



PUNJAB STATE POWER CORPORATION LIMITED

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To

Secretary,
Central Electricity Regulatory Commission
3rd & 4th Chanderlok Building 36,
Janpath Rd, New Delhi, Delhi 110001

Memo no.180 -181,
Dated: - 15.02.19

Sub :CERC proposed Market Based Economic Dispatch (MBED) of Day Ahead Market (DAM) In India.

With reference to subject cited CERC has issued Discussion Paper on 'Market Based Economic Dispatch of Electricity: Re-designing of Day-ahead Market (DAM) in India' for scheduling entire country's generation and power demand through power exchange.

Comments are as below :-

1. Flexibility of Self Scheduling :

The flexibility in self-scheduling should be available to DISCOMs and power plants having LT PPA with DISCOMs. The DISCOMs and power plants having LT PPA should be given choice for participation in MBED on basis of mutual decision.

In the concept paper it is mentioned that during the transition period if part of the contracted capacities in any generating station remains un-requisitioned after 9.45 a.m., such un-requisitioned surplus (URS) capacities will have the right to participate in the day ahead market of the power exchange starting from 10.00 a.m. For such URS, the discoms shall not have the right to recall, but the net revenue earned by these capacities (URS) by participating in the DAM or RTM shall be shared in the ratio of 50:50.

It is stated that taking away the Right of DISCOMs to recall their contracted capacity at 9.45 am for delivery on next day is not appropriate. A contract between a DISCOM and a generator was agreed on certain terms and conditions bilaterally and taking away the provisions of the contract is not in order.

2. Discouraging Long term/ Medium term PPA

The DISCOM are discouraged for doing long term/ medium term contracts. Under proposed mechanism, the DISCOMs not having PPA have advantage as they can procure cheaper power at marginal cost as the fixed cost is being borne by DISCOM having contractual tie-up under PPA. MBED model would turn out to be detrimental for attracting investment in power sector.

3. Huge Working Capital Requirement

The proposed MBED mechanism requires creation of huge working capital with DISCOMs prior to trading in DAM. The DISCOMs in India suffers from poor financial health. This would put further pressure on finances or cash flow of the DISCOMs.

4. Banking of Power

Banking which is convenient for the state of Punjab, is also not possible through MBED so it should be reviewed.

Submitted for your kind consideration & necessary action please.


Dy. CE/PR
PSPCL, Patiala

C/c CE/ARR + TR, PSPCL, Patiala.