CERC (Power Market) Regulations, 2021

Notified 15 Feb 2021 · In force 15 Aug 2021 | 2 draft amendments pending (2025, 2026) | SC cleared IEX's coupling challenge, 3 Aug 2026

SCOPE & APPLICABILITY (REG. 3)

Applies to Power Exchanges, Market Participants and the OTC Market. Enacted under Sec. 66 and Sec. 178(1)/178(2)(y) of the Electricity Act, 2003, and para 5.7.1(f) of the National Electricity Policy.

CONTRACT TYPES (REGS. 4–5)

Day Ahead, Real-time, Intraday, Contingency & Term Ahead Contracts on exchanges; REC and Energy Saving Certificate trades. OTC Market: delivery-based contracts only.

EXCHANGE ELIGIBILITY & OWNERSHIP (REGS. 9, 12, 14–15)

Min. ₹50 crore net worth at all times; registration valid 25 years, renewable for a further 25. Ownership capped at 25% (non-member), 5% (member/client), 49% (members/clients combined).

EXCHANGE FEES & GOVERNANCE (REGS. 17, 23–24)

Transaction fee and Facilitator service charge both capped at 2 paise/kWh. Board: Independent Directors ≥ Shareholder Directors; no exchange member or client may sit on the Board.

OTC PLATFORM (REGS. 40–47)

Listing/matchmaking service only — barred from negotiation, execution, clearing or settlement. Min. net worth ₹1 crore (2021 original); registration valid 5 years, renewable 5 more.

MARKET OVERSIGHT (REGS. 48–53)

Commission may debar participants, suspend/cancel registrations, impose price floors/caps or a cooling-off period, and issue interim restraining orders — on abnormal price or volume swings alone.

MARKET COUPLING STATUS

As enacted (Regs. 37–39), coupling was dormant pending separate Commission notification. Grid-India ran a D+1 shadow pilot from Dec 2024; Order 8/SM/2025 (23 Jul) proposed a round-robin MCO among the 3 exchanges, targeting phased rollout toward Jan 2026.

DRAFT AMENDMENTS — NOT NOTIFIED

1st Amdt (Jun 2025): adds VPPA/BESS/Banking of Power to OTC; raises OTC net worth ₹1cr→₹35cr; extends OTC registration 5→10 yrs. 2nd Amdt (Apr 2026): makes Grid India the sole permanent MCO (Regs. 38–39, new 39A–39D) — reverses the round-robin proposal. SC dismissed a related legal challenge 3 Aug 2026, but the amendment itself remains unnotified.

REGULATORY TIMELINE

- 2010 PMR notified → 2014–19 amended → 15 Feb 2021 PMR 2021 notified → 15 Aug 2021 in force → 2022 OTC Platform guidelines issued.
- Dec 2024 Grid-India shadow pilot begins → 23 Jul 2025 Order 8/SM/2025 (round-robin MCO directed) → 17 Apr 2026 Draft 2nd Amendment published (not notified) → 3 Aug 2026 SC dismisses IEX's challenge; CERC tells Court notification due in 4–6 weeks.

KEY CAVEATS

- Both amendments (2025, 2026) are draft and not yet notified — do not cite their clause numbers as if already in force.
- The July 2025 order's round-robin MCO proposal was superseded in direction by the 2026 draft's Grid-India-as-sole-MCO approach — a genuine change, not a formality.
- PMR 2021's three dates are distinct, correctly-sourced milestones, not an ambiguity: 15 Feb 2021 notified, 16 Jun 2021 Gazette No. 241 publication, 15 Aug 2021 Gazette No. 327 in force — use 15 Aug 2021 as the operative commencement date.
- The Supreme Court dismissed IEX's legal challenge to market coupling on 3 Aug 2026 as premature, clearing a legal obstacle; CERC told the Court notification was 4–6 weeks away. As of this edition, that window has passed with no Sl. No. yet assigned to the 2nd Amendment.