
5.	**Reg 30A(1), 30A(3), 30A(4) and definition 29a – ATC/TTC**	Trigger and treatment of TRM 30A(1)(a)-(b): the charge is payable by regional entities causing congestion, and by a wheeling region where both corridors are congested. 30A(3): a warning notice is issued when flow crosses ATC; if flow exceeds TTC, NLDC/RLDC may decide to apply the charge after notice (proviso: at least two clear time blocks). 30A(4): the charge is withdrawn when flow comes down to ATC. Definition 29a: the charge arises when net injection or drawal exceeds TTC.	(a) Under IEGC 2023, "Congestion" means demand for transmission capacity or power flow exceeding the Available Transfer Capability (ATC), and ATC is the Total Transfer Capability (TTC) less the Transmission Reliability Margin (TRM). Reg 30A(1)(a) and (b) levy the charge on entities "causing congestion" and on corridors that are "congested", which by definition means flow above ATC. Definition 29a and Reg 30A(3) levy the charge only when flow exceeds TTC, with only a warning between ATC and TTC. The applicability of the charge	Modification / clarification.

			under Reg 30A(1) and Reg 30A(3) is therefore different. (b) If the Commission intends the charge to apply only when TTC is exceeded, it should state clearly that crossing ATC is treated only as a warning and that the charge applies only when TTC is exceeded. Reg 30A(1) should be modified accordingly, so that it refers to flow exceeding TTC and not to "congestion" as defined. The withdrawal threshold in Reg 30A(4) (ATC) should also be aligned with, or explained against, the trigger. (c) The treatment of the TRM should be specified. TRM is the margin kept within TTC to keep the network secure under uncertainties. If the charge applies only above TTC, flows between ATC and TTC use up the TRM without any charge. The draft should state whether and when the TRM may be used, and whether the charge can be applied once flow enters the TRM zone. (d) TTC is defined with reference to the worst credible contingency. "Credible Contingency" is defined in the 2009 Congestion Regulations, which the draft proposes to repeal under Reg 59(5). The definition should be carried into Reg 3 of the IEGC so that TTC	

			remains clearly defined after the repeal.	
6.	**Reg 30A(1)**	(a) Charge payable by entity causing congestion and receivable by one relieving it; (b) wheeling region with both corridors congested: any deviation attracts the charge irrespective of direction; (c) payable in addition to DSM deviation charges.	(a) State the treatment of RE, hydro and must-run generation and of forecast errors that the State has no real-time control over. (b) Where deviation or congestion is caused by entities other than discoms, such as GNA grantees who have obtained GNA from CTU and draw power through the ISTS network (for example, Indian Railways and ACC Ltd), it is not clear how the congestion charge will be passed on to them. As transmission charges are shared among GNA grantees, a similar methodology should be prepared by NLDC. (c) Where an intra-State generating unit sells power through the power exchange and, during import congestion, under-injects against its schedule, it directly causes the congestion. However, it is liable only for deviation (DSM) charges and not the congestion charge, because Clause (1)(a) levies the charge on regional entities. The Commission is requested to make the congestion	Objection / modification.

			charge applicable to the inter-regional transactions (and the entities involved in them) that actually cause the congestion, instead of, or in addition to, regional entities. Clause (1)(a) of Reg 30A should accordingly refer to the entities involved in inter-State transmission transactions that cause congestion on the link, and definition 29a should be changed accordingly (see Sl. 1).	
7.	**Reg 30A(3)**	Notice for application of congestion charge: warning when flow crosses ATC; if flow exceeds TTC, NLDC/RLDC may, after notice by e-mail/voice/website/common screen, apply the charge from a particular time block. Proviso: notice of at least two clear time blocks.	(a) Two-time blocks are not workable. Scheduling revisions take effect from the 7th/8th block today (and 5th/6th even after Para 16), and the SLDC has no control over generation and RE scheduling. State Grid Codes also follow the IEGC timelines. The notice period should be at least the effective revision lag, and the charge should apply only from a block after the revision could take effect. (b) Notice should be issued through an acknowledged channel such as WBES, and not only by e-mail or voice message, so that entities can revise their schedules in response. It should also go to the SLDC. (c) In such circumstances, the scheduling timeline should also be relaxed so that entities can revise their	Objection

			schedules from the 3rd/4th time block, instead of the 7th/8th time block (5th/6th after Para 16), provided that the revision follows the directions of NLDC/RLDC and does not worsen the congestion.	
8.	Para 12(1)-(2), Reg 45(8)(a):	New proviso: regional entity thermal stations shall not declare DC in peak hours lower than in off-peak hours, other than for forced or partial outage; otherwise DC for fixed charges is the lower of the two.	Supported, as it protects beneficiaries. (a) Define "partial outage" and require a digital record of reasons that RLDC/RPC can verify. (b) State how it interacts with the cap on DC revisions in Reg 49(7-a).	-
9.	Para 12(3), new Reg 45(16)	Regulation of access for entities defaulting on DSM, congestion and reactive energy charges or payment security: T-GNA regulated entirely; after two months, short-term contracts under GNA; other contracts reduced progressively by 5% per month of default; restoration within one day of payment. NLDC may, under exceptional circumstances for grid security, temporarily review the regulation of T-GNA and record the reasons in writing.	(a) Include dues of SLDC and RLDC fees/charges and transmission charges. Reg 19(9)(b) of the Principal Regulations already treats defaults on transmission charges, RLDC fees and deviation charges as grounds for stopping start-up power. (b) Exclude disputed amounts and require prior written notice. (c) Progressive reduction of long-term supply should protect essential/priority loads. (d) The special proviso allowing NLDC to temporarily review the regulation of T-GNA under exceptional circumstances should not be provided, Such a discretion is also open to influence and pressure on	Modification.

			NLDC from various quarters. The Commission is requested not to entertain it. If any relaxation is nevertheless allowed, it should not exceed 7 days and should be limited to genuine reasons such as bank holidays or money transaction issues.	
10.	Para 13(6), new Reg 46(6)	NLDC may run SCUC at any time of the day to commit or decommit a unit for grid security; schedules of decommitted units to be adjusted as per Annexure-9.	(a) "At any time of the day" conflicts with the day-ahead timelines. Beneficiaries need prompt communication with reasons, through WBES. (b) Clarify that NLDC-ordered decommitment for grid security does not shift capacity-charge or other costs to beneficiaries.	It is observed that the proposed Regulation 46(6) provides that NLDC may run SCUC at any time of the day for commitment /decommitment of generating units for grid security. However, Annexure-9 prescribes modalities based on day-ahead scheduling, with Clause (3) referring to schedules finalized up to Regulation 49(1)(k) on 'D-1' day. In this regard, clarity may be provided regarding the applicability of the procedure in Annexure-9 in cases where SCUC is run during the day of operation and a generating unit is subsequently identified for decommitment. The regulation may clearly specify the

				applicable timeline and the manner in which the existing schedule and subsequent revisions are to be dealt with. Further, in case a generating unit is identified for decommitment, beneficiaries/buyers may be provided adequate visibility regarding the unit's declared capacity, technical minimum, schedule and proposed decommitment sufficiently in advance, so that they can assess their requirement and requisition power appropriately. The restriction on upward revision of schedule for time blocks in which the generating unit is proposed to be off-bar may also be reconsidered. An upward revision by the beneficiary, particularly where such revision can enable the unit to operate above technical minimum, may avoid unnecessary decommitment and subsequent requirement of procurement

				through market mechanisms/SCUC/SCED interventions. Therefore, upward revision may be permitted, subject to availability of transmission corridor, generator capability and system security, where such revision can facilitate continued operation of the generating unit. Alternatively, the provision may clarify that upward revision shall not be permitted only after the decommitment decision has been finally confirmed and communicated by NLDC/RLDC, rather than imposing a blanket prohibition from the D-1 stage. It is also suggested that the terminology and timelines in Regulation 46(6) and Annexure-9 may be harmonised, since Regulation 46(6) permits SCUC to be run 'at any time of the day', whereas Annexure-9 presently appears to contemplate a day-ahead/D-1 process.

11.	Para 14, Reg 47(2)(a)-(c)	USD to be planned so as to keep maximum units on-bar; if other on-bar units cannot supply requisitions, requisitions reduced in ratio; where the only running machine goes under USD, beneficiaries who requisitioned power get none.	(a) The proposal deviates completely from the Principal Regulation, under which a generating station that goes under USD must fulfil its obligation to supply beneficiaries who have requisitioned power, by arranging alternate supply through the market, its other stations or SCED. The draft does not provide for the generating station to arrange an alternate source of power supply. (b) Taking the responsibility away from generators while they continue to receive fixed charges is not neutral. With RE-must-run, keeping thermal units at technical minimum is not always easy for beneficiaries. (c) It is suggested that Reg 47(2) of the Principal Regulations be retained. (d) Before going under USD, the generating station should explore the purchase of power, at least to the extent of the requisitioned schedule, at its variable cost, with the cost of such power (including associated costs) capped at the station's ECR, for the power available in any of the blocks. In blocks where such power is not available, beneficiaries will plan other options. (e) If Reg 47(2) is not retained, then at	The proposed amendment substantially changes the existing framework relating to Unit Shut Down (USD), scheduling of generating stations and the financial responsibility of beneficiaries. It is submitted that the generating station should continue to have an appropriate responsibility towards fulfilling the requisitioned schedule of its beneficiaries. Where beneficiaries have validly requisitioned power from a generating station, the generating station should first explore all technically feasible options for meeting such requisition, including optimal unit commitment, operation of available units, operation at the applicable minimum technical/turn-down level, and purchase of power at its variable cost (capped at the station's ECR), before placing units under USD. The proposed Clause (2b), however, permits the generating station to revise its On-bar DC

			the least a station going under USD must either arrange alternate supply as in (d), or revise its DC so that no fixed charges are payable by the beneficiaries on the capacity withdrawn. Where the station retains its DC and the requisitioned power is not supplied solely because of its USD decision, the beneficiary's liability should be limited to 40% of the fixed charges on such unsupplied requisitioned capacity, with the balance borne by the generating station.	and Off-bar DC after declaring USD, while simultaneously requiring the beneficiaries to continue bearing capacity charges corresponding to the entire DC, including the Off-bar DC. This may result in an imbalance whereby the beneficiary continues to bear the fixed/capacity charge even though the power corresponding to its requisition is not being made available due to the generating station's USD decision. It is therefore suggested that the Commission may reconsider the proposed treatment and prescribe appropriate responsibility on the generating station for non-supply attributable to its own USD decision. Alternatively, if Reg 47(2) of the Principal Regulations is not retained, where a beneficiary has made a valid requisition and the corresponding power is not supplied solely due to the generating station placing the concerned unit(s) under USD, the beneficiary should bear only 40%
12.	Reg 47(2a)-(2b)	(2a) Generator informs RLDC and beneficiaries of units going under USD by 1800 hrs D-1; (2b) generator revises on-bar and off-bar DC; beneficiaries continue to bear capacity charge for total DC including off-bar DC; D-day schedules correspond to on-bar units only.	(a) Beneficiaries should not bear the capacity charges for off-bar DC in full where they receive no supply. Reg 47(2b) in effect revives reserve shutdown. (b) The generator should have a minimum obligation to explore all possibilities to keep the unit on-bar (sale in the market, SCUC, SCED) and to propose its own revised schedule only after doing so. (c) If any sharing of fixed charges is retained, the Commission is requested to fix responsibility on generators, with the beneficiary's liability limited to 40% of the fixed charges on requisitioned capacity not supplied solely because	

			of the generating station's USD decision, the balance being borne by the generating station. No such charge is payable by beneficiaries where the unit is decommitted on an NLDC instruction under SCUC.	of the fixed charges corresponding to such unsupplied requisitioned capacity, with the balance borne by the generating station. Further, USD undertaken by the generating station should be clearly distinguished from decommitment directed/identified by NLDC through SCUC for grid-security requirements. Where decommitment is undertaken pursuant to an NLDC/SCUC decision for system security, the beneficiaries should not be required to bear the above 40% share or any other capacity charge or cost on account of such decommitment. The Commission may also clarify that a generating station shall not be permitted to unilaterally revise schedules requested by beneficiaries in a manner which transfers the consequences of its USD decision to beneficiaries while retaining the full capacity-charge recovery. The proposed framework should maintain regulatory neutrality

				and ensure that the benefits and responsibilities associated with USD are equitably allocated among the generating station, beneficiaries and system operators.
13.	**Para 17, Reg 59(5)-(7)**	Repeal of the 2009 congestion Regulations "from the date of effectiveness of the CERC (IEGC) (Second Amendment) Regulations, 2025"; 2009 rate and detailed procedure	(a) Correct "2025" to "2026". (b) Ensure there is no gap between repeal and the notification of the new rate and procedure, and that no charge is levied under Reg 30A until then.	Drafting error

S. K. Nayak

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