BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION,

3^{RD} AND 4^{TH} FLOOR, CHANDRALOK BUILDING,

JANPATH, NEW DELHI

PETITION NO. ………/MP/2023

IN THE MATTER OF:

Petition under Section 66 of The Electricity Act, 2003 read with the Regulation 25 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 for approval of introduction of the High Price Segment in Intra-Day, Day Ahead Contingency and Term Ahead Market (HP-ITD, HP-DAC & HP-TAM) at Indian Energy Exchange Ltd.

AND

IN THE MATTER OF:

Indian Energy Exchange Limited (IEX)
Plot No. C-001/A/1, 9^{th} Floor, Max Towers,
Sector 16 B, Noida, Gautam Buddha Nagar,
Uttar Pradesh – 201301 ...**Petitioner**

Vs.

National Load Despatch Centre (NLDC)
Power System Operation Corporation Limited
B-9 (1^{st} Floor), Qutab Institutional Area,
Katwaria Sarai, ~~New Delhi~~ 110016 ..**Respondent**

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry
31/JAN/24
GOVT. OF INDIA

INDEX

For Indian Energy Exchange Limited

Place : Noida

Dated : 08th Aug 2023

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry
31/JAN/24
GOVT. OF INDIA

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION,

3RD AND 4TH FLOOR, CHANDRALOK BUILDING,

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IN THE MATTER OF:

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IN THE MATTER OF:

Indian Energy Exchange Limited (IEX) …**Petitioner**

Vs.

National Load Despatch Centre (NLDC) …**Respondent**

MOST RESPECTFULLY SHOWETH:

1. The Indian Energy Exchange Limited (hereinafter referred to as the "IEX" or as the "Exchange"), is a company incorporated under the provisions of the Companies Act, 1956 and having its corporate office at Plot No. C-001/A/1, 9th Floor, Max Towers, Sector 16 B, Noida, Gautam Buddha Nagar, Uttar Pradesh – 201301.

2. The Honorable Central Electricity Regulatory Commission (hereinafter referred to as "Hon'ble Commission") was pleased to grant permission to the IEX to set up, operate and commence exchange operations by its orders dated 31.8.2007 and 9.6.2008. That IEX has been in operation since 27.06.2008.

3. By way of the present Petition, the Petitioner herein seeks approval of this Hon'ble Commission to introduce the High Price Segment in the Intra-Day, Day Ahead Contingency & Term Ahead Market namely HP-ITD, HP-DAC & HP-TAM on its platform for facilitating high variable cost generators to participate in these market segments which are otherwise not able to do so due to prevailing price cap.

Background:

4. It is submitted that, IEX is presently operating Integrated Day Ahead Market (I-DAM), Term Ahead Market (TAM), Real Time Market (RTM), Green Term Ahead Market (GTAM) and facilitating bidding for Tertiary Reserve Ancillary Service (TRAS) in Day Ahead Ancillary Services Market (AS-DAM) and Real Time Ancillary Services Market (AS-RTM) in the electricity segment and is also operating the Renewable Energy Certificate (REC) and Energy Saving Certificates (ESCerts) Market in accordance with the Byelaws, Rules and Business Rules of the Exchange and Regulations & Approvals of this Hon'ble Commission. In particular, the electricity transactions on the Power Exchange are governed by Power Market Regulations and Open Access Regulations and Procedures issued thereunder.

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry
31/JAN/24
GOVT. OF INDIA

4

5. In order to address the issue of surge in electricity prices in spot market due to increased demand and supply constraints prevailing in the country, the Hon'ble Commission vide order dated 01.04.2022 directed the Power Exchanges to implement a price cap of Rs. 12/unit across DAM and RTM which was subsequently made applicable to all the electricity market segments vide order dated 06.05.2022.

6. While this intervention has relaxed spot prices, the Generators having high variable cost were unable to participate in the market and remain stranded despite shortage scenario. In view of the same, the Ministry of Power (MoP) proposed to introduce a separate market namely High Price Market segment (HP-DAM) within the existing Integrated-DAM (I-DAM) vide letter dated 01.08.2022 to facilitate dispatch of such Generators.

7. In accordance with the MoP proposal, a Petition bearing No. 359/MP/2022 was filed by the IEX for approval of introduction of HP-DAM its platform. The Hon'ble Commission was pleased to approve the introduction of the HP-DAM Contract at IEX platform vide its Order dated 16.02.2023 and as per the said order IEX launched the HP-DAM contract on its platform w.e.f. 10.03.2023. Further, the Hon'ble Commission has also specified following eligibility conditions for Generators to participate in the HP-DAM segment:
    i. Gas based Power Plants using imported RLNG and Naptha
    ii. Imported Coal based Power Plant using imported coal.
    iii. Battery Energy Storage Systems (BESS)

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry
31/JAN/24
GOVT. OF INDIA

5

8. In the meanwhile, the price caps for all the contracts at the Power Exchanges have been revised as per the order dated 31.03.2023 issued by the Hon'ble Commission in 04/SM/2023 for the period from 04.04.2023 until further orders, in the range of (a) Rs.0/kWh to Rs.10/kWh for all contracts, viz., DAM (including GDAM), RTM, ITD, DAC and TAM (including GTAM); and (b) Rs.0/kWh to Rs.20/kWh in the HP-DAM segment.

9. It is submitted that the HP-DAM contract was launched on the IEX platform w.e.f. 10th March 2023. In the last 4 months, it has been observed that by virtue of limited eligible Sellers and little interest from buyers, the segment has witnessed very low liquidity which has resulted in low volumes. Therefore, it is felt that there is a need for an alternate segment to facilitate dispatch of these high-cost generators.

10. Therefore, to further facilitate the eligible high-priced sellers, it is proposed to introduce High Price Contracts in the Intra-Day, Day Ahead Contingency and Term Ahead Market at IEX.

Framework of the Proposed High Price Contracts:

11. The High Price contracts have been proposed in the existing Intra Day & Day Ahead Contingency and TAM segment. All the specifications for the proposed contracts will remain same as the existing Intra Day & Day Ahead Contingency and TAM contracts, except for the ceiling price for the eligible sellers. The price range for this segment shall be from Rs. 0 Rs/kWh to 20/kWh, or as approved by the Hon'ble Commission from time to time. Each contract is being briefly discussed below:

6

i. High Price Day-ahead Contingency Contracts: These contracts will be the hourly contracts traded on D-1 day for delivery of power on D Day.

ii. High Price Intra-Day Contracts: These contracts to be traded 3-4 hours before the delivery or as may be allowed by System Operator.

iii. High Price Daily Contracts: These contracts to be traded on T-day for Delivery from T+2 onwards.

iv. High Price Weekly Contracts: These contracts to be traded every week on Trading Day as per Trading Calendar for delivery from Monday to Sunday of the upcoming week.

v. High Price Monthly Contracts: These contracts to be traded every month on Trading Day as per Trading Calendar for delivery from the first Month (M1) to the third Month (M3) from the trade Month (M0).

vi. High Price Any Day Single Side Contracts: These contracts to be traded based on the buyer's requisition.

12. All the features of the HP-TAM Contract will remain same as approved by the Hon'ble Commission in the Order dated 08.06.2022 while approving the IEX Petition No. 219/MP/2021 filed for additional Term Ahead Contracts and Green Term Ahead Contracts beyond T+11 days. The summary of the specifications approved by the Hon'ble Commission is as below-

Name of the Contract	**Commencement of Bidding**	**Last day of bidding**	**Bidding Time**	**Delivery Duration**	**Remarks**
High Price Daily Contracts	On Daily Basis	Two days before delivery day	12: – 17:00 hours	T+2 to T+90 Days	For pre-specified time blocks

7

Name of the Contract	Commencement of Bidding	Last day of bidding	Bidding Time	Delivery Duration	Remarks
High Price Weekly Contract	Monday of the week prior to delivery	Friday of the one week prior to delivery	12:00 – 17:00 hours	TW+1 to TW+12 Weeks	notified to the market participants well in advance through circulars
High Price Monthly Contract	First Day of the zero month	For the first month (M1) contract – ten days prior to the close of zero month (M0); For the second month (M2) contract – five days prior to the close of zero month (M0); For the third month (M3) contract – last day of zero month (M0).	12:00 – 17:00 hours	TM+1 to TM+3 Months	
High Price Any Day Single Sided Contract	On Daily Basis	Two days before delivery day	00:00 – 24:00 hours	T+2 to T+90 Days	For user defined days and time blocks

13. Further, in the Order dated 08.06.2022, the Hon'ble Commission approved the delivery in the TAM contracts for a maximum duration of 3 months. As the Hon'ble Commission has notified the GNA Regulations 2022 allowing the T-GNA period up to 11 months, the delivery period may also be extended under the HP-TAM to 11 months as and when the same is approved by the Hon'ble Commission for the regular TAM contracts.

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry
31/JAN/24
GOVT. OF INDIA

8

14. Eligibility for Participation in HP-TAM:

i. **Sellers:** The Seller having Standing Clearance issued by Load Despatch Center through NOAR specifying the eligibility of Seller for participating in the HP-DAM shall be eligible to participate in HP-ITD, HP-DAC & HP-TAM also. Such Seller will also be eligible to participate in the other contracts at Exchange based on same standing clearance subject to applicable eligibility conditions of respective contracts, if any.

ii. **Buyers:** All the entities which are eligible to procure power through Open Access shall be eligible to participate in HP-ITD, HP-DAC & HP-TAM as buyer.

15. Other Contract details of HP-ITD, HP-DAC & HP-TAM: All other contract specifications are similar to the ones existing for the general TAM segment as briefly provided below:

i. Risk Management: As per existing practice of Electricity ITD, DAC & TAM Contracts.

ii. Price discovery methodology:

Name of the High Price Contract	**Price Discovery Methodology**
Day Ahead Contingency	Continuous Matching
Intra Day Contingency	Continuous Matching
Daily Contract	Uniform Price Step Auction
Weekly Contract	Uniform Price Step Auction
Monthly Contract	Uniform Price Step Auction
Any-day Single Sided Contract	Reverse Auction

iii. Scheduling: As per procedure of scheduling of bilateral transactions or its amendment or reenactment time to time.

iv. Deviation Settlement Mechanism: As per applicable Regulations notified by Appropriate Commission.

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry 31/JAN/24
GOVT. OF INDIA

16. In view of the above, it is humbly submitted that the Hon'ble Commission may accord approval to introduce the High Price contracts on Intra Day, Day Ahead Contingency and Term Ahead Market at IEX platform.

17. The required amendment in SCHDULE B1 & B2 of Business Rules of the IEX is annexed hereto as Annexure-I for approval of the Hon'ble Commission.

18. The Petitioner herein craves leave of the Hon'ble Commission to submit further additional information in support of this petition.

PRAYER

In the premise the Petitioner respectfully submits that this Hon'ble Commission may be pleased to:

1. Accord approval of introduction of proposed High Price segment in Intra-Day, Day Ahead Contingency and Term Ahead Market on IEX platform.
2. Accord approval for proposed amendments in Business Rules of IEX for introduction of HP-ITD, HP-DAC and HP-TAM Contract.
3. Accord approval for the eligibility of Sellers participation in the proposed High Price Contracts and the price range as may be specified by the Hon'ble Commission for the HP-DAM contracts.
4. Pass such further order or orders as may be considered necessary in the facts and circumstances of the case.

Indian Energy Exchange Limited

FOR INDIAN ENERGY EXCHANGE LTD

Place : Noida

Dated : 08th day of Aug, 2023

THE SEAL OF NOTARY PUBLIC Renu Bala Reg. No. 16727 Comm. Expiry 31/JAN/24 GOVT. OF INDIA

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION,

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IN THE MATTER OF:

Indian Energy Exchange Limited (IEX) **---Petitioner**

Vs.

National Load Despatch Centre (NLDC) **…Respondent**

AFFIDAVIT

I, Jogendra Behera, Son of Late J.K. Behera aged about 44 years and having my office at Indian Energy Exchange Limited (IEX), Plot No. C-001/A/1, 9th Floor, Max Towers, Sector 16 B, Noida, Gautam Buddha Nagar, Uttar Pradesh – 201301 do hereby solemnly state as under:

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry
31/JAN/24
GOVT. OF INDIA

11

1. I am working as Vice President in the Indian Energy Exchange Limited, Noida, and I am well conversant with the facts of the case and hence competent and authorized to sign this affidavit.
2. I have gone through the contents of the above Petition and I say that the facts stated therein are based on the records of the Petitioner and believed by the deponent to be true.

Indian Energy Exchange Limited

DEPONENT

VERIFICATION

I, the deponent above named do hereby verify that the contents of my above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Noida on 08th day of August 2023.

Indian Energy Exchange Limited

DEPONENT

THE SEAL OF NOTARY PUBLIC
Renu Bala
Reg. No. 16727
Comm. Expiry
31/JAN/24
GOVT. OF INDIA

ATTESTED

Notary Public
Govt. of India

8 AUG 2023

12

ANNEXURE-I

SCHEDULE B1: INTRA-DAY AND CONTINGENCY MARKET SEGMENT

This market segment will cover intra-day and day ahead contingency electricity contracts. This market segment will operate in accordance with the procedures issued by NLDC for 'Scheduling of Bilateral Transactions'. All terms and conditions of the contracts including trading sessions, matching rules, margin requirement and delivery procedure etc, will be as per specific rules mentioned herein.

1. Contracts

The Exchange shall make the contracts as specified in this section available for trading as per the trading calendar. These contracts will be traded in accordance with provisions of trading as specified in the respective Contract Specification. The trade sessions, matching rules applied in each trade session for concluding the contracts, risk management and settlement for such contracts will be as per specific contract specifications provided herein. The delivery of such contracts will be in accordance with CERC (Open Access in Inter-State Transmission) Regulations, 2008, as amended from time to time and relevant procedures issued by NLDC and by Open Access Regulations of concerned State. The Exchange holds the right to modify all other parameters except those specified in regulation 25 of CERC (Power Market) Regulation, 2021.

Following contracts shall be available for trading in this Market:

1.1 Intra-Day Contracts

The Exchange shall make the Intra Day contracts and High Price Intra Day Contracts available for trading hourly and or 15 minute contracts on same day on rolling basis till some hour/time block prior to the delivery of electricity as specified in the contract specification. The Exchange will carry out trading in such contracts through 'Continuous Trade' sessions. The timeline for trade matching sessions will be specified in Contract Specifications. Scheduling of the transactions shall be in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008, as amended from time to time and relevant procedures issued by NLDC/POSOCO as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The contract specifications of Intra-Day Contracts are given at **Annexure- B11**.

1.2 Day-Ahead Contingency Contracts

The Exchange shall make Day Ahead Contingency Contracts and High Price Day Ahead Contingency Contracts available for trading ~~the~~ 24-hourly and or 15-minute contracts ~~available for trading~~ on day-ahead basis for 00:00 hours to 24:00 hours of next day. The Exchange will carry out trading in such contracts through 'Continuous Trade' sessions. The timeline for trade matching sessions will be specified in Contract Specifications. Scheduling of the transactions shall be in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008, as amended from time to time and relevant procedures issued by NLDC/POSOCO as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The contract specifications of Day-Ahead Contingency Contracts are given at **Annexure- B12**.

2. Trading Days and trading hours

The Exchange shall operate this segment on all days except Exchange specified holidays. The Exchange shall declare Trading & Settlement calendar in advance indicating trading sessions and trading days for each of Contracts. The Exchange may extend, advance or reduce trading hours by notifying the Members as and when it deems fit and necessary.

3. Matching Methodology

The matching of contracts will employ Continuous matching methodology. In Continuous matching, the participants shall submit buy and sell offers on a continuous basis during the trading period. The buyers and sellers will be matched on continuous basis with price-time priority. For a specific Contract, the seller with minimum quote and buyer with the maximum quote are considered as best seller and best buyer respectively. Best five buy and sell bids, excluding the details of participants, shall be displayed on the trader's workstation (TWS) to all the participants to show the market depth. In case, best buy order is better than or same as best sell order, they will be matched resulting into Contracts. Such matching will continue till the end of trading period. In case, best buy order is inferior to the best sell, they will continue to be available in the order book, without resulting into Contracts. Market depth of best five orders in terms of price shall be displayed to all the participants. Order-depth option displays the best five placed orders in terms of price whereas Price-depth option displays the best five prices by cumulating the volumes under similarly priced bids.

4. Order Management

The Exchange may launch more than one order book running either parallel or at different time spans. All **Clients** shall be assigned unique client ID / Portfolio ID code which may be same or different for different market segments. The types of order available in continuous trading sessions are as follows:

4.1 Timing Constraints

I. Rest of day (Day): The order will be valid till the end of trading hours of that trading day.

II. Immediate or Cancel (IOC): The order placed will not be in pending status and will be cancelled immediately in case if not traded.

III. End of Session (EOS)

4.2 Execution constraints

I. Fill or Kill (FoK): This order will match the whole order OR delete the whole order.

5. Matching Rules

The order matching rules for Continuous trade session will have the following features

a) In case of continuous market segment, the order is immediately checked if it can be matched.

b) The Orders are matched based on price and time priority. In case of more than one order having the same price, the order with the earlier time will get the priority in matching.

c) The best buy order is matched with the best sell order when (buy price >= Sell Price). For order matching, the best buy order is the one with the highest price and the best sell order is the one with the lowest price.

d) An order may match partially with another order resulting in multiple trades.

6. Margin Requirement

The Members or the Clients, as applicable, participating in this market segment will have to make available margins to the Exchange from time to time as provided in Clause 6 of Schedule B2 of these Business Rules

7. Risk Management System

As per Clause 7 of Schedule B2 of these Business Rules.

8. Surveillance

As per Clause 8 of Schedule B2 of these Business Rules.

9. Delivery procedure

Delivery procedure as provided in Clause 9 of Schedule B2 of these Business Rules.

10. Transaction fees

The Exchange will charge a transaction fee as may be specified by the Exchange from time to time on the transactions carried through the Exchange subject to provisions of CERC (Power Market) Regulations, 2021 and approval of the Commission, as applicable. Such transaction fee will be computed on both purchases and sales separately. This fee will be billed separately on periodic basis and will be recovered from the settlement account of the Member or the Clients, as applicable.

11. Reports

I. After end of trading session, the Exchange will make available the reports to the Members which consist of Trade file Report, Provisional Obligation Report, Final Obligation Report and other relevant matters.

II. Based on the Exchange's Reports, the Members can inform their Clients about their successful trades along with their obligation.

12. Force Majeure

As per Clause 12 of Schedule B2 of these Business Rules.

Annexure B11

Contract Specification- Regional Intra-Day Contract

Sr No.	Topic	Details
1	Contract Name*	Regional Intra Day -Contracts (ITD) / High Price Intra Day Contracts (HP-ITD)
2	Regions	Regional contracts one each for each electrical region will be available for trading -i.e., for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER)
3	Contract Code*	"Type of Contract- Hour No. – Region (E.g.ITD-H21-NR) Where, ITD: Intraday Contracts: Hour of delivery Region detail: NR: Northern Region".
4	Contract Type	Delivery Option – Firm Delivery
5	Contract available for Trading	Hourly and 15 min contracts for consecutive time period on same day will be available for trading.
6	Trading day*	Every calendar day of the year for same delivery date.
7	Trading Session*	Continuous Trading session will be made available to the members for bidding separately for ITD and HP-ITD Contracts.
8	Bidding process	Seller will submit bid for the contract of that region to which he belongs. Whereas a buyer can buy any regional contract. Netting off (square off) of positions will not be allowed.
9	Matching of Bids	Continuous trade session**:** Details in clause no. 5 (B) of Schedule B2 of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.
10	Trading Hours	Continuous trade session: 00:15 hrs to 19:30 hrs on trading days
11	Minimum Volume Quotation*	1 MW
12	Minimum Volume Step*	1 MW
13	Lot size	1 MWh
14	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/clearance issued by its SLDC to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.
15	Price Quote Basis	Rs. per MWh (excluding all fees, charges, taxes, if applicable)
16	Price Tick*	Rs. 1 per MWh
17	Quantity Variation	Zero quantity variation allowed.
18	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.
19	Initial Margins (Operational Limit)*	105% margin from buyers of the total order value should be available in cash with the exchange at the time of bidding for continuous trading sessions.
20	Variation Margin*	NA
21	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal RLDC at delivery point as specified by the exchange from time to time

Trading Cycle

	Details	Time (Hrs)
22	Continuous Trade Session (Daily)	0030 to 2000
23	SLDC Clearance and Declaration Form sent to Members	As specified in TAM Trading and Settlement Calendar
24	Submission of SLDC Clearance to the Exchange by the Member	As specified in TAM Trading and Settlement Calendar
25	Submission of Application to Nodal RLDC(1	As per Procedure for Scheduling of Bilateral Transaction.
26	Approval from nodal RLDC	As per CERC Order dated 08.04.2015 in Petition no. 006/SM/2015.
27	Payin /adjustment on T+1 basis where T is the trading day	Post receipt of nodal RLDC approval
28	Payout on T+2 basis where T is the trading day	By 1100
29	Payment of charges to Nodal RLDC as per "Procedure for Scheduling of Bilateral Transaction".	1500
	(1)Application for Scheduling will be sent only when the SLDC Clearances from buyer and seller are received by the Exchange. In case, the SLDC approval is not received from SLDCs of buyer/ seller as per specified in Trading and Delivery Calendar, then it will be considered as default by buyer/seller.	

Delivery Procedure

30	Delivery	Delivery shall commence 3.5 hours after expiry of the contract. Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time during the contract period shall be allowed to be revised. The quantity shall be deliverable as per the schedule issued by the respective RLDC.
31	Delivery period	Delivery for each hour or 15-minute.
32	Delivery point	The delivery point shall be at Seller's Regional Periphery as per Procedure for Scheduling of Bilateral Transaction and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.

33	Application for Scheduling	Application for Scheduling will be Submitted to Nodal RLDC on Contingency basis as per the "Procedure for Scheduling of bilateral transactions".
34	~~S~~LDC Clearance	The buyer and seller will have to take concurrence from their respective SLDC for scheduling of Power. This concurrence has to be submitted as per the timelines specified in the Trading and Delivery Calendar. NOC / Prior Standing Clearance issued by the SLDC in format PX-I as per CERC (Interstate Open Access) Regulations, are also valid for these transactions. To participate in HP-ITD Contract, Sellers shall be required to provide valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and endorsement of eligibility to participate in High Price Contracts.
35	Application fees, Operating and Transmission Charges and Losses	Seller will bear all the Transmission, Scheduling& Operating charges and Transmission Losses (in kind) up to the delivery point and Buyer shall bear all the Transmission, Scheduling & Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl , as applicable. The charges shall be applied on the quantum of power scheduled at seller's Regional Periphery.
36	Alternate route	The buyer will be deemed to have consented for all possible routes; however, they can give preference amongst the possible routes.
37	Force majeure	In case of force majeure, the Exchange will settle the contract as per final schedule issued by RLDCs.
38	Fines & penalties	As decided by the Exchange from time to time and informed through circular.

Settlement procedure

39	Payment of Application fees, Transmission & Operating Charges by Members	Application fees. Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the Nodal RLDC will be recovered from the buyer and seller members on receipt of the acceptance from the nodal RLDC.
40	Funds pay in by Members	Exchange will debit/ adjust the funds pay-in on the next day of trading from buyer's member/ clients as applicable. Excess margins, if any due to partial concurrence received will be refunded back to the member on the settlement day.
41	Funds pay out to Members	Amount equivalent to net obligation will be credited at 12.00 noon on T+1 basis (where T stands for Trading day.)

* Exchange may modify these parameters from time to time with prior intimation to its Members.

Annexure B12

Contract Specification: - Regional Day Ahead Contingency Contracts (~~R~~DAC~~C~~)

Sr No.	Item	Details
1	Contract Name*	Region wise Day-Ahead Contingency Contracts (DAC)/ High Price Day-Ahead Contingency Contracts (HP-DAC)
2	Regions	Regional contracts one each for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER)
3	Contract Code*	“Type of Contract- Hour No. – Region “ (E.g.DAC-H21-WR) Where, DAC: Day Ahead Contract Hour: Hour of delivery Region detail WR: Western Region.
4	Contract Type	Delivery Option – Firm Delivery
5	Contract available for Trading	Hourly and 15 minutes contracts for next day from 00:00 Hrs. to 24:00 Hrs.
6	Trading day*	A day before delivery day or as per trading calendar declared in advance.
7	Trading Session*	On each trading day, one continuous trading session will be made available to the members for bidding separately for DAC and HP-DAC Contracts.
8	Bidding process	Seller will submit bid for the contract of that region to which he belongs. Whereas a buyer can buy any regional contract. Netting off (square off) of positions will not be allowed.
9	Matching of Bids	Continuous trade session. Details in clause 5 (B) of Schedule B2 of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.
10	Trading Hours	Continuous trade session: 03.00 PM to 11.30 PM on trading day i.e. one day before delivery date or as per trading calendar
11	Minimum Volume quotation*	1 MW
12	Minimum Volume Step*	1MW
13	Lot size	1 MW * 1 Hour
14	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/Clearance issued by its SLDC to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
15	Price Quote Basis	Rs. Per MWh (excluding all fees, charges, taxes, if applicable)
16	Price Tick*	Rs. 1 per MWh
17	Volume Tick size	1 MWh
18	Quantity Variation	Zero quantity variation allowed.
19	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.
20	Initial Margins (Operational Limit)*	105% margin from buyers of the total order value should be available in cash with the exchange at the time of bidding for continuous trading sessions.
21	Variation Margin*	NA
22	Extreme Loss Margin*	NA

23	Transaction Fees*	Fees payable by buyer and seller to Exchange for the quantity approved by nodal RLDC at delivery point as specified by the exchange from time to time

Trading Cycle

	Details	Time (Hrs)
24	Continuous Trade Session (Daily)	1500 – 2330
25	SLDC Clearance and Declaration Form sent to Members	As specified in TAM Trading and Settlement Calendar
26	Submission of SLDC Clearance to the Exchange by the Member	As specified in TAM Trading and Settlement Calendar
27	Submission of Application to Nodal RLDC[(1)]	As per Procedure for scheduling of Bilateral transactions
28	Approval from nodal RLDC	As per CERC Order dated 08.04.2015 in Petition no. 006/SM/2015.
	Pay in/ adjustment on T+1 basis where T is the trading day	Post receipt of nodal RLDC approval
	Payout on T+2 basis where T is the trading day	By 1100
29	Payment of charges to Nodal RLDC as per Procedure for Scheduling of Bilateral Transaction.	1500
	[(1)]Application for Scheduling will be sent only when the SLDC Clearances from buyer and seller are received by the Exchange. In case, the SLDC approval is not received from SLDCs of buyer/ seller as specified in Trading and Delivery Calendar, then it will be considered as default by buyer/seller.	

Delivery Procedure

30	Delivery	Delivery shall commence 3.5 hours after expiry of the contract. Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time during the contract period shall be allowed to be revised. The quantity shall be deliverable as per the schedule issued by the respective RLDC.
31	Delivery period	Delivery for each hour or 15 minute.
32	Delivery point	The delivery point shall be at Seller's Regional Periphery as per Procedure for Scheduling of Bilateral Transaction and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.
33	Application for Scheduling	Application for Scheduling will be Submitted to Nodal RLDC on Contingency basis as per the "Procedure for Scheduling of bilateral transactions"
34	~~S~~LDC Clearance	The buyer and seller will have to take concurrence from their respective SLDC for scheduling of Power. This concurrence has to be submitted as per the timelines specified in the Trading and Delivery Calendar. NOC / Prior Standing Clearance issued by the SLDC in format PX-I as per CERC (Interstate Open Access) Regulations, are also valid for these transactions. To participate in HP-ITD Contract, Sellers shall be required to provide valid NOC/Standing Clearance issued by respective Load Dispatch Centre specifying maximum quantum and endorsement of eligibility to participate in High Price Contracts.

35	Application fees, Operating and Transmission Charges and Losses	Seller will bear all the Transmission, Scheduling & Operating charges and Transmission Losses (in kind) up to the delivery point and Buyer shall bear all the Transmission, Scheduling& Operating charges including Application Fees and Transmission Losses from delivery point up to their point of drawl, as applicable . The charges shall be applied on the quantum of power scheduled at seller's Regional Periphery.
36	Alternate route	Unless preference is specified by the buyer, he will be deemed to have consented for all possible transmission corridors from seller's injection point till drawal point.
37	Force majeure	In case of force majeure, the Exchange will settle the contract as per final schedule issued by RLDCs.
38	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure

39	Payment of Application fees, Transmission & Operating Charges by Members	Application fees, Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the Nodal RLDC, will be recovered from the buyer and seller members on receipt of acceptance from the nodal RLDC.
40	Funds pay in by Members	Exchange will debit/adjust the funds pay-in on the next day of trade from buyer's member's /clients, as applicable. Excess margins, if any due to partial concurrence received will be refunded back to the member on the settlement day.
41	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members.

SCHEDULE B2: TERM AHEAD MARKET (TAM) SEGMENT

The Term Ahead Market segment will cover electricity contracts with timeframes of daily, weekly and monthly etc. as approved by CERC. The Term Ahead Market will operate in accordance with the procedures issued by NLDC for 'Scheduling of Bilateral Transactions'. All terms and conditions of the contracts including trading sessions, matching rules, margin requirement and delivery procedure etc, will be as per specific rules mentioned herein.

1. Contracts

The Exchange shall make the contracts as specified in this section available for trading as per the Trading & Settlement calendar. These contracts will be traded in accordance with provisions of trading as specified in the respective Contract Specification. The trade sessions, matching rules applied in each trade session for concluding the contracts, risk management and settlement for such contracts will be as per specific contract specifications provided herein. The delivery of such contracts will be in accordance with CERC (Open Access in Inter-State Transmission) Regulations, 2008, as amended from time to time including reenactment thereof; CERC (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time including reenactment thereof; CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time including re-enactment thereof; CERC (Power Market Regulations), 2021 as amended from time to time including reenactment thereof; Procedure for Scheduling of Bilateral Transaction and Procedure for Short Term Open Access in inter State Transmission System through National Open Access Registry (NOAR) as amended from time to time including reenactment thereof and by Open Access Regulations of concerned State and procedure made thereunder. The Exchange holds the right to modify parameters as permitted by CERC. These contracts will be further differentiated on time of day basis (Peak, Off-Peak basis etc.).

Following contracts shall be available for trading in Term-Ahead Market:

1.1 Daily Contracts

The Exchange shall make the Daily Contracts and High Price Daily Contracts available for trading up to a period as may be specified by the Exchange from time to time within the timelines approved by CERC for delivery of electricity for pre-specified time- blocks of the day. The Exchange will carry out trading in such contracts through 'Uniform Price Step Auction'. The timeline for trade matching sessions will be specified in contract specifications. Scheduling of the transactions shall be in accordance with Open Access Regulations and relevant procedures issued by POSOCO/NLDC as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The contract specifications of Daily Contracts are given at **Annexure- B21**.

1.2 Weekly Contracts

The Exchange shall make the Weekly Contracts and High Price Weekly Contracts available for trading maximum up to a period as may be specified by the Exchange from time to time within the timelines approved by CERC for delivery of electricity for pre-specified time-blocks on all the days of the week. The Exchange will carry out trading in such contracts through 'Uniform Price Step Auction'. The timeline for trade matching sessions will be specified in contract specifications. Scheduling of the transactions shall be in accordance with Open Access Regulations and relevant procedures issued by POSOCO/NLDC as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The contract specifications of Weekly Contracts are given at **Annexure- B22**.

1.3 Monthly Contracts

The Exchange shall make the Monthly contracts and High Price Monthly Contracts available for trading maximum up to a period as may be specified by the Exchange from time to time within the timelines approved by CERC for delivery of electricity for pre-specified time blocks on all days of calendar Month. The Exchange will carry out trading in such contracts through 'Uniform Price Step Auction'. The timeline for trade matching sessions will be specified in contract specifications. Scheduling of the transactions shall be in accordance with Open Access Regulation and relevant procedures issued by POSOCO/NLDC as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The contract specifications of Monthly contracts are given at **Annexure- B23**.

1.4 Any Day(s) Single Sided Contracts

The Exchange shall make the Any-Day(s) Single Sided contracts and High Price Any Day Single Sided Contracts available for trading maximum up to a period as may be specified by the Exchange from time to time within the timelines approved by CERC for delivery of electricity as may be requisitioned by the buyer. The Exchange will carry out trading in such contracts through 'Reverse Auction' where Buyer is the requisitioner. The timeline for trade matching sessions will be specified in contract specifications. Scheduling of the transactions shall be in accordance with Open Access Regulation and relevant procedures issued by POSOCO/NLDC as specified in the contract specifications. The Exchange holds the right to modify parameters as permitted by CERC. The Exchange may specify minimum conditions related to quantum, time etc. to be fulfilled by the bidders for participating in these contracts. The contract specifications of Any-Day(s) Single Sided contracts are given at **Annexure- B24**.

2. Trading Days and trading hours

The Exchange shall operate this segment on all days except Exchange specified holidays. The Exchange shall declare Trading & Settlement calendar in advance indicating trading sessions and trading days for each of Contracts. The Exchange may extend, advance or reduce trading hours by notifying the Members as and when it deems fit and necessary.

3. Matching Methodologies

The matching of contracts will apply the following matching methodologies:

3.1 Uniform Price Step Auction

In Uniform Price Step Auction, the participants submit their orders for sale and buy during the call auction phase. Such orders are automatically stored in the order book without giving rise to Contracts. After the end of the call auction phase, there is a call auction freeze phase. Until the call auction freeze phrase, members can enter new orders (or quotes) or modify their existing orders. Execution of trade takes place after the call auction freeze phase is over. The matching of orders takes place in accordance with matching rules given in subsequent sections. All trades are effected at uniform price known as Equilibrium Price (EP). All orders that have prices that are better than the equilibrium price are executed, and the ones that have a price equal to the equilibrium price are executed according to a First In First Out (FIFO) algorithm. The algorithm for determining Equilibrium Price is given in the matching rules. In such auction, the transmission network constraints are not considered implicitly while matching the orders. The following auction methodology will be adopted:

3.1.1 Open auction: In the open auction, the participants submit their order for sale and buy during the auction phase. Complete list of order prices and aggregated quantities of buy and sale bids will be displayed to market participants maintaining bidder's anonymity. The participants can modify, delete or enter new orders during call auction period.

3.2 Reverse Auction:

1.2.1 In Reverse Auction, buyer will create the requisitions (quantum, time period with minimum acceptable quantity from single seller) and sellers to submit their offers (quantum, minimum acceptable quantum and price) against each requisition. In each reverse auction there would be one buyer and multiple sellers. The sellers will compete amongst themselves for the requisition made by the buyer.

1.2.2 The auction shall be conducted in two stages namely Initial Price Offer (IPO) and Reverse Auction.

1.2.3 In the IPO stage, the sellers will submit their price and quantity (during IPO session seller can view, modify and delete) against each requisition. The system will rank the Bidders according to their price bids. If two or more sellers quote the same price, the ranking of the sellers shall be done based on time priority basis The Bidder with the highest price bid in IPO stage will be called the H1 Bidder. The Highest Bidder(H1) will be eliminated provided that the total quoted quantity after elimination is not less than twice the requisitioned quantity. The elimination process will be carried out for each of the requisition separately. One event may have more than one requisition.

1.2.4 After completion of IPO stage, Reverse Auction will be conducted. During the auction session only prevailing lowest quoted price (L1) will be displayed to the market. The Reverse Auction shall continue for period of 120 minutes or as may be specified by the Exchange from time to time. The Exchange shall also from time to time specify the duration before the scheduled closure of Reverse Auction during which if there is a change in the lowest quoted price (L1) the Reverse Auction would get auto extended by that duration. For example, if during the last 10 (ten) minutes before the scheduled close time of Reverse Auction, if a price bid is received which is lower than the L1, the close time of Reverse Auction will be automatically extended by 10(ten) minutes from the time of the last price bid received. This process of auto extension will continue till there is a period of 10 (ten) minutes during which no price bid is received which is lower than the prevailing L1.

1.2.5 During the Reverse Auction the seller will have the option of reducing the price quoted by them in decrements of 1 Rs./MWh or multiples thereof and the option of increasing the quantum quoted by them by 1 MW or multiples thereof or as may be specified by the Exchange.

1.2.6 The seller after the Reverse Auction process will be ranked in accordance with the price offered in ascending order. The sellers, in order of their rankings, combinedly offering the quantum of power up to the requisitioned capacity would be the Successful Bidders.

1.2.7 In the event, of two or more sellers quoting the same price during Reverse Auction stage, the ranking of the seller shall be done based on a time priority basis.

1.2.8 Buyers shall communicate its acceptance/partial acceptance/rejection of trade to the Exchange within the timeline (after the closure of RA) as may be specified by the Exchange from time to time.

1.2.9 The buyer shall procure power from the Successful Bidders in the order of their rankings. until the accepted quantity is met.

4. Matching Rules

The matching rules for the two matching methodologies provided in Clause 3 are provided below along with the illustrations:

4.1 Uniform Price Step Auction

4.1.1. A Matching of the auction will only take place if there are crossing prices (buy price >= Sell Price) in the order book, that is, if the best bid price is equal to or higher than the best ask price. In that case, the equilibrium price is determined according to the following criteria:

1. Maximum tradable volume: The Equilibrium Price will be the price at which there is maximum tradable volume.

2. Minimum unbalance: If there is more than one price with equal value for maximum tradable volume, the price that leaves the least volume untraded at its level is chosen as Equilibrium Price.

4.1.2. If Auction Session has overlapping Buy and Sell orders resulting in at least 1 trade (if there are crossing prices i.e. best buy price >= best Sell Price) then the system would use the below mentioned principles to determine that Session's Auction Uniform Price. If system achieves more than one potential Auction Uniform Price by Principle 1, then the algorithm would move to Principle 2 to narrow down the options and so on. If any Principle achieves a single potential Auction Uniform Price, then that price would be assigned as that Session's Auction Uniform Price. The Auction Uniform Price calculation logic is explained below with the help of an example:

4.1.3 The Order Book would be sorted on Best Buy and Best Sell basis for a product e.g. 'AUCREC SOLAR' at the end of the Auction session as below:

BUY			**SELL**		
Order	**Qty**	**Price**	**Price**	**Qty**	**Order**
A	4,500	825	831	290	J
B	28,200	824	828	11,420	K
C	1,900	822	826	21,650	L
S	49,700	820	825	8,500	M
D	8,000	819	823	1,900	N
E	16,400	818	820	17,500	O
F	5,400	815	819	3,600	P
G	900	814	818	11,600	Q
H	4,575	812			R

4.1.4 Principle: Determining the Maximum Tradable Volume

The principle would establish the **price(s)** at which **maximum tradable volume** would be **executed.** There would be two steps involved in applying this principle.

I. **STEP 1** – Determine the Cumulative Buy and Sell quantities at each eligible price. The Cumulative Buy and Sell quantities at each price for 'XYZ' are as follows:

BUY		Price	SELL	
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity
0	0	831	290	76,460
0	0	828	11,420	76,170
0	0	826	21,650	64,750
4,500	4,500	825	8,500	43,100
32,700	28,200	824	0	34,600
32,700	0	823	1,900	34,600
34,600	1,900	822	0	32,700
84,300	49,700	820	17,500	32,700
92,300	8,000	819	3,600	15,200
108,700	16,400	818	11,600	11,600
114,100	5,400	815	0	0
115,000	900	814	0	0
119,575	4,575	812	0	0

II. **STEP 2** – Establish the total tradable volume at each eligible price (i.e. Maximum Quantity which may be traded at that each price). The total tradable volume at a price would be computed as 'Minimum of Cumulative Buy and Cumulative Sell quantity' at the respective price. The Maximum Tradable Volume (MEV) for each eligible price is as below:

BUY		Price	SELL		Maximum Executable Volume
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity	
0	0	831	290	76,460	0
0	0	828	11,420	76,170	0
0	0	826	21,650	64,750	0
4,500	4,500	825	8,500	43,100	4,500
32,700	28,200	824	0	34,600	32,700
32,700	0	823	1,900	34,600	32,700
34,600	1,900	822	0	32,700	32,700
84,300	49,700	820	17,500	32,700	32,700
92,300	8,000	819	3,600	15,200	15,200
108,700	16,400	818	11,600	11,600	11,600
114,100	5,400	815	0	0	0
115,000	900	814	0	0	0
119,575	4,575	812	0	0	0

Note: The Maximum Tradable Volume is the highest value amongst 'Maximum Tradable Volume' derived for all price points.

In this example, the maximum quantity that may be traded is 32,700 at prices 820, 822, 823 and 824. Therefore, as per Principle 1, the Prices eligible for Auction Uniform Price Calculation are 820, 822, 823 and 824. The algorithm would eliminate all other price points as the potential Auction Uniform Price. To further narrow the choices for Auction Uniform Price, Principle 2 would be used to determine the Minimum Unbalance level.

4.1.5 Principle: Establishing the Minimum Unbalance

The second principle would ascertain the eligible price levels (from prices 820, 822, 823 and 824) at which the Unmatched Quantity is a minimum.
The Minimum Unbalance at each price level is equal to 'Cumulative Buy Quantity – Cumulative Sell Quantity'

BUY		Price	SELL		Maximum Executable Volume	Minimum Unbalance (CBO – CSO)
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity		
32,700	28,200	**824**	0	**34,600**	32,700	-1,900
32,700	0	**823**	1,900	**34,600**	32,700	-1,900
34,600	1,900	**822**	0	**32,700**	32,700	1,900
84,300	49,700	**820**	17,500	32,700	32,700	51,600

Ignoring the positive and negative signs, the lowest number in the Minimum Unbalance column is 1,900. The minimum Unbalance occurs at prices 822, 823 and 824. Therefore, as per completion of Principle 2, the Prices eligible for Auction Uniform Price Calculation are 822, 823 and 824. The algorithm would further eliminate 820 as Auction Uniform prices and the algorithm would continue to the 3rd step to establish the Auction Uniform Price.

Note: 0 is the lowest Minimum Unbalance Quantity.

4.1.6 Principle: Ascertaining where the Market Pressure exists

The third principle should ascertain where the market pressure of the potential Auction Uniform Price prices exists: on the buy or the sell side.

a. If all the potential Auction Uniform Prices have positive (+) Minimum Surplus then the market pressure is on the BUY side (Buyer's Market) and the Auction Uniform Price would be highest of the potential Auction Uniform Prices (Assuming that residual BUY pressure would likely cause the price to rise

BUY		Price	SELL		Maximum Executable Volume	Minimum Surplus (CBO – CSO)	Multiple Minimum surplus with all +ve Surplus, so Buyer's Market and Uniform Price MAX (100,99) = 100
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity			
200	200	100	0	150	150	50	
200	0	99	150	150	150	50	

b. If all the potential Auction Uniform Prices have negative (-) Minimum Surplus then the market pressure is on the SELL side (Seller's Market) and the Auction Uniform Price should be lowest of the potential Prices (Assuming that residual SELL pressure would likely cause the price to fall)

BUY		Price	SELL		Maximum Executable Volume	Minimum Surplus (CBO – CSO)	Multiple Min surplus with all – Surplus, so Seller's Market and Uniform Price MIN (99,98) = 98
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity			
150	150	99	0	200	150	-50	
150	0	98	200	200	150	-50	

c. If the potential Auction Uniform Prices have either 'positive (+) as well as negative (-) Minimum Surplus Minimum Surplus' of 'If the Minimum Surplus is zero for each potential Price' then the algorithm should not further eliminated any potential Auction Uniform Prices derived from Principle 2 and should continue to Principle 4 carrying forward all the potential Auction Uniform Prices

BUY		Price	SELL		Maximum Executable Volume	Minimum Surplus (CBO – CSO)
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity		
32,700	28,200	**824**	0	**34,600**	32,700	-1,900
32,700	0	**823**	1,900	**34,600**	32,700	-1,900
34,600	1,900	**822**	0	**32,700**	32,700	1,900

In this example it is not yet possible to calculate as Auction Uniform Prices, since the potential Auction Uniform Prices have positive (+) as well as negative (-) Minimum Surplus. Therefore, at the completion of Principle 3, the Prices eligible for Auction Uniform Price Calculation are 822, 823 and 824 and the algorithm continues to the fourth and final step to establish the Auction Uniform Price.

4.1.7 Principle: Average of Price Points having Minimum Unbalance

The fourth and final principle determines Auction Uniform Price from the range of prices established in Principle 3 (from prices 822, 823, 824).

There are two steps to this Principle. The first step should be to narrow the options of potential Auction Uniform Prices to 2 potential Auction Uniform Prices from within the derived price range

a. STEP 1

I. If the result of Principle 3 is a combination of positive and negative Market Pressure, then the algorithm should mark the two prices where the sign changes.

BUY		Price	SELL		Maximum Executable Volume	Minimum Surplus (CBO – CSO)
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity		
32,700	0	**823**	1,900	**34,600**	32,700	-1,900
34,600	1,900	**822**	0	**32,700**	32,700	1,900

II. If the Minimum Surplus for all potential Auction Uniform Prices is zero, then the algorithm should mark the highest and lowest prices within the potential price range as the potential Auction Uniform Prices.

BUY		Price	SELL		Maximum Executable Volume	Minimum Surplus (CBO – CSO)	Multiple Min Surplus with all 0, so Uniform Price AVG (110, 105) = 107.50
Cumulative Buy Quantity	Buy Quantity at Price		Sell Quantity at Price	Cumulative Sell Quantity			
1000	**1000**	110	0	1000	1,000	0	
1000	0	105	**1000**	1000	1,000	0	

In this example the sign at 822 is positive and changes to negative to 823. Therefore, the algorithm chooses 822 and 823 as the potential Auction Uniform Prices to be applied in this principle.

b. STEP 2

The Auction Uniform Price should be defined as the average of 2 derived potential Auction Uniform Prices i.e. 822 an 823. Auction Uniform Price = AVG (822,823) = 822.50

The determined official Auction Uniform Price would be **'822.50'**

Note: if determined Auction Uniform Price is not as per Product's Price Tick then Auction Uniform Price would be rounded off to the nearest product's price tick

All the matching orders would get traded at the Determined Auction Uniform Price, regardless of the price actually stated when placing an order. The Order Priority for matching purpose would be determined on '**Price-Time'** Priority basis. All the Auction Session's Unmatched Pending Orders would get cancelled

Note: If the Auction session has no overlapping Buy and Sell orders (i.e. Trades = 0), then the 'Three step Conditional Decision Rule Approach' to determine 'Auction Uniform Price' would not be referred.

4.2 Reverse Auction

The order matching rules for reverse auction session will have the following features

1.2.1 Process I: Auction Initiation by Buyer: Buyer will initiate process for auction by bidding their requirements in the System.

Auction Details: **Auction No.:** XXXX **Time Left:** 00:00 hrs/min **Currency :** INR **Auction Type:** Reverse Auction **Title:** XXXX State Electricity Distribution **Auction Start Date/Time:** DD/MM/YYYY xx:xx hrs. **Auction Close Date/Time:** DD/MM/YYYY **Market Status:** Open/Close **Pre-bidding (IPO) :** Open / Close					
Delivery Period	**Close Time**	**Required Quantity/Min. Bid Quantity**	**Your Bid Price**	**Your Bid Quantity**	**Bid Status**
01.10.2019-00:00 To 31.10.2019-24:00	30.09.2019 16:14:57	300 MW 20 MW	Xxxx	Xxx	
01.11.2019-00:00 To 30.11.2019-24:00	30.09.2019 16:16:05	400 MW 20 MW	Xxxx	Xxx	
Status bar:					

1.2.2 Process II: IPO Opening: Seller(s) will place their bids against the auction initiated by buyer. During this stage seller(s) will be submitting their bid with nothing visible to the participating seller(s) except their own price and quantity. During IPO seller(s) can increase, decrease price, quantity and can delete their bid also.

1.2.3 Process III: IPO Stage- Elimination Round: Once IPO is closed, process of bid elimination will start in the following manner:

I. **<u>Step 1</u>**: Ranking of sell bids received under IPO in ascending order. If multiple sellers have quoted the same price, then the ranking shall be done on the basis of time priority basis

II. **<u>Step 2</u>**: Elimination Round- The Bidder with the highest price bid in IPO stage will be called the H1 Bidder. The system will then analyze all the quantities offered by the Bidders in the IPO stage. The Highest Bidder(H1) will be eliminated provided that the total quoted quantity after elimination is not less than twice the Requisitioned Quantity.

H1 Bid Eliminated if, {(Total Quoted Qty.- H1 Bid)>=2* Requisitioned Qty.}

III. **<u>Step 3</u>**: After Closure of IPO, L1 rate will be published to eligible sellers and appropriate message to H1 Seller. For better understanding of **Elimination Round**, few cases are provided below.

Requisition by buyer	Delivery Period	Period	Buyer Name	Minimum Quantity from Single Seller
200	1-10-2019 to 31-10-2019	RTC	WBS	20

Case 1:

- Total Quantity quoted by Seller: 520MW
- Quantity Requisition by Buyer: 200MW
- As the condition mentioned in Step 2 i.e. 520MW (Total Quoted Qty) - 100MW (Seller 5 H1 Bid) >=2*200MW (Requisitioned Quantity) is fulfilled
- Bid of seller 5 will be eliminated from system and L1 price will be discovered.

Particulars	Sellers bid at the end of IPO	Ranking of Sell Bid	Elimination Round	Publishing L1 Rate
Case-1	Seller-1 (100,4200)	Seller-4 (120,3400)	Seller-5 (100,6300)	Publish 3400 as L1 for IPO

	Seller-2 (100,5000)	Seller-3 (100,3500)		
	Seller-3 (100,3500)	Seller-1 (100,4200)		
	Seller-4 (120,3400)	Seller-2 (100,5000)		
	Seller-5 (100,6300)	Seller-5 (100,6300)		

Case 2:

- Total Quantity quoted by Seller: 420MW
- Quantity Requisition by Buyer: 200MW
- As the condition mentioned in Step 2 i.e. 420MW (Total Quoted Qty) - 50MW (Seller 2 H1 Bid) >= 2*200MW (Requisitioned Quantity) is not fulfilled
- No seller bid will be eliminated from system and L1 price will be discovered.

Particulars	Sellers bid at the end of IPO	Ranking of Sell Bid	Elimination Round	Publishing L1 Rate
Case-2	Seller-1 (50,4000)	Seller-6 (100,3200)	No seller will get eliminated (Rejecting Quantity of H1 will reduce the total quantity less than twice of the requisitioned quantity of buyer.)	Publish 3200 as L1 for IPO
	Seller-2 (50,5000)	Seller-5 (100,3300)		
	Seller-3 (50,3500)	Seller-4 (70,3400)		
	Seller-4 (70,3400)	Seller-3 (50,3500)		
	Seller-5 (100,3300)	Seller-1 (50,4000)		
	Seller-6 (100,3200)	Seller-2 (50,5000)		

Case 3:

- Total Quantity quoted by Seller: 370MW
- Quantity Requisition by Buyer: 200MW
- As the condition mentioned in Step 2 i.e. 370MW (Total Quoted Qty) - 100MW (Seller 2 H1 Bid) >= 2*200MW (Requisitioned Quantity) is not fulfilled.
- No seller bid will be eliminated from system and L1 price will be discovered.

Particulars	Sellers bid at the end of IPO	Ranking of Sell Bid	Elimination Round	Publishing L1 Rate
Case-3	Seller-1 (50,4000)	Seller-5 (50,3300)	No seller will get eliminated (Rejecting Quantity of H1 will reduce the total quantity less than twice of the requisitioned quantity of buyer.)	Publish 3300 as L1 for IPO
	Seller-2 (100,5000)	Seller-4 (120,3400)		
	Seller-3 (50,3500)	Seller-3 (50,3500)		
	Seller-4 (120,3400)	Seller-1 (50,4000)		
	Seller-5 (50,3300)	Seller-2 (100,5000)		

Case 4:

- Total Quantity quoted by Seller: 620MW
- Quantity Requisition by Buyer: 250MW
- As the condition mentioned in Step 2 i.e. 620MW (Total Quoted Qty) - 100MW (Seller 6 H1 Bid) >= 2*250MW (Requisitioned Quantity) is fulfilled H1 Seller will get eliminated.
- However as both seller 6 and 5 are H1 hence the elimination will take place as per time priority basis. Accordingly, seller-6 (100,6300) will be eliminated and L1 price will be discovered.

Particulars	Sellers bid at the end of IPO	Ranking of Sell Bid	Elimination Round	Publishing L1 Rate
Case-4	Seller-1 (100,4200)	Seller-4 (120,3400)	Since both seller 6 and 5 both are H1 but Seller-6 (100,6300) is eliminated because of time priority.	Publish 3400 as L1 for IPO
	Seller-2 (100,5000)	Seller-3 (100,3500)		
	Seller-3 (100,3500)	Seller-1 (100,4200)		
	Seller-4 (120,3400)	Seller-2 (100,5000)		
	Seller-5 (100,6300)	Seller-5 (100,6300)		
	Seller-6 (100,6300)	Seller-6 (100,6300)		

1.2.4 Process IV: Starting of Reverse Auction (RA): After completion of IPO-Elimination Round, e- Reverse Auction will start, this process will follow the steps as mentioned below:

I. **Step 1**: Start of e- Reverse Auction as per Timelines for 120 Minutes with auto extension feature. The Exchange may specify any other timeline based on the market feedback.

II. **Step 2**: Only L1 price is published to market and no quantity is displayed against that.

III. **Step 3**: Modification of downward price is allowed, Rate can only be decreased by Re. 1/Mwhr or multiples thereof, and quantity must be non-zero and can only be increased by 1 MW or multiples thereof or as may be specified by the Exchange.

IV. **Step 4**: Publishing of new L1 price with any change in the quoted price by the bidder.

V. **Step 5**: Reverse Auction lasts for 120 minutes from the start of e-Reverse Auction subject to Auto Extension as applicable.

VI. **Step 6**: Auto extension of 10 Minutes, in case new L1 discovered in last 10 minutes of closing auction is less than from previous one. The Exchange may specify any other timeline based on the market feedback.

VII. **Step 7**: Last Auto extension to be triggered latest by market closing time, beyond that no further extension of Reverse Auction to be considered.

VIII. **Step 8**: Ranking of these seller bids in increasing order of their bid price. In case two sellers have quoted the same price then ranking will be done on time priority basis.

IX. **Step 9**: Selection of sellers as per their ranking i.e., from lowest to highest ranked seller where lowest rank is ascribed to the seller offering lowest bid price.

X. **Step 10**: Results of Reverse Auction Process.

5. Order Management

The Exchange may launch more than one order book running either parallel or at different time spans. All **Clients** shall be assigned unique client ID / Portfolio ID code which may be same or different for different market segments. The types of order available in different trading sessions are mentioned below.

5.1 Uniform Price Step Auction Session

Following orders types are available in this auction session.

5.1.1 Timing Constraints

a. End of Session (EOS): Valid for auction session only

6. Margin Requirement

The Members or the Clients, as applicable, participating in Term Ahead Market segment will have to make available the following types of margins to the Exchange from time to time as described below:

6.1 **Initial Margin (Operational limit):** Initial Margins have to be submitted to the Exchange by the Member or the Client, as applicable, before start of their trading. Initial Margins will be computed on the total order value. The percentage of the order value required as initial margins shall be defined in the contract specification. This initial margin will be blocked automatically from the total available deposits. The trading system will automatically reject orders in case the initial margin exceeds the balance deposits available. Initial Margins will be released only after such time as defined in the Contract Specification. The release of Margin Funds shall be based on the Members or the Clients, as applicable, request and after adhering to the risk management procedures of the exchange.

6.2 **Additional Margin (Basis Margin):** Additional Margin will be computed as a percentage of the traded value and will be collected in different trenches as per the contract specifications. The Members or the Client, as applicable, will have to pay the Additional Margin to the exchange based on their trade confirmation. The Member or the Client, as applicable, will have to make available the Additional Margin before the end of the trading day or as may be specified in respective contract specification. Unlike Initial Margin which is a pre trade margining system, Additional Margins will be computed on the traded value at client level. This margin will be blocked from the available cash or non-cash collaterals and will be released progressively as per the risk assessment by the Exchange. In case if the Member or the Client, as applicable, fails to bring in the additional margin within the specified period then the trades will be cancelled and penalty will be levied to the Member or the Client as applicable. All other forms of margin collected by the exchange till such time may also be impounded.

6.3 **Ad hoc Margin:** The Exchange may collect any ad hoc margins from time to time in case if it is observed that the available margins collected by the Exchange are inadequate to cover the risks. Prior intimation of the same will be provided to the Members or the Clients, as applicable.

6.4 Each of the above namely Initial Margin, Additional Margin and Ad-hoc Margin as the case may be shall be payable and be paid in cash or such non cash security or collateral as the Exchange may notify from time to time. If there is a surplus deposit lying with the Exchange towards margin, the additional deposit will be refunded to the Member or the Client, as applicable.

6.5 The Member or the Client, as applicable, will get information regarding Additional Margin requirement, through file transfer protocol (FTP) at end of the trading session. In case the Member or the Client, as applicable, does not have adequate Cash / Non-cash collaterals, the Member or the Client, as applicable, at the entire discretion of the Exchange, can be barred from further trading on the Exchange.

6.6 The Exchange automatically on its own may not adjust the unutilized additional margin in the other market segments against the margins applied in TAM segment and vice versa.

7. Risk Management System

7.1 At the time of submission of the order, Exchange will verify the availability of Initial Margin and the order would be accepted only if sufficient funds are available under this head. Initial Margin shall be in form of cash or non-cash as may be specified in the contract specifications. Further the orders will not be accepted if earlier calls for additional, and ad-hoc margins, have not been fulfilled. The Members or the Clients, as applicable, will be allowed to take exposure on the initial security deposit as decided by the Exchange.

Thereby a Member can put an order to buy or sell in a contract as per his available exposure with the Exchange. Exchange has the right to give exposure limits based on the bank balance or available margins of such Member, or Client as the case may be, or both.

7.2 Additional Margins in the form of cash / non cash collaterals has to be paid by the Member or the Client, as applicable, to the Exchange as per the Contract Specification and as per the Trading and Settlement Calendar. In case if the Member or the Client, as applicable, fails to bring in the required Additional Margin as per the schedule mentioned, then the Exchange can cancel the trade and may impound the available Initial Margin and Additional Margin and also recover penalty from the member or the Client, as applicable,

7.3 During the entire tenure of the contract, Exchange will monitor traded price of a contract with that of the price of the contract with same underlying traded earlier and in case of change in the Prices between two trading sessions. Exchange will have the right to collect from its members an Ad hoc margin during the tenure of the contract to cover any additional risk arising out of Price Movement in the Market.

7.4 Types of Financial and delivery defaults and penalties levied thereof:

1.4.1 **Financial defaults can be of two types**:

1.4.1.1 **Margin default:** In case if a Member or a Client, as applicable, fails to bring in the Additional margin after the trade, on the day of trade or as per the timelines provided in the respective contract specification, the Exchange may cancel the trade and impose penalty on the defaulting Member or Client, as the case may be, equivalent to 5% and 1% of the trade value for the contracts up to 15 days and beyond 15 days respectively or as may be specified by the Exchange from time to time. In case of margin default in Any Day(s) Single Sided Contracts, the Exchange shall impose penalty equivalent to initial margin collected from Seller in Reverse auction. The Exchange will withhold the Initial Margins and send non-cash collateral for liquidation, if any, to collect the penalty amount. The penalty amount will then be passed on to the counter party as compensation after adjustment of charges, if any, and deducting administrative charges for the Exchange which will be 5% of the penalty amount. subject to maximum of Rs. 10,000 (including taxes). Similarly, in case if a Member or a Client fails to pay Ad hoc margins demanded by the Exchange, the Exchange will have the right to take all the above mentioned actions against the Member or the Client, as applicable.

1.4.1.2 **Funds pay in default:** In case if a Buyer Member or a Client, as applicable, fails to make good the funds pay in on any of the pay in day, the Exchange will be at liberty and has the power and discretion to terminate the contract and initiate appropriate action against such Member or the Client, as the case may be. The total margins collected till that period will be withheld and sent for liquidation. An amount equivalent to shortfall in contracted quantity at the rate of 20% of the trade price i.e. ([contracted quantity-delivered quantity] * trade price*0.20) or as may be specified by the Exchange from time to time shall be imposed as penalty. The penalty amount shall be passed on as compensation to the counterparty after adjustment of applicable charges, if any and deducting administrative charges for the Exchange which will be 5% of the penalty amount subject to maximum of Rs. 10,000 (including taxes). Similarly, in case if a Member or a Client fails to pay Ad hoc margins demanded by the Exchange after application is submitted, the Exchange will have the right to take all the above mentioned actions against the Member or the Client, as applicable.

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1.4.2 Delivery defaults can be of following types:

1.4.2.1 **Failure to receive SLDC clearance:** In case, the Exchange does not receive the SLDC clearance as per the scheduled time from the Member, the Exchange may cancel the trade and impose penalty on the defaulting Member or Client, as applicable, equivalent to 5% and 1% of the trade value for the contracts up to 15 days and beyond 15 days respectively or as may be specified by the Exchange from time to time. In case of Any Day(s) Single Sided Contracts, the Exchange shall impose penalty equivalent to initial margin collected from Seller in Reverse auction. The Exchange will withhold the Initial Margins and send non-cash collateral for liquidation, if any, to collect the penalty amount. The penalty amount will then be passed on to the counter party as compensation after adjustment of applicable charges, if any, and deducting administrative charges for the exchange which will be 5% of the penalty amount subject to maximum of Rs. 10,000 (including taxes).

1.4.2.2 **Failure in Seller's ability to deliver:** In case of failure in delivery by Seller, the difference between the traded quantity and actual delivery is settled under Deviation Settlement Mechanism.

1.4.2.3 **Revision of Schedule:** Exchange shall not revise the schedule once application for schedule has been made. In case System Operator on account of reasons other than force majeure or constraints in the transmission corridor revises the schedule, a penalty shall be imposed on defaulting Member or Client, as the case may be. The penalty amount will be equivalent to shortfall in contracted quantity at the rate of 20% of the trade price i.e. ([contracted quantity-delivered quantity] * trade price*0.20) or as may be specified by the Exchange from time to time. The penalty amount shall be passed on to counterparty as compensation after adjustment of applicable charges, if any, and deducting administrative charges for the Exchange which will be 5% of the penalty amount. subject to a maximum of Rs. 10,000 (including taxes). The penalty amount shall be passed on to the counterparty at the end of the contract duration or at the time of cancellation of the contract. If the duration of the contract is more than a month/30 days then the computation of penalty amount and passing on that as a compensation to the counterparty shall be carried out on a monthly/30 days basis.

1.4.2.4 Amount for everyday Pay-in and Pay-out shall be on net basis and the member will be responsible for settling funds obligation between its client's pay-in and pay-out.

8. Surveillance

8.1 In order to ensure market integrity and to avoid market abuses, the Exchange will use various on-line and off-line surveillance tools. The Exchange shall have the right to take appropriate actions in such cases, which are discussed as under.

8.2 Validation of orders: Members are required to ensure that bids and offers are in conformity with relevant regulatory provisions. In order to avoid any abnormal orders being put by the Exchange Members like high bid price or bid quantity, the Exchange will validate such orders either through software or manually on a daily basis, wherever possible. Further, the order value of the Member will also be compared with the available limits of such Member for any over utilization. Members are required to ensure that the bids are for the quantity registered with the Exchange for trading which shall be on the basis of their capacity to arrange open access from their respective SLDC. In case the quantity is beyond the above limits, then Exchange will have right to cancel or modify one or more order.

8.3 **Price movement:** The Exchange will observe any variation in prices as compared to past data. Further, the price movement in the Exchange shall be correlated with that of the bilateral markets that is available with the Exchange.

8.4 **Market behavior:** The Exchange shall compare the trend in other national or bilateral markets with that of the Exchange. Any unwarranted change in the price pattern or order trend in this will be brought under the notice of the Exchange management.

8.5 **Correlation with Deviation Settlement Mechanism (DSM):** The trend in the DSM rate and the prices in the Exchange shall be compared for any major differences. In case of individual Member its trend of trading on the Exchange shall also be compared with his DSM obligations.

8.6 **Price rigging, concentration, price manipulation and other market abuses:** The Exchange will monitor concentration, price rigging, price manipulation and other market abuses and take suitable actions whenever such practices are identified.

9. Delivery procedure

9.1 All Contracts (trades) shall be for delivery of power as per the requisition submitted by the Exchange and scheduled by NLDC / RLDCs / SLDCs subject to following conditions:

i. the contracts are settled only by physical delivery without netting;
ii. the rights and liabilities of parties to the contracts are not transferable;
iii. no such contract is performed either wholly or in part by any means whatsoever, as a result of which the actual delivery of electricity covered by the contract or payment of the full price therefor is dispensed with;
iv. no circular trading shall be allowed and the rights and liabilities of parties to the specific delivery contracts shall not be transferred or rolled over by any other means whatsoever;
v. the trading shall be done only by authorized grid connected entities or trading licensees on behalf of grid connected entities, as participants;
vi. the contracts can be annulled or curtailed, without any transfer of positions, due to constraints in the transmission system or any other technical reasons, as per the principles laid down by CERC in this regard. However, once annulled, the same contract cannot be reopened or renewed in any manner to carry forward the same transaction.
vii. The capacity offered, as a sell bid in the contracts from a resource in the same time-block, shall be separate and non-overlapping. Non-compliance of the same by any of the parties to the transaction shall lead to its debarment as a member or client and/or revocation or suspension of registration, along with the other actions for market abuse taken under the PMR 2021 and other applicable Regulations of the Commission.

9.2 Delivery Point: The delivery point of all the contracts shall be at the Seller's injection point /State Periphery/Regional Periphery as may be specified by the Exchange in accordance with the provisions of applicable regulations and procedures.

9.3 Unless otherwise specified by any procedure or regulations, after finalization of successful trades, the Exchange will send details to both the counter parties to obtain concurrence from their respective SLDC. The participants would be required to submit these concurrences in the prescribed Format in accordance with the 'Procedure for Scheduling of Bilateral Transactions' and as specified in the Trading & Settlement Calendar issued by the Exchange time to time. Exchange will make application for scheduling as per the schedule mentioned in the Trading & Settlement Calendar. In case if the "Concurrence from SLDC" received from both the parties does not match with each other, the Exchange will consider the minimum of the two quantity for the purpose of the application for scheduling.

9.4 The Buyer shall accept the decision on routes that may be available to carry the power without any reservation. Buyer will be deemed to have consented for all possible routes for delivery of the power; however, they can give preference amongst the possible routes along with the concurrence. In absence of any preference from the buyer, the Exchange at its absolute discretion can decide the route through which application is to be made and also the alternate routes to be mentioned in such application.

9.5 Nodal RLDC's acceptance for scheduling will be binding on both buyers and sellers. In case of anticipated congestion in one or more transmission corridor, the Exchange will have the right to participate in the electronic bid on behalf of the Members as per the guidelines laid down in the 'Procedure for Scheduling of Bilateral Transactions'.

9.6 Trade once executed shall not be revised except as provided in the Contract Specification and shall be sent for scheduling as per the Trading and Settlement Calendar. The schedule shall not be revised during the delivery period except as provided in the Contract Specification.

9.7 Any shortage or excess delivery of electricity from the total schedule will be settled by the respective participants under Deviation Settlement mechanism as per the procedure laid down by the CERC or any other settlement system as prescribed by concerned SERC.

9.8 **Taxes, duties, cess and other levies**: The price of all the Contracts shall be quoted at delivery point excluding the transmission charges, losses, scheduling and system operation charges, taxes, duties, cess, surcharge and other levies and the same shall be borne by the Buyers or Sellers as applicable.

9.9 **Metering of electricity**: Arrangement for metering shall be made by the Seller/Buyer as per the requirements of respective SLDC / RLDC. Members and the relevant authority shall be responsible to resolve the issues related to metering of electricity. Members shall indemnify and keep indemnified the Exchange from any disputes related to metering.

9.10 **Transmission Losses**: Seller shall bear in kind the transmission/ distribution losses, if any, from its own interface up to the delivery point. Buyer shall be required to bear in kind all the transmission/ distribution losses from the delivery point up to its own interface. Transmission loss percentage for the respective transmission system as applicable at the time of actual delivery shall be applied for deriving scheduled quantities at various points in the transmission route in accordance with the Procedure for Scheduling of Bilateral Transaction and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time.

9.11 **Transmission Charges**: All the transmission charges shall be calculated on the total quantum of power scheduled at seller's Regional Periphery. Seller shall pay for the transmission charges and Wheeling Charges (wherever applicable) up-to the point of delivery and Buyer shall bear all the charges for enroute regional transmission system and also the transmission and wheeling charges (wherever applicable) for its respective State grid in accordance with the Procedure for Scheduling of Bilateral Transaction and Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time..

9.12 **Scheduling and Operating charges**: Seller will pay for the Scheduling and Operating charges up to delivery point i.e. for the concerned RLDCs /SLDCs involved in transaction. Buyer will bear all the Scheduling and Operating charges from its interface up to delivery point i.e. for the concerned RLDCs /SLDCs involved in transaction. Application fees for the Nodal RLDC will be paid by the buyer.

9.13 All Transmission, Wheeling charges, Scheduling, Operating charges and application fees will be paid to the concerned RLDC/SLDCs as per advice received from them and the same will be recovered from the buyers and sellers.

9.14 The Application fee for processing the 'Concurrence from SLDC' shall be paid by Buyer and Seller for their respective SLDCs.

9.15 **E bidding consent:** In the event, it is reiterated that the implementation of the contract finalized between the Buyer and the Seller through Power Exchange shall be subject to the availability of the transmission capacity and constraints in the system. In the event of anticipated congestion in one or more transmission corridor and a need for participating in the e-bidding for securing transmission corridor as per the guidelines laid down in the procedure for scheduling of bilateral transaction, the following shall apply:

9.15.1 The Exchange will have the right to participate in the e-bidding on behalf of the Members as per the above guidelines for bilateral transactions;

9.15.2 In case of more than one transaction contracted through the Exchange, the Exchange will have the right to participate in the e-bidding for both the transactions;

9.15.3 Each of the Buyer participating in the transaction through the Exchange shall notify to the Exchange the maximum transmission charges for which the Exchange can bid on his behalf.

9.15.4 In case any of the Buyer participating in the Exchange is not willing to give consent for e-bidding, there will be an automatic reduction in the contracted quantity for such Buyer and the schedule for dispatch of the related quantum affected by the anticipated congestion may not be implemented, although the Exchange will forward to the concerned RLDC the request for scheduling subject to the availability of the transmission capacity;

9.15.5 In case the Buyer notifies the maximum transmission charges to which they are agreeing to pay, the Exchange will participate on behalf of the respective Buyer in the e-bidding up to the same limit;

9.15.6 The decision on the person entitled to the transmission corridor based on e-bidding taken by the concerned RLDC shall be binding on the parties.

10. Transaction fees

The Exchange will charge a transaction fee as may be specified by the Exchange from time to time on the transactions carried through the Exchange subject to provisions of CERC (Power Market) Regulations, 2021 and approval of the Commission, as applicable. Such transaction fee will be computed on both purchases and sales separately. This fee will be billed separately on periodic basis and will be recovered from the settlement account of the Member or the Clients, as applicable.

11. Reports

11.1 After end of trading session, the Exchange will download the reports to the Members which consist of Trade file Report, Provisional Obligation Report, Final Obligation Report and other relevant matters.

11.2 Based on the Exchange's Reports, the Members can inform their Clients about their successful trades along with their obligation.

12. Force Majeure

12.1 Any condition which in the opinion of System Operator is a Force majeure condition including curtailment imposed by System Operator in scheduling of power due to constraints in the transmission system.

12.2 The contracted power will be treated as deemed reduced for the period of Force majeure as may be validated by the concerned System Operator without any liability on Buyer and Seller.

Annexure B21

Contract Specification: Daily Contracts

S. No.	Item	Details
1.	Contract Name	Daily Contracts (DLY)/ High Price Daily Contacts (HP-DLY)
2.	Contract Type	National or Electrical Region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3.	Delivery Duration	Daily contracts for delivery in a calendar day will be available starting from T+2 day to maximum up to T+90 days on a rolling basis. (T-Trade Day)
4.	Trading day*	Trading will be available on the days as per Trading and Settlement calendar declared in advance
5.	Bidding Session*	Bidding session will be made available to the Members/Clients for bidding on each Trading Day on Daily Basis up to two days before delivery day separately for Daily Contracts and High Price Daily Contracts.
6.	Bidding Timeline*	00:00 hours to 24:00 hours on trading days.
7.	Bidding process	Sellers and Buyers to submit order specifying duration, quantum in MW and price in Rs./MWh.
8.	Price Discovery and Matching methodology	Uniform Price Step Open Auction
9.	Minimum Volume Quotation*	1 MW
10.	Minimum Volume Step*	1 MW
11.	Lot size*	1 MW * 15 minutes or combination thereof as may be notified by Exchange from time to time.
12.	Maximum bid size	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member/Clients to adhere to this rule.
13.	Price Quote	Rs. per MWH (excluding all fees, charges, taxes etc.)
14.	Price Tick*	Rs. 1 per MWh
15.	Quantity Variation	No quantity variation allowed.
16.	Risk Management Mechanism*	a) Initial Margins (Operational Limit) Initial Margins equivalent to 5% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.
		b) Additional Margins (Basis Margin) After the trade and prior to submitting Application before the concerned Load Dispatch Center for scheduling, Additional Margin equivalent to the 50% of

		the Trade Value or as may be specified by the Exchange based on risk assessment, will be collected from the Member/Client (both from buyers & sellers). Additional Margin can be in the form of cash or non-cash or combination thereof. Non receipt of the adequate Additional Margin from the Member/Client shall be treated as Margin default.
		c) Ad hoc Margin Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.
		d) Funds pay in Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as Pay in default.
		e) Funds pay out Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.
17.	Price Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of change in schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.
18.	Contracted quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity.
19.	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.
20.	Delivery Mechanism	a) Delivery: The quantity shall be deliverable as per the schedule issued by the LDC.
		b) Delivery point: The delivery point shall be at Seller's injection point/Regional/State Periphery, as may be specified by the Exchange.
		c) SLDC Clearance: Post trade, in case of buyer/seller connected to State transmission or distribution system, the buyer/seller shall provide concurrence of SLDC of their respective State to the Exchange. The concurrence shall be submitted to the Exchange as per the timelines specified in the Trading & Settlement calendar. In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by SLDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall

		be considered as default on account of such buyer/seller. To participate in HP-DLY Contracts, Sellers shall be required to provide valid NOC/Standing Clearance/concurrence issued by respective Load Dispatch Centre specifying maximum quantum and endorsement of eligibility to participate in High Price Contracts.
		d) Application for Scheduling: Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Settlement Calendar and as per the “Procedure for Scheduling of bilateral transactions” or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on a best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
		e) Application fees, Operating and Transmission Charges and Losses: Seller shall bear the Transmission charges, Scheduling & Operating charges and Transmission Losses (in kind), as applicable, up to the delivery point and Buyer shall bear the Transmission charges, Scheduling & Operating charges including Application Fees and Transmission Losses, as applicable, from delivery point up to their point of drawl. The charges shall be applied on the quantum of power scheduled at delivery point.
		f) Alternate route: The buyer will be deemed to have consented for all possible transmission corridors from seller’s injection point till drawl point.
		g) Revision of Schedule: No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor shall be treated as default by the party who is responsible for such event.
		h) E-bidding: In the event, LDC conducts e-bidding process for allocation of transmission corridor in case of congestion, the Exchange will participate in the process of e biding as per the procedure for scheduling of bilateral transaction subject to consent of buyer/seller. The buyer/seller, if consented, shall provide price quote to be bided (excluding transmission charges) in the e-bidding. Exchange will collect the requisite amount from the concerned member/client before e bidding.
21.	Payment of Application Fees & Charges:	Application fees will be collected from buyer on date of application to Nodal LDC. Transmission and Operating Charges as applicable on quantum scheduled at delivery point and payable to the Nodal LDC, will be

		collected from the buyer and seller members/Clients on the receipt of the acceptance from the nodal LDC.
22.	Default & penalties*	In case of default, the trade/future delivery under the contract shall be reduced/ cancelled and penalty may be imposed on the defaulting entity as per Clause 7.4 of Schedule B2 of IEX Business Rules. Such penalty will be paid to the counter party as compensation against cancellation/revision of the contract, after adjustment of charges, if any, and deduction of Exchange administrative charges.
23.	Force majeure	In case of force majeure the Exchange will settle the contract as per final schedule issued by LDC. The quantity reduced under force majeure shall not be treated as default.

* Exchange may modify these parameters from time to time with prior intimation to its Members

Annexure B22

Contract Specification: Weekly Contracts

S. No.	Item	Details
1.	Contract Name	Weekly Contracts (WK)/ High Price Weekly Contracts (HP-WK)
2.	Contract Type	National or Electrical Region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3.	Delivery Duration	The weekly contracts will be available for trading for calendar Weeks from Monday to Sunday from TW+1 week to maximum up to TW+12 weeks on a rolling basis. (TW-Trade Week).
4.	Trading day	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
5.	Bidding Session	Bidding session will be made available to the members/Clients on each Trading Day from Monday to Friday for next week onwards ~~available~~ separately for ~~weekly~~ Weekly contracts and High Price Weekly Contracts.
6.	Bidding Timeline*	12:00 P.M. to 5.00 PM on trading days.
7.	Bidding process	Sellers and Buyers to submit order specifying duration, quantum in MW and price in Rs./ MWh.
8.	Price Discovery and Matching Methodology	Uniform Price Step Open Auction
9.	Minimum Volume quotation*	1 MW
10.	Minimum Volume Step*	1MW
11.	Lot size*	1 MW * 15 minutes or combination thereof as notified by exchange from time to time.
12.	Maximum bid size	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.
13.	Price Quote	Rs. Per MWH (excluding all fees, charges, taxes etc.)
14.	Tick size*	Rs. 1 per MWH
15.	Quantity Variation	No quantity variation allowed.
16.	Risk Management Mechanism*	a) Initial Margins (Operational Limit) Initial Margins equivalent to 5% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or non-cash or combination thereof. In the absence of initial margins, the Members/Clients will not be allowed to place the bids. .
		b) Additional Margins (Basis Margin) After the trade and prior to submitting Application before the concerned Load Dispatch Center for scheduling of

		transactions, Additional Margin equivalent to the 50% of the Trade Value or as may be specified by the Exchange based on risk assessment, will be collected from the Member/Client (both from buyers & sellers). Additional Margin can be in the form of cash or non-cash or combination thereof. Non-receipt of the adequate Additional Margin from the Member/Client shall be treated as Margin default.
		c) Ad hoc Margin Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.
		d) Funds pay in Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as Pay in default.
		e) Funds pay out Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.
17.	Price Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of change of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.
18.	Contracted quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity. In case, multiple applications are to be filed for single trade and partial quantity has been scheduled, the contracted quantity shall be equal to sum of quantity scheduled and balance trade quantity to be delivered.
19.	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point, as specified by the Exchange from time to time, as approved by the Commission.
20.	Delivery Mechanism	a) Delivery The quantity shall be deliverable as per the schedule issued by the LDC.
		b) Delivery point The delivery point shall be at Seller's injection point/Regional/State Periphery, as may be specified by the Exchange.
		c) SLDC Clearance Post trade, in case of buyer/seller connected to State transmission or distribution system, the buyer/ seller shall provide concurrence of SLDC of their respective State to the Exchange. The concurrence shall be submitted to the Exchange as per the timelines specified in the Trading & Settlement calendar. In case of any mismatch between the buyer and seller concurrence in terms of quantum and duration approved by SLDC, the minimum of two shall be

		considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller. To participate in HP-WK Contracts, Sellers shall be required to provide valid NOC/Standing Clearance/concurrence issued by respective Load Dispatch Centre specifying maximum quantum and endorsement of eligibility to participate in High Price Contracts.
		d) Application for Scheduling Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Settlement Calendar and as per the "Procedure for Scheduling of bilateral transactions" or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
		e) Application fees, Operating and Transmission Charges and Losses Seller will bear the Transmission, Scheduling & Operating charges and Transmission and wheeling Losses (in kind), as applicable, up to the delivery point and Buyer shall bear all the Transmission charges, Scheduling & Operating charges including Application Fees and Transmission Losses (in kind), as applicable, from delivery point up to their point of drawl. The charges shall be applied on the quantum of power scheduled at delivery point.
		f) Alternate route The buyer will be deemed to have consented for all possible transmission corridors from seller's injection point till drawl point.
		g) Revision of Schedule No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor shall be treated as default by the party who is responsible for such event.
		h) E-bidding In the event, LDC conducts e-bidding process for allocation of transmission corridor in case of congestion, the Exchange will participate in the process of e biding as per the procedure for scheduling of bilateral transaction subject to consent of buyer/seller. The buyer/seller, if consented, shall provide price quote to be bided (excluding transmission charges) in the e-bidding. Exchange will collect the requisite amount from the concerned member/client before e bidding.
21.	Payment of Application Fees and Charges	Application fees shall be collected from buyer on date of application to Nodal LDC. Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the Nodal LDC, will be

		collected from the buyer and seller members/Clients on receipt of the acceptance from the nodal LDC.
22.	Default & penalties*	In case of default, the trade/future delivery under the contract shall be reduced/cancelled and penalty may be imposed on the defaulting entity as per Clause 7.4 of Schedule B2 of IEX Business Rules. Such penalty will be paid to the counter party as compensation against cancellation/ revision of the contract after adjustment of charges, if any and deduction of Exchange administrative charges.
23.	Force majeure	In case of force majeure the Exchange will settle the contract as per final schedule issued by LDC. The quantity reduced under force majeure shall not be treated as default.

* Exchange may modify these parameters from time to time with prior intimation to its Members.

Annexure B23

Contract Specification: Monthly Contracts

S. No.	Item	Details
1.	Contract Name	Monthly Contracts (MTH) / High Price Monthly Contracts (HP-MTH)
2.	Contract Type	National or Electrical region-specific contracts for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (NER) or combination thereof for physical delivery of electricity, as may be notified by the Exchange.
3.	Delivery Duration	The Monthly contracts will be available for calendar Months from TM+1 Month to maximum up to TM+3 Months on a rolling basis. (TM-Trade Month)
4.	Trading day	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
5.	Bidding Session	Bidding session will be made available to the members/Clients for bidding on each Trading Day separately for Monthly contracts and High Price Monthly Contracts. From • First Day of the zero Month (M0) To • For the first month (M1) contract –ten days prior to the end of zeroth month (M0); • For the second month (M2) contract – five days prior to the close of zero month (M0); • For the third month (M3) contract – last day of zero month (M0).
6.	Bidding Timeline*	12:00 PM to 05:00 PM on trading days
7.	Bidding process	Sellers and Buyers to submit order specifying duration, quantum in MW and price in Rs/MWh.
8.	Price Discovery and Matching Methodology	Uniform Price Step Open Auction
9.	Minimum Volume quotation*	1 MW
10.	Minimum Volume Step*	1MW
11.	Lot size*	1 MW * 15 minutes or combination thereof as notified by Exchange.
12.	Maximum bid size	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the Member or the Clients to adhere to this rule.
13.	Price Quote	Rs. per MWH (excluding all fees, charges, taxes etc.)
14.	Tick size*	Rs. 1 per MWH
15.	Quantity Variation	No quantity variation allowed.
16.	Risk Management Mechanism*	a) Initial Margins (Operational Limit) Initial Margins equivalent to 1% of the order value or as may be specified by the Exchange from time to time will be collected from the Members/Clients (both from buyer & seller) at the time of bidding. The initial margins could be in the form of cash or

		non-cash or combination of both. In the absence of initial margins, the Members/Clients will not be allowed to place the bids.
		b) Additional Margins (Basis Margin) After the trade and prior to submitting Application before the concerned Load Dispatch Center for scheduling, Additional Margin equivalent to the 20% of the Trade Value or as may be specified by the Exchange based on risk assessment will be collected from the Member/Client (both from buyers & sellers). Additional Margin can be in the form of cash or non-cash or combination thereof. Non receipt of the adequate Additional Margin from the Member/Client shall be treated as Margin default.
		c) Ad hoc Margin Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.
		d) Funds pay in Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as pay in default.
		e) Funds pay out Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.
17.	Price Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.
18.	Contracted quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity. In case, multiple applications are to be filed for single trade, and partial quantity has been scheduled, the contracted quantity shall be equal to sum of quantity scheduled and balance trade quantity to be delivered.
19.	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.
20.	Delivery Mechanism	a) Delivery The quantity shall be deliverable as per the schedule issued by the LDC.
		b) Delivery point The delivery point shall be at Seller's Injection point/Regional/State Periphery as may be specified by requisitioner.
		c) SLDC Clearance Post trade, in case of buyer/seller is connected to State transmission or distribution system, the buyer/seller shall provide concurrence of SLDC of their respective State to the Exchange for the traded quantity. The concurrence shall be submitted to the Exchange as per the timelines specified in the trading calendar. In case of any mismatch between the buyer

		and seller concurrence in terms of quantum and duration approved by SLDC, the minimum of two shall be considered for application for scheduling. In case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller. To participate in HP-MTH Contracts, Sellers shall be required to provide valid NOC/Standing Clearance/concurrence issued by respective Load Dispatch Centre specifying maximum quantum and endorsement of eligibility to participate in High Price Contracts.
		d) Application for Scheduling Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Delivery Calendar and as per the “Procedure for Scheduling of bilateral transactions” or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
		e) Application fees, Operating and Transmission Charges and Losses Seller will bear the Transmission, Scheduling & Operating charges and Transmission Losses (in kind), as applicable, up to the delivery point and Buyer shall bear all the Transmission, Scheduling & Operating charges including Application Fees and Transmission Losses (in kind), as applicable, from delivery point up to their point of drawl. The charges shall be applied on the quantum of power scheduled at delivery point.
		f) Alternate route The buyer shall be deemed to have consented for all possible transmission corridors from seller’s injection point till drawl point.
		g) Revision of Schedule No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor shall be treated as default by the party who is responsible for such event.
		h) E-bidding In the event, LDC conducts e-bidding process for allocation of transmission corridor in case of congestion, the Exchange will participate in the process of e-biding as per the procedure for scheduling of bilateral transaction subject to consent of buyer/seller. The buyer/seller, if consented, shall provide price quote to be bided (excluding transmission charges) in the e-bidding. Exchange will collect the requisite amount from the concerned member/client before e bidding.
21.	Payment of Application Fees and Charges	Application fees will be collected from buyer on date of application to Nodal LDC. Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the Nodal LDC, will be collected from the buyer and seller members/Clients on receipt of the acceptance from the nodal LDC.

22.	Default & penalties*	In case of default, the future delivery under the contract shall be reduced/cancelled and penalty may be imposed on the defaulting entity as per Clause 7.4 of Schedule B2 of IEX Business Rules. Such penalty will be paid to the counter party as compensation against cancellation/revision of the contract after adjustment of charges, if any, and deduction of Exchange administrative charges.
23.	Force majeure	In case of force majeure the Exchange will settle the contract as per final schedule issued by LDC. The quantity reduced under force majeure shall not be treated as default.

* Exchange may modify these parameters from time to time with prior intimation to its Members.

Annexure B24

S. No.	Item	Details
	Contract Specification: Any-Day(s) Single Sided Contracts	
1.	Contract Name*	Any-Day(s) Single Sided Contracts (ADY) / High Price Any-Day(s) Single Sided Contracts (HP-ADY)
2.	Contract Type	Contracts for physical delivery of electricity
3.	Delivery Duration*	Any-Day(s) Single Sided contracts will be available for user defined Day(s) and hour(s)/time block(s) from T+2 day to maximum upto T+90 days (T-Trade Day)
4.	Trading day*	Trading will be available on the days as per Trading & Settlement calendar declared in advance.
5.	Bidding session*	Bidding sessions will be made available to the members/Clients for bidding on each Trading Day on Daily basis upto 2 days before delivery as per Trading & Settlement calendar.
6.	Bidding Timeline*	00:00 hours to 24:00 hours on trading days or as per Trading & Settlement calendar.
7.	Bidding process	Reverse Auction: Buyer to specify its requirement in terms of quantum in MW and duration. Sellers to bid their offers specifying quantum in MW and Price in Rs/MWh against the requirement of buyer during the auction window. Buyer and Seller may also specify minimum quantum. The bidding shall take place in 2 stages i.e. Initial Price Offering (IPO) and Reverse Auction. In case, Buyer opt for HP-ADY contract, High Price Contract eligible Sellers shall be permitted to place bid in such contract.
8.	Price Discovery and Matching Methodology	Reverse Auction for buyer's requisition in terms of Schedule B2 of the IEX Business Rules.
9.	Minimum Volume quotation*	1 MW
10.	Minimum Volume Step*	1MW
11.	Minimum Requisition/Offer Quantity	Bidder while initiating the Reverse Auction will have to submit a minimum requisition or offer quantity of 500 MWhr or as may be specified by the Exchange from time to time
12.	Lot size*	1 MW * 15 minutes or combination thereof.
13.	Maximum bid size*	At no point of time the bid quantity of Sellers/Buyers should be more than the maximum injection/drawl quantity allowed by the concerned Load Dispatch Center. It will be the responsibility of the member/Clients to adhere to this rule.
14.	Price Quote	Rs. per MWh (excluding all fees, charges, taxes etc.)
15.	Tick size*	Rs. 1 per MWh
16.	Quantity Variation	No quantity variation allowed.
17.	Risk Management Mechanism*	a) Initial Margins (Operational Limit) The buyer has to pay a nominal non-refundable fee up to Rs. 1,00,000 or as may be specified by the Exchange for initiating the reverse auction. This fee will be adjusted in the additional margins to be collected from buyer after the successful execution of the contract.

		The seller will be required to provide an initial margin calculated at the rate of 30000/MW/Month or part thereof, or as may be specified by the Exchange, at the time of bidding in the Reverse Auction. The initial margin can be in the form of cash or non-cash collateral. If a seller gets eliminated during the Reverse Auction or the trade gets rejected by Buyer, the initial margin as collected will be refunded to the seller. If the seller gets selected, then the initial margin will get adjusted with the Additional Margin to be collected from the seller. In absence of adequate initial margin, seller will not be allowed to place bid.
		b) <u>Additional Margins (Basis Margin)</u> On acceptance of the trade and prior to submitting Application before the concerned Load Dispatch Center for scheduling, Additional Margin equivalent to 50%, 25%, and 20% of the Trade Value for contracts up to 7 days, 15 days and beyond 15 days respectively or as may be specified by the Exchange from time to time will be collected from the Member/Client (both from buyers & sellers). Additional Margin can be in the form of cash or non-cash or combination thereof. Non receipt of the adequate Additional Margin from the Member/Client shall be treated as Margin default.
		c) <u>Ad hoc Margin</u> Exchange can impose Ad hoc Margin, which the Exchange can apply any time during the life of the contract.
		d) <u>Funds pay in</u> Amount equivalent to one day's obligation shall be collected from buyers on D-1 basis (D is Delivery Day). Any non-payment of funds shall be considered as pay-in default.
		e) <u>Funds pay out</u> Amount equivalent to one day's obligation shall be disbursed to sellers on D+1 basis for each delivery day subject to confirmation of delivery by the seller.
18.	Price Settlement	Traded price * Quantity scheduled by Load Dispatch Center (LDC) at delivery point. In case of revision of schedule, the final price settlement shall be based on revised scheduled quantity. Netting off (square scheduled off) of positions shall not be allowed.
19.	Contracted quantity	Contracted quantity shall be the quantity approved and scheduled by LDC at delivery point against the Application for Scheduling made by Exchange. However, till the approval of application by LDC, traded quantity shall be considered as contracted quantity. In case, multiple applications are to be filed for single trade and partial quantity has been scheduled, the contracted quantity shall be equal to sum of quantity scheduled and balance trade quantity to be delivered.
20.	Right to Reject	After the Reverse Auction, the Buyer may partially or fully reject the trade within the timelines as may specified by the Exchange from time to time. During such time, the bid will remain valid and the successful bidders will not be able to change their bid. In case no communication is received from the Buyer regarding acceptance of the trade or on non-

		payment of additional margin, within stipulated time, the trade shall be deemed to be rejected by the Buyer.
21.	Transaction Fees	Fees payable by buyer and seller to Exchange for the quantity approved by nodal LDC at delivery point as specified by the exchange from time to time, as approved by the Commission.
22.	Delivery	a) Delivery The quantity shall be deliverable as per the schedule issued by the LDC.
		b) Delivery point The delivery point shall be as may be specified by the Exchange.
		c) SLDC Clearance Post trade, in case of buyer/seller is connected to State transmission or distribution system, the buyer/seller shall provide concurrence of SLDC of their respective State to the Exchange for the traded quantity. The concurrence shall be submitted to the Exchange as per the timelines specified in the trading calendar. In case of any mismatch between the buyer and seller NOC in terms of quantum and duration approved by SLDC, the minimum of two shall be considered for application for scheduling. Except otherwise provided, in case, buyer/seller has not applied for such concurrence or applied for the quantity less than the traded quantity then the trade may be cancelled and such event shall be considered as default on account of such buyer/seller. To participate in HP-ADY Contracts, Sellers shall be required to provide valid NOC/Standing Clearance/concurrence issued by respective Load Dispatch Centre specifying maximum quantum and endorsement of eligibility to participate in High Price Contracts.
		d) Application for Scheduling Application for Scheduling shall be submitted to nodal LDC by Exchange as specified in the Trading and Delivery Calendar and as per the "Procedure for Scheduling of bilateral transactions" or any other applicable procedure subject to receipt of adequate margins by Exchange. The Application shall be made on the first available date on best effort basis. The buyer and seller shall be deemed to have been consented for the type of Application and any variation between traded quantity and scheduled quantity on account of LDC approval.
		e) Application fees, Operating and Transmission Charges and Losses Seller will bear the applicable Transmission, Scheduling & Operating charges and Transmission Losses (in kind), as applicable, up to the delivery point and Buyer shall bear applicable Transmission, Scheduling & Operating charges including Application Fees and Transmission Losses (in kind), as applicable, from delivery point up to their point of drawl. The charges shall be applied on the quantum of power scheduled at delivery point.
		f) Alternate route The buyer shall be deemed to have consented for all possible transmission corridors from seller's injection point till drawl point.

		g) <u>Revision of Schedule</u> No revision of schedule allowed. Any revision by System Operator on account of reasons other than force majeure or constraints in the transmission corridor shall be treated as default by the party who is responsible for such event.
		h) <u>Cancellation of trade</u> The Buyer who has initiated Reverse Auction shall have the right to partially or fully reject the trade within the timelines (maximum 2 days before delivery start) as may be specified by the Exchange.
		i) <u>E-bidding</u> In the event, LDC conducts e-bidding process for allocation of transmission corridor in case of congestion, the Exchange will participate in the process of e-biding as per the procedure for scheduling of bilateral transaction subject to consent of buyer/seller. The buyer/seller, if consented, shall provide price quote to be bided (excluding transmission charges) in the e-bidding. Exchange will collect the requisite amount from the concerned member/client before e bidding.
23.	Payment of Application Fees and Charges	Application fees will be collected from buyer on date of application to Nodal LDC. Transmission and Operating Charges as applicable on quantum scheduled at the delivery point and payable to the Nodal LDC, will be collected from the buyer and seller members/Clients on the next day of receiving the acceptance from the nodal LDC.
24.	Default & penalties*	In case of default, the trade/future delivery under the contract shall be reduced/cancelled and penalty may be imposed on the defaulting entity as per Clause 7.4 of Schedule B2 of IEX Business Rules. Such penalty will be paid to the counter party as compensation against cancellation/ revision of the contract after adjustment of charges, if any and deduction of Exchange administrative charges.
25.	Force majeure	In case of force majeure the Exchange will settle the contract as per final schedule issued by LDC. The quantity reduced under force majeure shall not be treated as default.

* Exchange may modify these parameters from time to time with prior intimation to its Members.