

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.187/MP/2016

Subject :Petition under Section 66 of the Electricity Act, 2003 read with Regulation 7 of Central Electricity Regulatory Commission (Power Market) Regulations, 2010 for approval of introduction of the Green Power (Renewable Energy) Contracts at Indian Energy Exchange Ltd.

Date of hearing : 24.1.2017

Coram : ShriGireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner : Indian Energy Exchange Limited (IEX)

Parties present : Ms. Shruti Bhatia, IEX
Shri Rohit Bajaj, IEX
Shri Gaurav Maheshwari, IEX
Shri R.K. Mediratta, IEX
Shri Kapil Dev, PXIL
Shri Neeraj Srivastava, TPTCL
Shri Chandan Kumar, TPTCL
Shri S.S. Barpanda, NLDC

Record of Proceedings

The representative of the petitioner submitted that the present petition has been filed seeking approval for introduction of Green Power (Renewable Energy) Contracts at Power Exchange. The representative of the petitioner further submitted as under:

- (a) The proposed Green-Day Ahead Market (G-DAM) was posted on IEX's website and the same was circulated to all the stakeholders through e-mail. In response, 17 stakeholders have submitted their responses.
- (b) The proposed mechanism would facilitate the flow of renewable energy generated from surplus States to deficit States as renewable energy is unevenly distributed over the country.
- (c) The proposed online trading system would enable merchant capacity generators to sell their power in Power Exchange in a session before existing Day Ahead Market (DAM) as bundled green power. If they are unable to sell in G-DAM, they can sell as grey power in DAM with REC benefits. This market segment will also give an alternate avenue to the obligated entities to fulfill their RPO obligations.

2. In response to the Commission's query regarding impact of variability and revisions on the proposed mechanism, the representative of the petitioner submitted that since, the upcoming solar and wind plants will have much better tools to forecast the generation, it can reduce the revision and variability can be dealt with.

3. The representative of POSOCO submitted as under:

(a) Most of RE Generators connected to ISTS and under the purview of Deviation Settlement Mechanism Regulations, their entire capacity have been tied up in PPA. Therefore, there might be very little market participation and liquidity in the proposed contracts.

(b) RE generators participate along with the conventional generators at the same platform of Day Ahead Market.

(c) Grid Parity in per unit price of electricity is almost achieved due to competition and advancement in RE technologies.

(d) Treatment of generation from same plant having part of its capacity tied up and part merchant power needs to be elaborated.

(e) The proposed timelines will leave little room for RLDCs to handle the contingency contracts.

(f) As per Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matter) (Third Amendment) Regulations, 2016, the deviation charges payable by wind or solar generators for deviation in generation is linked to the fixed rate i.e. PPA rate. In case of RE generators participating in green power contracts at the day ahead platform, the applicable rate would change block-wise (average of all contracts including G-DAM cleared), which may further complicate the applicable rate for DSM for RE Generators.

(g) The representative of POSOCO suggested that to have a Green Term Ahead market as it mostly has bilateral contracts, no change would be required in timelines and the revisions may also be allowed.

4. The representative of the PXIL submitted as under:

(a) The petitioner in its submission made in Petition No. 378/MP/2014 filed by PXIL for 2D-Spot Contract and EVE-DAS contract had objected to the maintainability of the said petition on the ground that PXIL was seeking amendment to the Power Market Regulations and Open Access Regulations. The petitioner in the present petition has prayed for changes in the existing timelines of Day Ahead Contract which will warrant change in the regulations. Therefore, in the light of the submissions made by the petitioner in Petition No. 378/MP/2014, the present petition is not maintainable.

(b) There will be implementation challenge in the DAM, particularly with regard to Open Access. In this connection, the Practice Directions issued by

MERC on 19.10.2016 with regard to day ahead open access for sourcing power from Power Exchanges were relied on.

(c) Sally Hunt in the book “The Essential Aspects of Electricity” has observed that “there are no green electron for green power or nuclear electron for nuclear power, they are all the same.” Therefore, there is no way to differentiate between green and brown power.

5. The representative of the petitioner submitted that 2D and G-DAM are not comparable as G-DAM is a separate product and the suggested timelines can be modified after discussions with RLDCs without making much change to the existing DAM timelines. With regard to changes in REC regulations, the representative of the petitioner submitted that only marginal changes are needed. Apart from that, the exchange would issue reports which would differentiate power sold through GDAM and rest from DAM.

6. In response to the Commission’s query regarding the impact on the market if timelines for DAM were changed, the representative of the petitioner submitted that the changes will not have significant impact and would only require the Discoms to plan early.

7. The representative of the petitioner requested for time to submit the comments received from the stakeholders. The representatives of the respondents sought time to file their submissions.

8. The Commission directed the petitioner to submit the comments received from the stakeholders by 21.2.2017. The respondents were directed to file their submissions by 20.2.2017 with an advance copy to the petitioner, who may file its response, if any, on or before 28.2.2017. The Commission directed that due date of filing the comments, replies and rejoinders should be strictly complied with. No extension shall be granted on that account.

9. Subject to the above, the Commission reserved the order in the petition.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Law)**