



CHHATTISGARH STATE POWER DISTRIBUTION CO.LTD.

(A Government of Chhattisgarh Undertaking) (A Successor Company of CSEB)

CIN:U40108CT2003SGC015822

OFFICE OF THE EXECUTIVE DIRECTOR (RA & PM),

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No.02-02/ACE-I/ 2735

Raipur Date 11/11/2024

To
The Secretary
Central Electricity Regulatory Commission
6th, 7th & 8th Floors, Tower B, World Trade Centre
Nauroji Nagar
New Delhi- 110029

Sub: Public notice issued by CERC in the matter of '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 - submission of observations

Ref: Public Notice No. L-1/257/2020/CERC dated 4th October 2024

Dear Sir,

This is in reference to Draft order in the Suo-Moto Petition Nn.8/SM/2024 issued on 4th Oct 2024.

We Chhattisgarh State Power Distribution Co. Ltd are actively using Power Exchange platform for managing its short-term power portfolio. The various products of Power Exchanges help us in efficient management of power and ensuring 24X7 power supply to our consumers.

As Discom, we are liable to provide uninterrupted and reliable power to our consumers and in doing so we actively use the Power Exchanges platform. In the DAM and RTM contracts of Power Exchanges there is no certainty of power clearance especially peak hours where rate of exchange goes to upper limit ie 10.00 Rs per KWh. Presently, the only options available to us for arranging firm power on same day & day-ahead basis are intra-day and day-ahead contingency (DAC) contracts of power exchanges.

During peak hour & the high demand periods there is no surety of bid clearance and prices are also high during such a period in RTM. Thus, to avoid the uncertainty of bid clearance in RTM, we prefer the intra-day market as it gives firm confirmation of trade. Discoms are obligated to supply continuous power to its consumers, RTM market is not a complete solution for ensuring managing uninterrupted supply on real-time basis. However, in view of system perspective, the secure trade in intra-day market gives us more flexibility in managing the demand-supply.

The TAM contracts have given flexibility to us in terms of procuring the power as per our requirement. Every discom's load profile is unique and varies as per the season, our peak/off-peak/day/night etc. period is different than the other discoms. We request the Hon'ble commission to reconsider its decision based on our representation as this will have long lasting effect on our commitment to supply 24x7 power to our consumers.

Following are observations & suggestions: -

1) Day ahead Contingency price is at Higher side.

At Para 15 of CERC Draft Order, a comparison of transactions concluded by market participants in DAM and DAC is made, similarly, at Para 16 of the Order, it is informed that for the period October 2023 to June 2024 the price in DAC remained consistently higher than DAM.

For this we have observation that DAC provides another opportunity to meet our power requirements before the RTM.

2) Intraday Product

At Para 24(c) of CERC Draft Order commission have mention following changes.

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

For this we have observation that The Intra-Day transaction enables buyer to transact power as early as 10-time blocks, i.e. 2 hours 30 minutes, prior to start of delivery for duration up to 24:00 hours.

Intra-Day is 'open bidding' that operates with 'Continuous matching mechanism', the result of such matching/clearing is available 10 time-blocks ahead of delivery, in case the bids remain un-matched, the buyer/seller has option to place bid in 'RTM' that operates as 'double sided closed bid'. Thus, sequential operation of 'Intra-Day' followed by 'RTM' facilitates market participants to meet their power trading requirement in optimal manner.

Availability of different types of options is sign of healthy market.

With Respect to above points, we suggest not to discontinue Intra Day Contract.

3) Any day Reverse Auction

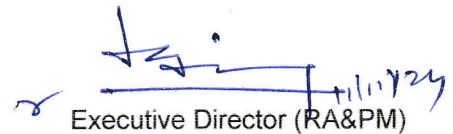
At Para 24(b) of CERC Draft Order commission have proposed following changes in Reverse Auction stages.

<i>Bid Receiving Window</i>	<i>Max. 2 days (48 hours)</i>
<i>IPO Auction</i>	<i>Max. 2 hours (120 mins)</i>
<i>Reverse Auction</i>	<i>Min. 2 hours (120 mins) with an extension up to 24:00 Hrs of auction day</i>
<i>Acceptance Window</i>	<i>Max. 2 days (48 hours)</i>

Our suggestion is following:

- It is suggested to increase the duration of 'Acceptance Window' from 'maximum 2 days (48 hours)' to 'maximum Six (6) days
- While we as a Discoms have different management hierarchy for approvals hence 2 days' time is not sufficient
- It is pertinent to mention that even the DEEP portal allows maximum of 15 days window for acceptance of auction results.

We humbly request Hon'ble Commission to take above submission on record.


Executive Director (RA&PM)

CSPDCL Raipur