



MEDIA RELEASE

IEX PIONEERS CROSS BORDER ELECTRICITY TRADE IN AN ENDEAVOR TOWARDS BUILDING AN INTEGRATED SOUTH ASIAN REGIONAL POWER MARKET

- *Commencement of the electricity trade on the Exchange platform marks a significant milestone towards building an integrated South Asian regional power market.*
 - *Nepal, Bangladesh & Bhutan to be among the first beneficiaries owing to the connectivity with the Indian electricity grid.*
 - *IEX welcomes Nepal as the first country to have commenced electricity trade in IEX day-ahead market.*
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New Delhi, Monday, 19 April 2021:

The Indian Energy Exchange, India's premiere energy marketplace, is pleased to announce commencement of the Cross Border Electricity Trade (CBET) on its platform. This is a first-of-its kind initiative for the Exchanges to expand their power markets beyond India to the South Asia region towards building an integrated South Asian regional power market.

In a remarkable development following the notification of CBET Regulations by CERC in the year 2019 and the recent notification of CBET Rules in March'21 by the Central Electricity Authority (CEA), NVVN has secured approval from the CEA, for Nepal's participation in the day-ahead market on the Exchange.

Currently, the Cross Border Trade with neighboring countries for India stands at about 18 BU conducted through the medium to long term bilateral contracts. As per the CEA and CERC, as on date, India imports 8.7 BU from Bhutan and exports 2.37 BU and 7 BU to Nepal and Bangladesh, respectively. The power trade with these countries is expected to increase to about 40 BU by FY22 and 70 BU to FY 27 according to a study by IRADe. While the macro-economic growth in the South Asia region have been one of the strongest in the world, the region has been confronting with challenges related to power demand-supply balance and the low per capita power consumption.

According to **Shri S N Goel, Chairman & Managing Director, IEX**, "We are immensely delighted to welcome Nepal as the first country to commence the cross-border electricity trade in our day-ahead electricity market. With a large installed power generation capacity base of 382 GW and peak demand of about 185 GW, India is a power surplus country. We have a unique opportunity to lead the regional power market development and make efforts towards enhancing the energy access and security amongst the neighboring nations in the region."

Speaking on the occasion, **Shri Mohit Bhargava, CEO-NVVN / ED (RE)-NTPC** mentioned "India is centrally placed in South Asia region and shares boundaries with several countries in the region. Due to its unique location as well as sound electricity infrastructure, we must lead in energy cooperation and development of market in the South Asia, regional transmission infrastructure development as well as facilitate efficient utilization of the energy resources for the cross-border



entities. Nepal is the first country to avail the benefit of buying day ahead power from power exchange through NVVN. This is new beginning in the South Asian region. NVVN with vast experience in power trading also has extensive expertise in cross border power trading. ~61% of total power exported to Bangladesh and 54% to Nepal is through NVVN wherein besides trade, NVVN also facilitates the settlement of grid operations and other related technicalities. We also aspire to work closely with Bhutan and Myanmar in future.

IEX is working closely with PTC, NTPC Vidyut Vyapar Nigam Ltd. (NVVN), and all other designated nodal agencies for Cross Border Electricity Trade to facilitate inter-country power trade through the Exchange Market. Fulcrumed on the cutting-edge, intuitive, and state of the art technology, IEX is today positioned as an institution. The power prices discovered at IEX provide the most competitive benchmark as well as provide valuable signals for the value chain. The competitive power prices, transparent and flexible in power procurement, besides the seamless, and error free market operations are IEX's robust value proposition which will be imperative in building the regional power market at a large scale.

ABOUT IEX

IEX is India's premier energy exchange providing a nationwide, automated trading platform for physical delivery of electricity, renewable power, 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. The Exchange is ISO Certified for quality management, Information security management and environment management since August 2016. The Exchange is a publicly listed company with NSE and BSE since October 2017 and is approved and regulated by Central Electricity Regulatory Commission since 27 June 2008. For further details, log on to: www.iexindia.com

Ms. Shruti Bhatia
Head–Corporate Communication & CSR
Telephone: +91-11-43004000 | +91-9654352741
Email: shruti.bhatia@iexindia.com

Mr. Suhas Tadas
The PRactice (On behalf of IEX)
Telephone: +91-8010486299
Email: suhas@the-practice.net