

**JSWEL 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.**

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Dear Sir/Madam

This is in response to the draft order by Hon’ble CERC in the Suo-moto petition No. 8/SM/2024 dated 04-10-2024 wherein it has been proposed to withdraw Intra-Day contracts in all power exchange(s) from a pre-specified date, in terms of regulation 25(3) of the Power Market Regulation (PMR).

In this regard the comments from JSW ENERGY Limited are as detailed below,

Clause	Comments
24. In view of the above, the Commission proposes to give the following directions: - - (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.	Withdrawal of Intraday contracts could affect the clearance of getting assured power in order to mitigate the power deficits in the case of unprecedented demand rise, low power availability due to supply side constraint or generation outages. As only one exchange is leading RTM segment and other exchanges having very nil clearance due to lower liquidity on their platforms, withdrawing intraday contracts causes no surety to get full volume clearance in RTM which may create instability in the market for both generator & consumers/Discoms to face difficulties to secure power as per their requirements.  So we request Hon’ble commission to continue with existing Intraday Contracts
(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.	In case if the continuous matching mechanism of the DAC segment is changed than the essence of the having the assured power availability will be vanished and may slow down the process potentially undermining the markets' ability to address urgent supply needs

efficiently.

The contingency market is typically associated with urgent buying with confirmed fixed quantum to reserve as per utilities/DISCOMs to fulfill their must peak demand requirements, as there is no surety to get full volume clearance in DAM & RTM in peak season.

So we request Hon'ble commission to continue with the continuous matching for the price discovery mechanism in DAC market segment

Regards,

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