


Email**Ashutosh Sharma**

UT of PUDUCHERRY-Electricity Department- Comments on CERC Staff paper on 'Market coupling'-reg

From : Superintending Engineer-I, EDP <se1ped@py.gov.in> Mon, Oct 16, 2023 06:52 PM
Subject : UT of PUDUCHERRY-Electricity Department- Comments on CERC Staff paper on 'Market coupling'-reg 
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Sir,

Subject: Comments on CERC Staff Paper on "Market Coupling"

We take this opportunity to provide comments on the CERC Staff Paper on 'Market Coupling' on behalf of Electricity Department, Govt. of Puducherry.

The current state of the power market, particularly in the Day-Ahead Market (DAM) and Real-Time Market (RTM) segments, reflects a concentration of liquidity on one dominant exchange. This situation is not conducive to a competitive and healthy market environment, and it goes against the spirit of the Electricity Act. The challenge of reference prices has been a recurring issue, resulting in the monopolistic character of these segments and preventing other exchanges from gaining a foothold.

Furthermore, Market Coupling can play a pivotal role in expanding the power market. Currently, the market's depth is limited, and it has struggled to integrate renewable energy sources effectively. With Market Coupling, the sector can experience a more accurate and robust price discovery process, reducing the need for interventions such as price caps.

The development of a deeper market will be beneficial to end consumers and the sector as a whole, as it will lead to more accurate price signals. This, in turn, will enhance investor confidence and support the growing demand for power and the various reforms being planned.

Market Coupling will also address the issue of price differentials across exchanges, which has been a regulatory concern for State Discoms. This move will serve the broader consumer welfare and uphold competitiveness within the power exchange sector, where exchanges should compete based on the merits of their offerings and service excellence.

We, therefore, request the Hon'ble CERC to take necessary steps to frame regulations for the swift implementation of Market Coupling, taking into account the comments and suggestions received during this consultation.

With regards,

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