

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. ___/MP/2023

IN THE MATTER OF:

M/s. Hindustan Power Exchange Ltd.

...PETITIONER

VERSUS

Grid Controller of India Limited

...RESPONDENT

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Date: 15.03.2023

Place: New Delhi

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**BEFORE THE HON'BLE CENTRAL ELECTRICITY
REGULATORY COMMISSION, NEW DELHI**

PETITION NO. /MP/2023

IN THE MATTER OF:

Petition under Section 66 of the Electricity Act, 2003 read with the Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 seeking approval for introduction of High Price contracts in High Price Day Ahead Market (**HP-DAM**), High Price Term Ahead Market (**HP-TAM**), and High Price Contingency Contracts.

AND

IN THE MATTER OF:

Hindustan Power Exchange Ltd
25th Floor, P J Towers
Dalal Street, Mumbai - 400 001

... PETITIONER

VERSUS

Grid Controller of India Limited
B-9 (1st Floor), Qutub Institutional Area,
Katwaria Sarai, New Delhi – 110016

...RESPONDENT

PETITION

MOST RESPECTFULLY SHOWETH

1. It is humbly submitted that the Petitioner is filing the present Petition under section 66 of the Electricity Act, 2003 (“**the Act**”), read with Regulation 25 of the CERC (Power Market) Regulations, 2021 (“**Power Market Regulations**”) seeking approval for introduction

of High Price contracts in High Price Day Ahead Market (**HP-DAM**), High Price Term Ahead Market (**HP-TAM**), and High Price Contingency Contracts (**HP-Contingency**).

2. This Petition has been filed by the Petitioner inter alia in furtherance of letter dated 11.10.2022 issued by the Ministry of Power, Government of India (“**MoP**”) by which the MoP has directed implementation of a High Price Market Segment in the power exchanges so as to facilitate trading of electricity by high variable cost generators, who are otherwise unable to participate in the market on account of the price cap of Rs. 12/unit imposed by this Hon’ble Commission.

Brief Background of the Petitioner

3. The Petitioner was granted registration by this Hon’ble Commission to establish and operate a Power Exchange vide its order dated 12.05.2021 passed in Petition No. 287/MP/2022.
4. Subsequently, vide order dated 27.06.2022 passed in Petition No. 159/MP/2022, this Hon’ble Commission permitted the Petitioner to commence operations of its Power Exchange. Accordingly, the Petitioner commenced operations of its power exchange from 06.07.2022 in Contingency (Day Ahead and Intra-day), Green Contingency (Day Ahead and Intra-day) Contracts and Renewable Energy Certificates (**RECs**) and from 28.07.2022 in Integrated Day Ahead Market (**IDAM**) and Real Time Market (**RTM**) as per the provisions of the Power Market Regulations. Subsequently, this Hon’ble Commission vide its order dated 30.12.2022 passed in

Petition No. 206/MP/2022 further permitted the Petitioner to introduce 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.

Price cap set by this Hon'ble Commission

5. With a view to address the issue of high spot prices discovered on power exchanges, this Hon'ble Commission vide its order 01.04.2022 passed in 4/SM/2022 directed all power exchanges to re-design their bidding software in a manner that the trading members are permitted to place their bids only up to Rs. 12/unit for DAM and RTM segments ("**Price Cap**").

A copy of the order dated 01.04.2022 passed by this Hon'ble Commission in 4/SM/2022 is annexed hereto as **ANNEXURE P-1.**

6. Subsequently, this Hon'ble Commission vide its order dated 06.05.2022 passed in Petition No. 5/SM/2022 extended the Price Cap to all transaction segments as well, including Intra-day, Day Ahead Contingency and Term-Ahead (including GTAM) Contracts. This Hon'ble Commission has been extending the applicability of the Price Cap from time to time vide various orders, including most recently on 28.12.2022 vide its order passed in 17/SM/2022.

A copy of the order dated 06.05.2022 passed by this Hon'ble Commission in 5/SM/2022 is annexed hereto as **ANNEXURE P-2.**

MoP's directions regarding implementation of a High Price Market Segment

7. The MoP issued a letter dated 01.08.2022 to various stakeholders seeking comments on its proposal for introduction of a High Price Market Segment for Day Ahead Market. In its aforementioned proposal, the MoP noted that on account of the Price Cap imposed by this Hon'ble Commission, the generators having high variable cost are unable to participate in the market, and as such a High Price Market Segment ought to be introduced.

A copy of the MoP letter dated 01.08.2022 is annexed hereto as **ANNEXURE P-3**.

8. Based on the comments received on the aforesaid proposal, the MoP vide its letter dated 11.10.2022 ("**MoP Letter**") directed implementation of a High Price Market Segment in the power exchanges so as to facilitate trading of electricity by high variable cost generators, who are otherwise unable to participate in the market on account of the price cap of Rs. 12/unit imposed by this Hon'ble Commission. The MoP Letter also includes the broad contours of such a framework for the High Price Market Segment.

A copy of the MoP Letter dated 11.10.2022 is annexed hereto as **ANNEXURE P-4**.

9. Some of the salient features of the High Price Market Segment, as contemplated in the MoP Letter are set out below for convenient perusal:

(i) **Eligibility of Sellers:** Sellers with high cost of generation will be allowed to sell in this market. To begin with, the following categories of generators shall be eligible to participate in HP-DAM:

- a) Gas based Power Plants using imported RLNG and Naptha;
- b) Imported Coal based Power Plant using imported coal; and
- c) Battery Energy Storage Systems (**BESS**)

The category of plants eligible to participate in HP DAM shall be subject to quarterly review by this Hon'ble Commission

(ii) **Bid Price Range:** There will not be any floor price and forbearance price in HP DAM.

(iii) **Market Design – Integrated HP-DAM:**

- a) The High Price Market Segment can be operated in an integrated manner that is similar to the Green-DAM market in I-DAM.
- b) The Sellers eligible for HP-DAM will be allowed to place bids in this product. The Buyers will have an option of auto-carry their uncleared bids from DAM to HP-DAM. The Buyers can also separately place bids in the HP-DAM. During auto-carry option, the buyers have a flexibility to specify different prices for the un-cleared quantity in DAM. Market Clearing shall take place in a sequential

manner i.e. , first DAM will be cleared followed by HPDAM considering the uncleared bids in DAM , if any.

- (iv) **Market Timelines:** The Bidding will take place between 10 AM and 12:00 PM;
- (v) **Other Features:** The price discovery for HP-DAM will be Double-Sided Closed Auction (same as G-DAM, DAM and RTM).

Petitioner's proposal for introduction of High Price Market Segment on its power exchange

10. It is in the aforementioned background that the Petitioner is filing the present Petition seeking this Hon'ble Commission's approval for introduction of a High Price Market Segment on its power exchange by way of High Price contracts in HP-DAM, HP-TAM and HP-Contingency segments.
11. At this stage, before setting out the detailed contract specifications for the aforementioned market segments, it is pertinent to state that while the Petitioner's proposal is broadly in line with the framework set out in MoP's Letter dated 11.10.2022, however, there are certain modifications which the Petitioner has incorporated keeping in mind the market realities and operational limitations. The said modifications are set out in detail hereinbelow:

(i) **Proposal for introduction of HP-TAM and HP-Contingency Contracts:**

While the MoP Letter only envisages the creation of a HP-DAM segment, the Petitioner is also proposing to introduce HP-TAM and HP-Contingency segments keeping in mind the market realities and to ensure a level playing field across segments and across buyers and sellers intending to transact in various segments based on their requirements and availability, respectively.

In this regard, it is pertinent to highlight that this Hon'ble Commission itself its order dated 06.05.2022 passed in Petition No. 5/SM/2022 had taken cognisance of the issues which arose out of the differential treatment of various market segments in relation to imposition of Price Cap, and had ultimately decided to apply the Price Cap uniformly across the segments. The relevant findings of this Hon'ble Commission in the said order dated 06.05.2022 are set out below for convenient reference:

“10. ...

- a) *need for a uniform price ceiling in all segments of the Power Exchanges so that there is no shift in supply volume from one segment of the Power Exchanges to another segment, induced by differential ceiling price between different market segments of the Power Exchanges; and*
- b) *there is no profiteering by the sellers in the backdrop of increased demand and reduced supply.”*

As such, given that the introduction of High Price Market Segment is consequential and directly related to the introduction of Price Cap by this Hon'ble Commission, it would only be fair that any such introduction of High Price Market Segment must also be done in a uniform manner across all segments.

Moreover, the natural market development should not be restricted solely to promote a particular market segment which may in turn promote trading on a particular power exchange. Instead, a level playing field should be provided for the development of all market segments to promote competition and efficiency in the power markets, being one of the key salutary objectives of the Act, as well as the Power Market Regulations.

In addition to the aforesaid, it is also submitted that permitting introduction of HP-TAM and HP-Contingency contracts will also afford members the choice and flexibility to plan their transactions in a better manner and transact purely based on their requirements, as opposed to being constrained to transact only in the HP-DAM segment irrespective of their actual requirements.

In view of the aforesaid, the introduction of HP-TAM and HP-Contingency contracts is just and fair, and is in the interest of the power markets.

(ii) **Proposal for having floor and forbearance price in the High Price Market Segment:**

Floor Price: It is humbly submitted that since the stated objective of creation of the High Price Market Segment is to facilitate trading of electricity by high variable cost generators, who are otherwise unable to participate in the market on account of the price cap of Rs. 12/unit imposed by this Hon'ble Commission, it is imperative that a floor price of Rs. 12/unit be mandated for this segment.

It is humbly submitted that mandating such a floor price will ensure that only the intended market participants, who are otherwise unable to trade in the market owing to their high variable cost, are able to participate in the High Price Market Segment, and that any unintended possibilities of gaming are mitigated.

Forbearance Price: It is humbly submitted that the Petitioner may be permitted to indicate a forbearance price for trading in the High Price Market Segment. The said forbearance price may be prescribed by this Hon'ble Commission, as it deems fit. It is stated that the Petitioner seeks to include a forbearance price in its contracts as the trading software and matching mechanism of the Petitioner's software requires the input of a forbearance price for effective matching.

12. In light of the aforesaid background and as required by Regulation 25(2) of the Power Market Regulations, the Petitioner has briefly set out below the contract specifications of the various types of contracts it has proposed to introduce in the High Price Market Segment:

High Price Day Ahead Market (HP DAM) Contract

- (i) **Type of Contract:** Collective transaction on a day ahead basis, on the same lines as Integrated DAM contracts as approved by this Hon'ble Commission vide its order dated 27.06.2022 passed in Petition No/ 159/MP/2022.
- (ii) **Eligible Entities:** It is proposed that only those sellers as approved by Hon'ble Commission and identified by the Nodal Agency to be High Price sellers will be eligible to participate in HP DAM contracts.
- (iii) **Price Discovery and Matching Methodology:** In accordance with the MoP's Letter and in line with the procedure followed for Integrated DAM contracts, the price discovery and matching methodology to be followed shall be Double Sided Closed Bidding process and the price discovery shall be as per uniform clearing price mechanism.
- (iv) **Timelines, including commencement of bidding and duration of bidding session:** In accordance with the MoP's Letter and in line with the procedure followed for Integrated DAM contracts, the timeline for the bidding session shall be 10 AM to 12 PM.

- (v) **Delivery mechanism and delivery duration:** Same as Integrated DAM transactions.
- (vi) **Risk management mechanism including margining and final price settlement mechanism:** Same as Integrated DAM transactions.
- (vii) Other items like revision of schedule, application for scheduling, pay-in and pay-out etc. shall be as per existing procedure followed for I-DAM contracts on the exchanges and as approved by the Hon'ble Commission.

A copy of the detailed contract specifications proposed for the HP-DAM contracts is annexed hereto as **ANNEXURE P-5**.

High Price Term Ahead Market (HP-TAM) Contract

- (i) **Type of Contract:** Following contracts are proposed to be introduced by the Petitioner in the HP TAM segment:
 - a. **High Price (HP) 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. **High Price (HP) 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. High Price (HP) 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. High Price (HP) 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.

- (ii) **Eligible Entities:** It is proposed that only those sellers as approved by Hon'ble Commission and identified by the Nodal Agency to be High Price sellers will be eligible to participate in HP TAM contracts.
- (iii) **Price Discovery and Matching Methodology:** Petitioner proposes to follow the methodologies as directed by Hon'ble Commission while approving Long Duration Contracts for all the exchanges. For HP Daily, HP Weekly and HP Monthly Contracts, the Petitioner proposes to use Uniform Price Step Auction as price discovery methodology.

In respect of HP Any Day Single Sided Contracts, the Petitioner proposes to use Initial Price Offering (**IPO**) and

Reverse Auction (RA) based bidding as price discovery methodology.

- (iv) **Timelines for Bidding and Delivery:** These contracts are proposed for a maximum duration of three months with trading in prior month. HP Daily, HP Weekly and HP Any Day Single Sided contract for 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). HP Daily, HP Weekly and HP Monthly Contracts 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.

The following table summarizes the trading and delivery timelines for the proposed contracts which are in line with the approval of Hon'ble Commission for similar contracts with respect to other exchanges:

Contract	Start day of trading	Last day of trading	Trading time	Delivery	Trading time blocks
HP Daily	On daily basis (T)	Two days before day of delivery	1200 to 1700 hours	T + 2 to T + 90 days	For pre-specified time blocks notified to

HP Weekly	Monday of prior week (TW0)	Friday of prior week (TW0)	1200 to 1700 hours	TW + 1 to TW + 12 weeks	market participants in advance
HP 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	1200 to 1700 hours	TM + 1 to TM + 3 months	
HP Any Day Single Sided	On daily basis	Two days before delivery day	0000 to 2400 hours	T + 2 to T + 90 days	For user defined days and time blocks

- (v) **Risk management mechanism including margining and final price settlement mechanism:** It is proposed that the Exchange will collect an ‘Initial margin’ at the time of bidding equivalent to 5% of the order value for HP Daily and HP Weekly Contracts and 1% of the order value for HP Monthly Contracts. For HP 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.

- (vi) **Pay-In & Pay-Out:** Pay-in and Pay-out for the all the proposed contracts under HPTAM 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.
- (vii) **National or Regional:** In line with TAM contracts, HP-TAM 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.
- (viii) **Minimum Volume Quotation:** Minimum Volume quotation is proposed as 0.1 MW in HP-TAM and TAM contracts based on the feedback received from the market.
- (ix) **Revision:** For HP Monthly Contracts, it is proposed that the contracts may be allowed to be annulled or curtailed, without any transfer of positions, due to transmission constraints or force majeure. This is proposed considering the length of proposed contracts and prevailing practices in the bilateral OTC market. However, as directed by Hon'ble Commission in order dated 07.06.2022, this revision will be subject to

validation by system operator and default mechanism of Petitioner's Exchange.

- (x) **Cancellation/Rejection 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 either 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.
- In case 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.
- (xi) **Default penalty/compensation:** 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.
- (xii) Other items Application for Scheduling, SLDC clearance etc. shall be as per the procedure approved by the Hon'ble Commission for TAM contracts.

A copy of the detailed contract specifications proposed for the HP-TAM contracts is annexed hereto as ANNEXURE P-6.

High Price (HP) Contingency Contracts

- (i) **Type of Contracts:** Following contracts are proposed to be introduced by the Petitioner:
 - a. High Price (HP) 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. High Price (HP) 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.
- (ii) **Eligible Entities:** It is proposed that only those sellers as approved by Hon'ble Commission and identified by the Nodal Agency to be High Price sellers will be eligible to participate in HP Contingency contracts.
- (iii) **Price Discovery and Matching Methodology:** In line with the directions of Hon'ble Commission and existing practice followed in Contingency contracts, price discovery

methodology for HP Contingency contracts (Day Ahead and Intra-day) shall be Continuous matching.

- (iv) **Minimum Volume Quotation:** The Minimum Volume Quotation is proposed as 0.1 MW
- (v) **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.
- (vi) Other items like Timelines, Delivery Mechanism and Duration, Revision of Schedule, Risk Management Mechanism, Application for Scheduling, Pay-in & Pay-out etc. shall be as per existing procedure followed for Contingency contracts on the exchanges and as approved by the Hon'ble Commission.

A copy of the detailed contract specifications proposed for the HP-Contingency contracts is annexed hereto as **ANNEXURE P-7**.

13. In view of the aforesaid, it is humbly submitted that the present Petition is in the best interests of all stakeholders and market participants, and in the overall interest of the development of a competitive and efficient power market. As such, it is humbly prayed that this Hon'ble Commission be pleased to approve the proposed introduction of the High Price Market Segment contracts as prayed for hereinabove.

14. It is submitted that this Hon'ble Commission is empowered to and has the necessary jurisdiction, including under section 66 of the Act and Regulation 25 of the Power Market Regulations to decide the present Petition.
15. The Petitioner craves leave of this Hon'ble Commission to place on the record such additional information/document as may be required during the hearing of the present Petition, or as may be directed by this Hon'ble Commission.
16. The Petitioner further states that the present Petition is bona fide and in the interest of justice.

PRAYER

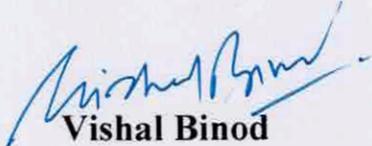
In view of the aforementioned facts, circumstances and grounds, it is most humbly prayed that this Hon'ble Commission may be pleased to:

- (a) admit the present Petition;
- (b) Approve the introduction of High Price Day Ahead Market contracts as per the specifications set out in the present Petition;
- (c) Approve the introduction of High Price Term Ahead Market contracts as per the specifications set out in the present Petition;
- (d) Approve the introduction of High Price Contingency contracts as per the specifications set out in the present Petition;

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


Authorised Signatory
For Hindustan Power Exchange Ltd.

Through


Vishal Binod

Advocate for the Petitioner
D-106, Sector 26
Noida, Uttar Pradesh – 201 301

Place: Noida

Date: 30.01.2023



**BEFORE THE CENTRAL ELECTRICITY REGULATORY
COMMISSION, NEW DELHI**

Petition No. ___/RC/2023



IN THE MATTER OF:

M/s. Hindustan Power Exchange Ltd.
(formerly known as Pranurja Solutions Ltd)

...PETITIONER

AFFIDAVIT

I, Akhilesh Awasthy, S/o Shri. Rajendra Prasad Awasthy, aged about 59 years, R/o Apartment No. 0022503, Imperial Court Tower – 2, Jaypee Greens, Sector – 128, Wish Town, Noida, Gautam Buddha Nagar, UP – 201301, do hereby solemnly affirm and declare as under:

1. That I am the Chief Operating Officer (“**COO**”) of the Petitioner Company and I am fully conversant with the facts and circumstances of the case and hence competent to swear this affidavit.
2. I say that I have read the contents of the accompanying Petition and I say that the contents therein are true to the best of my knowledge and also based upon records of the Petitioner and information/advice received by me and believed to be true and nothing material nor relevant has been concealed therefrom.



2. That the annexures filed along with the Petition are the true copies of their respective originals.



DEPONENT

VERIFICATION

I, Akhilesh Awasthy, the above-named deponent, do hereby verify that the contents of above affidavit are true to my knowledge as derived from the records of the case and no part of it is false and no material fact has been concealed therefrom.

*Identified by me
Akhil Kumar
21/11/2014*



DEPONENT

30 JAN 2023

Verified at Noida on this ___ day of January, 2023.



N.K. Yadav
ATTESTED
N.K. YADAV
Regd. 4641, Advocate
Govt. of India
G.B. Nagar

30 JAN 2023

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 4 /SM/2022(Suo-Motu)

Coram:

Shri P. K. Pujari, Chairperson

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 1st April, 2022

IN THE MATTER OF:

Directions by the Commission to the Power Exchanges registered under the Power Market Regulations, 2021.

ORDER

The Commission has been regularly monitoring the prices of electricity traded in the Day Ahead Market (DAM) and Real Time Market (RTM) at the power exchanges. It is observed that the prices discovered at the power exchanges have remained significantly high during the last few days. The factors like rise in temperature causing early onset of summers and increase in economic activities with lifting of COVID-19-related restrictions, have contributed significantly to the increase in electricity demand. On the other hand, increase in the supply has been limited. The situation has been further aggravated due to geo-political factors affecting the fuel supply and certain domestic supply constraints. This has widened the gap between demand and supply, with average buy to sell bid ratio reaching more than 2 and market clearing price (MCP) frequently touching Rs.20/kWh. Needless to say, such abnormally high price, even for a short period, without any significant impact on increase in supply is not only against consumer interest but also erodes the buyer's confidence in the market's credibility.

2. The following facts have emerged from the recent price behavior in power market:

- a. Electricity demand has been increasing substantially in the month of March and touched 199 GW on 17-03-2022. Since then, it has been hovering around 195 GW. Against this increase in demand, on 25-03-2022, 58719 MW of installed generation capacity was on outage due to various reasons wherein, 4323 MW of thermal capacity was on outage due to coal shortage itself.
 - b. On 25-03-2022, the recorded peak shortage was 4060 MW and energy shortage was 68.86 MU.
 - c. High price of imported coal is leading to high variable charge for imported coal-based plants. Similarly, due to an increase in the international price of gas, the existing gas-based plants are not able to sell in the market.
 - d. In DAM at IEX, the MCP of Rs.20/kWh was observed in 31 blocks from 24-02-2022 to 24-03-2022. Similarly, MCP of Rs.18/kWh and above was observed in 81 blocks, while MCP of Rs.15/kWh and above was observed in 183 blocks during the period.
 - e. On 24-03-2022, the MCP was higher than Rs.18/kWh for 14 time blocks, and it was higher than Rs.15/kWh for 57 time blocks. On 25-03-2022, the MCP was higher than Rs.18/kWh for 66 time blocks, leading to average MCP of Rs.18.67/kWh for the day.
 - f. Buy bids have been more than double of the sell bids in sometime blocks, indicating higher demand and lower supply. Average buy to sell bid ratio was 2.03 when MCP touched Rs.20/kWh, which is the ceiling price imposed by exchange. The aggressive bidding by buyers is leading to high prices.
 - g. From the sell side, it was observed that up to 99% of the sell bids were in the price band of Rs.0.01/kWh to Rs.12.00/kWh, while only 1% of the sell bids were higher than Rs.12.00/kWh.
 - h. Similar trend has also been observed in RTM segment where MCP touched Rs.20/kWh.
3. The Commission has further noted that the power exchanges have designed the bidding software in such a way that members can submit their bids in the price range of Rs.0/kWh to Rs.20/kWh (ceiling imposed by exchange). In the present stressed scenario, where demand at power exchanges is nearly double the supply volume, buyers are putting buy bids at the maximum of price range, i.e. Rs.20/kWh to ensure that their bids get cleared. This indicates a desperate buying scenario in the prevailing conditions.

4. The Commission has specified Power Market Regulations 2021 (PMR 2021) under section 66 of the Electricity Act, 2003. Regulation 51 of PMR 2021 provides for circumstances requiring intervention of the Commission, the relevant extracts of which are reproduced here as under:

“51. Other circumstances requiring intervention

(1)The Commission may, on being satisfied that a situation of abnormal increase or decrease in prices or volume of electricity in the Power Exchange exist or is likely to occur in the market, by an order, give such directions as may be considered necessary.

.....”

5. With due regard to the trend of demand and supply in the DAM and the RTM as highlighted in the preceding paragraphs leading to abnormal increase in prices, the Commission finds it expedient to intervene in the market in the public interest. The Ministry of Power vide their communication dated 26th March, 2022 addressed to the Commission has also expressed concern in this regard. The Commission notes that while high demand has been the cause of price rise, absence of adequate supply has also contributed to this trend. Despite the price rise which generally signals more supply to come, there has not been commensurate increase in supply. Based on feedback from POSOCO, it is expected that this kind of demand-supply position is likely to persist for some more time with continuous increase in demand as summer intensifies and increase in supply not forthcoming until May when wind and hydro based generation are expected to come on stream.

6. In view of the fact that higher price has not led to commensurate increase in supply and such position is likely to remain for some time in coming days due to supply constraints and in view of the fact that 99% of the supply bids (for the days for which data has been analysed) have been in the range of Rs.12/kWh and only 1% of the supply bids have been higher than Rs.12/kWh, the Commission in exercise of powers under Regulation 51 (1) of PMR 2021 directs the power exchanges until further orders, to re-design, with immediate effect, the bidding software in such a way that members can submit their bids in the price range of Rs.0/kWh to Rs.12/kWh for DAM and RTM. The Commission is of the view that this price moderation will be in keeping with the present market realities and shall not have any significant impact on the volume transacted and safeguard the consumer interests.

7. The exchanges are further directed to submit the compliance of this direction within two days from the date of this Order.

8. Accordingly, the Suo-motu Petition 4/SM/2022 is disposed of in terms of above.

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I. S. Jha)
Member

Sd/-
(P. K. Pujari)
Chairperson

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 5/SM/2022

Coram:

Shri P. K. Pujari, Chairperson

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 6th May, 2022

IN THE MATTER OF:

Directions by the Commission to the Power Exchanges registered under the Power Market Regulations, 2021.

ORDER

The Commission vide order dated 1st April 2022 in Petition No. 4/SM/2022 (Suo-Motu) had in exercise of powers under Regulation 51 (1) of the Power Market Regulations 2021 (PMR 2021) directed the Power Exchanges until further orders, to re-design, with immediate effect, the bidding software in such a way that members can submit their bids in the price range of Rs.0/kWh to Rs.12/kWh for Day Ahead Market (DAM) and Real Time Market (RTM). One of the key grounds for the intervention by the Commission was the fact that 99% of the supply bids (for the period for which data had been analysed) were in the range of Rs.12/kWh and only 1% of the supply bids were higher than Rs.12/kWh. The objective was to protect the large number of buyers (consumers) from being compelled to bid a high price of Rs.20/kWh because of the bid behavior of a very few buyers.

2. The Commission has been regularly monitoring the volume and prices of electricity transacted in various contracts at the Power Exchanges. The following facts have emerged from the recent behavior in volume and prices at the Power Exchanges, based on the daily trade information published by the exchanges:

- (i) The buy bid in DAM registered an increase of about 28% in the month of April 2022 as compared to March 2022, while that in RTM increased by 144% during the same period.

- (ii) However, the cleared volume in DAM registered a decrease of about 30% in the month of April 2022 as compared to March 2022, while that in RTM decreased by 16% during the same period.
- (iii) The volume traded in Term Ahead Market (TAM), Intra-day and Day Ahead Contingency (DAC) in the month of April 2022 witnessed an increase of about 120% over the volume traded in the month of March 2022.
- (iv) Of the total volume traded in TAM, Intra-day and DAC contracts around 37.31% was traded at price in excess of Rs.12/kWh in April 2022, i.e., above the ceiling price of Rs.12/kWh in the DAM and RTM market segments.
- (v) Apart from the generators, the distribution companies (Discoms) are also selling in DAM/RTM and in TAM/Intra-day/DAC.

3. As a result of setting the ceiling price at Rs.12/kWh for DAM and RTM, the Market Clearing Price (MCP) in DAM and RTM has been frequently hitting the ceiling price at Rs.12/kWh with the volume of buy bids much more than the volume of sell bids. As a result, the cleared volume is getting pro-rated amongst the buyers quoting the ceiling price in proportion to their bid volumes. Thus, even if buyers are willing to pay the ceiling price, they are not getting the full bid volume. Due to apprehensions of such pro-rating, it has been observed that buyers have increased their bid volumes at the ceiling price substantially, but are still not able to meet their demand of electricity in the collective transaction segment of Power Exchanges, viz., DAM and RTM. Therefore, to fulfill their supply obligations, the buyers are shifting to other market segments of Power Exchanges, such as TAM.

4. It has also been observed that the difference in ceiling price between DAM/RTM and TAM has led to shift in supply volume from DAM/RTM to TAM. Representations have been received from some States highlighting that this is affecting their prospects of getting power from DAM/RTM segments of the Power Exchanges and they have to go to TAM segment for meeting their demand. Some Discoms have also represented that the differential pricing between DAM/RTM and TAM/Intra-day/DAC market segments is influencing the behavior of the sellers and have expressed concerns about the likely profiteering by sellers on account of the price differential in the two market segments in the Power Exchanges.

5. In this context, it is pertinent to note that the TAM/Intra-day/DAC market is bilateral in nature and the buyers and the sellers are matched on one to one basis, unlike in case of

collective transactions. In other words, the buyers and the sellers voluntarily agree to a price which does not affect any third party. The buyers enter into such transactions with their eyes and ears open and with full knowledge of the consequences. Under these circumstances, the role of the buying Discoms and the SERCs regulating the Discoms assumes significance. If there are concerns about high prices at which Discoms are entering into bilateral transactions, it is the responsibility of the concerned SERCs to direct the buying Discoms not to enter into such transactions beyond the threshold price and volume limit that the SERCs consider appropriate.

6. The counter-argument could be that the buyer's behavior at present is scarcity driven. But the question is whether by imposing a ceiling price in different segments of the Power Exchange market adequacy of supply in this trading platform can be guaranteed. The sellers might then explore some other avenues of sale which might not be subjected to direct regulation.

7. There is also a need to recognize that the buyers also include open access consumers and bulk consumers, who may be willing to buy power at a higher price which still makes economic and financial sense to them. Under the regime of ceiling price in different segments of the Power Exchange, such consumers are also effectively denied access to their full requirement of power.

8. West Bengal State Electricity Distribution Company Limited (WBSEDCL) in its letter dated 22.04.2022 has alleged that the sellers are circumventing the Commission's Order dated 01.04.2022 by entering into negotiations and then conducting their transaction under TAM contracts. This is being done with a view to bypass regulatory measures put in place by this Commission. While the Commission is having this aspect investigated, we also note that some of the Discoms and other licensees in States were also engaged in selling power in TAM/Intra-day/DAC post the ceiling price of Rs.12/kWh for DAM and RTM. The Commission also expects that if Discoms or any other licensees are party to such transactions, the concerned SERC also takes appropriate action against such Discoms or licensees.

9. The Ministry of Power vide letter dated 29.04.2022 has issued directions to the Commission to issue orders for capping the market price at Rs.12/kWh or less for all segments of Power Exchanges (regulated by CERC), including Term Ahead Market (TAM).

10. The Commission is engaged in detailed analysis of the behavior of the market participants in different segments of the Power Exchange. However, taking cognizance of the increasing trend of prices driven by shortage of supply and sudden increase in demand, and in view of the alleged profiteering by the sellers which also includes Discoms, the Commission finds it expedient to intervene in the market in public interest on following grounds:

- a) need for a uniform price ceiling in all segments of the Power Exchanges so that there is no shift in supply volume from one segment of the Power Exchanges to another segment, induced by differential ceiling price between different market segments of the Power Exchanges; and
- b) there is no profiteering by the sellers in the backdrop of increased demand and reduced supply.

11. The Commission analysed the data available on MERIT website (www.meritindia.in) maintained by the Ministry of Power and noticed the following trend during the period from 05.04.2022 to 30.04.2022:

- a) Given the present constraints of gas supply, additional generation in the present situation of shortage is likely to come mostly from the coal based, including imported coal based generating stations. Accordingly, the marginal cost of generation from the coal based generating stations has been considered for price trend analysis.
- b) Of the coal based generating stations, the marginal generators are based on imported coal. As per the All India MERIT Summary, the energy charges of the marginal generators ranged from Rs.7.30/kWh to Rs.8.82/kWh for the period under analysis.

12. The above analysis reveals the energy charge of the marginal generator to be in the range of ~Rs.9/kWh. In addition, if the expectation of recovery of part of the fixed cost and transmission charge are factored in, the ceiling price of Rs.12/kWh seems reasonable.

13. Regulation 51 of the Power Market Regulations 2021 (PMR 2021) provides as under:

“51. Other circumstances requiring intervention

(1)The Commission may, on being satisfied that a situation of abnormal increase or decrease in prices or volume of electricity in the Power Exchange exist or is likely to

occur in the market, by an order, give such directions as may be considered necessary.”

14. In exercise of the aforesaid powers under Regulation 51(1) of the PMR 2021 and in view of the analysis of price trends in the preceding paras and in order to balance the interests of investors in terms of reasonable return and protecting consumer interests, the Commission hereby directs the Power Exchanges, from the date of this Order till 30th June 2022, to re-design, with immediate effect, their software in such a way that members can quote price in the range of Rs.0/kWh to Rs.12/kWh in DAM (including GDAM), RTM, Intra-day, Day Ahead Contingency and Term-Ahead (including GTAM) Contracts. The contracts which have already been transacted till the date of issuance of this Order shall be delivered and settled as per the earlier terms and conditions. Application of the price ceiling for a limited period is based on the belief of the Commission that intervention in the market should not be prolonged unless absolutely necessary in public interest as in the existing circumstances prevailing in the country.

15. The Exchanges are further directed to submit the compliance of this direction within two days from the date of this Order. With coming into effect of this Order, the Order dated 01.04.2022 in Petition No. 4/SM/2022 shall stand superseded.

16. The Petition No. 5/SM/2022 is disposed of in terms of the above.

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I.S. Jha)
Member

Sd/-
(P.K. Pujari)
Chairperson

No. 23/16/2020-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, 1st August, 2022

To,

1. Secretary, MNRE, New Delhi
2. The Chairperson, CEA, Sewa Bhavan, R.K. Puram, New Delhi
3. The Secretary, CERC, Janpath, New Delhi
4. ACS/Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs
5. Secretaries of All State Electricity Regulatory Commissions/JERCs.
6. Chairman/CMDs of all PSUs under administrative control of Ministry of Power
7. CMD, SECI, New Delhi
8. CMDs/MDs of Discoms/Gencos of all State Governments
9. CMD, IEX LTD New Delhi & MD/CEO, PXIL, Mumbai
10. DG, Association of Power Producers, New Delhi.
11. President, FICCI, House No. 1, Tansen Marg New Delhi
12. President, CII, New Delhi
13. President, PHDCCI, New Delhi
14. ASSOCHAM, Chanakyapuri, New Delhi
15. Member, PRAYAS Energy Group, Pune
16. DG, Electric Power Transmission Association (EPTA), New Delhi
17. Chairman Indian Wind Power Association, New Delhi
18. Chairman, Indian Wind Turbine Manufacturers Association, New Delhi
19. Director General, National Solar Energy Federation of India (NSEFI), New Delhi.

Sub: Seeking comments of proposal on High Price Market Segment for Day Ahead Market (HP-DAM) -Reg

Sir/Madam,

I am directed to forward herewith a **proposal on High Price Market Segment for Day Ahead Market (HP-DAM)**, with the request to provide your comments, if any, to this Ministry within 21 days from the date of this letter: i.e. by 21-08-2022. The comments may also be emailed at debranjan.chattopadhyay@nic.in.

2. This issues with the approval of Competent Authority.

Encl: as above

Yours faithfully,

(Dr. P.K. Sinha)

Deputy Secretary to the Government of India
Ph: 011-23730265

Copy for information:- PS to Hon'ble Minister of Power and NRE, APS to Hon'ble MoSP, Sr. PPS to Secretary (Power), PSO to CE(R&R)

Copy to: Technical Director, NIC Cell for uploading on MOP's website under "Current Notices" with the heading of "**Proposal on High Price Market Segment for Day Ahead Market (HP-DAM)**"

High Price Market Segment for Day Ahead Market (HP-DAM)

1. In order to address the issue of high price in spot market in Power Exchanges, a Price Cap was introduced by CERC in all the market segments of the Power Exchanges, in April, 2022. While this has ensured that the spot prices are within Rs.12/unit, the generators based on having high variable cost are unable to participate in this market.
2. In this background, it is proposed to introduce a High Price Market segment (HP-DAM) within the existing Integrated-DAM (I-DAM), as outlined below:

Proposal of High Price Day Ahead Market segment (HP-DAM)

- **Eligibility Sellers:** Sellers with variable cost greater than the price cap of spot of I-DAM market i.e., Rs. 12/unit will be allowed to sell power in this market. These can be gas-based power plants, imported coal based power plants or any other entity that meets the variable cost eligibility criteria.

An NOC will be provided to such sellers biannually through the NOAR.

- **Bid Price Range:** Minimum bid price will be at 0 paise/unit and maximum price can be decided based on the feedback from the stakeholders. This will be higher than the existing price cap for DAM.
 - **Market Design:** The segment can be operated in an integrated (parallel) manner.
 - **Integrated HP-DAM:** In the integrated option the HP-DAM will operate similar to Green-DAM market in I-DAM. The Sellers eligible for HP-DAM will be allowed to place bids in this product. The Buyers will have an option of auto-carry their uncleared bids from DAM to HP-DAM. The Buyers can also directly place bids in the HP-DAM.
 - **Market Timelines:**
 - The Bidding will take place between 10 AM & 12:00 PM.
 - Power Exchanges will send the provisional file to NLDC at 1:00 PM (combined file after considering provisional volume across all three product segments i.e., G-DAM, DAM, HP-DAM).
 - NLDC will provide the transmission capacity by 2:00 PM.
 - In case of congestion, the transmission corridor allocation will be first for G-DAM, then DAM, and last for HP-DAM.
 - Power Exchanges will send the Final File to NLDC by 3:00 PM (combined file after considering the final cleared volume across all three product segments – G-DAM, DAM, HP-DAM).
 - NLDC/ RLDC will publish the Final Schedule by 5:30 PM.
 - The price discovery for HP-DAM will be Double-Sided Closed Auction (same as G-DAM, DAM and RTM).
3. This will enable high cost power plant to be made available during the high demand period. Only such buyers who are in deficit and can afford to pay high price will be able to participate in this segment. The other buyers and consumers will not get affected.



True Copy

File No. 23/16/2020-R&R
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg
New Delhi, 11th October, 2022

To

1. Secretary, CERC, New Delhi
2. CMD, POSOCO, New Delhi

Subject: Development of High Price Market Segment (HP-DAM) in the existing Integrated Day Ahead Market (DAM) in Power Exchange -Reg

Sir,

Our nation has been witnessing a remarkable transformation towards sustainable energy economy with increasing share of clean and green energy in its energy mix. The Power Exchanges have provided flexibility to participants by offering diversified products to trade in electricity starting real time market in intra-day, day-ahead and week ahead contracts.

2. While the steps taken by CERC has ensured that the spot prices are within Rs.12/unit, the generators based on high variable cost are unable to participate in this market. In this background, a detailed Note on the subject "Development of High Price Market Segment (HP-DAM) in the existing Integrated Day Ahead Market (DAM) in Power Exchange" was circulated for stakeholders comments. Based on the comments received from the Stakeholders, the "Development of High Price Market Segment (HP-DAM) in the existing Integrated Day Ahead Market (DAM) in Power Exchange" has been finalised which is enclosed for implementation within one month through necessary regulatory process.

3. This issues with the approval of Hon'ble Minister of State (I/C) for Power, New & Renewable Energy.

Encl:- As above

Yours faithfully,



(Dr. P.K. Sinha)

Deputy Secretary to the Govt. of India

Tel: 011 2373 0265

Copy to:

1. Secretary, MNRE, New Delhi
2. Chairperson, Central Electricity Authority, New Delhi.
3. Secretary(Power), JS(RR & OM), Ministry of Power

Development of High Price Market Segment (HP-DAM) in the existing Integrated Day Ahead Market (DAM) in Power Exchange **36**

1. Power Exchanges are presently operating Term Ahead Market (TAM), Green-TAM, Integrated Day Ahead Market (including G-DAM), Intra-day market and RTM in electricity segment. The Power Exchanges have provided flexibility to participants by offering diversified products to trade in electricity starting real time market in intra-day, day-ahead and week-ahead contracts. In addition to electricity, exchanges also operate Renewable Energy Certificate (REC) and Energy Saving Certificates (ESCERTs) Markets.
2. In order to address the issue of high price in spot market in Power Exchanges, a Price Cap was introduced by CERC in all the market segments of the Power Exchanges, in April, 2022. Subsequently, CERC has extended the period of the price cap upto 30th Sep, 2022. While this has ensured that the spot prices are within Rs.12/unit, the generators based on high variable cost are unable to participate in this market as the average price in the market is even less than the variable charges on many days.
3. In this background, it is proposed to introduce a **High Price Market segment (HP-DAM) within the existing Integrated-DAM (I-DAM)**, as outlined below:

High Price Day Ahead Market segment (HP-DAM) in the existing I-DAM

A. Eligibility of Sellers:

Sellers with high cost of generation will be allowed to sell in this market. To begin with, the following categories of generators shall be eligible to participate in HP-DAM:

1. Gas based Power Plants using imported RLNG and Naptha
2. Imported Coal based Power Plant using imported coal.
3. Battery Energy Storage Systems (BESS)

The category of plants eligible to participate in HP DAM shall be subject to quarterly review by the Central Commission.

B. Bid Price Range:

There will not be any floor price and forbearance price in HP DAM.

C. Market Design-Integrated HP-DAM:

- a. The segment can be operated in an integrated (parallel) manner.
- b. In the integrated option the HP-DAM will operate similar to Green-DAM market in I-DAM. G-DAM segment has been implemented with the same approach and the market is running efficiently.
- c. The Sellers eligible for HP-DAM will be allowed to place bids in this product. The Buyers will have an option of auto-carry their uncleared bids from DAM to HP-DAM. The Buyers can also separately place bids in the HP-DAM. During auto-carry option, the buyers have a flexibility to specify different prices for the un-cleared quantity in DAM. Market Clearing shall take place in a sequential manner i.e., first DAM will be cleared followed by HP-DAM considering the uncleared bids in DAM, if any.

D. Market Timelines:

- The Bidding will take place between 10 AM & 12:00 PM.
- Power Exchanges will send the provisional file to NLDC at 1:00 PM (combined file after considering provisional volume across all three product segments i.e., G-DAM, DAM, HP-DAM).
- NLDC will provide the transmission capacity by 2:00 PM.
- In case of congestion, the transmission corridor allocation will be first for G-DAM, then DAM, and last for HP-DAM.
- Power Exchanges will send the Final File to NLDC by 3:00 PM (combined file after considering the final cleared volume across all three product segments – G-DAM, DAM, HP-DAM).
- NLDC/ RLDC will publish the Final Schedule by 5:30 PM.
- All the activities viz. bidding, price discovery, allocation of transmission corridor etc. will be completed within the given timeline.
- As all this can be achieved in a single process, allocating available transmission capacity first to the renewable segment and then to the conventional segment in DAM then to HP-DAM, the process can be managed in the existing timelines

E. Other Features:

- a. The price discovery for HP-DAM will be Double-Sided Closed Auction (same as G-DAM, DAM and RTM).
- b. This will enable high cost power plant to be made available during the high demand period. Only such buyers who are in deficit and can afford to pay high price will be able to participate in this segment. The other buyers and consumers will not get affected.
- c. CERC shall take necessary actions for its implementation at the earliest through POSOCO and Power Exchanges.

ANNEXURE P-5Contract Specifications - High Price Day-Ahead Market (HP-DAM)

Sr. No.	Item	Details
1.	Product Definition	96 separate fifteen-minute time blocks throughout the following delivery day (D).
2.	Trading System	HPX trading system
3.	Auction Timings	10:00 AM to 12:00 PM
4.	Minimum Volume	0.1MW (Minimum allowable quantity for buy/ sell in the standing clearance, it should not be less than this quantity)
5.	Minimum Volume Step	0.1 MW
6.	Minimum Quotation Step	Rs. 1 per MWh
7.	Quotation Method	Double sided close bid auction with uniform Market Clearing Price for all buyers and sellers.
8.	Order Wording	Trader's ID, instrument, quantity/price combination
9.	Delivery Point	ISTS Periphery in which the grid-connected entity is located.
10.	Settlement	Daily settlement at ACP x volume traded in MWh (by the Client or Member as the case may be). Final settlement adjusted for any force majeure deviations.
11.	Transmission Charges	a) ISTS: As Per Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Sharing of Inter- State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.

		<p>b) <u>State Transmission System:</u></p> <p>As per the concerned State Electricity Regulatory Commission's Regulations/ CERC (Open access in ISTS) Regulations, 2008, as amended from time to time.</p>
12.	Transmission Losses	<p>Payable in kind as per the (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.</p>
13.	Eligibility	<p><u>Sellers:</u> Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and verification of eligibility to participate in HP- DAM.</p> <p><u>Buyers:</u> All eligible Open Access buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.</p>

ANNEXURE P-6Contract Specifications: High Price Tern-Ahead Market (HP-TAM)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+90 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

		<p>as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange.</p> <p>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.</p>
8.	Bidding process	Sellers and Buyers to submit order for pre specified duration, quantum in MW and price in Rs./MWh. Seller and buyer can bid in national contract and Seller can also submit bid for the contract of that region to which it belongs. Whereas a buyer can buy any National/regional contract. Netting off (square off) of positions will not be allowed.
9.	Matching of Bids	Uniform Price Step Auction Session: Details as per clause No. 5 of chapter 7 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	<p>Base or RTC Contract (DYB): 1 lot = 1 MW * 24 Hours</p> <p>Night Off-peak Contract (DYN): 1 lot = 1 MW * 8 Hours</p> <p>Day Contract (DYD): 1 lot = 1 MW * 11 Hours</p> <p>Day Peak Contract (DYP): 1 lot = 1MW * 5 Hours</p> <p>User defined: 1 Lot = 1 MW*No. of hours/blocks selected</p>
14.	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/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*	Re. 1 per MWh
Price Limits*		
17.	Minimum Order price limit:	Floor Price is the ceiling rate of DAM as notified by the Hon'ble commission from time to time (presently Rs. 12000/MWh)
18.	Maximum Order price limit:	Forbearance price is Rs. 50000/MWh
19.	Quantity Variation	Zero quantity variation allowed.
20.	Settlement	Traded price x Quantity scheduled by RLDC at delivery point.
21.	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.
22.	Additional Margins*	50% of the total trade value will be collected from the member/client. The margins can be in the form of cash or noncash. 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 could be in the form of collaterals (Bank Guarantee or FDR or LC) or bank limit. For advance payment option member shall keep 50% of the total bid value before the trading session in settlement account. 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.
23.	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.
24.	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 Open Access buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.</p>
Trading Cycle*		
25.	12:00 – 17:00	Uniform Price Step Auction Session Timing
	As and when the trade executed	Concerned LDC Clearance and Declaration Form sent to Members.
	After trade executed	Calculation of Additional Margin of the buyer's member

26.	After 15 minutes of the trade executed	Blocking of the Additional Margin from the available cash/non-cash collateral of the buyer's Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
27.	As per the Trading & Settlement Calendar	<p>Concerned LDC Clearance 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 'Advance', 'First Come First Serve' or 'Day-Ahead Bilateral' basis will be sent to Nodal RLDC as the case may be.</p> <p>Acceptance for Scheduling from Nodal RLDC.</p> <p>Receipt of Transmission/ Operating Charges and Application Fees from the members.</p> <p>Payment of Charges to Nodal RLDC.</p> <p>Pay-in: equivalent to one day's obligation collected on D-1 basis, where D=Delivery day.</p> <p>Pay-out: Equivalent to one day's obligation credited on D+1 basis, till the contract delivery ends</p>
Delivery Procedure*		
28.	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.
29.	Delivery period	Delivery for each time block
30.	Delivery point	The delivery point shall be at Seller's ISTS Periphery as per Procedure for Scheduling of Bilateral Transaction and Central Electricity Regulatory Commission (Sharing of Inter- State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.

31.	SLDC Clearance	After trading on the exchange, in case of buyer/seller is connected to State transmission or distribution system, the buyer and seller will have to take a concurrence of their respective SLDCs. This concurrence has to be submitted to the exchange as per the timelines specified in the trading and settlement calendar. 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.
32.	Application for Scheduling	Application for Scheduling will be submitted to Nodal RLDC 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. 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.
33.	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, on FCFS basis as per the “Procedure for scheduling of bilateral transactions”.
34.	Application fees, Operating and Transmission Charges and Losses	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.
35.	Alternate route	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.
36.	Force majeure	In case of force majeure the Exchange will settle the contract as per final schedule issued by RLDCs.
37.	Fines & penalties*	As decided by the Exchange from time to time and informed through circular, with prior approval of the Hon'ble Commission
Settlement Procedure*		
38.	Payment of Application fees, Transmission & Operating Charges by Members	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.
39.	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.
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 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 after taking approval of the Hon'ble Commission

National/Regional High Price Weekly Contracts

Sr. No.	Item	Details
1.	Contract Name*	National/ Regional High Price 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+12 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 Friday 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 bid pre-specified duration, quantum (MW) and price in Rs/MWh for each 15-minute time block or combination thereof as the case may be. Seller and buyer will submit bid in the national contract and also Seller can submit bid for the contract of that region to which he belongs. Whereas a buyer can buy 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 clause no. 5 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 = 1MW*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 User defined: 1 Lot = 0.1 MW* No. of hours/Blocks
14.	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/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
Price Limits		
17.	Minimum Order price limit:	Floor Price is the ceiling rate as notified by the Hon'ble commission from time to time (presently Rs. 12000/MWh)
18.	Maximum Order price limit:	Forbearance price is Rs. 50000/MWh, or as determined by the Hon'ble Commission
19.	Quantity Variation	Zero quantity variation allowed.
20.	Settlement	Traded price x Quantity scheduled by RLDC at delivery point.
21.	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.

22. Additional Margins *		<p>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.</p> <p>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.</p> <p>Exchange can impose any ad hoc additional margin, which the Exchange can apply any time during the life of the contract.</p>
23. Transaction Fees*		<p>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.</p>
24. Eligibility		<p>Sellers: Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum</p>

		<p>quantum and verification of eligibility to participate in HP- TAM.</p> <p>Buyers: All eligible Open Access buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.</p>
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Trading Cycle*

Sr. No.	Time	Details
25.	12:00 – 17:00	Auction Trade Session
	17:00	Publish results.
	17.30	SLDC clearance and Declaration form sent to Members through FTP.
26.	17:30	Blocking of the Additional Margin from the available cash/non-cash collateral of the Buyer Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
27.	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 ‘Advance’, ‘First-Come-First-Serve’ or ‘Day-Ahead Bilateral’ basis will be sent to Nodal RLDC or as case may be
		Acceptance for Scheduling from Nodal RLDC.
		Receipt of Transmission/Operating Charges and Application Fees from the members.
		Payment of Charges to Nodal RLDC.
		Pay-in: equivalent to one day’s obligation collected on D-1 basis, till the contract delivery ends

		Pay-out: Equivalent to one day's obligation credited on D+1 basis, till the contract delivery ends
<p>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>		

D = Delivery Day

Delivery Procedure

Sr. No.	Item	Details
28.	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.
29.	Delivery period	Delivery for each time block.
30.	Delivery point	The delivery point shall be at Seller's ISTS Periphery as per Procedure for Scheduling of Bilateral Transaction and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
31.	Application for Scheduling	Application for Scheduling will be submitted to nodal RLDC 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. 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.
32.	SLDC Clearance	After trading on the exchange, in case of buyer/seller is connected to State transmission or distribution system, the buyer/seller will have to take a concurrence of their respective SLDCs. This concurrence has to be submitted to the exchange as per the date and time specified in the trading and settlement calendar. 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.
33.	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, on the first available date after trading, as per the “Procedure for scheduling of bilateral transactions”.
34.	Application fees, Operating and Transmission Charges and Losses	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.
35.	Alternate route	Unless preference is specified by the buyer, he will be deemed to have consented for all possible transmission

		corridors from seller's injection point till drawl point.
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.
37.	Fines and penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

Sr. No.	Item	Details
38.	Payment of Application Fees by Members	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.
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.
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 after taking approval of the Hon'ble Commission.

National/Regional High Price Monthly Contracts

Sr. No.	Item	Details
1.	Contract Name*	National/ Regional High Price Monthly 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 Monthly Contract	The Monthly contracts will be available for calendar Months from TM+1 Month to maximum up to TM+3 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*	<p>On each trading day, Uniform Price Step Auction trading session will be made available to the members for bidding session as follows:</p> <p>For the first month (M1) contract – ten days prior to the close of zero month (M0);</p> <p>For the second month (M2) contract – five days prior to the close of zero month (M0);</p> <p>For the third month (M3) contract – last day of zero month (M0).</p>

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 pre-specified duration, quantum in MW and price in Rs/MWh for each 15-minute time block or combination thereof as the case maybe. Seller and buyer will submit bid in the national contract and also Seller can submit bid for the contract of that region to which he belongs. Whereas a buyer can buy any regional contract. Netting off (square off) of positions will not be allowed.
9.	Matching Of Bids	Uniform Price Step Auction: Details as per clause no. 5 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*	0.1MW
13.	Lot Size	Base or RTC Contract (DYB): 1 lot = 1MW*24*days in the month

		Hours Night Off-peak Contract (DYN): 1 lot = 1MW*8* days in the month Hours Day Contract (DYD): 1 lot = 1 MW *11* days in the month Hours Day Peak Contract (DYP): 1 lot = 1 MW*5* days in the month Hours User defined: 1 Lot = 1 MW x No. of hours in the month/ Blocks
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
Price Limits		
17.	Minimum Order Price Limit:	Floor Price is the ceiling rate as notified by the Hon'ble commission from time to time (presently Rs. 12000/MWh)
18.	Maximum Order Price Limit:	Forbearance price is Rs. 50000/MWh, or as determined by the Hon'ble Commission
19.	Quantity Variation	Zero quantity variation allowed
20.	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
21.	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.
22.	Additional Margins*	<p>After the trade and prior to submitting Application before the concerned Load Dispatch Center for scheduling, Additional Margin equivalent to the 20% of the Trade Value or as may be specified by the Exchange based on risk assessment 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. This additional margin will be applied at client level.</p> <p>Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.</p>
23.	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.	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 Open Access buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.</p>

Trading Cycle*

Sr. No.	Time	Details
25.	12:00 – 17:00	Auction Trade Session
	17:00	Publication of results
	17:30	Concerned LDC clearance and Declaration form sent to Members through FTP
26.	17:30	Blocking of the Additional Margin from the available cash/non-cash collateral of the Buyer Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
27.	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 'Advance', 'First-Come- First-Serve' or 'Day-Ahead Bilateral' basis will be sent to Nodal RLDC or as case may be.

		Acceptance for Scheduling from Nodal RLDC.
		Receipt of Transmission/Operating Charges and Application Fees from the members.
		Payment of Charges to Nodal RLDC.
		Pay-in: equivalent to one day's obligation collected on D-1 basis, till the contract delivery ends;
		Pay-out: Equivalent to one day's obligation credited on D+1 basis, till the contract delivery ends

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

Delivery Procedure

Sr. No.	Item	Details
28.	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.
29.	Delivery period	Delivery for each time block.
30.	Delivery point	The delivery point shall be at Seller's ISTS Periphery as may be specified by requisitioner.
31.	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 "Procedure for Scheduling of bilateral transactions" 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.
32.	SLDC Clearance	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. 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.
33.	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, on the first available date after trading, as per the “Procedure for scheduling of bilateral transactions”.
34.	Application fees, Operating and Transmission Charges and Losses	Seller will bear the Transmission, Scheduling & Operating charges and Transmission Losses (in kind), as applicable, up to the delivery point and Buyer shall bear all the 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.
35.	Alternate route	The buyer shall be deemed to have consented for all possible transmission corridors from seller’s injection point till drawl point.
36.	Force majeure	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.
37.	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

Sr. No.	Item	Details
38.	Payment of Application Fees by Members	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.
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 after taking approval of the Hon'ble Commission.

National/Regional Any-Day (s) Contracts

Sr. No.	Item	Details
1.	Contract Name*	Any-Day(s) Single Sided High Price 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 Any-Day Single Sided Contract	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 upto T+90 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 up to 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	<u>Reverse Auction:</u> 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
13.	Lot size	1 MW x 15 minutes or combination thereof.
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 Centre. It will be the responsibility of the Member or the Client 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
Price Limits		
17.	Minimum Order price limit:	Floor Price is the ceiling rate as notified by the Hon'ble commission from time to time (presently Rs. 12000/MWh)

18.	Maximum Order price limit:	Forbearance price is Rs. 50000/MWh, or as determined by the Hon'ble Commission
19.	Quantity Variation	Zero quantity variation allowed
20.	Settlement	Traded price * Quantity scheduled by Load Dispatch Centre (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.
21.	Initial Margins (Operational Limit)*	<p>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.</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>

22.	Additional Margins*	<p>On acceptance of the trade and prior to submitting 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 as may be 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.</p> <p>Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract</p>
23.	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.

Trading Cycle*

Sr. No.	Time	Details
24.	As per the Trading & Settlement Calendar	<p>Concerned LDC Clearance¹ from Members and fulfilment of additional margin requirement call, if any.</p> <p>On completion of formality and receipt of adequate additional margin, application on 'Advance', 'First-Come-First-Serve' or 'Day-Ahead Bilateral' basis will be sent to Nodal RLDC or as the case may be.</p> <p>Acceptance for Scheduling from Nodal RLDC.</p>

		Receipt of Transmission/Operating Charges and Application Fees from the members.
		Payment of Charges to Nodal RLDC.
		Pay-in ; equivalent to one day's obligation collected on D-1 basis , till the contract delivery ends
		Pay-out; Equivalent to one day's obligation credited on D+1 basis, till the contract delivery ends
<p>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>		

D = Delivery Day

Delivery Procedure

Sr. No.	Item	Details
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 as may be specified by the Exchange
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 "Procedure for Scheduling of bilateral transactions" 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	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. 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
30.	Delivery Process	Application for Scheduling, as specified in the trading and settlement calendar, shall be sent to the Nodal RLDC, on the first available date after trading, as per the “Procedure for scheduling of bilateral transactions”.
31.	Application fees, Operating and Transmission Charges and Losses	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.

32.	Alternate route	The buyer shall be deemed to have consented for all possible transmission corridors from seller's injection point till drawl point.
33.	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.
34.	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.
35.	E-bidding	In the event, LDC conducts e-bidding process for allocation of transmission corridor in case of congestion, 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.
36.	Force majeure	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.
37.	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

Sr. No.	Item	Details
38.	Payment of Application Fees by Members	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.
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 after taking approval of the Hon'ble Commission

ANNEXURE P-7Contract Specification - National/Regional HP Contingency Contracts

Sr. No.	Item	Details
1.	Contract Name*	National/Region wise High Price Contingency 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)
3.	Contract Type	Delivery Option - Firm Delivery
4.	Contract available for Trading	15 minute time blocks contracts as per the trading and settlement calendar to be notified by the Exchange from time to time.
5.	Trading day*	Same day or a day before delivery day or as per trading and settlement calendar declared in advance.
6.	Trading Session*	One continuous trading session will be made available to the members for bidding.
7.	Bidding process	Seller and buyer can bid in national contract and also, Seller can submit bid for the contract of that region to which he belongs. Whereas a buyer can buy any National/regional contract. Netting off (square off) of positions will not be allowed.

8.	Matching of Bids	Continuous trade session. Details in clause 2. (A) of chapter 7 of Business Rules. Each trade will be sent for scheduling, on trade-to-trade basis.
9.	Trading Hours	Continuous trade session as per trading and settlement calendar to be notified by the Exchange from time to time
10	Minimum Volume quotation*	1 MW
11	Minimum Volume Step*	0.1MW
12	Lot size	1 MW x 15 minutes
13	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/Clearance issued by its SLDC to the Members / Clients at any time. It will be the responsibility of the Member to adhere to this rule.
14	Price Quote Basis	Rs. per MWh (excluding all fees, charges, taxes, if applicable)
15	Price Tick*	Re. 1 per MWh
Price Limits		
16	Minimum Order price limit:	Floor Price is the ceiling rate as notified by the Hon'ble commission from time to time (presently Rs. 12000/MWh)
17	Maximum Order price limit:	Forbearance price is Rs. 50000/MWh, or as determined by the Hon'ble Commission
18	Volume Tick size	1 MWh
19	Quantity Variation	Zero quantity variation allowed.

20	Settlement	Traded price x Quantity scheduled by RLDC at delivery point.
21	Initial Margins (Operational Limit) *	105% margin from buyers of the total order value should be available in cash with the exchange at the time of bidding for continuous trading sessions.
22	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal RLDC at delivery point as specified by the exchange from time to time.
23	Eligibility	<p>Sellers: Valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and verification of eligibility to participate in HP- Contingency.</p> <p>Buyers: All eligible Open Access buyers with valid NOC/Standing clearance specifying maximum quantum issued by Load dispatch Centre.</p>

Trading Cycle

Sr. No.	Details	Time (Hrs)
24	Continuous Trade Session (Daily)	As specified in TAM Trading and Settlement Calendar
25	SLDC Clearance and Declaration Form sent to Members	As specified in TAM Trading and Settlement Calendar
26	Submission of SLDC Clearance to the Exchange by the Member	As specified in TAM Trading and Settlement Calendar

27	Submission of Application to Nodal RLDC ⁽¹⁾	As per Procedure for scheduling of Bilateral transactions
28	Approval from nodal RLDC	As per the procedure for bilateral transactions.
	Pay in/ adjustment on T/T+1 basis where T is the trading day	Post receipt of nodal RLDC approval
	Payout on T+1/T+2 basis where T is the trading day	By 1200 hrs
29	Payment of charges to Nodal RLDC	As per Procedure for Scheduling of Bilateral Transaction
<p>⁽¹⁾Application for Scheduling will be sent only when the Exchange receives the SLDC Clearances from buyer and seller. In case, the SLDC approval is not received from SLDCs of buyer/ seller as specified in Trading and Settlement Calendar, then it will be considered as default by buyer/seller.</p>		

Delivery Procedure

Sr. No.	Item	Details
30.	Delivery	Delivery shall commence 3 hours after expiry of the contract. Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time during the contract period shall be allowed to be revised. The quantity shall be deliverable as per the schedule issued by the respective RLDC.
31.	Delivery period	Delivery for each time block.

32.	Delivery point	The delivery point shall be at Seller's ISTS Periphery as per Procedure for Scheduling of Bilateral Transaction and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
33.	Application for Scheduling	Application for Scheduling will be Submitted to Nodal RLDC on Contingency basis as per the "Procedure for Scheduling of bilateral transactions"
34.	SLDC Clearance	The buyer and seller will have to take concurrence from their respective SLDC for scheduling of Power. This concurrence has to be submitted as per the timelines specified in the Trading and Settlement Calendar. NOC / Prior Standing Clearance issued by the SLDC in format PX-I as per CERC (Interstate Open Access) Regulations, are also valid for these transactions.
35.	Application fees, Operating and Transmission Charges and Losses	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 Regional Periphery.
36.	Alternate route	Not Applicable
37.	Force majeure	In case of force majeure, the Exchange will settle the contract as per final schedule issued by RLDCs.
38.	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure

Sr. No.	Item	Details
39.	Payment of Application fees, Transmission & Operating Charges by Members	Application fees, 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 receipt of acceptance from the nodal RLDC.
	Funds pay in by Members	Exchange will debit/adjust the funds pay-in on the same day/next day of trade from buyer's member's /clients, as applicable. Excess margins, if any due to partial concurrence received will be refunded back to the member on the settlement day.
	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on T+1/T+2 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 after taking approval of the Hon'ble Commission

VAKALATNAMA

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION, NEW
DELHI

Petition No. ___/RC/2023

IN THE MATTER OF:

M/s. Hindustan Power Exchange Ltd.
(formerly known as Pranurja Solutions Ltd)

...PETITIONER

I, Akhilesh Awasthy, Authorised Signatory of the Petitioner Company in the above Petition do hereby appoint and retain Vishal Binod, Advocate, to appear, plead and act for me/us in the above Petition and to conduct and prosecute all proceedings that may be taken in respect thereof and applications for return of documents, enter into compromise and to draw any moneys payable to me/us in the said proceeding.



f M/s. Hindustan Power Exchange Ltd.

Place: Noida

Date: 30.01.2023

"Accepted"

Vishal Binod
D/14481/2014
Vishal Binod

Advocate for the Petitioner
D-106, Sector 26, Noida
Uttar Pradesh – 201 301
+91-9555 977 977

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF HINDUSTAN POWER EXCHANGE LIMITED (FORMERLY KNOWN AS PRANURJA SOLUTIONS LIMITED) IN ITS MEETING HELD ON 28.07.2022

TO AUTHORIZE COO OF THE COMPANY TO REPRESENT THE COMPANY BEFORE CENTRAL ELECTRICITY REGULATORY COMMISSION (CERC), APPELLATE TRIBUNAL FOR ELECTRICITY (APTEL) AND ANY OTHER JUDICIAL/STATUTORY AUTHORITIES INCLUDING LEGAL SERVICES W.R.T. THE COMPANY AND RELATED MATTERS

“RESOLVED THAT in supersession to the earlier resolution dated 18th October 2019, the approval of the Board be and is hereby granted to any Director of the Company & COO to severally sign all papers, applications, affidavits and all other relevant documents on behalf of the Company and to represent the Company before Central Electricity Regulatory Commission (CERC), Appellate Tribunal for Electricity (APTEL) and any other judicial/statutory authorities including legal services w.r.t. the Company and matters incidental thereto as may be considered necessary and expedient.”

“RESOLVED FURTHER THAT the act of COO to sign the affidavit on behalf of the Company to CERC be and is hereby ratified by the Board.”

“RESOLVED FURTHER THAT the COO be and hereby authorized to nominate an employee of the Company to act as Nodal Officer for submission/filing of documents with CERC.”

“RESOLVED FURTHER THAT any Director & COO of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the said resolution.”

CERTIFIED TRUE COPY

For Hindustan Power Exchange Limited

Amit Chaturvedi
Company Secretary

Hindustan Power Exchange Limited

(Formerly known as Pranurja Solutions Ltd)

Regd. Office: 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai - 400001

Corporate Office: World Trade Tower, 8th Floor, Sector-16, Noida, UP- 201301

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CIN: U74999MH2018PLC308448

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESOLVED FURTHER THAT any Director, Company Secretary and AVP-HR of the Company be and is hereby severally authorized by the Board to do all acts, deeds, matters and things as required in this connection.”

CERTIFIED TRUE COPY
For Hindustan Power Exchange Limited
(Formerly known as Pranurja Solutions Limited)

Sd/-

Rishi Vashisth
Company Secretary

Note: Above table contains confidential information, hence it has been blurred.

Hindustan Power Exchange Limited
(Formerly known as Pranurja Solutions Ltd)

Regd. Office: 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai - 400001
Corporate Office: World Trade Tower, 8th Floor, Sector-16, Noida, UP- 201301

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