



उत्तराखण्ड पावर कारपोरेशन लि०

(उत्तराखण्ड सरकार का उपक्रम)

Uttarakhand Power Corporation Ltd.

(A. Govt. of Uttarakhand Undertaking)

IN : U40109UR2001SGC025867

Email ID: cgmupcl@yahoo.com, Website: www.upcl.org

No. 1201/Dir(Pro.)/UPCL/Petition


Date: 23/06/2025

BEFORE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF: Application Seeking Removal of Certain Difficulties/Relaxation in Implementation of Tariff Order Dated 11-04-2025 Passed by The Hon'ble Commission in Exercise of Its Power Under Section 64(1) Read with Section 61 And 62 Of The Electricity Act, 2003, With Respect to Power Procurement, Read with UERC (Terms and Conditions for Determination Of Multi Year Tariff) Regulations, 2024.

IN THE MATTER OF: Uttarakhand Power Corporation Ltd.

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(Ajay Kumar Agarwal)
Director (Project)



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And

In the matter of: Uttarakhand Power Corporation Limited.

.....Petitioner

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MOST RESPECTFULLY SHOWETH:

1. Specific Legal Provision under which Petition is being filed:

- a) Section (59) of the UERC (Conduct of Business) Regulations, 2014 stipulates as under:

"Inherent power of the Commission

(1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.

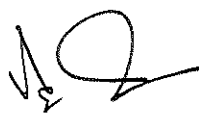
(2) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Central Act or State Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing deems it necessary or expedient for dealing with such a matter or class of matters.

(3) Nothing in these Regulations shall, expressly or impliedly bar the Commission to deal with any matter or exercise any power under the Central Act or State Act, for which no Regulations have been framed, and the Commission may deal with such matters or exercise such powers and functions in a manner it thinks fit."

- b) Regulation 103 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 stipulates as under:

"Savings

- (1) Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice.*
- (2) Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters.*



(3) *Nothing in these Regulations shall, expressly or implied, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner, as it considers just and appropriate."*

- c) Regulation 104 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 stipulates as under:

" Powers to Remove Difficulties

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order give directions, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing difficulties."

- d) The accompanying Petition is being filed under the above provisions of Law.

2. Jurisdiction

That the Petitioner Uttarakhand Power Corporation Ltd. (UPCL) is the sole distribution licensee under Section 14 of The Electricity Act, 2003 in the State of Uttarakhand, having its registered office at Dehradun. Hence the present Petition is within the jurisdiction of the Hon'ble Commission.

3. Limitation:

The present petition is for seeking relaxation in implementation of the tariff order issued by Hon'ble Commission on 11-04-2025 read with provisions of the UERC (terms and conditions for determination of multi-year tariff) Regulations, 2024 for which no limitation of time is specified in the Regulations.

4. The Factual Matrix of the Case:

- a) The Hon'ble Commission vide notification dated 17th September 2024 has issued Uttarakhand Electricity Regulatory Commission (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 in short, UERC Tariff Regulations, 2024.
- b) Further, the Petitioner on December 26, 2024 had filed a Petition No. 4 of 2025 and 5 of 2025 before the Hon'ble Commission as per the provisions of UERC (Terms and Conditions for Determination of Tariff) Regulations, 2024 for approval of Business Plan, Annual Revenue Requirement (ARR) and Retail supply Tariff for FY 2025-26.

The Hon'ble Commission directed the Petitioner to provide various explanations and additional information in the matter which were duly provided to the Hon'ble Commission. Subsequently, the Hon'ble Commission issued the Tariff Order on 11-04-2025.

c) The Hon'ble Commission vide its said order has also approved power procurement plan at section 3.6 of chapter 3 along with power procurement cost at section 5.5 of chapter 5 for the FY 2025-26. Further, the Hon'ble Commission has issued some directives/provision for the optimization of power procurement in the Tariff order dated 11.04.2025.

d) The Hon'ble Commission in the clause 3.6.16 (Deficit/(Surplus) Energy) of the Tariff order dated 11.04.2025 issued direction to the Petitioner as follows:

".....The Commission has, therefore, restricted the purchase of power from short term sources to 5% of the total energy availability at State Periphery, in line with the provisions of the MYT Regulations, and considered the procurement of balance deficit power through Medium/Long term sources....."

e) Further, the Hon'ble Commission in the clause 5.5 (Power Purchase Cost) of the Tariff order dated 11.04.2025 issued direction to the Petitioner as follows:

"....."

The Commission, further, directs the Petitioner to seek prior approval of the Commission, in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for the respective quarter worked out on pro-rata basis from the total approved quantum and cost for FY 2025-26 as indicated in the Table below, failing which, the Commission may disallow power purchases so made while Truing up the ARR for FY 2025-26."

f) Also, the sub-regulation (2) of the Regulation 75 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 states that,

"2. Where there has been a shortfall or failure in the supply of electricity from any approved source of supply during the financial year, the Distribution Licensee may enter into additional short-term arrangement or agreement for procurement of power (short-term means upto period of one year):

Provided that if the total power purchase cost or quantum for any block of six months including such short-term power procurement exceeds 105% of the power purchase cost or quantum as approved by the Commission for the respective block of six months, the Distribution Licensee shall have to obtain prior approval of the Commission."

- g) In view of the directions of the Hon'ble Commission to lower the dependence on short term procurement and to meet the demand of the State from medium/long term agreements, the petitioner has already floated a tender of 500 MW in medium term for the period of FY'2025-26 to FY'2028-29 and further from FY'2029-30 a long term tender has been floated for 1320 MW (Installed Capacity) which are under process and expected to be finalized in FY'2025-26.
- h) The stringent directions mentioned (reg. 5% capping on quantum and cost) above may result into complication in balancing demand-supply position of electricity in the state. Therefore, this Petition seeking relaxation in Tariff Order dated 11.04.2025 is filed before the Hon'ble Commission.
- i) The Petitioner submits that the above-mentioned directives in Tariff Order dated 11.04.2025 has led to difficulty in compliance with Rule (10) of the Electricity (Rights of Consumers) Rules, 2020 i.e. the distribution licensee shall supply 24x7 power to all consumers. The relevant para of the same is reproduced below for kind reference:

"10. Reliability of supply

(1) The distribution licensee shall supply 24x7 power to all consumers. However, the Commission may specify lower hours of supply for some categories of consumers like agriculture.

....."

The difficulties faced by the Petitioner are elaborated in the paras below:

- i. The Petitioner for the firm power has around 50% tied up capacity with the Hydro Power, and around 20 % tied-up capacity with Renewables i.e. majorly solar. These sources are variable in terms of output as they depend upon the availability of water, hydrology, solar radiation etc. It is also to apprise that with increasing DRE in the state, the demand of the state has taken very dynamic shape w.r.t deviations. For instance, a 100 MW of DRE installation may impact the demand in the range of 20 MW to 80 MW approximately with the change of cloud cover from 0 % to 100%. The variable nature of these firm sources has led to the variation in the actual energy available from various generators when compared to approve energy availability in

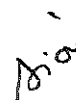


the tariff order and so, the requirement of additional Power Purchase in such a scenario is very critical when the Quantum of Power from such sources is not adequate to meet the Demand. The source wise variation observed in FY 2024-25 is as below:

| Generating Stations | Estimated in TO FY 2024-25 | Actual for FY 2024-25 | Variation (Actual -Estimated) |
|------------------------|-------------------------------|--------------------------|----------------------------------|
| | MU | MU | MU |
| UJVN Ltd. | | | |
| UJVN Ltd. (9 LHPs) | 2888.09 | 2914.4 | 26.27 |
| Maneri Bhali II | 1279.89 | 1277.0 | -2.89 |
| Small Hydro | 170.4 | 225.2 | 54.75 |
| Total UJVN Ltd. | 4338.38 | 4416.5 | 78.13 |
| NHPC | | | |
| Salal | 38.69 | 36.7 | -2.02 |
| Tanakpur | 18.74 | 11.3 | -7.44 |
| Chamera I | 63.85 | 68.8 | 4.91 |
| Chamera II | 34.38 | 24.5 | -9.89 |
| Chamera III | 58.13 | 54.3 | -3.82 |
| Uri | 94.42 | 62.3 | -32.14 |
| Dhauliganga | 74.88 | 57.7 | -17.14 |
| Dulhasti | 132.98 | 122.5 | -10.53 |
| Sewa II | 31.11 | 21.8 | -9.32 |
| Uri II | 65.77 | 64.8 | -0.98 |
| Parbati III | 30.81 | 29.1 | -1.69 |
| Kishanganga | 33.88 | 20.1 | -13.74 |
| Free Power-Tanakpur | 57.8 | 43.3 | -14.52 |
| Free Power-Dhauliganga | 138.07 | 127.2 | -10.89 |
| Total NHPC | 873.51 | 744.3 | -129.21 |
| THDC | | | |
| Tehri HEP | 131.1 | 121.5 | -9.64 |
| Free Power-Tehri HEP | 369.44 | 386.3 | 16.82 |

| Generating Stations | Estimated in TO FY 2024-25 | Actual for FY 2024-25 | Variation (Actual -Estimated) |
|-----------------------------|-------------------------------|--------------------------|----------------------------------|
| | MU | MU | MU |
| Koteshwar HEP | 84.3 | 79.0 | -5.34 |
| Free Power-Koteshwar HEP | 139.95 | 139.7 | -0.21 |
| Total THDC | 724.79 | 726.4 | 1.62 |
| NTPC | | | |
| Singrauli STPS | 713.63 | 746.4 | 32.80 |
| Rihand I | 299.39 | 296.6 | -2.76 |
| Rihand II | 272.62 | 294.6 | 21.98 |
| Rihand III | 313.13 | 318.2 | 5.10 |
| Unchahar I | 178.29 | 99.6 | -78.65 |
| Unchahar II | 84.7 | 54.2 | -30.51 |
| Unchahar III | 68.59 | 39.1 | -29.44 |
| Anta CCPP | 11.42 | 1.8 | -9.60 |
| Auraiya CCPP | 25.23 | 3.1 | -22.10 |
| Dadri CCPP | 45.29 | 12.5 | -32.83 |
| Dadri (NCTPP) | 40.53 | 11.6 | -28.90 |
| Jhajjar | 86.1 | 40.4 | -45.75 |
| Kahalgaon TPS | 264.3 | 163.2 | -101.09 |
| Koldam | 200.97 | 212.5 | 11.49 |
| Unchahar IV | 161.98 | 111.5 | -50.51 |
| Tanda II | 228.32 | 184.6 | -43.70 |
| Bonagaon | 0 | 17.8 | 17.79 |
| Singrauli SHEP | 0 | 0.4 | 0.38 |
| Telangana STPS-1 | 0 | 627.5 | 627.54 |
| Others NTPC | 0 | 118.6 | 118.58 |
| Total NTPC | 2994.49 | 3354.3 | 359.82 |
| NPCIL | | | |
| Narora APP | 156.02 | 180.1 | 24.08 |
| Rajasthan APP | 285.23 | 182.5 | -102.68 |

| Generating Stations | Estimated in TO FY 2024-25 | Actual for FY 2024-25 | Variation (Actual -Estimated) |
|-------------------------------------|-------------------------------|--------------------------|----------------------------------|
| | MU | MU | MU |
| Total NPCIL | 441.25 | 362.6 | -78.60 |
| SJVNL | | | |
| Nathpa Jhakri HEP | 101.93 | 68.8 | -33.10 |
| Rampur HPS | 220.06 | 219.2 | -0.90 |
| Total SJVNL | 321.99 | 288.0 | -34.00 |
| Renewables | 1203.54 | 1094.6 | -108.92 |
| Free Power-Vishnu Prayag | 202.51 | 187.5 | -15.01 |
| Sasan UMPP | 713.25 | 700.1 | -13.11 |
| Gamma Infra | 456.94 | 213.5 | -243.40 |
| Shravanthi Energy | 913.89 | 314.4 | -599.47 |
| Total Gas | 1,370.83 | 528.0 | -842.87 |
| Meja Power Plant | 288.1 | 255.4 | -32.70 |
| Greenko Budhil Hydro | 225.68 | 220.1 | -5.58 |
| GVK Srinagar | 134.16 | 159.7 | 25.56 |
| Vyasi | 353 | 300.7 | -52.33 |
| L&T Free Power | 56.11 | 56.2 | 0.09 |
| Rajwakti and Debal | 4 | 34.4 | 30.37 |
| SJVN Mauri | 31.82 | 0.0 | -31.82 |
| SECI_Solar (100 MW)_Vanila | 142.96 | 221.6 | 78.64 |
| SECI_Solar (100 MW)_RTC | 672.77 | 386.1 | -286.64 |
| Khurja Super thermal power plant | 308.39 | 31.7 | -276.71 |
| SJVN Ltd_Solar (200 MW) | 285.93 | 0.0 | -285.93 |
| Total Firm Sources | 15,687.46 | 14,068.27 | -1619.19 |

From the table above it can be seen that total variation of 1619.19 Mus (10.32%) has occurred in energy availability from firm sources when compared with forecasted energy in Tariff order for FY 2024-25. Further, the Central Sector plants also show an availability deviation of 5% to 12 % on an annual basis. The utility has no other option but to rely on short term power to handle this type of availability variation situations, uncontrollable in nature.

- ii. It has been observed that energy generation from State-owned hydro plants which is major contributor in meeting the energy demand has monthly variation in energy availability throughout the year, which requires additional arrangement to meet immediate demand from short term power arrangement avenues. The variation observed in FY 2024-25 is as follows:

| Month | Forecasted Energy As per UJVNL in MU | Actual Energy in MU | Deviation (%) |
|-------------------|--------------------------------------|---------------------|---------------|
| Apr-24 | 361 | 266.75 | -26.1% |
| May-24 | 484 | 468.32 | -3.2% |
| Jun-24 | 567 | 523.86 | -7.6% |
| Jul-24 | 649 | 554.46 | -14.6% |
| Aug-24 | 693 | 644.69 | -7.0% |
| Sep-24 | 650 | 648.67 | -0.2% |
| Oct-24 | 493 | 379.22 | -23.1% |
| Nov-24 | 282 | 236.02 | -16.3% |
| Dec-24 | 261.5 | 276.94 | 5.9% |
| Jan-25 | 250.5 | 223.5 | -10.8% |
| Feb-25 | 248.5 | 233.58 | -6.0% |
| Mar-25 | 289.5 | 261.18 | -9.8% |
| Total (I/C Vyasi) | 5229 | 4717.19 | -26.1% |

Form the table above it can be seen that energy availability from UJVNL varies significantly throughout the year depending on water availability and associated hydrology. In FY 2024-25 monthly deviations varies from 0.2% to 26.1% and annual deviation is 9.79% (511.81 Mus) against forecast of energy by UJVNL. This deviation can only be met with short term sources.

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- iii. Gama (107 MW) and Shrivanti Gas plants (214 MW) have long term agreement for power supply with UPCL. In view of their high variable charges, Petitioner often consider the availability of cheaper power in open market (Short Term) following the provision of the sub-regulation (3) of the Regulation 75 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024. The same is reproduced as below:

"Where the Distribution Licensee has identified a new short-term source of supply from which power can be procured at a tariff that reduces its approved total power procurement cost, the Distribution Licensee may enter into a short-term power procurement agreement or arrangement with such supplier without the prior approval of the Commission."

The replacement of gas power with cheaper sources also comes under the purview of approved short-term quantum by the Hon'ble Commission in the Tariff Order Dated 11.04.2025.

- iv. The Petitioner also submits that the Hon'ble Commission in its Tariff order estimates the total energy available from the firm sources considering upcoming plants however; it has been observed that there is variation in expected CoD and actual CoD. This also leads to power procurement from additional short-term sources.
- v. The weather forecast issued by India Meteorological Department (IMD) has variations which can only be met by additional arrangement (short term). The Petitioner like to highlight that IMD on 31st March 2025 issued the forecast for period of April 2025 to June 2025 as above normal heatwave days are expected in the period of April, May and June 2025 however, in actual zero above normal heatwave days are observed till May 2025. The demand estimated based on the IMD forecast would have led to additional burden of power purchase cost if procured from long- or medium-term sources. This type of variation can be met efficiently by short term purchase.
- vi. The Petitioner also like to mention that as directed by the Hon'ble Commission in the Tariff Order, tendering for medium term (500 MW) from FY 2026 to FY 2029 and long-term (1320 MW) from FY 2029-20 for the period of 25 years is undergoing however, it will take some time in finalization due to pre-requisites of competitive bidding guidelines and procedure of tariff adoption by the Hon'ble Commission. At present,



deviations in the bidding document are approved by the Hon'ble Commission and quantum justification is submitted for kind approval of the Hon'ble Commission.

vii. In FY'2024-25, the petitioner has procured total 17933 MUs of power approximately out of which 3861 MUs approximately of power was procured from all short term avenues at state periphery i.e. approximately 21.5 % of short term power has been procured out of total energy procured to meet the demand of the State. In FY'2025-26, the petitioner has procured approximately 225 MUs in the month of Apr'25 and approximately 119 MUs in the month of May'25, (excluding banking, central unallocated quota power from non-contracted plants and unscheduled interchange) against 902 MUs of approved short term purchase in Tariff order dated: 11.04.2025 on annual basis. Hence, the petitioner submits that it will be near to impossible to provide 24X7 supply to the consumers if 5% capping on short term power procurement continues. Hence, considering the above difficulty the petitioner requests the Hon'ble Commission to remove the capping on short term power procurement.

viii. The sub-regulation (4) of the Regulation 75 of the UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024 state that:

"The Distribution Licensee may enter into a short-term arrangement or agreement for procurement of power without the prior approval of the Commission when faced with emergency conditions that threaten the stability of the distribution system or when directed to do so by the State Load Despatch Centre to prevent grid failure."

In case short-term power purchases carried out to meet supply and demand position of the state reaches its limit of 5% of the total energy availability at State Periphery, as specified in the Tariff order dated 11.04.2025, the present directive may hamper the petitioner's ability to purchase additional short-term power in order to comply with directives of SLDC in emergency conditions.

ix. The Hon'ble Commission has approved the annual average short-term power purchase cost as Rs 4.93 per unit for the FY 2025-26. The Petitioner submits that power market is dynamic and depends on supply and demand scenario at national level, hence sometimes to cater the demand of the state, per unit cost of power purchase



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may exceed the approved per unit cost. Regulation 83 of the UERC Tariff Regulations 2024 specifies provision to recover variation in power purchase cost. Further, the sub-regulation (9) of the UERC Tariff Regulations 2024 specifies limit of 20% of the approved Average Billing Rate for recovery of variation in power purchase cost. The same is reproduced below:

"83 Fuel and Power Purchase Cost Adjustment (FPPCA)

9 The FPPCA charge for any category shall not exceed 20% of the base Average Billing Rate as approved in the tariff Order for respective category, or such other ceiling as may be stipulated by the Commission from time to time:....."

The Petitioner requests the Hon'ble Commission to allow variation in annual average per unit Short Term power purchase cost approved in Tariff order dated 11.04.2025 up to the extent of 20% of the approved annual average per unit Short Term power purchase cost i.e. same as allowed in FPPCA and intimation of the discovered price to the Hon'ble Commission after procurement of power.

- x. In regard to the prior approval, the Petitioner submits that, the Hon'ble Central Electricity Regulatory Commission vide its Order dated 28.04.2025 in Petition No. 8/SM/2024 (**Annexure I**) has issued directions related to timelines for Any Day Single Sided (ADSS) / Long Duration Contracts (LDC) Reverse Auction to the Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021. As per the modified timelines acceptance window for the auction has been revised to **2 days** excluding day of the reverse auction from 28 days. The modified timelines have led to difficulties in obtaining prior approval from Hon'ble Commission.
- xi. Uniform Price Contract (UPC) another Short Term power arrangement avenue provides acceptance timeline which is restricted to same date as auction date. Hence, Petitioner gets no time but to either accept or reject the bid on the same date.
- xii. DEEP (Portal of Government of India) provides acceptance timeline as 10 days from publication of RPF up to signing of PPA.



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- xiii. The Petitioner has also explored banking proposals available in Over the Counter (OTC) platforms which generally provide 3-7 working days to avoid opportunity loss to other Utilities.
- xiv. The timelines for power procurement finalization in short term are getting stringent day by day in view of which it is requested to allow post-facto intimation instead of prior approval.
- xv. Further, the Petitioner would like to highlight that as per the Tariff Order dated 11.04.2025, there is need to seek prior approval of the Commission in case the variation in power purchase quantum or total power purchase cost in any quarter exceeds by more than 5% of the approved power purchase quantum and cost for FY 2025-26. Majority of tied-up firm sources (Hydro, Solar) available to the Petitioner are variable in terms of output as they depend upon the availability of water, hydrology, solar radiation etc. In addition to this, the power demand is also variable as it depends on weather conditions, economic activities etc. Therefore, the Petitioner humbly requests the Hon'ble Commission to allow post-facto intimation instead of prior approval.
- xvi. In view of above submissions, the Petitioner humbly request the Hon'ble Commission to admit the present petition and allow the reliefs prayed under para 8 (Relief sought) of this petition.
- xvii. The present petition is being filed with bonafide and in the interest of justice.

5. Cause of Action:

The Hon'ble Commission vide its Tariff Order dated 11.04.2025 and UERC Tariff Regulations 2024 has issued directives for the optimization of power procurement which has resulted into complication in balancing the demand-supply position of electricity in the state and compliance of Rule (10) of the Electricity (rights of Consumers) Rules, 2020 i.e. the distribution licensee shall supply 24x7 power to all consumers.

6. Ground of Relief:

The ground of relief is the same as mentioned at para 4 and 5 above.



7. Details of Remedies Exhausted:

As the Hon'ble Commission is the Appropriate Authority to consider the matter, no remedies have been sought from any other Forum / Court/ Authority etc.

8. Matter not previously filed or pending with any other court:

As the Hon'ble Commission is the Appropriate Authority to consider the matter, the application is being filed only before the Hon'ble Commission and no other application is pending in the matter with any other Court.

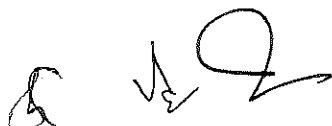
9. Prayer:

In view of the above, the Petitioner most respectfully prays that this Hon'ble Commission may be pleased to:

- 8.1 Admit the Present Petition on record;
- 8.2 Grant an expeditious hearing of the Petition;
- 8.3 To remove restriction on power purchase quantum from short term sources i.e. 5% of the total energy availability at state periphery;
- 8.4 To allow variation in annual average per unit Short Term power purchase cost approved in Tariff order dated 11.04.2025 up to the extent of 20% of annual average per unit Short Term power purchase cost and intimation of the discovered price to the Hon'ble Commission after procurement of power;
- 8.5 To allow post facto intimation of the short-term purchases in view of stringent timelines of the various contracts like DEEP, LDC, UPC, OTC banking etc. and
- 8.6 Pass any such other order/s and/or direction/s, which the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.



(Ajay Kumar Agarwal)
Director (Projects)



**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 8/SM/2024

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Date of Order: 28.4.2025

IN THE MATTER OF:

Directions by the Commission to the Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021

ORDER

In exercise of the powers conferred under Section 66 read with Section 178 of the Electricity Act, 2003 and the National Electricity Policy, the Commission notified the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (hereinafter 'PMR 2021') on 15.02.2021, which came into force with effect from 15.08.2021. These regulations apply to the Power Exchanges, market participants other than Power Exchanges, and the OTC Market.

2. Regulation 4 of the PMR 2021 enlists the various types of contracts for trading, and Part 3 (i.e., Regulations 5 to 7) provides the features of each of these contracts, covering aspects like Price Discovery, Scheduling & Delivery, etc.

3. At present, the following types of contracts for electricity are available at the Power Exchanges:

- a. Day Ahead Contracts, including Green Day Ahead and High Price Day Ahead contracts
- b. Real-Time Contracts



- c. Intraday Contracts, including Green Intraday and High Price Intraday contracts
- d. Day-Ahead Contingency Contracts, including Green Day-Ahead Contingency and High Price Day-Ahead Contingency contracts
- e. Term Ahead Contracts (Daily/Weekly/Monthly/Any-Day Single Sided Contracts), including Green Term Ahead and High Price Term Ahead contracts

4. Initially, when the two Power Exchanges, viz., Indian Energy Exchange (IEX) and Power Exchange India Ltd. (PXIL), started operations in 2008, only Day Ahead contracts were offered on their platform. Later, vide Orders dated 31.08.2009 in Petition No. 120/2008 (of IEX) and Petition No. 166/2008 (of PXIL), the Commission approved the introduction of additional contracts, i.e., Day-ahead Contingency contracts, Intra-day contracts, Daily contracts & Weekly contracts.

5. To serve the growing volumes of electricity trade and increasing penetration of renewable energy in the grid, the Commission approved the introduction of a Real-Time Market (RTM) vide Order dated 29.05.2020 in Petition No. 225/RC/2020 (of IEX) and 304/MP/2020 (of PXIL). RTM provides buyers & sellers with an organized platform for trading electricity closer to real-time.

6. Further, the Commission, vide Orders dated 07.06.2022 in Petition No. 219/MP/2021 and 229/MP/2021 of IEX and PXIL, respectively, approved the introduction of longer duration contracts up to 3 months duration in the Term-Ahead market and Green Term-Ahead Market. The introduction of these contracts has been made possible due to the outcome of the Hon'ble Supreme Court of India Order dated 06.10.2021, which disposed of the jurisdictional matter between CERC and SEBI in terms of the agreement reached between the two, which provided that the CERC will regulate all the physical delivery contracts, whereas the SEBI will regulate the financial contracts. These contracts are allowed as non-transferable specific delivery-based forward contracts (NTSD contracts) at power exchanges in both conventional and renewable energy segments. The Commission approved these contracts for a maximum duration of three months by following a gradual approach. The Commission allowed the revision in timelines of the existing Daily and Weekly contracts, as well as the introduction of Monthly and Any day single-sided contracts on the exchange platform.



7. The Table below provides details of matching mechanisms and bidding timelines in various types of contracts on the Power Exchanges.

Table 1: Matching Mechanism and Bidding Timelines in Power Exchanges

| Contract Type | Matching Mechanism | Bidding/Trading Time | | |
|---------------------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | | IEX | PXIL | HPX |
| Integrated-Day Ahead Market | Double Sided Closed Auction with Uniform Price | 10:00 - 11:00 | 10:00 - 11:00 | 10:00 - 11:00 |
| Real-Time Market | | 22:45 - 23:00 (Session 1) and onwards | 22:45 - 23:00 (Session 1) and onwards | 22:45 - 23:00 (Session 1) and onwards |
| Intra-day | Continuous Matching | 00:15 - 19:30 Delivery 3.5 hrs ahead | 00:15 - 20:30 Delivery 2.5 hrs ahead | 00:00 - 20:30 Delivery 2.5 hrs ahead |
| Day Ahead Contingency | | 13:00 - 23:30 Delivery 3.5 hrs ahead | 13:00 - 23:00 Delivery 2.5 hrs ahead | 13:00 - 23:30 Delivery 2.5 hrs ahead |
| Term Ahead Market - Daily | Uniform Price Step Auction | 12:00 - 17:00 | 12:00 - 17:00 | 12:00 - 17:00 |
| Term Ahead Market - Weekly | | 12:00 - 17:00 | 12:00 - 17:00 | 12:00 - 17:00 |
| Term Ahead Market - Monthly | | 12:00 - 17:00 | 12:00 - 17:00 | 12:00 - 17:00 |
| Any Day Single Sided Contracts (ADSS) | Reverse Auction | 00:00 - 24:00 | 00:00 - 24:00 | 00:00 - 24:00 |

8. Lately, some concerns have been raised by the stakeholders regarding price discovery in the Day-Ahead Contingency contracts. The issues relating to high prices in Day-Ahead Contingency contracts and potential deficiencies in the price discovery mechanism in the case of TAM have also been pointed out by the Ministry of Power. Moreover, the Commission's staff has also observed some anomalies in the operation of the Term-Ahead Market, including Any-Day Single-Sided contracts.

9. The Commission has examined the trend in volume and price of Contingency and Term Ahead Contracts in Power Exchanges over the years and the emerging issues in these market



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segments/contracts. Each of these market segments/contracts is dealt with in the subsequent paragraphs.

Intraday and Day-Ahead Contingency Contracts

10. While the Intra Day market in the Power Exchanges was specifically introduced to address the need for meeting energy requirements closer to real-time, the Day Ahead Contingency market (DAC) was introduced primarily with the objective of addressing the unexpected changes or contingencies that occur after closing of the Day Ahead Market (DAM).

11. In order to provide the grid-connected entities with mechanisms to respond optimally and in pursuance of the development of the market, the staff of the Commission published a staff paper on "Extended Market Session on Power Exchanges" on 8th July 2014, which proposed two options – (1) 24x7 intraday/contingency contracts, (2) Operating Day ahead auction in the evening on Power Exchanges. Subsequently, the Commission vide Order dated 8.4.2015 in Petition No. 6/SM/2015, after public consultation & deliberations, directed the Power Exchanges to operate a 24x7 intraday/contingency market. The directions given in the Order were implemented by IEX and PXIL w.e.f. 20.7.2015.

12. With regard to the Intra Day contracts, it has been observed that the segment of the market has not been able to attract much liquidity since its introduction (Chart-1 below). This was also discussed in the CERC discussion paper on "*Re-designing Real-Time Electricity Markets in India*" published in July 2018, wherein some of the plausible reasons for such low response observed were discussed, i.e, (i) inertia of DISCOMs and absence of delegation of decision-making power at operators' level, (ii) the price discovery methodology, viz., continuous trading based on pay-as-you bid principle as against the auction based on uniform clearing price, being restrictive to the growth, and (iii) absence of gate closure.

13. With the introduction of the RTM in June 2020, a market closer to real-time, with sale/purchase based on the methodology of uniform clearing, has been made available to market participants, and the concept of gate closure has also been brought in. Thus, the concerns related to the intra-day market were considerably addressed with the introduction of

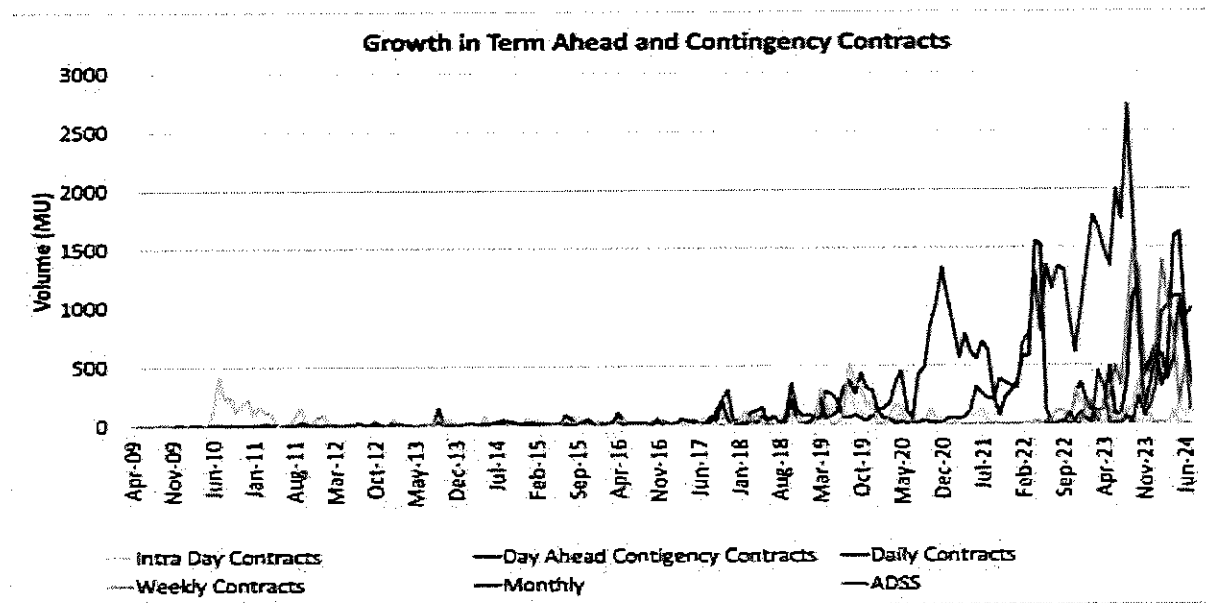


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RTM. There has been a significant growth in the RTM volume compared to the intra-day market.

Chart 1: Growth in Term Ahead and Contingency Contracts



14. The Day Ahead Contingency market had also not witnessed much volume till the year 2020, except for minor spikes in between. In comparison to the Intra-day market, however, there has been a noticeable increase in DAC volume from 2020-21 onwards (refer to Chart-1).

15. We have examined the trend in the daily volume and weighted average price of transactions in DAM and DAC for the period from April 2022 to June 2024, as shown in the chart below.

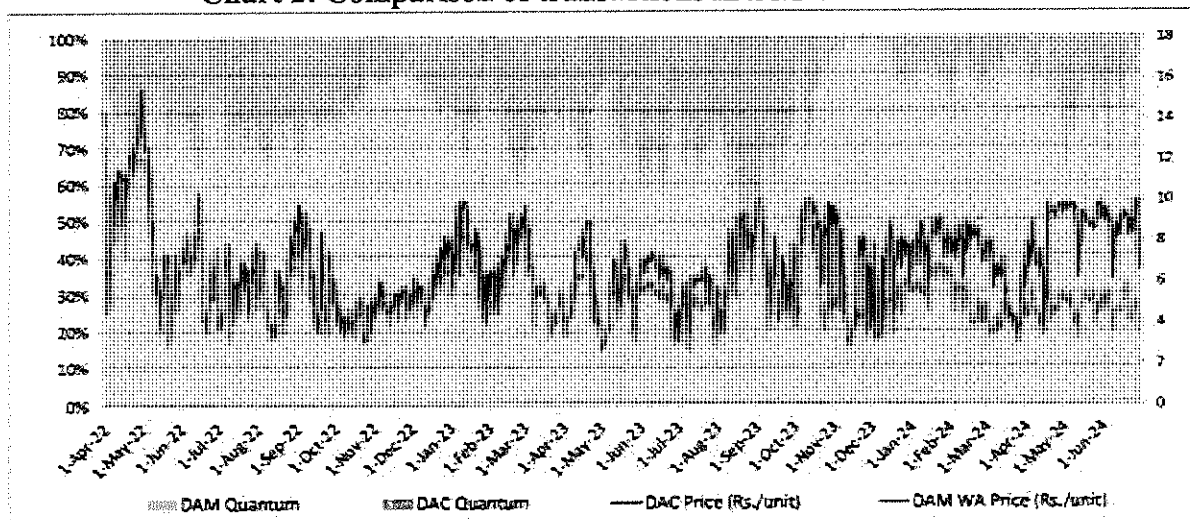


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Chart 2: Comparison of transactions in DAM and DAC



16. From the above trends, it has been observed that the prices in DAC generally follow the same trend as prices in DAM, though with a slight premium owing to it being for contingency measures. However, from October 2023 onwards, there has been significant variation in the prices, with prices in DAC remaining consistently higher than DAM.

17. Such higher prices in the DAC segment have raised both policy and regulatory concerns. During various consultations, stakeholders have also hinted at potential manipulations in the Day-Ahead Contingency contracts.

18. The Commission has always been sensitive to any form of connivance or malpractice by the market participants. The Commission also notes that continuous matching was initially allowed in the contingency contracts on the assumption of inadequate liquidity in these segments. However, the DAC has witnessed significant growth over the period, presenting a case for the discovery of a single price rather than price discovery based on continuous matching. Further, without a single price for the same time block/hour, the market becomes fragmented, with disparity of price for different participants, which also increases the price uncertainty.

19. Therefore, the Commission feels that there is a need to review the (i) continuation of existing contracts and (ii) current matching mechanism for Contingency contracts in light of



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the performance of these market segments/contracts over the years and with the introduction of other competing contracts, like RTM.

Term Ahead Market Contracts

20. The Commission notes that, pursuant to the settlement of the issue of the longer duration contracts (beyond T+11 days) in 2021, the exchanges sought approval on the longer duration TAM & GTAM contracts beyond 11 days. After examining the Petitions and following due process, the Commission, vide Orders dated 7.6.2022 in Petition No. 219/MP/2021 and 229/MP/2021 for IEX and PXIL, and vide Order dated 30.12.2022 in Petition No. 206/MP/2022 for HPX, approved TAM & GTAM contracts for the maximum duration of three months, considering the month in which transaction is made as the zero month.

21. As observed from Chart-1 and also affirmed by the performance report on longer duration contracts submitted by Grid Controller of India Ltd. ('Grid-India') for the period September 2022 to October 2023, the liquidity in the longer duration contracts has increased over time.

22. The Commission has noticed that subsequent to the approval for Daily Contracts/ Weekly Contracts with modified timelines and the introduction of Monthly Contracts (up to 3 months) for pre-specified time blocks notified to the market participants well in advance, the Power Exchanges, through various circulars, have notified the time blocks for these contracts available for the market participants. To date, a variety of slots, like Base/round-the-clock, peak, off-peak, evening, night peak, hourly, etc., have been notified by the Power Exchanges. Many of these slots have overlapping time blocks, and some slots offer a very high level of granularity. The Commission is of the view that by notifying so many slots, the Power Exchanges are effectively letting the buyer/seller define the delivery days and time blocks. This does not augur well with the spirit of the term "pre-specified" intended by the Commission in the direction of Petition No. 229/MP/2021, 219/MP/2021, and 206/MP/2022. The Commission notes that all three Power Exchanges have attempted to introduce all possible slots of time blocks to cater to the specific needs of the market participants by issuing a number of circulars. The Commission does not consider such an approach as proper and is of the view



that there is an urgent need to put a check on it by ensuring that only established, pre-specified slots are made available on the exchange platform, thereby improving liquidity.

Any-Day Single-Sided Contracts (ADSS)

23. The Commission, in Orders dated 7.6.2022 and 30.12.2022 referred above, also approved the introduction of Any-Day Single Sided Contract (ADSS) for user-defined days and time blocks for the buyers. It is understood that the ADSS contracts are called upon by the buyers, as per their requisition. However, it has been observed that the Power Exchanges are also providing the option of specifying timelines like bid validity, acceptance window, etc., to the buyers, which might lead to non-serious participation and act as a deterrent to the performance of these contracts. Therefore, there is a need for a defined duration for all the stages involved in the ADSS contracts, including bid receiving window, bid validity, bid acceptance, etc., for all buyers across the exchange platforms.

24. In this backdrop, the Commission had proposed certain directions to address the concerns in Contingency, TAM and ADSS Contracts, vide draft order in Suo-Motu Petition No. 8/SM/2024 and invited comments and suggestions vide public notice dated 04.10.2024 from the stakeholders, including power exchanges. In response to the public notice, 38 stakeholders, including CEA, have submitted their comments and suggestions to the Commission.

Analysis and Decision

25. After duly considering the comments and suggestions received from the stakeholders on the draft Suo-Motu order in Petition No. 8/SM/2024, this Order is being issued accordingly. The proposals put forth in the draft order, comments/suggestions received from the stakeholders, and the Commission's decision are dealt with in the subsequent paragraphs.

Timeslots in Term Ahead Market (TAM) Contracts

26. The Commission had proposed as under:



"All Power Exchanges shall allow only the established pre-specified slots on the exchange platform for TAM contracts (including HP-TAM). These pre-specified slots shall include Base/RTC, Peak, Off-Peak (other than peak), and Night, wherein the peak period would be as defined by the NLDC. In the case of G-TAM, Power Exchanges shall have the liberty to pre-specify slots based on the generation profile of different technologies, as provided by the sellers. Exchanges should submit the pre-specified contracts for approval of the Commission".

27. The stakeholders have expressed a mixed view on limiting the pre-specified slots for TAM contracts. Among those in favour of limiting pre-specified slots, CEA has pointed out that when market participants have the option of such a large number of trading sessions, the market gets fragmented and leads to lesser liquidity. Using hourly slots leads to the creation of non-standardized bids/contracts. While it may offer flexibility, it limits the competition in the market. In the mature and developed markets, standard products are also available. Another stakeholder has submitted that multiple durations across contracts increase flexibility but reduce liquidity and bring fragmentation.

28. Stakeholders arguing against pre-specified timeslots for TAM contracts have submitted that the proposed fixed slots will limit the flexibility of DISCOMs in managing real-time demand fluctuations. It has been pointed out that each DISCOM's load profile is unique and varies as per season. Moreover, different portfolio mix of thermal, hydro, solar, and wind necessitate variation in power supply.

29. The Commission has noted the comments/suggestions of the stakeholders. The key issues to be addressed here are (i) whether user-specified time slots, as allowed by the power exchanges at present, should be continued or not, and (ii) different durations of established pre-specified time blocks which should be allowed on the power exchanges so as to meet the diverse requirements of DISCOMs.

30. On the suggestion of continuing user-specific time slots, the Commission would like to reiterate that while approving contracts up to 3 months (Orders in Petition No. 229/MP/2021, 219/MP/2021, and 206/MP/2022), the Commission had clearly directed the power exchanges to notify only pre-specified time blocks for these contracts. The Commission



is of the view that user-defined time blocks for these contracts do not go with the spirit of the directions given by the Commission.

31. Each market segment on the power exchange serves different buy/sell requirements and has been introduced accordingly. The contracts in TAM enable participants to secure power over a longer horizon, whereas the DAC segment is designed for managing energy imbalances closer to time on a day ahead basis after the Day Ahead Market (DAM). Given the distinct purpose of TAM, the Commission does not agree with the contention that pre-defined time restricts the market participants' ability to plan their procurement on a T+2 ahead basis. The Commission agrees with the stakeholders' view that allowing too many time slots, with overlapping time blocks and a high level of granularity, dilutes competition and leaves scope for manipulation on account of low market depth.

32. Therefore, the Commission directs the power exchanges to discontinue the provision of user-defined time slots (including hourly slots), in TAM, including Green TAM and High-Price TAM, within a week from the date of this order. The power exchanges shall allow only the established pre-specified slots on the exchange platform for TAM contracts, including Green TAM and High-Price TAM. However, all such contracts traded before the date of this Order shall continue to be valid.

33. On the second issue of different durations of established pre-specified time slots to be allowed on the power exchanges, we have considered the concerns raised by some of the stakeholders regarding varying peak periods, load profiles, and generation portfolio mix across different states. Accordingly, we direct the power exchanges as under:

- (i) **For TAM and HP-TAM:** Power exchanges to carry out consultation with market participants on the selection of pre-specified time slots from within RTC, Peak/Off-Peak hour, Solar/Non-Solar hour, Day/Night, that they propose to notify on their respective platforms. Post consultation, the power exchanges shall approach the Commission for approval on the pre-specified slots, within a month from the date of this Order.



- (ii) **For G-TAM:** Power exchanges to carry out consultation with market participants on the selection of pre-specified time slots based on the generation profile of different technologies. Post consultation, the power exchanges shall approach the Commission for approval on the pre-specified slots, within a month from the date of this Order.

34. The Commission also directs the NLDC to declare the timings of the Solar/ Non-Solar hours at regular intervals. With regard to Peak/Off-Peak hours, the CERC Tariff Regulations 2024-29 provide for the declaration of region-wise peak and off-peak hours at regular intervals by the respective RLDCs.

Timelines for Any Day Single-Sided (ADSS) Contracts

35. The Commission had proposed as under:

"All Power Exchanges shall follow the timelines for different stages of ADSS contracts, including the bid receiving window/submission of interest quantity by sellers, IPO auction, Reverse Auction, and Bid acceptance window as follows.

| | |
|-----------------------------|---|
| <i>Bid Receiving Window</i> | <i>Max. 2 days (48 hours)</i> |
| <i>IPO Auction</i> | <i>Max. 2 hours (120 mins)</i> |
| <i>Reverse Auction</i> | <i>Min. 2 hours (120 mins) with an extension up to 24:00 Hrs of auction day</i> |
| <i>Acceptance Window</i> | <i>Max. 2 days (48 hours)</i> |

36. The majority of the stakeholders have appreciated the proposal of defining the duration for all the stages involved in ADSS contracts for all buyers across the exchanges. The stakeholders, especially sellers, have submitted that this shall address the concern of blocking volume for a longer period and foster a transparent & organized bidding process.

37. With regard to the 'Acceptance Window', few stakeholders have requested a longer duration, citing the time required for management approvals as the main reason. In this regard, the Commission's staff had sought some clarifications with regard to ADSS through letters addressed to the power exchanges. In response to a specific query, one of the power exchanges



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submitted that *"any Seller participating in RA event shall come to know if it is successful or not only after Buyer provides his acceptance/ partial acceptance/ rejection"*. On examining the auction notices, it has been observed that the acceptance window of as long as 28 days has been allowed by the power exchanges. Considering the submission above, the sellers who have participated in this auction would be unsure of their selection for almost a month and thus may not have been able to participate in any other segment/auction for this capacity. The Commission is of the view that an extended window leads to the blocking of volumes and hinders timely price discovery.

38. With respect to the stakeholders' concern regarding time availability in different stages of ADSS contracts, the Commission notes that sufficient time is already available, considering the multiple stages involved in an ADSS requisition. Also, there are other market segments with shorter timelines where the buyers participate without much difficulty. The Commission advises the stakeholders to streamline their internal approval processes to ensure timely participation within the stipulated window. Therefore, for the market to operate efficiently, all the power exchanges are directed to adhere to the following stages & timelines for all the ADSS requisitions:

| | |
|----------------------|--|
| Bid Receiving Window | Max. 2 days (48 hours) |
| IPO Auction | Max. 2 hours (120 mins) |
| Reverse Auction | Min. 2 hours (120 mins) with an extension up to 24:00 Hrs of auction day |
| Acceptance Window | Max. 2 days (48 hours), excluding the day of the reverse auction |

39. It has also been brought to the notice of the Commission that many of the buyers float multiple ADSS notices for the same requisition on all/multiple power exchanges. This increases the uncertainty for the sellers by limiting participation and blocking volume till the result of other auctions is declared. On perusal of the monthly submissions by the power exchanges, we observe that out of all the auctions held on the three power exchanges during the period from April 2024 to February 2025, only about 18% were accepted by the buyers. We have also examined the auction notices issued on the websites of the power exchanges.



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These clearly indicate the tendency of the buyers to issue multiple notices and wait for the results of each auction during the long acceptance window before finalizing.

40. In addition to the flexibility being provided to buyers in the current design of ADSS Contracts, as discussed above, some of the power exchanges offer a waiver on the auction initiation fee in case the auction does not materialize into a trade. In our opinion, such a contract design promotes non-serious participation and creates a hindrance to the efficient operation of the market.

41. To elicit disciplined behaviour from market participants, the power exchanges are, in addition to the direction in para 38 above, directed to:

- a. Obtain a declaration from the buyer at the requisition stage if any auction notice has been issued for the same requisition (quantum and duration) on any other power exchange(s) and/or other platform. The declaration shall form part of the auction notice issued by the respective power exchange for the information of the willing sellers.
- b. Power exchanges should desist from giving any rebates/waivers on the auction initiation fee and charge a minimal non-refundable auction initiation fee irrespective of the acceptance/ partial acceptance/ rejection of the auction results, so as to allow only serious participation while at the same time not excessively burdening the participants.

42. All the directions with regard to ADSS contracts shall be made applicable by the power exchanges for all new notices issued after 7 days from the date of this Order.

Operation of Intra-Day Contracts

43. The Commission had proposed to *withdraw Intra-Day Contracts in all the Power Exchanges from a pre-specified date, in terms of Regulation 25(3) of PMR 2021, in view of the very low liquidity in Intra Day Contracts since its introduction, the availability of the alternative Real-Time Market, and to avoid market fragmentation.*



44. Most of the stakeholders have suggested continuing Intra-Day contracts on the power exchanges. The stakeholders have submitted that the sequential operation of Intra-day contracts followed by RTM facilitates market participants in meeting their power trading requirements in an optimal manner. While RTM has attracted volume, there are instances of bids remaining uncleared, especially during peak hours, even when the market price is Rs. 10/kWh. Intra-Day contracts, on the other hand, offer better assurance of volume clearance. Additionally, Intra-Day contracts are also available for the green and high-cost generators, unlike RTM contracts.

45. A few stakeholders have favoured the discontinuation of Intra-Day contracts, pointing out the available alternative in the form of RTM and also the need to consolidate the fragmented liquidity in the market.

46. Further, it has been observed that the delivery for Intra-Day transactions is 3.5 hours ahead in IEX while it is 2.5 hours ahead in the case of PXIL and HPX. The trade window also varies across the exchanges. Stakeholders have suggested making the timelines uniform across the three power exchanges.

47. The Commission has considered the comments of the stakeholders and takes note of the utility of the Intra-Day contract for the various market participants. However, the Commission has taken note of the apprehensions raised by stakeholders that some participants come to the Continuous market with a prior understanding to perform targeted transactions. Therefore, with regard to Intra-Day contracts, including Green Intra-Day contracts and High-Price Intra-Day contracts, the Commission hereby directs the power exchanges to:

- a. Continue operation of Intra-Day contracts on their platforms with Continuous matching.
- b. Allow market participants the option to select 'Market' order type instead of giving a price quote/ limit price. In other words, by selecting "Market," the participant is willing to accept the desired quantum at the best available price in the market instead of specifying a particular price.



- c. Align the delivery to be 2.5 hours ahead for the Intra-Day transactions, and the trade window to be uniform across the power exchanges.

48. In the case of PXIL, it has been observed that in the Contingency segment (both Intra-Day & DAC), PXIL has been offering flexibility to participants to submit orders in pre-defined delivery duration or user-defined delivery duration. The same is provided as 'Static' and 'Dynamic' types. In the 'Static' type, fixed delivery periods are pre-defined in the trading system. In the 'Dynamic' type, flexibility is provided to participants to define the delivery period (Hour/ Time block) as per their transaction requirement, and such orders are matched when the delivery periods are similar on both sides. In this regard, CEA has suggested that such products result in non-standardized contracts and lower competition; hence, these must be stopped. The Commission agrees with the view of CEA and directs PXIL to discontinue the 'Intra-Day Dynamic' contracts with immediate effect.

Price Discovery Mechanism in DAC

49. The Commission had proposed *to modify the price discovery mechanism in the case of Contingency Contracts to Uniform Price Step Auction from the existing Continuous matching. The Commission had proposed to issue amendment(s) in PMR 2021 to this effect.*

50. Stakeholders in favour of the proposed changes have submitted that a change in the price discovery mechanism would promote a transparent and efficient price discovery. CEA has submitted that in the DAC contracts, due to a longer trade window and continuous matching, the competition is less in this segment. As such, the possibility of market participants doing transactions with mutual understanding increases, resulting in non-competitive transactions.

51. Stakeholders arguing against the proposed mechanism change have submitted that continuous matching allows for predictable quantities and transparency of price, whereas, in an auction, there are chances of pro-rata clearance. Some stakeholders have submitted that the continuous matching mechanism should be continued due to the prevailing low liquidity.

52. With regard to submissions made by the stakeholders regarding low liquidity in the DAC segment, the Commission observes that the DAC segment has witnessed considerable



growth over the last five years. As such, the Commission does not find merit in the argument that the matching mechanism may not be changed on account of liquidity.

53. With regard to international practices, some stakeholders have submitted that the European Power Exchange utilizes continuous matching for price discovery in its contingency contracts. In this regard, another stakeholder has highlighted that Europe is also introducing multiple intra-day auctions in addition to continuous trade to enhance market efficiency and bring in better price predictability.

54. The Commission is of the view that aggregation of bids in a Uniform Price Step Auction may consolidate the liquidity, prevent anti-competitive practices, and ensure transparent price discovery. Further, an open auction utilized in the Uniform Price Step Auction enables the participants to make informed decisions after seeing buy and sale bids offered by other anonymous participants.

55. The Commission, therefore, finds merit in the proposal to modify the price discovery mechanism in the case of DAC to a Uniform Price Step Auction. The Commission directs its staff to initiate the process for suitable amendment(s) in PMR 2021. Further, the power exchanges are directed to approach the Commission thereafter with proposed specifications, timelines, etc., as provided under Regulation 25 of PMR 2021, for approval.

56. We note there are some apprehensions regarding switching to the uniform price step auction, as it may delay the process of bid finalization. In this context, CEA has suggested that the trading window for DAC, which is currently from 13:00 to 23:30 hrs, may be split into three trading sessions of two hours each while implementing the Uniform Price Step Auction. The Commission finds merit in exploring the suggestion while finalizing the contract specifications proposed by the power exchanges in this context.

57. Another suggestion received is to allow both matching mechanisms based on the volume of orders, i.e., use continuous matching for small orders to ensure liquidity and switch to uniform price step auction for larger orders to minimize impact and price volatility. The Commission believes continuing Intra-day contracts with Continuous matching and switching to Uniform Price Step Auction in DAC shall serve the purpose well.



58. In the draft Order, the Commission had proposed the following direction to power exchanges till the time the amendments to PMR 2021 come into effect:

"24(e)(i) Power Exchanges to make changes in the software/ market watch so that all the parties are able to see all the buy and sell offers for 10 minutes before the order gets transferred to the order book; after the expiry of this period, best buy and sell bids get cleared."

59. With regard to the above, the Commission emphasizes that the intent has been to arrest the possibility of any malpractices and not to increase the market complexities or bring disruptions to the market. However, after duly considering the submissions made by the stakeholders, the associated costs and technological changes required, and the timelines indicated by the power exchanges to bring out these functionalities in their system, the Commission has decided not to proceed with the proposed interim direction in the context of DAC contracts.

60. In addition to the above, it has been observed that PXIL is offering 'Dynamic' type contracts in its DAC segment. The issues relating to the 'Dynamic' type contracts have already been dealt with in detail in para 48 above. Accordingly, the Commission directs PXIL to discontinue the 'DAC Dynamic' contracts with immediate effect.

Information dissemination by Power Exchanges

61. The Commission had proposed to direct *the Power Exchanges to display information regarding the number and volume of bids received (both buy and sell) on their website, in addition to the data on traded volume.*

62. Stakeholders have welcomed the proposed direction as it promotes transparency. Accordingly, the Commission directs the Power Exchanges to display information regarding the number and volume of bids received (both buy and sell) on their website, in addition to the data on traded volume, for all Contingency and TAM contracts.

63. Considering the directions given in the relevant sections of this Order, the Commission directs all the power exchanges to submit the compliance report (as applicable) on affidavit within the stipulated timelines. The power exchanges are also directed to amend the Business



Rules, Rules, and Bye-Laws, wherever necessary, with intimation to the Commission. Needless to mention, if any discrepancy is noticed or if it appears that the revised Business Rules, Rules and Bye-Laws do not conform to the Regulations and/or to this Order in any respect, necessary action shall be taken for such compliance.

64. The directions in this Order shall be in furtherance/addition to the directions in Orders dated 7.6.2022 in Petition No. 219/MP/2021 (of IEX) and 229/MP/2021 (of PXIL) and Order dated 30.12.2022 in Petition No. 206/MP/2022 (of HPX).

65. Petition No. 8/SM/2024 is disposed of in terms of the above directions.

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson



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Power Exchange India Limited
CIRCULAR

Circular No : PXIL/ Operations/2025-2026/460
Date of Issue : May 05, 2025
Subject : Modification in Single Side Any Day Single Sided Reverse Auction

Dear Member (s),

This is to inform all Members that, in accordance with the directions issued by the Hon'ble Central Electricity Regulatory Commission (CERC) in Petition No. 8/SM/2024 dated 28.04.2025, the Exchange will implement the following measures for requisitions initiated from 06.05.2025.

1. The requisition for Single Side Any Day Single Sided Reverse Auction will comply with the stages and timelines as under:

| | |
|----------------------|--|
| Bid Receiving Window | Max. 2 days (48 hours) |
| IPO Auction | Max. 2 hours (120 mins) |
| Reverse Auction | Min. 2 hours (120 mins) with an extension up to 24:00 Hrs of auction day |
| Acceptance Window | Max. 2 days (48 hours), excluding the day of the reverse auction |

2. In compliance to directions provided at Para 41 (a) and (b) of referred Order,
 - a. the buyer shall provide a declaration during the requisition phase for any auction notice pertaining to the same requisition (quantum and duration) issued on other power exchanges or platforms, as specified in **Annexure-I**. This declaration shall be provided in 'PRATYAY' system at the time of auction creation and the same shall be included as part of the auction notice as information to seller.
 - b. A non-refundable initiation fee of Rs. 10,000 (Rupees Ten Thousand) will be applicable for each Single Side Any Day Single Sided Reverse Auction

For further details or clarifications, you may refer to CERC Petition No. 8/SM/2024 available on the CERC website or contact the Exchange's Market Operations team

For further details or any other assistance, feel free to get in touch with the Market Operations Department on below contact details:

Tel No: - +91-9167969003 & 022- 4009 6695/667 Email: - marketoperation@pxil.co.in Fax No: - + 91-22-40096633 / 90

For and on behalf of
Power Exchange India Limited

Sd/-
Mukti Marchino
VP & Head (Market Operations, Membership and Clearing & Settlement)

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Maharashtra 400059, India +91 22 4009 6695, +91 22 4009 6600
marketoperation@pxil.co.in www.powerexindia.in CIN: U74900MH2008PLC179152




Annexure-I

Self-Declaration

We hereby affirm the following:

1. The notice(s) for auction **has been issued** for the same power requisition (quantum and duration) through another power exchange/platform: (Yes/No):
2. In case the response to (1) above is "Yes", the relevant details of such auction notice(s) are mentioned below:

| S. N | Name of Power Exchange / Platform | Quantum (MW) | DURATION | | | |
|------|-----------------------------------|--------------|--------------------------|----|------------------------|----|
| | | | Delivery date (DD/MM/YY) | | DELIVERY PERIOD (Hrs.) | |
| | | | FROM | TO | FROM | TO |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

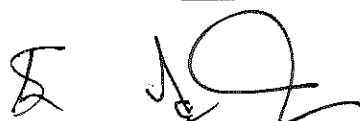
POWER EXCHANGE INDIA LIMITED 9th Floor, #901, Sumer Plaza, Marol Maroshi Rd, Andheri East, Mumbai,

Maharashtra 400059, India +91 22 4009 6695, +91 22 4009 6600

marketoperation@pxil.co.in

www.powerexindia.in

CIN: U74900MH2008PLC179152




Circular No: IEX/MO/2097/2025

Date: 5th May 2025

**Modifications in Intra-day (ITD), Day-Ahead
Contingency (DAC) and Term Ahead Market (TAM)
Contracts**

Dear Members,

In pursuance of the Hon'ble CERC Order dated 28.04.2025 in Petition No. 08/SM/2024, following operational changes are being implemented in Intra-day (ITD), Day-Ahead Contingency (DAC) and Term Ahead Market (TAM) contracts:

1. ITD and DAC Contracts (including Green ITD and High Price ITD contracts, Green DAC and High Price DAC contracts):

- Delivery shall commence 2.5 hours after expiry of the contracts.
- ITD Trading Hours: 00:15 hrs to 20:30 hrs, DAC Trading Hours: 13:00 hrs to 23.30 hrs.
- The detailed revised timelines of the ITD & DAC contracts shall be as per **Annexure-I** attached herewith.

These changes will come into effect from trade date 06.05.2025 for both ITD contracts and DAC contracts.

2. TAM- Any Day(s) Single Sided Contracts (ADSS) (including Green ADSS)

- The requisitions issued in Any Day(s) Single Sided Contracts will adhere with the following stages & timelines:

| Stage | Timeline |
|--|-------------------------|
| Submission of Interest Quantity by Sellers | Max. 2 days (48 hours) |
| IPO Auction | Max. 2 hours (120 mins) |

**Indian Energy Exchange Ltd**

Registered Office: C/o Avanta Business Centre, First Floor, Unit No. 1.14(a), D2, Southern Park, District Centre, Saket, New Delhi-110017, India

Corporate Office: 9th Floor, Max Towers, Sector 16B, Noida, Uttar Pradesh-201301, India

Tel: +91-011-3044 6511 | Tel: +91-120-4648 100 | Fax No.: +91-120-4648 115

CIN: L74999DL2007PLC277039 | Website: www.iexindia.com

| Stage | Timeline |
|-------------------|---|
| Reverse Auction | Min. 2 hours (120 mins) with an extension up to 24:00 hrs of auction day* |
| Acceptance Window | Max. 2 days (48 hours), excluding the day of the reverse auction |

* Reverse Auction cannot be initiated beyond 22:00 hrs of auction day

- b. The buyer shall be required to submit declaration at the requisition stage for any auction notice issued for the same requisition (quantum and duration) on other power exchange(s)/ platform as provided in the **Annexure-II**. The declaration shall form part of the auction notice.
- c. A non-refundable auction initiation fee of Rs. 10,000/- shall be applicable.

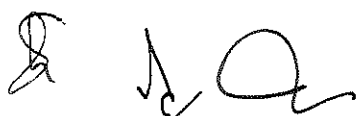
The above changes in ADSS contracts will come into effect for requisitions issued from 06.05.2025.

For any clarification you may contact: 0120-4648253/254/240/236.

For and on behalf of
Indian Energy Exchange Limited

(Sd\ -)

Amit Kumar
Senior Vice President
(Market Operations)




Annexure-I

NEW TIMELINES OF INTRA DAY CONTRACTS-

| Market Type | Trading Start Time | Trading End Time (Current) | Trading End Time (New) | Delivery Period (starting from) |
|-------------|--------------------|----------------------------|------------------------|---------------------------------|
| Intraday | 00:15:00 | - | 00:30:00 | 03:00:00 hrs. |
| Intra Day | 00:15:00 | 00:30:00 | 01:30:00 | 04:00:00 hrs. |
| Intra Day | | 01:30:00 | 02:30:00 | 05:00:00 hrs. |
| Intra Day | | 02:30:00 | 03:30:00 | 06:00:00 hrs. |
| Intra Day | | 03:30:00 | 04:30:00 | 07:00:00 hrs. |
| Intra Day | | 04:30:00 | 05:30:00 | 08:00:00 hrs. |
| Intra Day | | 05:30:00 | 06:30:00 | 09:00:00 hrs. |
| Intra Day | | 06:30:00 | 07:30:00 | 10:00:00 hrs. |
| Intra Day | | 07:30:00 | 08:30:00 | 11:00:00 hrs. |
| Intra Day | | 08:30:00 | 09:30:00 | 12:00:00 hrs. |
| Intra Day | | 09:30:00 | 10:30:00 | 13:00:00 hrs. |
| Intra Day | | 10:30:00 | 11:30:00 | 14:00:00 hrs. |
| Intra Day | | 11:30:00 | 12:30:00 | 15:00:00 hrs. |
| Intra Day | | 12:30:00 | 13:30:00 | 16:00:00 hrs. |
| Intra Day | | 13:30:00 | 14:30:00 | 17:00:00 hrs. |
| Intra Day | | 14:30:00 | 15:30:00 | 18:00:00 hrs. |
| Intra Day | | 15:30:00 | 16:30:00 | 19:00:00 hrs. |
| Intra Day | | 16:30:00 | 17:30:00 | 20:00:00 hrs. |
| Intra Day | | 17:30:00 | 18:30:00 | 21:00:00 hrs. |
| Intra Day | | 18:30:00 | 19:30:00 | 22:00:00 hrs. |
| Intra Day | | 19:30:00 | 20:30:00 | 23:00:00 hrs. |

NEW TIMELINES OF DAY-AHEAD CONTINGENCY CONTRACTS-

| Market Type | Symbol | Trading Start Time | Trading End Time (Current) | Trading End Time (New) | Delivery Period (starting from) |
|-------------|-------------------------------|--------------------|----------------------------|------------------------|--|
| Day Ahead | DAC-H01-AR & DAC-RTC-AR | 13:00:00 | 20:30:00 | 21:30:00 | 00:00:00 hrs. & 00.00:00 - 24:00:00 hrs. |
| Day Ahead | DAC-H02-AR | | 21:30:00 | 22:30:00 | 01:00:00 hrs. |
| Day Ahead | DAC contracts from H03-H24 | | 22:30:00 | 23:30:00 | 02:00:00 hrs. |




Dia

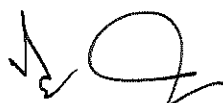
Annexure-II

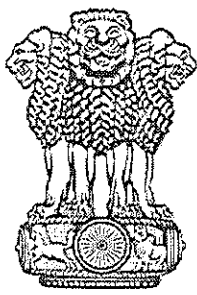
Declaration

We hereby declare the following:

1. Auction notice(s) has been issued for the same requisition (quantum and duration) on other power exchange(s)/platform (Yes/No):
2. If Yes, details of the auction notice(s) are as below:

| Name of Power Exchange/platform | Quantum (MW) | Duration | | | |
|---------------------------------|--------------|--------------------------|----|------------------------|----|
| | | Delivery date (dd/mm/yy) | | Delivery period (hrs.) | |
| | | from | to | from | to |
| | | | | | |
| | | | | | |





सत्यमेव जयते



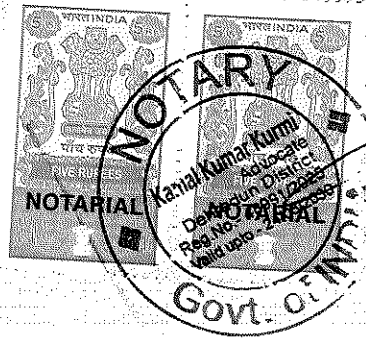
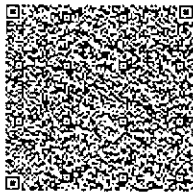
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INDIA NON JUDICIAL

Government of Uttarakhand

e-Stamp

Certificate No. : IN-UK73515693649619X
 Certificate Issued Date : 10-Feb-2025 03:00 PM
 Account Reference : NONACC (SV)/ uk1323104/ DEHRADUN/ UK-DH
 Unique Doc. Reference : SUBIN-UKUK132310454197646533205X
 Purchased by : UPCL DEHRADUN
 Description of Document : Article 19 Certificate or other Document
 Property Description : NA
 Consideration Price (Rs.) : 0
 (Zero)
 First Party : UPCL DEHRADUN
 Second Party : NA
 Stamp Duty Paid By : UPCL DEHRADUN
 Stamp Duty Amount(Rs.) : 10
 (Ten only)



20/6/24

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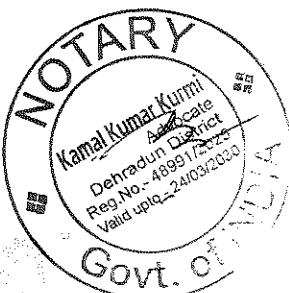
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File No.

Case No.

BEFORE UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF:- Application Seeking Removal of Certain Difficulties/Relaxation in Implementation of Tariff Order dated 11-04-2025 passed by the Hon'ble Commission in Exercise of its Power Under Section 64(D) read with Section 61 and 62 of The Electricity Act, 2003, with respect to Power Procurement, read with UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2024.



Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shrestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details of this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy, please inform the Competent Authority.

1

And

In the matter of: Uttarakhand Power Corporation Limited,
Victoria Cross Vijeyta Gabar Singh Urja Bhawan,
Kanwali Road, Balliwala Chowk,
Dehradun-248001, Uttarakhand

AFFIDAVIT VERIFYING THE PETITION

I, Ajay Kumar Agarwal, S/o Late Shri. H. M. Agarwal, aged about 59 years, working as Director (Project), UPCL, VCV Gabar Singh Urja Bhawan, Kanwali Road, Dehradun, the deponent named above do hereby solemnly affirm and state on oath as under:

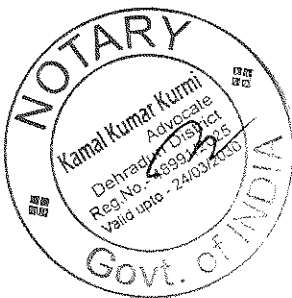
1. That the deponent is the Director (Project) of Uttarakhand Power Corporation Limited who is acquainted with the facts deposed to below.
2. I, the deponent named above do hereby verify that the contents of the paragraph No.-1 of the affidavit and those of the paragraph of the accompanying petition are based on the perusal of records which I believe to be true and verify that no part of this affidavit is false and nothing material has been concealed.

Deponent

Ajay

(Ajay Kumar Agarwal)
Director (Project)

Uttarakhand Power Corporation Limited



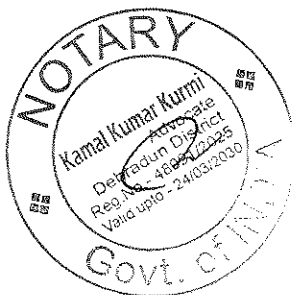
I, Anil Prasad Ranakoti, Advocate, do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

(.....Anil.....20/06/25.....)

Advocate
R.N. 5154/14

Solemnly affirmed before me on this ...20 day of Jun-2025 by the deponent who has been identified by the aforesaid advocate.

I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.



(Notary Public)

This affidavit is sworn, signed & verified by Mr./ Mrs. Anil Kumar Agarwal, who is identified by Mr. at Place Dehradun on.....

KAMAL KUMAR KURMI
Advocate & NOTARY
Dehradun (U.K) INDIA

20/6/25

Anil