

21 FEB 2025

No.

Sign

BEFORE THE TELANGANA ELECTRICITY REGULATORY
COMMISSION
Vidyut Niyantran Bhavan, Sy.No.145-P,G.T.S. Colony, Kalyan Nagar,
Hyderabad 500045

CASE NO. 708/2024

In the matter of: Filing of Petition for determination of Revised ARR and Tariff of Retail Supply Business for FY 2025-26 as per new MYT Regulation No. 2 of 2023 along with petition for Condonation of Delay Reg.

AND

In the matter of: Objections/suggestions invited by Southern Power Distribution Company of Telangana limited. through public notice in newspapers and TGERC website.

AND

In the matter of: Southern Power Distribution Company of Telangana limited, Hyderabad.

The Respondent most respectfully sheweth that:

1. M/s. GNA Energy Private Limited is a Company that serves as a trusted data repository and analytics provider for the Indian power market and the clients value the status of GNA Energy as a regulated entity, guarantees strong data security and confidentiality. Further, the GNA Energy Over the Counter (OTC) Platform is an all-in-one platform to aggregate electricity demand & supply, promote renewable energy, and enable data-driven decisions for short/medium/long term. In line with PMR 2021, GNA Energy started operating its OTC Platform upon approval of its bye-laws and business rules by the Hon'ble CERC. CERC has granted registration to this OTC platform in accordance with CERC (Power Market) Regulation, 2021 and CERC "Guidelines for Registration and Filing Application for Establishing and Operating Over the Counter (OTC) Platform-2022". In line with PMR 2021, GNA Energy started operating its OTC Platform upon approval of its bye-laws and business rules by the Hon'ble CERC.
2. The GNA Energy OTC Platform is a cutting-edge digital platform that develops the way one can access and manage its electricity portfolio for short/medium/long term.



GNA Energy Private Limited

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CIN: U74999HR2022PTC106630 | info@gna.energy



of the electricity requirements through this platform is cost-effective, transparent, flexible and secure.

3. **Southern Power Distribution Company of Telangana Limited**, abbreviated as **TGSPDCL**, is a state electric power distribution company owned by the Government of Telangana for the 15 southern districts of Telangana. TGSPDCL was incorporated under the Companies Act, 1956 as a public limited company on June 2, 2014 with headquarters at Hyderabad to carryout electricity distribution business.
4. In the instant case, the Petitioner-TGSPDCL. at Clause No.-3.2.9.6. at Page No.-29 and Form-12, Section(C), sub-section (F) of its Revised ARR and Tariff of Retail Supply Business for FY 2025-26 as per new MYT Regulation No. 2 of 2023 for FY 2025-26 has indicated as given hereunder:

“3.2.9.6 Bilateral/ Inter-State purchases Based on the projected energy deficit in FY 2025-26, the TG Discoms shall procure from Short-term market (Exchange and Bilateral) on a need-to-need basis.”

5. In the above paragraphs of its Revised ARR and Tariff of Retail Supply Business for FY 2025-26 Application, the Petitioner-TGSPDCL has prayed before the Commission to consider for approval of power procurement through the existing schemes such as State Generating Stations, Power Exchanges on short-term basis to manage the exigency situations during the summer season. We suggest that in exigency situations, TGSPDCL can also procure short-term/medium-term/long-term power through the OTC Platforms.
6. In this regard, we would also like to bring to your attention that several state regulatory commissions are already allowing utilities in their respective states to use CERC-regulated OTC Platforms.

6.1.Madhya Pradesh Electricity Regulatory Commission (MPERC) in the Discom ARR have directed them to use new Platforms like Power Exchanges/HP-DAM, PUSHp Portal, and **OTC Platforms** for their power market operation. A relevant extract is provided below for your ready reference:

a. MPERC Aggregate Revenue Requirement and Retail Supply Tariff Order for FY2024-25 (Section 2.100)

“Based on analysis of actual surplus energy sold, it is observed that sale of surplus energy in open market is showing increasing trend. Therefore,



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*considering the realistic scenario of sale of surplus power through open market and considering gradual increasing trend in previous years, the Commission has considered 5,619 MU as likely scenario for sale of surplus power through power exchanges, bilateral arrangements or through bidding. Although the estimation by the Commission is based on aforesaid numbers, the Commission directs the Petitioners to maximise sale of surplus energy through Power Exchanges, bilateral arrangements or through bidding in order and also make best use of new platforms like HP-DAM (High Price Day Ahead Market), surplus power portal (PUShp) and **OTC Platform for sale of surplus power**. The Petitioners are also directed to comply with the directions given by the Commission in para 7.11 of this Order on disposal of Surplus Power. “*

6.2.Assam Electricity Regulatory Commission (AERC) in its draft framework for resource adequacy framework have allowed distribution licensees to contract power through OTC Platforms recognized and approved by CERC. A relevant extract is provided below for your ready reference:

6.3.Assam Electricity Regulatory Commission (AERC) Draft Framework for Resource Adequacy (6 September 2024)

*“Distribution Licensee may contract power through State Generating Stations / Central Generating Stations / Independent Power Producers (IPPs) / Captive Power Plants (CPPs) / Renewable Power Plants including Co-Generation Plants / Central Agencies / State Agencies / Intermediaries / Traders / Aggregators / Power Exchanges or through bilateral agreements / Banking arrangements with other Distribution Licensee, **over-the-counter (OTC) or any other platform recognized and approved by the Central Electricity Regulatory Commission** and any other sources as may be approved by the Commission under Section 62 or Section 63 of the Act in compliance with competitive bidding guidelines.”*

6.4.Joint Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024 (Section 14.7)

“The distribution licensee may contract power through State Generating Stations / Central Generating Stations / Independent Power Producers (IPPs) / Captive Power Plants (CPPs) / Renewable Power Plants including CoGeneration Plants / Central Agencies / State Agencies / Intermediaries /



Traders / Aggregators / Power Exchanges or through bilateral agreements / Banking arrangements with other distribution licensees, Over-the-counter (OTC) or any other platform recognized and approved by the Central Electricity Regulatory Commission”

6.5. Maharashtra Electricity Regulatory Commission (Framework for Resource Adequacy) Regulations, 2024. (Section 14.7)

“14.7. The distribution licensee may contract power through State Generating Stations / Central Generating Stations / Independent Power Producers (IPPs) / Captive Power Plants (CPPs) / Renewable Power Plants including Co-Generation Plants / Central Agencies / State Agencies / Intermediaries / Traders / Aggregators / Power Exchanges or through bilateral agreements / Banking arrangements with other distribution licensees, Over-the-counter (OTC) or any other platform recognized and approved by the Central Electricity Regulatory Commission and any other sources as may be approved by the Commission under Section 62 or Section 63 of the Act in compliance with competitive bidding guidelines.”

7. The OTC platforms allow the Buyers/Sellers to tailor Power Purchase Agreements (PPAs) to meet their precise load requirements, pricing, and duration that align with their energy needs. This flexibility can ensure TGSPDCL to secure energy supplies that match the State's seasonal and long-term consumption patterns, optimizing energy procurement by avoiding shortages or excesses. The Platforms other than OTC typically operate with standardized contracts that do not allow for customization. Contracts on such platforms are pre-defined in terms of size, duration, and other terms, which may not perfectly align with the specific needs of all buyers or sellers.
8. Through OTC markets, there is a possibility that Buyers/Sellers can negotiate contracts that include specific risk management clauses like force majeure, which can protect against unforeseen events such as natural disasters. On contrary, the other platforms offer limited flexibility in risk management. Therefore, TGSPDCL should take such advantages of transaction of power through OTC Platforms which would be beneficial to the State as a whole.
9. The OTC platforms enable buyers/sellers to support State-specific energy policies by facilitating agreements with local renewable energy providers, which helps the State meet its renewable energy targets and fosters local economic growth by supporting local



businesses and green technology initiatives. Though other platforms facilitate the trading of renewable energy credits, they generally do not provide the same level of support for localized initiatives or allow for the direct negotiation of terms beneficial to local projects.

10. The OTC platforms grant buyers/sellers access to a more extensive network of energy suppliers, within the State. This increased market access enhances competition, which can lead to better terms and pricing for energy purchases. Such advantages may also provide TGSPDCL with more options for sourcing energy, which is particularly useful in times of high demand or supply disruptions.
11. Further, the OTC Platforms can provide advanced data analytics services for better prediction of the State's energy demands, which would help improve Demand-Supply matching, leading to efficient electricity procurement and avoiding potential supply shortages.
12. Considering the aforesaid advantages, the purchase/sale of power through OTC platforms would be beneficial to TGSPDCL as well as to the ultimate consumers of the State.
13. In view of the above, the Commission may kindly consider to allow TGSPDCL to purchase Short-term power through OTC Platforms along with other platforms as requested by TGSPDCL in its Revised ARR and Tariff of Retail Supply Business for FY 2025-26 Application.
14. In view of the above, we request the Hon'ble TGERC to allow distribution companies in Telangana to use CERC-regulated digital OTC Platforms for the sale of surplus power, procurement of power from other Discoms and generators to fulfil short-term, medium-term, and long-term power requirements, and banking with other discoms. Allowing OTC Platforms shall provide several advantages to the discoms and the state of Telangana:
 - a. Access to Options at a Pan-India Level: When buying/selling or banking through trading licensees, discoms have access to a limited number of options. However, listing requirements on an OTC Platform will enable discoms to have greater visibility on options available at a pan-India level. This will empower them to make better decisions that will benefit the discoms and the state of Telangana.
 - b. Assurance of Direct Interaction with Other Utilities: OTC Platforms allow direct interaction between utilities, allowing them the safety and assurance of engaging directly with a secure entity. The Hon'ble Commission may thus allow



discoms to execute buy/sell and banking arrangements by listing their requirements on OTC Platforms when the counterparty is another utility and no other intermediary/trading licensee is involved.

- c. Lower Cost: Discoms are currently paying an average trading margin of ~4 paise per unit to trading licensees for banking tenders executed through them. However, OTC Platforms (specifically GNA Energy) are charging a maximum of only 1.5 paise per unit resulting in +60% savings in the cost of banking for power. Thus, discoms can gain significant savings by banking through OTC Platforms. Such savings shall greatly benefit the state and the people of Telangana.

15. This Humble Respondent craves leave and reserves the right to make further submissions if required.
16. The Commission may kindly allow this Respondent to participate in the hearing through virtual mode.



PRAYER

In view of the above, this Respondent prays before the Hon'ble Commission to kindly consider the suggestions made herein and advise/direct TGSPDCL.:

- i) To allow sell/purchase of surplus/additional power through OTC Platforms which would be not only beneficial to TGSPDCL but to the State consumers as a whole.
- ii) To purchase medium and long-term power through OTC Platforms which would help in long term planning and optimization of state's power portfolio.
- iii) The Hon'ble Commission may kindly pass such order as may be deemed fit & proper in the facts & circumstances of the case in the interest of the State.



(Signature of the Respondent)

Place: Gurugram
Date: 18.02.2025

Nishchal Pandey
Manager

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