



**Association of Power Traders**  
Empowering Power Traders

## Association of Power Traders

Ground Floor,  
Central Board of Irrigation & Power,  
Malcha Marg, Chanakyapuri, New Delhi 110021  
Email associationpowertraders@gmail.com

Date: 20.10.2014

To,

The Secretary  
Central Electricity Regulatory Commission,  
Chanderlok Building,  
36 Janpath,  
New Delhi-110001

**Subject:** Comments on Staff Paper on Transmission Planning, Connectivity, Long Term Access, Medium Term Open Access and other related issues

Respected Ma'am/Sir,

With reference to the public notice for stakeholders comments on Staff Paper on Transmission Planning, Connectivity, Long Term Access, Medium Term Open Access and other related issues, suggestions & comments on the same are enclosed herewith for the kind consideration of the Commission.

Comments on the Staff Paper are annexed with this letter as Annexure-I.

Sincerely,

Gaurav Nand

Coordinator

**Association of Power Traders (APT)**

## Annexure-I

1. It seems a clear discrimination among the participants those who are on Bilateral platform and the participants who are transacting on Power Exchange platform by limiting the definition of Power Market to only Power Exchange market.
2. It is also defeating the principle of economics and competition as existing prices on Exchange platform are discovered on the basis of demand and supply scenario through intersection of demand and supply curves at an equilibrium price which was the basic intention of the establishment of Exchanges in the country and again reserving the corridor for collective transactions is a discriminatory and anti-competitive on the part of other stakeholders who are transacting their power in short term market other than the Collective transactions (PX platform).
3. In the present scenario where transmission corridor is a scarce resource and allocating the corridor to the participants of collective transactions without knowing the point to point transaction of power flow would be an game with the already scarce resource which should be utilised optimally which is the in-principle objective of economics for any country regarding the allocation of scarce resources for the public interest.
4. Reservation to Collective Transactions will also defeat the spirit of the Regulations of Hon'ble CERC where it allocates priority depending on the higher utility/willingness of the participants. Commission allows first priority to Long Term transaction followed by Medium Term transaction and Short Term transactions. Short term transactions are further prioritised first for Advance transaction followed by FCFS and Day Ahead transactions depending upon the duration of transactions and the time of making application. Now allocating transmission corridor to Collective transaction (day ahead market) at the time corridor booking with Advance/FCFS transaction is against the Commission's regulations and an anti-competitive step for the participants on Bilateral platform (Advance/FCFS transactions).
5. There should not be any discrimination between the participants who are transacting on Bilateral platform and the participants who are transacting on Power Exchange

platform. Ultimate sellers and buyers of Power Exchange are no way superior and again same participants on Bilateral platform are no way inferior because these are ultimate players of the market who buys or sell power on both platforms. Also, principle objective of Power Market development should be inclusive of both Bilateral and Collective transactions as the competition is for the ultimate players in the market who really consumes or sells electricity in the market and the same are there on both Bilateral and Collective transactions. If the intention is to only promote Power Exchange market, we humbly submit that section 66 of Electricity Act does not discriminate among trading licensees and Power Exchange as traders are licensed traders granted in terms of the provisions of Electricity Act 2003. We humbly submit that trading licensees and Power Exchange are facilitator of short term transactions in the market, so, in the name of Power Exchange ultimate stakeholders of the market should not be discriminated.

6. If Power Exchanges are to be given preference in corridor booking at the time of Advance Bilateral transaction for securing the corridor for the participants, then traders should also be given advantage to book corridor at any time before scheduling of Advance Bilateral transactions.
7. We feel that section 66 of Electricity Act 2003 on Power Market was often misinterpreted as Power Exchange market while Power Exchange was established in the year 2008 and the landmark Electricity Act was notified in 2003. Section 14 of Electricity Act has provided for the trading license in electricity. It is our humble submission, development of Power Market should be considered holistically by including both Power Exchanges & Trading licensees.
8. Collective Transaction is a Day Ahead Market (DAM) for which corridor reservation should happen at the time of bidding (D-1) only which also holds true even in the case for other short term transactions and by this participant can be relieved from high ACP prices on Exchange platform post congestion.
9. Reservation in transmission corridor for Collective transactions would create an anti-competitive market where one side DAM of Power Exchange is getting priority in terms of corridor reservation while the same day head segment in Bilateral segment is having no priority towards corridor reservation. It seems promotion of Power Exchange market at the cost of killing the market of trading licensees.
10. Without knowing the final MCP (Market Clearing Price) for the participants of Collective transactions, there would be chances of non-clearance of bids which will further lead to non-utilisation of booked capacity of Collective transactions. This will

be against the criteria of social welfare maximisation as there might be participants who would be having higher willingness/ utility to pay for the same capacity which remain unutilised on account of non-clearance of bids on Exchange platform. This will create serious repercussions in the market for the already scarce transmission capacity of the nation.