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Date: Mon, 02 Nov 2026 18:54:24 +0530
Subject: Tata power comments on Draft CERC Grid Code (Second Amendment)
Regulations 2026
========== Forwarded message ==========

Dear Sir/Ma'am,

Please find the enclosed Comments from Tata power on Draft CERC Grid Code (Second Amendment) Regulations 2026.

Regards,
Tushar Raj
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The Tata Power Company Limited,Shatabdi Bhawan,B-12 & 13, Sector 4, Noida, UP-201301
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Tata Power Comments on Draft CERC Grid Code (Second Amendment) Regulations 2026

Reg. no	Proposed Provision	Suggested Modification	Rationale
45 (8)	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.	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. ***Provided further that in case of generating stations whose tariff has been adopted under Section 63 of the Electricity Act, 2003, the entitlement to annual/monthly fixed charges or capacity charges shall be governed by the adopted tariff and the provisions of the executed Power Purchase Agreement (PPA), as applicable*** ***Provide further that imported-coal-based generating stations shall be exempted.***	Section 63 projects are based on competitively discovered tariffs and agreed PPA conditions. Additional peak-hour availability obligations may introduce requirements beyond the original commercial assumptions and alter the allocation of contractual risks. Reducing capacity charges solely due to lower declared DC may adversely affect fixed-cost recovery, even where the generator maintains readiness and complies with applicable requirements. Imported-coal-based stations are exposed to fluctuations in international coal prices, freight and foreign exchange rates, significantly affecting the Energy Charge Rate (ECR). Mandatory peak-hour availability may compel generation when market realization is lower than variable cost, resulting in financial losses. Linking capacity charges to lower declared DC may further reduce recovery despite the station maintaining technical availability and incurring fixed costs.
30 A (1)	**Applicability of Congestion Charge.** **(a)** The congestion charge shall be payable by a Regional entity or entities causing congestion in the inter-regional link or intra-regional link and receivable by a Regional entity or entities relieving congestion. Congestion charges would be levied for: **……**	New provision to be added as ***Provided that levy of congestion charges shall be exempted to the extent that congestion arises due to transmission constraints, grid constraints or other system-related limitations beyond the reasonable control of the generating company, notwithstanding their compliance with the applicable scheduling and dispatch instructions issued by the concerned Load Despatch Centre***	The provision in the CERC order dated 13.03.2026 in Suo-Motu Petition No. 1/SM/2026 provides an exemption from congestion charges in a specific situation where congestion arises due to a forced outage of a transmission line after the drawal schedule has been finalised.

Additional Comments/Suggestions

1. Shorting of Scheduling Timelines:

Proposed provision:

- **Scheduling Timelines:** Timelines for scheduling/revisions are proposed to be shortened in two phases.
  - **Phase I:** The revision window is reduced from the **8th time block to the 6th time block** in the relevant provisions of Regulations 48 and 49. Certain day-ahead timelines are also shifted later, including **23:00 → 23:15, 23:15 → 23:30, and 23:30 → 23:40**.
  - **Phase II – from 1 April 2027:** The revision window is further reduced from the **7th time block to the 5th time block**. The relevant timelines are further shifted, including **23:15 and 23:20** milestones

Suggested modification:

The discussion paper on compressing the scheduling timeline undoubtedly would help better integration of variable RE by reducing the exposure to the deviations occurring as a result of uncontrollable factors like weather. From the perspective of RE generation, we agree with the necessity of the changes and support the proposed framework; however, an aspect which we would like to draw your attention to is that the proposed reduction in the scheduling timelines may impact the thermal generators. This reduction may result in the thermal generators being unable to offer the entire quantum of URS available because of limitation of ramp up/down rate.

Accordingly, in order to protect the interest of both the RE and thermal generators, we propose the following:

- Scheduling and revision timelines, as proposed under the draft Regulations, may be made applicable to RE generating stations.
- Retain the existing scheduling and revision timelines for thermal generating stations, taking into account their technical operating constraints, particularly ramp-up and ramp-down limitations.

2. Proposed Modifications to Regulations 46 (SCUC) and Regulations 47 (USD)

The provisions relating to Security Constrained Unit Commitment (SCUC) and Unit Shut Down (USD) should adequately consider the valid contractual obligations of generating stations, including commitments under Section 63 of the Electricity Act, 2003. Repeated commitment and decommitment, shutdown and subsequent revival of imported coal thermal generating units result in additional fuel consumption, auxiliary power consumption, equipment wear and tear, maintenance expenditure and other operational costs. Where such actions are undertaken pursuant to directions of

NLDC/RLDC to meet system requirements, the resulting incremental costs are attributable to system operation rather than the commercial decisions of the generating company. In the absence of an appropriate cost-recovery mechanism, generating stations may be exposed to additional financial burdens despite complying with system-operator directions.

Accordingly, an appropriate compensation mechanism is necessary to ensure equitable allocation of system-operation-related costs, maintain generating station reliability and avoid financial disincentives to compliance with grid-operational instructions.