

Ref.: APL/CERC/04112024

Date: 04.11.2024

To
The Secretary,
Central Electricity Regulatory Commission,
World Trade Centre, 6th, 7th and 8th floor, Tower -B,
Nauroji Nagar, New Delhi – 110029.

Sub.: Submission of comments on "Directions by the Commission to the Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 – Draft order in the Suo-Motu Petition No. 8/SM/2024 thereof." invited vide Public Notice No. L-1/257/2020/CERC dated 04.10.2024.

Dear Sir,

With reference to the comments invited by the Hon'ble Central Electricity Regulatory Commission on the Draft order in the Suo-Motu Petition No. 8/SM/2024, we hereby submit our comments on the same with a request to kindly take the same on record.

Thanking You,
Yours Sincerely,

For **Adani Power Limited**



M. R. Krishna Rao
President

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Sr. No.	Draft order in the Suo-Motu Petition No. 8/SM/2024	APL Comments								
1	<p>24 (a) All Power Exchanges shall allow only the established pre-specified slots on the exchange platform for TAM contracts (including HP-TAM). These pre-specified slots shall include Base/RTC, Peak, Off-Peak (other than peak), and Night, wherein the peak period would be as defined by the NLDC. In the case of G-TAM, Power Exchanges shall have the liberty to pre-specify slots based on the generation profile of different technologies, as provided by the sellers. Exchanges should submit the pre-specified contracts for approval of the commission.</p>	<ul style="list-style-type: none">• Apart from the proposed pre-specified slots, participants on power exchanges should be allowed to place bids as per their requirement. As the requirement shall vary from participant to participant and they have the certainty that power is sold/ purchase as per their requirement.• In case the seller does not have power for even one time block during the pre-specified slots then they cannot place the bid in the proposed pre-specified slot mechanism and would have to take exposure in RTM. This would have major impact in case of power crunch scenario.• Further, there might be a scenario when the unit is to be brought on-bar after the outage, and they are required to secure the technical minimum quantum which would be difficult to do in case of proposed pre-specified slots. However, if the participant is allowed to place the bid as per their requirement same can be achieved.								
2	<p>24 (b) All Power Exchanges shall follow the timelines for different stages of ADSS contracts, including the bid receiving window/submission of interest quantity by sellers, IPO auction, Reverse Auction, and Bid acceptance window as follows</p> <table><tr><td>Bid Receiving Window</td><td>Max. 2 days (48 hours)</td></tr><tr><td>IPO Auction</td><td>Max. 2 hours (120 mins)</td></tr><tr><td>Reverse Auction</td><td>Min. 2 hours (120 mins) with an extension up to 24:00 Hrs of auction day</td></tr><tr><td>Acceptance Window</td><td>Max. 2 days (48 hours)</td></tr></table>	Bid Receiving Window	Max. 2 days (48 hours)	IPO Auction	Max. 2 hours (120 mins)	Reverse Auction	Min. 2 hours (120 mins) with an extension up to 24:00 Hrs of auction day	Acceptance Window	Max. 2 days (48 hours)	<ul style="list-style-type: none">• We welcome the proposed steps towards timeline for different stages of ADSS contracts. Additionally, we propose to add the following:<ul style="list-style-type: none">➤ Power Exchanges should ensure that any of the stages of ADSS contract should not fall during DAM session of 1000 to 1100 hrs.➤ Further, no two ADSS contracts reverse auction should be scheduled on the same day or should be scheduled such that second reverse auction starts only after first reverse auction is closed.
Bid Receiving Window	Max. 2 days (48 hours)									
IPO Auction	Max. 2 hours (120 mins)									
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Acceptance Window	Max. 2 days (48 hours)									

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3	24 (c) In view of the very low liquidity in Intra Day Contracts since its introduction, the availability of the alternative Real-Time Market, and to avoid market fragmentation, it is proposed to withdraw Intra-Day Contracts in all the Power Exchanges from a pre-specified date, in terms of Regulation 25(3) of PMR 2021.	<ul style="list-style-type: none"> In case of Intra-Day market is withdrawn, then after Contingency Contracts participants will only have the option of RTM to meet their requirement i.e Sell / Buy. Further, there are instances when the RTM sessions are aborted due to technical issues and market participants can neither buy nor sell which puts them in an adverse position. <p>In light, of the above, we request Hon'ble Commission to continue with the Intra Day Contracts.</p>
4	24 (d) It is proposed to modify the price discovery mechanism in the case of Contingency Contracts to Uniform Price Step Auction from the existing Continuous matching. The Commission proposes to issue amendment(s) in PMR 2021 to this effect.	<ul style="list-style-type: none"> Internationally, several power exchanges are utilizing continuous matching for price discovery for Contingency Contracts. Also, auction-based models are relevant to liquid market whereas for less liquid market continuous market is preferred model. <p>Therefore, we request Hon'ble Commission to continue with continuous matching for Contingency Contracts.</p>
5	<p>24 (e) Till the time the amendments to PMR 2021 come into effect, the Power Exchanges shall follow the directions in case of Contingency contracts as under:</p> <p>(i) Power Exchanges to make changes in the software/ market watch so that all the parties are able to see all the buy and sell offers for 10 minutes before the order gets transferred to the order book; after the expiry of this period, best buy and sell bids get cleared, and</p> <p>(ii) Power Exchanges to display information regarding the number and volume of bids received (both buy and sell) on their website, in addition to the data on traded volume.</p>	<ul style="list-style-type: none"> Further, clarity on below points is required: - <ul style="list-style-type: none"> ➤ As the parties will be able to see buy and sell offer for 10 minutes then whether the buyer / seller will be able to change their offer after seeing the offer available in the market. ➤ Whether the scheduling of power under the proposed mechanism would happen in a manner similar to collective transaction or under bilateral mode? In the case of bilateral mode, it may happen that for a particular slot multiple application will have to be processed.