



BSES Yamuna Power Limited

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Ref No: RA/BYPL/2023-24/190

Date: 16.10.2023

To,

The Secretary,
Central Electricity Regulatory Commission,
Third Floor, Chanderlok Building,
36, Janpath, New Delhi-110001

Sub: BYPL comments/suggestions on the Staff Paper on "Market Coupling"- reg.

Ref: No. Hon'ble CERC's Public Notice No. Eco-14/1/2023-CERC dated 21.08.2023 & 29.09.2023.

Sir,

We write in reference to the aforesaid Public Notice, wherein comments have been sought from the stakeholders.

Accordingly, BYPL comments on the same are enclosed as Annexure-A for kind consideration of the Hon'ble Commission.

Thanking You,

Yours faithfully

For BSES Yamuna Power Limited

Sameer Singh
(Authorized Signatory)

Encl: As above

BYPL Comments on the Staff Paper on "Market Coupling"

CERC has published the "Staff Paper on Market Coupling" in August 2023 inviting comments/views from the stakeholders. In response, BSES Yamuna Power Limited would like to offer its views on the issues and questions highlighted in the discussion paper w.r.t to power distribution utilities:

1. **'Discovery of Uniform Clearing Prices'** in the collective market: It is submitted that for last 15 years, since the power exchanges have come into existence, price discovery is almost (>99%) happening consistently in exchange leading to uniform price discovery in the collective market.
2. **'Adequate utilization of Transmission Corridor'** is another objective linked with Market Coupling: The Staff Paper itself acknowledges that this objective is achieved with integration of national grid as there is no congestion now and further no corridor is reserved now for any power exchange.
3. Staff paper refers to interaction of different market in Europe w.r.t. to exchange of power in DAM, exchanges and transmission. Thus, limiting to only this as integration of grid is factually wrong. A major outcome of market integration is that, at a regional and ultimately Union level, demand is met securely by the most economic resources.
4. Staff paper had provided the economic gain w.r.t. market coupling done in European market. But, No study or empirical evidence of any benefits seem to have been provided for proposing market coupling in the Indian power market. We request the Hon'ble Commission to conduct a study which provides rationality on the need for coupling.
5. Staff paper refers to Report of the Group on Development of Electricity Market in India 2023 stating to ensure uniform price discovery for implementation of reforms of like Market Based Economic Dispatch (MBED). MBED is a step toward creating a system that operates efficiently with an integrated pan-India approach for generators. By bringing MBED will help in overall reduction of cost savings through the efficient dispatch of a pooled generator portfolios which will eventually reduce the cost to discoms.
6. Staff paper also highlights the issues raised w.r.t. dampening of innovation and technologies. Introduction of new products like RTM is introduced recently only post coming of newer exchanges. Thus, introduction of new players forces old ones to innovate themselves to bring newer products. But, this also means requiring a single set of rules, products, bid specifications etc. With the coupling of power exchanges there will be no differentiation in products, and it will negatively affect the innovations in the short-term market. There should be some benchmark/obligations to exchanges for bringing new products/innovations and some regulations should be there to monitor these.
7. Creation of new body namely Market Coupling Operator/super exchange over above exchanges will eventually lead to exchanges as only bid collection agency. In our view, the three exchanges acting as a Market Coupler in a round-robin manner looks like the most suitable option.