

Date – 31/08/2018

To,  
The Secretary,  
Central Electricity Regulatory Commission,  
Chanderlok Building,  
36, Janpath,  
New Delhi – 110001

**Essar Power M. P. Limited**  
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Subject – Comments/suggestion on “Discussion Paper on “Re-Designing Real Time Electricity Market in India”

Dear Sir,

This is in response to the public notice dated 25<sup>th</sup> July 2018, inviting comments / suggestion on Discussion Paper on “Re-Designing Real Time Electricity Market in India”.

Please find enclosed comments on same on behalf of Essar Power M.P. Limited, Mumbai

Thanks and Regards,

Sandeep Sahay  
(Chief Commercial Officer)

Sr. No.	Clause	Suggestion
1	<p>Proposed Real-time Market design:- The real time market shall be conducted once in every hour for delivery in four fifteen minute blocks in each hour. Such faster transaction/settlement requires automation, and the Commission has already initiated action on this (through amendments in regulations to implement National Open Access Registry).</p>	<p>It is suggested that the bidder should be provided option to submit the bids for all the hourly auctions available at once rather than putting the bids at the auction start time for respective delivery periods. While the clearing of bids may happen on hourly basis</p>
	<p>Proposed Real-time Market design:- The real time market shall be conducted once in every hour for delivery in four fifteen minute blocks in each hour. Such faster transaction/settlement requires automation, and the Commission has already initiated action on this (through amendments in regulations to implement National Open Access Registry).</p>	<p>It is suggested that at the trade start time, a preliminary auction should be conducted wherein status of the bid should be provided with the option to revise the bid.</p> <p>For eg. In case of coal based power plants, they require ramp up/ramp down of 30-50 MW in each time block. In this scenario, if the seller has surplus of more than 50 MW then he will not be able to sell such surplus power over and above 50 MW, because he does not have clarity that which bid will get cleared, since the bid will be for an hour only.</p> <p>If an option of revised bid is available the Final Auction conducted on the basis of revised bids shall resolve the ramp up/ramp down issue of the coal based thermal power plant</p> <p>This would further meet the objective of increasing the volume traded under real time markets.</p>
2	<p>5.7 - Settlement in the proposed Real Time Market: All day-ahead schedules (as a matter of principle) are "firm financial commitments". Firm-financial commitment means that a supplier (generator or trader) receives revenue from day-ahead schedules regardless of real-time</p>	<p>As generator would not have option submit bids beforehand, in force-majeure situations of tripping of generating units, where the generation outage may be for 2-3 hours, placing of bid on exchange and getting it cleared may not be possible, so the settlement should continue through DSM mechanism.</p>

	<p>output of its generation unit. → If a supplier is scheduled 40 MWh on day ahead at a price of INR 2500 / MWh, it receives INR 1,00,000 for sales. Any shortfall or surplus from day-ahead generation schedule shall be rebalanced in real-time market (unlike in the existing system where such deviations are settled through DSM). If a supplier produces only 30 MWh in real time, it must purchase 10 MWh (to match day-ahead commitment) from real-time market at real-time price. This “purchase” by the generator is not for sale to the discom – this must be construed as generator making up for shortfall from its day-ahead commitment (day ahead schedule).</p>	<p>Hon’ble Commission should also specify how the settlement would be done for shortfall quantum of day ahead market, if the bids are not cleared due to various issues like bids not matching or buyer not available.</p>
	<p>Miscellaneous</p>	<p>With 2 power exchanges operating in the market, currently any seller/buyer has the flexibility under pay as you bid principle to view the buy/sell bids available in both power exchanges and place the bid accordingly.</p> <p>However, with Real time market being implemented, the bidder with no information available would carry the risk of bidding in one of the exchange where no opposite party is available. The bidder cannot take the risk of placing the same bids or partial bids in both the exchanges.</p> <p>Hon’ble Commission should address this issue by providing the preliminary results in both the exchanges.</p>