

Ref: PXIL/S&R/15022022/1

Date: 15th February 2022

To
The Secretary
Central Electricity Regulatory Commission
3rd and 4th floor, Chanderlok Building
36 Janpath
New Delhi - 110001

Sub: Public notice issued by CERC on “Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021 – Observations, comments and suggestions from Power Exchange India Limited.

Ref: Public Notice No. L-1/261/2021/CERC dated 16th December 2021

Dear Sir,

The Electricity Act 2003 mandates the Commission to develop a framework that provides for non-discriminatory access to inter State transmission network for market participants to schedule power under different transacting arrangements available in the electricity market.

The draft ‘Connectivity and General Network Access’ regulation is aimed to advance to a market friendly approach with provision related to transmission connectivity, deemed GNA for State and rule-based allocation to T-GNA grantees leading to optimal utilisation of transmission capacity under different contracting structures in a fair and transparent manner.

The regulation proposes to subsume the existing Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009, providing for increase in short term open access period from existing one (1) month to upto eleven (11) months. With the recent Hon’ble Supreme Court Judgement dated 6th October 2021, the proposed draft Regulations would also enable Power exchanges to offer Term Ahead Market Contracts for duration from ‘T+2 days’ and above upto 11-month ahead in a seamless manner within the T-GNA framework.

We take this opportunity to welcome this structural change in the market, which will promote market-based transactions in non-discriminatory manner.

We request the Hon’ble Commission to kindly take our suggestions on record and grant us an opportunity to present them to the Commission and its staff.

Thanking You,

Yours faithfully,
For **Power Exchange India Limited**

Authorised Signatory

Power Exchange India Limited

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PXIL suggestions and observation on Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2021

The "draft CERC (Connectivity and General Network Access to the inter-state transmission system) Regulations, 2021" 'GNA regulation' is a welcome initiative, the draft regulation focuses on connectivity, access and utilisation of inter State transmission capacity focusing on power sector at large.

With Power exchanges offering an array of contracts for transacting in conventional and renewable power, access that ensures delivery of power from an hour to several number of days, access to network and allocation of transmission capacity in a fair, equitable and transparent manner is vital for further development of Exchange based power markets.

Further, the need of the hour is in adopting an optimized approach for generators to connect to transmission system, enable rule-based access to transmission network to evacuate all generation realising the twin objectives of 24x7 power supply to all consumers and robust development of the power market. It is in such context that the draft regulation of GNA by CERC is envisaged wherein connectivity and access for different periods are dealt together and the system so developed promotes market-based transactions.

PXIL submits the following clause wise comments / suggestions on the draft regulations.

1. Regulation 2 Definition

"(ah) "Renewable Hybrid Generating Station" or "RHGS" means a generating station based on hybrid of two or more renewable source(s) of energy with or without Energy Storage System, connected at the same inter-connection point;"

Suggestions:

PXIL submits that Integrated Hybrid Generating stations are being proposed as solution to maintain grid security and stability of the grid due to large scale integration of grid connected renewables which are infirm by nature, such Hybrid stations provide Balancing power to ensure stability of the grid.

Ministry of Power, vide notification ref no 09/11/2021-RCM dated 15.11.2021 has introduced scheme for flexibility in generation and scheduling of Thermal / hydro power station through bundling with Renewable energy and Storage power. The applicability of the scheme is provided at Clause 2 of the notification:

Applicability

- 2.1 *All new and existing coal / lignite / gas based thermal generating stations or hydro power stations for the purpose of the scheme are herein referred to as a 'Generating Station'*
- 2.2 *Any Generating Company having such Generating Station (s) may establish or procure renewable energy from a Renewable Energy (RE) power plant which is either co-located within the premises or at new locations within the vicinity of an existing Generating Station*
- 2.3 *The generating companies shall be allowed to utilise such renewable energy for supplying power against existing commitments i.e. replacement of Thermal / Hydro power to procurers anywhere in India. Further, the renewable energy procured by the Distribution licensee shall be considered towards the RPO of the Distribution licensee*
- 2.4 *The following types of cases will be eligible under the "Renewable Energy Power Bundling and Flexibility in Generation and Scheduling of Thermal / Hydro Power Stations" policy*
 - a. *Renewable energy plant co-located within the premises of a Generating station*
 - b. *Renewable energy plant located in the vicinity i.e. within 100 km of a generating station*
 - c. *Renewable energy plant co-located within the premises or located within the vicinity of a generating station supplying RE power to procurers of another Generating station, located at a different location and owned by the same Generating company*
- 2.5 *The Term 'RE power plant' referred herein the scheme may be established on a standalone basis or in combination with Battery Energy Storage System (BESS) in the cases listed in para 24. Accordingly, from here forth the term 'RE power' shall mean either standalone RE power or RE power with BESS*
- 2.6 *Bundling under the scheme shall be permissible in those cases where the RE power is injected through the existing electrical switchyard of the Generating Station"*

Further, Clause 8.3 of the scheme provides for trading of RE power in Power exchanges, as:

"Clause 8.3

Requirement of selling the RE power in power market when it is not feasible to replace the Thermal / Hydro power: *During certain periods, the replacement of Thermal / Hydro power may not be feasible on account of technical minimum schedule, forced / planned shutdown of a Generating Station. To avoid stranding of RE power, it is provided that the Generating Station shall be allowed to sell such RE power to third parties / Power exchange and no clearance is requirement from beneficiaries of the station. However, the right to schedule power from the Generating Stations shall first rest with the PPA holders and in case, they do not schedule the power, the Generating Stations shall have the right to sell the unscheduled RE power in the market. Also, during such conditions a RE power plant would not be operating under the flexibility scheme and therefore there shall not be any requirement of sharing gains / losses derived through sale of such RE power in the market.*

The concerned RLDC / RPC shall facilitate sale of such power in the power market by separate scheduling of RE power for both co-located and near located (within vicinity) RE stations."

With capital investments expected under the above scheme, opportunity to transact surplus / unscheduled power needs to be enabled for such stations to access Power exchanges for trading. The Hon'ble Commission is requested to modify the above definition by incorporating such flexible hybrid power stations as under:

*“(ah) “Renewable Hybrid Generating Station” or “RHGS” means a generating station based on hybrid of two or more renewable source(s) of energy with or without Energy Storage System, connected at the same inter-connection point. **Further, RHGS shall also mean integrated Renewable energy and Thermal / Hydro generating stations that has been installed with and without Battery Energy Storage System within the premises or at new locations within the vicinity of existing Generating station”***

2. Regulation 4: Eligibility for Connectivity to ISTS

“4.1 The following entities shall be eligible as Applicants to apply for grant of Connectivity or for enhancement of the quantum of Connectivity:

(a) Generating station(s), including REGS(s), with or without ESS, with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead Generator or a Lead ESS;

(b) Captive generating plant with capacity for injection to ISTS of 50 MW and above;

(c) Standalone ESS with an installed capacity of 50 MW and above individually or with an aggregate installed capacity of 50 MW and above through a Lead ESS or Lead Generator;

(d) Renewable Power Park Developer;

(e) REGS or standalone ESS with an installed capacity of 5 MW and above applying for grant of Connectivity to ISTS through the electrical system of a generating station already having Connectivity to ISTS:

Provided that such an entity applying for grant of Connectivity to ISTS has an agreement with the said generating station to share its electrical system and dedicated transmission lines, if any.

Suggestions:

PXIL submits that the provision identifies entities that are eligible to apply for grant of Connectivity or for enhancement of the quantum of Connectivity. Further, application for grant of Connectivity should also be accepted from other grid connected entities like Distribution companies, large industries, SEZs or any load more than 50 MW.

3. Regulation 8 Connectivity Bank Guarantee

“8.2 For cases covered under Regulation 7.1 of these regulations, Conn-BG2 and Conn-BG3, shall be furnished

Provided that if the entity that has been intimated in- principle grant of Connectivity, (i) proposes to construct the terminal bay(s) on its own under Regulation 12.4 of these regulations, or (ii) seeks Connectivity at a terminal bay constructed or being constructed by another Connectivity grantee, or

(iii) seeks Connectivity through electrical system or switchyard of a generating station, no Conn-BG2 is required to be furnished.

Suggestions:

The provision provides for connectivity to be provided to an applicant by sharing connectivity infrastructure with another Connectivity grantee. The Hon'ble Commission is requested to clarify whether the applicant needs to seek consent from other Connectivity grantee who is developing the requisite infrastructure or the CTU shall undertake such infrastructure development.

4. Regulation 23 Use of GNA by other GNA grantee (s)

“23.1.

An entity covered under Regulation 17.1 which is a GNA grantee, may authorise other entities covered under Regulation 17.1 which are GNA grantee(s), to use its GNA, in full or in part, with prior approval of the Nodal Agency, for a period not exceeding 1 (one) year at a time on mutually agreed terms and conditions:”

Suggestions:

The provision provides for transfer of approved GNA to be used by another GNA grantee (s) in full or part with prior approval of Nodal Agency for period not more than one (1) year, thus the other GNA grantee (s) effectively uses the GNA as ‘Temporary-GNA Grantee’. Further, transfer from one entity to another may result in inadvertent hoarding of transmission capacity thereby affecting outcome of future transactions by entities applying under Temporary GNA category.

In order to pre-empt any inadvertent misuse of GNA under the envisaged provision, PXIL humbly suggests to the Hon'ble Commission that GNA may be permitted for transfer to another entity only if the recipient GNA grantee(s) utilises the same for transacting on Power exchange platform. The Hon'ble Commission is requested to modify the above provision as under:

“Provided further, the transfer of GNA from one GNA grantee to another GNA grantee (s) shall be utilised for transacting in Power exchanges by the recipient entity”

5. Regulation 27 National Open Access Registry (NOAR)

“(iii) Provide an interface with the Power Exchange(s) for validation of standing clearance and processing of term-ahead and day-ahead transactions;

Suggestions:

PXIL has introduced different Contracts to enable market participants transact in electricity to meet their trading requirements. The scheduling and delivery of power for such transactions is

in accordance with CERC (Indian Electricity Grid Code) Regulations, 2010 and the CERC (Open Access in inter-State Transmission) Regulations, 2008 and procedures issued in this regard.

PXIL humbly submits that post submission of Order by participants in any Contract, matching of Orders is undertaken, it is observed that the matching mechanism may identify and declare Buyer and Seller connected to intra-State network of the same State, in such case scheduling and delivery of power may not necessitate accessing the inter-State network.

PXIL humbly requests that, in such instance, NOAR shall facilitate submission of application to State Load Dispatch Centre (SLDC) where both the Buyer and Seller are located.

To facilitate Power exchange to submit application to SLDC of the State, PXIL humbly suggest inclusion of following provision in NOAR

“Regulation 27.1 (ii)

(ii) (a) Provide an interface with the Power Exchange (s) for submission of application to SLDC of the State for scheduling and delivery of power when both Buyer and Seller are in the same State”

6. Regulation 28 Application for grant of T-GNA

“28.1.T-GNA may be applied for any period from 1(one) time block and up to 11 (eleven) months”

Suggestions:

Regulation 28.1 prescribes the time period that is allowed for applicants desiring to obtain T-GNA. The Hon’ble Commission is requested to clarify the following:

- a. Whether the 11 (eleven) months period would include the month in which the application is submitted

Illustration:

- *If an applicant applies on 20th December 2021, whether the last day of T-GNA would be 31st October 2022 or 30th November 2022*
- *If an applicant applies on 5th January 2022, whether the last day of T-GNA would be 30th November 2022 or 31st December 2022*

- b. Whether first month of the ‘11 (eleven) months’ duration can be the date from which T-GNA is desired

Illustration: The applicant applies on 24th December 2021, seeking T-GNA from 5th May 2022 to 31st March 2023. Whether NOAR will accept such a request and what would be the first day and last for scheduling delivery under the T-GNA.

PXIL humbly requests Hon'ble Commission to clarify on the above, as this would help market participants to submit their applications appropriately.

7. Regulation 28 Application for grant of T-GNA

"28.2. On-line application for grant of T-GNA to the Nodal Agency for a specified quantum and specified time period shall be accompanied by a non-refundable fee of Rupees five thousand (Rs.5000/-)."

Suggestions:

The Power exchanges offer different Contracts for transacting in electricity under provisions of Regulation 5 of CERC (Power Market) Regulations, 2021 ('PMR 2021'). The market participants transact in such different Contracts, each transaction / Contract, requires the Power exchange to submit application to Nodal agency to schedule delivery of power.

The Regulation 28.2 requires Power exchange to submit non-refundable fee of Rupees Five thousand (Rs. 5,000/-). Since every application requires submission of Rs. 5,000/- as application fee, the same would lead to increase in transaction cost for all the participants.

PXIL humbly submits that instead of charging and collecting application fee against every application, rationalisation of application fee is proposed that would result in reduction in transaction cost for all the participants. PXIL humbly suggests modifying Regulation 28.2 as under:

"28.2 On-line application for grant of T-GNA to the Nodal Agency for a specified quantum shall be accompanied by a non-refundable fee.

Provided separate non-refundable fees of Rupees five thousand (Rs. 5,000/-) shall be submitted to Nodal Agency processing applications for Collective transaction in Contracts approved under Regulation 5(1) of PMR 2021 in a day

Provided further separate non-refundable fees of Rupees five thousand (Rs. 5,000/-) shall be submitted to Nodal Agency processing applications for Bilateral transaction in Contracts approved under Regulation 5(2) and 5 (3) of CERC (Power Market) Regulations, 2021 in a day"

8. Regulation 28 Application for grant of T-GNA

"28.4. Application for grant of T-GNA may be made under any of the following categories:

A. For bilateral transactions

(b) Exigency application for grant of T-GNA: Application made on (D) day for grant of T-GNA with scheduling for (S) day, which may be (D) day or (D+1) day or (D+2) day, with a minimum start time of 7 (seven) time blocks unless specified otherwise in the Grid Code:

Provided that the Exigency application for grant of T-GNA shall be made for any time block(s) between 0000 hrs to 2400 hrs of the (S) day.”

Suggestions:

PXIL submits that Regulation 28.4 (A) (b) provides that an application for bilateral transactions received under ‘Exigency application’ category, the T-GNA shall be granted with minimum start time of 7 (seven) time blocks.

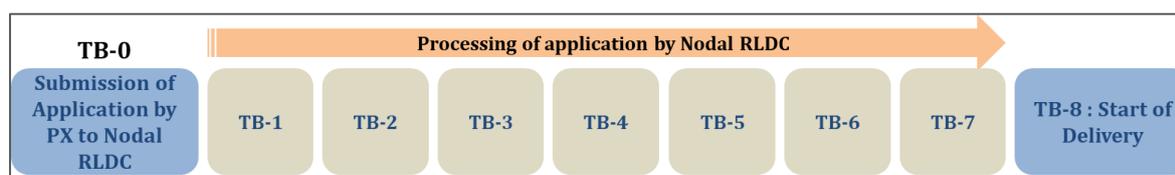
Further, at para 14.10 (B) of ‘Explanatory Memorandum’ the illustration informs processing of application with four (4) time blocks.

“A snapshot is provided in following table:

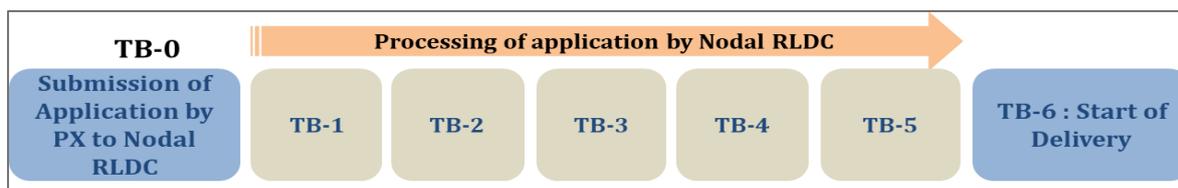
Scheduling of 200 MW for 20.11.2021	
<i>Applications received on 20.11.2021 (Same as day of Scheduling)</i>	<i>processed within four-time blocks on same day i.e. 20.11.2021, on first-come-first-served basis</i>
Scheduling of 200 MW for 21.11.2021	
<i>Applications received till 1300 hrs of 20.11.2021</i>	<i>processed after 1300 hrs on 20.11.2021 on first-come-first-served basis and shall be finalised by 1400 hrs of 20.11.2021.</i>
<i>Applications received after 1300 hrs of 20.11.2021 or in the day of scheduling i.e. 21.11.2021</i>	<i>processed within four-time blocks on 20.11.2021 or 21.11.2021 as the case may be, on first-come-first-served basis</i>

PXIL submits that Intra-day Contract operating under provisions or Regulation 5 (2) of PMR 2021 provides flexibility to schedule power on the same day. The above two provisions depict two different scenarios as under:

As per Regulation 28.4



As per Para 14.10 of Explanatory Memorandum



The Hon’ble Commission is requested to clarify the lead time allowed between submission of application by Power exchange on NOAR portal in the name of Nodal RLDC and scheduling of power i.e. the number of time blocks for scheduling power in Exigency category.

9. Regulation 28 Application for grant of T-GNA

“28.4. Application for grant of T-GNA may be made under any of the following categories:

A. For bilateral transactions

(a) Advance application for grant of T-GNA: Application made on the (D) day for grant of T-GNA starting on or after the (D+3) day, which may fall either in the same month as the (D) day or in the subsequent month.

(b) Exigency application for grant of T-GNA: Application made on (D) day for grant of T-GNA with scheduling for (S) day, which may be (D) day or (D+1) day or (D+2) day, with a minimum start time of 7 (seven) time blocks unless specified otherwise in the Grid Code:

Provided that the Exigency application for grant of T-GNA shall be made for any time block(s) between 0000 hrs to 2400 hrs of the (S) day.”

Suggestions:

PXIL submit that Regulation 28.4 (A) provides for bilateral transactions to be approved as ‘Advance application’ / ‘Exigency application’ considering scheduling day (S) to be same day i.e. day (D) when the application has been submitted or day (D+1) or day (D+2) or day (D+3) and above. All such applications where scheduling is on ‘D+3’ and above would be considered as ‘Advance application for grant of T-GNA’, however, when scheduling is on same day i.e. D or on ‘D+1’ or on ‘D+2’ such transactions would be considered as ‘Exigency application for grant of T-GNA’.

PXIL submits that Regulation 5 (3) of PMR 2021 prescribes Term Ahead Contracts to be offered by Power exchanges, the word ‘Term Ahead Contract’ is defined at Regulation 2 (1) (ba) of PMR 2021 as under:

Regulation 2(1)

(ba) “Term Ahead Contract” means a contract (including Green Term Ahead Contract) wherein transactions occur on day (T) and physical delivery of electricity is on a day more than one day ahead (T + 2 or more);

When we consider a case for TAM Contract with delivery commencing from ‘T+2’ onwards, in such transaction for scheduling delivery of power, the Power exchange will have to submit two separate applications as under:

- a. For delivery on ‘T+2’ or ‘D+2’ day, the application shall be an ‘Exigency application’
- b. For delivery from ‘T+3’ or ‘D+3’ onwards the application shall be ‘Advance application’

Thus, for a single transaction where delivery commences from ‘T+2’ onwards, two application would be required, instead one application should be made applicable for reducing the transaction cost for participants. The table-1 below, captures applicability of Contract types as provided in PMR 2021 and application intent as proposed in GNA Regulation.

Particular	Under PMR 2021	Under GNA Regulation
Same Day i.e. application submission ‘D’ and scheduling delivery ‘S’ is on same day here, ‘S’ = ‘D’	Regulation 5 (2): Intraday Contract with delivery on date of transaction i.e. ‘T’	Exigency application for scheduling power
Next Day, here, ‘S’ = ‘D+1’	Regulation 5 (2): Contingency Contract with delivery on next day of transaction i.e. ‘T+1’	Exigency application for scheduling power ‘S’ = ‘D+1’
One day after next day, Here, ‘S’ = ‘D+2’	Regulation 5 (3) Term Ahead Contract with delivery from ‘T+2’	Exigency application for scheduling power ‘S’ = ‘D+2’
Two days after next day i.e. ‘S’ = ‘D + 3’	Regulation 5 (3) Term Ahead Contract with delivery under ‘T+2’ and above	Advance application for scheduling

Note: In the above table, the nomenclatures used are:

1. ‘T’ date of transaction on Power exchange as per PMR 2021
2. ‘D’ Date of submission of application as provided at Regulation 28.3 of GNA Regulation

3. 'S' Date of scheduling of power as provided at Regulation 28.3 of GNA Regulation

PXIL humbly requests the Hon'ble Commission to consider applications for granting T-GNA for bilateral transaction for period co-terminus with Contract types provided in PMR 2021, it is suggested that Regulation 28.4 (A) may be modified as under:

- a. **Advance application - Delivery is on 'D+2' and above**
- b. **Exigency application - Delivery is on same day 'D' and next day 'D+1'**

10. Regulation 28 Application for grant of T-GNA

"28.6. Application for grant of T-GNA, under bilateral transactions, shall contain the following declarations by the Applicant:

(a) That necessary infrastructure for time-block wise metering and accounting in accordance with the provisions of the Grid code and appropriate communication system in accordance with the provisions of the Communication Regulations are in place for the point of drawal and point of injection, if available.

(b) That at the time of making of the Advance application for T-GNA, if the point of injection has not been identified, availability of necessary infrastructure for time-block wise metering and accounting in accordance with the provisions of the Grid code, appropriate communication system in accordance with the provisions of the Communication Regulations for the point of injection and, the Standing Clearance of SLDC, in case the seller is an intra-State entity, under whose jurisdiction such point of injection is located, shall be submitted along with the scheduling request in terms of Regulation 33 of these regulations.

(c) That the Applicant indemnifies the Nodal Agency at all times from any and all claims, actions and all other obligations by or to third parties arising out of or resulting from the transactions under TGNA.

(d) That there is a valid contract for the proposed scheduling:

Provided that in case of Advance application for T-GNA, the declaration that there is a valid contract for the proposed scheduling shall be submitted, if not already submitted at the time of making application for T-GNA, along with the scheduling request in terms of Regulation 33 of these regulations."

Suggestions:

PXIL submit that Regulation 26.1 (c) provides for Power exchanges to apply for T-GNA for collective or bilateral transactions materialising in different Contracts operating at its platform.

The proposed Regulation 28.6 mandates submission of declarations while submitting application for grant of T-GNA under bilateral transactions.

PXIL humbly submits that Power exchange submits application on behalf of participants to schedule delivery of power for transactions executed in different Contracts, hence, the above regulatory provision should be made applicable on Buyer / Seller that are counterpart in any transaction. It is suggested to modify the above provision as under:

“Regulation 28.6

(e) Provided further that when Power exchange is an applicant, the declarations as required at (a), (b) and (c) above shall be submitted by Buyer and Seller that are counterparts in the application.”

11. Regulation 28 Application for grant of T-GNA

“28.8. The application fees in case of rejection of application for T-GNA shall be forfeited.”

Suggestions:

PXIL submit that Regulation 28.6 mandates submission of declarations while submitting application for grant of T-GNA under bilateral transactions. The Exchange submits application on behalf of participant i.e. Buyer/Seller which are counterparts in any transaction, the declaration as provided by the participant are subject to compliances prescribed in Regulation 28.6. In case the application is rejected due to false declarations made by Buyer/Seller, forfeiture of application fee depicts non-compliance by applicant i.e. Power exchange, instead, the application fee should be returned to the Power exchange and the Buyer/Seller that has submitted false declaration should be penalised by suspending them for a period of 1-week from accessing T-GNA, in case of repeated defaults by such Buyer/Seller, suspension for longer period may be considered for each year.

PXIL humbly suggests modifying Regulation 28.8 as under:

“28.8. The application fees in case of rejection of application for T-GNA shall be forfeited.

Provided that in case Power exchange is an applicant, the fees shall be returned to the exchange and the entity, i.e. Buyer and/or Seller that are counterparts to the transaction, that has not complied with submission of prescribed declarations as required under Regulations 28.6 shall be suspended from accessing T-GNA for a period of 1-week. Repeated defaults by such participant will result in suspension from accessing T-GNA for longer periods of time with every instance during a financial year”

12. Regulation 29 Processing of applications for grant of T-GNA by Nodal Agency

"29.7. The Nodal Agency shall verify the following:

(A) In case of intra-State entity:

(i) In case buyer is an intra-State entity, Standing Clearance from SLDC under whose jurisdiction the point of drawal is located, confirming (a) existence of infrastructure necessary for time-block wise energy metering and accounting in accordance with the provisions of the Grid code, (b) appropriate communication system in accordance with the provisions of the Communication Regulations and (c) availability of transmission capacity in the intra-State network;

(ii) In case the seller is an intra-State entity and the point of injection is available, Standing Clearance from SLDC under whose jurisdiction the point of injection is located, confirming (a) existence of infrastructure necessary for time-block wise energy metering and accounting in accordance with the provisions of the Grid code, (b) appropriate communication system in accordance with the provisions of the Communication Regulations and (c) Availability of transmission capacity in the intra-State network;

(iii) Available of transfer capability (ATC) on the ISTS;

(iv) Declarations as provided in Regulation 28.6, as applicable, have been furnished."

Suggestions:

PXIL submit that Regulation 29.7 prescribes verification to be undertaken by Nodal Agency in case the applicant is an intra-State entity. As submitted in response to Regulation 27(iii) above, it is humbly informed that post matching of Orders in case the counterpart Buyer/Seller of a Contract are intra-State entities of the same State, then NOAR shall transfer the application to SLDC of the State for verification and scheduling delivery of power within the intra-State network.

To facilitate transfer of application by NOAR to SLDC of the State, PXIL humbly suggest inclusion of following provision under Regulation 29.7 (A) as under:

"29.7. The Nodal Agency shall verify the following:

(A) In case of intra-State entity:

(v) In case application is submitted by Power exchange wherein both the Buyer and Seller are intra State entities of the same State, then the application shall be transferred to SLDC of the State for verification and scheduling delivery of power within the intra-State network.

The application charges deposited with NOAR shall be transferred to the SLDC as application fees submitted by Power exchange"

13. Regulation 32 Revisions of T-GNA

“ 32.1. T-GNA granted under Exigency application category or under Advance application category for a period not exceeding one month cannot be revised.

32.2. T-GNA granted under Advance application category for a period of more than one month may be reduced for the balance period with a prior notice of one (1) month by the T-GNA grantee:

Provided that applicable T-GNA charges for the quantum of T-GNA granted shall be payable for the notice period of one (1) month.

Suggestions:

Regulation 32.1 provides that T-GNA cannot be revised if the duration of T-GNA is less than one month. It is submitted that in case a Generator suffers a force majeure situation including forced outage then undue hardship would be imposed on Generators. Since Buyer has paid transmission charges in advance, it would be deprived of power due to forced outage reported by Generator (Seller). Furthermore, non-revision of T-GNA implies that the transmission charges for the duration would not be refunded in case of such Generator outage. The Buyer would get needlessly penalised unless a mechanism to refund the transmission and other charges collected from the Buyer, is provided for.

Further, PXIL submits that Regulation 32.2 provides T-GNA grantees an opportunity to revise their T-GNA for application submitted under ‘Advance application category’. The Hon’ble Commission is requested to provide clarifications as under for benefit of market participants

- a. Timeline for submission of request
- b. Number of days within which the Nodal Agency shall confirm revision in T-GNA
- c. Number of days after which revised T-GNA shall be made applicable

The above clarifications would help in incorporating the same in detailed procedure to be issued by NLDC under provision of Regulation 39.2

14. Regulation 33 Scheduling request for power under T-GNA

“33.1. Advance application category:

(a) Scheduling request by T-GNA grantees under Advance application category shall be made on day ahead basis before the opening of bidding window for collective transactions under day ahead market, as per provisions of the Grid Code.

(b) In case the seller is an intra-State entity having point of injection under state control area, the scheduling request shall be accompanied by Standing Clearance in terms of sub clause (vii) of Clause (a) of Regulation 28.5 of these regulations.

(c) In case the seller is an regional entity having point of injection under regional control area, the point of injection shall be furnished in terms of sub-clause (viii) of clause (a) of Regulation 28.5 of these regulations.

(d) The scheduling request shall be accompanied by a declaration that there is a valid contract, in terms of Proviso to clause (d) of Regulation 28.6 of these regulations.

Suggestions:

PXIL submit that Regulation 33.1 (a) provides for scheduling requests to be submitted by T-GNA grantees as per provisions of Grid code.

Further, PXIL submits that Regulation 5 (3) of PMR 2021 provides for introduction of Term Ahead Market Contracts by Power exchanges where delivery period is 'T+2 and above' and scheduling of such Contracts is prescribed under provisions of CERC (Open access in inter-State transmission) Regulations, 2008.

PXIL humbly submits that it has submitted Petition no 229/MP/2021 seeking approval to introduce Month(s) Ahead Contract in TAM and GTAM segment, wherein the Exchange is the applicant for scheduling transactions concluded in different Contracts in Term Ahead segment.

Further, after receipt of approval to introduce new Contracts, an array of Contracts would be available for transaction to any Buyer/Seller, in case in a Contract when start of delivery is from 'T+3 and above', the application for grant of T-GNA would be submitted under provisions of Regulation 28.4 (A) (a) i.e. under 'Advance application category'. Since different Contracts are transacted by a Buyer/Seller, for any time block, the Day ahead schedule for such Contract needs to be mandatorily submitted by such entities to appropriate RLDC/SLDC.

PXIL submits that considering the prevailing practices of short-term purchase of power undertaken by Discom, downward revision upto a threshold level is provided as Contractual norm that can be availed by both Buyer/Seller to meet any exigency. Such downward revision is availed by Buyer/Seller to accommodate unforeseen outages/load crash on day ahead basis, further any variation between Contracted quantum and Scheduled quantum beyond the threshold level is liable for penalty. As and when such exigency arises, the Buyer/Seller avail this facility of downward revision, submit appropriate Day ahead schedule to RLDC/SLDC and share the same with the counterpart, such information is later utilised to compute the extent of variation/penalty at the end of contract period.

Fig-1: Array of different Contracts available to meet transacting requirement for a time block

Month Ahead	Quarterly	Weekly	Seasonal / Any Day	Auctions
11-Month	1-Quarter	1-Week	Seasonal	Auction Based Contracts (Forward and Reverse Auction)
10-Month		2-Week	Any Day	
9-Month		3-Week		
8-Month	2-Quarter	4-Week		
7-Month				
6-Month				
5-Month	3-Quarter			
4-Month				
3-Month				
2-Month	4-Quarter			
1-Month				

15-minute time block

PXIL submits that as provided at figure-1 above, for any time block, the Exchange platform provides different Contracts for meeting power transacting requirements of Buyer/Seller. Such Contracts would be scheduled under ‘Advance Application’ category as tenure of Contracts would be ‘T+3 and above’ as provided under Regulation 28.4 (A), in order to fulfill the prevailing practise of determining the variation in contract vs. schedule availed by Buyer/Seller, information about schedule submitted by such Buyer/Seller is necessity.

To enable Power exchange to receive information about day ahead schedules submitted by Buyer and Seller, PXIL humbly submits inclusion of following provision under Regulation 33.1 as under:

“Regulation 33. Scheduling request for power under T-GNA

33.1 Advance application category:

(e) Provided when Power exchange is an applicant, then the Schedule submitted by Buyer and Seller counterpart to T-GNA application, the NOAR shall share information of such day ahead schedule to Power exchange”

15. Regulation 36 Allocation of Transmission corridor

“36.4. After allocation of transmission corridor to GNA grantees and T-GNA grantees under Advance application category, the balance transmission corridor shall be released for collective transactions under day ahead market.

36.6. After the allocation of transmission corridors under Regulations 36.1 to 36.4, the balance transmission corridor may be utilised by GNA grantee by way of revision of schedule, as stipulated in the Grid Code, under any contract within its GNA or under Exigency application category or Real time market based on time stamp for such request.”

Suggestions:

PXIL submits that Regulation 36.4 provides methodology for release of transmission corridor for collective transactions under day ahead market and Regulation 36.6 provides methodology for release of transmission corridor for Real time market.

However, both the provisions i.e. Regulation 36.4 and Regulation 36.6, do not enumerate the principles applicable for allocating transmission capacity between Power exchanges for processing application in markets identified for scheduling as a Collective transaction.

PXIL humbly submits the following:

a. CERC (Power Market) Regulations, 2021

The Hon’ble Commission vide notification dated 28.07.2021 in notification no No. L-1/257/2020/CERC directed implementation of CERC (Power Market) Regulations, 2021 from 15th August 2021. Regulation 5 (1) of PMR 2021 provides for operation of Day Ahead Contracts and Real-time Contracts for which scheduling, and delivery of power shall be in coordination with NLDC and procedures approved thereof.

Regulation 2 (1) (s) of PMR 2021 defines ‘Day Ahead Contract’ as:

(s) “Day Ahead Contract” means a contract wherein Collective Transactions occur on day (T) and delivery of electricity is on the next day (T+1);

Regulation 2 (1) (at) of PMR 2021 defined ‘Real-time Contract’ as:

(at) “Real-time Contract” means a contract other than Day Ahead Contract or Intraday Contract or Contingency Contract, wherein Collective Transactions occur on day (T) or day (T-1) and delivery of electricity is on day (T) for a specified delivery period;

Thus, both ‘Day Ahead Contract’ and ‘Real-time Contract’ are considered as Collective transaction.

b. Allocation principles in existing Collective transaction

In the existing Day Ahead Contracts operating under Regulation 5 (1) of PMR 2021, the transmission corridor allocation is based on Order dated 04.04.2016 in Petition no 158/MP/2013, wherein, in case of congestion in any time block priority allocation of 10% of transmission capacity is allocated to PXIL

“Para 19

Accordingly, as agreed by IEX, PXIL and POSOCO during the hearing, priority allocation of 10% in the constrained corridor shall be made in favour of PXIL for the next six months beginning from 1.4.2016. It is, however, clarified that beyond 10%, allocation of corridor will be on pro rata basis as per the existing methodology. In the first week of November 2016, POSOCO (NLDC) after consultation with the power exchanges shall submit a report covering the trade volumes of both the exchanges during the period, the prices discovered in both the exchanges and the impact of priority allocation of corridor to PXIL on the market participation. The Commission will take a view on continuation of priority allocation based on the report submitted by POSOCO.

Further, in existing Real-time Contracts operating under Regulation 5(1) of PMR 2021, the transmission corridor allocation is based on Order dated 28.05.2021 in Petition no 10/SM/2020 (Suo-motu), wherein, in case of congestion in any time block the allocation of available corridor is made in proportion to the requests submitted by the Power exchanges.

“Para 12 (d) (iv)

(iv) If the combined cleared volume of the two Power Exchanges is within the ATC for Real time transaction, the initial results shall be confirmed by NLDC to the Power Exchanges. In the event of the combined volume exceeding the ATC for RTM, the allocation of available corridor margin between the Power Exchanges shall be in the ratio of the initial market clearing volume of RTM in the respective Power Exchanges, and accordingly, this shall be communicated to the Power Exchanges. The Power Exchanges shall thereafter submit the final trades in conformity with the available corridor margin as provided by the NLDC.”

c. Introduction of Integrated Day Ahead Market Contract

The Hon'ble Commission vide Order dated 17.10.2021 in Petition no 143/MP/2021 approved introduction of Integrated Day Ahead Market Contract under the existing 'Procedure for Scheduling Collective transaction', thus the manner of allocation of transmission corridor continues to be as per Hon'ble Commission Order dated 04.04.2016 in Petition no 158/MP/2013.

d. Grant of approval for third Power Exchange

The Hon'ble Commission vide Order dated 12.05.2021 in Petition no 287/MP/2018 has granted approval for third Power exchange.

e. Importance of transmission corridor and grant of equitable allocation to Power exchange in Collective transaction

Availability of transmission corridor is an essential and indispensable facility for the functioning of electricity markets more so in case of Exchange based markets where Collective transaction materialise based on ability of an Exchange platform to clear trades in an unconstrained manner.

PXIL submits that, prior to opening of bidding and subsequent matching of Orders received in auction session the available market in Collective transaction is defined by 'Available Transmission Corridor' that becomes an essential component for scheduling delivery of cleared trade. It is pertinent to note that, the provision prescribes that after allocation of transmission corridor to GNA grantees and to T-GNA grantees under Advance application category, the balance transmission corridor shall be released for collective transaction under day ahead market which has now transformed into 'Integrated Day Ahead Market' (IDAM).

It is humbly submitted that in IDAM and RTM, that are cleared as Collective transaction, availability of transmission corridor is an essential and indispensable facility for the functioning of such markets more so in case of Exchange based markets where Collective transaction materialise based on ability of an Exchange platform to clear trades in an unconstrained manner.

PXIL humbly submits that since auction window for collective transaction are closed by all exchanges at the same time, the ability of the Exchange platform to clear trades received in any auction is reliant on allotted transmission capacity. In such a situation, since all Power exchanges compete for allotment of transmission capacity, the principle of 'equitable allocation' among Power exchanges is vital for choice in accessing Exchange platform.

Further, when Nodal Agency processes the applications for allotting transmission capacity, different methods used for allotment in different types of Collective markets does not signal 'uniformity' in processing the requests. Uniformity in allotment of transmission capacity becomes vital when volume applied by all the power exchanges is more than the available transmission corridor, two probable solutions that can be made applicable for allotting transmission capacity in Collective markets are:

- a) Allocate transmission capacity equally among the Power exchanges in time blocks where request made are more than available transmission capacity, thus market participants in all Exchange platform are subject to similar outcome, or,
- b) Minimum 25% of the corridor is to be allotted to each Power exchange and the balance may be allotted proportionately among the multiple power exchanges. The 25% minimum allocation rule would ensure that atleast half of the allocation is made equitably among the competing Power exchanges

The above methodologies would ensure level playing field among all the Power exchanges till Market Coupling as provided in Regulation 37 of PMR 2021 is implemented.

PXIL humbly requests the Hon'ble Commission to modify Regulation 36.4 as under:

"36.4. After allocation of transmission corridor to GNA grantees and T-GNA grantees under Advance application category, the balance transmission corridor shall be released for collective transactions under day ahead market.

Further, in any time block when the requests received from all the applicants exceeds the available transmission capacity, the Nodal Agency shall allocate transmission capacity equitably among the Power exchange to ensure level playing field till Market Coupling in Collective transactions is implemented"

16. Regulation 37 Arrangement for Transition

"37.9 Short term Open Access:

(b) On the date of coming into effect of these Regulations, Short Term Open Access applications under the Open Access Regulations pending with RLDC or NLDC shall be closed".

Suggestions:

PXIL submit that Regulation 37.9 prescribes treatment of applications awaiting response from Nodal Agencies i.e. NLDC / RLDC as the case may be.

PXIL humbly submits that under provisions of 5(3) of PMR 2021, the Power exchanges are allowed to introduce Term Ahead Market Contracts where delivery is 'T+2' and above. The Power exchanges would be submitting applications along with applicable fees, transmission charges and other charges as prescribed in Open Access Regulations for scheduling delivery of power. It is suggested that on notification of the Regulations, the application may be processed based on merits as applicable under new Regulations without levying any penal charges. Further, while assessing the application under new Regulation, in case any deficiencies are identified,

reasonable time may please be provided by Nodal Agency to the applicant to comply with provisions prescribed in new Regulations.

Further, on receipt of deficiency information from Nodal Agency, in case the applicant does not desire to proceed with processing the application under new Regulation, the applicant should be allowed to withdraw the application alongwith reimbursement of application fee, transmission charges and other charges as deposited at the time of application submission.

PXIL humbly suggests modification of Regulation 37.9 (b) as under:

*“(b) On the date of coming into effect of these Regulations, Short Term Open Access applications under the Open Access Regulations pending with RLDC or NLDC **shall be processed based on the merits of the application under provisions of this Regulation.***

Provided in case any deficiencies are identified by Nodal Agency, such deficiencies shall be informed by Nodal Agency to the applicant providing reasonable time as provided in this Regulation to rectify the deficiencies.

Provided further on receipt of deficiency information from Nodal Agency, in case the applicant desires to withdraw the application submitted under earlier Regulation, then the application fee, transmission charges and other charges as deposited with the application shall be reimbursed by Nodal Agency to the applicant”

17. Regulation 39 Procedure

“39.2. For T-GNA, NLDC shall issue the Detailed Procedure for T-GNA including the following formats after stakeholders” consultation within a period of 3 months of notification of these regulations and submit the same for information of the Central Commission:

- a) Advance Application under Regulation 28.4*
- b) Exigency Application under Regulation 28.4;*
- c) Application by power exchange under Regulation 28.4;*
- d) Grant of T-GNA under Advance application category under Regulation 30;*
- e) Grant of T-GNA under Exigency application category under Regulation 30;*
- f) Grant of T-GNA under collective transactions under Regulation 30;*
- g) Standing clearance under Regulation 31;*
- h) Scheduling request under Regulation 33;*
- i) Transmission charges payable by power exchange under Regulation 34.4(c)*

Provided that NLDC shall submit the Detailed Procedure in respect of Regulation 36 of these regulations for approval of the Central Commission.

Suggestions:

PXIL submits that Regulation 32 provides for Revision of T-GNA when the period is more than one month. The Hon'ble Commission is requested to direct NLDC to issued detailed procedure applicable for 'Revision of T-GNA'.

18. Other Suggestion – information dissemination

Suggestions:

PXIL submits that NOAR should provide a Dashboard with information regarding transmission capacity assessment and utilisation in case of all transactions over all tenures as under:

- a. The ATC / TTC information in different segments of transmission system
- b. Transmission allocation request received from all applicants for every Collective and Bilateral transaction
- c. Transmission capacity allotted to each applicant for every Collective and Bilateral transaction
- d. Application status information as – date of submission, acceptance/rejection, etc.

PXIL humbly submits that display of above information in a transparent manner would help market participants to exercise 'true choice' for accessing different segments of the market for planning their procurement or dispatch needs while keeping in view the availability of transmission resources.
