

PCKL Comments / views on Directions by the Commission to the Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 draft order dated 4.10.2024.

1. All matching transactions, including intraday, day-ahead contingency and term-ahead market transactions, shall be suspended due to a lack of transparency. Furthermore, the rates associated with term-ahead market transactions are excessively high, placing generators in a position of advantage, allowing them to charge rates exceeding their actual costs. Consequently, consumers ultimately bear the burden of these inflated costs.
2. The proposed bid conditions are acceptable; however, the following amendments are recommended:
 - ✓ The security or margin requirement shall be set at the equivalent of one day's transaction amount, rather than the current 20% of the contract amount applicable in term-ahead market transactions.
 - ✓ Parties shall be permitted to withdraw from the contract by paying a minimum of two days' charges.
 - ✓ The contract shall allow for the backing down of power, subject to a payment of 20% of the cleared price on a daily basis. Additionally, any backed-down power may be sold to third parties.