

NAME/MD/CERC/2024-25/002

May 4, 2024

To

**Mr. Harpreet Singh Pruthi,**

Secretary,

Central Electricity Regulatory Commission,

3<sup>rd</sup> and 4<sup>th</sup> Floor, Chanderlok Building,

36, Janpath, New Delhi- 110001

Email: [secy@cercind.gov.in](mailto:secy@cercind.gov.in)

***Subject: Comments and suggestions on the draft Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024***

Dear Sir,

Kindly refer to the Public Notice No. L-1/271/2024/CERC dated April 04, 2024, inviting comments and suggestions from the stakeholders on the draft Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024 ("**CERC Regulations**").

We wish to provide you with our comments/suggestions on the above for your kind consideration and annexed as Annexure to this letter.

In addition to providing this written memorandum, we are also available for making an oral representation to the staff and/or members of the Hon'ble Central Electricity Regulatory Commission, if so required.

Warm regards,



Kapil Dev,

Managing Director,

New Age Markets in Electricity Private Limited

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## ANNEXURE

### Preliminary Submissions:

The Central Electricity Regulatory Commission (Power Market) Regulations 2021 ("**PMR 2021**"), introduced Market Coupling and **Over-the-Counter (OTC) Platform** as the two new provisions/ concepts in the power market.

OTC Platform has been **conceptualized** with an objective to:

- a. **facilitate direct interaction** between buyer and seller;
- b. provide such **information** as is **necessary to take informed buy and sell** decision;
- c. **maintain neutrality** without influencing decision making of market participants; and
- d. maintain **repository of data** and provide **advanced analysis tools**.

It is further mentioned that **no entity can operate an OTC platform unless granted registration**. The OTC Platform is slated to introduce the much-required **transparency** in the OTC market by **reducing** the current level of **information asymmetry**.

### Specific Suggestions regarding CERC Regulations:

1. A definition of "*OTC Platform*" may be added under Regulation 3 (Definitions) of CERC Regulations, which shall read as follows,

*'OTC Platform' means any over-the-counter platform for electricity in terms of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021.*

2. Since OTC Platform has been introduced in the abovementioned Regulation 3 (Definitions), the Regulation 5 of CERC Regulations needs to recognize the role of OTC Platform and may be modified as under:

***“Regulation 5 (Registration)***

...

*5(1)(c) The power exchanges, **OTC Platforms** and trading licensees who intend to avail the services of RLDCs and NLDC shall register themselves with the National Load Despatch Centre not less than 30 days prior to the intended date of availing of the services.”*

3. The Regulation 8 of CERC Regulations needs to recognize the role of OTC Platform and may be modified as under:

***“Regulation 8 (Users)***

...

*8(3) The power exchanges, **OTC Platforms** and Inter State trading licensees shall be considered as users of NLDC.”*

4. Regulation 42 of PMR 2021 allows any person acting on behalf of the grid connected entities to be eligible to participate on the OTC Platform. For reference, the Regulation 42 of PMR 2021 is provided below:

*“42. Participants on OTC Platform*

*The following shall be eligible for participation in the OTC Platform:*

- (1) grid connected entities such as generating companies, distribution licensees, open access consumers or **any person acting on their behalf**; and*
- (2) Trading Licensees.” (Emphasis supplied)*

In consideration of Trading Licensees and SNAs being listed in the user category of Appendix-III of CERC Regulations, we submit that “*Nodal Service Providers on OTC Platform*” should be included as well, as these service providers would be acting on behalf of the grid connected entities such as generating companies, distribution licensees and open access consumers on the OTC Platform. In light of the above, the Appendix-III of CERC Regulations may be modified as under:

***“Appendix-III***

...

*4. User category:*

*i. Generating Station*

*Sub Category – Hydro, Thermal, Nuclear, Renewable-Wind/Solar/Hybrid, Captive generating Plant, Renewable Power Park developers, Standalone Storage System*

*ii. Seller*

*iii. Buyer*

*iv. Bulk Consumer*

*v. Transmission Licensee*

*vi. Distribution Licensee*

*vii. Trading Licensee*

*viii. Power Exchange*

***ix. OTC Platform***

*x. Standalone Storage system QCA / Aggregators*

*xi. SNA*

***xii. Nodal Service Providers on OTC Platform***

*xiii. Others*

*5. User details (as in 31st March of last financial year):*

...

***II. Category - Seller/Buyer/Distribution Licensee/ Bulk Consumer/ SNA/ QCA/ Nodal Service Providers on OTC Platform***

...

***IV. Category: Power Exchange/ OTC Platform/ Trading Licensee: Please specify details."***