

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.1049
TO BE ANSWERED ON 08.02.2018**

PRICE OF POWER

**1049. DR. J. JAYAVARDHAN:
SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:
SHRI P.R. SUNDARAM:
SHRI DHANANJAY MAHADIK:**

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

- (a) whether the spot market power prices and Indian Electricity Exchange prices have risen unexpectedly high during the last three years;**
- (b) if so, the details thereof and the reasons therefor;**
- (c) whether these increased prices are affecting the consumers, if so, the details thereof; and**
- (d) the steps being taken by the Government to address the issue?**

A N S W E R

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

(SHRI R. K. SINGH)

(a) & (b): There are two power exchanges in India i.e. Indian Energy Exchange (IEX) and Power Exchange India Limited (PXIL), where electricity is being traded. The electricity prices are discovered on Day Ahead Market (DAM) of these power exchanges in every 15 minutes time block. These prices fluctuate in every time block, leading to fluctuations in a day, depending upon the electricity demand and supply position in the market at any given point in time.

The weighted average prices on DAM of these power exchanges during the last three years are as under:

Year	Price on IEX (Rs/kWh)	Price on PXIL (Rs/kWh)
2014-15	3.49	3.09
2015-16	2.72	2.66
2016-17	2.48	2.56

It can be seen from the above table that the average market clearing prices of electricity traded through power exchanges have decreased significantly over the last three years.

However, there were certain instances when spot market power prices have reached up to the level of Rs 9 to Rs 11 per kWh in some 15 minutes time blocks during some of the days during the month of September'17 – November'17. The details are given in the Annexure. Monthly average Market Clearing Prices (MCP) in the Indian power exchange during these months were Rs 4.09/Kwh (September'17), Rs 4.08/Kwh (October'17) and Rs 3.55 (November'17).

(c) & (d): The share of electricity traded through power exchanges is only about 3% of the total electricity being consumed in the country. Hence, the impact of any short term fluctuations, during 2 to 3 time blocks of 15 minutes each out of total 96 time blocks in a day, in electricity prices, in the power exchange would have insignificant effect to the consumers. However, through appropriate Regulations, Central Electricity Regulatory Commission ensures fair, neutral, efficient and robust functioning of power exchanges in India.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF UNSTARRED QUESTION NO. 1049 TO BE ANSWERED IN THE LOK SABHA ON 08.02.2018.

Maximum price discovered during 15 minutes time block

Delivery Date	Block No.	MCP (₹/kWh)
September, 2017		
9-Sep-17	78	9.00
9-Sep-17	79	9.00
9-Sep-17	80	9.00
11-Sep-17	77	9.20
11-Sep-17	78	9.20
11-Sep-17	79	9.20
11-Sep-17	80	9.20
12-Sep-17	77	9.30
12-Sep-17	78	9.30
12-Sep-17	79	9.61
12-Sep-17	80	9.30
13-Sep-17	79	9.91
October, 2017		
6-Oct-17	77	9.23
6-Oct-17	78	9.00
16-Oct-17	73	10.00
16-Oct-17	74	10.00
16-Oct-17	75	10.00
16-Oct-17	76	10.00
16-Oct-17	77	9.08
17-Oct-17	71	9.44
17-Oct-17	72	10.00
17-Oct-17	73	10.00
17-Oct-17	74	10.00
17-Oct-17	75	10.80
17-Oct-17	76	10.80
17-Oct-17	77	10.00
17-Oct-17	78	10.00
17-Oct-17	79	10.00
17-Oct-17	80	10.00
17-Oct-17	81	10.00
17-Oct-17	82	10.00
17-Oct-17	83	10.00
17-Oct-17	85	10.00
17-Oct-17	86	10.00
17-Oct-17	87	10.00
17-Oct-17	89	9.50
18-Oct-17	77	11.55
18-Oct-17	78	11.10
27-Oct-17	74	11.12
27-Oct-17	75	11.14
27-Oct-17	76	11.12
27-Oct-17	77	10.57
27-Oct-17	78	10.00
27-Oct-17	79	9.00
November, 2017		
9-Nov-17	74	9.75
10-Nov-17	74	9.00077
10-Nov-17	75	9.00037
11-Nov-17	74	9.0001
13-Nov-17	73	9.00002
13-Nov-17	74	9.00034
