



Indian Energy Exchange

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Why in News

The **electricity market at Indian Energy Exchange (IEX)** achieved an **all-time high volume of 8,248.52 MU (million units)** in the month of March 2021 surpassing all the previous milestones.

Key Points

- **About:**

- It is the first and **largest energy exchange in India** providing a nationwide, automated trading platform for physical delivery of electricity, **Renewable Energy Certificates** and **Energy Saving Certificates**.
- The exchange platform **enables efficient price discovery and increases the accessibility and transparency of the power market in India** while also enhancing the speed and efficiency of trade execution.
- It is a publicly listed company with **National Stock Exchange (NSE)** and **Bombay Stock Exchange (BSE)**.
- It is approved and regulated by **Central Electricity Regulatory Commission (CERC)** and has been operating since 2008.

- **Mission:**

To **leverage technology and innovation** to establish transparent and efficient energy marketplaces for delivering affordable, reliable energy to consumers.

- **Trading Platform for:**
 - **Physical Delivery of Electricity:**
 - **Day-Ahead Market (DAM):**
It is a physical electricity trading market for **deliveries for any/some/all 15 minute time blocks in 24 hours of the next day** starting from midnight.
 - **Term-Ahead Market (TAM):**
 - The contracts under TAM cover a range for **buying/selling electricity for duration up to 11 days.**
 - It enables participants to purchase electricity for the same day through **intra-day contracts**, for the next day through day-ahead contingency, on a daily basis for rolling seven days through daily contracts.
 - **Renewable Energy Certificates (REC):**
 - Under the REC mechanism, **a generator can generate electricity through the renewable resources** in any part of the country.
For the **electricity part**, the generator receives the cost equivalent to that from any conventional source while the **environment attribute** is sold through the exchanges at the market determined price.
 - The obligated entity from any part of the country can purchase these RECs to meet its **RPO (Renewable Purchase Obligation)** compliance.
Obligated entities **may either purchase renewable energy or can purchase RECs** to meet their RPO set under RPO of their respective States.
 - **Energy Saving Certificates (ESCerts):**
 - These are the tradable certificates under the **Perform, Achieve, Trade (PAT) Scheme** of the **Bureau of Energy Efficiency (BEE)**.
 - It is a **market-based mechanism to incentivise energy efficiency** in large energy-intensive industries.

Central Electricity Regulatory Commission

- CERC is a **regulator of the power sector in India.**
- It intends to **promote competition, efficiency and economy** in bulk power markets, **improve the quality of supply, promote investments** and **advise the government** on the removal of institutional barriers to bridge the demand supply gap.
- It is a statutory body functioning with quasi-judicial status under the **Electricity Act 2003.**

Source:TH