

# Price Day Ahead Market and Surplus Power Portal (PUSHP)

March 14, 2023

**In news**– The Central Government has launched a High Price Day Ahead Market and Surplus Power Portal (PUSHP) – an initiative to ensure greater availability of power during the peak demand season.

## The surplus power portal-

- It is a one-of-its-kind initiative, reflecting the ingenuity of the Ministry of Power and the Regulator. Distribution Companies have tied up long term PPAs for power supply.
- They have to pay fixed charges even when they do not schedule the power. Now the DISCOMs will be able to indicate their surplus power in block times / days / months on portal.
- Those DISCOMs who need power will be able to requisition the surplus power. The new buyer will pay both variable charge (VC) and fixed cost (FC) as determined by Regulators.
- Once power is reassigned, the original beneficiary shall have no right to recall as entire FC liability is also shifted to the new beneficiary.
- Financial liability of new buyer shall be limited to quantum of temporary allocated / transferred power. This will reduce the fixed cost burden on the DISCOMs, and will also enable all the available generation capacity to be utilized.

## What is Day-Ahead-Market (DAM)?

- It is a physical electricity trading market for deliveries for any/some/all 15 minute time blocks in 24 hours of next day starting from midnight.

- The prices and quantum of electricity to be traded are determined through a double sided closed auction bidding process.

### **About High Price Day Ahead Market(HP DAM) –**

- In 2022, the Ministry of Power after taking note of the fact that on some days the prices in the electricity exchange had gone upto Rs.20, had given directions to the CERC to put a price cap of Rs.12 on the exchange, so that there is no profiteering.
- The cap was imposed from April 2022 in Day Ahead Market & Real Time Market, and further in all segments from May 2022. This move rationalized the price for buyers.
- Because of the high prices of gas in the international market; the electricity made by using gas was expensive – more than Rs.12 per unit – and this capacity could not be sold on the market.
- Similarly, the imported coal-based plants and the Renewable Energy stored in battery-energy storage systems could not be brought into operation, as their generation cost was high.
- In 2023 it is expected that the demand will be much higher than last year therefore, the gas-based plants and the imported coal-based plants will need to be scheduled – and that is why a **separate segment has been carved out for those generation systems**. This separate segment is called HP DAM.
- The HP–DAM was part of the overall strategy to ensure that all available power capacity is utilized for supply the power to consumers.