



GRIDCO Limited

OFFICE OF THE SENIOR GENERAL MANAGER (POWER PROCUREMENT)

GRIDCO
Empowering Orissa

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Through Post/Fax/e-mail

File No. Sr. GM(PP) – 72/ 2012 *312*

Dated. *17.08.19*

To,

The Secretary,
Central Electricity Regulation Commission,
3rd and 4th Floor, Chanderlok Building,
36, Janpath,
New Delhi - 110001

Sub: Views of GRIDCO Ltd. on draft CERC (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2019 issued by CERC

Sir,

Please find enclosed herewith, the views of GRIDCO on the above said subject for further action at your end.

Thanking you,

Yours faithfully,

End. : As above.

Sonayach
17/08/19
Chief General Manager (PP),
GRIDCO Ltd., BBSR,
Odisha

Views of GRIDCO

Since the time Electricity Trading was recognised as a distinct activity in view of enactment of Electricity Act-2003, remarkable evolution has taken place in the Electricity market leading to overall benefits of all the stake holders. Such evolution is still continuing bringing more transparency and time & quantum flexibility in procurement of power by the needy.

Power transaction in Banking arrangement is one of the most beautiful innovation in the current Electricity Market in view of the difficult liquidity position of all the DISCOMs of the country. Hence it is beyond doubt that the power transaction in banking arrangement should continue in the larger interest of the nation.

Now that Electricity Traders are debarred from Banking Transaction under the plea that it is not a trading activity as no resale is involved. However such banking transactions may face a great hindrance as most DISCOM's infrastructure is not adequate to facilitate such transaction to be carried out on their own. Hence, in GRIDCO's view, till such time as DISCOMs' infrastructure has been developed or a robust facilitating platform, like PX or DEEP portal, exclusively for Banking transactions is in place, the Electricity Traders may be allowed to carry on banking transaction on behalf of the beneficiaries. If at all, this is not permissible under current legal frame work then immediate provisions may be formulated for creation of Trader like agencies (namely Electricity Bankers) exclusively for banking transactions.

Moreover, provisions should also be laid down for limiting the return premium percentage, quoted in various banking transactions, to a maximum value of 5% to avoid any unhealthy competition in the power banking market.