

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

No. L-1/257/2020 (PMR-5)/CERC

Dated: 17th April, 2026

DRAFT NOTIFICATION

In exercise of powers conferred under Section 66 read with sub-section (1) of Section 178 and clause (y) of sub-section (2) of Section 178 of the Electricity Act, 2003 (36 of 2003) and Regulation 39 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021, and all other powers enabling it in this behalf, and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations to amend the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (hereinafter referred to as “the Principal Regulations”) namely:

1. Short Title and Commencement

- 1.1. These regulations may be called the Central Electricity Regulatory Commission (Power Market) (Second Amendment) Regulations, 2026.
- 1.2. These Regulations shall come into effect from such date as may be notified by the Commission separately.

2. Amendment to Regulation 2 of the Principal Regulations

- 2.1. A new sub-clause, namely sub-clause (x-i) shall be inserted after sub-clause (x) under Clause (1) of Regulation 2 of the Principal Regulations as under:

“(x-i) “Grid India” refers to the Grid Controller of India Limited;”

- 2.2. A new sub-clause (as-i) shall be inserted after sub-clause (as) under Clause (1) of Regulation 2 of the Principal Regulations as under:

“(as-i) “Power Market Coupling Procedure (PMCP)” means the detailed procedure formulated by Grid India for implementation of Market Coupling;”

3. Amendment to Regulation 5 of the Principal Regulations

- 3.1. The Clause (1)(a)(i) of Regulation 5 of the Principal Regulations shall be substituted with the following:

“(1)(a)(i) Price Discovery shall be done by the Market Coupling Operator from such date as may be notified by the Commission separately:

Provided that until such notification, the price discovery shall be done by the Power Exchanges.

4. Amendment to Part-5 (Market Coupling) of the Principal Regulations

- 4.1. Regulation 38 of the Principal Regulations shall be substituted with the following:

“38. Designation of Market Coupling Operator

Grid India shall function as Market Coupling Operator (MCO) and shall be responsible for operation and management of Market Coupling. For this, Grid India shall form a separate cell for discharging the functions of MCO.”

- 4.2. Regulation 39 of the Principal Regulations shall be substituted with the following:

“39. Scope of Market Coupling

Market Coupling shall apply to the Day-Ahead Market (DAM), Real-Time Market (RTM) and other market segments from such date(s) as may be notified by the Commission:

Provided that different dates may be notified for different market segments.”

- 4.3. Four new Regulations, namely Regulation 39A, 39B, 39C, and 39D shall be inserted after Regulation 39 of the Principal Regulations as under:

“39A. Bid Collection and Aggregation

- (1) All Power Exchanges shall collect bids in a uniform bid format from market participants in accordance with the procedure and format stipulated in the Power Market Coupling Procedure (PMCP).
- (2) All anonymous and validated bids (both buy and sell bids) shall then be transmitted from Power Exchanges to the MCO through secured channel as per the timelines stipulated in the Power Market Coupling Procedure (PMCP).
- (3) The MCO shall aggregate bids for each market segment received across all Power Exchanges and ensure an efficient price discovery.

39B. Price Discovery

- (1) Price discovery mechanism shall adopt the principle of maximisation of economic surplus (sum of buyer surplus and seller surplus), taking into account all bid types.
- (2) The price discovered for the unconstrained market shall be a uniform market clearing price for all buyers and sellers who are cleared:
Provided that in case of congestion in transmission corridor, market splitting shall be adopted.

39C. Power Market Coupling Procedure

- (1) Grid India, with the approval of the Commission, shall formulate the Power Market Coupling Procedure (PMCP) for the implementation of Market Coupling, within six months of the notification of these amendments.

(2) PMCP shall include the following but not limited to:

- (a) Roles and responsibilities of Market Coupling Operator, Power Exchanges and National Load Despatch Centre;
- (b) Operational sequence of events to be undertaken in a Market Coupling session and timelines thereof;
- (c) Submission of bids by Power Exchanges in a common standardised format to MCO, including details on encryption, decryption, and structure of bids submitted by the Power Exchanges;
- (d) Features of Price Discovery Algorithm;
- (e) Processing of bids, price discovery, scheduling & delivery, accounting, and clearing & settlement;
- (f) Procedure to deal with operational constraints or delays;
- (g) Such other details related and incidental to implementation of Market Coupling including charges for MCO.

39D. Following Regulations of Principal Regulations shall apply to Market Coupling Operator (MCO):

- (1) Regulation 28(1), 28(3) to 28(8) as applicable to Power Exchanges shall also cover MCO.
- (2) Regulation 29 (1), 29(2) as applicable to Power Exchanges shall also cover MCO.
- (3) Regulation 31(1) to 31(6), 31(8) as applicable to Power Exchanges shall also cover MCO.
- (4) Regulation 32 as applicable to Power Exchanges shall also cover MCO.”

Sd/-

(Harpreet Singh Pruthi)

Secretary

Note:

- (1) The Central Electricity Regulatory Commission (Power Market) Regulations, 2021, were published on 16.06.2021 in Part III, Section 4 of the Gazette of India (Extraordinary) No. 241.