



# Bihar State Power (Holding) Company Limited

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CIN:-U40102BR2012SGC018495

(Power Management Cell)

Letter No 178  
HIS Cell-Misc.-CERC-137-2019

Patna, Dated: - 14/08/2020

Speed Post

From,

Abhijeet Kumar  
Chief Engineer (PMC)

To,

The Secretary,  
Central Electricity Regulatory Commission,  
3<sup>rd</sup>& 4<sup>th</sup> Flor, Chanderlok Building,  
36, Janpath, New Delhi - 110 001

Sub.: Comments/suggestions/objections of Bihar State Power (Holding) Co. Ltd. on the draft CERC (Power Market) Regulations, 2020 - Reg.

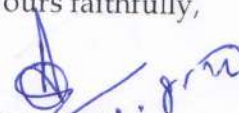
Ref: Draft CERC (Power Market) Regulations, 2020 issued vide Notification No. L-1/257/2020/CERC dated 18.07.2020

Sir,

With reference to the aforesaid subject, please find enclosed herewith the comments/suggestions/objections of Bihar State Power (Holding) Co. Ltd on the draft CERC (Power Market) Regulations, 2020 for your kind consideration.

Encl.: As above.

Yours faithfully,

  
(Abhijeet Kumar)  
Chief Engineer (PMC)

S.No.	Clause/ Regulation	Existing clause in the proposed draft	Requested Amendment	Rationale/ Justification for the suggestion
1.	Clause 5 (2) a&and (3)(a)	<p>5. Contracts transacted on Power Exchanges</p> <p><b>(2) Intraday Contracts and Contingency Contracts</b></p> <p>(a) Price discovery: The bidding mechanism and price discovery mechanism shall be as approved by the Commission based on the proposal of the Power Exchange.</p> <p><b>(3) Term Ahead Contracts</b></p> <p>(a) <b>Price discovery:</b> The bidding mechanism and price discovery mechanism shall be as approved by the Commission based on the proposal of the Power Exchange.</p>		<p>The process and the methodology for price discovery is not clear from the description of Intraday and Term Ahead contracts.</p>
2.	Clause 23	<p>No Power Exchange shall charge transaction fee exceeding such fee as approved by the Commission:</p> <p>Provided that the Power Exchanges which have been granted registration by the Commission prior to the date of notification of these regulations shall be required to obtain approval of the transaction fee to be charged by the Power Exchange within a period of three months of the date of notification of these regulations.</p>		<p>We welcome the decision of commission for regulating the transaction fees further it is being suggested that power exchanges should come up with Annual Revenue Requirement (ARR) filling concept as being practised by other utilities/ system operators i.e POSOCO, NLDC etc or Discoms.</p>
3.	Clause 30	<p>Congestion Amount Management</p> <p>30. (1) The Power Exchange may be vested with congestion amount arising from the difference in market prices of different regions as a consequence of market</p>	<p>Congestion Amount Management</p> <p>The proposed clause 30. (1) &amp; 30. (2) may be substituted by following:</p> <p>Any Financial gain/loss on account of differential price in different areas due to</p>	<p>The proposal under clause 30 may lead to a situation where the benefits of price difference of Market area clearing price will be socialised at the cost of the seller. In the market dynamics, the seller has to bear all other negative impacts of lower clearing price. Hence the benefits of higher price should</p>

S.No.	Clause/ Regulation	Existing clause in the proposed draft	Requested Amendment	Rationale/ Justification for the suggestion
		<p>splitting.</p> <p>30. (2) The congestion amount shall be maintained in a separate account by the Power Exchange which shall be transferred to the Power System Development Fund in the manner as specified in the Central Electricity Regulatory Commission (Power System Development Fund) Regulations, 2019, as amended from time to time and any re-enactments thereof, or utilised in any manner as may be decided by the Commission.</p>	<p>market splitting in case of congestion shall be passed on to the respective sellers/buyers.</p>	<p>also be passed onto the seller.</p>
4.	Clause 31 (2)	<p>Prices, volumes and historic prices of power traded shall be made available on the website of the Power Exchange and should be in downloadable format.</p>	<p>Prices, volumes and <b>historic prices data</b> of power traded shall be made available on the website of the Power Exchange or through API to beneficiaries or in downloadable format.</p>	<p>Since the inception of Real time market operations bidding process have become more dynamic which involves modelling/ processing of market related data from various interfaces. It has thus become a necessity for the participants to receive the data in automated mode (API) for quick and reliable decision making.</p>