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CERC (Power Market) (Second Amendment) Regulations, 2026

No. L-1/257/2020 (PMR-5)/CERC · Draft notification dated 17 April 2026 · Amends the CERC (Power Market) Regulations, 2021

STATUS: DRAFT — OPEN FOR STAKEHOLDER COMMENT, NOT YET IN FORCE

WHAT IT DOES

Transfers price discovery for the Day-Ahead and Real-Time electricity markets away from individual Power Exchanges (IEX, PXIL, HPX) to a single, centralised **Market Coupling Operator (MCO)** — designating **Grid India (Grid Controller of India Limited)** for this role. Bids from all exchanges are pooled and cleared at one uniform national price, rather than each exchange discovering its own price independently.

KEY CHANGES

- **Market Coupling Operator designated** — Grid India becomes the MCO (Reg. 38, substituted) and must set up a dedicated cell to run it — replacing the earlier framework where each Power Exchange discovered its own price.
- **Price discovery shifts to the MCO** — Reg. 5(1)(a)(i) is substituted: price discovery moves to the MCO from a date the Commission will notify separately. Until then, Power Exchanges continue as before.
- **Scope: DAM, RTM and beyond** — Market Coupling applies to the Day-Ahead Market, Real-Time Market, and any other segment the Commission notifies (Reg. 39) — different segments can go live on different dates.
- **Bid Collection & Aggregation (new Reg. 39A)** — All Power Exchanges must collect bids in a uniform format and transmit them to the MCO over a secured channel per the timelines in the new Power Market Coupling Procedure (PMCP).
- **Price Discovery mechanism (new Reg. 39B)** — Clearing price is set on the principle of maximising total economic surplus across all bid types; congested corridors trigger market splitting, same as today.
- **PMCP to be framed within 6 months (new Reg. 39C)** — Grid India must draft the detailed Power Market Coupling Procedure — covering roles, timelines, bid formats, the price-discovery algorithm, settlement and MCO charges — for Commission approval within six months of notification.
- **Existing oversight extended to the MCO (new Reg. 39D)** — Several existing obligations that currently bind Power Exchanges (Regs. 28, 29, 31, 32 — largely around IT systems, surveillance and audits) will apply to the MCO as well.

WHO IT AFFECTS

Power Exchanges (IEX, PXIL, HPX) — reduced role in price discovery once the MCO takes over. Grid India / Grid Controller of India Limited — new MCO responsibilities and a six-month deadline to frame the PMCP. Generators, DISCOMs, RE developers and all DAM/RTM participants — will trade against one pooled national clearing price instead of exchange-specific prices once Market Coupling goes live.

EFFECTIVE DATE

Not yet fixed. This is a **draft** notification issued for stakeholder comment; the substantive provisions (Regs. 5, 38, 39, 39A–39D) commence only when the Commission separately notifies a date — which may differ by market segment.

Source: Draft CERC (Power Market) (Second Amendment) Regulations, 2026, No. L-1/257/2020 (PMR-5)/CERC, dated 17 April 2026, signed by Harpreet Singh Pruthi, Secretary, CERC. This summary is prepared for informational purposes and does not substitute the official notification.