

To,
The Chairperson,
Central Electricity Regulatory Commission,
New Delhi

03.04.2026

Subject: Comments on Proposed Revision of Congestion Charge Mechanism under CERC (Measures to Relieve Congestion in Real-Time Operation) Regulations, 2009

Respected Sir,

The Hon'ble Commission, vide Order dated 13.03.2026 in Petition No. 1/SM/2026, has proposed a revision in the congestion charge framework to align it with the current Deviation Settlement Mechanism Regulations, 2024, replacing the legacy UI-based congestion charge methodology. The proposal introduces a congestion charge linked to DSM rates with defined floor and ceiling limits of ₹3/unit and ₹10/unit respectively, applicable to all entities including generators.

The Generator community appreciates the Commission's proactive approach in reviewing a long-standing congestion charge framework in light of significant changes in market design, generation mix, and operational mechanisms.

Submission: Congestion charges for generators should be applicable only where clear causality is established, i.e., where over-injection or under-injection is controllable and avoidable under grid codes and operational instructions.

Need for Differentiated Treatment for Renewable Generators

While congestion management is critical for grid security, renewable generators differ fundamentally from conventional generation in terms of controllability, forecasting accuracy, and operational flexibility.

It is submitted that:

- i. RE deviations are often non-intentional and weather-induced.
- ii. RE generators lack tools such as real-time procurement or contract revision.
- iii. Applying congestion charge even within DSM tolerance bands results in double penalty without system benefit.
- iv. RE generation is weather-dependent and inherently variable, classified as "Must-Run" under prevailing regulations, and subject to forecasting limitations despite best efforts.

Suggestions

- i. Apply congestion charges on generators only where controllability exists.
- ii. Provide calibrated treatment for RE generators considering must-run and variability aspects.
- iii. Re-examine the upper cap to avoid excessive cumulative penalties.
- iv. Prioritise market and ancillary mechanisms ahead of commercial penalties.

We request the Hon'ble Commission to kindly consider the above submissions.

Yours sincerely,


Best Regards,

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