

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
STARRED QUESTION NO.376
TO BE ANSWERED ON 18.07.2019**

POWER EXCHANGES

***376. SHRI Y.S. AVINASH REDDY:
SHRI KOMATI REDDY VENKAT REDDY:**

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

- (a) whether the Government has setup Power Exchanges in the power/energy sector as stressed assets have been increasing year by year in this sector;**
- (b) if so, the details thereof;**
- (c) whether introduction of Power Exchanges has helped the sector in reducing the losses and if so, the details thereof;**
- (d) whether the desired objectives/results have been achieved by setting up these Power Exchanges; and**
- (e) if so, the details thereof?**

A N S W E R

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

(SHRI R.K. SINGH)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.376 TO BE ANSWERED IN THE LOK SABHA ON 18.07.2019 REGARDING POWER EXCHANGES.

(a) to (e): As per the Sections 66 of Electricity Act, 2003, the Appropriate Commission shall endeavour to promote the development of a market (including trading) in power in such manner as may be prescribed. The Power exchange is a Market Infrastructure Institution that provides a fair and competitive market place for trading in electricity. There are two power exchanges in the country i.e. Indian Energy Exchange Limited (IEX) and Power Exchange of India Limited (PXIL), which were set up in the year 2008.

All Discoms, Generation utilities including IPPs, Traders and Open Access consumers spread across the country, actively participate in the exchanges to meet their power requirements. A robust payment security mechanism adopted by the Power exchanges has led to no default/delay in payment.

Power Exchanges have also played key role in supporting revival of stressed thermal power plants (without PPAs) by providing them a platform to sell power through Power exchanges. Competitive price discovery takes place at the power exchanges in India. The power exchange transactions are around 3.5% – 4% of total generation.

The year-on-year data of weighted average price and volume of the electricity transacted through Power Exchanges is at Annexure. The volume of electricity transacted through Power Exchanges has increased at an annual growth rate of 34% during 2008-09 to 2018-19, whereas the weighted average price of the electricity transacted through Power Exchanges has declined from Rs. 7.49/kWh in 2008-09 to Rs. 4.26/kWh in 2018-19.

ANNEXURE

ANNEXURE REFERRED TO IN PARTS (a) TO (e) OF THE STATEMENT LAID IN REPLY TO STARRED QUESTION NO.376 TO BE ANSWERED IN THE LOK SABHA ON 18.07.2019 REGARDING POWER EXCHANGES.

The year-on-year data of weighted average Price and Volume of the Electricity transacted through Power Exchanges:

Year	Volume of Electricity transacted through Power Exchange* (BU)	Weighted Average Price of Electricity transacted through Power Exchange (Rs./kWh)
2008-09	2.77	7.49
2009-10	7.19	4.96
2010-11	15.52	3.47
2011-12	15.54	3.57
2012-13	23.54	3.67
2013-14	30.67	2.90
2014-15	29.40	3.50
2015-16	35.01	2.72
2016-17	41.12	2.50
2017-18	47.70	3.45
2018-19	53.52	4.26

***Volume includes electricity transacted through day ahead and term ahead market at both the power exchanges i.e. IEX and PXIL**
