



SHREE CEMENT LTD.

An ISO 9001, 14001, 45001 & 50001 Certified Company

Regd. Office

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SCL/JPR/CERC/1891

28.09.2023

Secretary,
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi- 110001

Subject: Comments/Suggestion on Staff Paper on Market Coupling, 2020

Dear Sir,

M/s Shree Cement Limited is involved in the business of cement manufacturing and having manufacturing location across different states of India. M/s Shree Cement Limited also has power generation capacity of 904 MW from various sources of energy such as coal, wind and solar.

It is submitted here that Hon'ble Central Electricity Regulatory Commission has invited comments/ suggestions from stakeholders on Staff Paper on "Market Coupling". The comments/ suggestions/views on behalf of M/s Shree Cement are as follows:

1. The original concept of 'Market Coupling' was conceptualized in Europe to evolve at a better market design and integration of physical & geographical markets with varied generation portfolios to manage demand supply gap across countries and achieve cost & resource optimization. The essence of the present staff paper, however, implies only coupling of power exchanges, as the other stated objectives of coupling are already existing/ achieved in present Indian Context after the integration of National Grid and 'Uniform Price Discovery' for all five regions.

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2. The Staff Paper itself is acknowledging that the objective related to 'Adequate utilization of Transmission Corridor' 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. No concrete 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 market coupling and market reforms which are achieved by its implementation.
4. Presently all the three Power Exchanges are working in the Market creating market awareness and power procurement cost optimization opportunities for distribution utilities. Power Exchange in the last 15 years of its operations has provided continuous support to the participants by way of capacity building through workshops, seminars etc. for the development of the market. They have assisted in navigating through various rules, regulations and procedures issued by the MoP, CERC or the SERCs. We believe Market Coupling could impact the innovation, service quality, agility etc. of the Exchanges. The Hon'ble Commission should consider this aspect.

In view of the above submissions, we would like to request Hon'ble Commission to conduct a detailed independent study on the market design and upon demonstration of conclusive benefits for stakeholders and market reforms, should implement Market Coupling.

Thanking you

Yours sincerely

For **Shree Cement Limited**



(Amarjit Singh)

Joint Vice President- Power Business