



Date: 06.04.2026

The Secretary
Central Electricity Regulatory Commission,
7th floor, Tower-B, World Trade Centre
Nauroji Nagar, New Delhi-110029

Subject: NTPC Submissions on CERC order 1/SM/2026 dated 13.03.2026 on Rate of Congestion charge in real-time operation in inter-state transmission of electricity.

Sir,

Hon'ble Commission has issued order 1/SM/2026 dated 13.03.2026 on Rate of Congestion charge in real-time operation in inter-state transmission of electricity and has invited comments from the stakeholders.

In this regard, please find enclosed submissions of NTPC on CERC order 1/SM/2026 dated 13.03.2026.

Thanking you,

Yours sincerely

Ajay Dua
ED (Commercial)

NTPC Submissions on CERC order 1/SM/2026 dated 13.03.2026 on Rate of Congestion charges.

1. Applicability of Congestion charges in case of schedule below Minimum Turn Down Level:

Submission:

It is respectfully submitted that as per the provisions, congestion charges **are levied on regional entities for deviations from scheduled generation or drawal in situations where the demand for transmission capacity exceeds the Available Transmission Capability (ATC).**

In this regard, it is submitted that the rapid increase in renewable energy penetration, combined with periods of low demand has created significant operational challenges for the grid as well as thermal generators. The generation from Variable RE is high during solar hours, consequently, the requisitions/dispatch from several inter-state thermal generating stations by Discoms / beneficiaries is nil or negligible during solar hours often resulting in injection schedules below the Minimum Turn Down Level (MTL).

Notably some of such units are accommodated by NLDC at MTL through SCUC provisions and many others (which are scheduled above MTL in at least in 8-time blocks in peak hours) are considered for MTL support through SCED, subject to availability of down reserves in the SCED stack stations. For the stations which are not extended SCUC support, there is a provision of taking the unit under shutdown. However, it is observed that shut down of units in case of below MTL schedule in intermittent blocks is operationally not practical and cost effective. Therefore, it is prudent that such units remain on bar for meeting non-solar and peak hour schedule provided by the beneficiaries. The same is in line with 9/SM/2024 order of the Hon'ble Commission which provides that *"Such generating station should endeavour to plan as far as possible the USD in such a manner that the maximum number of units are kept on bar, keeping in view the economy and efficiency of the units of the generating station."*

Under the above circumstances, uncontrollable injection arising from generating schedules below MTL does not stem from any commercial decision or controllable action of the generator but is an operational compulsion necessary to keep the units on bar, avoid frequent shutdowns/start-ups and to ensure safe and reliable operations. Such injections are beyond the reasonable control of the generator and occurs to maintain technical minimum loading of the units / machines.

Under the above circumstances and as per the extant Deviation Settlement Mechanism (DSM), these thermal stations are subjected to heavy penalties for over-injection, which are further aggravated by congestion-related charges. Given the unique operational constraints arising from high RE penetration, this special circumstance merits due consideration, and undue double penalisation of such thermal stations may be avoided.

In view of the above, it is humbly requested that Congestion charges may not be levied on thermal stations for deviation attributable solely to schedules falling below MTL.

Additional Submission:

1. Carrying cost on the delay in receipt of payment by the generator from the Pool:

Regarding accounting and settlement, Regulation 9 to 11 of the CERC (Measures to relieve congestion in real time operation) Regulations, 2009 provide as below:

“9. Statement of Congestion Charge. *The statement of payment and disbursement of congestion charge shall be issued by the Regional Power Committee Secretariat on weekly basis along with statement for Unscheduled Interchange charge. A monthly report on the collected and disbursed congestion charges shall be given to the Commission by Regional Load Despatch Centres.*

10. Payment to Congestion Charge Account. *The Regional Entity liable to pay congestion charge shall deposit the amount in Congestion Charge Account within 10 days of issue of statement by the Regional Power Committee Secretariat: Provided that when payment of congestion charge is delayed beyond two days from due date, that is to say, beyond twelve days of the issue of statement by the Regional Power Committee Secretariat, the Regional entity responsible for delay in depositing congestion charge amount shall be liable to pay interest at the rate of 0.04% per day.*

11. Release of Congestion Charge Amount. *The Regional Load Despatch Centre shall, within three working days of receipt of congestion charge payment, release the amount payable to the Regional Entity entitled to receive congestion charge, along with interest, if any, on account of delay in payment of congestion charge.”*

Submission:

It is submitted that the concept of carrying cost is well-recognized by statutory authorities and judicial forums. It is intended to safeguard the interests of the receiving party by compensating for the time value of money.

However, in view of the regulatory provisions, the following is noteworthy:

- (i) The rate of interest is not specified in in case of congestion charges receivable by an entity. For the sake of clarity and to ensure equitable treatment of both incoming and outgoing payments, it is suggested that Regulation 11 may please be modified as under:

“11. Release of Congestion Charge Amount. *The Regional Load Despatch Centre shall, within 15 days of issue of statement by the Regional Power Committee Secretariat, release the amount payable to the Regional Entity entitled to receive congestion charge.*

Provided that when payment of congestion charge is delayed beyond 15 days of the issue of statement by the Regional Power Committee Secretariat, the Regional entity shall be paid interest at the rate of 0.04% per day.”

Further, it is humbly submitted that a provision of carrying cost may also be provided in case of delay in issuance of account by RPCs.