

BSES

BSES Yamuna Power Limited

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No:V.P. (PMG)/BYPL/19-20/1845

Dated: 14 Sep19

To,

The Secretary,

Central Electricity Regulatory Commission,
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi-110001

Sub.: BYPL comments on Draft Central Electricity Regulatory Commission
(Procedure for grant of trading licence and other related matters) Regulations, 2019.

Ref: Hon'ble CERC public notice ECO-14/06/19-CERC dated 24th-Jul-2019

Sir,

We write in reference to the above mentioned public notice issued by the Hon'ble CERC on the Draft Central Electricity Regulatory Commission (Procedure for grant of trading licence and other related matters) Regulations, 2019.

The comments of BSES Yamuna Power Ltd on the above subject are enclosed for kind consideration of the Hon'ble Commission.

Thanking you,

Yours Sincerely,

For BSES Yamuna Power Ltd



Sunil Kakkor

Head (Power Management)

Encl: As above

BYPL comments on clause 9-(24)**“Trading licensee shall not engage in banking of electricity”****BYPL comments:-**

- ↓ Banking transactions are cashless transactions which are boosting optimal utilization of energy sources across India among utilities having complementary load profile. Besides that these transactions are helping in conserving highly precious liquid cash in managing short term demand variation. Only major cash component involved is pertaining to charges paid for booking & availing open access.
- ↓ Power banking solution provides cost effective & efficient solution and support utilities in matching available surplus power with power deficit instances. Utilities put emphasis over power banking transactions directly or through traders to manage short term power portfolio and reduce its dependence over highly volatile price sensitive power exchanges
- ↓ With PAN India reach and better insight of market, traders are best suited for facilitation of banking transaction and hence it shall not be apt to keep trading licensee involvement in abeyance for power banking. Traders facilitates the transaction by ensuring proper co-ordination with SLDC/RLDC /counter party for timely booking of transmission corridors and also performs necessary follow up with both the utilities involved, for release of respective open access reimbursement, reconciliation of energy scheduled and settlement of contract in hassle free manner. For facilitation of entire transaction, trader charges trading margin from both the parties while supplying the power
- ↓ Considering appreciable amount of open access charges, utilities prefer banking transaction through trader. As trader pays entire eligible open access charges from seller end to buyer end to nodal RLDC and provide sufficient time period to claim reimbursement of respective charges from both the parties as per agreed delivery point. It reduces the upfront burden of reasonably high open access charges, over entire period of contract.
- ↓ At present in case of banking transactions, there is no limit on trading margin and traders are involved in charging higher trading margin from recipient utility and passing partial trading margin to supplying utility, which is unethical. Like other transactions, trading margin limit for banking transactions may be specified clearly
- ↓ In order to incentivize banking transactions & make it purely cashless, upfront open access charges payment only related to banking may be exempted.
- **PMG submitted following suggestions for the kind considerations related to power banking transactions:-**
 - a. Trader shall be allowed to engage in power banking transaction on behalf of utilities, with imposition of certain band width of trading margin.
 - b. For banking transactions upfront open access charges may be exempted or nominal charges may be prescribed
 - c. Banking transaction through cross border entities may be allowed with suitable PSM.