



Ref: PTC/CERC/

Date: November 4, 2024

To
The Secretary,
Central Electricity Regulatory Commission,
7th Floor, Tower B, World Trade Centre
Nauroji Nagar, New Delhi - 110029

**Subject: Directions by the Commission to the Power Exchanges registered under the CERC
(Power Market) Regulations 2021 - Draft order in the Suo-Motu Petition No. 8/SM/2024 thereof.**

Respected Sir,

At the outset, PTC India Ltd (PTC) appreciates the forward-looking approach of Hon'ble commission in evaluating all the available products on power exchange on tri- variable matrix of market anomalies, liquidity and standardizations.

Hon'ble commission has rightly identified high prices in Day Ahead Contingency (DAC) segments as explained in paragraph 17 and low liquidity in Intraday Contracts. Similarly, in paragraph 23, Commission has stressed on the standardization of ADSS contracts including bid receiving window, bid validity, bid acceptance etc.

Keeping in view of the above, please find enclosed PTC's submissions at Annexure A for kind reference. If deemed appropriate we are also available for in person interaction to clarify any aspect.

Thanking you,

Yours faithfully,
For PTC India Ltd.

Authorised Signatory

PTC India Limited

(Formerly known as Power Trading Corporation of India Limited)

CIN : L40105DL1999PLC099328

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#	Suo-Motu Order	Submission by PTC
1.	Paragraph 24(c): In view of the very low liquidity in Intra Day Contracts since its introduction, the availability of the alternative Real-Time Market, and to avoid market fragmentation, it is proposed to withdraw Intra-Day Contracts in all the Power Exchanges from a prespecified date, in terms of Regulation 25(3) of PMR 2021.	PTC India welcomes the proposed decision of Hon'ble commission aimed towards limiting market fragmentation and creating liquidity at the more efficient product level. As proposed by Hon'ble commission, the withdrawal of Intra Day Contract is a much-needed step in bringing liquidity to Day Ahead Market & Real Time Market.
2.	Paragraph 24(d): It is proposed to modify the price discovery mechanism in the case of Contingency Contracts to Uniform Price Step Auction from the existing Continuous matching. The Commission proposes to issue amendment(s) in PMR 2021 to this effect.	In line with concerns raised by Hon'ble commission in paragraph 17, the change in price discovery mechanism may not achieve the desired results. As DAM & RTM products are available for trading the intervening market of DAC may not serve any purpose. It is requested that the Commission may withdraw Day Ahead Contingency product also from power exchanges. This will help in market transparency & better price discovery.
3.	Paragraph 24(b): All Power Exchanges shall follow the timelines for different stages of ADSS contracts, including the bid receiving window/submission of interest quantity by sellers, IPO auction, Reverse Auction, and Bid acceptance window...	The power exchange platforms already have weekly, monthly products which are standardized and have an established price discovery mechanism and defined timelines. With the introduction of ADSS, liquidity and discovery of price is getting fragmented in long duration contracts available on the power exchange platform. Since ADSS contract is only increasing fragmentation with the availability of other long duration contracts, it is not serving the greater good of increasing liquidity and uniform pricing. further, in addition to issues related to non-standardization in contractual structure as identified in paragraph 23, Hon'ble commission may like to withdraw ADSS contract . Note: It may please be noted that Regulation 25 of PMR 2021 along with Approval Orders passed in exercise of Regulation 25 have been challenged by PTC along with other Trading



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ANNEXURE - A

		<p>Licensees before the Hon'ble Delhi High Court in W.P. No. 13178 of 2022 titled <i>PTC India Ltd. & Ors. v. CERC & Ors</i> and is pending adjudication as on date.</p> <p>The present objections/suggestions are without prejudice to the submissions made in the Writ Petition and the contentions raised in the Writ Petition are not raised herein for the sake of avoidance of repetition. PTC reserves its rights in this regard.</p>
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