

Comments on Discussion Paper on Re-designing Real Time Electricity Markets in India

1. The concept of Gate Closure has been introduced in the present staff paper which states that the bidding in RTM for the hourly trade (delivery period) for 00.00 – 01.00 hrs closes at 22.30 hrs of the previous day and the process is continued every hour thereafter. Further, the clearing time for Real-Time Market (**RTM**) is envisaged as 23:00 hrs to 23.30 hrs which means that the success of the bid in RTM will be known by the bidder only by 23:30 Hrs. As per the present Indian Electricity Grid Code (IEGC), revision of Declared Capacity (DC) by Generating Stations or revision of schedule by Discom becomes effective from the 4th time-block, counting the time block in which the revision is advised to be the first one. Therefore, in cases where the Generator bids in RTM before 22:30 hrs for 00.00-01.00 hrs and if the Generator fails to clear the requisitioned capacity through RTM, the revision as per IEGC can only be effected by the generator from 4th time block, i.e., from 23.30 hrs onwards. In such case, there would be an imbalance in delivery and schedule resulting into DSM to the generator due to non-clearance of the bid for the delivery period 00:00 -01:00 hrs in RTM. **The Hon’ble Commission may like to address the timelines of RTM clearing time, i.e., 23:00 to 23:30 hrs in line with the provisions of IEGC so that in the event of non-clearance of a bid in RTM, schedule can be revised by the generator as per IEGC without incurring DSM.**
2. Currently, the power exchanges in India are operational based on automated on-line platform for trading of contracts. In view of the fact that huge volume of operations/activities, financial settlements including system data/transmission corridor data exchange will be required from system operators under the proposed staff paper in RTM, full automation of different activities is required for successful operation of the market. **The Hon’ble Commission may kindly clarify the agency who shall be responsible for developing and maintaining the necessary infrastructure for dealing in Real-Time Markets at a minimum cost to the stakeholders.**
3. The proposed staff paper also aims at reducing the overall power purchase cost of Discoms due to sharing of gains between the Generator and the Discoms in the ratio of 50:50 on account of selling the un-requisitioned surplus power in the Real Time Market, e.g., Generator A is supplying power to Beneficiaries B & C having contracted capacities of 130 MW & 100 MW respectively. On any day, both the Beneficiaries have a requisition of 80 MW each, therefore, the un-requisitioned surplus from Beneficiary B would be 50 MW and that from Beneficiary C would be 20 MW. If the Generator could clear only 15 MW from the total un-requisitioned surplus of 70 MW in the RTM, in such case **the mechanism of sharing of gains amongst the Beneficiaries needs to be clarified. In our view, the gains may be shared on pro-rata basis on un-requisitioned quantum in case a generator supplies power to more than one beneficiary.** Also, the generator should have the discretion to prioritize the schedule of such un-requisitioned power from various beneficiaries. Further, such **sharing of gains for generators having PPA’s under Section 63 also needs to be clarified.**

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4. It is requested to clarify regarding the **allotment priority of transmission corridor for treatment of transactions in the Real-Time Market and Intra-Day Contingency Market** for scheduling of quantum in the same time block.

5. It needs to be clarified **whether a thermal Generator having higher Variable Cost can decide to meet its obligation by placing purchase bids through the Real-Time Market and whether the gain arising out of such sale needs to be shared with the beneficiaries**. The staff paper also needs to clarify the proposed mechanism of Real-Time Market, situations and the outlining criteria under which the Generators can bid and participate to procure power in RTM in order to **prevent the scope of gaming/arbitrage under such scenarios**.

6. Presently, No-Objection Certificate (NOC) is given by RLDCs to the Generators/ Discoms based on their requisition for injection/withdrawal of power from grid. The proposed staff paper may **clarify the modalities for issuing such NOC's as, under the RTM, every Utility (whether Generator or Discom) are eligible to buy and sell power through the grid**.

7. Since the RTM will operate 24X7, the **modalities for financial settlement of contracts needs to be explained by the Hon'ble Commission while keeping in mind the banking hours and holidays**.