CENTRAL ELECTRICITY REGULATORY COMMISSION — REGULATORY ONE-PAGER

CERC (Deviation Settlement Mechanism & Related Matters) Regulations, 2024

Updated 31 Aug 2026 — incl. Third Amendment, 2026 | Notified 25 Aug 2026 • Effective 31 Aug 2026 | 5 Aug 2024 – 31 Aug 2026

OBJECTIVE & SCOPE

Commercial mechanism ensuring grid users adhere to scheduled drawal/injection (Reg. 2, 4). Applies to grid-connected regional entities and inter-State purchase/sale participants; intra-State DSM is a separate SERC matter.

NORMAL RATE (NR)

NR = highest of: (A) weighted IDAM ACP; (B) weighted RTM ACP; (C) 1/3 IDAM + 1/3 RTM + 1/3 Ancillary Service charge (Reg. 7). Rounded to 2 decimal places.

GENERAL SELLER CHARGES (REG. 8(1))

Frequency-linked bands: @NR within 49.97–50.03 Hz; scaling to 200% of NR / zero outside 49.90–50.05 Hz or beyond 10% DGS/100 MW.

WS SELLER CHARGES (REG. 8(4))

Contract-rate volume-limit bands (VLwS): @Contract Rate within VL(1); 90%/110% between VL(1)–VL(2); 0%/200% beyond VL(2). Bands tighten from 1 Apr 2026 per the X-Factor order.

THIRD AMENDMENT — WS/GENERAL-SELLER PARITY (NEW CL. 4A, REG. 8)

A WS Seller is treated as a General Seller for deviation if: bid/tender opened on/after 1 Jan 2027, OR (non-bid route) COD on/after 1 Jan 2029. Prospective only — supersedes the March 2026 order's earlier-proposed 1 Apr 2026/2031 dates.

THIRD AMENDMENT — PUMPED HYDRO RATE (NEW NOTE AFTER CL. 5, REG. 8)

A standalone Section-62 Pumped Hydro Storage Project computes its deviation charge at the energy charge rate under Reg. 66(3), CERC Tariff Regulations, 2024 (≈₹0.20/kWh), in place of a contract rate.

THIRD AMENDMENT — ESS INFIRM POWER (NEW CL. 2A, REG. 8)

Standalone ESS is paid for infirm power from first synchronisation to successful trial-run completion, at the Normal Rate per time block, capped at ₹2.00/kWh (vs. ₹2.86/kWh for thermal under the Second Amendment).

THIRD AMENDMENT — PAYMENT TIMELINE (REG. 10, CL. 1 & 3)

Statutory 10-day payment window retained as default; an alternative timeline may be set by the Commission-approved Detailed Procedure for the National Deviation and Ancillary Services Pool Account. Surcharge stays 0.04%/day.

DEFICIT POOL RECOVERY (REG. 9(7))

Waterfall: (1) surplus from other regions' Pool Accounts first; (2) to 31.3.2026, 50% ISTS-periphery/50% GNA share from drawee DICs; (3) from 1.4.2026, NLDC-allocated reserve-shortfall ratio.

X-FACTOR TRAJECTORY (31 MAR 2026 ORDER)

Solar/Hybrid X: 100% (2026–27) → 0% (2031). Wind X: 100% → 0% on a gentler glide path. Governs WS sellers NOT captured by the Third Amendment's Clause 4A parity trigger. Enforcement subject to pending Delhi HC writ petitions.

REGULATORY TIMELINE

- **5 Aug 2024 — Principal Regulations notified.**
- **16 Sep 2024 — Effective (except Clause 8).**
- **23 Dec 2024 — Clause 8 in force; First Amendment effective.**
- **1 Jul 2025 — Second Amendment effective (thermal infirm power, ₹2.86/kWh ceiling).**
- 31 Mar 2026 — X-Factor order issued (Petition No. 9/SM/2025).
- 25 Aug 2026 — Third Amendment notified.
- **31 Aug 2026 — Third Amendment effective (moved from a proposed 1 Jul 2026, to align with weekly accounting periods).**

WHY IT MATTERS

- The Third Amendment is prospective only — it does not retroactively reclassify any WS project already bid or commissioned.
- Two infirm-power ceilings now coexist: ₹2.86/kWh (thermal, 2025) and ₹2.00/kWh (standalone ESS, 2026) — match the ceiling to the asset type.
- The March 2026 order's proposed parity dates (1 Apr 2026/2031) were superseded by the Third Amendment's actual dates (1 Jan 2027/2029) — cite the Amendment, not the earlier proposal.
- Verify current Delhi High Court status on the X-Factor litigation and the currently approved Detailed Procedure before relying on payment timelines.

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Brought to you by PowerPPT.com • Compiled from the principal DSM Regulations, 2024, three amendments (Dec 2024, Jul 2025, Aug 2026) and the 31 Mar 2026 X-Factor order. For authoritative wording, refer to the CERC Gazette notifications, including the notification dated 25 Aug 2026.