

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

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

Date of order: 26.5.2016

Petition No. 483/MP/2014

In the matter of

Petition under Regulation 63 (iii) of Central Electricity Regulatory Commission (Power Market) Regulations, 2010 seeking consent for enabling cross border transaction at Indian Energy Exchange.

**And
In the matter of**

Indian Energy Exchange Ltd.
Unit No. 3,4,5 and 6, 4th Floor
Plot No. 7, TDI Centre,
District Centre, Jasola,
New Delhi-110 025

Vs.

National Load Despatch Centre
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi-110 016.

..Respondent

Petition No. 80/MP/2015

In the matter of:

Petition under Section 66 read with Section 79 (1) (k) and other appropriate provisions of the Electricity Ac, 2003 seeking directions to the respondents to allow/enable the Petitioner to sell the power procured by it from the hydro generation project being developed by Dagachhu Hydro Power Corporation, in Bhutan, through power exchanges in terms of Order of this Hon'ble Commission dated 11.9.2014 in Petition No 187/MP/2014

**And
In the matter of:**

Tata Power Trading Limited
C-43, Sector 62, 3rd Floor,
Noida

....Petitioner

VS.

National Load Despatch Centre
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi-110 016 and others

.....**Respondents**

ORDER

Indian Energy Exchange Ltd.(IEX), has filed Petition No.483/MP/2014 for grant of consent for enabling cross border transaction at Indian Energy Exchange platform for further development of the electricity market. IEX has submitted that it has been successfully providing a transparent, demutualized and automated platform enabling competition, efficient price discovery and price risk management for the participants. In its endeavor to promote cross border trade in electricity through power exchanges, IEX is stated to be in discussion with relevant stakeholders in India as well as in Nepal and Bangladesh. IEX has submitted that certain significant developments towards enabling cross border electricity trade through Exchanges have taken place, namely (i) Government of Bangladesh is in advance stage of finalizing entity for procurement of additional power of 30-50 MW through Power Exchange. (ii) In State of Bhutan, merchant power sale from Dagachu power station is expected through IEX platform. (iii) Government of Nepal is engaged in cross border transmission interconnection and grid connectivity envisages cross border electricity trading through Power Exchanges. IEX has submitted that the provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010, the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 do not prevent facilitation of cross border transactions.

2. IEX has submitted that the operational aspects such as delivery, risk management, deviation settlement and infrastructure are in alignment with the prevailing regulatory framework. IEX has sought consent of the Commission for facilitating cross border electricity transaction at IEX involving Nepal, Bangladesh and Bhutan to begin with and subsequently with other grids when they get physically connected with Indian Grid.

3. The Commission in the Record of Proceedings for the hearing dated 8.1.2015 directed IEX to implead Ministry of Power, Central Electricity Authority, Central Transmission Utility, Regional Power Committees, POSOCO, Inter-State traders and Power Exchange of India Limited as parties to the petition and directed these organizations to file reply to the petition. In response to the petition, NLDC, PXIL, trading licensees like Knowledge Infrastructure, Tata Power Trading Company Limited, Instinct Infra & Power Limited, Statkraft, NVVNL and Global Energy Limited have filed replies. The matter was heard on 10.2.2015 wherein the petitioner, PXIL, NVVNL, TPTCL, Global Energy Limited and NLDC made their detailed submissions which have been recorded in the Record of Proceedings of that date and shall be read as part and parcel of this order.

4. Petition No.80/MP/2015 has been filed by Tata Power Trading Company Limited (TPTCL) under Section 66 read with Section 79 (1) (k) and other appropriate provisions of the Electricity Ac, 2003 seeking directions to the respondents to allow/enable the Petitioner to sell the power procured by it from the hydro generation project being developed by Dagachhu Hydro Power Corporation, in Bhutan, through power exchanges in terms of Order dated 11.9.2014 in Petition No 187/MP/2014. The main contention of

TPTCL is that after import of electricity at delivery point in India, it ceases to be an imported good and it is guided by the jurisdiction of the Commission. Accordingly, it can be sold at Power Exchange subject to compliance of the existing regulatory framework. NLDC submitted before the Commission that there are some issues such as market coupling for cross border trade, principles of price discovery, declaration of transfer capability, congestion management and curtailment of trades, etc, which have been highlighted in its affidavit dated 23.3.2015 and these aspects need to be addressed before allowing the petitioner to trade power at Power Exchange. The Commission expressed the view that trading of power with neighboring countries through Power Exchanges involves policy decisions by Government of India with regard to import and export of power and being a policy matter, the views of Govt. of India are required for clarity and accordingly, the Commission requested Ministry of Power to issue necessary guidance for cross border trading in electricity through power exchange.

5. The matter regarding cross border trading in electricity was deliberated at great length by Ministry of Power, Government of India in consultation with Ministry of External affairs, CEA, CTU, POSOCO, the staff of the Commission and other stakeholders. As per the decision in the said meeting, the Commission has to frame regulations for facilitating cross border trade. The Commission is in the process of making the draft regulations which will be placed in the public domain for inviting the comments of the stakeholders. Thereafter, the regulations will be finalized after considering the suggestions and comments of stakeholders and views of Ministry of Power and Ministry of External Affairs.

6. In view of the above developments, no directions can be issued in the petitions filed by IEX and TPTCL at this stage. Further, no purpose will be served to keep these

petitions pending till notification of the regulations on cross border trade in electricity after following the procedure laid down in Electricity (Procedure for Previous Publication) Rules, 2005.

7. The Petition Nos. 483/MP/2014 and 80/MP/2015 are disposed of in terms of the above.

Sd/-
(Dr. M.K.Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A. K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson