

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 14/MP/2023**

**Coram:**

**Shri Jishnu Barua, Chairperson**

**Shri I.S. Jha, Member**

**Shri Arun Goyal, Member**

**Shri P.K. Singh, Member**

**Date of Order: 11<sup>th</sup> April, 2023**

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

**And in the matter of**

**Power Exchange India Limited (PXIL),**  
9<sup>th</sup> Floor, 901, Sumer Plaza,  
Marol Maroshi Road, Marol Andheri (East),  
Mumbai 400059, India

**... Petitioner**

Versus

**National Load Despatch Centre (NLDC),**  
Power System Operation Corporation Limited,  
B-9 (1st Floor), Qutab Institutional Area,  
Katwaria Sarai,  
New Delhi 110016

**...Respondent**

**Parties Present:**

Ms. Nitya Balaji, Advocate (PXIL)  
Shri Anil V. Kale, representative (PXIL)  
Shri Alok Mishra, (GRID Controller of India)



## ORDER

The Petitioner, Power Exchange India Limited (PXIL), (hereinafter referred to as the "PXIL") has sought approval of the Commission for introduction of High Price Day Ahead Market on PXIL's PRATYAY Platform, in accordance with Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 ("PMR 2021").

2. The Petitioner has made the following prayers:
  - a. *Approve introduction of High Price Day Ahead Spot Contract as a segment within Integrated Day Ahead Spot Contract approved earlier vide order in 143/MP/2021 dated 17.10.2021;*
  - b. *Approve amendment of Business Rules of the Petitioner Exchange by inclusion of contract specification for High Price Day Ahead Spot Contract as a segment within the Integrated Day Ahead Spot Contract;*
  - c. *Issue appropriate order(s)/direction(s) to POSOCO/NLDC for issuing relevant amendments to 'Procedure for Scheduling Collective Transaction' for introduction of High Price Day Ahead Spot Contract as a segment within the Integrated Day Ahead Spot Contract with separate price formation for higher priced power transacted in this segment;*
  - d. *Prescribe floor price applicable for operation of HP-DAM segment below which no bid from buyer would be accepted for participation in High Price Day Ahead Spot Contract;*
  - e. *Introduce market coupling in Day Ahead Market to avoid suboptimal utilization of transmission corridor as well as fragmentation of liquidity and allow price discovery in most efficient manner; and*
  - f. *Pass such other order(s) that this Hon'ble Commission may deem fit to remove difficulties and allow implementation of the above.*

### Submissions of the Petitioner

3. In 2008, the Petitioner, PXIL was granted permission to set up, operate and commence Power Exchange operations. Presently, it is offering contracts in Integrated Day Ahead Market (IDAM), Real Time Market (RTM), Term Ahead Market (TAM),



Green Term Ahead Market (GTAM), Renewable Energy Certificates (RECs), and Energy Saving Certificates (ESCs).

4. The Petitioner has filed the present petition for seeking approval of the Commission for introduction of High Price Segment in the Day Ahead Market (“HP-DAM”) on PXIL’s PRATYAY Platform, in accordance with Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (“PMR 2021”).

5. The Petitioner has submitted that the Ministry of Power (“MoP”), Government of India vide Order reference No. 23/16/2020- R&R dated 01.08.2022 issued a discussion paper inviting comments from stakeholders regarding introduction of ‘High Price Market Segment for Day Ahead Market’. The MoP Discussion Paper has proposed a high price market segment to enable sellers, with variable cost greater than the price limit prescribed in Integrated Day Ahead Market (“IDAM”), i.e., Rs. 12/kWh, to be able to sell power through Power Exchanges. The HP-DAM is offered within the existing IDAM.

6. Some key features of HP-DAM as proposed in the MoP Discussion Paper are as under:

**a. Eligibility for Sellers:**

- i. Sellers with variable cost greater than the price cap of spot of IDAM market i.e. Rs. 12/unit will be allowed to sell power in this market. These can be gas-based power plants, imported coal-based power plants or any other entity that meets the variable cost eligibility criteria.
- ii. A NOC to be provided to such sellers biannually through the NOAR

**b. Bid Price Range:**

- i. Minimum bid price will be at 0 paise/unit and maximum price can be decided based on the feedback from the stakeholders. This will be higher than the existing cap for DAM.

**c. Integrated HP-DAM**

- i. The integrated option the HP-DAM will operate similar to Green Day



Ahead Market (“GDAM”) in IDAM. The sellers eligible for HP-DAM will be allowed to place bids in this product. The buyers will have an option of auto-carry their uncleared bids from Day Ahead Market (“DAM”) to HP-DAM. The buyers can also directly place bids in the HP-DAM.

**d. Price discovery:**

- i. Price discovery for HP-DAM will be Double-Sided Closed Auction (same as GDAM, DAM and RTM).

**e. Market timelines**

- i. The bidding will take place between 10 am to 12:00 pm
- ii. Power exchanges will send the provisional file to NLDC at 1:00 pm (combined file after considering provisional volume across all three segments, i.e., GDAM, DAM and HP-DAM)
- iii. NLDC will provide the transmission capacity by 2:00 pm
- iv. In case of congestion, the transmission corridor allocation will be first for GDAM, then DAM and last for HP-DAM
- v. Power exchanges will send the final file to NLDC by 3:00 pm (combined file after considering the final cleared volume across all three product segments – GDAM, DAM, HP-DAM)
- vi. NLDC / RLDC will publish the final schedule by 5:30 pm

7. The Petitioner has referred to the Commission’s directives vide *suo-motu* order dated 01.04.2022 in Petition No. 4/SM/2022 wherein the power exchanges were directed to re-design with immediate effect, bidding software that restricts bids in price range of Rs. 0/kWh to Rs. 12/kWh for DAM and RTM. Subsequently, vide Commission’s Order dated 06.05.2022 in Petition No. 05/SM/2022 (*Suo-Motu*) the directions were extended to all the contracts, viz., DAM, including Green Day Ahead Market (GDAM), RTM, Intra-day, Day Ahead Contingency and Term-Ahead (including Green Term Ahead) till 30th June 2022. The applicability of the said directions was extended from 1st July 2022 to 30th September 2022 vide Order dated 30.06.2022 in Petition No.

09/SM/2022, which was further extended from 1st October 2022 to 31st December 2022 vide Order dated 29.09.2022 in Petition No. 13/SM/2022.

8. The HP-DAM segment would enable sale of electricity at prices higher than the existing price limit of Rs. 12/kWh and allow high cost projects, that are unable to transact in DAM, such as gas or imported coal-based plants to sell power.

### **HP-DAM Segment**

9. The Petitioner has submitted that the HP-DAM segment has been proposed having regard to the need for getting generating stations that have variable charges above Rs. 12/kWh to be able to participate in the market where the buyer side is ready to pay such higher prices. The HP-DAM segment is therefore, proposed as a separate segment with all its modalities, in view of the existing price cap on DAM transactions. Functioning of this new market segment is dependent on the benchmark ceiling price applicable for IDAM. Accordingly, the Petitioner has sought the following directives from this Commission to design and envisage the operational functionality for HP-DAM:

- a. The list of participants who have been granted No Objection Certificates ("NOC"), along with the plant particulars should be made available to the Power Exchange so as to register such entities as selling entities for participating in HP-DAM segment.
- b. HP-DAM is an exclusive segment where buy side participation interest can be generated only if adequate sell quantum is available, hence the seller should be directed to transact full quantum of power as provided in the NOC.
- c. In HP-DAM segment, the minimum price for buy orders should be the extant ceiling price in IDAM (currently, the ceiling price is Rs. 12/kWh) and maximum price may be left to demand-supply dynamics of market participants.
- d. Directions in this regard are required that enable the Power Exchange to reject buy side bids when the bid price is lesser than the threshold price of Rs. 12/kWh for participating in HP-DAM.

10. In the above stated background, the Petitioner has requested for clarification on the periodicity of the HP-DAM segment, i.e., whether it is co-terminus with the existence of the cap of Rs. 12/kWh for IDAM; or is it to be operated on a regular basis as the G-DAM and DAM market.

### **Market Coupling to avoid fragmentation of liquidity**

11. The Petitioner has submitted that the MoP Discussion Paper proposes HP-DAM segment to operate in a manner similar to existing IDAM Contract wherein separate prices are discovered for transaction in renewable and conventional power in same auction session and get cleared simultaneously. With this, there would be three segments i.e. renewable, conventional and high price, in the Day Ahead Contract operating under Regulation 5(1) of PMR 2021. Further, with three Power Exchanges, nine different prices would be discovered in each of the 96-time blocks for the Day Ahead Contract leading to 864 different prices for each day in the Day Ahead Market alone.

12. The Petitioner has proposed that a market design, which can retain the competitive characteristics of multiple Power Exchanges and at the same time provide benefits to participants through optimal utilisation of different generation source needs to be provided when new market segment is introduced.

13. The Petitioner has submitted that the implementation of Market Coupling as provided in PMR 2021 would avoid sub-optimal utilisation of transmission corridors as well as fragmentation of liquidity across multiple power exchanges and allow price discovery in most efficient manner.

14. In accordance with Regulation 25 of PMR 2021, the Petitioner has submitted the following information for approval of contracts under HP-DAM segment:

a. **Type of Contract**

The proposed HPDAM contract shall be a collective transaction operating under provisions of Regulation 5(1) of PMR 2021 in a manner similar to IDAM contracts

approved for the Petitioner vide Commission's order dated 17.10.2021 in Petition No. 143/MP/2021.

b. **Price discovery and matching methodology**

The order entry shall follow 'Double Sided Closed Bidding' process and price discovery shall be as per 'uniform clearing price' mechanism, in a manner similar to IDAM contracts approved for the Petitioner vide Commission's order dated 17.10.2021 in Petition No. 143/MP/2021.

c. **Timelines including commencement of bidding and duration of bidding session till delivery commences**

As provided in the MoP Discussion Paper, bidding session shall be 10:00 to 12:00 hours in the existing IDAM contracts, as approved for the Petitioner vide Commission's order dated 17.10.2021 in Petition No. 143/MP/2021.

d. **Delivery mechanism and delivery duration i.e. whether delivery is for intraday, daily, weekly, monthly, seasonal, yearly or beyond**

The scheduling and delivery shall be under the provisions of Regulation 5(1) (b) of PMR 2021 in a manner similar to scheduling and delivery of IDAM transactions as approved for the Petitioner vide Commission's order dated 17.10.2021 in Petition No. 143/MP/2021.

e. **Risk management mechanism including margining and final price settlement mechanism**

i. The risk management system applicable for participation in HP-DAM contracts shall be similar to the existing provision applicable for IDAM contracts offered on the Petitioner's 'PRATYAY' platform. Further, at the time of order entry, the power exchange shall verify compliance to margin requirements applicable for transacting in HP-DAM session prior to acceptance of orders from market participants.

ii. The settlement of transaction in HP-DAM segment shall be made at Uniform clearing price discovered for volume cleared in the segment.

## Hearing dated 19.01.2023

15. The matter was heard by the Commission on 19.01.2023 and the Petitioner was directed to file an affidavit enclosing the comments/views of the stakeholder. The Petitioner had accordingly published a copy of the petition on its website vide Public Notice dated 25.01.2023, and invited stakeholder comments on the same till 01.02.2023.

16. The Petitioner has informed that no comments have been received from the stakeholders on the Public Notice, except from the Respondent, NLDC (GRID-India). The Respondent NLDC (GRID-India) has submitted its comments on the petition and based on the comments received from the Respondent, the Petitioner submitted its observations as under:

(i) Respondent's comment:

*"In the Integrated Day Ahead Market the Market Clearing shall take place in a sequential manner i.e., first G-DAM will be cleared followed by DAM and HPDAM considering the uncleared bids in G-DAM and DAM, if any as per eligibility criteria of sellers for participation."*

**Petitioner's Submission:** Petitioner submits that in the HPDAM contract, sequential clearing shall be followed where G-DAM will be cleared followed by conventional DAM and finally HP-DAM. Further, the sellers side entities eligible to submit their Offers in HP-DAM segment shall be based on information afforded by various departments i.e., MOP/CERC/CEA/Grid-India in order to enable the Petitioner to configure such entities exclusively in HP-DAM segment.

(ii) Respondent's comment:

*"It is respectfully submitted that, Ministry of Power in its direction has categorically mentioned that there will not be any floor price and forbearance price in HP DAM. Recently, the costlier power which was despatched under RRAS was having variable cost more than Rs. 45 per unit. Hence, if Power Exchange has to put the maximum price for the technical limit for the price discovery algorithm, it may be including the variable cost. Fixed cost and some margin attributed towards incentives to run the costlier plant in the crunch period. However, Hon'ble Commission may direct to regulate the maximum price time to time depending upon the variation in the fuel price."*





**Petitioner's Submission:** The Petitioner submits that the HP-DAM segment comprising of floor price and forbearance price, if any, shall be based on directions issued by the Hon'ble Commission. However, prayer (d) of the present petition also requests Commission to stipulate a floor price in the HPDAM segment below which no bids would be accepted. The Petitioner shall abide by the directions of Commission in regard to the 'Forbearance Price.

(iii) Respondent's comment:

*"It is respectfully submitted that in case of congestion in the bid area (s) and /or inter regional links. The GDAM followed by DAM transaction shall have priority over HP-DAM transactions in the market clearing as per the proposed methodology. In case of real time curtailment due to grid security, if it is required to curtail the collective transactions, then the inter-se curtailment priority within Integrated DAM may be directed by Hon'ble Commission through suitable amendment in Open Access in inter-State Transmission regulation. Till such date the said amendment is notified by Hon'ble Commission. it is proposed to curtail HP-DAM transaction followed by DAM & GDAM transaction. Further, integrated DAM shall be curtailed first followed by real time transactions in the RTM."*

**Petitioner's Submission:** Petitioner vide paragraphs 18(a)(i) and 18(b) of the Petition has already made submissions to the effect that the HP-DAM segment shall operate under the provisions of Regulation 5(1) of CERC (Power Market) Regulations, 2021.

(iv) Respondent's comment:

*"Considering basic framework of the proposed HP-DAM and it being a new contract, the proposed timelines may be mutually agreed between NLDC & Power Exchanges."*

**Petitioner's Submission:** Petitioner had submitted the draft contract specification for HP-DAM segment whereunder, at Clause 4 the timelines applicable for HP-DAM segment have been provided.

(v) Respondent's comment:

*"It is respectfully submitted that for optimal solution, the Integrated DAM including proposed HP-DAM shall be cleared by NLDC with a single iteration. However, Power Exchange shall internally run the market clearing engine separately for*

*GDAM followed by DAM & HP-DAM respectively. Further, Power Exchange shall communicate the volume and price for all the said segments separately.”*

**Petitioner’s Submission:** The Petitioner has placed on record before the Commission, the draft contract specification for HP-DAM segment. The manner of sequential clearing is proposed under the Available Transmission Capacity (ATC) released by the Respondent - Grid Controller of India Ltd. wherein, G-DAM shall be cleared first, followed by the conventional DAM and finally the HP-DAM segment.

(vi) Respondent’s Comment:

*“For smooth implementation of the Integrated DAM, there is a requirement of having a process and procedure in place. The procedure of collective transactions for Integrated DAM was already approved by Hon’ble Commission. In this regard the Hon’ble commission may give suitable direction to the petitioner to prepare procedure for HP-DAM within Integrated DAM and submit same to the Hon’ble Commission for necessary approval.”*

**Petitioner’s Submission:** Petitioner had placed on record the draft Contract Specification comprising all the procedures, sequencing of various activities and timelines to be applicable HP-DAM segment with Integrated Day Ahead Market Approved vide Order dated 17.10.2022 in Petition No. 143/MP/2022.

(vii) Respondent’s Comments:

*“To provide the framework for ascertaining the eligibility criteria for participation in HP-DAM (High Price Day Ahead Market) and issuance of No objection certificate for consideration of the Commission, it is respectfully submitted that the Ministry of Power vide communication no. 23/16/2020-R&R dated 11th October 2021 has specified the eligibility criteria for sellers to participate in HP-DAM segment. It has been mentioned that sellers with high cost of generation will be allowed to sell in this market. To begin with the following categories of generators shall be eligible to participate in HP-DAM:*

- i. Gas based Power Plants using imported RLNG and Naptha*
- ii. Imported Coal based Power Plant using 100% imported coal.*
- iii. Battery Energy Storage Systems (BESS)*

*The category of plants eligible to participate in HP-DAM shall be subject to quarterly review by the Hon’ble Commission. It is respectfully submitted that the eligible sellers shall require to submit a declaration through NOAR at the time of*

*submission of application for Standing Clearance, regarding the eligibility to sale its power in the HPDAM segment. The format of the declaration is enclosed as Annexure 1.”*

**Petitioner’s Submission:** The Petitioner submits that the eligibility criteria applicable for sell side entities has been prescribed in the letter dated 11.10.2022 circulated by MoP. Further, it is submitted that the Petitioner humbly requests this Hon’ble Commission to notify the criteria applicable for the sell side entities in HP-DAM segment. The Petitioner shall abide by the directions issued in the matter.

(viii) Respondent’s Comment:

*“It is respectfully submitted that the eligible seller willing to participate in HP-DAM shall submit the request for standing clearance through NOAR. The concerned nodal agency shall grant the standing clearance through NOAR as per the extant provisions of the regulations. NLDC shall share the time block wise available standing clearance quantum for each eligible seller with the Power Exchanges through NOAR on daily basis before opening the bidding window for Integrated Day Ahead Market. It shall be ensured by the entity that the aggregated bidding quantum across all the power exchanges shall not exceed the ‘Standing Clearance’ granted by the concerned SLDC/RLDC/NLDC.*

*It is respectfully prayed that Hon’ble Commission may like to issue directions in regard to scheduling of HP-DAM transactions, applicability of losses and transmission charges in HP-DAM transactions, transmission margin sharing between power exchanges and congestion management, curtailment priority and settlement of transactions, price discovery any other generic design related issue as deemed fit.”*

**Petitioner’s Submission:** The Petitioner submits that the Petitioner shall abide by the directions of the Commission in this matter.

### **Hearing dated 28.03.2023**

17. During the hearing on 28.03.2023, the learned counsel for the Petitioner inter-alia submitted that the Commission vide Order dated 16.2.2023 in Petition No. 359/MP/2022 filed by the Indian Energy Exchange has already accorded approval for introduction of the proposed High Price Day Ahead Market (HP-DAM) on IEX platform and prayed that

similar order be passed in the instant Petition. After hearing the learned counsel for the Petitioner, the Commission reserved the matter for order.

### **Analysis and Decision**

18. The Petitioner has proposed to introduce the High Price Day Ahead Market (HP-DAM) on PXIL's PRATYAY platform to facilitate participation of high variable cost generators which may not otherwise have been able to participate in DAM due to the prevailing price cap.

19. In accordance with the directions of the Commission, the Petitioner has conducted stakeholder consultation. The Petitioner has informed that it has not received any comments from the stakeholders. The Petitioner has further submitted its point-wise reply to the comments/suggestions received from the Respondent NLDC (GRID-India). The comments/suggestions received from the Respondent are mainly relating to the bidding window for HP-DAM, restriction on the participation of HP-DAM sellers, identification of eligible sellers, floor and forbearance price, etc.

20. The Commission, in Petition No. 359/MP/2022 filed by the Indian Energy Exchange, accorded its approval vide Order dated 16.02.2023 for introduction of the proposed High Price Day Ahead Market (HP-DAM) on IEX platform. The comments/suggestions received from the Respondent in the instant petition have already been discussed in Petition No. 359/MP/2022. Moreover, the Petitioner during the hearing on 28.03.2023 prayed that similar order be passed in the instant Petition.

21. We are of the view that the introduction of HP-DAM in the Integrated Day Ahead Market (I-DAM) segment on PXIL's PRATYAY platform may provide a new avenue to the high variable cost generators which may not have been able to participate in DAM due to the existing price ceiling. Price cap in the Power Exchange transactions was introduced to balance the interest of buyers while at the same time ensuring that suppliers get adequately compensated but (especially infra-marginal generators) do not get undue benefits in situations of high demand and shortage of supply. However, it is

equally important to ensure that such price caps do not drive away the high cost generators from the market.

22. Considering the above, we are of the view that approval needs to be accorded to the Petitioner's proposal to introduce HP-DAM segment on its platform. The different aspects of the proposed contract have been dealt with in the succeeding paragraphs, keeping in view the submissions made by the Petitioner, comments/suggestions given by the Respondent, and the directions given in the Order dated 16.02.2023 in Petition no. 359/MP/2022.

### **Bidding, Market clearing and Scheduling**

23. The Petitioner has proposed that the bidding timelines, price discovery and matching mechanism shall be the same as for IDAM contracts as already approved for the Petitioner. We approve that the bidding shall follow 'Double-Sided Closed Bidding' process and price discovery shall be as per the 'uniform clearing price' mechanism. The price discovery and market clearing shall take place in a sequential manner i.e., first GDAM will be cleared followed by DAM and HP-DAM. The participants (buyers and eligible sellers) may also have the option to transfer unselected bids in DAM to HP-DAM with the flexibility to specify different prices. We note that I-DAM already follows a similar sequential clearing. To this, a new segment of HP-DAM will be added. We observe that this process and sequencing of transaction have also been agreed to by the Respondent. As such, we agree with the proposal of the Petitioner for sequential clearing of GDAM first, followed by DAM and finally HP-DAM. We also endorse the view that the buyers and the eligible sellers will have the option to transfer unselected bids in DAM to HP-DAM with the flexibility to specify different prices for different segments at the time of bidding. Both buyers and sellers will be allowed to submit a price premium in case they opt for carry forward of their unselected bids from DAM to HP-DAM. However, in the case of buyers, we direct the Petitioner to provide an option to the buyers to quote their maximum quantum of unselected bids from conventional DAM that they would like to carry forward to the HP-DAM segment.

24. We approve that in the proposed integrated market, based on uniform auction mechanism, the participants are supposed to submit their best quote without being influenced by the outcome of other segments of I-DAM. Therefore, we hold that there shall be a single window for bidding as per the existing timeline of 10 am to 12 noon.

### **Procedure for scheduling of collective transactions**

25. NLDC has submitted that considering the basic framework of HP-DAM and it being a new contract, the timelines may be mutually decided between Power Exchanges and NLDC. We observe that the timelines for collective transactions have been specified in the procedure for scheduling of collective transactions. The timeline for auction window for HP-DAM is the same as the existing GDAM and DAM, and also combined requisition is required to be made from the Power Exchanges to NLDC. Subject to the above, NLDC and the Petitioner may mutually formalize the communication protocol between themselves.

26. NLDC has suggested that in case of congestion in the bid area(s) and/or inter regional links, the GDAM followed by DAM transaction shall have priority over HP-DAM transactions in the market clearing as per the proposed methodology. Further, Integrated DAM shall be curtailed first followed by real time transactions in the RTM. We note that the process of curtailment has been specified in the Indian Electricity Grid Code (IEGC). HP-DAM being a new product does not obviously find mention in the IEGC. While suitable provisions may be incorporated in the IEGC in this regard in due course of time, we accept the suggestion of NLDC, and direct that an interim arrangement in the event of congestion, curtailment shall follow the sequence of curtailment of HP-DAM transactions first, followed by the transactions in DAM, then in GDAM and finally in RTM.

### **Eligibility for Participation in HP-DAM**

27. The Petitioner has proposed that the sellers with high cost of generation will be allowed to sell in HP-DAM. To begin with, the following categories of generators will be eligible to participate in HP-DAM:

- i. Gas based Power Plants using imported RLNG and Naphtha
- ii. Imported Coal based Power Plant using imported coal.
- iii. Battery Energy Storage Systems (BESS)

28. We direct that the category of generating stations eligible to participate in HP-DAM shall be subject to periodic review by the Commission. Moreover, all the entities which are eligible to procure power through Open Access shall be eligible to participate in HP-DAM as buyer.

29. As regards the process of NoC/standing clearance, we accept the NLDC's proposal in this regard and hold that the eligible seller willing to participate in HP-DAM shall submit the request for standing clearance along with a declaration form through NOAR, and the concerned SLDC/RLDC/NLDC shall grant standing clearance through NOAR as per the extant provisions of the regulations after verifying the information furnished in the declaration form with the available records. The NoC/Standing clearance should clearly specify the source of power of such sellers. Similarly, eligibility of HP-DAM sellers shall be ascertained at the time of registration with the Power Exchange based on NoC/Standing clearance issued by SLDC/RLDC/NLDC, as applicable.

30. We also direct NLDC to compile a list of all such eligible sellers and publish in their website under intimation to the Commission. NLDC is also directed to submit a quarterly report with recommendation, if any, for inclusion of any resource or generating station with any specific fuel source in the eligibility list for participation in HP-DAM.

## **Floor and Forbearance Price in HP-DAM**

31. We have considered the Petitioner's submissions and comments/suggestions of the Respondent. We are of the view that keeping the floor price of '0' will incentivize the eligible HP-DAM sellers as they would be able to achieve the technical minimum and this would help in attracting liquidity into this new market segment. Thus, we allow the floor price of '0' for HP-DAM to the Petitioner, in line with the approval granted to IEX in Petition no. 359/MP/2022.

32. As regard the forbearance price, we understand that the gas based generating stations have the highest variable cost at present. However, the imported gas prices have come down significantly during the last few months as compared to the high prices last year. We have also observed from the monthly summary of highest cost of generating stations available with NLDC for utilizing for RRAS Up, that the highest cost of generation of such plants is gradually coming down from its peak in September 2022. In view of these developments, the Commission in its Order dated 31.03.2023 in Petition 4/SM/2023 (Suo-Motu), inter-alia, directed all the Power Exchanges to re-design their bidding software for the period from 04.04.2023 until further orders, in such a way that the members can quote the price in the range of Rs.0/kWh to Rs.20/kWh in the HP-DAM segment. Accordingly, we have decided to allow the upper price limit of HP-DAM at Rs. 20/kWh to the Petitioner, until further orders.

33. In the light of the analysis and decision on the various issues arising out of the proposal for introduction of HP-DAM at PXIL's PRATYAY platform, the Commission hereby approves the proposal of the Petitioner to introduce HP-DAM segment in the Integrated DAM subject to compliance of the directions as stated above.

34. The Petitioner is further directed to incorporate the appropriate provisions in its Bye laws, Rules and Business Rules with respect to introduction of HP-DAM and submit to the Commission for records within a week from the date of this order.



35. As regards the Petitioner's proposal on implementation of Market Coupling for IDAM to avoid sub-optimal utilisation of transmission corridors as well as fragmentation of liquidity across multiple power exchanges, we are of the view that the implementation of market coupling needs wider consultation and is beyond the scope of the present petition.

36. Petition No. 14/MP/2023 is disposed of in terms of the above.

**Sd./-**  
**(P.K. Singh)**  
**Member**

**Sd./-**  
**(Arun Goyal)**  
**Member**

**Sd./-**  
**(I.S. Jha)**  
**Member**

**Sd./-**  
**(Jishnu Barua)**  
**Chairperson**

