

- As the world is moving towards fairer and competition friendly methodology of Uniform Price Discovery mechanism, India being one of the fastest developing economies needs to catch up with the current market trends of the world economy. However, the Hon'ble Commission has not considered the current world market trends and the interest of the gencos while protecting the interest of the consumer.
- While CERC has facilitated power trading in an organized manner, power exchanges have been set up accordingly. These platforms are proven to enhance competition and enable transparent price discovery, and foster innovations and investments.
- The Hon'ble Commission also has the responsibility to protect the interest of the seller and ensure fair trade practices in the market while protecting the interest of the consumers. The Hon'ble commission has introduced the upper capping of Rs.12 kW on all segments at the power exchange to protect the interest of buyer, however, in doing so the gencos are suffering as with variable costs higher than the price cap gencos tend to go out of the market thus, paralysing the healthy competition in the market.
- **In light of this we urge the Hon'ble commission to maintain healthy competition and fair trading in the market by introducing the lower price ceiling which should be equal to the generation cost. The imposition of a price cap ensures that the market prices remain reasonable and within bounds.**
- To add to the woes, the Gencos are unable to recover their production cost and are suffering huge losses due to surge in demand of the power and consequent increase in price of the imported coal. Even the marginal costs of the margin setting generators of the market have increased multifold. The abnormally high market clearing prices, frequently touching Rs.20/kWh, i.e., the maximum quotable price due to high fuel cost and generators margin which was not changed even with the increased prices. Thus, generators have to sell power at very minimal rates, suffering enormous losses whereas even the buyers with robust purchasing power are taking unfair advantage of the upper ceiling price set by the Hon'ble Commission.