

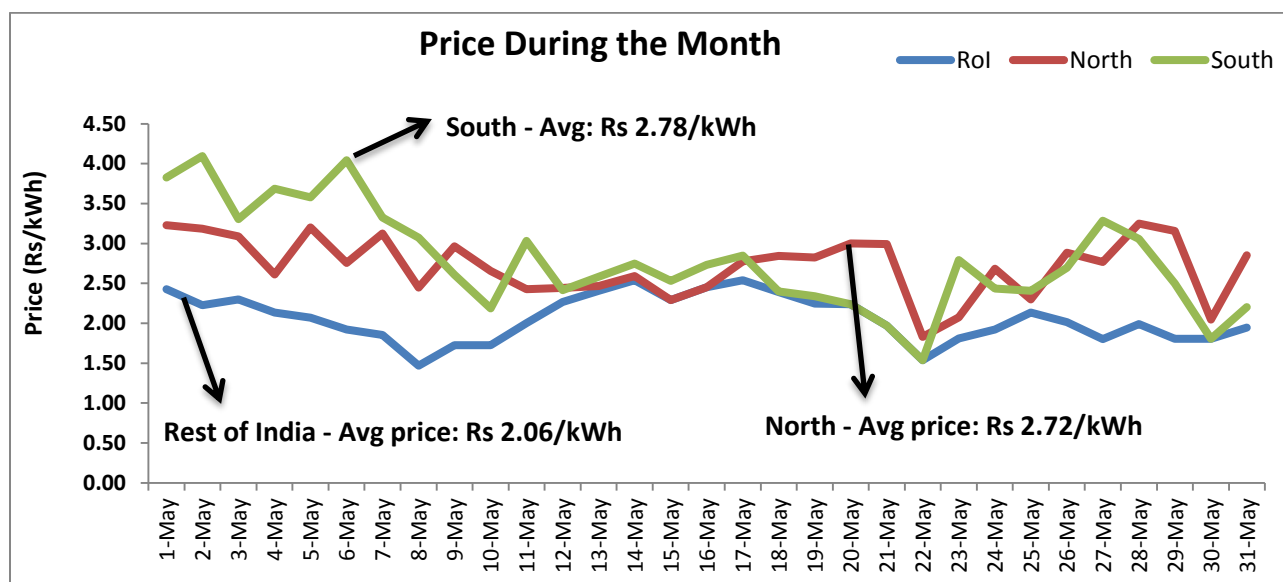
## Power Market Analysis: May'16

### Spot Market price low at Rs. 2.32 per unit despite summer heat

At Rs 2.32 per unit, the average Market Clearing Price (MCP) in the IEX spot power market in May, 2016 was 20% lower in comparison to MCP in April. Even the average Area Clearing Price (ACP) - the price at which settlement takes place, reduced across all States and varied from Rs. 2.06 per unit to Rs. 2.78 per unit. Average ACP in South was Rs 2.78 per unit, about 33% lower than previous month, mainly due to generation availability in South. Last year, prices in South were split and were 100% more in S2 (TN and Kerala) at Rs. 5.55 per unit and 29% more in S1 (AP, TL and KN) at Rs. 3.59 per unit. Congestion towards North persisted through the month, adversely impacting ability of participants from Northern States to procure power through the Exchange.

The graphical depiction of average ACP in April is as below:

- **North-East, East and West:** Rs 2.06 per unit, 23% decrease over April and 9% decrease over May'15.
- **North:** Rs 2.72 per unit, 7% decrease over April and 20% increase over May'15.
- **South:** Rs 2.78 per unit, 33% decrease over April and 23% decrease over price in S1 bid area and 50% decrease over price in S2 bid area in May'15.



#### Volumes:

Average daily trade was at 95 MUs, about 10% lower than 115 MUs traded last month. Overall, 2,929 MUs were traded, 15% less than 3,465 MUs traded in April. Lack of demand from utilities was the primary reason for reduced trade this month as average daily buy bids of only 4,603 MW were received in comparison to average daily buy bids of 6,151 MW received last month. Moreover, the market maintained its buyer's bias with average daily sell bids of 7,710 MW.

\* 1 MU = 1 Million kWh (GWh)

- Total Sell bids: 5,736 MUs
- Total buy bids: 3,425 MUs
- Total Cleared Volume: 2,929 MUs
- Northern & Southern States: Net Buyers
- Eastern, Western & North-Eastern States: Net Sellers

The table below gives the average daily buy-sell picture at regional level for May'16 vis-à-vis April'16:

REGION	Average Daily BUY (MW)			Average Daily SELL (MW)			NET
	May'16	April'16	Change (%)	May'16	April'16	Change (%)	
North East	62.29	85.32	↓ -27%	254.50	218.00	↑ 17%	SELL
East	479.66	842.93	↓ -43%	682.14	964.26	↓ -29%	SELL
North	1466.46	1821.34	↓ -19%	1418.45	999.49	↑ 42%	BUY
West	1089.65	1333.63	↓ -18%	1181.75	2344.15	↓ -50%	SELL
South	838.39	729.55	↑ 15%	399.61	286.87	↑ 39%	BUY

#### Congestion:

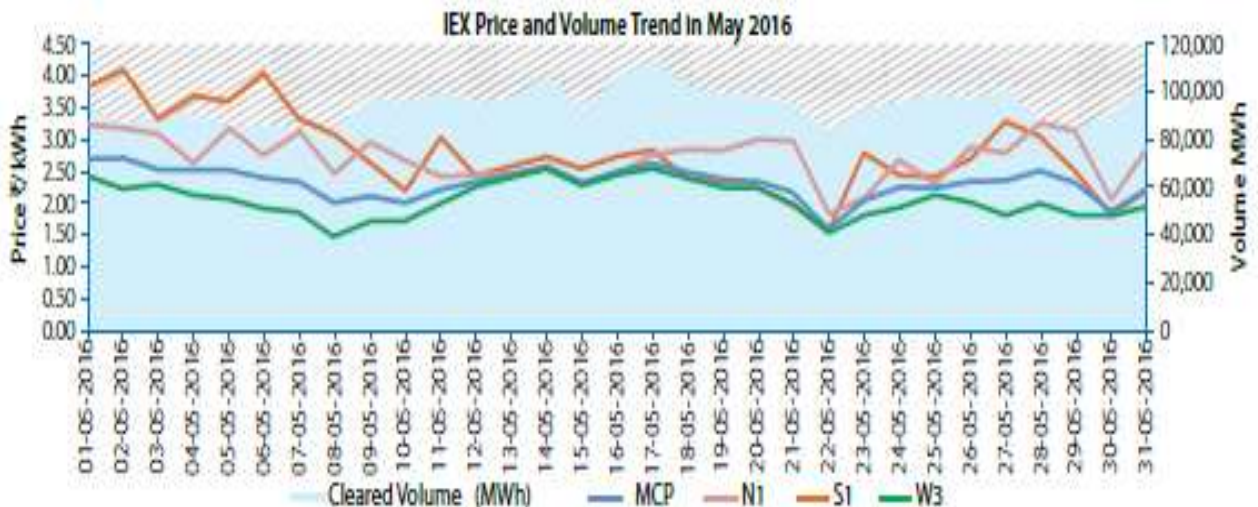
The Exchange lost about 5 MUs per day due to congestion. The ER->SR and WR->SR interconnections were congested about 55% of the time and ER->NR and WR->NR interconnections were congested 73% of the time during the month.

#### Participation:

1,050 participants traded in the spot market on an average daily basis. The highest participation was on 24 and 26 May, 2016 when 1,120 participants traded on the Exchange.

#### Term-Ahead Market:

About 56 MUs were scheduled during the month across all segments of the Term Ahead Market - Intraday, Day Ahead Contingency, weekly and Daily.



Average Hourly Market Clearing Volume and Price for the Month

