

**To
The Secretary,
Central Electricity Regulatory Commission,
New Delhi**

Sub: Observations on Draft Central Electricity Regulatory Commission (Power Market) Regulations, 2020 – Reg.

Sir / Madam,

In reference to public notice issued by Hon'ble Central Electricity Regulatory Commission inviting comments on Draft Central Electricity Regulatory Commission (Power Market) Regulations, 2020, the following observations may be considered:

1. The section 2 "Definitions and Interpretations" may also define terms such as Market Clearing Volume, Unconstrained MCV, Market Clearing Price, Unconstrained MCP, Congestion, Real Time Curtailment, Zone etc, In addition to this, new terms may also coined for energy cleared by NLDC considering the congestion and actual energy transacted due to curtailment. Further, these parameters be defined for specified period, as per requirement i.e. block, hour, day, monthly, yearly etc,
2. The subsection 'bf' of section 2, mentions that various types of contracts i.e. Day Ahead Contract, Real Time Contract, Intraday Contract, Contingency Contract and Term Ahead Contract, however, Form IV, furnishing details for Term Ahead Market includes the information associated with Intraday and Day Ahead Contingency along with Daily and Weekly. Thus, it is not clear whether Intraday and Day Ahead Contingency are considered as separate contract or part of Term Ahead Market. The same may be reviewed.
3. In reference to section 14, net worth, in addition to worth in terms of monetary of Rs. 50 Cr, it is suggested to include minimum volume of energy to be transacted in financial year.
4. In reference to section 17.1.4 (a) regarding the qualification, power sector may also be included.
5. In regards to section 50, Market Oversight, it is also opined that concerned authority may examine the gaming by any of the entities not only at intra-exchange level but also interexchange level i.e. simultaneously buying in one exchange and selling in other exchange.
6. In regards to section 51, imposing penalty for Market Manipulation or abuse of position, it is opined that any utility found guilty in any of the exchanges, the may be debarred for a specified period may be 3 years or so, from transaction electricity through all power exchanges across the country.

7. In regards to Form 1, "Volume and Price of Electricity traded in Day Ahead Market through Power Exchange (Day wise)", the word "**Total**" may be added to the column heading "Number of Buy Bids" and "Number of Sell Bids".
8. In regard to Format IX, X and XI, it is observed that these are same formats but for different entities. It is suggested to include a column "**Type of Entity**" in any of these formats, so that only one format can be applicable for Buyers, Sellers, Traders and Facilitator Members.
9. In regards to Form XII, it is understood that it is applicable for both seller and buyer, accordingly, a column "**Type of Entity**" may be included in the format.
10. In format XIII, Congestion Revenue for the Block was defined. In this context, it is also suggested to include a Congestion Factor, which may give due weightage to congestion volume as well as deviation in price, may be such as $(UMCP * UMCV - \sum ACP * ACV) / (UMCP * UMCV)$. Similarly, a Curtailment Factor may be defined, which can be, Energy Curtailed in Real Time / Unconstrained MCV.
11. An additional format may be included which can provide details regarding energy transacted annually by each utility through power exchanges.

Thanking you,

Yours' faithfully,
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