



एनटीपीसी विद्युत व्यापार निगम लिमिटेड  
(एनटीपीसी लिमिटेड की पूर्ण स्वामित्व वाली सहायक कंपनी)

**NTPC Vidyut Vyapar Nigam Limited**  
(A Wholly Owned Subsidiary of NTPC Limited)

केन्द्रीय कार्यालय/Corporate Centre

Ref: NVVN/BD/CERC/02/PMR

Date: 2nd Nov 2024

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

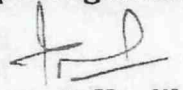
SUB: NVVN's comments of direction by the Hon'ble commission to the power exchange registered under the CERC (Power Market) regulations, 2021

Sir

Please find enclosed herewith NVVN's comments on the direction by the Hon'ble commission to the power exchange registered under the CERC (Power Market) regulations, 2021 in annexure-I.

Encl: As above

Yours Sincerely  
For and on behalf of  
NTPC Vidyut Vyapar Nigam Ltd.

  
Prasanta Kanjilal  
Dy Gen Manager (BD)



प्रशान्त कान्जीलाल/PRASANTA KANJILAL  
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Deputy General Manager (Business Development)  
एन टी पी सी विद्युत व्यापार निगम लिमिटेड  
NTPC Vidyut Vyapar Nigam Limited

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## **Annexure-I**

NVVN's Comments on draft order:

### **1. Intraday Contracts:**

- i. RTM market is for catering to the demand of buyers closer to real time after large part of demand is traded in Day ahead market while intraday market is a niche segment catering to assured supply only for handful of buyers during specific instances i.e. occurrence of specific uncontrolled circumstances like unit outage or large scale RE generation variation and therefore the volumes traded in these two segments are not comparable.
- ii. When the power demand/ supply situation is normal i.e. demand does not outstrip supply, collective market segments like DAM/ RTM segments may operate in intended way. However, whenever there is any sudden demand / supply imbalance, due to any reason like outages including weather variation etc. rationing of power starts happening in DAM/ RTM segments. Therefore, the utilities who need large quantum of power relies on intraday segment for assurance of power.
- iii. Intraday contracts allow flexibility for buyer discoms to procure electricity close to real time through an alternate market in an assured way which RTM market can't provide.
- iv. For large scale unit outage or for renewable rich states, large scale variation in wind and solar, discoms have no option except to resort to load shedding, while available gas-based generation capacity supports discoms' demand by providing grid support in such urgency, intraday High price market is the only option for meeting demand through such sources however at a premium which is reflective of the market situation. There is no such provision in RTM market as such. As more and more RE penetrates into the grid, intraday segment will be the pivotal support for grid security during RE generation variation.

### **2. Day Ahead Contingency (DAC):**

- i. DAC market is an alternate option after Day ahead market closure for buyer discoms to procure power in an assured way.
- ii. The price discovery mechanism in DAC market is different from Day ahead market because both markets are catering to the need of different market conditions. A very good analogy may be drawn from Indian Railways ticket booking under Tatkal (Dynamic fare).





- iii. Changing auction design in DAC will lead to more time required in trade execution with little certainty on assured power for buyers.
  - iv. DAC market starts is after Day ahead market closure and therefore higher prices in DAC is indicative of market demand of power moreover high price segment in DAC also contributes to same.
  - v. Price rise during specific periods of year is present in Day Ahead Market also attributable to increasing demand-supply mismatch. It is pertinent to mention that MOP has introduced several initiatives to fulfil power requirement including Section-11 operation of Imported Coal based Plants, Gas based plants operation etc. It is also a commonly known fact that such situation has arisen due to capacity (non-RE) addition growth getting outpaced by demand growth when demand rises.
  - vi. DAC in its existing model has grown over the years as demand for power also increased in last couple of years therefore reflects market's need for such product in existing form.
3. Keeping same time-block as a product design for TAM segment is completely against the spirit of demand/ requirement fulfilment. India is a vast country, and every state has different peaks/ off peak period on daily basis as well as monthly basis. Therefore, Utilities under TAM/ HP-TAM should be allowed to procure power as per their actual need rather than buying power under force in specific time blocks due to market design.

