

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.379/MP/2022**

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 the single sided reverse auction and single sided forward auction for renewable energy certificates at Power Exchange India Limited.

Date of Hearing : 21.3.2023

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

Petitioner : Power Exchange of India Limited (PXIL)

Respondent : Grid Controller of India Limited (GCIL)

Parties Present : Shri Sakya Singha Chaudhuri, Advocate, PXIL  
Ms. Nithya Balaji, Advocate, PXIL  
Shri Anil Kale, PXIL  
Shri Kasif Usman, GCIL  
Shri Alok Mishra, GCIL  
Shri Kailash Saini, GCIL

**Record of Proceedings**

Learned counsel for the Petitioner submitted that present Petition has been filed for approval of introduction of single sided reverse auction and single sided forward auction for Renewable Energy Certificates (REC) at the Petitioner's Exchange in accordance with Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021. Learned counsel submitted that in compliance with the directions of the Commission vide Record of Proceedings for the hearing dated 7.2.2023, the Petitioner had given wide publicity to its proposal under the present Petition by uploading it on its website for inviting the comments from the stakeholders/general public. However, no comment has been received from the stakeholders/ general public. Learned counsel further mainly submitted as under:

(a) GCIL has already filed its reply wherein it has been indicated that a meeting of all Power Exchanges was organized on 2.2.2023 to develop consensus on principle of allocation of certificates among buyers and to increase the frequency of trading of RECs on Power Exchanges. GCIL, based on the discussions and also the suggestions of the stakeholders, has proposed that at first the frequency of trading sessions may be increased to fortnightly (i.e. 2<sup>nd</sup> and last Wednesday of each month) for a period of six months and based on the experience gained during this period, the frequency of trading sessions for further period may be decided thereafter.

(b) 'Source of Origin' information provided to buyer is dependent of RECs submitted by eligible entities that get cleared based on the methodology approved by the Commission vide order dated 26.10.2012 in Petition No. 174/MP/2012 i.e. first clearing all participants who have quoted a price better than market clearing price and thereafter pro-rating the allocation quantity based on the quantity quoted by the participants at the market clearing price.

(c) Upon implementation of REC Regulations, 2022, during the three auction sessions held by the Petitioner on 27.12.2022, 25.1.2023 and 22.2.2023, the Petitioner provided the 'Source of Origin' information to each cleared Buyer. Based on their preference as entered in the system, the Petitioner has allocated the RECs to cleared buyers by undertaking the equitable allocation to all successful participants in compliance to directives provided by the Commission in the aforesaid order dated 26.10.2012.

(d) However, this implementation of preference option to cleared quantum has led to mismatch between preference submitted at bid entry and allocation made from cleared set of certificates during a session. The Petitioner is unable to fulfill/meet the 'preference' due to constraints in clearance of RECs directed vide order dated 26.10.2012 even though adequate number of type of RECs may be available for clearance during a session.

(e) Since combined session of different types of certificates i.e. solar/small hydro/ wind/ any other type of certificate is operated, the *pro-rata* clearance of certificates for bids placed at market clearing price does not result in optimum utilization of different type of certificates resulting in non-fulfillment of 'preference' provided by Buyers. Accordingly, the Petitioner has sought to amend the step-wise methodology for clearance of eligible quantum placed at market clearing price that was earlier approved vide order dated 26.10.2012 in Petition No. 174/MP/2012 and the Petitioner has also filed IA (Diary) No. 105/2023 for insertion of necessary prayer to the above effect.

2. The representative of the Respondent, GCIL submitted that since the above aspects raised in the rejoinder of the Petitioner has been filed only recently, the Respondent may be permitted to examine the same and to file its written submission thereon. The representative of the Respondent, however, submitted that the methodology adopted by the Petitioner, *prima facie*, does not appear to be in line with the discussions held in a joint meeting with all Power Exchanges on 2.2.2023 wherein it was also deliberated that after the market clearing price is discovered, all the RECs are to be considered at par.

3. After hearing the learned counsel for the Petitioner and the representative of the Respondent, GCIL, the Commission permitted the Respondent to file its submission on the aspects raised by the Petitioner in its rejoinder/IA, if any, within two weeks.

4. Considering the submissions made by the representative of the parties, the Commission reserved the matter for order.

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