

**BEFORE THE CENTRAL ELECTRICITY REGULATORY
COMMISSION,
3RD AND 4TH FLOOR, CHANDRALOK BUILDING,
JANPATH, NEW DELHI
PETITION NO./MP/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 the High Price Segment in Intra-Day, Day Ahead Contingency and Term Ahead Market (HP-ITD, HP-DAC & HP-TAM) at Indian Energy Exchange Ltd.

AND

IN THE MATTER OF:

Indian Energy Exchange Limited (IEX)

Plot No. C-001/A/1, 9th Floor, Max Towers,
Sector 16 B, Noida, Gautam Buddha Nagar,
Uttar Pradesh – 201301

...Petitioner

Vs.

National Load Despatch Centre (NLDC)

Power System Operation Corporation Limited
B-9 (1st Floor), Qutab Institutional Area,
Katwaria Sarai, New Delhi 110016

..Respondent



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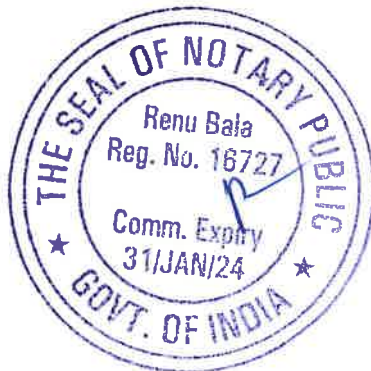
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For Indian Energy Exchange Limited

Place : Noida

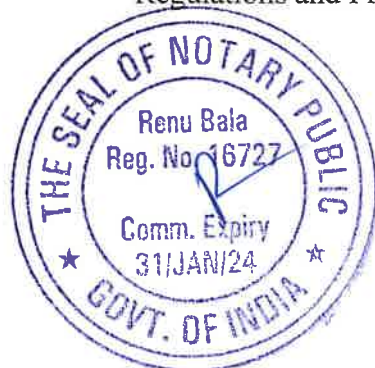
Dated : 08th Aug 2023



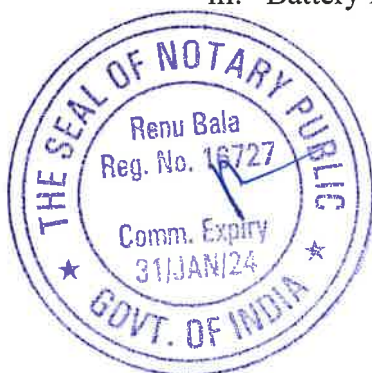
2. The Honorable Central Electricity Regulatory Commission (hereinafter referred to as "Hon'ble Commission") was pleased to grant permission to the IEX to set up, operate and commence exchange operations by its orders dated 31.8.2007 and 9.6.2008. That IEX has been in operation since 27.06.2008.
3. By way of the present Petition, the Petitioner herein seeks approval of this Hon'ble Commission to introduce the High Price Segment in the Intra-Day, Day Ahead Contingency & Term Ahead Market namely HP-ITD, HP-DAC & HP-TAM on its platform for facilitating high variable cost generators to participate in these market segments which are otherwise not able to do so due to prevailing price cap.

Background:

4. It is submitted that, IEX is presently operating Integrated Day Ahead Market (I-DAM), Term Ahead Market (TAM), Real Time Market (RTM), Green Term Ahead Market (GTAM) and facilitating bidding for Tertiary Reserve Ancillary Service (TRAS) in Day Ahead Ancillary Services Market (AS-DAM) and Real Time Ancillary Services Market (AS-RTM) in the electricity segment and is also operating the Renewable Energy Certificate (REC) and Energy Saving Certificates (ESCerts) Market in accordance with the Byelaws, Rules and Business Rules of the Exchange and Regulations & Approvals of this Hon'ble Commission. In particular, the electricity transactions on the Power Exchange are governed by Power Market Regulations and Open Access Regulations and Procedures issued thereunder.



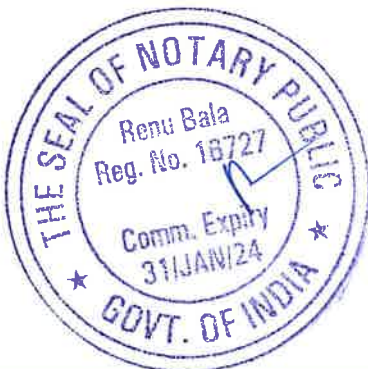
5. In order to address the issue of surge in electricity prices in spot market due to increased demand and supply constraints prevailing in the country, the Hon'ble Commission vide order dated 01.04.2022 directed the Power Exchanges to implement a price cap of Rs. 12/unit across DAM and RTM which was subsequently made applicable to all the electricity market segments vide order dated 06.05.2022.
6. While this intervention has relaxed spot prices, the Generators having high variable cost were unable to participate in the market and remain stranded despite shortage scenario. In view of the same, the Ministry of Power (MoP) proposed to introduce a separate market namely High Price Market segment (HP-DAM) within the existing Integrated-DAM (I-DAM) vide letter dated 01.08.2022 to facilitate dispatch of such Generators.
7. In accordance with the MoP proposal, a Petition bearing No. 359/MP/2022 was filed by the IEX for approval of introduction of HP-DAM its platform. The Hon'ble Commission was pleased to approve the introduction of the HP-DAM Contract at IEX platform vide its Order dated 16.02.2023 and as per the said order IEX launched the HP-DAM contract on its platform w.e.f. 10.03.2023. Further, the Hon'ble Commission has also specified following eligibility conditions for Generators to participate in the HP-DAM segment:
 - i. Gas based Power Plants using imported RLNG and Naptha
 - ii. Imported Coal based Power Plant using imported coal.
 - iii. Battery Energy Storage Systems (BESS)



8. In the meanwhile, the price caps for all the contracts at the Power Exchanges have been revised as per the order dated 31.03.2023 issued by the Hon'ble Commission in 04/SM/2023 for the period from 04.04.2023 until further orders, in the range of (a) Rs.0/kWh to Rs.10/kWh for all contracts, viz., DAM (including GDAM), RTM, ITD, DAC and TAM (including GTAM); and (b) Rs.0/kWh to Rs.20/kWh in the HP-DAM segment.
9. It is submitted that the HP-DAM contract was launched on the IEX platform w.e.f. 10th March 2023. In the last 4 months, it has been observed that by virtue of limited eligible Sellers and little interest from buyers, the segment has witnessed very low liquidity which has resulted in low volumes. Therefore, it is felt that there is a need for an alternate segment to facilitate dispatch of these high-cost generators.
10. Therefore, to further facilitate the eligible high-priced sellers, it is proposed to introduce High Price Contracts in the Intra-Day, Day Ahead Contingency and Term Ahead Market at IEX.

Framework of the Proposed High Price Contracts:

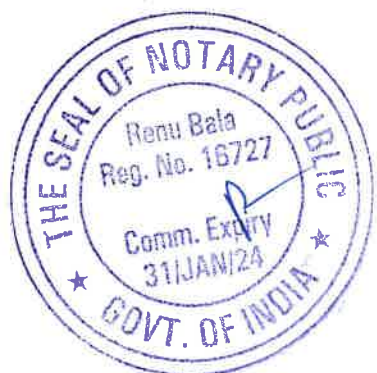
11. The High Price contracts have been proposed in the existing Intra Day & Day Ahead Contingency and TAM segment. All the specifications for the proposed contracts will remain same as the existing Intra Day & Day Ahead Contingency and TAM contracts, except for the ceiling price for the eligible sellers. The price range for this segment shall be from Rs. 0 Rs/kWh to 20/kWh, or as approved by the Hon'ble Commission from time to time. Each contract is being briefly discussed below:



- i. High Price Day-ahead Contingency Contracts: These contracts will be the hourly contracts traded on D-1 day for delivery of power on D Day.
- ii. High Price Intra-Day Contracts: These contracts to be traded 3-4 hours before the delivery or as may be allowed by System Operator.
- iii. High Price Daily Contracts: These contracts to be traded on T-day for Delivery from T+2 onwards.
- iv. High Price Weekly Contracts: These contracts to be traded every week on Trading Day as per Trading Calendar for delivery from Monday to Sunday of the upcoming week.
- v. High Price Monthly Contracts: These contracts to be traded every month on Trading Day as per Trading Calendar for delivery from the first Month (M1) to the third Month (M3) from the trade Month (M0).
- vi. High Price Any Day Single Side Contracts: These contracts to be traded based on the buyer's requisition.

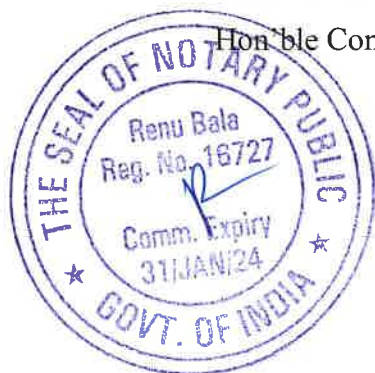
12. All the features of the HP-TAM Contract will remain same as approved by the Hon'ble Commission in the Order dated 08.06.2022 while approving the IEX Petition No. 219/MP/2021 filed for additional Term Ahead Contracts and Green Term Ahead Contracts beyond T+11 days. The summary of the specifications approved by the Hon'ble Commission is as below-

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time	Delivery Duration	Remarks
High Price Daily Contracts	On Daily Basis	Two days before delivery day	12: – 17:00 hours	T+2 to T+90 Days	For pre-specified time blocks



Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time	Delivery Duration	Remarks
High Price Weekly Contract	Monday of the week prior to delivery	Friday of the one week prior to delivery	12:00 – 17:00 hours	TW+1 to TW+12 Weeks	notified to the market participants well in advance through circulars
High Price Monthly Contract	First Day of the zero month	For the first month (M1) contract – ten days prior to the close of zero month (M0); For the second month (M2) contract – five days prior to the close of zero month (M0); For the third month (M3) contract – last day of zero month (M0).	12:00 – 17:00 hours	TM+1 to TM+3 Months	
High Price Any Day Single Sided Contract	On Daily Basis	Two days before delivery day	00:00 – 24:00 hours	T+2 to T+90 Days	For user defined days and time blocks

13. Further, in the Order dated 08.06.2022, the Hon'ble Commission approved the delivery in the TAM contracts for a maximum duration of 3 months. As the Hon'ble Commission has notified the GNA Regulations 2022 allowing the T-GNA period up to 11 months, the delivery period may also be extended under the HP-TAM to 11 months as and when the same is approved by the Hon'ble Commission for the regular TAM contracts.



14. Eligibility for Participation in HP-TAM:

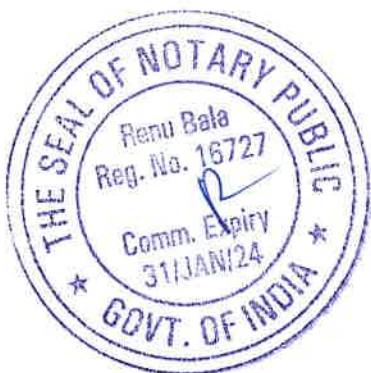
- i. **Sellers:** The Seller having Standing Clearance issued by Load Despatch Center through NOAR specifying the eligibility of Seller for participating in the HP-DAM shall be eligible to participate in HP-ITD, HP-DAC & HP-TAM also. Such Seller will also be eligible to participate in the other contracts at Exchange based on same standing clearance subject to applicable eligibility conditions of respective contracts, if any.
- ii. **Buyers:** All the entities which are eligible to procure power through Open Access shall be eligible to participate in HP-ITD, HP-DAC & HP-TAM as buyer.

15. Other Contract details of HP-ITD, HP-DAC & HP-TAM: All other contract specifications are similar to the ones existing for the general TAM segment as briefly provided below:

- i. **Risk Management:** As per existing practice of Electricity ITD, DAC & TAM Contracts.
- ii. **Price discovery methodology:**

Name of the High Price Contract	Price Discovery Methodology
Day Ahead Contingency	Continuous Matching
Intra Day Contingency	Continuous Matching
Daily Contract	Uniform Price Step Auction
Weekly Contract	Uniform Price Step Auction
Monthly Contract	Uniform Price Step Auction
Any-day Single Sided Contract	Reverse Auction

- iii. **Scheduling:** As per procedure of scheduling of bilateral transactions or its amendment or reenactment time to time.
- iv. **Deviation Settlement Mechanism:** As per applicable Regulations notified by Appropriate Commission.



16. In view of the above, it is humbly submitted that the Hon'ble Commission may accord approval to introduce the High Price contracts on Intra Day, Day Ahead Contingency and Term Ahead Market at IEX platform.

17. The required amendment in SCHEDULE B1 & B2 of Business Rules of the IEX is annexed hereto as Annexure-I for approval of the Hon'ble Commission.

18. The Petitioner herein craves leave of the Hon'ble Commission to submit further additional information in support of this petition.

PRAYER

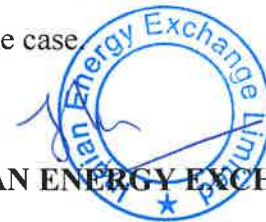
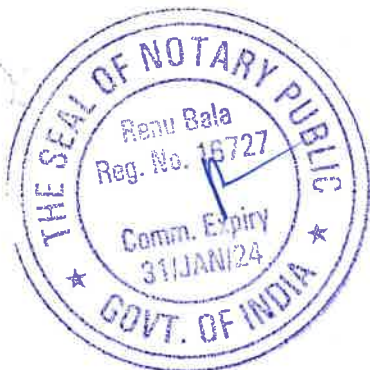
In the premise the Petitioner respectfully submits that this Hon'ble Commission may be pleased to:

1. Accord approval of introduction of proposed High Price segment in Intra-Day, Day Ahead Contingency and Term Ahead Market on IEX platform.
2. Accord approval for proposed amendments in Business Rules of IEX for introduction of HP-ITD, HP-DAC and HP-TAM Contract.
3. Accord approval for the eligibility of Sellers participation in the proposed High Price Contracts and the price range as may be specified by the Hon'ble Commission for the HP-DAM contracts.
4. Pass such further order or orders as may be considered necessary in the facts and circumstances of the case.

FOR INDIAN ENERGY EXCHANGE LTD

Place : Noida

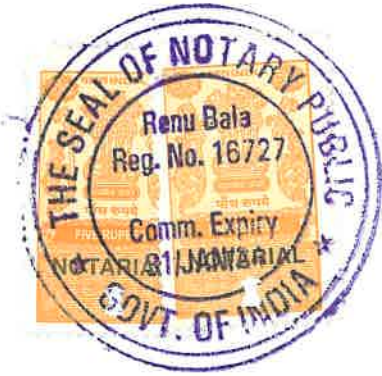
Dated : 08th day of Aug, 2023



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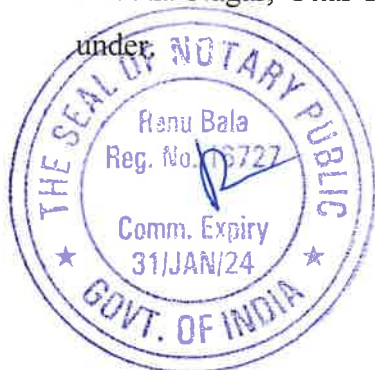
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National Load Despatch Centre (NLDC)

...Respondent

AFFIDAVIT

I, Jogendra Behera, Son of Late J.K. Behera aged about 44 years and having my office at Indian Energy Exchange Limited (IEX), Plot No. C-001/A/1, 9th Floor, Max Towers, Sector 16 B, Noida, Gautam Buddha Nagar, Uttar Pradesh – 201301 do hereby solemnly state as under.



1. I am working as Vice President in the Indian Energy Exchange Limited, Noida, and I am well conversant with the facts of the case and hence competent and authorized to sign this affidavit.
2. I have gone through the contents of the above Petition and I say that the facts stated therein are based on the records of the Petitioner and believed by the deponent to be true.



VERIFICATION

I, the deponent above named do hereby verify that the contents of my above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Noida on 08th day of August 2023.



ATTESTED
[Signature]
Notary Public
Govt. of India

8 AUG 2023
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SCHEDULE B1: INTRA-DAY AND CONTINGENCY MARKET SEGMENT

This market segment will cover intra-day and day ahead contingency electricity contracts. This market segment will operate in accordance with the procedures issued by NLDC for 'Scheduling of Bilateral Transactions'. All terms and conditions of the contracts including trading sessions, matching rules, margin requirement and delivery procedure etc, will be as per specific rules mentioned herein.

1. Contracts

The Exchange shall make the contracts as specified in this section available for trading as per the trading calendar. These contracts will be traded in accordance with provisions of trading as specified in the respective Contract Specification. The trade sessions, matching rules applied in each trade session for concluding the contracts, risk management and settlement for such contracts will be as per specific contract specifications provided herein. The delivery of such contracts will be in accordance with CERC (Open Access in Inter-State Transmission) Regulations, 2008, as amended from time to time and relevant procedures issued by NLDC and by Open Access Regulations of concerned State. The Exchange holds the right to modify all other parameters except those specified in regulation 25 of CERC (Power Market) Regulation, 2021.

Following contracts shall be available for trading in this Market:

1.1 Intra-Day Contracts

The Exchange shall make the Intra Day contracts [and High Price Intra Day Contracts](#) available for trading hourly and or 15 minute contracts on same day on rolling basis till some hour/time block prior to the delivery of electricity as specified in the contract specification. The Exchange will carry out trading in such contracts through 'Continuous Trade' sessions. The timeline for trade matching sessions will be specified in Contract Specifications. Scheduling of the transactions shall be in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008, as amended from time to time and relevant procedures issued by NLDC/POSOCO as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The contract specifications of Intra-Day Contracts are given at **Annexure- B11**.

1.2 Day-Ahead Contingency Contracts

The Exchange shall make [Day Ahead Contingency Contracts and High Price Day Ahead Contingency Contracts available for trading](#) ~~the~~ 24-hourly and or 15-minute contracts ~~available for trading~~ on day-ahead basis for 00:00 hours to 24:00 hours of next day. The Exchange will carry out trading in such contracts through 'Continuous Trade' sessions. The timeline for trade matching sessions will be specified in Contract Specifications. Scheduling of the transactions shall be in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008, as amended from time to time and relevant procedures issued by NLDC/POSOCO as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The contract specifications of Day-Ahead Contingency Contracts are given at **Annexure- B12**.

2. Trading Days and trading hours

The Exchange shall operate this segment on all days except Exchange specified holidays. The Exchange shall declare Trading & Settlement calendar in advance indicating trading sessions

