

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.972
TO BE ANSWERED ON 21.12.2017**

SPOT POWER RATES FLUCTUATION

972. SHRI OM BIRLA:

**Will the Minister of POWER
be pleased to state:**

- (a) whether the Government has taken any step for keeping the instances of spot power rates fluctuations in check;**
- (b) if so, the details thereof and if not, the reasons therefor; and**
- (c) the number of instances in the last three years where such spot power rates fluctuations occurred?**

A N S W E R

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER AND
NEW & RENEWABLE ENERGY**

(SHRI R. K. SINGH)

(a) & (b) : In accordance with the provisions contained in Section 66 of the Electricity Act, 2003 and clause 5.7.1(f) of the National Electricity Policy, Central Electricity Regulatory Commission (CERC) brought out the CERC (Power Market) Regulations, 2010. These Regulations provide for power exchanges to function with the objective to ensure fair, neutral, efficient and robust price discovery.

The Regulations provides that the bidding mechanism shall be double sided closed bid auction for price discovery on a day-ahead basis, and the price discovered for the unconstrained market shall be a uniform market clearing price for all buyers and sellers who are cleared.

There is voluntary participation in the power exchanges in India. There are more than 3000 buyers and sellers bidding on the power exchange platform.

(c) : Prices on day-ahead market on Indian Energy Exchange (IEX) and Power Exchange India Limited (PXIL) fluctuate in every block (15 minutes) leading to fluctuations in a day depending upon the electricity demand and supply position in the market at any given point in time. During the period from April, 2014 to October, 2017, the number of instances of significant fluctuations in electricity prices, i.e. increase in weighted average day-wise prices above the weighted average month-wise prices, were about 139 on IEX and 142 on PXIL.
