



Indian Energy Exchange

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**.

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