



Office of The Superintending Engineer
Special Power Agreement & Tariff Circle
U.P. Power Corporation Limited
10th Floor, Shakti Bhawan Ext.
14-Ashok Marg
Lucknow-226001
CIN: U32201UP1999SGC024928

No.SPATC -415/604

Dated : 16.09.2019

**Subject : Comments on CERC Draft Regulation for Procedure, Terms and Conditions
for grant of trading license, and other related matters .**

Secretary,
Central Electricity Regulatory Commission,
4th Floor, Chanderlok Building,
36 Janpath, New Delhi.110001
Phone- 23753942, Fax-23753923

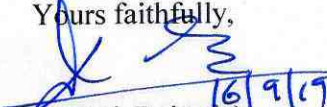
Sir,

Kindly find enclosed herewith comments of Uttar Pradesh Power Corporation Ltd.,Lucknow on Draft Regulation of CERC for procedure, terms and conditions for grant of trading license, and other related matters.

Thanking you,

Encl: As above

Yours faithfully,


(Deepak Raizada)
16/9/19
Superintending Engineer

Subject: Comments of UPPCL on draft CERC (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2019.

UPPCL Observations/Comments are as follows:

Regulation Clause Reference	Provision in CERC (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2019.	Comments/ Remarks				
3 (2) (a)	<table border="1"> <thead> <tr> <th data-bbox="787 1428 901 1774">Discipline</th> <th data-bbox="787 1071 901 1428">Qualifications and Experience</th> </tr> </thead> <tbody> <tr> <td data-bbox="909 1428 1096 1774">Power Energy Management System Operation</td> <td data-bbox="909 1071 1096 1428">Trading, Risk or Management System Operation Degree Engineering/ Management with at least 5 years of experience in the field.</td> </tr> </tbody> </table>	Discipline	Qualifications and Experience	Power Energy Management System Operation	Trading, Risk or Management System Operation Degree Engineering/ Management with at least 5 years of experience in the field.	<p>The qualification and Experience criteria was Degree in Engineering/ Management with at least 10 years of experience in the field as per CERC (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009. The same are proposed to be made to at least 5 years. UPPCL proposes that the minimum experience of Power Trading technical expert at least 10 years of experience in the field may be retained in line with the current regulations.</p>
Discipline	Qualifications and Experience					
Power Energy Management System Operation	Trading, Risk or Management System Operation Degree Engineering/ Management with at least 5 years of experience in the field.					

	<p>Discipline</p> <p>Finance, commerce and accounts</p>	<p>Qualifications and Experience</p> <p>CA/ICWA/MBA (in Finance)/Degree with majors in Finance/Accounts with at least 5 years of experience in the field.</p>	<p>(in Finance)/ Degree with <u>at least 10 years of experience</u> in the field as per CERC (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009. The same are proposed to be made to at least 5 years. UPPCL proposes that the minimum experience of Power Trading technical expert at least 10 years of experience in the field may be retained in line with the current regulations.</p>
5	<p>All proceedings under these regulations shall be governed by the Conduct of Business Regulations.</p>	<p>for more clarity in the proposed clause following proviso may be amended as: All proceedings under these regulations shall be governed by the CERC Conduct of Business Regulations as amended from time to time.</p>	
8(1)(c)/(d)	<p>For short term contracts and contracts through power exchanges, the Trading Licensee shall charge a minimum trading margin of zero (0.0) paise/kWh and a maximum trading margin of seven (7.0) paise/kWh:</p> <p>Provided that in contracts where escrow arrangement or irrevocable, unconditional and revolving letter of credit as specified in clause 10 of regulation 9 is not provided by the Trading Licensee in favour of the seller, the Trading Licensee shall not charge any trading margin exceeding one (1.0) paise/kWh.</p>	<p>UPPCL welcomes the CERC proposal that Trading Licensee shall not charge any trading margin exceeding one (1.0) paise/kWh in contracts where escrow arrangement or irrevocable, unconditional and revolving letter of credit is not provided by the Trading Licensee in favour of the seller.</p>	

9(3)	The Trading Licensee shall not exceed at any point of time 110 percent of the volume of trading authorized during a Year under the licence granted to him.	For more clarity in the clause the word cumulative may be added to deal the various types of trading, e.g. long term, short term etc. Proviso may be amended as below: The Trading Licensee shall not exceed at any point of time 110 percent of the volume of cumulative trading authorized during a Year under the licence granted to him.
9 (23)	In the event Trading Licensee has entered into a contract for sale of power with a buying entity for a particular period, then the Trading Licensee shall not enter into any contract for sale of same power with any other entity for such period except with the prior consent of the buying entity.	The proposed clause in the Regulations would help prevent trading licensees to divert power already committed to a buyer without the prior consent of the buyer. Therefore UPPCL welcomes the proposed clause in the Regulations.
9 (24)	Trading Licensee shall not engage in Banking of electricity.	Draft Regulations proposes to disallow trading licensees to engage in Banking of electricity. Thus, the draft Regulations provide clarity.
15(3)	Downgradation of licence	It is requested that the Commission may kindly specify the treatment if the trading licensee who is downgraded has already contracted higher volume of transaction than the revised limit.
22(3)	Wherever the Trading Licensees are required under these regulations to post the information on their website, the Trading Licensees shall be required to post such information only in text converted PDF format, and not images of the documents.	Proviso may be amended as: Wherever the Trading Licensees are required under these regulations to post the information on their website, the Trading Licensees shall be required to post such information only in word file and excel file converted PDF format, and not images of the documents.

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