

Salient features of PXIL petition to introduce of Long Duration up to 11 Month Term Ahead Market Contract

Petition no: -12/MP/2024

Subject: Petition under Section 66 of the Electricity Act, 2003 read with the Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 for approval of introduction of Long Duration up to 11 Month Term Ahead Market on PXIL's PRATYAY platform

1. The present Petition is being filed by the Petitioner - Power Exchange India Limited under Section 66 of The Electricity Act, 2003, and invoking all other enabling powers of the Hon'ble Central Electricity Regulatory Commission (hereinafter referred to as "Hon'ble Commission"), seeking approval to increase the duration of TAM Contracts from the existing 90 days/ 12 weeks/ 3 months to up to 11 months as per the recently implemented Temporary General Network Access ('T-GNA') regime. Section 66 of the Electricity Act, 2003 enjoins this Hon'ble Commission to promote the development of a market (including trading) in power in accordance with the National Electricity Policy referred to in Section 3 of the Electricity Act, 2003. Regulation 25 (1) of Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (hereinafter referred to as "Power Market Regulations, 2021") stipulates that the Hon'ble Commission may permit power exchanges to introduce contract as specified in clause (1) of Regulation 4 of these Regulations. Regulation 25 (2) of the Power Market Regulations 2021 stipulates the details which have to be submitted by an exchange seeking permission from the Hon'ble Commission to introduce such contracts. Pursuant to the aforementioned regulations, the petitioner has provided complete and detailed contract specifications along with this petition.
2. It is submitted that vide notification ref no. L-1/261/2021/CERC dated 03.08.2023, the Hon'ble Commission has notified implementation of remaining regulations of GNA Regulations including first amendment from

01.10.2023 (the notification is attached as annexure). Further, as provided at Regulation 43.2 of GNA Regulations the Open Access Regulations and procedures issued thereunder stand repealed.

It is submitted that Regulation 28.1 of GNA Regulations prescribed time period for T-GNA is for any period from one (1) time block and up to eleven (11) months.

3. It is submitted that the increase in time period for the said contracts from 3 months to 11 months will help in promoting longer tenure contracts in the Power Market, which till now had been unable to attract participants requiring longer period contracts, since contracts in power exchanges were limited up to three months.

Hence, by way of the present Petition and in furtherance of Regulation 25 of the Power Market Regulations, 2021, the Petitioner beseeches this Hon'ble Commission to accord its approval to increase the duration of TAM Contracts to up to 11 months.

PXIL submission

- 1) The Petitioner is seeking approval of this Hon'ble Commission to approve the increase in duration of TAM Contracts from the existing 90 days/ 12 weeks/ 3-months/ to up to 11 months as per the new T-GNA regime.

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time	Delivery Duration	Remarks
Daily Contracts	On Daily Basis	Two days before	00:00 – 24:00 hours	T+2 up to T+335 Days	For pre-specified time blocks

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time	Delivery Duration	Remarks
		delivery day			notified to the market participants well in advance through circulars
Weekly Contract	Monday of the week prior to delivery	Friday of the one week prior to delivery	12:00 – 17:00 hours	TW+1 up to TW+48 Weeks	
Monthly Contract	First Day of the zero month	Approval is given within 24 Hrs of Date of submission of application Criteria will be the same as Daily Contract- Two Days	12:00 – 17:00 hours	TM+1 up to TM+11 Months	

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time	Delivery Duration	Remarks
		Before delivery.			
Any Day Single Sided Contract	On Daily Basis	Two days before delivery day	00:00 – 24:00 hours	T+2 up to T+335 Days	For user defined days and time blocks

2) Scheduling request and probability of change in schedule by transacting entities

- Since, GNA Regulations allow T-GNA grantees to submit schedule on day ahead basis, the Petitioner has received requests from its market participants for allowing a reduced schedule up to 20% of the contracted capacity. It is observed that based on demand-supply assessment made by buying entity the schedules get revised by T-GNA grantee on day-ahead basis. While long term contracts span over a period, the GNA Regulations have the effect of allowing parties falling in the Advance application category to revise the volume to be supplied under the contract on a daily basis.

3) Approval for Continuous matching in all Term Ahead Market Contracts.

- Currently, two types of matching mechanism is applicable for different Contracts, e.g. Uniform Price Step Auction and Reverse Auction mechanism. It is humbly requested to approve introduction of 'Continuous matching mechanism in 'Daily, Weekly and Monthly Contracts' for transacting in Conventional, High Price supply and different types of Renewable energy.

Prayers

- a) Grant approval to the Petitioner to increase the delivery duration of TAM Contracts from the existing 90 days/ 12 weeks/ 3 months up to 11 months as the per the new T-GNA Regime for transaction in Conventional, High Price and different types of Renewable energy.
- b) Approved amendment to Business Rules to give effect to directions provided at (a) above.
- c) Approve introduction of Continuous matching mechanism in Daily, Weekly and Monthly Contracts for transacting in Conventional, High Price and different types of Renewable energy
- d) clarify the extent to which, Buyers as T-GNA grantees under Advance application category can vary their schedule from the obligation quantum as issued by 'PRATYAY' system on conclusion of transaction.

- e) Allow Power Exchange(s) to Access WBES for scheduling of Contracts in GNA and for daily requisition of power in a manner similar to access provided in NOAR.

- f) Approve updation of Business Rules for introduction of Term Ahead Market Contracts with 'Continuous matching' mechanism.

- g) Pass such order(s) that this Hon'ble Commissions may deem fit to remove any difficulties and allow the increase in duration of TAM Contracts.