

Comments/Suggestions on the issues and questions raised in CERC Staff Paper on Market Coupling

- Would it be advisable to allow the Market Coupling Operator to charge transaction fees from the power exchanges, which in turn charge related transaction fees from the market participants?

In this regard it is submitted that Honorable Commission may consider that the transaction fees if any to be paid to the Market Coupling Operator shall be payable by the power exchanges in proportion of the volume cleared from the respective exchanges. Also, market participants should not be burdened with such additional fees and shall be payable by the exchanges from their regular fees being charged from market participants.

- What should the grievance handling framework be?

In this regard it is humbly requested that Hon'ble Commission may consider handling of grievance if any among the concerned agencies based on the prevailing regulations and in case of any dispute, Hon'ble Commission shall be the authority to be approached.

- Traders are already collecting bids from clients, submitting bids to exchanges, and doing the clearing and settlement. In fact, security maintained by traders is approximately double the cost of power purchased, i.e., maintain a weekly average margin equivalent to power purchased while maintaining a sufficient margin for net cleared volume for tomorrow. Under such a scenario, should traders be allowed to submit their bids directly to the market coupler to reduce the cost of power for trader clients, as the clients are presently paying margins to the trader and also bearing fees and margins of exchange?

In this regard it is submitted that Hon'ble Commission may consider single registration by the market participant for bidding in any exchange of its choice.

Further, the below figure shows the suggested procedure, wherein an independent authority (settlement house) may be appointed for handling of all the payments and margins collectively from participants of all the exchanges:



Fig: Procedure for Payments Settlement