

Ref: AGEL/CERC/Comments/20260406

Date: 06.04.2026

To,
The Secretary
Central Electricity Regulatory Commission
6th, 7th & 8th Floors, Tower B, World Trade Centre,
Nauroji Nagar, New Delhi- 110029

Sub: Submission of comments on the Order dated 13.03.2026 in Suo motu Petition No. 1/SM/2026 – Proposed revision of congestion charge in real-time operation in inter-state transmission of electricity.

Ref: Draft notification on Suo moto Petition No. 1/SM/2026 dated 13.03.2026

Respected Sir/Madam,

Adani Green Energy Limited ("AGEL") submits the present comments pursuant to the Hon'ble Commission's Order dated 13.03.2026 in Suo motu Petition No. 1/SM/2026, inviting comments/suggestions on the proposal to revise the rate of congestion charge and its applicability.

At the outset, AGEL appreciates that congestion management is essential for ensuring grid security. However, the proposed approach particularly its application to Renewable Energy ("RE") generators, without due recognition of the inherent operational limitations of RE generation and the existing multi-layered commercial charges already borne by RE generators may result in disproportionate and punitive outcomes, rather than serving as an effective congestion relief mechanism.

Accordingly, AGEL respectfully submits its comments for the consideration of this Hon'ble Commission, as annexed hereto as Annexure-1.

Thanking you,
Yours faithfully,

For Adani Green Energy Limited



Dipakkumar Panchal
Authorized Signatory



Encl. - As above

ANNEXURE-1

AGEL Submission on CERC Petition No. 1/SM/2026 in a In the Matter of "Rate of Congestion charge in real-time operation in inter-state transmission of electricity."

Submission:

1. Adani Green Energy Limited ("AGEL") respectfully submits its comments pursuant to the Order dated 13.03.2026 passed by this Hon'ble Commission in Suo motu Petition No. 1/SM/2026 regarding the proposed revision of congestion charge in real-time operation of the inter-State transmission system.
2. At the outset, AGEL submits that congestion management is a critical grid security function. However, uniform imposition of congestion charges on Renewable Energy ("RE") generators, without differentiation based on technical controllability, results in disproportionate and punitive outcomes, while failing to achieve the intended objective of congestion relief.
3. As per the Order **No.L-7/139(159)/2008** dated **22.04.2013** passed by this Hon'ble Commission as in congestion charges are applied such that:
 - over drawal or under-injection in the importing control area and
 - under drawal or over-injection in the exporting control area
4. This framework presumes that generators can modulate injection in real time to support grid conditions and alleviate congestion. While such operational flexibility exists for conventional generators, the same is not feasible for RE generators due to inherent technical limitations, as explained below.

[A] Over injection by RE Generator and regulatory constraint to mitigate Congestion Charge

5. In conditions of over-drawal in an importing area, generators in the concerned area are expected to increase injection to mitigate congestion. AGEL submits that over-injection by RE generators is entirely weather-driven and not a controllable operational action, unlike conventional generators. RE generation is dependent on solar irradiation or wind availability and cannot be increased on command to respond to congestion signals.
6. Accordingly, levy of congestion charges on such weather-driven over-injection does not function as a deterrent or corrective signal and instead operates as a purely punitive levy without any corresponding grid benefit. Congestion charges in such circumstances defeat the stated purpose of congestion management.

7. AGEL also submits that the DSM Regulations, 2024 constitute a robust and stringent deterrent mechanism for ensuring grid discipline, with clearly defined and narrow deviation bands. Under the prevailing DSM framework, renewable energy generators are subjected to complete revenue loss once deviations exceed the specified thresholds of 10% for solar and 15% for wind. Further, the Regulations provide only a limited revenue-neutral band of 5% for solar generators and 10% for wind generators, beyond which significant commercial disincentives are imposed, thereby effectively discouraging over-injection and under-injection and ensuring adherence to grid discipline.
8. Further, there is a possibility that an RE generator may intend to revise its schedule in real time upon receipt of a congestion notice from NLDC, in order to avoid congestion charges. However, under the prevailing regulatory provisions, such real-time revision is not feasible, as any schedule revision becomes effective only after a lag of 7–8 time blocks and Further, where RE generators operate under merchant power sale or collective transaction mechanisms, day-ahead schedules are required to be submitted and intraday revisions are not permitted under the extant regulatory provisions. During congestion periods, procuring power from the real-time market to mitigate congestion charges/schedule deviation is also not feasible due to regulatory constraints. Accordingly, under the existing regulatory framework, there is effectively no mechanism available to RE generators to mitigate congestion charges, resulting in unavoidable commercial burden for actions beyond their control.
9. Moreover, even if an RE generator deviates from its schedule within the permissible no-penalty band as specified under the DSM Regulations, congestion charges are still levied for such marginal deviations. This results in an additional and disproportionate commercial burden on RE generators. It is also pertinent to highlight that accurate real-time forecasting of RE generation is inherently challenging, as it is entirely dependent on weather conditions and constrained by the current limitations of forecasting technologies. Key challenges include:
 - Impact of climate change and increasing weather volatility
 - Limitations of global weather models
 - Site-specific / plant-level forecasting constraints
 - Instrumentation and data availability limitations
 - Uncertainty in cloud movement and wind patterns
 - Insufficient density of weather stations
 - Inherent limitations of AI and machine-learning-based forecasting models

[B] Receivable amount from Congestion Charges

10. AGEL further submits that the existence of a receivable amount of congestion charges in certain scenarios for RE generators (as discussed similarly in the over/Under injection scenario above) cannot be construed as a justification for uniform levy of congestion charges. In practice, the occurrence of such receivable instances is sporadic, incidental, and entirely contingent on system conditions, and does not arise from any deliberate or controllable operational action by the RE generator. Unlike conventional generators, RE generators do not possess the technical capability to modulate generation in response to congestion signals to earn such receivables.
11. AGEL submits that congestion management is not intended to be a revenue-neutral or revenue-generating mechanism for generators, but a grid security tool to incentivize controllable behavior. In the absence of controllability, both payable and receivable congestion charges lose their regulatory relevance for RE generators. Accordingly, the presence of notional receivables does not cure the fundamental infirmity of applying congestion charges to weather-driven generation, nor does it align with the principles of equity, proportionality, and cost causation.
12. In view of the above, imposing congestion charges even for minor deviations within the no-penalty band does not adequately account for the technical and operational realities of RE generation.

Request:

13. In view of the above, AGEL submits that the uniform levy of congestion charges on Renewable Energy generators is not aligned with the principles of controllability, cost causation, and proportionality underlying congestion management. RE generation is inherently weather-driven, non-dispatchable, and accorded must-run status, and therefore lacks the technical ability to respond to congestion signals in real time.
14. Further, the existing regulatory framework does not permit immediate schedule revision, and imposition of congestion charges even for deviations within the no-penalty band under DSM Regulations results in an additional and disproportionate commercial burden without any corresponding grid security benefit.
15. Accordingly, AGEL respectfully prays that this Hon'ble Commission may exclude Renewable Energy generators from the applicability of congestion charges or alternatively, provide differentiated regulatory treatment for RE generators, in the interest of equity, proportionality, and sustainable integration of renewable energy into the grid.