

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 14/MP/2023

Subject : 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 High Price Day Ahead Market on PXIL's PRATYAY Platform.

Date of hearing : 19.1.2023

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

Petitioner : Power Exchange India Limited (PXIL)

Respondent : Grid Controller Of India Limited

Parties present : Shri Sakya Singh Choudhary, Advocate, PXIL
Shri Prabhajit Kumar Sarkar, PXIL
Shri Shekhar Rao, PXIL
Shri Anil V. Kale, PXIL
Shri Sunil Hingwani, PXIL
Shri Mukti Marchino, PXIL
Shri Ambrish Khare, PXIL
Shri Ketan Chawda, PXIL
Shri Vishal Binod, Advocate, HPX
Shri Parvesh Sharma, HPX

Record of Proceedings

Case was called out for virtual hearing.

2. Learned counsel for the Petitioner submitted that the present Petition has been filed seeking approval to operate of High Price Day Ahead Market on PXIL's PRATYAY Platform. Learned counsel for the Petitioner mainly submitted as under:

(a) Ministry of Power, Government of India vide its letter dated 1.8.2022 proposed to introduce a High Price Market segment (HP-DAM) within the existing Integrated Day Ahead Market (I-DAM).

(b) As to the Key features of the proposed HP-DAM, it will be in addition to the existing Green-DAM (G-DAM) and DAM in I-DAM and the participants would be able to place their bids in HP-DAM during the market hours (10am to 12pm) based on their eligibility criteria. The participant will also have the

option to transfer unselected bids in DAM to HP-DAM with the flexibility to specify the different prices.

(c) The price discovery will take place in a sequential manner i.e. first G-DAM will be cleared followed by DAM and HP-DAM.

(d) Sellers with high cost generation, namely, (i) gas-based power plants, (ii) imported coal-based power plants, and (iii) any other entity that meets the variable cost criteria.

(e) Discussion paper issued by Ministry of Power proposed HPDAM segment to operate in a manner similar to the existing IDAM Contract wherein separate prices are discovered for transaction in renewable and conventional power in same auction session which would lead to three segments i.e. renewable, conventional and high price with nine different prices in each of the 96-time blocks in a day leading to 864 different prices for each day. Thus, to avoid the sub-optimal utilisation of transmission corridors as well as fragmentation of liquidity across multiple power exchanges and to allow price discovery in most efficient manner, the Petitioner proposes the implementation of Market Coupling as provided in PMR 2021, similar to existing provisions for the IDAM contracts approved for the Commission vide order dated 17.10.2021 in Petition No.143/MP/2021.

(f) The Petitioner has initiated the development process on its trading platform and has also started the demo process with the NLDC regarding exchange of information and documents. Based on the approval given by the Commission, the Petitioner will shortly proceed with the stakeholder demos that needs to be done prior to introduction of the contract.

3. After hearing the learned counsel for the Petitioner, the Commission ordered as under:

(a) Admit. Issue notice to the Respondent.

(b) The Petitioner to serve copy of the Petition on the Respondent. The Respondent to file its reply to the Petition within two weeks after serving copy of the same to the Petitioner, who may file its rejoinder within two weeks thereafter.

(b) The Petitioner to discuss with the Respondent and complete the stakeholder consultation within two weeks and file an affidavit with detailed study incorporating the comments received from the stakeholders and the response thereon.

4. The Petition shall be listed for hearing after mentioning the matter by the Petitioner.

By order of the Commission
Sd/-
(T.D. Pant)
Joint Chief (Legal)

