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Lr.No. NLCIL/Comml/F 1161/2026-164 Dt: 21.10.2026

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

Sir,

Sub: Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026 – Submission of NLCIL & NTPL comments - Reg.

Ref: Public Notice No. L-1/265/2022/CERC, Dated 21.09.2026

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Pursuant to the communication of Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026 vide ref cited above, seeking comments of the stakeholders, NLC India Limited (NLCIL), along with its joint venture NTPL is hereby submitting its comments.

The comments have also been uploaded in SAUDAMINI Portal of CERC.

Thanking you,

Yours faithfully,
for NLC India Limited

Chief General Manager / Commercial

Encl: As above

Comments on Draft Central Electricity Regulatory Commission

(Indian Electricity Grid Code) (Second Amendment) Regulations, 2026

NLCIL is a premier Navratna Central Public Sector Enterprise under the Ministry of Coal, Government of India, operating large-scale pithead lignite-fired thermal power stations integrated with captive open-cast lignite mines (such as the Neyveli Thermal Power Station Complexes) alongside coal-based thermal stations (such as NTPL). NLCIL's major thermal assets provide crucial base-load energy security to the Southern Region.

While NLCIL fully supports the Hon'ble Commission's vision of enhancing operational flexibility along with SCUC & USD, integrating renewable energy and storage technologies (BESS and PSP), streamlining applicability of congestion charges and bringing RTM bidding window closer to delivery time period.

Lignite-fired thermal stations linked with captive mines face unique, non-negotiable operational and financial constraints under the proposed scheduling framework. The primary operational bottleneck arises from severe, erratic off-peak under-scheduling by DISCOMs during high solar hours, forcing thermal units to operate below the Minimum Turndown Level (MTL) or undergo frequent Unit Shutdowns (USD). These stations operate under unique technical and economic realities.

Under CERC Tariff Regulations, mine costs (AEC/ATQ) directly establish the Energy Charge Rate (ECR). When DISCOMs under-requisition power during high solar hours below Minimum Turndown Level (MTL), reduced lignite extraction inflates per-tonne input costs, punishing remaining beneficiaries with higher ECR. Concurrently, repeated Unit Shutdowns (USD) inflict severe thermal fatigue on boilers, increase expensive secondary fuel oil consumption and degrade grid reliability during peak hours. Regulatory frameworks must preserve operational flexibility while safeguarding generator viability.

NLC India Limited (NLCIL) hereby submit formal comments on the Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026 and the accompanying Explanatory Memorandum, published vide CERC Notification dated 21.09.2026.

No. 1. Amendment to Regulation 46 the Principal Regulations

(3) A new sub-clause (b-i) shall be inserted after sub-clause (b) of Clause (4) of Regulation 46 of the Principal Regulations as under:

"(b-i) The generating station may declare units under USD by 1600 Hrs of 'D-1' day if the schedule of at least 50% of MCR in all time blocks is not achieved."

NLCIL'S Comment:

- NLCIL welcomes the provisions for enabling a generating unit to opt for Unit Shutdown (USD) without supply obligation when the schedule falls below 50% of MCR, but at the same time **threshold level of 50% may be linked to applicable MTL % of respective thermal stations.** Unlike coal fired thermal stations, for lignite fired thermal stations due to higher moisture content & unique characteristics of primary fuel, 50% level found to be not a safe operation.
- However, there are instances where certain beneficiaries are willing to avail power, but the aggregate requisition remains below the 50% MCR threshold, resulting in USD despite the existence of partial demand. It is proposed that, in such cases, **the generating unit may be permitted to remain on-bar with MTL schedule protection to the extent of requisitions from willing beneficiaries.**
- Further, in this case priority access to power during peak hours must be accorded to beneficiaries who support MTL schedules during off-peak periods. This would improve utilization of available generation capacity while enhancing grid reliability and operational flexibility.
- **In cases where power is availed beyond the original entitlement of a beneficiary, the fixed cost (FC) liability may continue to remain with the original beneficiary only, allowing procurement decisions to be purely based on Energy Charge Rate (ECR) without consideration of (FC+ECR) and facilitating optimal utilization of available capacity.**
- It is also observed that when a generating unit is revived from USD, the schedule on the first day is generally above MTL; however, from the subsequent day onwards, the unit is often subjected to schedules below MTL, leading to operational uncertainty and uneconomic operation. Therefore, **it is proposed that a generating unit restored from USD be provided MTL schedule protection for a minimum period of three days.**

schedules from such generating stations, except when the generating stations are operating above the Minimum Turn-Down Level (MTL), is 14:30 hrs on D-1. Accordingly, USD declarations may be scheduled only after this cut-off time.

- In the present scheduling framework, only Central Generating Stations (CGS) governed by the CERC IEGC Regulations are exposed to this issue, as beneficiaries have considerable flexibility in their requisitions, including substantially reducing or withdrawing requisitions during solar hours and increasing them during peak-demand hours. Due to this, requisitions for central generating stations frequently fall below their MTL during solar hours, which will result frequent USD declarations on daily basis.
- In view of the above, it is requested that the **frequency of daily USD declarations may be minimised**. Further, a **provision for submitting and updating USD declarations directly through the scheduling portal may be introduced**, replacing the existing email-based process, which has not been found to be effective.
- It is also requested that the Hon'ble Commission may consider prescribing a mandatory **minimum requisition level % for beneficiaries of Central Thermal Generating Stations, in line with the recommendations of the Committee constituted by the CEA**, to address the operational challenges faced by thermal generating stations due to high solar injection during daytime hours.
- It is further submitted that **lignite-based generating stations, which are presently not covered under SCUC/SCED due to the economic implications for its linked mines, require specific protection of their MTL schedules through mandatory beneficiary requisitions**. This is essential to mitigate the operational risks and safety hazards associated with lignite-based units operating below MTL, considering their peculiar technical characteristics, while ensuring adequate utilisation of linked mines, reducing the per-tonne cost of lignite and ultimately benefiting DISCOMs through lower generation costs.
- Alternatively, the Hon'ble **Commission may consider allowing only upward SCUC scheduling for lignite-fired thermal generating stations with linked mines**. This would **help maintain adequate reserve availability to meet peak demand**.

No. 3. Amendment to Regulations 48 and 49 to facilitate shortening of timeline between revisions:

(B) Second phase of implementation

This would reduce frequent start-up and shutdown cycles, minimize thermal stress and secondary fuel oil consumption, and mitigate adverse impacts on the operation and maintenance of thermal generating stations.

No. 2. Amendment to Regulation 46 & 47 the Principal Regulations

New sub-clause (a-i) and (a-ii) shall be inserted after sub-clause (a) of Clause (4) of Regulation 46 of the Principal Regulations as under:
"(a-i) The generating station shall, by 1430 Hrs of 'D-1' day, inform the RLDC and beneficiaries of the proposed unit(s) to be taken under USD.

A new sub-clause (b-i) shall be inserted after sub-clause (b) of Clause (4) of Regulation 46 of the Principal Regulations as under:
"(b-i) The generating station may declare units under USD by 1600 Hrs of 'D-1' day if the schedule of at least 50% of MCR in all time blocks is not achieved."

Clause (2) of Regulation 47 of the Principal Regulations shall be substituted with Clauses (2), (2a), (2b), 2(c) and 2(d) as under:
(2a) The generating station shall, by 1800 Hrs of 'D-1' day, inform the RLDC and beneficiaries of the unit(s) to be taken under USD.

NLCIL'S Comment:

- As per the existing USD procedure under the CERC Suo Motu Order dated 05.10.2025, generating stations are required to intimate their USD status at 18:00 hrs (after publication of the SCUC list) and again at 20:00 hrs, considering any subsequent revisions in beneficiary requisitions.
- However as per the draft Regulation, generators are required to declare USD before publication of the SCUC list based on the rationale provided in the Explanatory Memorandum that SCUC constitutes the final step in committing a generating station up to its Minimum Turn-Down Level (MTL). Under the revised timelines, generators are required to review and update their USD status at 14:30 hrs, 16:00 hrs and 18:00 hrs. Compliance with these multiple checkpoints at short intervals on a daily basis may pose operational challenges for generators in assessing revised beneficiary requisitions, evaluating generation requirements and submitting accurate and timely USD declarations.
- Currently, the cut-off time for beneficiaries to reduce their drawal

No. 4. ***Amendment to Regulations 48 and 49 to facilitate shortening of timeline between revisions:***

(B) Second phase of implementation

(3) The time "23.00" shall be substituted with time "23.20" in sub-clause (q)(iv) of Clause (1) of Regulation 49 of the Principal Regulations.

NLCIL'S Comment:

sub-clause (q)(iv) of Clause (1) of Regulation 49 of the Principal Regulations is reproduced below:

"The power exchanges shall clear the real-time bids from 23.00 hrs till 23.15 hrs of „D-1" day based on the available transmission corridor and the buy and sell bids for the real time market (RTM) for the specified duration and intimate the cleared bids to NLDC by 23.15 hrs, for scheduling."

While the start time of RTM bid clearance in Regulation 49(1)(q)(iv) is proposed to be changed from 23.00 hrs to 23.20 hrs, the end time remains unchanged at 23.15 hrs. This results in an inconsistent timeline. It is requested to clarify and suitably amend the end time to ensure consistency with the proposed Phase-II RTM scheduling timeline.

(2) The time "22.45" shall be substituted with time "23.15" and time "23.00" shall be substituted with time "23.20" in sub-clause (q)(ii) of Clause (1) of Regulation 49 of the Principal Regulations.

NLCIL'S Comment:

NLCIL welcomes the draft proposal of the Hon'ble Commission's for shortening the scheduling timeline for Real Time Market (RTM) but truncation in bidding time period for each RTM session from 15min to 5min is found to be challenging due to following key concerns:

I. **Uneven SLDC Technical Readiness:** Many SLDC portals lack API-driven automation and real-time data exchange capabilities. Compressed timelines could result in automated wipe out of bids and loss of liquidity. Minimum technical standards and a uniform Web-Based Energy Scheduling (WBES) platform across all RLDCs/SLDCs must be mandated and verified beforehand.

II. **Inadequate Availability of Final DC & Schedule Data:** Final Declared Capability and Schedule data currently reflect only after 3min of starting in RTM Bidding time block, already reducing the effective existing 15-minute window to roughly 12 minutes. A 5-minute window would further shrink active decision time, increasing bidding errors and undermining price discovery.

III. **NOC Data Synchronization Failures:** Currently Real-time NOC quantum from NOAR often updates only after the 6th minute of the bidding window, causing earlier submitted bids to be rejected. Instantaneous, structurally guaranteed availability of final NOC data at Power Exchanges is a prerequisite for any shortened RTM market.

It may also be noted that, under the MoP (LPS) Amendment Rules, 2024, all generators are mandatorily required to submit bids for Un-Requisitioned Surplus (URS) power across various market segments, including the Real-Time Market (RTM). However, the existing framework does not provide any consideration for missed bids due to technical glitches at the generator/trader end, while such provisions are currently available only for glitches at central nodes such as NOAR and power exchanges. Given the highly compressed bidding timelines an equitable framework for protecting fixed-cost recovery, including a defined tolerance mechanism for technical failures at the generator/trader bidding end is essential.

We humbly request the Commission to address these foundational prerequisites to ensure market liquidity, fair price discovery, and reliable grid operations before enforcing any truncating RTM Bidding window.