

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 222/MP/2021

Coram

Shri P. K. Pujari, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of order: 6th December, 2021

In the matter of:

Petition under Section 66 of The Electricity Act, 2003 read with the Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 for approval of introduction of Cross Border Contracts at Indian Energy Exchange Limited

And

In the matter of:

Indian Energy Exchange Limited,
Plot No. C-001/A/1, 9th Floor, Max Towers,
Sector 16 B, Noida, Gautam Buddha Nagar-201301,
Uttar Pradesh

.... Petitioner

Parties Present:

Shri Jogendra Behera, IEX

Shri Gaurav Maheshwari, IEX

ORDER

The Petitioner, Indian Energy Exchange ("IEX") has filed the present Petition under Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (hereinafter referred to as 'the Power Market Regulations') seeking approval for introduction of proposed cross border contracts on its platform. The Petitioner has made the following prayers:

"(a) Accord approval for introduction of proposed cross border contracts at IEX platform; and



(a) Accord approval to amendments in the Business Rules of IEX.”

2. The case was called out for virtual hearing on 30.11.2021.
3. During the course of hearing, the representative of the Petitioner submitted that as per Clause 6.5 (ii) of the Procedure for Approval and Facilitating Import/Export (Cross Border) of Electricity’ dated 26.2.2021 (in short, ‘the DA Procedure’) issued by the Designated Authority, namely, Central Electricity Authority, Indian entities trading power of domestic origin in Day Ahead Market in Power Exchange will not require any approval from Designated Authority (DA). Accordingly, the contract specification approved by the Commission for Day Ahead Market would remain the same and separate approval to undertake cross-border transaction in Day Ahead Market contract specification has not been sought. However, under the DA Procedure, Indian sellers willing to export power to a neighbouring country through Term Ahead Market shall require approval from DA to participate in the market. He further added that similarly, the entities of neighbouring countries can participate at the Power Exchange through trading licensee situated in India after obtaining the necessary approval from DA. Accordingly, the Petitioner has proposed to create separate instances (windows) within the Term Ahead Market for allowing cross border trade of electricity. The representative of the Petitioner submitted that the proposed cross border contracts will be similar to the existing term ahead contracts. However, the application for scheduling of these contracts will be made to National Load Dispatch Centre (NLDC) by the Power Exchange as per the provisions of the Central Electricity Regulatory Commission (Cross Border Trade of Electricity) Regulations, 2019.

4. The Commission observed that participation in the cross border contracts as proposed to be introduced by the Petitioner entirely depends upon the approval to be granted by the Designated Authority to prospective Indian sellers and foreign buyers. The Commission enquired from the Petitioner as to whether DA has already given such permission to any entity for participating in the Term Ahead Market or is intending to give such permission in near future to which the representative of the Petitioner replied in negative. However, the representative of the Petitioner added that certain entities have shown interest and once the market is developed, it may trigger demand for cross border trade in electricity in the Term Ahead Market.

5. The representative of the Petitioner sought permission to approach DA to discuss the issues raised in the present Petition and to submit its response thereafter. In view of the submissions of the representative of the Petitioner, the Petitioner may approach the Designated Authority for consultation on the subject matter. Accordingly, the Commission disposed of the Petition with liberty to the Petitioner to approach this Commission with fresh Petition on the subject matter after consultation with the Designated Authority. The filing fees deposited by the Petitioner in respect of its Petition shall be adjusted against the Petition to be filed by the Petitioner on the subject in terms of the liberty granted as above.

6. Petition No. 222/MP/2021 is disposed of in terms of the above.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson