

**GOVERNMENT OF INDIA
MINISTRY OF POWER**

**LOK SABHA
UNSTARRED QUESTION NO.1817
TO BE ANSWERED ON 29.07.2021**

RISE IN SPOT POWER PRICE

1817. SHRI THIRUMAAVALAVAN THOL:

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

- (a) whether the Government is aware of the sharp rise in the average spot power price from March 2020 to March 2021;**
- (b) if so, the details thereof;**
- (c) whether such sharp rise is attributable to the input cost or manipulated to increase profit by the producers/traders; and**
- (d) if so, the details thereof along with the measures taken by the Government to control such sharp rise in the price?**

A N S W E R

THE MINISTER OF POWER AND NEW & RENEWABLE ENERGY

(SHRI R.K. SINGH)

(a) to (d) : It is not correct that there has been a sharp rise in the average spot power price from March, 2020 to March, 2021. In fact the average price of power sold through the Power Exchanges declined from Rs.3 per kWh in 2019-20 to Rs.2.82 per kWh in 2020-21. The details of the average price and volume of the electricity transacted through Power Exchanges, for the period March 2020 to March 2021 are given at Annexure.

The Power Exchanges have been set up under the CERC Power Market Regulations, which provide that Power Exchange is a market where buyers, sellers, electricity traders etc. transact electricity on standardized contracts.

The electricity price in the spot market is a function of demand and supply forces in the market which are in turn dependent on the overall macro-economic situation of the country. Electricity price in the Day Ahead Market on the Power Exchanges is discovered through market mechanism, viz. Aggregate Demand (Total Buy Bids) and Aggregate Supply (Total Sell Bids) and the bidding mechanism follows the double sided closed bid auction on a day-ahead market.

Over the fiscal year 2020-21, new market developments have been brought in such as introduction of Real Time Market (RTM) to manage electricity requirements closer to real time, Green Term Ahead Market (G-TAM) to provide additional avenues to RE generators and notification of the CERC Power Market Regulations 2021 to cater to the increasing depth of the Indian power market and growing need for information exchange among market participants as well as to strengthen the mechanism for market surveillance and monitoring.

ANNEXURE**ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 1817 TO BE ANSWERED IN THE LOK SABHA ON 29.07.2021**

The average price and volume during March 2020-March 2021 are provided below:

Months	Avg Price (Rs./Unit)	Cleared Volume (BU)
Mar 20	2.45	3.97
Apr 20	2.42	3.69
May 20	2.57	5.57
Jun 20	2.35	4.17
Jul 20	2.47	4.49
Aug 20	2.43	4.48
Sep 20	2.69	4.78
Oct 20	2.74	5.50
Nov 20	2.73	4.86
Dec 20	2.83	5.61
Jan 21	3.18	5.57
Feb 21	3.39	5.10
Mar 21	4.07	6.55
