

Press Release

22nd August 2023

New Delhi: The Central Electricity Regulatory Commission (CERC) on 21st August has floated a paper on implementing market coupling in the power sector, which aids in discovery of uniform prices, optimal use of transmission infrastructure and maximizing economic surplus. In a statement issued by MD and CEO PXIL, Mr. Satyajit Ganguly stated “PXIL welcomes the issuance of Staff paper on Market Coupling informing the stakeholders to submit their comments and suggestions.” Mr. Ganguly added Market Coupling enables creation of an integrated and efficient electricity market that supports growth of multiple power exchanges and enlarges their role as ‘*Market Infrastructure Institution*’. The mechanism facilitates optimal use of transmission infrastructure and maximization of economic surplus in multi power exchange model where Buyers and Sellers are spread-out on multiple power exchanges.

He said the mechanism integrates bids of market participants who may choose to participate in multi exchanges thereby allowing them to avail benefits of multi power exchange model but with discovery of single common price based on bid-ask of combined market. Earlier, the Hon’ble Commission and the Ministry of Power discussed papers on *Market Based Economic Dispatch* (MBED) considered uniform market clearing price across multiple power exchanges as one of the requirements for implementing MBED. Further, Market Coupling provides a single common price that acts as ‘benchmark price’ for seamless introduction and settlement of derivatives in electricity envisaged to be introduced on commodity exchanges. Such financial instruments will help in hedging the off-taker risk and provide flexibility and certainty of supply to both Distribution licensees and Generators that are counterparts to a transaction.

A competitive multi power exchange based marketplace can thrive on a strong foundation of an enabling market structure like market coupling, fair rules that allow competition to thrive and ensuring ease of participation on different exchange platforms. The staff paper discusses regulatory provisions for market coupling, international experience, objectives of market coupling in India, issues and challenges in implementation, attempts to define the institutional design for operation of market coupling considering the larger goal of increasing efficacy of price discovery mechanism and an enabler for overall development of electricity market in the country.

PXIL would be submitting its observations to enable the regulator for quicker implementation of Market Coupling in Collective transactions as provided in CERC (Power Market) Regulations, 2021.

.....END.....

For Further Information Please Contact:

Pankaj Sharma,
Corporate Communication Manager,
Power Exchange India Limited
Mobile: +91 9818300648
Email: pankaj.sharma@pxil.co.in