

## **CORRIGENDUM TO THE JANUARY 2011 MONTHLY REPORT ON SHORT-TERM TRANSACTIONS OF ELECTRICITY**

As part of the market monitoring process, the monthly report on short-term transactions of electricity, is being prepared and posted on the website of CERC since August 2008. On 15.3.2011, the Commission has published the “Monthly Report on Short-term Transactions of Electricity” for January 2011. It is found that there is an error in the input data. Consequent to the error in the input data, the following amendments are made.

**(a) Para 4 & 5 of Section I is replaced by the following:**

**I: Volume of Short-term Transactions of Electricity**

The percentage share of electricity traded by each trading licensee in the total volume of electricity traded by all trading licensees is provided in Table-2 & Chart-4. The trading licensees are undertaking electricity transactions through bilateral and through power exchanges. Here the volume of electricity transacted by the trading licensees includes bilateral transactions and the transactions undertaken through power exchanges. There are 39 trading licensees as on 31.1.2011, of which only 16 have engaged in trading during January 2011. Top 5 trading licenses had a share of 84 % in the total volume traded by all the licensees.

Herfindahl-Hirschman Index (HHI) has been used for measuring the competition among the trading licensees. Increases in the HHI generally indicate a decrease in competition and an increase of market power, whereas decreases indicate the opposite. A HHI above 0.18 indicates high concentration. The HHI computed for volume of electricity traded by trading licensees was 0.2141 for the month of January, which shows high concentration of market power (Table-2).

**(b) Para 3 & 4 of Section V is replaced by the following:**

**V: Inferences:**

- Top 5 trading licenses are having share of 84% in the total volume traded by all the trading licensees.
- The Herfindahl Hirschman Index computed for volume of electricity traded by trading licensees was 0.2141 shows high concentration of market power.

(c) Table-2 and Chart-4 are replaced by the following:

<b>Table-2: Percentage Share of Electricity Traded by Trading Licensees during January 2011</b>			
<b>Sr.No</b>	<b>Name of the Trading Licensee</b>	<b>% Share in total Volume traded by Licensees</b>	<b>Herfindahl-Hirschman Index</b>
1	PTC India Ltd	36.226%	0.1312
2	NTPC Vidyut Vyapar Nigam Ltd	23.666%	0.0560
3	Reliance Energy Trading (P) Ltd	11.942%	0.0143
4	National Energy Trading And Services Limited	6.561%	0.0043
5	Tata Power Trading Company (P) Ltd	5.868%	0.0034
6	JSW Power Trading Company Ltd	3.846%	0.0015
7	Shree Cement Ltd	3.294%	0.0011
8	Instinct Infra & Power Ltd	3.217%	0.0010
9	Knowledge Infrastructure Systems (P) Ltd	3.064%	0.0009
10	GMR Energy Trading Ltd	1.609%	0.0003
11	Mittal Power Processor Ltd.	0.345%	0.0000
12	RPG Power Trading Company Ltd.	0.217%	0.0000
13	Global Energy Pvt. Ltd.	0.071%	0.0000
14	Pune Power Development (P) Ltd	0.066%	0.0000
15	Jindal Power Trading Company Ltd.	0.005%	0.0000
16	Essar Electric Power Development Corp. Ltd.	0.004%	0.0000
	<b>Total</b>	<b>100.000%</b>	<b>0.2141</b>
	<b>Top 5 trading licensees</b>	<b>84.26%</b>	

*Note: Volume of electricity traded by the licensees includes bilateral transactions (inter-state) and the transactions undertaken through power exchanges.*

*Source: Information submitted by trading licensees*

