

 <p>CREATING WEALTH FOR WELLBEING</p>	<p><b>एनएलसी इंडिया लिमिटेड</b>          (पूर्व में नेयवेली लिग्नाइट कॉर्पोरेशन लिमिटेड)          (भारत सरकार का 'नवरात्न' उद्यम)          पंजीकृत कार्यालय: प्रथम तल, नं. 8, मेयर सत्यमूर्ति रोड,          एफ.एस.डी. भारतीय खाद्य निगम, एगमोर कॉम्प्लेक्स,          चेटपेट, चेन्नई - 600031</p>	<p><b>NLC India Limited</b>          (Formerly Neyveli Lignite Corporation Ltd)          Navratna – A Government of India's Enterprise          Regd. Office: First Floor, No.8, Mayor Sathyamurthy Road,          FSD, Egmore Complex of Food Corporation of India,          Chetpet, Chennai – 600031</p>	 <p>NLCIL VING BRAND OF THE DECADE</p>
<p>सी.आई.एन / CIN : L93090TN1956GOI003507          जी.एसटी.एन / GSTN : 33AAAACN1121C1ZG  <b>वाणिज्यिक विभाग / COMMERCIAL DEPARTMENT</b>          निगमित कार्यालय : ब्लॉक-1, नेयवेली-607801,          कडलूर जिला, तमिलनाडु          Corporate Office: Block-1, Neyveli – 607 801          Cuddalore District, Tamil Nadu          दूरभाष/Phone : 04142-253429 फैक्स /Fax : 04142-252646, 254429 वेबसाइट/Website : <a href="http://www.nlcindia.com">www.nlcindia.com</a> ई-मेल/E-Mail : <a href="mailto:commercial@nlcindia.com">commercial@nlcindia.com</a></p>			

Lr.No.NLCIL/ED/Commercial/1121/Concept RTM/comments

Date: 29.08.2018

To

The Secretary,  
 Central Electricity Regulatory Commission,  
 3<sup>rd</sup> & 4<sup>th</sup> floor, Chanderlok Building,  
 36, Janpath Marg, **NEW DELHI - 110 001.**

Sir,

Sub: CERC – Concept Paper on Real Time Market- NLCIL comments -submitted -  
 Reg.

Ref: Discussion Paper on “Re-Designing Real Time Electricity Market in India”  
 vide No.RA-14026(11)/2/2018-CERC Dated: 25th July, 2018

Pursuant to the notification of Discussion Paper on “Re-Designing Real Time Electricity Market in India” in CERC website, inviting comments / suggestions of the stakeholders, NLCIL is filing its comments/suggestion vide this Affidavit enclosed.

The above may please be taken on record.

Thanking you,

Yours faithfully,  
 for NLC India Limited

  
 Executive Director / Commercial

Encl : As above

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BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

**IN THE MATTER OF:**

Discussion Paper on "Re-Designing Real Time Electricity Market in India"

**IN THE MATTER OF:**

Submission of comments by NLCIL for the Discussion Paper on "Re-Designing Real Time Electricity Market in India"

NLC India Limited,  
First Floor, No.8, Mayor Sathyamurthy Road, FSD,  
Egmore Complex of Food Corporation of India,  
Chetpet, Chennai-600 031.

-----RESPONDENT

**THE RESPONDENT HUMBLY STATES THAT:**

**1.0 BACKGROUND:**

- In exercise of powers conferred under Electricity Act, 2003, the Hon'ble Central Commission has published Discussion Paper on "Re-Designing Real Time Electricity Market in India" and invited comments/suggestions from the stakeholders.
- NLCIL vide this affidavit is submitting its comments/suggestions on the said Concept Paper.

**2.0** The comments/suggestions of NLCIL on the subject Concept Paper are furnished below.

**2.1 Concept Paper Para 5.5**

*The markets shall be based on double sided closed auctions with uniform market clearing price.*

*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*

**NLCIL Comments**

- For every 4 time blocks, one double sided closed auction is proposed, thus a day would comprise 24 cycles of activities of bidding, determination of MCP/ACP, corridor/fund validation, declaring traded and scheduling. Now for day ahead market, we are having only cycle of activities taking around 5 hours for completion. This require full automation and dedicated systems for auto



validation and scheduling. It is requested to establish the dedicated systems for the 24 cycle real time market.

- Timeline proposed need to be increased for scheduling and delivery.

## **2.2 Concept Paper Para 5.6**

*For operationalizing real time markets, the schedules decided at the end of RTM clearing have to be both financially and physically binding. For this, the concept of Gate Closure is to be introduced. For each fifteen minute block in one hour, those with demand for electricity or discoms or traders will assess in advance what the demand will be. They'll then place their bids in the RTM for that volume of electricity. Similarly generators / traders will place their offers. To ensure firmness of such bids and offers, the gate for schedule revision will close before the start of the auction*

### **NLCIL Comments**

- The Gate Closure time of one and half hours before the physical delivery to be increased to two and half hours to accommodate sufficient time for scheduling and actual delivery.

## **2.3 Concept Paper Para 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 output of its generation unit.*

*Real Time Markets must, therefore, be such that they allow generators / discoms to correct their positions in the real time markets, but with financial commitment for each such transaction.*

*RTM is an energy only market and as such the play in this market is around the variable or marginal cost. The fixed cost liability will be borne / settled as per the existing contract. In the event of such generator earning revenue over and above the regulated variable cost, the gain shall be shared in the ratio of 50: 50 with the beneficiary as per the stipulation in the tariff policy.*

### **NLCIL Comments**

- Automatic mechanism for adjustment or correction of committed quantum of scheduled generation with financial settlements to be created for non-delivery/under injection and under drawal.

- Settlement timeline and financial settlement for scenerio1, scenerio2 and scenerio3 and similar may be specified clearly through amendments in the Grid code/Tariff Regulations.

#### **2.4 Concept Paper Para 5.8**

*Transmission Corridor Allocation and Congestion Management :*

*Given the shorter duration of transaction in the Real Time Market, it would be desirable that POSOCO declares in advance the transmission corridor margin available for real-time transaction. Accordingly, Power exchanges shall factor in the said margin available while clearing the market in Real time. The congestion management shall be handled as per the existing practice including by way of market splitting.*

#### **NLCIL Comments:**

Congestion related schedules / settlements to be communicated immediately to the concerned entities. Entities also to be taken on board in case of major congestion impacting running of plant for part of the day/full day.

#### **2.5 Concept Paper Para 5.9**

Treatment of Deviation from Real Time Schedule: The real-time market is financially and physically binding. 13 Resources (Generators / DISCOMs / Traders / OA Consumers) must follow dispatch instructions. Failure to follow will attract charges under Deviation Settlement Mechanism (which eventually need be indexed to RTM prices as the next step to linking DSM price vector to DAM price).

#### **NLCIL Comments:**

DSM Mechanism shall be allowed to take care contingency conditions like unit tripping. Situations like non availability of evacuation may be dealt in such a way that entity responsible for evacuation has to bear the DSM Charges.

#### **2.6 Concept Paper Para 5.10**

Mitigation of Abuse of Market Power or dominant position

#### **NLCIL Comments:**

Systems has to be designed to curtail the dominant activities in time as the real time market is a continuous one.

#### **2.7 General Comments:**

The proposed Real Time Market design of the intraday market mechanisms will improve accurate forecast and load management planning of DISCOMS and



effective utilisation of Un-dispatched surplus power by both Generators & DISCOMS.

It shall be clarified that Generators having Long Term PPA need not get consent from DISCOMS / Beneficiaries for trading in the Real Time intraday market and NOC issued by RLDC is also not required for bidding in the Power Exchange.

NLC India Limited Thermal Power Stations after getting consent from the Beneficiaries traded URS power in the Day Ahead Power Market as per MOP Tariff Policy & CERC Regulations with the aim of getting more schedule so that generation could be maintained at comfortable level and ensuring safe operation of the units. For enhancing Generation schedule, NLC India Limited is trading the URS power in the Power Exchange and resulted in increase in the schedule. SRLDC is allowing the Beneficiaries to surrender their share utilising the margin available above Technical Minimum due to trading. Similar issue is arising during RRAS down regulation by NLDC/SRLC for reducing the schedule up to Technical Minimum of the Station.

Above procedure followed by the SRLDC resulted in passing of benefit due to trading to the Beneficiaries and on few occasions resulting in revenue loss to the Generators. Hence, NLC India Limited prayed for excluding trading quantity from the Technical Minimum schedule of the station.

The Generating Units are kept on bar and not allowed for Reserve Shut Down by RLDC, the URS Power surrender by the Beneficiaries shall be restricted to 45% of their shares and Minimum 55% schedule is given to the Generators. This will result in enhancement in the Generation Schedule by trading URS in the Power Market and encourage Generators having Long Term PPA with DISCOMS to actively participate in the Power Market.

### **3.0 PRAYER**

NLCIL humbly requests the Hon'ble Commission.

1. To take on record the views and comments of NLC India Ltd submitted vide this affidavit

Place: NEYVELI

Date : 29.08.2018

  
**RESPONDENT**







Affidavit verifying the Petition:

I, A.Ganesan son of Shri.Alagarsamy, aged 58 years, residing at 14, Type IV Quarters, BLOCK- 16, NEYVELI-607 801, do solemnly affirm and say as follows:

I am the Executive Director / Commercial of the NLC India Limited., the Respondent in the above matter and am fully conversant with the facts and make this affidavit.

- *Hon'ble Central Commission has published Discussion Paper on "Re-Designing Real Time Electricity Market in India"*
- *Hon'ble Central Commission has invited comments / suggestions of the stakeholders on the same on or before 31.08.2018 for which NLCIL is submitting its comments / suggestions vide this affidavit.*

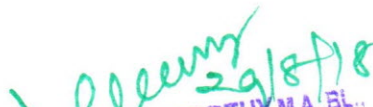
The statements made in FORM 1 enclosed, containing a total number of 4 pages of the reply herein now shown to me are true to my knowledge and based on information maintained by the company and I believe them to be true.

Solemnly affirm at NEYVELI on this day of 29.08.2018 that the contents of the above affidavit are true to my knowledge, no part of it is false and no material has been concealed there from.

  
A.Ganesan

Executive Director / Commercial/ NLC India Ltd.

Identified **before** me by

  
C.KRISHNAMOORTHY, M.A., B.L.  
Advocate & Notary Public  
Roll No. 1000  
Block-2, Neyveli-607 801.  
Cuddalore & Villupuram District

