

Ref. No: MBPMPL/ANP-I/CERC/24-25/011124

Date: 01.11.2024

To,  
Secretary  
Central Electricity Regulatory Commission,  
6<sup>th</sup>, 7<sup>th</sup> & 8<sup>th</sup> Floors, Tower B,  
World Trade Centre, Nauroji Nagar  
New Delhi – 110029

**Subject: Comments on Draft Order in the Suo-Motu Petition No. 8/SM/2024 - Directions to the Power Exchanges under CERC (Power Market) Regulations 2021**

Respected Sirs,

We write in reference to the above referred Public Notice dated 04.10.2024 issued by this Hon'ble Commission vide which comments/suggestions of the various stakeholders have been invited on the Draft Order in the Suo-Motu Petition No. 8/SM/2024 - Directions to the Power Exchanges under CERC (Power Market) Regulations 2021.

We, MB Power (Madhya Pradesh) Limited, are a Generating Company, having an operational coal-based Thermal Power Project in the district Anuppur of Madhya Pradesh. We are furnishing our detailed comments/suggestions on the said Draft Order in the Suo-Motu Petition No. 8/SM/2024 - Directions to the Power Exchanges under CERC (Power Market) Regulations 2021 (enclosed herewith as *Annexure-I*) for your kind consideration.

We hope you will acknowledge the genuine merit in our comments/suggestions and will consider the same favourably while issuing the final CERC Order in Suo Motu Petition No. 8/SM/2024.

Yours sincerely,

For **MB Power (Madhya Pradesh) Limited**



**Himanshu Srivastava**  
**General Manager**

**MB POWER (MADHYA PRADESH) LIMITED**

Registered Off: Laharpur, Jaithari, Anuppur, Madhya Pradesh- 484330 Corporate Off:239, Okhla  
Industrial Estate Phase-III, New Delhi 110020, India. Phone 91-11-47624100 Fax: 91-1147624229

CIN: U40101MP2008PLC022066 Email Id: info.hpppl@hpppl.in

***Annexure-1: MB Power (Madhya Pradesh) Limited's comments on the CERC (Power Market) Regulations, 2021 – Draft order in the Suo-Motu Petition No. 8/SM/2024***

Existing Clause & Amendment	Comments
<p>24. In view of the above, the Commission proposes to give the following directions:</p> <p>.</p> <p>.</p> <p>.</p> <p>c) <b>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.</b></p>	<ul style="list-style-type: none"> <li>• It is proposed by the Hon'ble Commission vide the Draft Order in Suo-Motu Petition to withdraw the Intra-Day Contracts &amp; also modify the price discovery mechanism to Uniform Price Step Auction.</li> </ul> <p><b>Withdrawal of Intra-Day Contracts</b></p> <ul style="list-style-type: none"> <li>• We would like to submit that as per the Power Market Regulations 2021, the Intra-day Contracts were specifically introduced to address the need for meeting the energy requirements closer to real-time market.</li> <li>• However, the Draft Order proposes the withdrawal of Intra-Day contracts from a prespecified date, in terms of Regulation 25(3) of PMR 2021 in light of the availability of the alternative Real-Time Market &amp; very low liquidity in Intra Day Contracts since its introduction.</li> <li>• Due to the nature of electricity market, where liquidity attracts liquidity, it is observed that only one exchange is leading to serve in RTM segment &amp; other exchanges having very nil presence due to lower liquidity on their platforms. In the case of withdrawing Intra-Day contracts, there is no surety to get full volume clearance in RTM.</li> <li>• Further in the event of RTM session aborted in the leading exchange, it would be difficult for utilities to look forward to secure power as per their requirements.</li> <li>• This could create instability in the market, emphasizing the importance of maintaining intra-day contracts to support liquidity and ensure reliable power availability for utilities.</li> <li>• <b>Hence, we request the Hon'ble commission to continue with existing Intra Day contract.</b></li> </ul>

***Annexure-1: MB Power (Madhya Pradesh) Limited's comments on the CERC (Power Market) Regulations, 2021 – Draft order in the Suo-Motu Petition No. 8/SM/2024***

Existing Clause & Amendment	Comments
<b>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.</b>	<ul style="list-style-type: none"><li>• Further, in contrast, transitioning the Day-Ahead Market (DAC) to an auction-based model could fundamentally alter the nature of the contingency market. The contingency market is typically associated with urgent buying, where participants seek immediate results to close their positions. An auction format may slow down this process, potentially undermining the market's ability to address urgent supply needs efficiently. Thus, maintaining a continuous matching approach is crucial for preserving the core functions of the contingency market.</li><li>➤ <b>We request the Hon'ble commission, to continue with the Continuous matching for the price discovery mechanism in the Day Ahead Contingency Market.</b></li></ul>