

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 146/MP/2021

Subject : Petition under Section 66 of the Electricity Act, 2003 read with Regulation 7 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 for approval of introduction of the Green Day Ahead Contract in Day Ahead Market segment at Indian Energy Exchange Limited.

Petitioner : Indian Energy Exchange Limited (IEX)

Respondent : National Load Despatch Centre (NLDC)

Petition No. 143/MP/2021

Subject : Petition under Section 66 and Section 178(2)(y) of the Electricity Act, 2003 read with Regulation 6 and 7 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 for introduction and approval of Integrated Day Ahead Market at Power Exchange India Limited.

Petitioner : Power Exchange India Limited (PXIL)

Date of Hearing : 23.7.2021

Coram : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Parties Present : Shri Sakya Singha Chaudhuri, Advocate, PXIL
Ms. Nithya Balaji, Advocate, PXIL
Shri Prabhajit Kumar Sarkar, PXIL
Shri Shekhar Rao, PXIL
Shri Kapil Dev, PXIL
Shri Anil V Kale, PXIL
Shri Sunil Hingwani, PXIL
Shri Jogendra Behera, IEX
Shri Gaurav Maheshwari, IEX
Shri Subhendu Mukherjee, POSOCO
Shri Alok Kumar Mishra, POSOCO

Record of Proceedings

The cases were called out for virtual hearing. Since the subject matter of both these Petitions is similar, they were taken up together.

2. The representative of IEX submitted that the Petition No. 146/MP/2021 has been filed seeking approval of the Commission to introduce Green Day Ahead Contract in Day Ahead Market segment on its platform for providing exclusive trading in renewable energy ('RE'). The representative of IEX further submitted that the said proposal is based on the letter of Ministry of Power dated 24.3.2021, which *inter alia*



suggests framework for integrating the trading of RE power with conventional power in day ahead market with separate price formation for RE and conventional power.

3. In response to a specific query of the Commission as to whether the introduction of the aforesaid contract/ proposal would require any changes in the existing regulatory framework, the representative of IEX replied in the affirmative. He further submitted that certain changes may be required in Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020. He, however, added that the amendments to the above Regulations are not a necessary pre-condition for introducing such contract and that such contracts can be introduced within the existing regulatory framework in a restricted manner as being followed in the case of Green Term Ahead Market (GTAM). It was also submitted that apart from separate price formation, all other aspects such as bidding, scheduling and settlements, etc. can take place in a combined manner, which would not require any change in the existing procedures/ regulatory framework.

4. Learned counsel for PXIL submitted that Petition No. 143/MP/2021 has been filed for introduction and approval of Integrated Day Ahead market at PXIL based on the letter of Ministry of Power dated 24.3.2021 on 'Development of Integrated Day Ahead Market in Power Exchange with separate price formation for RE power and Conventional Power'. Learned counsel submitted that the entire approach for the 'Integrated Market' is not only integrating the market qua RE and conventional power for one particular market segment but also for the wholesome integration of entire market, where multi-exchanges are involved. Learned counsel submitted that for operation of such integrated market, market coupling is required to be implemented and that POSOCO may also be issued notice for inviting its views/ comments thereon.

5. In response to a specific query to PXIL as to whether proposed contract can be introduced within the existing regulatory framework, learned counsel for PXIL replied in the affirmative. He also added that the Commission has adequate powers to remove any difficulties that may arise in course of such implementation.

6. After hearing the learned counsel for PXIL and the representative of IEX, the Commission observed that contracts as sought to be introduced by PXIL and IEX on the basis of the letter of Ministry of Power dated 24.3.2021 would admittedly require amendments to the existing regulatory framework of this Commission. However, examining/ identifying the extent of amendments required and thereafter, carrying out such amendments after following the due process of law may take its own time, which the Commission may undertake independently from the present proceedings. However, considering the categorical submissions of both PXIL and IEX that till the time the requisite amendments are identified and carried out after following the due process, the contracts as proposed by IEX and PXIL can be introduced within the existing regulatory framework (albeit in restricted manner), the Commission admitted both the Petitions to this limited extent.

7. The Commission directed PXIL to implead POSOCO as party to Petition No. 143/MP/2021 and file revised memo of the parties within a week. POSOCO was directed to file its comments on the Petitions filed by IEX and PXIL by 21.8.2021 with copy to the Petitioners, who may file their rejoinders, if any, by 31.8.2021.

8. The Commission further directed PXIL and IEX to give wide publicity to their proposed new contracts by uploading the same on their websites for inviting comments from the stakeholders and general public and file an affidavit with detailed study incorporating the comments received from the stakeholders and the response thereon.

9. The Petitions shall be listed for hearing in due course for which separate notice will be issued.

By order of the Commission

**Sd/-
(T.D. Pant)
Joint Chief (Law)**