



POWER MARKET UPDATE: FEBRUARY'20

IEX Electricity Market trades 4,516 MU in Feb registers 57% YoY growth

Avg price in day-ahead market at ~ Rs. 2.91 per unit witnesses a considerable 6% YoY decline

Term-Ahead Market (TAM) volume witnesses 168% YoY growth

Exchange continues to be the most attractive platform for DISCOMS & Open Access buyers

New Delhi, Wednesday, March 04, 2020

The electricity market at IEX recorded a trade of 4,516 MU in the month of February'20 registering 57% growth on YoY basis. The day-ahead market (DAM) traded 4,289 MU during the month.

The increase in trade volume was mainly due to distribution utilities opting for replacement of their costlier power with Exchange based procurement. The other key reason was increase in demand on account of early onset of summer and agricultural demand in the southern as well the western states, particularly in Telangana due to lift irrigation. The volume growth is indeed a testament to Exchange continuing to be the most attractive platform for the distribution utilities for procuring competitively priced electricity coupled with highest degree of flexibility.

The average market clearing price in DAM at ~Rs 2.91 per unit saw a significant 6% decline over the price of Rs. 3.08 per unit in February 2019 and resulted into substantial savings for the market participants.

The total sell bids during the month at 10,372 MU were twice the buy bids at 5,233 MU which ensured lower clearing price and brought significant savings to both the distribution utilities as well as the commercial and industrial consumers.

One Nation One Price prevailed for 28 days during the month. However, the day-ahead market saw volume loss of 2.03 MU.

The volumes in the term-ahead market (TAM) grew 168% YoY to 226 MU signifying the increasing preference of TAM contracts by the distribution utilities for meeting their intra-day to weekly requirements.



According to the NLDC data, on all India basis, the peak demand at 177 GW in February'20, grew 9% YoY over demand of 162 GW in February'19 while energy met at 105 BU increased 11% over 95 BU in February'19.

RENEWABLE ENERGY CERTIFICATE MARKET

On 26th February, the REC Trading Session at IEX saw a total trade of 14.91 lac Renewable Energy Certificates comprising of 507,153 Non-Solar RECs and 984,157 Solar RECs.

The Solar RECs at Rs. 2,400 per REC continued to trade at the ceiling price as prescribed by the CERC. The price has been at ceiling since October'19. The price for Non-Solar RECs (issued after 1.4.17) at Rs. 1,800 decreased 18% from Rs. 2,200 in January'20.

The solar REC trade at ceiling price since October'19 reflects the need for the expeditious regulatory action in order to address the supply side constraints. There are several states who have exceeded their RPO obligations and are awaiting the issuance of RECs. This pipeline has potential to add significant liquidity on the sell side. Besides, there is also a need to promote new investments on the REC route.

ABOUT IEX

IEX 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. In August 2016, the Exchange received ISO Certifications for quality management, Information security management and environment management. The Exchange is now a publicly listed company with NSE and BSE. IEX is approved and regulated by Central Electricity Regulatory Commission (CERC) and has been operating since 27 June 2008. For further details, log on to: www.iexindia.com

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