

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 17/SM/2022

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

Date of Order: 28th December, 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 06.05.2022 in Petition No. 05/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, from the date of issue of the Order till 30th June 2022, to redesign their software in such a way that members can quote their 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 applicability of the said directions was extended from 1st July 2022 to 30th September 2022 vide Order dated 30.06.2022 in Petition No. 09/SM/2022 (Suo Motu), and further extended from 1st October 2022 to 31st December 2022 vide Order dated 29.09.2022 in Petition No. 13/SM/2022 (Suo Motu).

2. The Commission has been regularly monitoring the situation in the power market, and other domestic and global developments having impact on the demand and supply of electricity. In the latest review, based on the data provided by the Power Exchanges, Grid Controller of India and as available on the website of CEA, the following key points have emerged:

- a) In DAM on IEX, the MCP of Rs.12/kWh was discovered from 1800 hrs to 2000 hrs in October and November. In December (till 26 December 2022), the MCP of Rs.12/kWh has been observed from 1630 hrs to 1945 hrs, along with the morning

peak from 0700 hrs to 0945 hrs. These peaks are anticipated to become steeper as cold wave conditions prevail in the Northern & North Western parts of India.

- b) During the period from October-December (till 26 December 2022), the percentage time MCP touched the ceiling price (i.e. Rs.12/kWh) in DAM on IEX has reduced as compared to the previous months. However, a steep increase has been observed in the last few days of December. The MCP of Rs.12/kWh was observed in 23 blocks on 26-12-2022. Similar trend has also been observed in the RTM on IEX.
 - c) Based on the analysis of month-wise data for the past few years, it is observed that both energy requirement and peak demand remained higher in 2022-23 and the trend is likely to continue in the coming months mainly due to lighting and heating load and increase in industrial activity.
 - d) The peak demand has been fluctuating and reached 187 GW in October and November 2022. However, it increased in December and touched 200 GW on 23.12.2022. Moreover, as per the “Report on Twentieth Electric Power Survey of India” published by CEA in November 2022, the all-India peak electricity demand for the year 2023-24 is projected to be around 230 GW.
 - e) Domestic coal stock level from Oct’22 to Dec’22 remained well positioned as compared to the last year’s period from Oct’21 to Dec’21. However, generation from hydro and wind has come down from October onwards, which is likely to exert pressure on existing thermal stocks to meet the energy requirements.
3. Regulation 51 of the 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.....”

4. In exercise of the aforesaid powers under Regulation 51(1) of the PMR 2021 and keeping in view of the developments discussed in paragraphs 2 and 3 above, the Commission, with a view to protect consumer interests, has decided to extend the applicability of the directions in its Order dated 06.05.2022 in Petition No. 05/SM/2022 (Suo Motu) until further

Orders. Accordingly, in continuance of the earlier Order, the Commission hereby directs all the operational Power Exchanges that they shall continue to operate their software, until further Orders, 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.

5. The Petition No. 17/SM/2022 is disposed of in terms of the above direction.

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I. S. Jha)
Member