

TAMILNADU POWER DISTRIBUTION CORPORATION LIMITED

From

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To

The Secretary
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Lr. No CFC/RC/SE/CERC/EE3/AEE4 / F. Congestn charge/D. 69 /26, dt. 06.04.2026.

Sir,

Sub: Hon'ble Commission's Suo Motu Petition No. 1/SM/2026 –
Proposal to revise the rate of Congestion charge in real-time
operation in inter-state transmission of Electricity -
TNPDC's comments and suggestions - Submission of – Reg.

Ref: Order of the Hon'ble Commission dated 13.03.2026 in
Petition No. 1/SM/2026

This has reference to the order dated 13.03.2026 in Suo Motu Petition No. 1/SM/2026 wherein the Hon'ble Commission has proposed to revise the rate of Congestion charge in real-time operation in inter-state transmission of Electricity and has invited comments and suggestions of the stake holders.

In this regard, the detailed comments and suggestions of TNPDC are enclosed as Annexure.

Thanking you,

Yours faithfully,



06. 04. 2026
Chief Financial Controller
Regulatory Cell

Copy to the Superintending Engineer/LD & GO/
TANTRANSO

ANNEXURE

Comments and suggestions of TNPDCCL on the proposed revision on the Rate of congestion charge in real-time operation in inter-state transmission of electricity under the Central Electricity Regulatory Commission (Measures to relieve congestion in real time operation) Regulations, 2009 (hereinafter "Congestion Charge Regulations")

- 1) The proposal for revision of congestion charges has been initiated based on requests from NTPC Green Energy Limited (NGEL) and the Associated Chambers of Commerce and Industry of India (ASSOCHAM). It has been stated that the congestion charge rate was fixed at Rs. 5.45/kWh during the period when the UI Regulations were in force, and was uniformly applied to all grid-connected entities, including Renewable Energy (RE) generators deviating from their schedules under transmission congestion scenarios.
- 2) NGEL has requested a review of the Congestion Charge Regulations and has sought exemption for RE generators from such charges. The justification provided is that RE generators are already liable to pay DSM charges and RTDA charges for drawal of power during non-solar hours to meet their auxiliary consumption requirements. Imposition of additional congestion charges on such consumption, it is argued, would render RE projects commercially unviable.
- 3) ASSOCHAM has submitted that under-injection by RE generators is primarily due to inaccuracies in weather forecasting. The Indian Electricity Grid Code (IEGC) does not permit generators to procure power from the Real-Time Market (RTM) under such circumstances. Additionally, RE generators are unable to revise their Temporary General Network Access (TGNA) contracts, thereby limiting their ability to respond to real-time conditions. ASSOCHAM further contends that, since transmission charges are already waived for RE generators, they should also be exempted from payment of congestion charges.

4) TNPDCCL submits the following views on the proposal for revision of congestion charges:

- a) The objective of the IEGC, DSM, and Congestion Charge Regulations is to enforce grid discipline by ensuring adherence to scheduled generation and drawal by all grid-connected entities. Applicability of congestion charges to all entities, including RE generators, ensures non-discriminatory treatment and uniform accountability for actions contributing to congestion, irrespective of the source of generation. Therefore, it is essential to impose congestion charges uniformly on all entities responsible for causing congestion, without any discrimination in line with principle of equity.
- b) In this regard, it is pertinent to bring to the attention of the Hon'ble Commission certain fundamental issues concerning the base rates considered for levying congestion charges across different categories of grid-connected entities. The base rates under the DSM Regulations, 2024 vary across entities, leading to inherent disparities. The details of such differences are outlined below:

'Contract rate' - means (i) in respect of a WS seller or a MSW Seller or such other entity as applicable, whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/kWh tariff as determined or adopted or approved by the Appropriate Commission; or (ii) in respect of a WS seller or a MSW Seller or such other entity as applicable, whose tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, and selling power through power exchange(s), the price as discovered in the Power Exchange for the respective transaction; or (iii) in case of captive consumption of a captive generating plant based on renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all Power Exchanges for the respective time block; (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the contract rates of all such contracts or transactions, as the case may be.

Reference Charge Rate' (RR) - means (i) in respect of a general seller whose tariff is determined or adopted or approved under Section 62 or Section 63 or Section 86(1)(b) of the Act, Rs/ kWh energy charge as determined or adopted or approved by the Appropriate Commission, or (ii) in respect of a general seller whose

tariff is not determined or adopted or approved under Section 62 or Section 63 or Section 86(1) (b) of the Act, and selling power through power exchange(s), the price as discovered in the power exchange for the respective transaction; or (iii) in case of captive consumption of a captive generating plant based on resources other than renewable energy sources, the weighted average ACP of the Integrated-Day Ahead Market segments of all the Power Exchanges for the respective time block; or (iv) in case of multiple contracts or transactions including captive consumption, the weighted average of the reference rates of all such contracts or transactions.

'Normal Rate of Charges for Deviation' (NR)

- highest of the (a) weighted average ACP – Day ahead market, (b) weighted average ACP – real time market and (C) the sum of: 1/3 of | (i) Weighted average ACP- Day ahead market , (ii) weighted average ACP – real time market (iii) Ancillary Service Charge

- c) The above definitions clearly demonstrate the differential treatment in DSM rates applicable to generators (sellers) and drawee entities (buyers), which form the base for computation of the proposed congestion charges.
- d) Owing to the arbitrary and discriminatory nature of the DSM rates prescribed under the DSM Regulations 2024, significant financial liabilities have been imposed on Distribution Companies (Discoms), thereby resulting in an unwarranted tariff burden on end consumers.
- e) In this regard, it is submitted that, after consistently flagging these issues before various stakeholder forums and the Hon'ble Central Electricity Regulatory Commission, TNPDCCL has challenged the Principal DSM Regulations, 2024, along with the legacy dues, before the Hon'ble High Court of Madras in W.P. No. 20912 of 2025. Similarly, other utilities such as Kerala State Electricity Board and Andhra Pradesh Eastern Power Distribution Company Limited have also challenged the same before the respective High Courts.
- f) Under these circumstances, adoption of the same differential base rates for computation of congestion charges would further aggravate the financial stress on Discoms, ultimately impacting consumers

adversely. Further, the proposal to levy congestion charges at 1.5 times the base deviation rate is arbitrary and excessive, particularly when viewed in conjunction with the already enhanced DSM rates under the DSM Regulations, 2024.

- g) Apart from the above, it is pertinent to submit that, as also highlighted by ASSOCHAM, there exist practical constraints in revising schedules under T-GNA, notwithstanding the absence of any explicit prohibition under the GNA Regulations. The very objective of introducing T-GNA is to enable optimal utilization of transmission capacity and market instruments for cost-effective power procurement. However, the current operational framework limits such flexibility.
- h) It is further submitted that significant deviations (both surplus and deficit) experienced by Distribution Companies are attributable to multiple factors, including:
 - *Variability and deviations in generation by RE sources, coupled with relatively lower penalization*
 - *Load forecasting errors*
 - *Unscheduled drawal by open access consumers*
- i) In order to maintain grid discipline and ensure real-time balancing, it is imperative to enable all possible operational flexibilities, including revision of generation schedules during high and low frequency conditions (i.e., under/over drawal and under/over injection), irrespective of whether the transaction is under GNA or T-GNA.
- j) With regard to the restriction on revision/backing down of T-GNA, it is submitted that the restriction should be only on the revision of reserved transmission capacity and not on backing down or revision of schedules.

The clause pertaining to revision of TGNA in GNA regulation is read as below:

"32.1. TGNA granted under exigency application category (or) under advance application category for a period not exceeding one month cannot be revised."

"32.2. TGNA granted under advance application category for a period of more than one month may be reduced for the balance period, with a notice period of one month by the TGNA grantee."

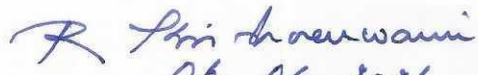
From the above, it is understood that GNA Regulations do not prohibit backing down or revision of schedules. However it is ascertained that the schedules in TGNA could not be revised in RTM through NOAR portal operated by RLDC/NLDC.

In view of the above, it is respectfully requested that the Hon'ble Commission may issue necessary clarifications to ensure that generation schedules under T-GNA are also eligible for revision, so as to facilitate effective grid management and reduce reliance on penal mechanisms.

Summing up:

In light of the foregoing, the following are submitted for kind consideration of the Hon'ble Commission:

- i. Adoption of a uniform base rate for all grid-connected entities within the respective time blocks during congestion periods, to ensure equity and non-discrimination.
- ii. Since congestion charges are over and above DSM charges, the same may be restricted to the base rate, instead of the proposed 1.5 times multiplier.
- iii. Issuance of appropriate clarification/orders permitting revision of generation schedules under T-GNA, to enable better grid balancing and operational efficiency.


06. 04. 2026
Chief Financial Controller
Regulatory Cell