

Date: 6.4.2026

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

Subject: Rate of Congestion charge in real-time operation in inter-state transmission of electricity.

Reference: Order dated 13.3.2026 in Petition No. 1/SM/2026

Dear Sir,

Greetings from ReNew Power!

ReNew Pvt. Ltd. is one of the largest renewable power producers in India, having an aggregated portfolio of ~20 GW, including more than 10 GW of operational capacity. We have portfolio of solar, wind & hydro assets with presence across various states in the country. The company is also the first Indian renewable company to be listed on NASDAQ.

This is in reference to public notice inviting comments/ suggestions on “Rate of Congestion charge in real-time operation in inter-state transmission of electricity”. We are herewith submitting our comments as per attachment.

We request your good office to kindly consider our comments/suggestions while finalizing the same.

Thanking you.

Yours Sincerely,



for ReNew Private Limited



ReNew Private Limited
(Formerly known as ReNew Power Private Limited)

CIN: U40300DL2011PTC291527

Corporate Office: ReNew.Hub, Commercial Block-1, Zone 6, Golf Course Road, DLF City Phase-V, Gurugram - 122009

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Suggestions & Comments on CERC's Suo-Motu Order on Rate Of Congestion Charge In Real-Time Operation In Inter-State Transmission of Electricity dated 13.03.2026

Sl. No.	Issue	Brief of the Issue	Suggestions with Justification/Rationale
1.	Asymmetric Treatment of Involuntary RE Deviations vis-a-vis Controllable Conventional Generation	The proposed congestion charge framework applies a uniform multiplier of 1.5x DSM rate to all entities including buyers, conventional generators, and RE generators alike and without any distinction for the nature or cause of the deviation. This one-size-fits-all approach fundamentally ignores the structural difference between controllable and non-controllable generation. Conventional thermal or large hydro generators operate with full dispatchability. When a RLDC or NLDC issues a congestion notice, these generators can respond within minutes by ramping up or backing down their output. They have full control over their injection schedule and can reduce deviation through deliberate operational decisions. The congestion charge, in their case, operates precisely as designed — as a commercial deterrent against wilful non-compliance. RE generators, on the other hand, particularly solar and wind, operate entirely differently. Their output at any given moment is dictated by real-time irradiation levels or wind speed, both of which are beyond human control. For e.g, a solar generator scheduled to inject 100 MW may only be able to inject 75 MW	1. Congestion charges should not be levied on RE generators for deviations that are demonstrably involuntary and attributable to real-time weather variability, as evidenced by SCADA/telemetry data confirming available capacity was less than scheduled injection. 2. Since the Regulations seem to draw precedent from the DSM Regulations, which already recognise RE variability by providing differentiated treatment and wider deviation bands, the same should be extended consistently to the congestion charge framework. 3. A separate, lower multiplier (e.g., 1.0x DSM rate with no minimum floor) should apply to RE generators for deviations caused by resource unavailability, distinguishing them from deliberate over-injection or commercial-gaming deviations.



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		if cloud cover reduces irradiation. This is not because of any commercial decision or negligence, but due to an act of nature. Imposing a congestion charge on such involuntary deviation is equivalent to penalising a generator for the weather. The Order itself, in acknowledging NGEL's submission (Sl. No. 6), admits that RE projects under-injecting due to weather conditions cannot ramp up to ease congestion. Yet it stops short of translating this acknowledgement into any regulatory relief.	
2.	Dual Penalty Issue for Deviations	The CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, explicitly recognise that RE generation is inherently variable and grant certain tolerance bands within which RE generators are penalised for deviations. More so, under the Statement of Reasons for DSM Regulations, 2024, the Commission acknowledged the inherent complexities in forecasting wind and solar generation. Therefore, the Commission allowed in providing certain relaxations over and above those available to general sellers, and acknowledged that such relaxations continue to remain necessary. However, the proposed congestion charge framework does not honour this exemption. Under the new proposal, even if an RE generator's deviation falls entirely within the DSM exempt band, a congestion charge of up to Rs. 10/unit (or at minimum Rs. 3/unit) can still be levied if a congestion notice happens to coincide with that deviation. This creates a contradictory regulatory outcome. While the Commission's own DSM framework says the deviation is acceptable, but the congestion charge framework simultaneously penalises the same deviation.	1. A harmonisation principle should be adopted: if a deviation falls within the DSM band of the respective RE technology (10% for solar, 15% for wind), no congestion charge should be levied for that portion of deviation. 2. For deviations beyond the DSM band, congestion charges may be applied, but only on the incremental deviation beyond the threshold — not on the entire deviation quantum. 3. The dual penalty regime consisting of DSM charges plus congestion charges on the same deviation, effectively amounts to a double recovery by the grid for a single event of non-compliance, which is neither equitable nor consistent with settled principles of regulatory penalty design.



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3.	Commercial Unviability of the Floor Rate for Very Low-Tariff, Competitively Bid RE Projects	The introduction of a floor rate of Rs. 3/unit for congestion charges creates a severe and disproportionate commercial burden on RE projects that have been awarded under competitive bidding processes at tariffs close to or below Rs. 3/unit. India's RE sector has witnessed a dramatic fall in bid tariffs over the past decade — solar tariffs have been discovered as low as Rs. 1.99/unit to Rs. 2.50/unit in various central and state-level auctions. Wind tariffs have similarly been bid as low as Rs. 2.60–2.80/unit in recent years. For such projects, the economics are tightly structured around the contracted tariff. Every paisa of additional liability beyond what was contemplated at the time of bidding — including grid charges, losses, and regulatory levies — directly erodes project returns. A congestion charge floor of Rs. 3/unit on a project earning a tariff of Rs. 2.30/unit means that a single congestion event could impose a per-unit liability that is more than 130% of the project's entire revenue for that time block. Over multiple congestion events in a year, the cumulative financial impact could render such projects commercially unviable (NPAs').	1. The floor rate of Rs. 3/unit has not been calibrated with reference to RE project economics or competitive bid tariffs. It appears to have been set with conventional generators or merchant entities in mind, where contract rates are significantly higher. A differentiated floor rate for RE projects or no floor at all for projects below a threshold tariff may be provided. 2. Competitively bid RE projects are awarded on the basis of a fixed tariff that factors in all regulatory costs known at the time of bidding. Imposing a new category of charge especially one with a minimum floor exceeding the tariff discovered in the project is very onerous. Since, generation from RE projects is very unpredictable and the Hon'ble Commission has already tighten the deviation band and increased the penalty for deviation from schedule, imposing such high congestion charges and that to for period which is not under the reasonable control of the RE developer is vry hard on the already burdened financial health of RE developers. 3. CERC should consider adopting a tariff-linked floor: the congestion charge floor should not exceed 50% of the applicable contract tariff of the RE
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			project. A floor price that exceeds the per unit cost of the very entity being charged is economically irrational and will deter future RE investment. 4. For projects under long-term PPAs' with government-owned procurers (DISCOMs, SECI, NTPC), the burden of the congestion charge floor should be treated as a pass-through cost in the tariff, ensuring that the floor does not create an uncompensated liability at the developer level.
4.	Need for RE-Differentiated Congestion Charge Methodology Recognising Must Run Status	RE generation, particularly solar and wind, enjoys Must Run status under the Indian Electricity Regulatory framework. This status is not a commercial privilege but a policy imperative which is rooted in India's energy transition commitments, the economics of zero-marginal-cost renewable generation, and the need to maximise the utilisation of clean energy resources to reduce carbon emissions and fossil fuel dependence. The Must Run designation means that RE generators are dispatched ahead of conventional generators in the merit order, and system operators are expected to accommodate RE generation as a priority. This principle, however, creates a tension with the congestion charge framework, which penalises over-injection into a congested corridor. When RE generation is at peak output, which is precisely when it should, as a policy matter, be maximally utilised, it is also most likely to cause or contribute to congestion in corridors that are not yet adequately upgraded to handle high RE flows.	1. The Must Run status of RE generation is a policy-level designation that should be respected throughout the regulatory framework, including the congestion charge mechanism. A generator that is mandated to inject power should not face commercial penalties for doing so, unless the injection is genuinely scheduled and controllable. 2. The congestion charge methodology should differentiate between: (a) <i>over-injection arising from deliberate commercial decisions</i> (e.g., a merchant RE generator choosing to inject beyond schedule to capture high market prices), <i>which may attract the full congestion charge on the basis of the suggestions provided above; and</i>



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		Penalising RE generators for over-injection under these circumstances effectively penalises them for complying with the Must Run mandate.	(b) <i>over-injection arising from uncontrollable resource availability exceeding the schedule, which should attract a reduced or zero charge given the Must Run obligation.</i> 3. It has generally been seen that congestion is structurally caused by inadequate transmission infrastructure rather than by RE generator behaviour. In such corridors, the appropriate remedy is accelerated transmission augmentation, not congestion charges on RE generators.
5.	Ancillary Services Framework as an Alternative or Complementary Mechanism for Grid Stability	ASSOCHAM's submission (Sl. No. 7 of the Order) raised a substantive and forward-looking argument: that CERC's Ancillary Services framework — specifically the Secondary Reserve Ancillary Services (SRAS) and Tertiary Reserve Ancillary Services (TRAS) mechanisms — provides a more effective and equitable tool for managing grid stability during congestion events than the blunt instrument of congestion charges. The Order, however, does not engage with this argument in any meaningful way, and simply retains congestion charges as the primary commercial tool. Congestion charges are a retrospective penalty as they are assessed after the fact, on entities that deviated from schedule, without any guarantee that the charge actually relieved the congestion in real time.	1. For congestion events in corridors that are predominantly RE-driven (i.e., where congestion arises due to high RE generation rather than over-drawal by DISCOMs), NLDC and RLDCs should be directed to first exhaust ancillary services options before invoking congestion charge notices. Congestion charges should be the last resort, not the first response. 2. The Commission should establish a formal hierarchy of congestion relief tools: i. real-time redispatch through ancillary services; ii. RTM procurement by DISCOMs' to reduce over-drawal;



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		Ancillary services, by contrast, are a prospective market mechanism. NLDC actively procures relief from willing and capable providers, who receive payment for the service they render. The ancillary services approach is therefore more directly linked to actual congestion relief and is less likely to impose costs on entities (such as RE generators) that lacked the ability to respond.	iii. emergency instructions to controllable generators; and iv. congestion charges as a backstop only when the above tools have been exhausted or are unavailable. 3. A time-bound pilot may be mandated in the identified RE-rich corridors where ancillary services are used as the sole congestion management tool for a defined period, with detailed data collected to assess efficacy before any decision is taken on the final congestion charge rate.
6	Need to Exempt Auxiliary Drawal by Solar and Wind Generating Stations from Congestion Charges	Solar and wind generating stations necessarily require limited drawal of electricity from the grid for auxiliary consumption, including for control systems, protection equipment, communication systems, lighting, inverter and transformer support systems, cooling arrangements, oil circulation, monitoring equipment, and other essential station services. In the case of solar projects, such auxiliary drawal may continue during non-solar hours, and in the case of wind projects, during low-wind periods, when generation is unavailable or insufficient but the station must remain energised, safe, and operationally ready. Such drawal is not in the nature of discretionary commercial over-drawal, but is an inherent technical requirement for	1. Auxiliary drawal by solar and wind generating stations should be exempt from congestion charges, including drawal during non-solar hours or low-wind periods, where such drawal is for genuine auxiliary requirements. 2. Auxiliary drawal should be distinguished from commercial over-drawal and should not attract congestion charges merely because it occurs during a congested period. 3. A solar or wind generator should not be treated as causing congestion only on account of auxiliary drawal, unless such drawal is shown to be excessive,



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		maintaining the generating station in a safe, stable, and grid-compliant condition.	non-genuine, or in violation of RLDC / NLDC directions.
7	Regulatory Misalignment Between Schedule Revision and Congestion Charge Timelines	1. Renewable energy generators are inherently dependent on variable and non-dispatchable sources such as solar irradiation and wind speed. 2. Owing to the nature of RE generation, timely schedule revision is not always operationally feasible in response to changing system conditions. 3. At the same time, congestion charge may become applicable within a shorter timeframe than that available for schedule revision to take effect. 4. This creates a regulatory inconsistency, as RE generators may be exposed to congestion charges despite lacking the technical ability to undertake timely corrective revision.	1. The Commission may consider providing a schedule revision period for RE generators that is aligned with the timeframe prescribed for congestion warning and imposition of congestion charge. 2. Such alignment is necessary to ensure that RE generators have a meaningful opportunity to undertake corrective action before being subjected to congestion charges. 3. Alternatively, RE generators may be exempted from congestion charges in cases where deviation arises from the inherent variability of renewable resource and timely revision is not operationally feasible. 4. This would ensure that RE generators are not subjected to adverse commercial consequences on account of technical limitations intrinsic to renewable generation and a regulatory framework that does not operate in harmony.



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