

Ref: SRIPL/CERC/2026/04/06

Date: 06.04.2026

To
The Secretary
Central Electricity Regulatory Commission
Tower B, 6,7,8 Floor, World Trade Centre,
Safdarjung Enclave, New Delhi – 110029

Subject: Comments/ Suggestions on CERC Order (Petition No. 1/SM/2026) on Rate of Congestion charge in real-time operation in inter-state transmission of electricity, dated 13.03.2026.

Dear Sir

The Central Electricity Regulatory Commission (CERC), in its Order (Petition No. 1/SM/2026) on Rate of Congestion charge in real-time operation in inter-state transmission of electricity, dated 13.03.2026, has proposed to revise the rate of congestion charge and its applicability.

The proposal suggests linking the rate of congestion charge with the Reference Charge Rate/ Contract Rate/ Normal Rate of charges for deviation, as applicable for such entity for such time-block as per CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024, and subsequent amendments. We present below our observations and suggestions on the proposed Order.

- 1. Applicability and Amount of Rate of Congestion Charge on RE Projects:** Renewable Energy (RE) projects are inherently subject to variability due to their dependence on weather conditions, resulting in deviations between scheduled and actual generation. Such deviations are already addressed under the Deviation Settlement Mechanism (DSM), wherein RE generators are liable to pay applicable charges.

Imposition of congestion charges in addition to DSM charges, both aimed at maintaining grid stability, would impose a dual financial burden on RE generators and adversely impact project viability. Given the uncontrollable nature of RE generation, the application of congestion charges—particularly in cases of under-injection—may not be appropriate as despite this charge applicability, the RE Developer would be helpless in mitigating the deviation.

Further, the rate of congestion charge instead of 1.5 times applicable DSM rate, **be equal to area clearing price of exchange in that particular time block with maximum cap of Rs. 7/kwhr**, which is the price that can make equivalent thermal or storage units available in importing regions on account of under injection.

- 2. Market splitting – as Congestion Management Mechanism:** Market splitting presents a more efficient and market-based approach to congestion management, wherein congestion is reflected through differential market-clearing prices across regions. The price differential gives signal for installing additional transmission

network. In the Indian context this approach while attractive has challenge of limited volume of wholesale energy market (10-12%) and transmission evacuation being regulated under section 62 and/or section 63 process. Hence, change is needed.

Under the CERC (Measures to relieve congestion in real time operation) Regulations, 2009, a notice of at least two (2) clear time blocks shall be given by the Regional Load Despatch Centre before congestion charge becomes applicable. This notice time period is sufficient for firm power generators to stop under-injecting (importing region) or over-injecting (exporting region) as half an hour window is reasonable to change generation. However, this privilege is unavailable in RE plants given vagaries of weather. Therefore, the following is suggested:

- i. In case of under injection (importing region), the under injecting **RE generators be allowed to square off their under injection by participating in real time market.**
- ii. The **window for real time market be reduced to 2 time- blocks**, such that in the 3rd time block the under injection is balanced by equivalent purchase from generators of the importing region. Vice versa for exporting region where over injecting generators to get buyer within same region for extra power.
- iii. Such real time markets be region specific.
- iv. RE generators that fail to participate on the real time market be levied congestion charge.

With same region energy balancing, congestion will stand mitigated ensuring grid safety.

3. Assessment and Maintenance of Spinning and Capacity Reserves: To reduce congestion, availability of on grid spinning reserves to inject or reduce power is helpful. However, due to shortage of spinning reserves, installing Battery Energy Storage Systems (BESS) at the grid sub-station level with high RE penetration should be explored. Further, primary and secondary ancillary service markets be enabled to utilise these reserves, on payment basis, for mitigating impact of over and under injection.

Looking forward to favourable consideration from your end.

Yours faithfully

For Serentica Renewable India Pvt. Ltd.

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Kunal L Kaistha

Vice President – Regulatory & Advocacy