PUBLIC HEARING | CENTRAL ELECTRICITY REGULATORY COMMISSION

Comments of TNPDCL on the Draft CERC (Indian Electricity Grid Code) (Second Amendment) Regulations, 2026

Draft dated 21 September 2026 | Key concerns, specific changes sought and prayer

Tamil Nadu Power Distribution Corporation Limited (TNPDCL)
144, Anna Salai, Chennai – 600 002

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TNPDCL Supports the Objectives — Subject to Safeguards

Overall position of TNPDCL

TNPDCL supports the Commission's objectives

Grid security	Integration of RE and storage	Congestion management	Scheduling closer to real time

However, several provisions shift operational risk and cost onto DISCOMs — and through them onto consumers — without adequate safeguards.

Four principles TNPDCL requests the Commission to protect

1. Grid-security measures that are transparent and proportionate
2. Preservation of PPA rights and beneficiaries' remedies
3. No unverified charges on DISCOMs for system inadequacy, generator-side constraints or centrally directed actions
4. Adequate notice, published methodologies and auditable accounts

Commissioning Flexibility Must Not Dilute PPA Obligations

Regulations 19(3), 22(3), 25A and 27(1)(b-i)

Flexibility proposed in the draft

19(3)	Extensions before COD
22(3)	Instalment-wise trial runs
27(1)(b-i)	Unit-wise COD of pumped storage
25A	Scheduling of infirm power

TNPDCL does not oppose this flexibility — but when a project is delayed, DISCOMs buy replacement power at a higher cost.

TNPDCL requests

- **Protect the PPA:** the Regulation should expressly state that these permissions do not extend the Scheduled Commissioning Date or waive liquidated damages or any other PPA remedy.
- **Pay only for proven capacity:** tariff liability should apply only to capacity that has completed its trial run.
- **Infirm power under 25A:** to be offered to the contracted buyer only for a short, defined period, at a tariff not exceeding the PPA tariff.
- **Keep the two CODs separate:** COD under the Grid Code must remain separate from COD under the contract — a Grid Code COD should not, by itself, make beneficiaries liable for tariff or capacity charges.

Suggested provisos: Part II of TNPDCL's written comments

Trial Runs Must Demonstrate the Contracted Storage Service

Regulations 21(1), 22(3)(e), 22(3)(f) and 22(3)(j)

21(1)	**Trial-run notice**	Retain the notice at seven days; allow three days only with the beneficiaries' consent — beneficiaries need time to witness the tests that trigger their payment obligations.
22(3)(e)	**BESS**	The trial run should demonstrate rated MW, usable MWh and the contracted discharge duration, for each instalment and for the full capacity. Batteries are bought for peak hours — a battery that cannot sustain its output does not serve that purpose.
22(3)(f)	**Pumped storage**	Both generating and pumping modes should be tested, and any later de-rating should come with a refund of excess payments.
22(3)(j)	**Transmission constraints**	The relaxation should not cover the generator's own works or its dedicated evacuation line.

Congestion Charge: One of TNPDCL's Most Serious Concerns

New Regulation 30A

Double penalty

The same deviation is already charged under the DSM Regulations.

Beyond DISCOM control

Deviations come largely from RE variation, weather and generator outages — correctable in real time only by load shedding.

Own bids uncleared

When the market splits, DISCOMs' own buy bids remain uncleared, and the shortfall would then attract this charge.

Transmission shortage

Congestion is fundamentally a shortage of transmission capacity; its cost should not fall on consumers.

TNPDCL requests that

- the charge apply only to deviation beyond DSM limits that actually aggravates a declared corridor constraint, in proportion to each entity's contribution;
- deviations caused by uncleared bids, generator outages and LDC instructions be exempt;
- entities whose deviation relieves congestion not be charged;
- there be a combined cap with DSM charges, with the pricing principle and a ceiling stated in the Regulation; and
- the charge be triggered on SCADA-measured flow, with four time blocks' notice and mandatory withdrawal.

Congestion Charge: Settlement and Transition

Regulations 30A(5), 30A(6) and 59(5) to 59(7)

Reg 30A — Settlement

14.6% a year — the proposed interest of 0.04% per day

- Statements should come with block-wise data.
- Interest should follow the LPS Rules, 2022, and should not apply to disputed amounts.

Reg 59 — Repeal of 2009 Regulations

- **Contradiction:** Regulation 59(5) repeals the 2009 rate and procedure, while Clauses (6) and (7) continue them — this should be corrected.
- **Scope of old rate:** the 2009 rate should not be extended to the new wheeling-region provision.

Key request

The congestion charge should apply only after the new procedure is approved and a six-month shadow settlement is completed.

Regulation of Access: Last Resort, Admitted Dues Only

Regulation 45(16), LPS Rules, 2022 and Annexure-4

For a DISCOM, regulating access means load shedding to consumers — including essential services.

DSM, congestion and reactive charges are billed weekly and are often revised or disputed. Cutting access over such amounts is disproportionate.

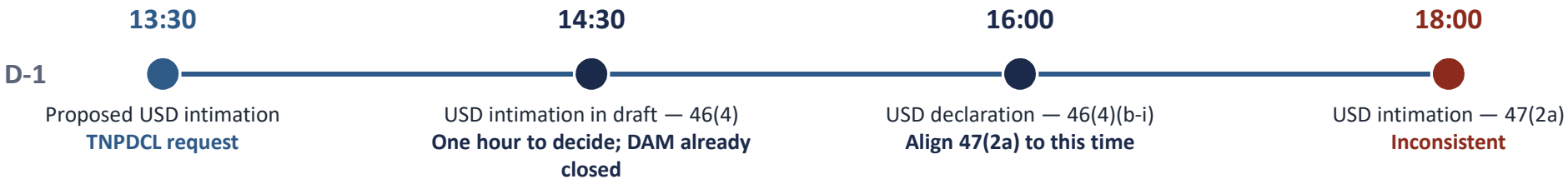
TNPDCL requests that

1	Access be regulated only for admitted dues, not bona fide disputed amounts
2	The default trigger date be defined, and at least seven days' written notice be given
3	Amounts receivable from the pool be netted before a default is declared
4	Cuts in long-term schedules come only after a hearing — capacity charges continue to be paid for those contracts
5	Access be restored on the same day on proof of payment

Harmonise these provisions with the LPS Rules, 2022 and Annexure-4.

Unit Shutdown and SCUC Must Protect Contracted Power

Regulations 46(4), 46(6), 47 and Annexure-9



Reg 46(4) — Scheduling

- Advance USD intimation from 14:30 to 13:30.
- Apply the 50% MCR threshold to the combined schedule of all beneficiaries.
- Given Tamil Nadu's high RE share, keep real-time downward revision to minimum turn-down level available.

Reg 47, 46(6) & Annexure-9

- No USD where the remaining units cannot meet the total requisition.
- Off-bar DC to count for capacity charges only if the unit can actually revive in time; failure to revive = forced outage.
- SCUC decommitment costs are incurred for grid security — settle them through the ancillary services pool, not on the station's beneficiaries.

Reserves, Peak-Hour Declarations, Free Power and Bulk Consumers

Regulations 30(11)(k), 45(8)(a), 45(17) and Annexure-3

Reg 30(11)(k) **Reserve methodology**

- Any change should be backed by published studies and State-wise cost implications.
- Recognise reserves States already maintain; allocate only the verified net shortfall.

Reg 45(8)(a) **Peak-hour DC and hydro inflow**

- Rule against lower peak-hour declared capacity is welcome, provided partial outages are verified by the RPC.
- Revise the high inflow period only prospectively, after consulting beneficiaries.

Reg 45(17) **Free power of State Governments**

- Sale of free power should not affect the beneficiaries' share or their DSM accounts.

Annexure-3 **ISTS-connected bulk consumers**

- Should bear their own costs, and should not be loaded on the host DISCOM.

Alternate-Source Supply and Revision Timelines

Regulations 48(3)(f), 48 and 49

Reg 48(3)(f) — Alternate source

Express consent of the buyer is welcome. A standing consent should be:

- in writing, and valid for not more than one year;
- capped in quantum and cost, and revocable.

- Net savings to be verified by the RPC.
- The buyer's landed cost should never exceed the original schedule.

Revision lead time — Regulations 48 and 49

First Phase **6th block**	Supported. Implement revisions within each station's ramp rates; charge deviations from station non-compliance to the station; three-month transition with mock trials.
Second Phase **5th block**	Only after six months of the First Phase, a published NLDC review and three months' notice.

Moving revisions closer to real time helps DISCOMs with high RE shares reduce deviations.

Prayer of TNPDCL

TNPDCL respectfully prays that the Hon'ble Commission may:

(a)

Incorporate the provisos and modifications suggested in Part II of TNPDCL's comments.

(b)

Ensure that no charge, penalty or liability is imposed on distribution licensees for system inadequacy, generator-side constraints or centrally directed actions beyond their control.

(c)

Bring the congestion charge, the reserve methodology, the SCUC settlement and the revised scheduling timelines into force only after the detailed procedures are consulted on and approved, with adequate transition and trial periods.