

MINUTES OF THE COMMISSION MEETING ON IMPLEMENTATION OF MARKET BASED ECONOMIC DESPATCH (MBED)

Venue	: CERC 3 rd Conference Room, New Delhi
Date	: 25 th August 2022
List of Participants	: Annexure-1 (Enclosed)

The Commission meeting was held on 25th August 2022 (Thursday) to discuss issues with regard to implementation of the Market Based Economic Despatch (MBED). Shri S.S. Barpanda and Shri Sameer Saxena from POSOCO also participated in the meeting. Shri S.K. Chatterjee, Chief (RA) made a presentation explaining the concept of MBED and the representative of M/s Deloitte, presented the simulation performed for sample days of the year 2020.

2. Based on the deliberations in the meeting, the Commission highlighted some operational/design issues: -

- i. The simulation results for the sample days show increase in Market Clearing Price (MCP)/ Area Clearing Price (ACP) in the MBED scenario compared to that under the existing DAM.
- ii. The combined cleared volume in the MBED scenario decreases slightly. This aspect needs to be examined carefully.
- iii. Simulation shows that some of the generators would be decommitted in the MBED scenario. POSOCO was asked to examine the impact of decommitting units under MBED on Ancillary Service procurement and grid security. The issue as to how to recover the fixed costs of such de-committed plants needs examination. Further, technical minimum of plants needs to be considered in simulation.
- iv. The increase in congestion and the resultant market splitting under MBED scenario, was noted for further analysis.
- v. ECRs of NTPC stations are known in advance while those of other generators participating in the DAM are not known. The fixed cost of NTPC generators would be recovered outside the market. However, the same would not be true for other generators

which would be competing with NTPC generators in the MBED scenario. The likely impact of such an arrangement on market price needs examination.

- vi. The mechanism for part load compensation or bilateral contract settlement (BCS) under MBED scenario also needs to be detailed out.

3. The Commission directed the POSOCO and staff to examine the aforesaid operational issues and come back to the Commission with a proposal and simulation of Day Ahead energy market along with the Reserves for Ancillary Services on day ahead basis in order to take into consideration of grid security. The idea of running the MBED with only the regulated generators may also be explored immediately for gaining operational experience. This will also provide required insights for the system benefits and possibility of optimisation on day ahead basis.

**LIST OF PARTICIPANTS IN THE COMMISSION MEETING HELD ON 24.08.2022
ON MBED IMPLEMENTATION**

- Shri I. S. Jha, Member, CERC
- Shri Arum Goyal, Member, CERC
- Shri P.K. Singh, Member, CERC
- Shri Harpreet Singh Pruthi, Secretary, CERC
- Shri S.K.Chatterjee, Chief (RA), CERC
- Shri Awdhesh Kumar Yadav, Chief (Engg), CERC
- Shri Proteek Kumar Chakraborty, Chief (Fin), CERC
- Shri Rajeev Pushkarna. Chief (Eco), CERC
- Shri S.S. Barpanda, Director (Market Operation), POSOCO
- Shri Sameer Saxena, CGM, POSOCO

Other Participants

- Smt. Rashmi Nair , Dy Chief (RA), CERC
- Sh. Ravindra Kadam, Sr.Adv-RE, CERC
- Sh Gagan Diwan, AC (Eco), CERC
- Sh Ashutosh Sharma, AC(Eco), CERC
- Smt. Sukanya Mandal, Asst Chief (RA), CERC
- Sh. Saurabh, PRO, CERC
- Sh Supriya Arora, RO (Eco), CERC
- Smt Jijnasa, RO, FOR
- Sh Chandan Dixit, M/s Deloitte India
- Sh Shanju Nirmal, M/s Deloitte India
- Sh Utkarsh, M/s Deloitte India