

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.359/MP/2022

Subject : Petition under Section 66 of the Electricity Act, 2003 read with Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 for approval of introduction of the High Price Day Ahead Market (HP-DAM) in Integrated Day Ahead Market (I-DAM) segment at IEX.

Date of Hearing : 22.12.2022

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

Petitioner : Indian Energy Exchange Limited (IEX)

Respondent : National Load Despatch Centre (NLDC)

Parties Present : Shri Jogendra Behera, IEX
Shri Gaurav Maheshwari, IEX

Record of Proceedings

The representative of the Petitioner submitted that the present Petition has been filed for approval of introduction of High Price Day Ahead Market (HP-DAM) in Integrated Day Ahead Market (I-DAM) segment on its platform for providing a separate segment under I-DAM for facilitating high variable cost generators to participate in the market which are otherwise not able to do so due to prevailing price cap. The representative of the Petitioner further submitted as under:

- (a) In order to address the issue of high electric prices in spot market during increased demand & supply constrains in March, 2022, the Commission vide order dated 1.4.2022 directed the Power Exchanges to implement a price cap of Rs. 12/kWh across DAM and RTM which was subsequently made applicable to all electricity market segments vide order dated 6.5.2022. While this has ensured that the spot markets are within the price cap, the generators based on high variable cost are unable to participate in the market.
- (b) Accordingly, the Ministry of Power vide its letter dated 1.8.2022 proposed to introduce a High Price Market segment (HP-DAM) within the existing I-DAM.
- (c) As to the framework of proposed HP-DAM, it will be in addition to the existing Green-DAM and DAM in I-DAM and the participants would be able to place their bids in HP-DAM during the market hours (10 am to 12 pm) 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.
- (d) The price discovery will take place in a sequential manner i.e. first G-DAM will be cleared followed by DAM and HP-Dam.

(e) Sellers with high cost of generation, namely, (i) gas based power plants using imported RLNG & Naptha, (ii) imported coal based power plants and (iii) Battery Energy Storage Systems will be allowed to sell in this market. The seller would require a standing clearance issued by Load Despatch Centre specifying that the source of power of such seller is eligible for participating in HP-DAM.

(f) As such the Ministry of Power has not envisaged any floor and forbearance price for HP-DAM. However, a maximum price is required as a technical limit for the price discovery algorithm and the Petitioner has therefore proposed a maximum price limit to be kept as Rs. 50,000/MWh.

2. After hearing the representative of 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 Respondents and 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.

(c) The Petitioner to give wide publicity to its proposed new contract by uploading the same on its website for inviting comments from the stakeholders and general public and file an affidavit with detailed study incorporating the comments received from the stakeholders and the response thereon.

3. The Petition shall be listed for hearing on 21.3.2023.

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