



No. IEX/CRO/028/18-19

Dated: 7<sup>th</sup> Sept, 2018

To,

Mr. Sanoj Kumar Jha,

Secretary

Central Electricity Regulatory Commission

3rd Floor, Chanderlok Building, Janpath

New Delhi – 110 001

Sub: Draft Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) (Fifth Amendment) Regulations, 2018.

Dear Sir,

This has a reference to your Public Notice (No. PM/NOAR/2016/CERC) dated 8<sup>th</sup> August, 2018 regarding Draft Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) (Fifth Amendment) Regulations, 2018. The Hon'ble Commission had sought comments/ suggestions from the stake holders on the same.

Please find enclosed herewith the Comments of Indian Energy Exchange Ltd., as an annexure, on the draft amendments.

Regards,

Indranil Chatterjee

Chief Risk Officer

Encl: A/a

## **IEX Comments- Draft 5<sup>th</sup> Amendments CERC (Open Access to Inter-State Transmission)**

Pursuant to the Section 66 of the Electricity Act, the Central Commission has facilitated development of the power market by notifying the CERC (Open Access in Inter State Transmission System) Regulations, 2008 for Short Term Bilateral and Collective transactions for purchase and sale of electricity.


With over 4000+ open access customers, more than 25 SLDCs, 5 RLDCs, NLDC, two power exchanges and several trader members as the stakeholders in the short term market, it is important to overcome the operational constraints while processing an application for STOA. Looking forward, the power market structure envisaged by the Hon'ble Commission visualizes Real Time Markets as crucial element in the short term power transactions. For power transactions to happen close to Real Time with a very small time window, it is essential that an electronically enabled Open Access Registry is made available to the stakeholders. To facilitate formalizing contracts taking place closer to delivery in the real time balancing market, with shorter turnaround time, manual way of obtaining the open access shall give way to NOAR. NOAR also increases the scope of transactions in both Bilateral and Exchange markets.

Moreover, operationalization of NOAR is expected to infuse transparency in dissemination of information related to TTC/ATC/Transmission margins available to the stakeholders and to make the process of utilization of the transmission corridor more efficient, while bringing efficiency and economy in the operations of processing of short term open-access applications. We hereby put forward our comments with regard to the proposed amendments in the Open Access Regulations.

### **1. Need for Larger Scope of National Open Access Registry-**

#### **a. Standing Clearance for Un-Requisitioned Surplus Power:-**

Smooth transition of unused capacity of LTA and MTA in STOA Market will not happen due to following reasons: -

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- i. Generators would not be able to offer their un-requisitioned capacity under LTA &/or MTOA in the proposed real-time market even after the Gate Closure because they would not be having Standing Clearance for the Un-Requisitioned Surplus quantum. Through NOAR we need a mechanism by which the unutilized long-term and medium term capacity is automatically converted to deemed Standing Clearance quantum for the Real Time market.

- ii. Hon'ble Commission has recently amended IEGC to enable generators to sell their un-requisitioned surplus power in the market. However, generators which have Long/Medium term agreements and have received concurrence from their beneficiaries to sell the contracted power in the short-term market, will not have Standing Clearance for that quantum and hence would not be able to sell power in Short-term market through NOAR.

We recommend that the umbrella Standing Clearance should not only cover the short-term bilateral and collective transactions, but should also cover details related to long term and medium term transactions. The capacity under Long and Medium term, for which concurrence has been granted by the beneficiaries, may be converted to the Standing Clearance for trade in Short-term market. According to the schedule in the LTA and MTOA, the Un-Requisitioned Surplus (DC minus Schedule) can be automatically converted to Standing Clearance for proposed Real Time Market after the Gate Closure.

Hence Hon'ble Commission may consider expanding the scope of NOAR. NOAR can be an integrated platform for process of day-ahead scheduling of Long-term, Medium-term and Short-term contracts. Details of Declared Capacity (DC), Requisition by the beneficiaries and Un-Requisitioned Surplus (URS) can be maintained at NOAR itself for smooth interface between LTOA/MTOA and Day ahead and proposed Real Time Markets.

## 2. Availability of information regarding transmission corridor availability:

In the draft explanatory memorandum of CERC (Open Access in Inter State Transmission) (Fifth Amendment) Regulations, 2008, it is envisaged that the NOAR shall contain information viz. standing clearances provided by SLDCs/RLDCs, availability of transmission corridor, short term open access granted to the customers, and application status etc. which shall be **automatically updated and accessed by the concerned stakeholders online on a real time basis**. In the draft **Regulation 3A (1)** the functions of NOAR have been stipulated. However, the functions of NOAR as mentioned in the draft regulations haven't captured the aspect of providing real time access to such information to the various stakeholders.

Hon'ble Commission may kindly incorporate below mentioned provisions in the proposed amendments to cater to the concerns highlighted above.

***“National Open Access Registry (NOAR)***

*3A (1). NOAR shall be a centralized electronic platform with the following functions:*

*.....*

***New Sub-clause:***

***ix. Provide information related to availability of transmission corridor on a real time basis.***

***x. Any other functions, as assigned by the Commission from time to time after assessment of the functioning of the Registry.***

**3. Removing the cap on maximum period of Standing Clearances issued:**

The draft regulations stipulate that the standing clearance is to be issued by the concerned SLDC/RLDC for a maximum period of three months at a time after which a fresh application for issuance of standing clearance has to be made. Since the time period for which Standing clearance is issued to an open access consumer depends on the prevailing Open Access Regulations in the state in which the consumer lies or the CERC Open Access Regulation for regional entities. Therefore, instead of capping the maximum period of Standing clearance, Hon’ble Commission may align the time period of Standing Clearance with the time-period in the definition of Short-term open access..

**4. Timelines Regarding Issuance of Procedure by POSOCO:**

The proposed draft Regulation provides that POSOCO shall conduct stakeholder consultation and issue detailed procedure with prior approval of the Commission.

As we understand that other positive step envisaged by the Hon’ble Commission, like Real Time Markets, is hinged on the successful operationalization of NOAR, therefore the formulation of the detailed procedures and final implementation of NOAR must be taken up as a Mission Mode project.

