



DAMODAR VALLEY CORPORATION
COMMERCIAL DEPARTMENT
DVC. TOWERS: V I P ROAD, KOLKATA- 700 054.

Tel. No: 033-2355-1172/7931

FAX: 033-2355-2129

No. Coml/CERC/Draft Notification/Comments- 3569

Date: 16/9/2019

To
The Secretary
CENTRAL ELECTRICITY REGULATORY COMMISSION
3rd & 4th Floor, Chanderlok Building, 36,
Janpath, New Delhi -110 001

Ref: (i) Draft Notification No:ECO-14-06-2019-CERC, dated: 24th July 2019
(ii) Notice issued by CERC vide No. Eco-13013/2/2019-CERC Date: 16th August, 2019

Sub: The comments of Damodar Valley Corporation in respect of Draft notification of Regulation, 2019 for grant of trading licensee and other related matters.

Dear Sir,

The honourable Commission has issued the draft notification of Regulation, 2019 regarding Procedure, Terms and Condition for grant of trading licensee and other related matters on 24th July 2019. The comments/suggestion were invited from various stake holders in respect of the above Regulation. CERC vide notice as mentioned under reference (ii) extended the last date of submission of comments/suggestions till 16th Sept 2019. Accordingly the comments/suggestion of Damodar Valley Corporation has been prepared and attached herewith as Annexure-A.

This is for information.

With regards,

Executive Director (Commercial)
For and on behalf of Damodar Valley Corporation

C C

Clause:7 Applicability of Trading Margin

DVC suggests the following to incorporate under clause 7(e)

Banking arrangement between to grid connected entities other than any trader itself.

Clause: 8 Trading Margin:

Sub Clause: 1 (b)

"The margin shall include all charges, except the charges for scheduled energy, open access and transmission losses."

DVC suggest to elaborate the ambit of "all charges" and "charges of scheduled energy" as is there in clause 8 (1) (b)

Sub Clause: 1 (c)

DVC suggests instead of present entry the following revised entry may be incorporated:

Present entry: ""For short term contracts and contracts through power exchanges, the Trading Licensee shall....."

Suggested entry: "For Long term, midterm, cross border trading and short term contracts and contracts through power exchanges, the Trading Licensee shall..."

Sub Clause: 1 (d)

DVC suggests instead of present entry the following revised entry may be incorporated:

Present entry:" not charge any trading margin exceeding one (1.0) paise/kwh."

Suggested entry ".....not charge any trading margin exceeding zero (0.0) paise/kwh."

Sub clause: 2

Existing entry: "The trading margin specified under this regulations shall be the cumulative value of the trading margin charged by all the traders involved in the chain of transactions between the generator and the ultimate buyer, that is to say, trading margin in case of multiple trader-to-trader transaction shall not exceed the ceiling of trading margin specified under these regulation."

DVC suggests the following:

To address this condition a provision must be there for every transaction between buyer and seller through power trader(s) under unique ID to keep check on the trading margin ceiling.

Clause.9

Sub clause-10. DVC suggest to make provision for maintenance of LC for midterm

Sub clause-23. DVC suggest to make provision for taking consent of generators by *the Trading Licensee especially in case of contract with pool power to keep transparency in the trading margin claimed by the entities.*

Sub clause-24. Existing entry "Trading Licenses shall not engage in banking of electricity"

DVC suggest that such provisions is not required otherwise for banking of electricity the engagement of trading licenses will become problem

Clause.19

DVC suggest that in case of revoking of License of the trader, interim arrangement for the payment of selling entity and arrangement for scheduling of buying entity need to be ensured