WRI INDIA

To

The Secretary,
Central Electricity Regulatory Commission (CERC)
6th, 7th, 8th Floor, 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.

Ref: No. L-1/265/2022/CERC

Dear Sir/Madam,

We are writing to submit our comments on the Draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026 published by the Central Electricity Regulatory Commission on 21st September 2026 inviting comments/ suggestions/ objections from stakeholders and interested persons. Kindly find our comments and suggestions enclosed with this letter.

Thanking you
Sincerely,



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October 21, 2026

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026

Comments and Suggestions on behalf of WRI India

We thank the Commission for the opportunity to comment on the draft Central Electricity Regulatory Commission (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026. Please find our comments below:

1. Congestion charges: keep it, but make bid areas state-wise for better congestion management

The new Regulation 30A in the draft regulation moves the congestion charge from the CERC (Measures to relieve congestion in real time operation) Regulations, 2009 into the Grid Code and repeals the 2009 Regulations. The mechanism is largely the same: NLDC or an RLDC issues a warning when flow exceeds Available Transfer Capability (ATC), and may apply the charge, after at least a notice of two time blocks, when flow exceeds Total Transfer Capability (TTC). The rate is left to a separate Commission order, and the operating detail to an NLDC procedure.

Two issues have been highlighted with respect to congestion charges: First, that the congestion charges so far have been a small fraction of DSM charges and have been rarely invoked. It thus acts more like a real-time backstop[1]. Second is with respect to the bid areas. The power exchanges clear the day-ahead market across 13 bid areas, most of which cover several states. A state's own import ATC is not visible to the market, so congestion at the state-level is not visible to the market nor priced in. This congestion is then left to NLDC/RLDCs to manage in real time. The scale of this problem is large. Contracted GNA already exceeds 70% of import ATC in 21 states and UTs, and exceeds 100% in Karnataka (about 192%), Andhra Pradesh (about 153%) and Gujarat (about 104%)[2]. Karnataka, Andhra Pradesh and Telangana share a single bid area, so none of these limits is priced in the market.

We recommend retaining the congestion charge as a real-time backstop. In addition, the Commission should direct that each state be configured as a separate bid area, with its import and export ATC enforced in market clearing. This would keep day-ahead schedules within state's ATC limits and so allow congestion to be incorporated ex-ante at the scheduling stage; it will reveal a state-level price where the network is congested, signalling where local generation, storage and demand response are most valuable; and provide transmission planners a transparent, recurring measure of the value of additional transmission capacity, which should feed into network augmentation. This is permissible under the current allocation of transmission corridor under GNA procedures. Changes to other power market regulations will need to be made to keep them consistent with these changes.

[1] Prayas (Energy Group)'s Submission and Comments regarding Rate of Congestion charge in real-time operation in inter-state transmission of electricity from 8 April 2026. See here.
[2] Comments by Mr. S.R. Narasimhan on Draft Central Electricity Regulatory Commission (Power Market) Regulations 2026 (Second Amendment). See here.

With respect to the congestion charges, we recommend that NLDC/RLDCs put congestion warnings, ATC breaches, and amount of congestion charges paid, in the public domain.

2. Reserve obligations on bulk consumers: a positive step, but the enforceability of resource adequacy requirements needs to be addressed

The draft Regulation 30(11) extends reserve obligations to bulk consumers that are regional entities: they must maintain the secondary and tertiary reserves allocated to them and bear the cost of any shortfall that NLDC procures on their behalf. We welcome this change. Large loads that affect frequency and balancing should share in the cost of keeping the grid balanced.

However, these are short-term operating reserves. The larger question is long-term resource adequacy (R.A.): who plans and pays for the generation and storage capacity needed to serve very large new loads, especially, if they are not consumers of the concerned distribution company. Under Regulation 5 of the IEGC and the R.A. framework under the Electricity Rules and CEA guidelines, the obligation of maintaining adequate reserve margin at the state level rests mainly with distribution licensees. The draft amendment does not address how bulk consumers fit into it.

Large loads will increasingly stress the resource adequacy of states. Take the case of Andhra Pradesh. As per the CEA R.A. report, Andhra Pradesh had a peak demand of 13,712 MW in FY2024-25 against contracted capacity of 20,393 MW[3]. The state is planning around 15,000 MW of data centre capacity by 2036-37, in and around Visakhapatnam[4], which on its own exceeds the state's current peak demand. The following questions must be addressed:

1. The reserve obligation under Regulation 30(11) applies only to bulk consumers that are connected to the ISTS. How will the operating reserve requirement of bulk consumers connected to the InSTS be assessed and paid for? If it simply falls within the state's control area obligation, the cost will be borne by the DISCOMs and its other consumers.
2. For a data centre connected to the state InSTS network, the DISCOM is responsible for planning resource adequacy and contracting capacity for it. For a bulk consumer connected to the ISTS as a regional entity, it is unclear who, if anyone, is responsible for its resource adequacy, and the draft amendment does not address this. Will such consumers be required to meet a resource adequacy obligation of their own or will it fall to state discoms?
3. In general, who will bear the cost of that capacity, particularly if the load arrives later than expected or is smaller than planned? If the discom is expected to ensure reliability reserves including the demand of data centres and other such bulk consumers, how would the existing state consumers be safeguarded from the cost burden of the capacity procured for this purpose?

We suggest that the Commission through inclusion in the IEGC clarify how bulk consumers will contribute to resource adequacy, and not only to operating reserves. Options include a

[3] CEA Report on Resource Adequacy Plan (Generation) for Andhra Pradesh (2025-26 to 2035-36).
[4] https://timesofindia.indiatimes.com/city/vijayawada/ap-prepares-15-gw-power-transmission-plan-to-meet-vizags-data-centres-demand/articleshow/131641033.cms

resource adequacy obligation on bulk consumers proportional to their contribution to system peak, a requirement that they demonstrate contracted firm capacity before or alongside connection, or a cost allocation mechanism that ring-fences capacity procured for them from other consumers' tariffs. **Since the Forum of Regulators has issued model regulations for resource adequacy framework, the same need to be modified in light of these developments. Finally, large loads related grid reliability concerns must be consistent across states and decided based on due public consultation.**

We submit that the Commission take the above submissions on record and allow us to make further submissions in this matter, if needed.

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