

# Indian energy exchange (IEX)

April 9, 2021

**In News:** In the month of March 2021, the Electricity market at Indian Energy Exchange (IEX) achieved an all-time high volume of 8,248.52 MU (million units) .

## About Indian Energy Exchange Limited (IEX)

- First and largest energy exchange in India providing a nationwide, automated trading platform for physical delivery of electricity, Renewable Energy Certificates and Energy Saving Certificates.
- The Exchange is a publicly listed company with NSE and BSE.
- IEX is approved and regulated by Central Electricity Regulatory Commission (CERC) and has been operating since 27 June 2008.
- The exchange platform enables efficient price discovery and increases the accessibility and transparency of the power market in India while also enhancing the speed and efficiency of trade execution.
- More than 6600 participants are registered on our exchange from 29 States, 5 Union Territories (UTs). Over 4,800 registered participants were eligible to trade electricity contracts and over 4,400 registered participants were eligible to trade RECs, as of February 2020.
- Out of participants registered to trade electricity contracts include 56 distribution companies, over 500 electricity generators and over 4,200 open access consumers.
- The benefiting open access consumers belong to various industries such as metal, food processing, textile, cement, ceramic, chemicals, automobiles, information technology industries, institutional, housing and real estate and commercial entities.

- **Vision:** To be the architect of next-generation solutions for sustainable energy ensuring competitive, transparent and reliable access.
- **Mission:** To leverage technology and innovation to establish transparent and efficient energy marketplaces for delivering affordable, reliable energy to consumers.

## **Indian Energy Exchange Platform for Trading**

- **Physical Delivery of Electricity**
  - **Day-Ahead Market (DAM):** Physical electricity trading market for deliveries for any/some/all 15 minute time blocks in 24 hours of the next day starting from midnight.
  - **Term-Ahead Market (TAM):** Contracts under TAM cover buying/selling electricity for duration up to 11 days, enables participants to purchase electricity for the same day through intra-day contracts, for the next day through day-ahead contingency, on a daily basis for rolling seven days through daily contracts.
- **Renewable Energy Certificates (REC)**
  - REC mechanism, a generator can generate electricity through the renewable resources in any part of the country.
  - Generators receive the cost equivalent to that from any conventional source while the environment attribute is sold through the exchanges at the market determined price.
  - Obligated entities from any part of the country can purchase these RECs to meet its RPO (Renewable Purchase Obligation) compliance.
  - Obligated entities either purchase renewable energy or can purchase RECs to meet their RPO set under RPO of their respective States.

## **Energy Saving Certificates (ESCerts)**

- Tradable certificates under the Perform, Achieve, Trade (PAT) Scheme of the Bureau of Energy Efficiency (BEE).
- Market-based mechanism to incentivise energy efficiency in large energy-intensive industries.