



GRIDCO Limited

OFFICE OF THE SENIOR GENERAL MANAGER (POWER PROCUREMENT)

JANAPATH, BHUBANESWAR-751 022

PHONE: 0674- 2545308, FAX: 0674-2547180

CIN: L40109OR1995SGC003960

Through Fax/ E-mail

File No. Sr. GM(PP) – 72/ 2012 (Pt.) *321*

Dated. *30.08.19*

To
The Secretary,
Central Electricity Regulation Commission,
3rd and 4th Floor, Chanderlok Building,
36, Janpath,
New Delhi - 110001

Sub: Views of GRIDCO Ltd. on proposed framework for Real-Time Market for
Electricity issued by CERC

Sir,

Please find enclosed herewith, the views of GRIDCO on the above said subject for further
action at your end.

Thanking you,

Yours faithfully,

Sonayach
30/08/19

Chief General Manager (PP)

View of GRIDCO on Proposed Real Time Market framework:

The proposed Real Time Market Framework is a step forward in the development of futuristic power market to serve the overall interest of the end-consumers in a fruitful manner. GRIDCO welcomes it.

However, GRIDCO has some reservations in some proposals mentioned below which may be considered for modifications/ incorporations.

1. Clause – 2: Proposed Real-Time Market (RTM) for Electricity:

In the above clause in the para no. 4, it has been mentioned that in the event of availability of un-requisitioned power with the generator, the generator may place bid for the same in the Real Time Market platform. And, any profits earned above the Variable Cost of that power shall be shared between the generator and the corresponding beneficiary in the ratio of 50:50.

However, it may be noted that RTM is another electricity market like DAM, TAM, etc. and the generator in the aforementioned condition is acting like a TRADER as it is selling the un-requisitioned entitled power of a beneficiary from a generator. It may be noted that the beneficiary is paying the fixed cost for such un-requisitioned power. It may further be noted that a beneficiary, having such power, can sell it in the RTM (after exhausting its scope for selling the same in DAM & TAM) either directly or through some trader or through the generator. In an eventuality if a beneficiary is selling through a generator, under such scenario, the generator is acting no more than a trader. So selling of such power through a generator with a sharing of profit margin in the ratio of 50:50 as proposed in the proposed framework seems to be unreasonable and unfair. Therefore, as the role of a generator is limited to that of a trader in such transactions, the currently applicable trading margin norms for electricity traders may be considered instead of sharing the profits in 50:50 ratio.

The proposed methodology of profit sharing may also prevent the beneficiaries from giving first preference to sell such power through the generator. On the other hand, if the fee of the generator shall be limited to prevailing trading margin structure then most of the beneficiaries shall prefer generator over a trader for such sale, thereby providing a revenue earning opportunity for the generators.

N.B.:- The above views are based on the assumptions that Real Time Market shall be an additional platform of Power Exchange and beneficiaries who are the

members of the Power Exchanges can sell/ buy power from the RTM directly and the beneficiaries who are not the members of the Power Exchanges can do the same through traders, who can participate in RTM on behalf the beneficiaries. If this is not the case then clarification may please be provided under which circumstances a beneficiary shall opt for a generator to sell its un-requisitioned power.

2. Lack of proper infrastructure with DISCOMs

It is a fact that most of the beneficiaries/DISCOMs are not equipped with the necessary infrastructure for trading in Real Time Market (RTM) on their own. Some even are not aware of what exact infrastructure is necessary. Hence prior to implementation of the RTM a comprehensive guide line for creating the requisite infrastructure within a reasonable time frame may be prepared and enforced/recommended.