

A.K. Jha
Former Member, MPERC
Former Chairman (I/C) & Director (Technical), NTPC Ltd.

Date: 27th Sep'2023

To,

Shri Jishnu Barua,
Chairperson, Central Electricity Regulatory Commission (CERC),
 3rd Floor, Chanderlok Building,
 36, Janpath, New Delhi- 110001

Subject: Request for expediting the Impending Reform of Market Coupling Implementation in the Power Exchanges

Dear Sir,

Today, the power sector is undergoing a profound transformation driven by a series of regulations issued by the esteemed CERC.

In order to promote competition and empower consumers, the Honourable Central Electricity Regulatory Commission (CERC) took a significant step in 2021 by introducing the provisions of 'Market Coupling' in Power Market Regulations (PMR) 2021.

'Market coupling' represents a transformative opportunity to promote competition, improve liquidity, create a single reference price and lead to reforms while providing consumers with better services, fostering innovation through competition, and contributing to an overall reduction in electricity prices in India.

Today, India has three power exchanges offering multiple products and catering the power sector participants in different segment. Further, the Implementation of coupling of these power exchanges in collective transaction segments (i.e.-DAM and RTM), will help the buyers/consumers to discover a better price on the basis of a realistic and overall demand and supply scenario of the sector, which presently is somewhat distorted.

Further, subsequent to multiple stakeholders making representations at various forums to expedite the implementation of 'Market Coupling', CERC has issued a Staff Paper seeking comments on the issue of implementing 'Market' Coupling.

As I understand, CERC staff paper does not reflect the official stance of CERC yet seeks to source views for discussion. Implementing new regulation(s) requires multiple steps like issuance of draft regulation, calls for stakeholder consultation etc. and then issuance of final regulation; it is therefore, imperative that a draft regulation on implementation of 'Market

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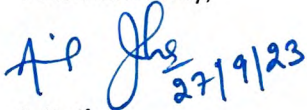
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Coupling' may be issued at the earliest, to give effect to pending reform of Coupling of collective segments of power exchanges already provided for in the PMR 2021.

Therefore, I would urge the CERC to issue the draft regulation on 'Market Coupling' as an urgent step to expedite the implementation of 'Market Coupling', fostering a more competitive and transparent power market and ensuring the welfare of Indian power consumers .

Thanking you,

Yours Sincerely,

 27/9/23

A.K. Jha

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CC:

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