

IEX CELEBRATES FIRST SUCCESSFUL DECADE OF OPERATIONS

**Power sector needs new wave of structural reforms;
The Government proposes to involve IEX in discussions on deepening the power
market: Shri A.K Bhalla, Secretary, Ministry of Power, Government of India**

New Delhi, Thursday, June 28, 2018

The Indian Energy Exchange (IEX) is delighted to complete its first successful decade of operations on June 27, 2018. The Exchange has been playing a unique and pioneering role in development of the power market. The competitive price discovery coupled with the flexibility of procuring and selling power for each 15 min time block has helped the distribution utilities and large consumers manage their demand more efficiently as well as optimize their cost of procurement.

To celebrate the occasion, the Exchange organized an event which marked the presence of esteemed dignitaries including Shri A.K Bhalla, Secretary, Ministry of Power; Shri R.K Verma, Chairperson Central Electricity Authority; Shri R.V Shahi, Former Secretary, Ministry of Power and Shri Rakesh Nath, Former Member- APTEL and Former Chairperson, CEA.

Shri A.K Bhalla, Secretary, Ministry of Power, Government of India in his address as the Chief Guest of the occasion congratulated IEX on the pro-active role played by it in the power market development and mentioned “the Electricity Act 2003 has been in vogue and has been guiding the development in the sector for more than last 15 years. Perhaps, the time is now ripe to unleash a new wave of structural reforms including the reforms on fuel and power procurement front in order to create a liquid marketplace in the power sector”

The Secretary-Power further mentioned “the content and carriage segregation is one of the key amendments that the Government has been working to overcome the several challenges being faced today in context of open access. The Government aspires to corporatize and professionalize the distribution utilities and create an ideal scenario where the subsidies are marginal and are provided only through direct benefit transfer (DBT). The Government is in discussion with CEA as well as CERC on how to further deepen the short-term power market which seems to have been saturated at 8% of total generation for the last few years and proposed to involve IEX in the discussions while assuring it of all the support that may be required in developing the power market in the country”.

Shri R K Verma, Chairperson, Central Electricity Authority” said “the power market has indeed evolved in the last one decade, however, this is just a beginning and we have a long way to go. The market has to gear up to the challenge of 24% renewable energy consumption by 2027 and

to cater to this challenge there is need to find new market avenues and new products which are innovative, in blocks such as time of the day, day of the month, month of the year as well as season to season to meet. Already, several developed economies have progressed in this direction and in India too, we must put our act together and create the right enablers at the right time”,

Shri R.V Shahi, Former Secretary, Ministry of Power in his remarks said “the National Electricity Policy 2005 clearly enunciates 15% share for the short-term power market, however, the power market has been able to achieve only 8% share in the total generation. Perhaps, the electricity sector is the only sector where the consumer does not have a true choice in purchase of power. Open access which is key cornerstone of the Electricity Act 2003 remains ineffective even after 15 years of the enactment of the legislation. Several States continue to levy irrational open access charges such as Cross Subsidy Surcharge and Additional Surcharge in order to make competition unviable. This must be addressed and the government should work towards implementing provisions under the legislation in spirit and as well as the word”.

Shri Rakesh Nath, Former Member - APTEL and Former Chairperson, CEA in his remarks mentioned “IEX has proven to be more than a game-changer in the sector marked by conventional business practices. Some of the key contributions by the Exchange include: competitive price discovery for each 15 minute time block of the day; distinctive payment discipline; helping distribution companies to procure short-term power in the most efficient and competitive way; setting up of merchant generation capacity and helping captive generators sell their surplus to other needy buyers.”

The esteemed dignitaries unveiled the **book on ‘IEX: Empowering Markets’** which encapsulates the sectoral landscape and policy and regulatory enablers that facilitated power market development over the last decade underlining the huge potential for growth in future.

In the ceremony on **‘IEX Excellence Awards 2018’**, the dignitaries felicitated the key members and clients registered at the Exchange who have made significant contribution in the journey of the Exchange over the first decade. The Awards were organized under 10 categories covering and 29 Awards to 25 Awardees including distribution companies, traders, generating companies and renewable generators.

Addressing the gathering, Shri S N Goel, MD & CEO, IEX said “we started with an objective to create a transparent, efficient and equitable market place for trading in electricity. The journey has indeed been exciting focused on building liquidity, state-of-the art technology which is innovation led and providing multiple products to our participants. The Exchange provides competitive price discovery and flexibility in procurement of power and owing to this the distribution utilities and large consumers have been able to manage their demand in the most efficient and cost effective manner. Going forward, we will continue to use technology and expertise to create positive impact and taking take the power market to next level. Internally, our endeavor will be to improvise our processes to deliver the best to the market participants”.

ABOUT IEX

IEX is India's first and largest power exchange offering participants an automated platform to trade in Electricity, Renewable Energy Certificates (RECs) and Energy Saving Certificates (ESCerts). The exchange enables competitive and efficient price discovery, increases the accessibility and transparency of the power market and enhances the speed and efficiency of trade execution. The Exchange is certified for quality management (ISO 9001:2008, Information security management (ISO 27001:2013) and environment management (ISO 14001:2004) and is a listed Company on both NSE and BSE. www.iexindia.com

For further details, please contact:

Ms. Shruti Bhatia, Vice President –Regulatory Affairs and Communication

Telephone: +91-11-43004077 | +91-9654352741 | Email: shruti.bhatia@iexindia.com