

Power Market Update: December'16

Spot power market continues to be buyer friendly with price at Rs 2.32 per unit

New Delhi, January 3, 2017:

The Day-Ahead Market at IEX witnesses transactions of 3101 MUs in December'16 despite low demand due to the cold wave in North and congestion in Inter-State Transmission Network. On a daily average basis, 100 MUs were traded. The average Market Clearing Price (MCP) for the month was Rs. 2.32 per unit same as the previous month and about 10% less over prices of Rs. 2.56 per unit in December, 2015. The average Area Clearing Price (ACP) the price at which settlement takes place, varied from Rs. 1.43 per unit to Rs. 4.50 per unit.

With the average daily purchase bid of 119 MUs and average daily sell bids of 229MUs, the market remained highly liquid and thus the prices were buyer friendly. The Open access consumers were key buyers in the market followed by distribution companies.

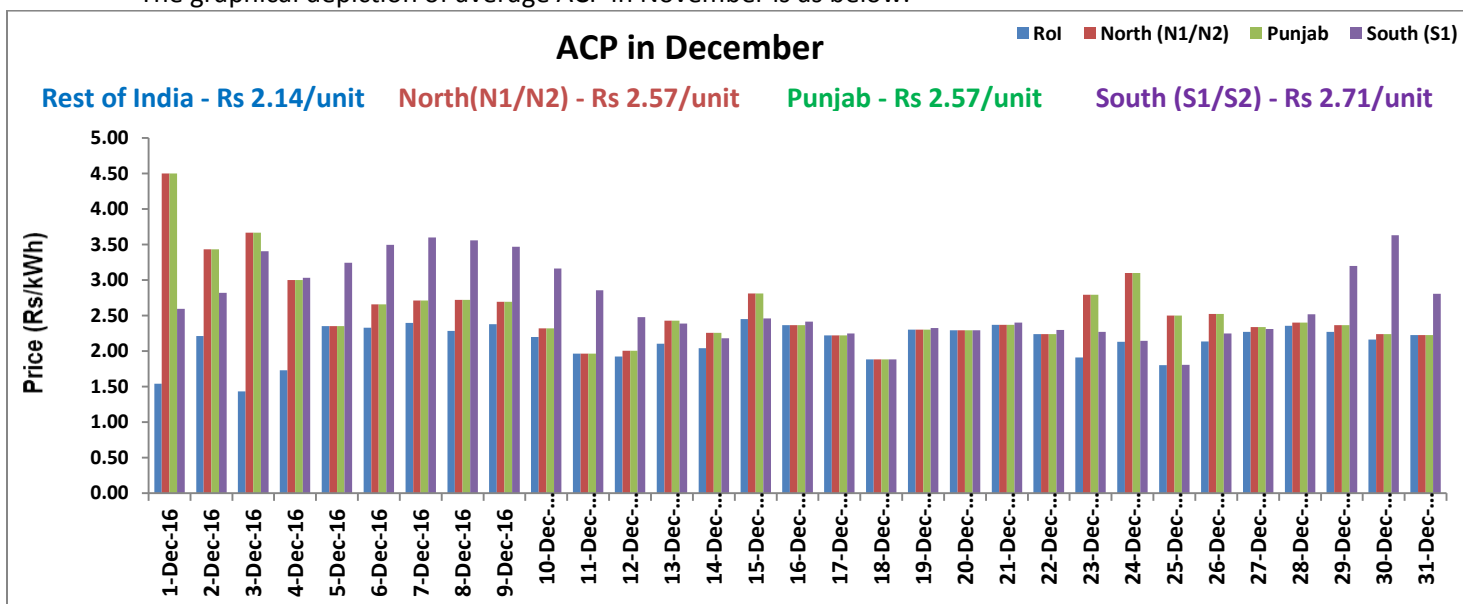
Unavailability of transmission corridor continued to be a deterrent and led to market splitting and price variations. As a result of congestion 4.4 MUs were lost on a daily average basis. The Southern import was congested about 47% of the time mainly due to increased demand, outages and limited availability of the corridor. The Northern import was congested 34% of the time during the month mainly due to congestion on Gwalior-Agra Transmission Link, Mundra-Mohindergarh Link and HDVC Rihand-Dadri link.

There were two instances in the month: 18 December and 20 December when the power spot market was cleared at one uniform Market Clearing Price for the entire country for whole days leading to One Nation, One Grid and One Price.

The average Area Clearing Prices (ACP) across regions in December are as below:

- **North-East, East and West:** Rs 2.14 per unit
- **North:** Rs 2.57 per unit
- **South:** Rs 2.71 per unit

The graphical depiction of average ACP in November is as below:



* 1 MU = 1 Million kWh (GWh)

Volumes:

The key highlights of the month are as below:

- **Total Sell bids: 7,096 MUs**
- **Total buy bids: 3,684 MUs**
- **Total Cleared Volume: 3,101 MUs**
- **Northern, Eastern and Southern States: Net Buyers**
- **Western & North-Eastern States: Net Sellers**

The table below gives average daily buy-sell at regional level for December'16 vis-à-vis November'16:

REGION	Average Daily BUY (MW)			Average Daily SELL (MW)			NET
	Dec'16	Nov'16	Change (%)	Dec'16	Nov'16	Change (%)	
North East	93.52	59.29	↑ 58%	210.11	187.96	↑ 12%	SELL
East	414.78	333.47	↑ 24%	383.91	558.96	↓ -31%	BUY
North	1363.27	1113.69	↑ 22%	635.73	418.74	↑ 52%	BUY
West	1336.71	806.11	↑ 66%	2299.47	1783.34	↑ 29%	SELL
South	1098.71	1088.87	↑ 1%	777.77	452.43	↑ 72%	BUY

Participation:

1,162 participants traded in the spot market on an average daily basis. The highest participation was on 22 December, 2016 when 1,292 participants traded on the Exchange.

Term-Ahead Market (TAM):

56 MUs were traded under Term Ahead Market, about 72% decrease over 201 MUs traded last month.

About IEX (www.iexindia.com)

IEX is India's premier power trading platform and the first power exchange in India to have accomplished ISO 9001:2008 for Quality Management, ISO 27001:2013 for Information Security Management and ISO 14001:2004 for Environment Management. IEX operates Day-Ahead Market (DAM) and Term-Ahead Market (TAM) in electricity as well as Renewable Energy Certificate (REC) Market. The Exchange provides a transparent, demutualized and automated platform enabling efficient price discovery and counter-party risk management for participants. IEX is approved and regulated by Central Electricity Regulatory Commission (CERC) and has been operating since 27 June, 2008.

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