

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**IA No. 69/2021
in
Petition No. 160/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: 20th October, 2021

IN THE MATTER OF:

Petition under Regulation 21 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2010, as amended or substituted, for grant of registration to establish and operate a Power Exchange and permit the Petitioner to commence the operation of power exchange.

And

In the matter of

**Pranurja Solutions Limited,
25th Floor, P J Towers, Dalal Street,
Mumbai 400 001**

....Applicant

Parties Present:

Shri Ravi Kishore, Advocate, PSL
Shri Akhilesh Awasthi, PSL
Shri Parvesh K Sharma, PTC

ORDER

The Applicant, Pranurja Solutions Limited (PSL), has filed the present IA No. 69/2021 in Petition No.160/MP/2021 for grant of registration to establish and operate a Power Exchange and permit it to commence the operation of the said Power Exchange.



2. The Applicant has made the following prayers in the IA:

“(a) allow the present interlocutory application;

(b) permit that the Petition No 160.MP/2021 to be treated as having been filed under Central Electricity Regulatory Commission (Power Market) Regulation 2021;and

(c) allow the prayer as in the Petition No 160/MP/2021”.

3. The prayers of PSL in the main Petition No. 160/MP/2021 are as follows:

“(a) admit the Petition;

(b) grant registration to the Petitioner Company to establish and operate a power exchange as the Petitioner has complied with all the conditions as stipulated in the order dated 12.05.2021 of this Hon’ble Commission in Petition No.287/MP/2018;

(c) approve the Rules, Bye-Laws and Business Rules of the exchange in terms of PMR 2010;

(d) permit the Petitioner to commence the operation of the Power Exchange; and

(e) grant authorisation to the exchange to introduce the contracts as specified in the present petition.”

3. The Commission, vide its order dated 12.05.2021 in Petition No. 287/MP/2018, had observed as under:

“42. Regulation 21(i) of the PMR 2010 provides that Commission can stipulate such conditions as deemed fit for setting up and operation of a Power Exchange. Therefore, the Commission, in exercise of the powers under this Regulation, deems it fit to stipulate the following conditions:

PTC shall not at any point of time have veto rights in the matters relating to day to day functioning of the Petitioner as per items 1, 4, 5, 8, 9, 13, 14 and 16 of the Schedule 3 of the SHA and decisive voting rights with regards to any change in senior management including key

management employees as per item 17 of the Schedule 3 of the SHA. And for this purpose, necessary amendments in the SHA shall be effected by the Petitioner. Further, consequential changes as required shall also be incorporated in Rules, Bye-Laws, Business Rules and other such documents by the Petitioner.

43. In terms of the orders dated 31.7.2020 and 11.2.2021; analysis as regards to the compliance of the Petitioner with various provisions (Regulations 14, 15, 16, 17, 18 and 19) of the PMR 2010; and having considered the objections of IEX and PXIL; the Commission, under Regulation 21(i) of the PMR 2010 and as provided under Regulation 16(vii) of the PMR 2010, grants registration to the Petitioner Company to establish and operate a Power Exchange subject to complying with the conditions stipulated in paragraph 42 above within three months from the issuance of this order.

44. On complying with the conditions stipulated in paragraph 42 above, in accordance with the Regulation 21(ii) of the PMR 2010, the registration of the Power Exchange shall continue to be in force for a period of twenty-five (25) years from the date of commencement of operation unless such registration is revoked or cancelled.

45. The commencement of operation of the Power Exchange is subject to approval of the Bye-Laws, Rules, and Business Rules and the technology including trading software in accordance with various provisions of the PMR 2010. The Petitioner had submitted the draft Rules and Bye-Laws at the time of filing the Petition. The Petitioner is directed to submit, after carrying out necessary amendments in the SHA and incorporating consequential changes appropriately in terms of paragraph 42 above, the updated Rules and Bye-Laws along with the Business Rules and the documents in support of the technology to be adopted for operation of the Power Exchange inter-alia including the contracts which the Petitioner intends to introduce, within three months from the issuance of this order, failing which the Petitioner will be liable for action in accordance with law. Subsequent only to such approval, the applicant is permitted to commence the operation of the Power Exchange from a date to be announced by it in advance.”

4. Subsequently, the Applicant filed IA No. 70 of 2021 in Petition No. 287/MP/2018, which the Commission disposed of vide its order dated 14.10.2021 with the following observations:

“10. After going through the documents, we observe that the Applicant has complied with the directions issued vide Order dated 12.05.2021 in Petition No. 287/MP/2018. The Applicant has also submitted on 10.08.2021, the Rules, Bye-

Laws, Business Rules and the details of its transaction platform through a separate Petition numbered as Petition No.160/MP/2021. These documents are now the subject matter of the Petition No. 160/MP/2021 which will be dealt with separately.

11. *We observe that the registration to the Applicant Company to establish and operate a Power Exchange under the PMR 2010 was granted by the Commission in its Order dated 12.05.2021 in Petition No. 287/MP/2018 subject to complying with certain conditions within three months from the date of the said Order. The compliance has been submitted by the Applicant on 10.08.2021, within the stipulated period as discussed in the preceding paragraphs. Subsequent to submission of such compliance by the Applicant, the PMR 2021 came into effect from 15.08.2021. As such, the Applicant shall be treated as a Power Exchange registered under PMR 2021 in terms of Regulation 12(5) of the PMR 2021. The prayer of the Applicant in the present IA to establish and operate Power Exchange is allowed accordingly.*

12. *The commencement of operation of the Power Exchange is subject to approval of the Bye-Laws, Rules, and Business Rules and the technology including trading software, which is the subject matter of Petition No. 160/MP/2021, being dealt with separately.”*

5. From the above, we observe that the Applicant is treated as a Power Exchange registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (in short, “the PMR 2021”) in terms of Regulation 12(5) of the PMR 2021. However, the commencement of operation of the Power Exchange is subject to approval of the Bye-Laws, Rules, and Business Rules and the technology including trading software, which is the subject matter of Petition No. 160/MP/2021.

6. In the present IA, the Applicant has prayed, *inter alia*, to permit that the Petition No. 160/MP/2021 be treated as having been filed under the PMR 2021. We note that subsequent to filing of the Petition No. 160/MP/2021, the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 (in short, “the PMR 2010”) has been repealed and the PMR 2021 has been notified, which has become effective from

15.08.2021. In view of the above, the Petition No. 160/MP/2021 shall be treated as having been filed under PMR 2021.

7. We also direct the Applicant to align its Rules, Bye Laws and Business Rules and other supporting documents in accordance with the PMR 2021 and file them within two weeks of this order through an affidavit; and simultaneously initiate the stakeholders' consultation on the modified Rules, Bye Laws and Business Rules. We further direct the Applicant to submit details on the proposed transaction platform, including the trading software to be used along with the same affidavit. As already held by the Commission in its order dated 14.10.2021 in IA No.70/2021 in Petition No. 287/MP/2018, the Bye-Laws, Rules, and Business Rules and the technology including trading software, are subject matters of Petition No. 160/MP/2021 which will be dealt separately after the Applicant submits all relevant documents in this regard after duly complying with the requirements of the PMR 2021. The commencement of operation of the Power Exchange will be subject to completion of this process and approval of the same by the Commission in Petition No. 160/MP/2021.

8. IA No. 69/2021 in the Petition No. 160/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