



AVERAGE SPOT POWER PRICE AT IEX JUMPS 65%

Context:

- Average spot power price rose by 65% per unit in March compared to the year earlier month at the Indian Energy Exchange (IEX) mainly due to increase in demand on account of rise in temperature and revival of economic activities.
- The electricity market at Indian Energy Exchange (IEX) achieved an all-time high volume of more than 8 thousand million units in the month of March 2021 surpassing all the previous milestones.

Relevance:

GS-III: Industry and Infrastructure (Development of Renewable Energy Sources), GS-III: Indian Economy

Dimensions of the Article:

1. About Indian Energy Exchange (IEX)
2. Renewable Energy Certificates (REC)
3. Energy Saving Certificates (ESCerts)

About Indian Energy Exchange (IEX)

- The Indian Energy Exchange (IEX) is the first and largest energy exchange in India providing a nationwide, automated trading platform for physical delivery of electricity, Renewable Energy Certificates and Energy Saving Certificates.
- The exchange platform enables efficient price discovery and increases the accessibility



and transparency of the power market in India while also enhancing the speed and efficiency of trade execution.

- It is a publicly listed company with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
- It is approved and regulated by Central Electricity Regulatory Commission (CERC) and has been operating since 2008.
- The IEX was established to leverage technology and innovation to establish transparent and efficient energy marketplaces for delivering affordable, reliable energy to consumers.

Indian Energy Exchange (IEX) is a trading platform for:

1. Physical Delivery of Electricity
2. Renewable Energy Certificates (REC)
3. Energy Saving Certificates (ESCerts)

Renewable Energy Certificates (REC)

- Renewable Energy Certificates (RECs) are a market-based instrument that certifies the bearer owns one megawatt-hour (MWh) of electricity generated from a renewable energy resource.
- Once the power provider has fed the energy into the grid, the REC received can then be sold on the open market as an energy commodity.
- RECs earned may be sold, for example, to other entities that are polluting as a carbon credit to offset their emissions.
- RECs can go by other names, including Green Tags, Tradable Renewable Certificates (TRCs), Renewable Electricity Certificates, or Renewable Energy Credits.

Energy Saving Certificates (ESCerts)

- Energy Saving Certificates (ESCerts) are the tradable certificates under the Perform, Achieve, Trade (PAT) Scheme of the Bureau of Energy Efficiency (BEE).
- It is a market-based mechanism to incentivise energy efficiency in large energy-intensive industries.



-Source: *The Hindu*

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