

**BEFORE THE CENTRAL ELECTRICITY REGULATORY
COMMISSION**

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 amendment in duration of Long Duration Contracts (Daily, Weekly, Monthly and Any Day Single Sided) and introduction of Quarterly Contracts in Term Ahead Market and Green Term Ahead Market Contracts from the present duration of 3 months to 11 months.

AND

IN THE MATTER OF:

HINDUSTAN POWER EXCHANGE LIMITED (HPX)

(Formerly Pranurja Solutions Limited)

25th Floor, P J Towers

Dalal Street, Mumbai 400001

----- Petitioner

VERSUS

GRID CONTROLLER OF INDIA LIMITED

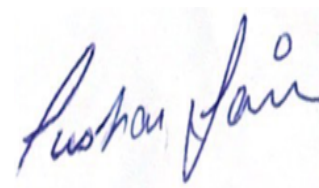
B-9 (1st Floor), Qutub Institutional Area,

Katwaria Sarai, New Delhi-110016

----- Respondent

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THROUGH

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DATE: 02.12.2023
PLACE: NEW DELHI

**BEFORE THE CENTRAL ELECTRICITY REGULATORY
COMMISSION**

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 amendment in duration of Long Duration Contracts (Daily, Weekly, Monthly and Any Day Single Sided) and introduction of Quarterly Contracts in Term Ahead Market and Green Term Ahead Market Contracts from the present duration of 3 months to 11 months.

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B-9 (1st Floor), Qutub Institutional Area,

Katwaria Sarai, New Delhi-110016

----- Respondent

MOST RESPECTFULLY SHOWETH:

1. That the Petitioner- Hindustan Power Exchange Limited is a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 25th Floor, P J Towers, Dalal Street, Mumbai - 400001.
2. This Hon'ble Commission vide order dated 12.05.2021 in Petition no. 287/MP/2018 was pleased to grant registration to the Petitioner to establish and operate a power exchange and subsequently vide order dated 27.06.2022 in Petition no. 159/MP/2022, accorded permission to commence operations of its Power Exchange in Integrated Day Ahead Market, Real Time Market, Day Ahead Contingency, Intra-Day, Daily and Weekly Contracts.
3. That consequently the Petitioner commenced operation from 06.07.2022 in Contingency (Day Ahead and Intra-day) and Green Contingency (Day Ahead and Intra-day) Contracts.

4. That this Hon'ble Commission, vide order dated 30.12.2022 in petition no. 206/MP/2022 in the matter of *Hindustan Power Exchange Limited vs. Power System Operation Corporation* has approved following contracts for Daily, Weekly, Monthly and Any Day contracts in Term Ahead Market and Green Term Ahead Market Contracts to be traded on power exchanges of the Petitioner: -

- a. **Daily Contracts:** Uniform Price Step Auction based daily (T) bidding for pre-specified and pre-notified time blocks delivery from T + 2 to T + 90 days.
- b. **Weekly Contracts:** Uniform Price Step Auction based bidding from Monday to Friday of every week (TW) for pre-specified and pre-notified time blocks for delivery from TW + 1 to TW + 12 weeks.

c. **Monthly Contracts:** Uniform Price Step Auction based bidding in a month (TM) for pre-specified and pre-notified time blocks for delivery from TM + 1 to TM + 3 months.

d. **Any-Day(s) Single Sided Contracts:** Reverse Auction based bidding for user defined days and time blocks for delivery from T + 2 to T + 90 days.

Copy of the order dated 30.12.2022 in Petition no. 206/MP/2022 is enclosed herewith and marked as **ANNEXURE - 1.**

5. That the Petitioner vide the present petition is seeking for the approval of this Hon'ble Commission to extend the duration from existing 3 months to 11 months for Daily, Weekly, Monthly and Any Day contracts in Term Ahead Market (TAM), Green Term Ahead Market (GTAM) and High Price Term Ahead Market (HPTAM).

6. In addition to the above, the Petitioner is also seeking to introduce Quarterly Contracts in TAM, GTAM and HPTAM.
7. That the framework of the proposed contracts and the salient features of the proposed contracts are enumerated in the following paragraphs.
8. **a.) Type of Contracts-**

Following contracts are proposed to be introduced by the Petitioner:

- i.) Daily, Weekly, Monthly and Any Day contracts in Term Ahead Market for a duration of up to 11 months from the present 3 months.
- ii.) **Quarterly Contracts:** Uniform Price Step Auction based bidding in a month for pre-specified and pre-notified time blocks for delivery from immediately succeeding Quarter (TQ + 1) to the next eight quarter (TQ + 8) as enumerated below:

Quarterly Contracts								
Trading Month	TQ1	TQ2	TQ3	TQ4	TQ5	TQ6	TQ7	TQ8
January	Feb-Mar-Apr	Mar-Apr-May	Apr-May-Jun	May-Jun-Jul	Jun-Jul-Aug	Jul-Aug-Sep	Aug-Sep-Oct	Sep-Oct-Nov
February	Mar-Apr-May	Apr-May-Jun	May-Jun-Jul	Jun-Jul-Aug	Jul-Aug-Sep	Aug-Sep-Oct	Sep-Oct-Nov	Oct-Nov-Dec
March	Apr-May-Jun	May-Jun-Jul	Jun-Jul-Aug	Jul-Aug-Sep	Aug-Sep-Oct	Sep-Oct-Nov	Oct-Nov-Dec	Nov-Dec-Jan
April	May-Jun-Jul	Jun-Jul-Aug	Jul-Aug-Sep	Aug-Sep-Oct	Sep-Oct-Nov	Oct-Nov-Dec	Nov-Dec-Jan	Dec-Jan-Feb
May	Jun-Jul-Aug	Jul-Aug-Sep	Aug-Sep-Oct	Sep-Oct-Nov	Oct-Nov-Dec	Nov-Dec-Jan	Dec-Jan-Feb	Jan-Feb-Mar
June	Jul-Aug-Sep	Aug-Sep-Oct	Sep-Oct-Nov	Oct-Nov-Dec	Nov-Dec-Jan	Dec-Jan-Feb	Jan-Feb-Mar	Feb-Mar-Apr
July	Aug-Sep-Oct	Sep-Oct-Nov	Oct-Nov-Dec	Nov-Dec-Jan	Dec-Jan-Feb	Jan-Feb-Mar	Feb-Mar-Apr	Mar-Apr-May
August	Sep-Oct-Nov	Oct-Nov-Dec	Nov-Dec-Jan	Dec-Jan-Feb	Jan-Feb-Mar	Feb-Mar-Apr	Mar-Apr-May	Apr-May-Jun
September	Oct-Nov-Dec	Nov-Dec-Jan	Dec-Jan-Feb	Jan-Feb-Mar	Feb-Mar-Apr	Mar-Apr-May	Apr-May-Jun	May-Jun-Jul
October	Nov-Dec-Jan	Dec-Jan-Feb	Jan-Feb-Mar	Feb-Mar-Apr	Mar-Apr-May	Apr-May-Jun	May-Jun-Jul	Jun-Jul-Aug
November	Dec-Jan-Feb	Jan-Feb-Mar	Feb-Mar-Apr	Mar-Apr-May	Apr-May-Jun	May-Jun-Jul	Jun-Jul-Aug	Jul-Aug-Sep
December	Jan-Feb-Mar	Feb-Mar-Apr	Mar-Apr-May	Apr-May-Jun	May-Jun-Jul	Jun-Jul-Aug	Jul-Aug-Sep	Aug-Sep-Oct

b.) Price Discovery Methodology: As is approved by this Hon'ble Commission in order dated 30.12.2022 in Petition no. 206/MP/2022 for existing Daily, Weekly, Monthly and Any Day

Single Sided contracts respectively. For Quarterly Contracts, the same methodology may be approved.

iii.) **Timelines for Bidding and Delivery:** These contracts are proposed for a maximum duration of eleven months with trading in prior month or quarter as applicable. Daily, Weekly and Any Day Single Sided contract for eleventh month can be traded on rolling basis in zero month (M0), first month (M1), second month (M2), third month (M3) and so on till (M11). Daily, Weekly, Monthly and Quarterly contract will be made available for pre-specified time blocks only, which will be notified to the market participants in advance.

The physical delivery of electricity is proposed to commence on a day more than one day ahead ($T + 2$ or more) of the last day of bidding

in accordance with Regulation 2(ba) of the Power Market Regulations 2021.

The following table summarizes the trading and delivery timelines for the proposed contracts:

Contract	Trading start day	Last day of trading	Trading time	Delivery	Trading time blocks
Daily	On daily basis (T)	Two days before day of delivery	1200 to 1700 hours	T + 2 to T + 337 days	For pre-specified time blocks notified to market participants in advance
Weekly	Monday of prior week (TW0)	Friday of prior week (TW0)	1200 to 1700 hours	TW + 1 to TW + 48 weeks	
Monthly	First day of month zero (M0)	Ten days before close of M0 for delivery in M1 Five days before close of M0 for delivery in M2 Last day of M0 for delivery in M3 to M11	1200 to 1700 hours	TM + 1 to TM + 11 months	
Quarterly Contract	First day of trading month of each quarter	Two days before delivery day	0000 to 2400 hours	TQ+1 to TQ+ 8	

Any Day Single Sided	On daily basis	Two days before delivery day	0000 to 2400 hours	T + 2 to T + 337 days	For user defined days and time blocks
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**iv.) Risk management mechanism including
margining and final price settlement**

mechanism: Exchange will collect an “Initial margin” at the time of bidding equivalent to 5% of the order value for Daily and Weekly Contracts and 1% of the order value for Monthly and Quarterly Contracts. For Any Day Single Sided Contracts, sellers will be required to provide an Initial Margin at the rate of Rs. 30000/MW/month or part thereof.

After execution of trade, an “Additional margin” will be collected by the Exchange before the scheduling application is made to the Load Dispatch Centre. The Additional Margin shall be collected as per the below table:

Sr. No	Duration Contract	of	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/	Payable by
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			Letter of Credit/Fixed Deposit Receipt)	
1	Up to 7 days	50% of trade value of the contract	NA	Buyer only
2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller

v.) **Pay-In & Pay-Out:** Pay-in and Pay-out for all the proposed contracts under TAM, GTAM, HPTAM including Quarterly Contract will be as per existing practice i.e., Pay-in on D-1 day and Pay-out to the generator on the D+1 day basis. Netting-off of the positions will not be allowed.

vi.) **Minimum Volume Quotation:** Minimum Volume quotation is proposed as 1 MW in TAM, HPTAM as per existing practice and in GTAM Contracts this limit is proposed to be 0.1 MW based on the feedback received from the

market. Same quotation shall be used for Quarterly Contract as well.

vii.) **Revision:** Revision of schedule shall not be permissible in any event except for force majeure, transmission constraints and forced outage.

viii.) **Default penalty/compensation:** Any deviation from the contracted quantity shall be considered as default and 20% of the contracted trade value for the corresponding time period would be recovered from the defaulting entity and passed on to the counter-party, after deducting 1% of the trade value as administrative charges (subject to maximum of Rs. 10,000/-).

ix.) Other items like Cancellation/Rejection of trade, Application for Scheduling, SLDC Clearance etc. shall be as per the existing TAM, GTAM, HPTAM as approved by this Hon'ble Commission.

The detailed contract specifications for aforesaid proposed contracts are annexed herewith and marked as **Annexure -2**.

9. It is further submitted that Regulation 28.1 of the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 provides for grant of T-GNA for a duration up to 11 months. Accordingly, in line with the said T-GNA Regulations, the Petitioner most humbly submits that the aforesaid contracts may also be accorded approval for a duration up to 11 months which in turn shall be in harmony with Regulation 28.1 of the T-GNA Regulations.
10. It is further submitted that since the approval granted by this Hon'ble Commission for the aforesaid contracts for the period of 3 months, the same has been on a success run and no glitch has been witnessed till date. Introduction of Long Duration Contracts has helped in

increasing the depth of market which is evident from the increase in volume seen in the TAM segment on power exchanges. Before introduction of Long Duration Contracts (for a period of 3 months), volume clocked in Term Ahead Market (TAM) segment during the period from October 2021 to September 2022 was around 6 BUs. The said volume increased by 50% to 9 BUs during the period from October 2022 to September 2023, after introduction of Long Duration Contracts in TAM segment. The ADSS segment has been a stupendous success clocking around 5 BUs traded in one year. In the same time period, the volume on DEEP portal reduced by 28% from 80 BUs to ~58 BUs. Segment-wise comparison is shown in the table below:

Segment	Volume (MUs)		Percentage change (%)
	Oct'21 to Sep'22	Oct'22 to Sep'23	
Daily	5605	1760	-68%
Green Daily	172	115	-33%
Weekly	171	1475	761%
Green Weekly	10	23	139%
Monthly	-	636	NA
ADSS	-	5047	NA
DEEP	80,438	57,704	-28%

Accordingly, it is proposed that the said contracts duration may be amended for a duration of 11 months.

11. The Petitioner has learned based on feedback from the market participants, that stakeholders prefer single contract for a longer duration like 3 months rather than multiple contracts over the same period from “ease-of-doing-business” point of view. This helps in better power portfolio management and cater to their seasonal requirements. It will also take care of technical maintenance/overhaul of generating stations which takes 2-3 months and devoid the States/discoms of the tied-up power from that plant. As this timing of maintenance varies for different plants over a year, Petitioner is praying for Quarterly Contracts covering continuous period of three months bundled in a manner which is aligned with requirement of different stakeholders for their power portfolio management.

PRAYER:

In view of the aforementioned facts and circumstances, it is most humbly prayed that this Hon'ble Commission may be pleased to:

- a. allow the present petition;
- b. approve extension of Long Duration Contracts (Daily, Weekly, Monthly and Any Day Single Sided) in Term Ahead Market, Green Term Ahead Market ,High Price Term Ahead Market Contracts from the present duration of 3 months to 11 months at the Petitioner's Exchange platform;
- c. approve introduction of Quarterly Contracts in Term Ahead Market, Green Term Ahead Market, High Price Term Ahead Market Contracts on the Petitioner's Exchange platform for a duration of 11 months;
- d. allow the Petitioner to suitably amend its Business Rules to include the proposed contracts;

- e. pass such other and further order(s) as this Hon'ble Commission may deem fit and proper under the facts and circumstances of the present case and in the interest of justice.

THROUGH



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Petitioner

VERSUS

GRID CONTROLLER OF INDIA LIMITED

B-9 (1st Floor), Qutub Institutional Area,

Katwaria Sarai, New Delhi-110016

----- Respondent

AFFIDAVIT

I, Naveen Godiyal, S/o Shri Jayanand Godiyal aged about 39 years,
resident of 2493A, Sector – 3, Huda Colony, Ballabgarh, Faridabad –



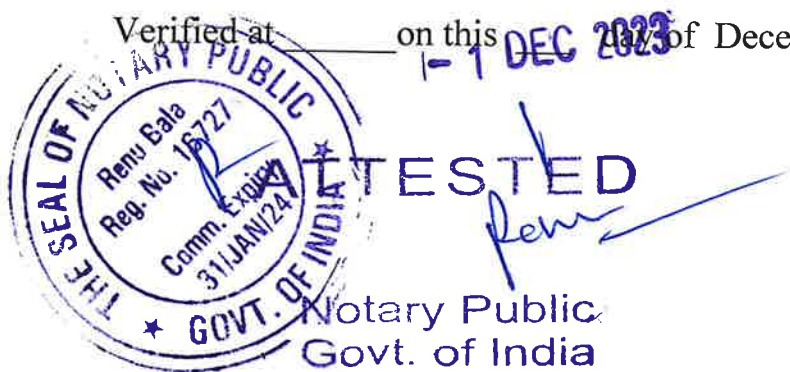
121004, presently at Noida, do hereby solemnly affirm and declare as under:-

1. I say that I am the Vice President of the Petitioner and am competent to swear the present affidavit on behalf of the Petitioner.
2. I say that I have read and understood the contents of the Petition and the same has been drafted by my counsel under my instruction and are believed by me to be true to my personal knowledge being based on the records of the Petitioner.
3. I say that the facts stated in the aforesaid affidavit are true to my knowledge. No part of the same is false and nothing material has been concealed there from.



VERIFICATION:-

I, the abovenamed deponent, do hereby verify that the facts stated in the above affidavit are true to my knowledge. No part of the same is false and nothing material has been concealed there from.



1-1 DEC 2023

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 206/MP/2022

Coram:

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 30th December, 2022

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 Hydropower Contracts in Green Contingency Contracts and Green Term Ahead Contracts and additional Term Ahead Contracts and Green Term Ahead Contracts beyond T + 11 days.

And in the matter of

Hindustan Power Exchange Limited (HPX)

(Formerly Pranurja Solutions Limited)

25th Floor, P J Towers

Dalal Street, Mumbai 400001

.....Petitioner

Vs

Power System Operation Corporation

B-9, Qutab Institutional Area,

Katwaria Sarai, New Delhi

....Respondent

Parties Present

Shri Ravi Kishore, Advocate, HPEL

Shri Akhilesh Awasthi, Petitioner

Shri Parvesh Sharma, Petitioner

ORDER

The Petitioner has filed the present Petition seeking approval for introduction of Hydropower contracts in Green Contingency and Green Term Ahead contracts and additional Term Ahead Contracts and Green Term Ahead Contracts beyond T+11 days at the Hindustan Power Exchange Limited.

2. The Petitioner has made the following prayers:

- a. allow the present Petition;*
- b. approve introduction of Hydropower Contracts in Contingency and Green Term Ahead Market Contracts at the Petitioner's Exchange platform;*
- c. approve introduction of Long Duration Contracts (Daily, Weekly, Monthly and Any Day Single Sided) in Term Ahead Market and Green Term Ahead Market Contracts at the Petitioner's Exchange platform;*
- d. allow the Petitioner to suitably amend its Business Rules to include the proposed contracts;*
- e. pass such other and further Order(s) as this Hon'ble Commission may deem fit and proper under the facts and circumstances of the present case and in the interest of justice.*

3. The case was called out for virtual hearing on 09.09.2022 and on 25.11.2022.

Submissions by the Petitioner

4. The Petitioner was granted registration on 12.05.2022 to establish and operate a power exchange and subsequently vide Order dated 27.06.2022 was accorded permission to commence operations of its Power Exchange in Integrated Day Ahead Market, Real Time Market, Day Ahead Contingency, Intra-Day, Daily and Weekly Contracts. Consequently, the Petitioner commenced operation from 06.07.2022 in Contingency (Day Ahead and Intra-day) and Green Contingency (Day Ahead and Intra-day) Contracts.

5. Presently, the Petitioner offers Day Ahead Contracts, Intraday Contracts, Day Ahead Contingency Contracts, Real Time Contracts and Term Ahead Contracts for trading of electricity. It also offers exchange of Renewable Energy Certificates and Energy Saving

Certificates. Under the Term Ahead segment, Weekly Contracts and Daily contracts are being offered for the period up to 11 days.

6. The Commission, vide Order dated 24.02.2022 in Petition no. 169/MP/2021 (Indian Energy Exchange Ltd. Vs. Power System Operation Corporation) approved introduction of Hydropower contracts in Green Term-Ahead Market (GTAM) contracts to facilitate Hydropower Purchase Obligation (HPO) compliance of obligated entities.

7. The Commission, vide Orders dated 07.06.2022 in Petition no. 229/MP/2021 (Power Exchange of India Ltd. Vs. Power System Operation Corporation) and in Petition No. 219/MP/2021 (Indian Energy Exchange Ltd. Vs. Power System Operation Corporation) approved the following contracts to be traded on power exchanges: -

- a. Daily Contracts: Uniform Price Step Auction based daily (T) bidding for pre-specified and pre-notified time blocks delivery from T + 2 to T + 90 days.
- b. Weekly Contracts: Uniform Price Step Auction based bidding from Monday to Friday of every week (TW) for pre-specified and pre-notified time blocks for delivery from TW + 1 to TW + 12 weeks.
- c. Monthly Contracts: Uniform Price Step Auction based bidding in a month (TM) for pre-specified and pre-notified time blocks for delivery from TM + 1 to TM + 3 months.
- d. Any-Day(s) Single Sided Contracts: Reverse Auction based bidding for user defined days and time blocks for delivery from T + 2 to T + 90 days.

8. Accordingly, the Petitioner has filed the present Petition for approval of introduction of Hydropower Contracts in Green Contingency (Day Ahead and Intra-day) and Green Term Ahead Market contracts and long duration contracts (Daily, Weekly, Monthly and Any Day) in Term Ahead Market and Green Term Ahead Market contracts.

9. Following Hydropower Contracts in Green Contingency (Day Ahead and Intra-day) and Green Term Ahead Market contracts are proposed to be introduced by the Petitioner:

- a. Green Day Ahead Contingency Contracts (Hydro): These will be hourly/block-wise contracts to be traded on D-1 day for delivery on D day. Continuous matching will be followed as price discovery methodology.
 - b. Green Intra-day Contingency Contracts (Hydro): These will be hourly/block-wise contracts to be traded on D day for delivery on the same day and as may be allowed by the System Operator. Continuous matching will be followed as price discovery methodology.
 - c. Green Daily Contracts (Hydro): These contracts are proposed to be traded on T day for delivery from T + 2 day onwards. Uniform Price Step Auction will be used as price discovery methodology.
 - d. Weekly Contracts (Hydro): These contracts are proposed to be traded from Monday to Friday of Trading Week (TW) week for delivery from TW + 1 week onwards. Uniform Price Step Auction will be used as price discovery methodology.
10. The salient features of the proposed contracts are:
- a. National or Regional: Presently, in Green Contingency contracts, the contracts are being executed at National level. However, Regional contracts may be suitable in cases of transmission congestion. Thus, it is proposed that the Exchange may launch National or Regional contracts based on feedback from the market. Accordingly, the Hydropower Contracts are proposed to be National or Electrical Region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
 - b. Eligible Entities: As per Commission's Order dated 24.02.2022 in Petition no. 169/MP/2021, buyers need to procure power from Large Hydro Plants (LHPs) (> 25 MW) commissioned on or after 08.03.2019 and up to 31.03.2030. It is proposed that only such LHPs will be eligible to participate in Hydro Contingency and Hydro GTAM contracts.

- c. Minimum Volume Quotation: The Minimum Volume Quotation is proposed as 0.1 MW.
- d. Bidding Process: It is proposed that the bidding be carried out based on quantum (MW) and price (Rs.) of power similar to the bidding process for conventional power in Contingency segment.
- e. Price Discovery Methodology: In line with the directions of the Commission, price discovery methodology for Hydro Contingency contracts (Day Ahead and Intra-day) shall be Continuous matching and for Daily Hydro and Weekly Hydro contracts, it shall be Uniform Price Step Auction.

11. Other items like Revision of Schedule, Application for Scheduling, Pay-in & Pay-out etc. shall be as per the existing procedure followed for Contingency and Term Ahead Market contracts on the exchanges and as approved by the Commission. However, risk management will have additional features for long duration contract (monthly/Single side reverse auction) same are detailed subsequently under long duration contracts.

12. The Petitioner has also proposed to introduce following delivery-based Contracts both in the Term Ahead Market and Green Term Ahead Contracts

- a. Daily Contracts: These contracts are proposed to be traded on T day for pre-specified and pre-notified time blocks for delivery from T + 2 day to T + 90 days onwards.
- b. Weekly Contracts: These contracts are proposed to be traded from Monday to Friday of every week (TW) for pre-specified and pre-notified time blocks for delivery from TW + 1 to TW + 12 weeks.
- c. Monthly Contracts: These contracts are proposed to be traded in a month (TM) for pre-specified and pre-notified time blocks for delivery from TM + 1 to TM + 3 months. Bidding days will be different for the three different months as specified in following paragraphs.
- d. Any-Day (s) Single Sided Contracts: These contracts are proposed to be for user defined days and time blocks for delivery from T + 2 to T + 90 days.

13. The Petitioner has proposed that the Monthly Contracts may be allowed to be annulled or curtailed, without any transfer of positions, due to transmission constraints or force majeure. It is being proposed considering the length of the proposed contracts and prevailing practices in the bilateral OTC market. However, as directed by the Commission in Orders dated 07.06.2022, this revision will be subject to validation by system operator and default mechanism of Petitioner's Exchange. In Any Day Single Sided contracts, it is proposed that buyer may partially or fully reject the trade up to two days before the day of delivery. During this time, the bid will remain valid and the successful bidders will not be able to change their bids. If no communication is received from the buyer or the seller during this time regarding acceptance of the trade or on non-payment of Additional Margin, the trade shall be deemed to be rejected by the buyer/seller. In case of default, the future delivery under the concerned contract shall be reduced/ cancelled/ suspended and penalty may be imposed on the defaulting entity as may be specified by the Exchange in advance. Such penalty will be paid to the counter party as compensation against cancellation/ revision of the contract after adjustment of charges and deduction of Exchange administrative charges.

14. The Petitioner has proposed that as part of risk management mechanism, it will collect 'Initial Margin' at the time of bidding and then 'Additional Margin' before the scheduling application is made to the Load Dispatch Centre. In case a party defaults, the Margins collected shall be utilized to pay compensation to the counterparty. Initial Margin equivalent to 5% for daily and weekly contracts and 1% of the Order values for monthly contracts shall be collected. After the trade gets executed an 'Additional Margin' equivalent to 50%, 25%, and 20% of the trade value shall be collected for contracts up to 7 days, 15 days and beyond 15 days respectively. In case of Any Day(s) Single Sided contract an 'Initial Margin' equivalent to Rs. 30,000/MW/month will be collected from the sellers considering the nature of the contract and the proposed Reverse auction mechanism. Though, in the Any-Day(s) Single Sided Contracts, the buyer/seller who has initiated auction shall have the right to partially accept or cancel the trade up to two days before the day of delivery. The Petitioner has annexed the draft Contract Specifications seeking approval of the Commission.

Hearing Dated 09.09.2022

15. The Petition was first heard on 09.09.2022. During the hearing, the Petitioner submitted that the present Petition has been filed in view of the Commission's orders approving similar contracts for other two power exchanges and that the proposed contracts by the Petitioner are in line with the approval accorded by the Commission in case of these Power Exchanges.

16. After considering the submissions made by the Petitioner, the Commission admitted the Petition and directed the Petitioner:

- a) to implead POSOCO as Respondent to the Petition and to file revised memo of parties immediately;
- b) to serve copy of the Petition on the Respondent to file its reply, if any, within two weeks after serving copy of the same to the Petitioner, who may file its rejoinder, if any, within two weeks thereafter; and
- c) to give wide publicity to its proposed contracts 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.

17. In compliance to the Commission's directions, the Petitioner impleaded POSOCO as Respondent and served a copy of the Petition. Also, the Petitioner have submitted that they have uploaded the copy of Petition on its website for seeking comments/ suggestions from the stakeholders. In response to the same, no comments/suggestion/reply was received from any stakeholder.

Hearing Dated 25.11.2022

18. During the hearing held on 25.11.2022, the Petitioner submitted that it has complied with the directions of the Commission given vide RoP for the hearing dated 09.09.2022. As to the comments offered by POSOCO, the Petitioner submitted that it has already replied to such comments vide affidavit dated 31.10.2022. The Petitioner added that similar contracts have already been approved by the Commission in respect of the other Power Exchanges vide order dated 24.2.2022 in Petition No. 169/MP/2021 (IEX v. POSOCO) and order dated 7.6.2022 in

Petition No. 229/MP/2021 (PXIL v. POSOCO). The Petitioner accordingly prayed for necessary approval for introduction of above stated contracts at the Petitioner's exchange platform.

Stakeholders Comments

POSOCO

19. Hydro being a flexible resource forms an important part of portfolio for the buying utilities. For scheduling of hydro energy, it is preferable to have long term / medium term access which will not only ensure adequate revenue, long term commitment but would also allow flexing of hydro for critical grid balancing close to real time operation. It will also act as reserves for mitigating any shortfall & supporting grid in any unforeseen contingencies.

Reply by petitioner: - Most of the Hydro Electricity Plants are having long term arrangements for sale of power. However, many a times the total capacity are not contracted on long term basis and surplus power is available with Hydro Electricity Plants. In such a scenario the surplus power needs to be scheduled on short term basis and the procurer will be able to avail the green power and meet its HPO obligations.

20. To ensure portfolio sale of hydro energy, DISCOMs should provide actual injection point. DISCOMS may apply standing clearance accordingly. This will allow tracing of power from actual despatch point in a transparent manner.

Reply by petitioner: - SLDC while issuing the NOC is required to provide the plant location.

21. While introducing the Hydro Purchase Obligations (HPO) related contracts all existing CERC regulations and procedure including provisions of Grid Code need to be complied.

Reply by petitioner: - To meet the renewable target of 450 GW by 2030, a separate HPO trajectory for each State is already notified by the Government for which surplus power, after meeting the long-term commitments, and the merchant capacity are also envisaged to be added. For this, there is a requirement of a market to cater to this surplus power. Power Exchanges

including that of the Petitioner is an ideal platform for sale and purchase of such surplus power of Hydro Electricity Plants.

Other Stakeholders

22. No comments have been received from any of the stakeholders.

Analysis and Decision

23. The Commission notes that the issue of longer duration contracts (beyond T+11 days) and financial derivatives was sub-judice since 2011. On 26.10.2018, the Ministry of Power constituted a Committee to examine the technical, operational and legal framework for futures/forward and derivative contracts in electricity and to give recommendation in this regard. The Committee submitted its report on 30.10.2019 with the following recommendations:

- a) All Ready Delivery Contracts and Non-Transferable Specific Delivery (NTSD) Contracts as defined in the Securities Contracts (Regulation) Act, 1956 (SCRA) in electricity, entered into by members of the Power Exchanges shall be regulated by CERC.
- b) Commodity Derivatives in electricity other than Non-Transferable Specific Delivery (NTSD) Contracts as defined in SCRA shall fall under the regulatory purview of SEBI.
- c) A Joint Working Group between SEBI and CERC shall be constituted with Terms of Reference as agreed in the Report of the Committee.

24. Based on the recommendations of the Committee, both SEBI and CERC have come to an agreement that CERC will regulate all the physical delivery based forward contracts whereas the financial derivatives will be regulated by SEBI.

25. The Supreme Court of India, in its Order dated 06.10.2021 for Civil Appeals 5290-5291 of 2011 favorably disposed of the matter of futures/forward and derivative contracts in electricity in terms of the agreement reached between SEBI and CERC. The relevant extract of the Order is as under:

“

The present applications have been placed on record in all the appeals which have been listed before this Court seeking the disposal of the appeals based on the settled terms agreed upon by the parties. These terms, delineating the respective jurisdictions of SEBI and CERC have been formulated by the Committee on Efficient Regulation of Electricity Derivatives constituted by the MoP during the pendency of the present appeals before this Court.

.....

We have perused the applications and the settled terms placed on record. Without commenting on the proposed terms, we permit the authorities to take the necessary steps in pursuance of the same, in accordance with law.

.....

The parties are directed to abide by the terms and conditions as recommended by the Committee on Efficient Regulation of Electricity Derivatives and the Office Memorandum dated 10.07.2020 issued by the MoP in its letter and spirit.....”

26. By virtue of disposal of the Civil Appeals by Hon’ble Supreme Court on 06.10.2021, and in line with Orders dated 07.06.2022 in Petition no. 229/MP/2021 (Power Exchange of India Ltd. Vs. Power System Operation Corporation) and in Petition No. 219/MP/2021 (Indian Energy Exchange Ltd. Vs. Power System Operation Corporation) the Petitioner has filed the present Petition on 01.08.2022. During the first hearing on 09.09.2022, the Petition was admitted and the Petitioner was directed to invite stakeholders’ comments and file its reply on the comments. During the second hearing on 25.11.2022, the Commission reserved the matter for Order.

27. Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (in short “the PMR 2021”) provides for “Approval or Suspension of Contracts by the Commission”. In accordance with Regulation 25 of PMR 2021, the proposal of the Petitioner on the long duration term ahead contracts beyond 11 days has been evaluated in subsequent paragraphs. Regulation 25 is reproduced as under:

“25. Approval or Suspension of Contracts by the Commission

(1) The Commission may, on its own or on an application made in this behalf, permit any Power Exchange to introduce new contracts as specified in clause (1) of Regulation 4 of these regulations:

.....

.....

(2) Any Power Exchange seeking permission to introduce a new contract under clause (1) of this Regulation, shall submit to the Commission complete and detailed contract specifications including the following:

(i) Type of contract;

(ii) Price discovery and matching methodology proposed;

- (iii) *Timelines, including commencement of bidding and duration of bidding session till delivery commences;*
- (iv) *Delivery mechanism and delivery duration i.e. whether delivery is for intraday, daily, weekly, monthly, seasonal, yearly or beyond;*
- (v) *Risk management mechanism including margining and final price settlement mechanism;*

.....”

(i) Types of Contracts

28. The Petitioner has proposed to introduce delivery based Monthly Contracts, and Any-Day(s) Single Sided Contracts in both Term Ahead Market and Green Term Ahead Market. The Petitioner has also proposed modification in the delivery/trading timeline of the existing Daily Contracts and Weekly Contracts to make them available beyond 11 days. The petitioner has also proposed to introduce Hydropower Contracts in Green Contingency and Green Term Ahead Market.

29. We have examined the proposed contracts, their types and specifications as submitted by the Petitioner. We note that the contracts proposed by the Petitioner, i.e., Monthly Contracts, Any-Day(s) Single Sided Contracts, and the Daily Contracts and Weekly Contracts with proposed modification in timelines are physical delivery based forward contracts and/or NTSD Contracts. Therefore, in line with the judgment of Hon’ble Supreme Court on 06.10.2021 and in terms of the agreement reached between CERC and SEBI, CERC has jurisdiction to regulate these contracts.

30. The Petitioner has sought approval to introduce the proposed contracts both in Term Ahead Market and Green Term Ahead Market. Considering that the conventional and renewable energy have their own significance, we permit the contracts as per the discussion in subsequent paragraphs to be introduced in both Term Ahead Market and Green Term Ahead Market. We accord approval to the Petitioner’s proposal to introduce Monthly Contracts, and existing Daily Contracts and Weekly Contracts with modified timelines for pre-specified time blocks notified to the market participants well in advance subject to the directions given in the subsequent paragraphs. We also approve Any day Single sided contracts at the Exchange.

31. We have also considered the submission of Petitioner regarding introduction of Hydropower contracts in Green Contingency and Green Term Ahead Market. The Petitioner has proposed Intraday Hydro Contracts, Day Ahead Contingency Hydro Contracts, Daily Hydro Contracts and Weekly Hydro Contracts. We agree that introduction of these contracts will provide an additional avenue to existing and prospective hydro generators. Considering the same, we grant approval of these contracts subject to various aspects dealt in the subsequent paragraphs.

32. Notwithstanding the above, these contracts are approved for the maximum duration of the three months, considering the month in which transaction is made as the zero month. Accordingly, in the zero month, the monthly contract can be transacted for the first month, second month, and for the third month. It is noticed that the delivery timeline proposed by the Petitioner for Daily Hydro Contracts is from T+2 onwards and for Weekly Hydro Contract is from TW+1 week onwards. In line of the above, the Daily Hydro Contracts are approved for delivery from T+2 day to T+90 days and the Weekly Hydro Contracts shall be for delivery from TW+1 to TW+12 weeks.

(ii) Price Discovery and Mechanism Methodology

33. The Petitioner has proposed to utilize Continuous matching for Green Day Ahead Contingency (Hydro) Contracts and Green Intraday (Hydro) Contracts and Uniform Price Step Auction as matching methodology for Daily & Weekly Hydro contracts, and the Daily, Weekly and Monthly Contracts in TAM & GTAM. For Any Day Single Sided Contracts, Petitioner has proposed to use Reverse Auction based bidding.

34. As the 'Continuous matching' methodology proposed for Green Day Ahead Contingency (Hydro) Contracts and Green Intraday (Hydro) Contracts is the same as that of the methodology followed in the existing Contingency contracts and Intraday Contracts, we agree with the Petitioner's proposal.

35. For Daily, Weekly and Monthly Contracts, we approve the use of Uniform Price Step Auction as a matching methodology for price discovery as proposed by the Petitioner for such

contracts. We further direct the Petitioner to use open auction for Uniform Price Step Auction so that the participants while bidding for these contracts can take informed decisions after seeing buy and sale bids offered by other anonymous participants. This is line with the decision of the Commission for the same set of contracts for the other two Power Exchanges.

36. We note that the Petitioner's proposal of Reverse Auction on buyer's requisition is similar to the contracts currently executed at DEEP Portal wherein under the Reverse Auction mechanism, multiple sellers compete against each other for matching with the requisition of a buyer. We are of the view that such contracts at the Exchange will facilitate discovery of competitive prices, and also provide counterparty risk management by ensuring timely payment on the day close to delivery. Therefore, in the interest of the consumers, we approve Reverse Auction as price discovery matching methodology for Any-Day(s) single sided Contracts. It is noticed that the Petitioner has proposed that the auction shall be conducted in two stages namely Initial Price Offer (IPO) and Reverse Auction (RA). The Petitioner is directed to clearly define the stages and timeline while revising the relevant sections of the Business Rules and the Contract Specifications.

37. As drawn from the above, henceforth, the contracts and their price discovery methodologies in the term ahead market and green term ahead market at the Petitioner's Power Exchange shall be as follows: i) Daily Contract with Uniform Price Step Auction, ii) Weekly Contract with Uniform Price Step Auction, iii) Monthly Contract with Uniform Price Step Auction, iv) Any day Single Sided Contract with Reverse Auction.

Name of the Contract	Approved Price Discovery Methodology
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) Timelines, including commencement of bidding and duration of bidding session till delivery commences

38. The Petitioner, in terms of Regulation 25 of the PMR 2021, is required to provide timelines of the proposed contracts, including commencement of bidding and duration of bidding session till the delivery commences. The Petitioner has submitted the following:

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time
Daily Contracts	On Daily Basis (T)	Two days before delivery day	12:00 – 17:00 hours
Weekly Contract	Monday of the prior week (TW ₀)	Friday of the week prior (TW ₀)	12:00 – 17:00 hours
Monthly Contract	First Day of the zero month (M ₀)	For the first month (M ₁) contract – ten days prior to the close of zero month (M ₀); For the second month (M ₂) contract – five days prior to the close of zero month (M ₀); For the third month (M ₃) contract – last day of zero month (M ₀).	12:00 – 17:00 hours
Any Day Single Sided Contract	On Daily Basis	Two days before delivery day	00:00 – 24:00 hours

39. Considering that these contracts are approved for the maximum duration of three months and keeping in view the timelines decided in the Commission's Orders dated 07.06.2022, the timelines as approved, are provided in the table below.

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time
Daily Contracts	On Daily Basis (T)	Two days before delivery day	00:00 – 24:00 hours
Weekly Contract	Monday of the prior week (TW ₀)	Friday of the week prior (TW ₀)	12:00 – 17:00 hours
Monthly Contract	First Day of the zero month (M ₀)	For the first month (M ₁) contract – ten days prior to the close of zero month (M ₀); For the second month (M ₂) contract – five days prior to the close of zero month (M ₀); For the third month (M ₃) contract – last day of zero month (M ₀).	12:00 – 17:00 hours

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time
Any Day Single Sided Contract	On Daily Basis	Two days before delivery day	00:00 – 24:00 hours

Taking the month prior to three months as the zero-month, trading for these contracts can be commenced in zero month. That means Daily, Weekly, and Any day Single Sided Contracts for the third month can be traded on rolling basis in zero-month (M_0), first month (M_1), second month (M_2) and third month (M_3) subject to the timelines specified in above table.

40. The Petitioner is directed to commence the physical delivery of electricity on a day more than one day ahead ($T + 2$ or more) of the last day of bidding in accordance with the Regulation 2(ba) of the PMR 2021.

(iv) Delivery Mechanism and Delivery Duration

41. For the contracts as approved above, the delivery duration proposed by the Petitioner is: i) $T+2$ to $T+90$ days for daily contracts, ii) $TW+1$ to $TW+12$ for weekly contracts, iii) $TM+1$ to $TM+12$ months for Monthly contracts, iv) $T+2$ to $T+90$ days for any day single sided contracts for user defined days and time blocks, wherein T denotes the trading day, TW denotes the Trading Week and TM denotes the trading month.

42. With respect to above mentioned paragraphs of this Order, we approve these contracts for the maximum duration of three months, considering the month in which transaction is made as the zero month. Accordingly, the approved delivery duration for these contracts (for the pre-specified time blocks notified to the market participants well in advance) is: i) $T+2$ to $T+90$ days for daily contracts, ii) $TW+1$ to $TW+12$ for weekly contracts, iii) $TM+1$ to $TM+3$ months for Monthly contracts; and iv) $T+2$ to $T+90$ days for any day single sided contracts for user defined days and time blocks, wherein T denotes the zero day of trading, TW denotes the zero week of Trading and TM denotes the zero month of the trading and physical delivery of electricity starts on a day more than one day ahead.

43. The Petitioner is directed to make Daily, Weekly and Monthly Contracts available only for pre-specified time blocks notified to the market participants well in advance with the help of

circulars. In case of Any Day Single Sided contracts, the buyer is allowed to define the days and time blocks of delivery period only, within T+2 days to T+90 days, and the same shall be notified through circulars.

44. A table summarizing the timelines including commencement and duration of bidding, and delivery duration for the approved contracts is provided as under:

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time	Delivery Duration	Remarks
Daily Contracts	On Daily Basis	Two days before delivery day	00:00 – 24:00 hours	T+2 to T+90 Days	For pre-specified time blocks notified to the market participants well in advance through circulars
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	
Monthly Contract	First Day of the zero month	For the first month (M_1) contract – ten days prior to the close of zero month (M_0); For the second month (M_2) contract – five days prior to the close of zero month (M_0); For the third month (M_3) contract – last day of zero month (M_0).	12:00 – 17:00 hours	TM+1 to TM+3 Months	
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

45. We direct that the delivery mechanism for these contracts shall be in accordance with the CERC (Open Access in inter-State Transmission Regulations), 2008 as amended from time to time including reenactment thereof; CERC (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time including reenactment thereof; CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time including re-enactment thereof; CERC (Power Market Regulations), 2021 as amended from time to time including reenactment thereof; Procedure for Scheduling of Bilateral Transaction and Procedure for Short Term Open Access in inter-State Transmission System through National Open Access Registry (NOAR) as amended from time to time including reenactment thereof.

(v) Risk Management Mechanism including Margining and Final Price Settlement Mechanism

46. The Petitioner has proposed that the Exchange will collect an “Initial margin” at the time of bidding equivalent to 5% of the order value for Daily and Weekly Contracts and 1% of the order value for Monthly Contracts. For Any Day Single Sided Contracts, sellers will be required to provide an Initial Margin at the rate of Rs. 30000/MW/month or part thereof. After the bidding, an ‘Additional margin’ will be collected by the Exchange before the scheduling application is made to the Load Dispatch Centre. Additional Margin will be equivalent to 50%, 25% and 20% of trade value for contracts up to 7 days, 15 days and beyond 15 days respectively. In case a party defaults then the Margins collected shall be utilized to pay the compensation to the counterparty. The Margins will be collected in both cash and non-cash.

47. We note that Regulation 26 of the PMR 2021 permits a Power Exchange to develop and implement a prudent risk management framework which shall be dynamic based on the changing risk profiles of the market. We find that the Petitioner has proposed Initial Margin and Additional Margins as per the risk mitigation requirement of respective contracts. Accordingly, we approve the same. Further, in order to address the defaults, we are of the view that penalty should be explicitly defined in the contract specifications and Business Rules to ensure transparency in the risk management, and informed decision making for the market participants. The Petitioner is, therefore, directed to specify in advance the fines & penalties in the contract specifications.

48. Regarding the final price settlement, the Petitioner, in contract specifications, has proposed that it will be equivalent to the ‘Traded price x Quantity scheduled’ at delivery point. The Petitioner mentioned that funds pay-in by the buyers equivalent to one day’s obligation shall be collected on D-1 basis (D being delivery day) whereas funds pay-out to the seller equivalent to one day’s obligation shall be disbursed on D+1 basis for each delivery day subject to confirmation of delivery by the seller. The Petitioner mentioned that netting off of the positions shall not be allowed.

49. We note that the mechanism of final price settlement as proposed by the Petitioner has been in practice since the commencement of the existing term ahead contract at the Power Exchange. We further note that no adverse feedback regarding the said mechanism has been received in this context. Accordingly, we approve the price settlement as proposed by the Petitioner subject to the condition that the netting off of the positions shall not be allowed.

50. In view of the above discussions, we allow the prayers of the petitioner subject to following stipulations: -

(A) We, hereby, direct the Petitioner to schedule these contracts, viz., Daily Weekly, Monthly and Any day Single Sided contracts on the first available day following the transaction day and to strictly abide by the following conditions of NTSD contracts:

- (i) the contracts are settled only by physical delivery without netting;
- (ii) the rights and liabilities of parties to the contracts are not transferable;
- (iii) no such contract is performed either wholly or in part by any means whatsoever, as a result of which the actual delivery of electricity covered by the contract or payment of the full price therefor is dispensed with;
- (iv) no circular trading shall be allowed and the rights and liabilities of parties to the specific delivery contracts shall not be transferred or rolled over by any other means whatsoever;
- (v) the trading shall be done only by authorized grid connected entities or trading licensees on behalf of grid connected entities, as participants;
- (vi) the contracts can be annulled or curtailed, without any transfer of positions, due to constraints in the transmission system or any other technical reasons, as per the principles laid down by CERC in this regard. However, once annulled, the same contract cannot be reopened or renewed in any manner to carry forward the same transaction.

(B) As per the aforesaid condition (vi) of the NTSD contracts, the Commission directs that the contracts can be annulled or curtailed, without any transfer of positions, due to constraints in the transmission system or due to force majeure; however, this will be subject to the validation by system operator and default mechanism of the Petitioner's Exchange. Accordingly, we direct that

any downward revision in the contracted quantity (MWh) shall be subject to the aforesaid conditions.

(C) For Any Day Single Sided contracts, the Petitioner has proposed that after the Reverse Auction, the buyer may partially or fully reject the trade within the timelines as may specified by the Exchange from time to time. During such time, the bid will remain valid and the successful bidders will not be able to change their bids. If no communication is received from the buyer or the seller within the stipulated time regarding acceptance of the trade or on nonpayment of Additional Margin, the trade shall be deemed to be rejected by the buyer or seller. We find above proposal of the Petitioner is a part of the trading activity (i.e. before transaction takes place) and therefore, we direct the Petitioner to complete the same, two days before the day of delivery. Once a transaction takes place and contract is entered into, no partial or full rejection of the contracted quantity shall be allowed, except in the case of force majeure or constraints in the transmission corridor, subject to the validation by the system operator and default mechanism of the Petitioner's Exchange.

(D) The capacity offered, as a sell bid in Power Exchange under the Daily, Weekly, Monthly and Any day single sided contracts from a resource in the same time-block, shall be separate and non-overlapping. Non-compliance of the same by any of the parties to the transaction shall lead to its debarment as a member or client and/or revocation or suspension of registration as the case may be, along with the other actions for market abuse taken under the PMR 2021 and other applicable Regulations of the Commission.

(E) We also direct the Petitioner to make appropriate changes in its software before the commencement of these physical delivery based forward contracts. The Commission directs the Petitioner to revise its Business Rules, Rules and Bye-Laws according to approvals granted in this Order and as per the detailed procedure for scheduling of bilateral transactions. We further direct the Petitioner to submit the compliance report of the same on affidavit within two weeks from the date of issuance of the Order. The Petitioner is also directed to upload the revised Business Rules, Rules and Bye-Laws on its website before the commencement of these contracts. Needless to mention, if any discrepancy is noticed or if it appears that the revised

Business Rules, Rules and Bye-Laws, Circulars issued do not conform to the Regulations and/or to this Order in any respect, necessary directions may be issued for such compliance.

51. We also direct POSOCO to submit a report within three months from the date of introduction of the contracts as approved in this Order, after seeking feedback from the Power Exchanges on the experience and performance of the said contracts.

52. The Petition 206/MP/2022 is disposed of in terms of the above.

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

Sd./-
(Arun Goyal)
Member

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

Annexure 2

Contract Specification: National/Regional Daily Contracts

Sr. No.	Item	Details
1	Contract Name*	Daily Contracts
2	Regions	National or Electrical <u>Region-specific</u> contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option - Firm Delivery
4	Firm Daily Contract	The daily contracts for trading will be available on a rolling basis i.e. everyday starting from T+2 day to maximum up to T+33 days on a rolling basis. (T \Rightarrow Trade Day).
5	Trading day*	Trading will be available on all days or as per trading and settlement calendar declared in advance
6	Trading Session*	On each trading day, one Uniform price step auction session will be made available to the members for bidding up to two days before delivery day.
7	Order Management*	The Exchange Members will be able to submit orders as specified in these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from <u>time-to-time</u> price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Sellers and Buyers to submit order for pre specified duration, quantum in MW and price in Rs./MWh.

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Hindustan Power Exchange Ltd.

Business Rules

		Seller can submit bid for <u>National contract and regional contract</u> of that region to which <u>it</u> belongs. Whereas a buyer can <u>place bid in National or any regional contract</u> . Netting of (square off) of positions will not be allowed.
9	Matching of Bids	Uniform price step auction session: Details as per chapter 8 of Business Rules. Each trade will be sent for scheduling, on trade to-trade basis.
10	Trading Hours*	As per trading and settlement calendar.
11	Minimum Volume Quotation*	1 MW
12	Minimum Volume Step*	<u>0.1</u> MW
13	Lot size	<p>Base or RTC Contract (DYB); 1 lot = 1 MW * 24 Hours</p> <p>Night Off-peak Contract (DYN); 1 lot = 1MW * 8 Hours</p> <p>Day Contract (DYD); 1 lot = 1MW * 11 Hours</p> <p>Day Peak Contract (DYP); 1 lot = 1 MW * 5 Hours</p> <p><u>Hourly Contracts (H01):1 Lot = 1 MW*1 Hour</u></p> <p><u>Pre specified time blocks as notified by Exchange from time to time.</u></p>
14	Maximum bid size*	Bids should not be more than the allowed MW in any of <u>Standing Clearance</u> issued by concerned Load Dispatch Centre to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.
15	Price Quote Basis	Rs. per MWh (excluding all fees, charges and taxes, if applicable)
16	Price Tick*	Rs. 1 per MWh
17	Quantity Variation	Zero quantity variation allowed.

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Hindustan Power Exchange Ltd.

Business Rules

18	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.																																
19	Initial Margins (Operational Limit)*	5% margin of the total order value or as may be specified by the Exchange from time to time, should be available in cash/non cash with the exchange at the time of bidding.																																
20	Additional Margins *	<p><u>Additional Margin :</u></p> <table> <tr> <th><u>S. No.</u></th><th><u>Duration of Contract</u></th><th><u>Minimum Additional Cash Margin</u></th><th><u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u></th><th><u>Payable by</u></th></tr> <tr> <td><u>1</u></td><td><u>Up to 7 days</u></td><td><u>50% of trade value of the contract</u></td><td><u>NA</u></td><td><u>Buyer only</u></td></tr> <tr> <td><u>2</u></td><td><u>8 to 30 days</u></td><td><u>20% of trade value of the contract</u></td><td><u>NA</u></td><td><u>Buyer only</u></td></tr> <tr> <td><u>3</u></td><td><u>31 to 60 days</u></td><td><u>10% of trade value of the contract</u></td><td><u>10% of trade value of the contract</u></td><td><u>Both Buyer and Seller</u></td></tr> <tr> <td><u>4</u></td><td><u>61 to 90 days</u></td><td><u>7.5% of trade value of the contract</u></td><td><u>12.5% of trade value of the contract</u></td><td><u>Both Buyer and Seller</u></td></tr> <tr> <td><u>5</u></td><td><u>91 days and above</u></td><td><u>5% of trade value of the contract</u></td><td><u>15% of trade value of the contract</u></td><td><u>Both Buyer and Seller</u></td></tr> </table> <p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time.</p> <p>Additional Margin is the difference in the value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value. This Additional Margin</p>			<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>	<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>	<u>2</u>	<u>8 to 30 days</u>	<u>20% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>	<u>3</u>	<u>31 to 60 days</u>	<u>10% of trade value of the contract</u>	<u>10% of trade value of the contract</u>	<u>Both Buyer and Seller</u>	<u>4</u>	<u>61 to 90 days</u>	<u>7.5% of trade value of the contract</u>	<u>12.5% of trade value of the contract</u>	<u>Both Buyer and Seller</u>	<u>5</u>	<u>91 days and above</u>	<u>5% of trade value of the contract</u>	<u>15% of trade value of the contract</u>	<u>Both Buyer and Seller</u>
<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>																														
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<u>3</u>	<u>31 to 60 days</u>	<u>10% of trade value of the contract</u>	<u>10% of trade value of the contract</u>	<u>Both Buyer and Seller</u>																														
<u>4</u>	<u>61 to 90 days</u>	<u>7.5% of trade value of the contract</u>	<u>12.5% of trade value of the contract</u>	<u>Both Buyer and Seller</u>																														
<u>5</u>	<u>91 days and above</u>	<u>5% of trade value of the contract</u>	<u>15% of trade value of the contract</u>	<u>Both Buyer and Seller</u>																														

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Hindustan Power Exchange Ltd.

Business Rules

		will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level. Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal concerned LDC at delivery point as specified by the exchange from time to time.

Trading Cycle.*

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Sr. No.	Time	Details
22	12:00 – 17:00	Uniform price step auction Session
	<u>On trade execution</u>	<u>Contract details & Application formats sent to members.</u>
23	<u>After trade execution</u>	<u>Calculation of Additional Margin of the member and blocking of the Additional Margin from the available cash/non-cash collateral of the Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.</u>
24		Concerned LDC Clearance from Members and fulfillment of additional margin requirement call, if any. On completion of formality and receipt of adequate additional margin, application on <u>"GNA" or "T-GNA"</u> will be sent to Nodal RLDC as the case may be. Acceptance for Scheduling from Nodal RLDC.
	As per the Trading & Settlement Calendar	

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Hindustan Power Exchange Ltd.

Business Rules

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Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA. Further, Entities need to ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

Delivery Procedure

25	Delivery	Trade once executed shall not be revised and shall be sent for scheduling, The quantity shall be deliverable as per the schedule issued by the RLDC.
26	Delivery period	Delivery for each time block
27	Delivery point	The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
28	SLDC Clearance	<p>For processing of applications under “GNA” or “T-GNA” Member shall ensure the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</p> <p>In case of any mismatch between the buyer and seller's concurrence in terms of quantum and duration approved by SLDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.</p>
29	Application for Scheduling	Application for Scheduling will be submitted to Nodal RLDC as specified in the Trading and Settlement Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State

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Hindustan Power Exchange Ltd.

Business Rules

		<p><u>Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA</u></p> <p>any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.</p>	<p>Deleted: "Procedure for scheduling of bilateral transactions"</p> <p>Deleted: .</p>
30	Delivery Process	<p>Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC <u>as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA</u>.</p>	<p>Formatted: Indent: Left: 0 cm</p> <p>Deleted: ,</p> <p>Deleted: ¶</p>
31	Application fees, Operating and Transmission Charges and Losses	<p><u>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</u></p> <p><u>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</u></p> <p><u>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</u></p>	<p>Deleted: on FCFS basis as per the "Procedure for scheduling of bilateral transactions".</p> <p>Formatted: Indent: Left: 0.12 cm, Right: 0.22 cm</p> <p>Deleted: ¶</p>
32	Alternate route	<u>Allocation will be done by nodal RLDC depending upon availability on transmission corridor.</u>	Deleted: Seller will bear all the Transmission, Scheduling & Operating charges and Transmission Losses (in kind) up to the delivery point and Buyer shall bear all the Transmission, Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl. The charges shall be applied on the quantum of power scheduled at seller's ISTS Periphery.
33	Force majeure	<p><u>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</u></p>	<p>Deleted: ¶</p> <p>Deleted: Unless preference is specified by the buyer, it will be deemed to have consented for all possible transmission corridors from seller's injection point till drawl point.</p>
34	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.	<p>Formatted: Justified</p> <p>Deleted: In case of force majeure the Exchange will settle the contract as per final schedule issued by RLDCs.</p>

Settlement Procedure***Deleted:** ¶

Hindustan Power Exchange Ltd.

Business Rules

35	Payment of Application fees, Transmission & Operating Charges by Members	<p><u>Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.</u></p> <p><u>Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.</u></p>
36	Funds pay in by Members	Exchange will debit the funds pay-in on each D-1 basis at 11.00 am from buyer's member's settlement account.
37	Funds pay out to Members	Exchange will credit the funds pay-out in seller's member's settlement account on D+1 basis at 12.00 noon subject to confirmation of delivery pay in by the seller.

Deleted: Application fees will be collected from buyer on date of application to Nodal RLDC. Transmission and Operating Charges as applicable on quantum scheduled at seller's periphery and payable to the Nodal RLDC, will be recovered from the buyer and seller members on the next day of receiving the acceptance from the nodal RLDC.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC

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Hindustan Power Exchange Ltd.

Business Rules

Contract Specification: National/Regional Weekly Contracts

Sr.No.	Item	Details
1	Contract Name*	National/ Regional Weekly Contracts
2	Regions	One National contract and preference wise Regional contracts for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Weekly Contract	The weekly contracts for trading will be available as per the trading and settlement calendar from Monday to Sunday from TW+1 week to maximum up to TW+47 weeks on a rolling basis (TW=Trade Week).
5	Trading day*	Please refer to trading and settlement calendar for more details. Exchange can also hold multiple trading sessions on specified trading days or other days to minimize unmatched volume.
6	Trading session*	On each trading day, one uniform price step auction trading session will be made available to the members for bidding from Monday to Saturday, for next week onwards available weekly contracts.
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time-to-time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.

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Hindustan Power Exchange Ltd.

Business Rules

8	Bidding process	Sellers and Buyers to submit order for pre specified duration quantum in MW and price in Rs./MWh. Seller can submit bid for National contract and regional contract of that region to which it belongs. Whereas a buyer can place bid in National or any regional contract. Netting off (square off) of positions will not be allowed.																		
9	Matching of Bids	Uniform Price Step Auction session: Details as per chapter 8 of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.																		
10	Trading Hours*	As per trading and settlement calendar.																		
11	Minimum Volume quotation*	1 MW																		
12	Minimum Volume Step*	0.1 MW																		
13	Lot size	Base or RTC Contract (DYB): 1 lot =1 MW*24*7 Hours Night Off-peak Contract (DYN): 1 lot= 1MW*8*7 Hours Day Contract (DYD): 1 lot = 1MW *11*7 Hours Day Peak Contract (DYP): 1 lot = 1 MW*5*7 Hours Hourly Contracts (H01):1 Lot = 1 MW*1 Hour*7 Hours Pre specified time blocks as notified by Exchange from time to time.																		
14	Maximum bid size*	Bids should not be more than the allowed MW in any of Standing Clearance issued by its concerned load dispatch centre to the Members/clients at any time. It will be the responsibility of the member to adhere to this rule.																		
15	Price Quote Basis	Rs. per MWH (excluding all fees, charges, taxes etc.)																		
16	Tick size*	Rs. 1 per MWH																		
17	Quantity Variation	Zero quantity variation allowed.																		
18	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.																		
19	Initial Margins (Operational Limit)*	5% margin of the total order value as may be specified by the Exchange from time to time, should be available in cash/non cash with the exchange at the time of bidding.																		
20	Additional Margins *	<table><tr><td colspan="5">Additional Margin</td></tr><tr><td>S. No.</td><td>Duration of Contract</td><td>Minimum Additional Cash Margin</td><td>Non-Cash Margin (in form of Bank Guarantee/ Letter of</td><td>Payable by</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table>				Additional Margin					S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of	Payable by					
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S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of	Payable by																

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Hindustan Power Exchange Ltd.

Business Rules

			<u>Credit/Fixed Deposit Receipt)</u>	
<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>
<u>2</u>	<u>8 to 30 days</u>	<u>20% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>
<u>3</u>	<u>31 to 60 days</u>	<u>10% of trade value of the contract</u>	<u>10% of trade value of the contract</u>	<u>Both Buyer and Seller</u>
<u>4</u>	<u>61 to 90 days</u>	<u>7.5% of trade value of the contract</u>	<u>12.5% of trade value of the contract</u>	<u>Both Buyer and Seller</u>
<u>5</u>	<u>91 days and above</u>	<u>5% of trade value of the contract</u>	<u>15% of trade value of the contract</u>	<u>Both Buyer and Seller</u>

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Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time.

Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.

This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.

Deleted: 50% of the total trade value will be collected from the member/client. The margins can be in the form of cash or non-cash. Another half day margins will be collected towards collection of various transmission related charges. Members opted for advance payment shall made the funds available up to the 50% of bid value netting of the haircut factor or as may be specified by the Exchange from time to time,

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Additional Margin based on open positions may be collected from buyer Members only.

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Hindustan Power Exchange Ltd.

Business Rules

		Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by concerned nodal LDC at delivery point as specified by the exchange from time to time.

Trading Cycle*

Sr. No.	Time	Details
22	12:00 – 17:00	Auction Trade Session
		On trade execution
23	After trade execution	Calculation of Additional Margin of the member blocking of the Additional Margin from the available cash/non-cash collateral of the Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
24	As per the Trading & Settlement Calendar	Concerned LDC Clearance ¹ from Members and fulfillment of additional margin requirement call, if any. On completion of formality and receipt of adequate additional margin, application on "GNA" or "T-GNA" will be sent to Nodal RLDC or as case may be Acceptance for Scheduling from Nodal RLDC.

Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA, Further, Entities need to ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

Delivery Procedure

25	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.
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Hindustan Power Exchange Ltd.

Business Rules

26	Delivery period	Delivery for each time block.
27	Delivery point	The delivery point shall be at <u>ISTS Periphery as per Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.</u>
28	Application for Scheduling	Application for Scheduling will be submitted to nodal RLDC specified in the Trading and Settlement Calendar and as per the <u>CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA</u> or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
29	SLDC Clearance	<u>For processing of applications under “GNA” or “T-GNA” Member shall ensure the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</u> In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by SLDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.
30	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, <u>as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National</u>

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Hindustan Power Exchange Ltd.

Business Rules

		<u>Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.</u>
31	Application fees, Operating and Transmission Charges and Losses	<p><u>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</u></p> <p><u>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</u></p> <p><u>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</u></p>
32	Alternate route	<u>Allocation will be done by nodal RLDC depending up availability on transmission corridor.</u>
33	Force majeure	<u>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</u>
34	Fines & penalties*	As decided by the Exchange from time to time and inform through circular.

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Settlement procedure*

35	Payment of Application Fees by Members	<p><u>Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.</u></p> <p><u>Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.</u></p>
36	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11.00 a from buyer member settlement account.

Deleted: Application fees will be collected from buyer on date of application to Nodal RLDC. Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the Nodal RLDC, will be recovered from the buyer and seller members on the next day of receiving the acceptance from the nodal RLDC.

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Business Rules

37	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.
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* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC.

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Hindustan Power Exchange Ltd.

Business Rules

Contract Specification: National/Regional Monthly Contracts

Sr. No.	Item	Details
1	Contract Name*	National/ Regional Monthly Contracts
2	Regions	National contract and Regional contracts for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Monthly Contract	The Monthly contracts will be available for calendar Months from TM+1 Month to maximum up to TM+11 Months on a rolling basis. (TM-Trade Month)
5	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
6	Trading session*	On each trading day, Uniform Price Step Auction trading session will be made available to the members for bidding session as follows: For the first month (M1) contract – three days prior to the close of zero month (M0); For the second to last month (M2 – M11) contract – last day of zero month (M0).
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify

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Hindustan Power Exchange Ltd.

Business Rules

		from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	<p>Sellers and Buyers to submit order for pre specified duration, quantum in MW and price in Rs./MWh.</p> <p>Seller can submit bid for National contract and regional contract of that region to which it belongs. Whereas a buyer can place bid in National or any regional contract. Netting off (square off) of positions will not be allowed.</p>
9	Matching of Bids	Uniform Price Step Auction: Details as per of chapter 8 of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.
10	Trading Hours*	As per trading and settlement calendar to be notified by the Exchange from time to time
11	Minimum Volume quotation*	1 MW
12	Minimum Volume Step*	0.1 MW
13	Lot size	<p>Base or RTC Contract (DYB): 1 lot = 1 MW*24 Hours*days in the month</p> <p>Night Off-peak Contract (DYN): 1 lot= 1_MW*8 Hours* days in the month</p> <p>Day Contract (DYD): 1 lot = 1_MW *11 Hours* days in the month</p> <p>Day Peak Contract (DYP): 1 lot = 1 MW*5 Hours* days in the month</p> <p>Hourly Contracts (H01):1 Lot = 1 MW*1 Hour* days in the month</p> <p>Pre specified time blocks as notified by Exchange from time to time.</p>
14	Maximum bid size*	<p>Bids should not be more than the allowed MW in any of Standing Clearance issued by concerned Load Dispatch Center to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.</p>
15	Price Quote Basis	Rs. Per MWh (excluding all fees, charges, taxes etc.)

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Netting off (square off) of positions will not be allowed.

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16	Tick size*	Rs. 1 per MWh					
17	Quantity Variation	Zero quantity variation allowed					
18	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed					
19	Initial Margins (Operational Limit)*	Initial Margins equivalent to 1% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.					
20	Additional Margins *		<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>
		<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>	
		<u>2</u>	<u>8 to 30 days</u>	<u>20% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>	
		<u>3</u>	<u>31 to 60 days</u>	<u>10% of trade value of the contract</u>	<u>10% of trade value of the contract</u>	<u>Both Buyer and Seller</u>	
		<u>4</u>	<u>61 to 90 days</u>	<u>7.5% of trade value of the contract</u>	<u>12.5% of trade value of the contract</u>	<u>Both Buyer and Seller</u>	
		<u>5</u>	<u>91 days and above</u>	<u>5% of trade value of the contract</u>	<u>15% of trade value of the contract</u>	<u>Both Buyer and Seller</u>	
		<u>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time.</u>					

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Hindustan Power Exchange Ltd.

Business Rules

		<p><u>Additional Margin is the difference in the value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value. This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.</u></p> <p><u>Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.</u></p>
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.

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Trading Cycle*

Sr. No.	Time	Details
22	12:00 – 17:00	Auction Trade Session
	On trade execution	Contract details & Application formats sent to members.
23	After trade execution	Calculation of Additional Margin of the member and blocking of the Additional Margin from the available cash/non-cash collateral of the Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
24	As per the Trading & Settlement Calendar	<p>Concerned LDC Clearance¹ from Members and fulfillment of additional margin requirement call, if any.</p> <p>On completion of formality and receipt of adequate additional margin, application on "GNA" or "T-GNA" will be sent to Nodal RLDC or as case may be.</p> <p>Acceptance for Scheduling from Nodal RLDC.</p>

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Hindustan Power Exchange Ltd.

Business Rules

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			Deleted: D = Delivery Day¶
			Deleted: The delivery point shall be at Seller's ISTS Periphery as may be specified by requisitioner.
26	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.	
27	Delivery period	Delivery for each time block.	
28	Delivery point	<u>The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.</u>	
29	Application for Scheduling	Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Delivery Calendar and as per the <u>CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA</u> or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval	Deleted: "Procedure for Scheduling of bilateral transactions"
30	SLDC Clearance	<u>For processing of applications under "GNA" or "T-GNA" Member shall ensure the traded quantity should be within the</u>	Deleted: Post trade, in case of buyer/seller is connected to State transmission or distribution system, the buyer/seller shall provide concurrence of LDC of their respective State to the Exchange for the traded quantity. The concurrence shall be submitted to the Exchange as per the timelines specified in the trading calendar.

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Hindustan Power Exchange Ltd.

Business Rules

		<p><u>limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</u></p> <p>In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.</p>
31	Delivery Process	<p>Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, <u>as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.</u></p>
32	Application fees, Operating and Transmission Charges and Losses	<p><u>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</u></p> <p><u>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</u></p> <p><u>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</u></p>
33	Alternate route	<p><u>Allocation will be done by nodal RLDC depending up availability on transmission corridor.</u></p>
34	Force majeure	<p><u>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</u></p>
35	Fines & penalties*	<p>As decided by the Exchange from time to time and inform through circular.</p>

Settlement procedure*

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Hindustan Power Exchange Ltd.

Business Rules

36	Payment of Application Fees by Members	<p><u>Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.</u></p> <p><u>Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.</u></p>
37	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11:00 am from buyer member settlement account
38	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

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* Exchange may modify these parameters from time to time with prior intimation to its Members, and CERC.

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Contract Specification: National/Regional Any-Day (s)

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Contracts

Sr. No.	Item	Details
1	Contract Name*	Any-Day(s) Single Sided Contracts
2		
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Any-Day Single Sided Contract	Any-Day(s) Single Sided contracts will be available for use defined Day(s) and hour(s)/time block(s) from T+2 day to maximum upto T+337 days (T-Trade Day)
5	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
6	Trading session*	Bidding sessions will be made available to the members/Clients for bidding on each Trading Day on Daily basis upto 2 days before start of delivery as per Trading & Settlement calendar.
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Reverse Auction: Buyer to specify its requirement in terms of quantum in MW and duration. Sellers to bid their offers specifying quantum in MW and Price in Rs/MWh against the requirement of buyer during the auction window. Buyer and Seller may also specify minimum quantum. The bidding shall take place in 2 stages i.e., Initial Price Offering (IPO) and Reverse Auction.

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Deleted: One National contract and preference wise Regional contracts for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.

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Hindustan Power Exchange Ltd.

Business Rules

9	Matching of Bids	Reverse Auction for buyer's requisition																		
10	Trading Hours*	As per trading and settlement calendar to be notified by the Exchange from time to time																		
11	Minimum quotation*	Volume	1 MW																	
12	Minimum Step*	Volume	0.1 MW																	
13	Lot size	1 MW * 15 minutes or combination thereof.																		
14	Maximum bid size*	Bids should not be more than the allowed MW in any of Standing Clearance issued by concerned Load Dispatch Center to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.																		
15	Price Quote Basis	Rs. per MWh (excluding all fees, charges, taxes etc.)																		
16	Tick size*	Rs. 1 per MWh																		
17	Quantity Variation	Zero quantity variation allowed																		
18	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.																		
19	Initial Margins (Operational Limit)*	The seller will be required to provide an initial margin calculated at the rate of 30000/MW/Month or part thereof, or as may be specified by the Exchange, at the time of bidding in the Reverse Auction. The initial margin can be in the form of cash or non-cash collateral. If a seller gets eliminated during the Reverse Auction or the trade gets rejected by Buyer, the initial margin as collected will be refunded to the seller. If the seller gets selected, then the initial margin will get adjusted with the Additional Margin to be collected from the seller. In absence of adequate initial margin, seller will not be allowed to place bid.																		
20	Additional Margins *	<table><tr><td colspan="5">Additional Margin</td></tr><tr><td>S. No.</td><td>Duration of Contract</td><td>Minimum Additional Cash Margin</td><td>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</td><td>Payable by</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table>				Additional Margin					S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by					
Additional Margin																				
S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by																

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Deleted: At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.

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Hindustan Power Exchange Ltd.

Business Rules

		1	Up to 7 days	50% of trade value of the contract	NA	Buyer only
		2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
		3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
		4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
		5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
		<p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time.</p> <p>Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however, at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.</p> <p>This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.</p> <p>Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.</p>				
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.				

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Hindustan Power Exchange Ltd.

Business Rules

Trading Cycle*

Sr. No.	Time	Details
22	As per the Trading & Settlement Calendar	Concerned LDC Clearance ¹ from Members and fulfillment of additional margin requirement call, if any.
		On completion of formality and receipt of adequate additional margin, application on <u>"GNA" or "T-GNA"</u> 'will be sent to Nodal RLDC or as the case may be.
		Acceptance for Scheduling from Nodal RLDC.

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⁽¹⁾ Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA, in case of Punching of application under "T-GNA Exigency", Kindly ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

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Delivery Procedure

26	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.
27	Delivery period	Delivery for each time block.
28	Delivery point	The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
29	Application for Scheduling	Application for Scheduling will be submitted to Nodal RLDC as specified in the Trading and Settlement Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State

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Hindustan Power Exchange Ltd.

Business Rules

		Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
30	SLDC Clearance	<p>For processing of applications under "GNA" or "T-GNA", Member shall ensure the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</p> <p>In case of any mismatch between the buyer and seller NOC in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. Except otherwise provided, in case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller</p>
31	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.

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Deleted: Post trade, in case of buyer/seller is connected to State transmission or distribution system, the buyer/seller shall provide concurrence of LDC of their respective State to the Exchange for the traded quantity. The concurrence shall be submitted to the Exchange as per the timelines specified in the trading calendar.

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Hindustan Power Exchange Ltd.

Business Rules

32	Application fees, Operating and Transmission Charges and Losses	<p>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</p> <p>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</p> <p>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</p>
33	Alternate route	Allocation will be done by nodal RLDC depending upon availability on transmission corridor.
34	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor, <u>forced outage</u> shall be treated as default by the party who is responsible for such event.
35	Cancellation of trade	In Any Day Single Sided contracts, it is proposed that buyer shall have the option to specify number of days (maximum up to two days before the day of delivery) within which it has to confirm or partially or fully reject the trade. During this time, the bid will remain valid, and the successful bidders will not be able to change their bids.
37	Force majeure	<p>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</p>
38	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

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Settlement procedure*

Hindustan Power Exchange Ltd.

Business Rules

39	Payment of Application Fees by Members	<u>Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.</u> <u>Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.</u>
40	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11:00am from buyer member settlement account
41	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC

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Hindustan Power Exchange Ltd.

Business Rules

Contract Specification: Green Daily Contract

S. No.	Item	Details
1	Contract Name*	National/ Regional Daily Contracts (Solar/Non-solar/Hydro)
2	Contract Type	National or Electrical Region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract available for Trading	Daily contracts for delivery in a calendar day will be available starting from T+2 day to maximum up to T+ 335 337 days on a rolling basis. (T-Trade Day).
4	Trading day*	Trading will be available on the days as per Trading and Settlement calendar declared in advance.
5	Trading Session*	Trading session will be made available to the Members/Clients for bidding on each Trading Day on Daily Basis up to two days before delivery day.
6	Bidding process	<p>Solar/Non-Solar Sellers and Buyers to submit order specifying duration, quantum in MWh and price in Rs./MWh. Sellers to provide its profile having 15 minute time block wise quantity (MW). It may be an 'All or None' type of order or partial selection type order. Each profile of seller shall be aggregated and converted in MWh for the purpose of matching.</p> <p>Hydro Sellers and Buyers to submit bid specifying duration, quantum (MW) and price in Rs/MWh for each 15-minute time block or combination thereof as the case may be</p>
7	Matching of Bids	Uniform Price Step Open Auction
8	Trading Hours	Trading session as per trading and settlement calendar to be notified by the Exchange from time to time
9	Minimum Volume quotation*	0.1 MW _v
10	Minimum Volume Step*	0. 01 01MW _v
11	Lot size	0.1 MW * 15 minutes or combination thereof as notified by exchange from time to time.

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Hindustan Power Exchange Ltd.

Business Rules

12	Maximum bid size*	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.																				
13	Price Quote Basis	Rs. Per MWH (excluding all fees, charges, taxes etc.)																				
14	Price Tick*	Rs. 1 per MWH																				
16	Quantity Variation	Zero quantity variation allowed.																				
17	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of change of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.																				
18	Risk Management	<p>Initial Margins:</p> <p>Initial Margins equivalent to 5% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination thereof. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.</p> <p><u>Additional Margin :</u></p> <table><tr><th><u>S. No.</u></th><th><u>Duration of Contract</u></th><th><u>Minimum Additional Cash Margin</u></th><th><u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u></th><th><u>Payable by</u></th></tr><tr><td><u>1</u></td><td><u>Up to 7 days</u></td><td><u>50% of trade value of the contract</u></td><td><u>NA</u></td><td><u>Buyer only</u></td></tr><tr><td><u>2</u></td><td><u>8 to 30 days</u></td><td><u>20% of trade value of the contract</u></td><td><u>NA</u></td><td><u>Buyer only</u></td></tr><tr><td><u>3</u></td><td><u>31 to 60 days</u></td><td><u>10% of trade value of the contract</u></td><td><u>10% of trade value of the contract</u></td><td><u>Both Buyer and Seller</u></td></tr></table>	<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>	<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>	<u>2</u>	<u>8 to 30 days</u>	<u>20% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>	<u>3</u>	<u>31 to 60 days</u>	<u>10% of trade value of the contract</u>	<u>10% of trade value of the contract</u>	<u>Both Buyer and Seller</u>
<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>																		
<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>																		
<u>2</u>	<u>8 to 30 days</u>	<u>20% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>																		
<u>3</u>	<u>31 to 60 days</u>	<u>10% of trade value of the contract</u>	<u>10% of trade value of the contract</u>	<u>Both Buyer and Seller</u>																		

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Hindustan Power Exchange Ltd.

Business Rules

		4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
		5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
		<p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.</p> <p>This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.</p> <p>Ad hoc Margin: Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.</p>				
19	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point, as specified by the Exchange from time to time, as approved by the Commission.				
21	LDC Clearance	<p>For processing of applications under "GNA" or "T-GNA", Member shall ensure the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</p> <p>In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by</p>				

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Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.¶

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Deleted: Post trade, in case of buyer/seller connected to State transmission or distribution system, the buyer/ seller shall provide concurrence of SLDC of their respective State to the Exchange. The concurrence shall be submitted to the Exchange as per the timelines specified in the Trading & Settlement calendar.

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Hindustan Power Exchange Ltd.

Business Rules

		SLDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.
22	Application for Scheduling	<p><u>Application for Scheduling will be submitted to Nodal RLDC as specified in the Trading and Settlement Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange.</u></p> <p>The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.</p>
23	Alternate Route	<u>Allocation will be done by nodal RLDC depending upon availability on transmission corridor.</u>
24	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor <u>and forced outage--</u> shall be treated as default by the party who is responsible for such event.
26	<u>Delivery Process</u>	<u>Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.</u>

Deleted: Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Settlement Calendar and as per the "Procedure for Scheduling of bilateral transactions" or any other applicable procedure subject to receipt of adequate margins by Exchange

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Deleted: In case of perceived congestion in the link, if LDC conducts e-bidding process for allocation of transmission corridor, the Exchange will participate in the process of e bidding as per the procedure for scheduling of bilateral transaction subject to consent of buyer/seller. The buyer/seller, if consented, shall provide price quote to be bided (excluding transmission charges) in the e-bidding. Exchange will collect the requisite amount from the concerned member/client before e bidding.

Deleted: The quantity shall be deliverable as per the schedule issued by the LDC.

Hindustan Power Exchange Ltd.

Business Rules

27	Delivery point	<u>The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time,</u>
28	Application fees, Operating and Transmission Charges and Losses	<p><u>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</u></p> <p><u>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</u></p> <p><u>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</u></p>
29	Force majeure	<u>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</u>
30	Fines & penalties*	As specified by the Exchange.
31	Funds pay in by Members	Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as Pay in default.
32	Funds pay out to Members	Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC.

Deleted: The delivery point shall be at Seller's ISTS Periphery, as may be specified by the Exchange.

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Deleted: Seller will bear the Transmission, Scheduling & Operating charges and Transmission and wheeling Losses (in kind), as applicable, up to the delivery point and Buyer shall bear all the Transmission charges, Scheduling & Operating charges including Application Fees and Transmission Losses (in kind), as applicable, from delivery point up to their point of drawl. The charges shall be applied on the quantum of power scheduled at delivery point.

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In case of force majeure the Exchange will settle the contract as per final schedule issued by LDC. The quantity reduced under force majeure shall not be treated as default.

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Contract Specification: Green Weekly Contract

S. No.	Item	Details
1	Contract Name*	National/ Regional Weekly Contracts (Solar/Non-Solar/Hydro)
2	Contract Type	National or Electrical Region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract available for Trading	The weekly contracts will be available for trading for calendar Weeks from Monday to Sunday from TW+1 week to maximum up to TW+48 weeks on a rolling basis. (TW-Trade Week).
4	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
5	Trading Session*	One trading session will be made available to the members for bidding separately for Solar, Non-solar and Hydro.
6	Bidding process	<p>Solar/Non-Solar</p> <p>Sellers and Buyers to submit order specifying duration, quantum in MWh and price in Rs/MWh. Sellers to provide its profile having 15-minute time block wise quantity (MW). It may be an 'All or None' type of order or partial selection type order. Each profile of seller shall be aggregated and converted in MWh for the purpose of matching.</p> <p>Hydro</p> <p>Hydro Sellers and Buyers to submit bid specifying duration, quantum (MW) and price in Rs/MWh for each 15-minute time block or combination thereof as the case may be</p>
7	Matching of Bids	Uniform Price Step Auction.
8	Trading Hours	Uniform Price Step Auction as per trading and settlement calendar to be notified by the Exchange from time to time.
9	Minimum Volume quotation*	0.1 MW
10	Minimum Volume Step*	0.01MW

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Hindustan Power Exchange Ltd.

Business Rules

11	Lot size	0.1 MW * 15 minutes or combination thereof as notified by exchange from time to time.												
12	Maximum bid size*	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.												
13	Price Quote Basis	Rs. Per MWh (excluding all fees, charges, taxes etc.)												
14	Price Tick*	Rs. 1 per MWh												
16	Quantity Variation	Zero quantity variation allowed												
17	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of change of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.												
18	Contracted Quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity. In case, multiple applications are to be filed for single trade and partial quantity has been scheduled, the contracted quantity shall be equal to sum of quantity scheduled and balance trade quantity to be delivered.												
19	Risk Management	<p>Initial Margins :</p> <p>Initial Margins equivalent to 5% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination thereof. In the absence of initial margins, the Members/Clients will not be allowed to place bid.</p> <p>Additional Margins :</p> <table> <tr> <th>S. No.</th><th>Duration of Contract</th><th>Minimum Additional Cash Margin</th><th>Non-Cash Margin (in form of Bank Guarantee/Letter of Credit/Fixed Deposit Receipt)</th><th>Payable by</th></tr> <tr> <td></td><td></td><td></td><td></td><td></td></tr> </table>			S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/Letter of Credit/Fixed Deposit Receipt)	Payable by					
S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/Letter of Credit/Fixed Deposit Receipt)	Payable by										

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Hindustan Power Exchange Ltd.

Business Rules

<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>
<u>2</u>	<u>8 to 30 days</u>	<u>20% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>
<u>3</u>	<u>31 to 60 days</u>	<u>10% of trade value of the contract</u>	<u>10% of trade value of the contract</u>	<u>Both Buyer and Seller</u>
<u>4</u>	<u>61 to 90 days</u>	<u>7.5% of trade value of the contract</u>	<u>12.5% of trade value of the contract</u>	<u>Both Buyer and Seller</u>
<u>5</u>	<u>91 days and above</u>	<u>5% of trade value of the contract</u>	<u>15% of trade value of the contract</u>	<u>Both Buyer and Seller</u>

Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however, at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.

This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.

Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.

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Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract. d) Funds pay in Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any nonpayment of funds shall be considered as pay in default. e) Funds pay out Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.

Hindustan Power Exchange Ltd.

Business Rules

20	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point, as specified by the Exchange from time to time, as approved by the Commission.
22	LDC Clearance	<p><u>For processing of applications under "GNA" or "T-GNA", Member shall ensure the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</u></p> <p>In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by SLDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.</p>
23	Application for Scheduling	<p><u>Application for Scheduling will be submitted to Nodal RLDC as specified in the Trading and Settlement Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange.</u></p> <p>The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.</p>
24	Alternate Route	<u>Allocation will be done by nodal RLDC depending upon availability on transmission corridor.</u>

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Deleted: Post trade, in case of buyer/seller connected to State transmission or distribution system, the buyer/ seller shall provide concurrence of SLDC of their respective State to the Exchange. The concurrence shall be submitted to the Exchange as per the timelines specified in the Trading & Settlement calendar.

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Hindustan Power Exchange Ltd.

Business Rules

25	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure, <u>forced outage</u> or constraints in the transmission corridor shall be treated as default by the party who is responsible for such event.
27	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.
28	Delivery point	The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
29	Application fees, Operating and Transmission Charges and Losses	<p>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</p> <p>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</p> <p>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</p>
30	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.
31	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

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Deleted: The delivery point shall be at Seller's ISTS Periphery, as may be specified by the Exchange.

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Deleted: Application fees shall be collected from buyer on date of application to Nodal LDC. Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the Nodal LDC, will be collected from the buyer and seller members/Clients on receipt of the acceptance from the nodal LDC.

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Hindustan Power Exchange Ltd.

Business Rules

32	Funds pay in by Members	Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as Pay in default.
33	Funds pay out to Members	Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC.

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Hindustan Power Exchange Ltd.

Business Rules

Contract Specification: Green Monthly Contract

S. No.	Item	Details
1	Contract Name*	National/ Regional Monthly Contracts (Solar/Non-solar/Hydro)
2	Contract Type	National or Electrical Region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract available for Trading	The Monthly contracts will be available for calendar Months from TM+1 Month to maximum up to TM+ <u>11</u> Months on a rolling basis. (TM-Trade Month)
4	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
5	Trading Session*	Bidding session will be made available to the members/Clients for bidding on each Trading Day from For the first month (M1) contract – <u>three</u> days prior to the close of zero month (M0); For the <u>second to eleventh</u> month (M <u>2</u> – M <u>11</u>) contract – last day of zero month (M0).
6	Bidding process	Solar/Non-Solar Sellers and Buyers to submit order specifying duration, quantum in MWh and price in Rs/MWh. Sellers to provide its profile having 15-minute time block wise quantity (MW). It may be an 'All or None' type of order or partial selection type order. Each profile of seller shall be aggregated and converted in MWh for the purpose of matching. Hydro Sellers and Buyers to submit bid specifying duration, quantum (MW) and price in Rs/MWh for each 15-minute time block or combination thereof as the case may be.
7	Matching of Bids	Uniform Price Step Auction.
8	Trading Hours	As per trading and settlement calendar to be notified by the Exchange from time to time
9	Minimum Volume quotation*	0.1 MW
10	Minimum Volume Step*	0. <u>0</u> 1MW

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Hindustan Power Exchange Ltd.

Business Rules

11	Lot size	0.1 MW * 15 minutes or combination thereof as notified by Exchange										
12	Maximum bid size*	Bid quantity shall not be more than the maximum injection/drawl allowed by the concerned LDC. Member/Client shall ensure the compliance of this rule.										
13	Price Quote Basis	Rs. Per MWh (excluding all fees, charges, taxes etc.)										
14	Price Tick*	Rs. 1 per MWh										
16	Quantity Variation	Zero quantity variation allowed										
17	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed										
18	Contracted Quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity. In case, multiple applications are to be filed for single trade, and partial quantity has been scheduled, the contracted quantity shall be equal to sum of quantity scheduled and balance trade quantity to be delivered.										
19	Risk Management	<p>Initial Margins :</p> <p>Initial Margins equivalent to 1% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids</p> <p>Additional Margins :</p> <table><tr><th>S. No.</th><th>Duration of Contract</th><th>Minimum Additional Cash Margin</th><th>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</th><th>Payable by</th></tr><tr><td>1</td><td>Up to 7 days</td><td>50% of trade value</td><td>NA</td><td>Buyer only</td></tr></table>	S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by	1	Up to 7 days	50% of trade value	NA	Buyer only
S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by								
1	Up to 7 days	50% of trade value	NA	Buyer only								

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Hindustan Power Exchange Ltd.

Business Rules

				of the contract		
		2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
		3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
		4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
		5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
		<p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.</p> <p>This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.</p> <p>Ad hoc Margin: Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.</p>				
20	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.				

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Hindustan Power Exchange Ltd.

Business Rules

22	SLDC Clearance	<p><u>For processing of applications under "GNA" or "T-GNA", Member shall ensure the traded quantity, should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</u></p> <p>In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.</p>
23	Application for Scheduling	<p><u>Application for Scheduling will be submitted to Nodal RLDC as specified in the Trading and Settlement Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange.</u></p> <p>The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.</p>
24	Alternate Route	<u>Allocation will be done by nodal RLDC depending upon availability on transmission corridor.</u>
25	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor, <u>forced outage</u> shall be treated as default by the party who is responsible for such event.

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27	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.
28	Delivery point	The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
29	Application fees, Operating and Transmission Charges and Losses	<p>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</p> <p>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</p> <p>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</p>
30	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.
31	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.
32	Funds pay in by Members	Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as pay in default.
33	Funds pay out to Members	Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC

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Contract Specification: Green Any-Day Contract

S. No.	Item	Details
1	Contract Name*	Green Any-Day(s) Single Sided Contracts (Solar/Non-solar/Hydro)
2	Contract Type	Contracts for physical delivery of electricity generated from Solar or Non-Solar or Hydro renewable energy sources
3	Contract available for Trading	Any-Day(s) Single Sided contracts will be available for user defined Day(s) and hour(s)/time block(s) from T+2 day to maximum up to T+337 days (T-Trade Day)
4	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
5	Trading Session*	Trading sessions will be made available to the members/Clients for bidding on each Trading Day on Daily basis up to 2 days before delivery as per Trading & Settlement calendar.
6	Bidding process	<p>Solar/ Non-Solar</p> <p>Reverse Auction: Buyer to specify its requirement in terms of quantum in MW or MWh and duration. Sellers to bid their offers specifying quantum in MW or MWh respectively and Price in Rs/MWh against the requirement of buyer during the auction window. Buyer and Seller may also specify minimum quantum. The bidding shall take place in 2 stages i.e., Initial Price Offering (IPO) and Reverse Auction. Hydro</p> <p>Reverse Auction: Buyer to specify its requirement in terms of quantum in MW and duration. Sellers to bid their offers specifying quantum in MW and Price in Rs/MWh against the requirement of buyer during the auction window. Buyer and Seller may also specify minimum quantum. The bidding shall take place in 2 stages i.e., Initial Price Offering (IPO) and Reverse Auction.</p>
7	Matching of Bids	Reverse Auction for buyer's requisition
8	Trading Hours	As per trading and settlement calendar to be notified by the Exchange from time to time
9	Minimum Volume quotation*	0.1 MW

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Hindustan Power Exchange Ltd.

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10	Minimum Volume Step*	0.01 MW
11	Minimum Requisition /Offer Quantity	Bidder while initiating the Reverse Auction will have to submit a minimum requisition or as may be specified by the Exchange from time to time
12	Lot size	0.1 MW * 15 minutes or combination thereof.
13	Maximum bid size*	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the member/Clients to adhere to this rule.
14	Price Quote Basis	Rs. per MWh (excluding all fees, charges, taxes etc.)
15	Price Tick*	Rs. 1 per MWh
17	Quantity Variation	No quantity variation allowed.
18	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.
19	Contracted Quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity. In case, multiple applications are to be filed for single trade and partial quantity has been scheduled, the contracted quantity shall be equal to sum of quantity scheduled and balance trade quantity to be delivered.
20	Risk Management	<p>Initial Margins :</p> <p>The seller will be required to provide an initial margin calculated at the rate of 30000/MW/Month or part thereof, or as may be specified by the Exchange, at the time of bidding in the Reverse Auction. The initial margin can be in the form of cash or non-cash collateral. If a seller gets eliminated during the Reverse Auction or the trade gets rejected by Buyer, the initial margin as collected will be refunded to the seller. If the seller gets selected, then the initial margin will get adjusted with the Additional Margin to be collected from the Seller. In absence of adequate initial margin, seller will not be allowed to place bid.</p>

~~Deleted: The buyer has to pay a nominal non-refundable fee up to Rs. 1,00,000 or as may be specified by the Exchange for initiating the reverse auction. This fee will be adjusted in the additional margins to be collected from buyer after the successful execution of the contract.~~

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Additional Margins :

S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by
1	Up to 7 days	50% of trade value of the contract	NA	Buyer only
2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller

Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however, at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.

This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of

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Business Rules

		<p>collaterals. This Additional Margin will be applied at client level.</p> <p>Ad hoc Margin: Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.</p>
21	Right to Reject	After the Reverse Auction, the Buyer may partially or fully reject the trade within the timelines as may specified by the Exchange from time to time. During such time, the bid will remain valid and the successful bidders will not be able to change their bid. In case no communication is received from the Buyer regarding acceptance of the trade or on non-payment of additional margin, within stipulated time, the trade shall be deemed to be rejected by the Buyer
22	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.
24	SLDC Clearance	<p>For processing of applications under "GNA" or "T-GNA", Member shall ensure the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</p> <p>In case of any mismatch between the buyer and seller NOC in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. Except otherwise provided, in case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller</p>
25	Application for Scheduling	Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Delivery Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR),

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On acceptance of the trade and prior to submitting of Application before the concerned Load Dispatch Center for scheduling, Additional Margin equivalent to 50%, 25%, and 20% of the Trade Value for contracts up to 7 days, 15 days and beyond 15 days respectively or may be as specified by the Exchange from time to time will be collected from the Member/Client (both from buyers & sellers). Additional Margin can be in the form of cash or non-cash or combination thereof. Non receipt of the adequate Additional Margin from the Member/Client shall be treated as Margin default. ¶

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		<u>Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA</u> or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
26	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor, <u>forced outage</u> shall be treated as default by the party who is responsible for such event.
27	Cancellation of Trade	In Green Any Day Single Sided contracts, it is proposed that buyer shall have the option to specify number of days (maximum up to two days before the day of delivery) within which it has to confirm or partially or fully reject the trade. During this time, the bid will remain valid, and the successful bidders will not be able to change their bids.
▼	▼	▼
29	<u>Delivery Process</u>	<u>Application for Scheduling shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.</u>
30	Delivery point	<u>The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.</u>

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Hindustan Power Exchange Ltd.

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31	Application fees, Operating and Transmission Charges and Losses	<p><u>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</u></p> <p><u>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</u></p> <p><u>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</u></p>
32	Force majeure	<u>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</u>
33	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.
34	Funds pay in by Members	Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as pay-in default.
35	Funds pay out to Members	Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC

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Hindustan Power Exchange Ltd.

Business Rules

Contract Specification: National/Regional High Price Daily Contracts

Sr. No.	Item	Details
1	Contract Name*	High Price Daily Contracts
2	Regions	National or Electrical Region specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Daily Contract	The daily contracts for trading will be available on a rolling basis i.e. everyday starting from T+2 day to maximum up to T+337 days on a rolling basis. (T-Trade Day).
5	Trading day*	Trading will be available on all days or as per trading and settlement calendar declared in advance
6	Trading Session*	On each trading day, one Uniform price step auction session will be made available to the members for bidding up to two days before delivery day.
7	Order Management*	The Exchange Members will be able to submit orders as specified in these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Sellers and Buyers to submit order for pre specified duration, quantum in MW and price in Rs./MWh. <u>Seller can submit bid for National contract and regional contract of that region to which it belongs. Whereas a buyer can place bid in National or any regional contract.</u> Netting off (square off) of positions will not be allowed.
9	Matching of Bids	Uniform price step auction session: Details as per
10	Trading Hours*	As per trading and settlement calendar.

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Hindustan Power Exchange Ltd.

Business Rules

11	Minimum Quotation*	Volume	1 MW				
12	Minimum Step*	Volume	0.1 MW				
13	Lot size		Base or RTC Contract (DYB): 1 lot = 1MW * 24 Hours Night Off-peak Contract (DYN) : 1 lot = 1MW * 8 Hours Day Contract (DYD) : 1 lot = 1MW * 11 Hours Day Peak Contract (DYP): 1 lot = 1MW * 5 Hours <u>Hourly Contracts (H01):1 Lot = 1 MW*1 Hour</u> Pre specified time blocks as notified by Exchange from time to time				
14	Maximum bid size*		Bids should not be more than the allowed MW in any of <u>Standing</u> . Clearance issued by concerned Load Dispatch Center to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.				
15	Price Quote Basis		Rs. per MWh (excluding all fees, charges and taxes, if applicable)				
16	Price Tick*		Rs. 1 per MWh				
<u>16A</u>	Minimum & Maximum Order price limit		As notified by the Hon'ble commission from time to time.				
17	Quantity Variation		Zero quantity variation allowed.				
18	Settlement		Traded price * Quantity scheduled by RLDC at delivery point.				
19	Initial Margins (Operational Limit)*		5% margin of the total order value or as may be specified by the Exchange from time to time, should be available in cash/non cash with the exchange at the time of bidding.				
20	Additional Margins *						
			<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>
			<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>
			<u>2</u>	<u>8 to 30 days</u>	<u>20% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>

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Hindustan Power Exchange Ltd.

Business Rules

		3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
		4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
		5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
		<p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.</p> <p>This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.</p> <p>Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.</p>				
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal concerned LDC at delivery point as specified by the exchange from time to time.				
22.	Eligibility	Sellers: Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and verification of eligibility to participate in HP- TAM. Buyers: All eligible buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.				

Trading Cycle. *

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Additional Margin based on open positions may be collected from buyer Members only. This Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value. this Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.¶

Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.

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Hindustan Power Exchange Ltd.

Business Rules

Sr. No.	Time	Details
23	12:00 – 17:00	Uniform price step auction Session
	On trade execution	Contract details & Application formats sent to members.
24	After trade execution	Calculation of Additional Margin of the member and blocking of the Additional Margin from the available cash/non-cash collateral of the Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
25	As per the Trading & Settlement Calendar	Concerned LDC Clearance from Members and fulfillment of additional margin requirement call, if any.
		On completion of formality and receipt of adequate additional margin, application on "GNA" or "T-GNA" will be sent to Nodal RLDC as the case may be.
		Acceptance for Scheduling from Nodal RLDC.

Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA. Further, Entities need to ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

Delivery Procedure

26	Delivery	Trade once executed shall not be revised and shall be sent for scheduling, The quantity shall be deliverable as per the schedule issued by the RLDC.
27	Delivery period	Delivery for each time block
28	Delivery point	The delivery point shall be at JSTIS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter- State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.

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		<u>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</u>
33	Alternate route	<u>Allocation will be done by nodal RLDC depending upon availability on transmission corridor.</u>
34	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor, <u>forced outage</u> shall be treated as default by the party who is responsible for such event. However, in case of unit tripping/outage, the provisions relating to revision of schedule as specified in the IEGC as amended from time to time shall apply to the contracts under HP-TAM.
35	Force majeure	<u>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</u>
36	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement Procedure*

37	Payment of Application fees, Transmission & Operating Charges by Members	<u>Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.</u> <u>Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.</u>
38	Funds pay in by Members	Exchange will debit the funds pay-in on each D-1 basis at 11.00 am from buyer's member's settlement account.
39	Funds pay out to Members	Exchange will credit the funds pay-out in seller's member's settlement account on D+1 basis at 12.00 noon subject to confirmation of delivery pay in by the seller.

*Exchange may modify these parameters from time to time with prior intimation to its Members and CERC

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Hindustan Power Exchange Ltd.

Business Rules

Contract Specification: National/Regional High Price Weekly Contracts

Sr. No.	Item	Details
1	Contract Name*	National/ Regional High Price Weekly Contracts
2	Regions	National contract and Regional contracts for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Weekly Contract	The weekly contracts for trading will be available as per the trading and settlement calendar from Monday to Sunday from TW+1 week to maximum up to TW+48 weeks on a rolling basis. (TW-Trade Week).
5	Trading day*	Please refer to trading and settlement calendar for more details. Exchange can also hold multiple trading sessions on specified trading days or other days to minimize unmatched volume.
6	Trading session*	On each trading day, one uniform price step auction trading session will be made available to the members for bidding from Monday to <u>Saturday</u> for next week onwards available weekly contracts.
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Sellers and Buyers to submit order for pre specified duration, quantum in MW and price in Rs./MWh. Seller can submit bid for National contract and regional contract of that region to which it belongs. Whereas a buyer can place bid in National or any regional contract. Netting off (square off) of positions will not be allowed.

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Hindustan Power Exchange Ltd.

Business Rules

9	Matching of Bids	Uniform Price Step Auction session: Details as per of chapter 8 of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.													
10	Trading Hours*	As per trading and settlement calendar.													
11	Minimum Volume quotation*	1 MW													
12	Minimum Volume Step*	0.1MW													
13	Lot size	Base or RTC Contract (DYB): 1 lot = 1 MW*24*7 Hours Night Off-peak Contract (DYN): 1 lot= 1MW*8*7 Hours Day Contract (DYD): 1 lot = 1MW *11*7 Hours Day Peak Contract (DYP): 1 lot = 1MW*5*7 Hours <u>Hourly Contracts (H01):1 Lot = 1 MW*1 Hour*7 Hours</u> Pre specified time blocks as notified by Exchange from time to time													
14	Maximum bid size*	Bids should not be more than the allowed MW in any of <u>Standing Clearance</u> issued by its concerned load dispatch centre to the Members/clients at any time. It will be the responsibility of the member to adhere to this rule.													
15	Price Quote Basis	Rs. per MWH (excluding all fees, charges, taxes etc.)													
16	Tick size*	Rs. 1 per MWH													
17	Minimum & Maximum Order price limit														
18	Quantity Variation	Zero quantity variation allowed.													
19	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.													
20	Initial Margins (Operational Limit)*	5% margin of the total order value as may be specified by the Exchange from time to time, should be available in cash/non cash with the exchange at the time of bidding by buyer.													
21	Additional Margins *	<table><tr><td><u>S. No.</u></td><td><u>Duration of Contract</u></td><td><u>Minimum Additional Cash Margin</u></td><td><u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u></td><td><u>Payable by</u></td></tr><tr><td><u>1</u></td><td><u>Up to 7 days</u></td><td><u>50% of trade value of the contract</u></td><td><u>NA</u></td><td><u>Buyer only</u></td></tr></table>	<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>	<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>			
<u>S. No.</u>	<u>Duration of Contract</u>	<u>Minimum Additional Cash Margin</u>	<u>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</u>	<u>Payable by</u>											
<u>1</u>	<u>Up to 7 days</u>	<u>50% of trade value of the contract</u>	<u>NA</u>	<u>Buyer only</u>											

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Hindustan Power Exchange Ltd.

Business Rules

2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller

Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however, at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.

This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.

Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.

22	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by concerned nodal LDC at delivery point as specified by the exchange from time to time.
23	Eligibility	Sellers: Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and verification of eligibility to participate in HP- TAM. Buyers: All eligible buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.

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Additional Margin based on open positions may be collected from buyer Members only. this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value. This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.

Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.

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Hindustan Power Exchange Ltd.

Business Rules

Trading Cycle*

Sr. No.	Time	Details
24	12:00 – 17:00	Auction Trade Session
		On trade execution, Contract details & Application formats sent to members.
25	After trade execution	Calculation of Additional Margin of the member and Blocking of the Additional Margin from the available cash/non-cash collateral of the Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
26	As per the Trading & Settlement Calendar	Concerned LDC Clearance ¹ from Members and fulfillment of additional margin requirement call, if any. On completion of formality and receipt of adequate additional margin, application on "GNA" or "T-GNA" will be sent to Nodal RLDC or as case may be Acceptance for Scheduling from Nodal RLDC.

⁽¹⁾ Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA. Further, Entities need to ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

Delivery Procedure

27	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.
28	Delivery period	Delivery for each time block.

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Hindustan Power Exchange Ltd.

Business Rules

29	Delivery point	The delivery point shall be at ISTS Periphery as per the Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
30	Scheduling of approved transactions	<p>Scheduling request will be Submitted on NOAR/WBES as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.</p> <p>The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded.</p>
31	SLDC Clearance	In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by SLDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as.
32	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.

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Hindustan Power Exchange Ltd.

Business Rules

33	Application fees, and Operating Transmission Charges and Losses	<p>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</p> <p>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</p> <p>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</p>
34	Alternate route	Allocation will be done by nodal RLDC depending upon availability on transmission corridor.
35	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor, forced outage shall be treated as default by the party who is responsible for such event. However, in case of unit tripping/outage, the provisions relating to revision of schedule as specified in the IEGC as amended from time to time shall apply to the contracts under HP-TAM.
36	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.
37	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

38	Payment of Application Fees by Members	<p>Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.</p> <p>Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.</p>
39	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11.00 am from buyer member settlement account.

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Hindustan Power Exchange Ltd.		Business Rules
40	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.
* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC.		

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Hindustan Power Exchange Ltd.

Business Rules

CONTRACT SPECIFICATION: NATIONAL/REGIONAL HIGH PRICE MONTHLY CONTRACTS

Sr. No.	Item	Details
1	Contract Name*	National/ Regional High Price Monthly Contracts
2	Regions	National contract and Regional contracts for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Monthly Contract	The Monthly contracts will be available for calendar Months from TM+1 Month to maximum up to TM+11 Months on a rolling basis. (TM-Trade Month)
5	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
6	Trading session*	On each trading day, Uniform Price Step Auction trading session will be made available to the members for bidding session as follows: For the first month (M1) contract – <u>three</u> days prior to the close of zero month (M0);
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Sellers and Buyers to submit order for pre specified duration, quantum in MW and price in Rs./MWh. Seller can submit bid for National contract and regional contract of that region to which it belongs. Whereas a buyer can place bid

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Hindustan Power Exchange Ltd.

Business Rules

		in National or any regional contract. Netting off (square off) of positions will not be allowed.
9	Matching of Bids	Uniform Price Step Auction: Details as per chapter 8 of Business Rules. Each trade will be sent for scheduling, on trade to trade basis
10	Trading Hours*	As per trading and settlement calendar to be notified by the Exchange from time to time
11	Minimum Volume quotation*	1 MW
12	Minimum Volume Step*	0.1MW
13	Lot size	Base or RTC Contract (DYB): 1 lot = 1MW*24*days in the month Night Off-peak Contract (DYN): 1 lot=1MW*8*days in the month Day Contract (DYD): 1 lot = 1MW *11* days in the month Day Peak Contract (DYP): 1 lot = 1 MW*5* days in the month <u>Hourly Contracts (H01):1 Lot = 1 MW*1 Hour* days in the month</u> Pre specified time blocks as notified by Exchange from time to time
14	Maximum bid size*	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.
15	Price Quote Basis	Rs. Per MWh (excluding all fees, charges, taxes etc.)
16	Tick size*	Rs. 1 per MWh
16	Minimum & Maximum Order price limit	As notified by the Hon'ble commission from time to time.
17	Quantity Variation	Zero quantity variation allowed
18	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed
19	Initial Margins (Operational Limit)*	Initial Margins equivalent to 1% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-

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Hindustan Power Exchange Ltd.

Business Rules

		cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.		
20	Additional Margins *			
S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by
1	Up to 7 days	50% of trade value of the contract	NA	Buyer only
2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
<p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time. this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however, at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.</p>				

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Hindustan Power Exchange Ltd.

Business Rules

		This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.
		Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.
22	Eligibility	Sellers: Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and verification of eligibility to participate in HP- TAM. Buyers: All eligible buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.

Trading Cycle*

Sr. No.	Time	Details
23	12:00 – 17:00	Auction Trade Session
		On trade execution, Contract details & Application formats sent to members.
24	After trade execution	Calculation of Additional Margin of the member and Blocking of the Additional Margin from the available cash/non-cash collateral of the Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
25	As per the Trading & Settlement Calendar	Concerned LDC Clearance ¹ from Members and fulfillment of additional margin requirement call, if any. On completion of formality and receipt of adequate additional margin, application on "GNA" or "T-GNA" will be sent to Nodal RLDC or as case may be. Acceptance for Scheduling from Nodal RLDC.

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Hindustan Power Exchange Ltd.

Business Rules

⁽¹⁾ Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA. Further, Entities need to ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

Delivery Procedure

26	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.
27	Delivery period	Delivery for each time block.
28	Delivery point	The delivery point shall be at ISTS Periphery as may be specified by the requisitioner or as per the final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
29	Application for Scheduling	Application for Scheduling shall be submitted to nodal LDC by the Exchange as specified in the Trading and Delivery Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR). Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by the Exchange. The Application shall be made on the first available date on a best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
30	SLDC Clearance	For processing of applications under “GNA” or “T-GNA”, Member shall ensure the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1). In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such

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Hindustan Power Exchange Ltd.

Business Rules

		event shall be considered as default on account of such buyer/seller.	Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by
31	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.	Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by
32	Application fees, Operating and Transmission Charges and Losses	Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl. Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller. The charges shall be applied on the quantum of power scheduled at Regional Periphery.	Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: Font: +Body (Calibri), Font color: Auto Formatted: Font: (Default) +Body (Calibri), 12 pt Formatted: Font: +Body (Calibri), Font color: Auto
33	Alternate route	Allocation will be done by nodal RLDC depending upon availability of transmission corridor.	Deleted: on the first available date after trading, as per the "Procedure for scheduling of bilateral transactions".
34	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor shall be treated as default by the party who is responsible for such event. However, in case of unit tripping/outage, the provisions relating to revision of schedule as specified in the IEGM as amended from time to time shall apply to the contracts under HPX TAM.	Formatted: Font: +Body (Calibri), Not Expanded by / Condensed by Formatted: ... [68] Formatted: ... [69] Formatted: ... [70] Formatted: ... [71] Formatted: ... [72]
35	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further, the Exchange will be guided by the final schedule provided by LDCs.	Formatted: ... [73] Formatted: ... [74] Formatted: ... [75] Formatted: ... [76]
36	Fines & penalties*	As decided by the Exchange from time to time and informed	Formatted: Not Expanded by / Condensed by Formatted: Indent: Left: 0 cm Formatted: ... [77] Deleted: ¶ Formatted: Font: +Body (Calibri), Font color: Auto Deleted: The buyer shall be deemed to have consented to the

Settlement procedure*

37	Payment of Application Fees by Members	Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC. Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.	Deleted: In case of force majeure the Exchange will settle the Formatted: Justified Formatted: Justified Formatted: Justified, Space Before: 0 pt Deleted: ¶ Formatted Table Formatted: ... [80] Deleted: Application fees will be collected from buyer on
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Hindustan Power Exchange Ltd.

Business Rules

38	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11:00am from buyer member settlement account
39	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members [and](#) CERC.

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Hindustan Power Exchange Ltd.

Business Rules

Contract Specification: National/Regional High Price Any-Day (s) Contracts

Sr. No.	Item	Details
1	Contract Name*	Any-Day(s) Single Sided High Price Contracts
2		
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Any-Day Single Sided Contract	Any-Day(s) Single Sided contracts will be available for use defined Day(s) and hour(s)/time block(s) from T+2 day to maximum upto T+337 days (T-Trade Day)
5	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
6	Trading session*	Bidding sessions will be made available to the members/Clients for bidding on each Trading Day on Daily basis upto 2 days before delivery as per Trading & Settlement calendar.
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Reverse Auction: Buyer to specify its requirement in terms of quantum in MW and duration. Sellers to bid their offers specifying quantum in MW and Price in Rs/MWh against the requirement of buyer during the auction window. Buyer and Seller may also specify minimum quantum. The bidding shall take place in 2 stages i.e., Initial Price Offering (IPO) and Reverse Auction.
9	Matching of Bids	Reverse Auction for buyer's requisition
10	Trading Hours*	As per trading and settlement calendar to be notified by the Exchange from time to time
11	Minimum Volume quotation*	1 MW
12	Minimum Volume Step*	0.1 MW

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13	Lot size	1MW * 15 minutes or combination thereof.	Formatted: Font: Not Bold															
14	Maximum bid size*	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.	Formatted: Table Formatted: Font: Not Bold															
15	Price Quote Basis	Rs. per MWh (excluding all fees, charges, taxes etc.)	Formatted: Font: Not Bold															
16	Tick size*	Rs. 1 per MWh	Formatted: Font: Not Bold															
16	Minimum & Maximum Order price limit.	As notified by the Hon'ble commission from time to time.	Formatted: Font: Not Bold Deleted: ¶															
17	Quantity Variation	Zero quantity variation allowed	Formatted: Font: Not Bold															
18	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.	Formatted: Font: Not Bold Formatted: Font: Not Bold															
19	Initial Margins (Operational Limit)*	The seller will be required to provide an initial margin calculated at the rate of 30000/MW/Month or part thereof, or as may be specified by the Exchange, at the time of bidding in the Reverse Auction. The initial margin can be in the form of cash or non-cash collateral. If a seller gets eliminated during the Reverse Auction or the trade gets rejected by Buyer, the initial margin as collected will be refunded to the seller. If the seller gets selected, then the initial margin will get adjusted with the Additional Margin to be collected from the seller. In absence of adequate initial margin, seller will not be allowed to place bid.	Formatted: Font: Not Bold Deleted: The buyer has to pay a nominal non-refundable fee up to Rs. 1,00,000 or as may be specified by the Exchange for initiating the reverse auction. This fee will be adjusted in the additional margins to be collected from buyer after the successful execution of the contract. ¶ Formatted: Indent: Left: 0 cm															
20	Additional Margins *	<table><tr><th>S. No.</th><th>Duration of Contract</th><th>Minimum Additional Cash Margin</th><th>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</th><th>Payable by</th></tr><tr><td>1</td><td>Up to 7 days</td><td>50% of trade value of the contract</td><td>NA</td><td>Buyer only</td></tr><tr><td>2</td><td>8 to 30 days</td><td>20% of trade value of the contract</td><td>NA</td><td>Buyer only</td></tr></table>	S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by	1	Up to 7 days	50% of trade value of the contract	NA	Buyer only	2	8 to 30 days	20% of trade value of the contract	NA	Buyer only	Formatted: Font: Not Bold Formatted: Font: (Default) +Body (Calibri) Formatted: Table Formatted: Font: (Default) +Body (Calibri) Formatted: Font: (Default) +Body (Calibri)
S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by														
1	Up to 7 days	50% of trade value of the contract	NA	Buyer only														
2	8 to 30 days	20% of trade value of the contract	NA	Buyer only														

Hindustan Power Exchange Ltd.		Business Rules				
		3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
		4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
		5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
		<p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time. This Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.</p> <p>This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.</p> <p>Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.</p>				
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.				
22	Eligibility	<p>Sellers: Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and verification of eligibility to participate in HP- TAM.</p> <p>Buyers: All eligible buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.</p>				
Trading Cycle*						
Sr. No.	Time	Details				

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22	As per the Trading & Settlement Calendar	<p>Concerned LDC Clearance¹ from Members and fulfillment of additional margin requirement call, if any.</p> <p>On completion of formality and receipt of adequate additional margin, application on "GNA" or "T-GNA" will be sent to Nodal RLDC or as the case may be.</p> <p>Acceptance for Scheduling from Nodal RLDC.</p>	<p>Formatted: Font: Not Bold</p> <p>Deleted: 'Advance', 'First-Come-First-Serve' or 'Day-Ahead Bilateral' basis</p> <p>Deleted: ----</p> <p>Deleted: Receipt of Transmission/Operating Charges and Application Fees from the members.</p> <p>Deleted: Payment of Charges to Nodal RLDC.</p> <p>Deleted: Pay-in ; equivalent to one day's obligation collected on D-1 basis , till the contract delivery ends</p> <p>Deleted: Pay-out; Equivalent to one day's obligation credited on D+1 basis, till the contract delivery ends</p> <p>Formatted: Font: +Body (Calibri)</p> <p>Formatted: x_xmsonormal, Left, Add space between paragraphs of the same style</p> <p>Deleted:</p> <p>Deleted: qty</p> <p>Deleted: ¶</p> <p>Deleted: ^{1/} Application for Scheduling will be sent only when the SLDC Clearances from buyer and seller are received by the Exchange. In case, the SLDC approval is not received from SLDCs of buyer/ seller as per the timeline specified in the Trading and Settlement Calendar then it will be treated as default by concerned buyer or seller.</p> <p>Deleted: D = Delivery Day¶</p> <p>Formatted: Font: Not Bold</p> <p>Formatted Table</p> <p>Formatted: Font: Not Bold</p> <p>Formatted: Font: Not Bold</p> <p>Deleted: The delivery point shall be as may be specified by the Exchange</p> <p>Formatted: Font: Not Bold</p> <p>Deleted: Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Delivery Calendar and as per the "Procedure for Scheduling of bilateral transactions" or any other applicable procedure subject to receipt of adequate margins by Exchange.</p>
<p>⁽¹⁾ Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA. Further, Entities need to ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</p>			
<p style="text-align: center;"><u>Delivery Procedure</u></p>			
26	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.	
27	Delivery period	Delivery for each time block.	
28	Delivery point	The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.	
29	Application for Scheduling	Application for Scheduling will be submitted to Nodal RLDC as specified in the Trading and Settlement Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange.	

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		The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
30	SLDC Clearance	<p><u>For processing of applications under "GNA" or "T-GNA", Member shall ensure the traded quantity, should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).</u></p> <p><u>In case of any mismatch between the buyer and seller NOC in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. Except otherwise provided, in case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller</u></p>
31	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, <u>as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.</u>
32	Application fees, Operating and Transmission Charges and Losses	<p><u>Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl.</u></p> <p><u>Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller.</u></p> <p><u>The charges shall be applied on the quantum of power scheduled at Regional Periphery.</u></p>
33	Alternate route	<u>Allocation will be done by nodal RLDC depending upon availability on transmission corridor.</u>
34	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor, <u>forced outage</u> shall be treated as default by the party who is responsible for such event. However, in case of unit tripping/outage, the provisions relating to revision

Formatted: Font: Not Bold**Deleted:** Post trade, in case of buyer/seller is connected to State transmission or distribution system, the buyer/seller shall provide concurrence of LDC of their respective State to the Exchange for the traded quantity. The concurrence shall be submitted to the Exchange as per the timelines specified in the trading calendar.**Deleted:** ¶**Deleted:** qty**Formatted:** Indent: Left: 0.08 cm, Right: 0.06 cm, Space Before: 0 pt, Line spacing: Multiple 1.08 li**Deleted:****Formatted:** Font: Not Bold**Deleted:** on the first available date after trading, as per the "Procedure for scheduling of bilateral transactions".**Formatted:** Font: Not Bold**Deleted:****Formatted:** Indent: Left: 0 cm**Formatted:** Indent: Left: 0.12 cm, Right: 0.22 cm, Space Before: 12 pt, Line spacing: Multiple 1.15 li**Deleted:****Deleted:** ¶**Deleted:** Seller will bear the applicable Transmission, Scheduling & Operating charges and Transmission Losses (in kind), as applicable, up to the delivery point and Buyer shall bear applicable Transmission, Scheduling & Operating charges including Application Fees and Transmission Losses (in kind), as applicable, from delivery point up to their point of drawl. The charges shall be applied on the quantum of power scheduled at delivery point.**Formatted:** Font: Not Bold**Deleted:** The buyer shall be deemed to have consented for all possible transmission corridors from seller's injection point till drawl point**Formatted:** Font: Not Bold

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		of schedule as specified in the IEGC as amended from time to time shall apply to the contracts under HP-TAM.
36	Cancellation of trade	In HP Any Day Single Sided contracts, it is proposed that buyer shall have the option to specify number of days (maximum up to two days before the day of delivery) within which it has to confirm or partially or fully reject the trade. During this time, the bid will remain valid, and the successful bidders will not be able to change their bids.
38	Force majeure	<u>In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.</u>
39	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

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Settlement procedure*

40	Payment of Application Fees by Members	<u>Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.</u> <u>Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery</u>
41	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11:00am from buyer member settlement account
42	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

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* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC

Contract Specification: National/Regional Quarterly Contracts

Sr. No.	Item	Details
1	Contract Name*	National/ Regional Quarterly Contracts
2	Regions	National contract and Regional contracts for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Quarterly Contract	The Quarterly Contracts will consist of three consecutive calendar months on a rolling basis starting from TM+1 Month and continuing until TM+11 Month. (TM-Trade Month).
5	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
6	Trading session*	On each trading day, Uniform Price Step Auction trading session will be made available to the members for bidding session as follows: For the first Quarter (Q1) contract – three days prior to the close of trade month (TM); For the second to eighth Quarter (Q2 – Q8) contract – last day of Trade month (TM).
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time-to-time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Sellers and Buyers to submit orders for pre specified duration, quantum in MW and price in Rs./MWh. Seller can submit bid for National contract and regional contract of that region to which it belongs. Whereas a buyer can place bid in National or any regional contract. Netting off (square off) of positions will not be allowed.

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9	Matching of Bids	Uniform Price Step Auction: Details as per chapter 8 of Business Rules. Each trade will be sent for scheduling, on trade-to-trade basis.
10	Trading Hours*	As per trading and settlement calendar to be notified by the Exchange from time to time
11	Minimum Volume quotation*	1 MW
12	Minimum Volume Step*	0.1 MW
13	Lot size	Base or RTC Contract (DYB): 1 lot = 1 MW*24 Hours*days in the Quarter Night Off-peak Contract (DYN): 1 lot= 1 MW*8 Hours* days in the Quarter Day Contract (DYD): 1 lot = 1 MW *11 Hours* days in the Quarter Day Peak Contract (DYP): 1 lot = 1 MW*5 Hours* days in the Quarter Hourly Contracts (H01):1 Lot = 1 MW*1 Hour* days in the Quarter Pre specified time blocks as notified by Exchange from time to time.
14	Maximum bid size*	Bids should not be more than the allowed MW in any of Standing Clearance issued by concerned Load Dispatch Center to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.
15	Price Quote Basis	Rs. Per MWh (excluding all fees, charges, taxes etc.)
16	Tick size*	Rs. 1 per MWh
17	Quantity Variation	Zero quantity variation allowed
18	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed
19	Initial Margins (Operational Limit)*	Initial Margins equivalent to 1% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.

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20	Additional Margins *	S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by
		1	Up to 7 days	50% of trade value of the contract	NA	Buyer only
		2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
		3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
		4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
		5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
		Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time. Additional Margin is the difference in the value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value. This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.				
Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.						

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Business Rules

21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.
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Trading Cycle*

Sr. No.	Time	Details
22	12:00 – 17:00	Auction Trade Session
	On trade execution	Contract details & Application formats sent to members.
23	After trade execution	Calculation of Additional Margin of the member and blocking of the Additional Margin from the available cash/non-cash collateral of the member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
24	As per the Trading & Settlement Calendar	Concerned LDC Clearance ¹ from Members and fulfillment of additional margin requirement call, if any.
		On completion of formality and receipt of adequate additional margin, application on “GNA” or “T-GNA” will be sent to Nodal RLDC or as case may be.
		Acceptance for Scheduling from Nodal RLDC.

⁽¹⁾ Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA, in case of Punching of application under “T-GNA Exigency”, Kindly ensure that the traded quantity. should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

Delivery Procedure

25	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.
26	Delivery period	Delivery for each time block.
27	Delivery point	The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.

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Business Rules

28	Application for Scheduling	Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Delivery Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
29	SLDC Clearance	For processing of applications under “GNA” or “T-GNA”, Member shall ensure the traded quantity. should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1). In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.
30	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA
31	Application fees, Operating and Transmission Charges and Losses	Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl. The seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable to the seller. The charges shall be applied on the quantum of power scheduled at Regional Periphery

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Business Rules

32	Alternate route	Allocation will be done by nodal RLDC depending upon availability on transmission corridor.
33	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.
34	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

35	Payment of Application Fees by Members	Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC. Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.
36	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11:00 am from buyer member settlement account
37	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC.

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Business Rules

Contract Specification: Green Quarterly Contract

S. No.	Item	Details
1	Contract Name*	National/ Regional Quarterly Contracts (Solar/Non-solar/Hydro)
2	Contract Type	National or Electrical Region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North-East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract available for Trading	The Quarterly Contracts will consist of three consecutive calendar months on a rolling basis starting from TM+1 Month and continuing until TM+11 Month (TM-Trade Month)
4	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
5	Trading Session*	Bidding session will be made available to the members/Clients for bidding on each Trading Day from For the first Quarter (Q1) contract – three days prior to the close of trade month (TM); For the second to eighth Quarter (Q2 –Q8) contract – last day of trade month (TM).
6	Bidding process	Solar/Non-Solar Sellers and Buyers to submit order specifying duration, quantum in MWh and price in Rs/MWh. Sellers to provide its profile having 15-minute time block wise quantity (MW). It may be an 'All or None' type of order or partial selection type order. Each profile of seller shall be aggregated and converted in MWh for the purpose of matching. Hydro Sellers and Buyers to submit bid specifying duration, quantum (MW) and price in Rs/MWh for each 15-minute time block or combination thereof as the case may be.
7	Matching of Bids	Uniform Price Step Auction.
8	Trading Hours	As per trading and settlement calendar to be notified by the Exchange from time to time
9	Minimum Volume quotation*	0.1 MW
10	Minimum Volume Step*	0.01MW
11	Lot size	0.1 MW * 15 minutes or combination thereof as notified by Exchange

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12	Maximum bid size*	Bid quantity shall not be more than the maximum injection/drawl allowed by the concerned LDC. Member/Client shall ensure the compliance of this rule.												
13	Price Quote Basis	Rs. Per MWh (excluding all fees, charges, taxes etc.)												
14	Price Tick*	Rs. 1 per MWh												
15	Quantity Variation	Zero quantity variation allowed												
16	Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed												
17	Contracted Quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity. In case, multiple applications are to be filed for single trade, and partial quantity has been scheduled, the contracted quantity shall be equal to sum of quantity scheduled and balance trade quantity to be delivered.												
18	Risk Management	<p>Initial Margins:</p> <p>Initial Margins equivalent to 1% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.</p> <p>Additional Margins:</p> <table border="1"> <thead> <tr> <th>S. No.</th><th>Duration of Contract</th><th>Minimum Additional Cash Margin</th><th>Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)</th><th>Payable by</th></tr> </thead> <tbody> <tr> <td>1</td><td>Up to 7 days</td><td>50% of trade value of the contract</td><td>NA</td><td>Buyer only</td></tr> </tbody> </table>			S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by	1	Up to 7 days	50% of trade value of the contract	NA	Buyer only
S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed Deposit Receipt)	Payable by										
1	Up to 7 days	50% of trade value of the contract	NA	Buyer only										

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		2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
		3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
		4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
		5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller
		<p>Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.</p> <p>This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.</p> <p>Ad hoc Margin: Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.</p>				
19	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.				
20	SLDC Clearance	For processing of applications under “GNA” or “T-GNA”, Member shall ensure the traded quantity. should be within the limit of standing clearance (PX-1) as trades executed				

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		<p>shall be processed by using the same standing clearance (PX-1).</p> <p>In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.</p>
21	Application for Scheduling	<p>Application for Scheduling will be submitted to Nodal RLDC as specified in the Trading and Settlement Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange.</p> <p>The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.</p>
22	Alternate Route	Allocation will be done by nodal RLDC depending upon availability on transmission corridor.
23	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor, forced outage shall be treated as default by the party who is responsible for such event.
24	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed

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Business Rules

		Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA.
25	Delivery point	The delivery point shall be at ISTS Periphery as per final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
26	Application fees, Operating and Transmission Charges and Losses	Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl. Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller. The charges shall be applied on the quantum of power scheduled at Regional Periphery.
27	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.
28	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.
29	Funds pay in by Members	Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as pay in default.
30	Funds pay out to Members	Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC

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Business Rules

CONTRACT SPECIFICATION: NATIONAL/REGIONAL HIGH PRICE
Quarterly CONTRACTS

Sr. No.	Item	Details
1	Contract Name*	National/ Regional High Price Quarterly Contracts
2	Regions	National contract and Regional contracts for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3	Contract Type	Delivery Option – Firm Delivery
4	Firm Quarterly Contract	The Quarterly Contracts will consist of three consecutive calendar months on a rolling basis starting from TM+1 Month and continuing until TM+11 Month. (TM-Trade Month).
5	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
6	Trading session*	On each trading day, Uniform Price Step Auction trading session will be made available to the members for bidding session as follows: For the first quarter (Q1) contract – three days prior to the close of trade month (TM); For the second to eighth quarter (Q2 – Q8) contract – last day of trade month (TM).
7	Order Management	The Exchange Members will be able to submit orders as per these Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time-to-time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
8	Bidding process	Sellers and Buyers to submit order for pre specified duration, quantum in MW and price in Rs./MWh. Seller can submit bid for National contract and regional contract of that region to which it belongs. Whereas a buyer can place bid in National or any regional contract. Netting off (square off) of positions will not be allowed.

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9	Matching of Bids		Uniform Price Step Auction: Details as per chapter 8 of Business Rules. Each trade will be sent for scheduling, on trade to trade basis														
10	Trading Hours*		As per trading and settlement calendar to be notified by the Exchange from time to time														
11	Minimum quotation*	Volume	1 MW														
12	Minimum Step*	Volume	0.1MW														
13	Lot size		Base or RTC Contract (DYB): 1 lot = 1MW*24*days in the quarter Night Off-peak Contract (DYN): 1 lot=1MW*8*days in the quarter Day Contract (DYD): 1 lot = 1MW *11* days in the quarter Day Peak Contract (DYP): 1 lot = 1 MW*5* days in the quarter Hourly Contracts (H01):1 Lot = 1 MW*1 Hour* days in the quarter Pre specified time blocks as notified by Exchange from time to time														
14	Maximum bid size*		At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.														
15	Price Quote Basis		Rs. Per MWh (excluding all fees, charges, taxes etc.)														
16	Tick size*		Rs. 1 per MWh														
17	Minimum & Maximum Order price limit		As notified by the Hon'ble commission from time to time.														
18	Quantity Variation		Zero quantity variation allowed														
19	Settlement		Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed														
20	Initial Margins (Operational Limit)*		Initial Margins equivalent to 1% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.														
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S. No.	Duration of Contract	Minimum Additional Cash Margin	Non-Cash Margin (in form of Bank Guarantee/ Letter of Credit/Fixed	Payable by													

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			Deposit Receipt)	
1	Up to 7 days	50% of trade value of the contract	NA	Buyer only
2	8 to 30 days	20% of trade value of the contract	NA	Buyer only
3	31 to 60 days	10% of trade value of the contract	10% of trade value of the contract	Both Buyer and Seller
4	61 to 90 days	7.5% of trade value of the contract	12.5% of trade value of the contract	Both Buyer and Seller
5	91 days and above	5% of trade value of the contract	15% of trade value of the contract	Both Buyer and Seller

Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time this Additional Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less than the trade price, the difference in the value is collected from the buyers however, at any point the sum of Basis Margin collected up to that day and this Additional Margin will not exceed the trade value.

This Additional Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. This Additional Margin will be applied at client level.

Exchange can impose any ad hoc additional margin, which the exchange can apply any time during the life of the contract.

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22	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.
23	Eligibility	Sellers: Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and verification of eligibility to participate in HP- TAM. Buyers: All eligible buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.

Trading Cycle*

Sr. No.	Time	Details
24	12:00 – 17:00	Auction Trade Session
	On trade execution	Contract details & Application formats sent to members.
25	After trade execution	Calculation of Additional Margin of the member and Blocking of the Additional Margin from the available cash/non-cash collateral of the Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
26	As per the Trading & Settlement Calendar	Concerned LDC Clearance ¹ from Members and fulfillment of additional margin requirement call, if any. On completion of formality and receipt of adequate additional margin, application on “GNA” or “T-GNA” will be sent to Nodal RLDC or as case may be. Acceptance for Scheduling from Nodal RLDC.

⁽¹⁾ Application for scheduling to nodal RLDC will be sent only after receiving the confirmation from Buyer for scheduling under GNA/T-GNA, Further, Entities need to ensure that the traded quantity should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1).

Delivery Procedure

27	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the RLDC.
28	Delivery period	Delivery for each time block.
29	Delivery point	The delivery point shall be at ISTS Periphery as may be specified by requisitioner or as per the final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time

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30	Application for Scheduling	Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Delivery Calendar and as per the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
31	SLDC Clearance	For processing of applications under “GNA” or “T-GNA”, Member shall ensure the traded quantity. should be within the limit of standing clearance (PX-1) as trades executed shall be processed by using the same standing clearance (PX-1). In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by LDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller.
32	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, as per the Final Procedure – Grant of Temporary General Network Access (T-GNA) to the inter-State Transmission system through National Open Access Registry (NOAR), Detailed Procedure for Allocation of Transmission Corridor for Scheduling of Transactions under GNA and T-GNA
33	Application fees, Operating and Transmission Charges and Losses	Buyer shall bear all the applicable ISTS Charges, State transmission and Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl. Seller shall bear applicable State transmission and Scheduling & Operating charges and State losses only. No ISTS charges & losses will be applicable on seller. The charges shall be applied on the quantum of power scheduled at Regional Periphery.
34	Alternate route	Allocation will be done by nodal RLDC depending upon availability on transmission corridor.
35	Revision of Schedule	No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor shall be treated as default by the party who is responsible for such event. However, in case of unit tripping/outage,

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		the provisions relating to revision of schedule as specified in the IEGC as amended from time to time shall apply to the contracts under HP-TAM.
36	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange. Further the Exchange will be guided by the final schedule provided by LDCs.
37	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

38	Payment of Application Fees by Members	Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the NOAR & SLDCs, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC. Applicable STU & SLDC operating charges shall be collected and paid to the respective SLDC before start of delivery.
39	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11:00am from buyer member settlement account
40	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members and CERC.