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To,  
The Secretary, Central Electricity Regulatory Commission  
3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi – 110 001

Dear Sir,

Sub: Comments on Staff Paper on “Market Coupling” - Reg

This is with reference to the subject matter we wish to submit our comments as below:

1. **Market/ Regulatory uncertainties introduced by market coupling may delay the RE projects:** The Regulatory uncertainty introduced post market coupling may lead to a wait and watch approach amongst the developers and investors especially in case of RE projects set up for merchant sale/VPPAs, which will slow down the investment flows until there evolves greater clarity on the market uncertainties.

Further, so many changes in the Regulatory policies at the same time (earlier this year GNA has been implemented) can send conflicting signals to investors, which hinders the overall sector growth.

2. **VPPAs which were key to RE market development in the country may impacted due to market coupling:** VPPAs have been instrumental for India in providing renewable projects certainty for consistent revenue flows which eventually becomes a crucial factor for driving investments. These mechanisms are designed in a way that allow the developers to secure the fixed price for the energy they produce which helps them to counter the risk of price fluctuations. In a scenario post market coupling the chances for a lower market price of electricity becomes higher which may make it more challenging for projects reliant on VPPAs.

In view of the above, we request the Hon’ble Commission to assess the need of market coupling at this stage by conducting a detailed independent study on the market design. The market design should reflect the current need of the power sector and should be beneficial for all the stakeholders.

Thank you.

For Fourth Partner Energy Pvt Ltd.

Madhu Rejeti

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