



No. IEX/CRO/027/18-19

30<sup>th</sup> Aug, 2018

To,


**The Secretary  
Central Electricity Regulatory Commission  
3<sup>rd</sup>& 4<sup>th</sup> Floor, Chanderlok Building  
36, Janpath  
New Delhi - 100 001**

**Sub: Discussion Paper on "Re-Designing Real Time Electricity Market in India"**

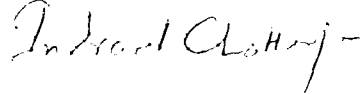
Dear Sir,

This has a reference to your notice (No.RA-14026(11)/2/2018-CERC) dated 25<sup>th</sup> July, 2018 seeking comments and suggestions on the Discussion Paper on the subject matter.

In this regard please find attached the comments of Indian Energy Exchange Ltd. on the **Discussion Paper on "Re-Designing Real Time Electricity Market in India"** enclosed herein as an Annexure.

 Thanking You,

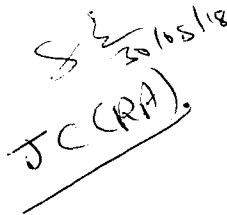
Yours Sincerely,



Indranil Chatterjee

Chief Risk Officer

Enclosed: A/a

  
J.C. (RA),  
30/8/18

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We appreciate the initiative of the Hon'ble Commission for coming up with a very progressive and much awaited change in the Market Design principles of Operations of Real Time Market in India. In light of the concerns highlighted in the discussion paper, we believe that the proposed changes are inevitable in the present market scenario. However, on few points we put forth our comments as mentioned below:

**1. Uncertainty for participants:**

In the Day-ahead market, a participant usually bids for multiple hours. If the bid of such a participant is not selected in the DAM, he is exposed to volume risk. Such a participant would have to wait from 1500hrs to 2230hrs to enter into a firm contract for delivery in the RTM. Such an eventuality would emerge as a major risk for participants who are seeking reliability in terms of volume as well as price. Further, there will be uncertainty regarding the procurement or sale of power in the required number of hours.

In order to avoid the participants to be exposed to volume risk we feel that the extant Day-Ahead Contingency segment of the Term-Ahead Market becomes very important for the participants who wish to trade power for multiple hours and with visibility of price, and therefore should be allowed to continue.

Also we would recommend that a participant may be allowed to bid in the intraday auction for subsequent hours at a time. However, the bids may be triggered when the auction starts.

**2. Sufficient Time for Ramp up/ Ramp down post scheduling of trade:**

The timeline proposed in the discussion paper has specifies the time of preparation of schedule, which coincides with the start of delivery. We believe that after the preparation of schedule in the RTM, there should be at least 30 mins gap before the start of delivery time. Timelines must incorporate a necessary time-lag between preparation of schedule and delivery of power.

**3. Sufficient time to augment our IT-infrastructure:**

RTM

IEX welcomes this initiative of the Hon'ble Commission. However, in order to implement such a major change in our market operation systems, we request the Hon'ble Commission give sufficient time, about 4-5 months, for augmentation of the required IT-infrastructure.

*Handwritten signature*