

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 11/MP/2024**

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 Renewable Energy Certificates single-sided reverse auction contracts, Renewable Energy Certificates single-sided forward auction contracts, and continuous matching mechanism for REC trading.

Petitioner : Power Exchange of India Limited (PXIL)

Respondent : Grid Controller of India Limited (GCIL)

Date of Hearing : **22.7.2024**

Coram : Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member

Parties Present : Shri Sakya Chaudhuri, Advocate, PXIL  
Ms. Shriya Gambhir, Advocate, PXIL  
Shri Anil Kale, PXIL  
Shri Alok Mishra, NLDC  
Ms. Anisha Chopra, NLDC

**Record of Proceedings**

Learned counsel for the Petitioner submitted that the present Petition has been filed seeking approval of the Commission for the Renewable Energy Certificates (RECs) single-sided reverse auction contract, RECs single-sided forward auction contract, and continuous matching mechanism for RECs trading at its Platform under Regulation 5(4) of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021. Learned counsel further submitted that pursuant to the direction of the Commission vide Record of Proceedings for the hearing dated 12.6.2024, the Petitioner had again given wide publicity to its proposed contracts by uploading on its website for a further 21 days inviting the comments from the stakeholders and general public. In response thereof, the Petitioner has received the comments and suggestions only from the Prayas (Energy Group), and the Petitioner has already filed an affidavit indicating its response to the comments & suggestions of Prayas (Energy Group).

2. Learned counsel for the Petitioner further submitted that Prayas (Energy Group) has mainly commented upon three aspects viz. (i) a pilot for forward auction be held each month, and the next steps be initiated based on the outcome of such auction session, (ii) disallow the traders to undertake the bilateral transaction in RECs, and (iii) exchanges be allowed to hold weekly sessions for trading of RECs under uniform price discovery mechanism. Learned counsel submitted that the Respondent, GCIL, in its reply, has raised certain apprehensions regarding the efficient price discovery in the forward auction contract as under the said contract, the price discovery is on the basis of incremental price quotes by the buyers wherein the highest prevailing buy price is selected. However, it has to be noted that presently 60% of the RECs being sold are by the Distribution

Licensees having procured the renewable energy beyond their stipulated RPO targets, and this forward auction will only help them to realize the highest prices for their RECs.

3. The representative of the Respondent, GCIL, submitted that GCIL has already filed its reply in the matter, which may be considered by the Commission.

4. Considering the submissions made by the learned counsel for the Petitioner and the representative of GCIL, the Commission directed the Petitioner to furnish the following details/clarification on an affidavit, with an advance copy to the Respondent, within two weeks:

(a) Analyze the potential impact of providing the buyer/ seller an acceptance window for accepting/ rejecting the discovered result of the reverse/ forward auction on the price and inventory of RECs.

(b) Proposed Margin requirements.

(c) Share of different categories of sellers & buyers of RECs in the bid volume and the cleared volume.

(d) Proposed Trading window and Trading Calendar for continuous matching.

5. The Respondent is directed to file its reply on the submissions of the Petitioner within a week thereafter.

6. The Petition shall be listed for the hearing on **22.8.2024**.

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