Tata Power's Comments on CERC Order dated 28.10.2026 in Petition No. 13/SM/2026 (Suo Motu) regarding Inclusion of PSPs in the eligibility list for Participation in the HP-DAM

Tata Power appreciates the Hon'ble CERC's progressive initiative, vide its Order dated 28.10.2026 in Petition No. 13/SM/2026, proposing the inclusion of Pumped Storage Projects (PSPs) in the High Price Day Ahead Market (HP-DAM), for the following reasons:

1. **Recognition of PSPs as Critical Energy Storage Resources:** Recognises PSPs as vital long-duration energy storage resources capable of providing peak power support, grid balancing and operational flexibility.
2. **Alignment with Government Policy:** The initiative is aligned with the Ministry of Power's PSP Guidelines dated 10.04.2023 and supports the broader objective of accelerating investments in large-scale energy storage infrastructure.
3. **Enhanced Commercial Viability and Bankability:** Provides PSP developers with additional opportunities for price discovery and energy arbitrage, particularly during peak-demand periods, thereby improving project revenues, commercial viability and investment confidence.
4. **Encouragement for Large-Scale Investments:** The initiative is particularly encouraging for Tata Power, which is pursuing the development of ~ 2,800 MW of upcoming PSP capacity, and reinforces the investment case for large-scale energy storage projects.
5. **Evidence-Based Regulatory Approach:** The Commission's approach, supported by NLDC's analysis of market liquidity, tariff structures and arbitrage potential, strengthens the regulatory framework and provides a sound basis for the proposed market reform.
6. **Facilitating Renewable Energy Integration:** Enables storage of surplus solar and wind energy during off-peak hours and its utilisation during peak-demand periods, thereby supporting greater renewable energy integration.
7. **Improved Grid Flexibility and Peak Power Management:** Facilitates better utilisation of PSP assets while strengthening peak power management, grid balancing and overall power system flexibility.
8. **Development of an Inclusive Electricity Market:** Represents an important step towards creating a more inclusive, flexible and efficient electricity market framework by enabling PSPs to participate in HP-DAM.

In addition to above, In this regard, the following suggestions are submitted for consideration:

- The Commission may examine the treatment of transmission losses, open access charges, Electricity Duty and other applicable levies on pumping energy to ensure that avoidable cost burdens do not adversely impact the economic viability and market participation of PSPs. Appropriate clarity on the treatment of pumping energy and discharge scheduling may also be provided.
- The Commission may consider allowing all commissioned PSPs, including both on-stream and off-stream projects, to participate in HP-DAM, subject to applicable technical and operational requirements.