PXIL
Transforming Power Markets

PXIL suggestions on

"Petition 13/SM/2026 dated 28.10.2026 – Inclusion of PSPs in HPDAM"

19th November 2026

Background

- The Hon'ble Commission issued Order in Petition 13/SM/2026 dated 28.10.2026 regarding '***Inclusion of the Pumped Storage Plants (PSPs) in the eligibility list for participation in the High Price Day Ahead Market ('HPDAM')'***
- In its endeavour to implement, the Hon'ble Commission issued public notice to hold Public hearing on 19.11.2026 inviting note of submission from parties on for its implementation
- Power Exchange India Limited ('PXIL') **welcomes the referred Suo-Motu Order** which provides market-based framework to PSPs participation in electricity market. This regulatory development aligns with our long-standing vision that power exchange-based market is the '**need of the hour**' given the increasing share of variable renewable energy in the Indian power system and would contribute towards more efficient balancing and grid operations.

PXIL submitted comments vide letter dated 09.11.2026

High Price segment on PXs + Benefits from PSPs

- Hon'ble Commission prescribed different types of generators as eligible entities to transact in HPDAM and different High Price Bilateral Contracts
  - Gas based power plants using imported RLNG and Naptha
  - Imported Coal based power plant using imported Coal
  - Battery Energy Storage System ('BESS')
- Benefits of introducing High Price segment – buyers, sellers and the power system
  - Unlocks costly generation
  - Mitigates Peak power deficits
  - Encourages investments in Storage and peaking solution

- PSPs – systemic benefits
  - Supports integration of renewable energy by storing surplus energy during off-peak periods and supplying power during peak demand.
  - Provides long duration energy storage, balancing power and ancillary grid services such as frequency regulation, voltage support and black start capability, thereby supporting grid stability, reliability and higher renewable energy penetration.

ESS – statutory framework

- MOP notified the Electricity (Amendment) Rules 2022 on 19.12.2022, Section 18 of Rules prescribes an ecosystem for market-based development of Energy Storage System

  18. Energy Storage System

  (1) The Energy Storage Systems shall be considered as a part of the power system, as defined under clause (50) of section 2 of the Act.

  (2) The Energy Storage System shall be utilised either as independent energy storage system or network asset or in complementary with generation, transmission and distribution. ……

  (5) The developer or owner of the Energy Storage System shall have an option to sell or lease or rent out the storage space in whole or in part to any utility engaged in generation or transmission or distribution; or to a Load Despatch Centre:

  Provided that the owner of the Energy Storage System may use part or whole of the storage space himself to buy and store electricity and sell the stored electricity ata later time or date.

  (6) The independent energy storage system shall be a delicensed activity at par with a generating company in accordance with the provisions of section 7 of the Act:

  Provided that if the owner or developer or lessee or tenant or user seeks to operate the Energy Storage System as an independent energy storage system, it shall be registered with the Authority and the capacity of such Energy Storage System shall be verified by the Authority.

- MOP notified National Framework for ESS in Aug-2023, Clause 6.7 prescribes measures for ensuring an enabling ecosystem for ESS

  6.7.1. To achieve financial and commercial viability, ESS developers and intermediary agencies would be permitted to offer a range of market-based energy and power products. These products may include a) Spot Energy Market b) Capacity Market/Energy Arbitrage (boosting capacity value by shifting off-peak generation to peak times) c) Provision of ancillary services to the grid d) Providing storage to other generating stations e) Bundling to make RE firm and dispatchable RE power f) Replacing diesel generators in various sites such as construction sites, commercial and residential areas, and islands. g) Any other product that meets market demand or requirements.

  6.7.2. Power purchase guidelines may be framed in such a way as to encourage planning and purchase of ESS for meeting demand and reliability requirements. Further, the Appropriate Commission may consider ESS as an alternative when approving the CAPEX requirements for any new Transmission and/ or Distribution System.

The framework recognizes ESS as a 'distinct asset class' and provides for its participation in electricity markets

PSPs development – Market enablement

- Hon'ble Commission approved introduction of different Contracts in High Price segment in 'PRATAY' platform for benefit of market participants:

S No.	Order	Market
1.	14/MP/2023 dated 11.04.2023	High Price Day Ahead Market under Regulation 5(1) of PMR 2021
2.	170/MP/2023 dated 21.09.2023	– High Price Contingency Contract under Regulation 5(2) of PMR 2021, vis. Intraday Contingency and Day Ahead Contingency – High Price Term Ahead Market under Regulation 5(3) of PMR 2021, vis. Daily, Weekly, Monthly and Any Day Single Side with Reverse Auction

- Earlier, in Petition no 170/MP/2023 dated 21.09.2023, PXIL had sought direction to permit purchase of BESS based power in High Price Bilateral segment be recognised to fulfill 'Energy Storage Obligation' under provisions of MOP notification F No. 9/12/2021-RCM dated 27.07.2022. The Hon'ble Commission had at Para 45 of the Order directed the issue requires wider consultation and cannot be dealt with in the present Petition.
  - ***Para 45. Renewable Purchase Obligation and Energy Storage Obligation: As regards the Petitioner's suggestion for directing GRID-INDIA to provide information regarding Battery Energy Storage System (BESS) that qualify as entities such that purchase of energy from such sources in different Contracts of High Price bilateral market will enable the buyers to fulfil 'Energy Storage obligation' we are of the view that the issue involves wider consultation and cannot be dealt with in the present Petition.***

Current stakeholder consultation exercise be utilised to enable PSPs participation in all High Price Contracts

PSPs – eligibility to participate in all High Price Contracts and other Contracts

- Systemic benefits of approving eligibility to participate in High Price Bilateral segment
  - Facilitates efficient energy arbitrage over longer duration
  - Expands market opportunities beyond day-ahead participation under HPDAM

<u>Other Petitions seeking approval to introduce different Contracts</u>

- PXIL has submitted Petitions seeking approval for an increase in delivery duration and the introduction of new Contracts, wherein PSPs may also participate as eligible sell-side participants:
  - 12/MP/2024: approval seeking increase in delivery duration from 3-months ahead to up to 11-month ahead
  - 446/MP/2025: approval seeking introduction of Green-RTM and HP-RTM
  - 864/MP/2025: approval seeking introduction of Peak-DAM and Peak-RTM
- The Hon'ble Commission is requested to approve and/or provide appropriate directions for participation of PSPs as eligible entities in above Contracts as well

Approval to participate in all High Price segments will strengthen supply assurance for buyers and provide PSPs with greater revenue certainty, supporting investment decisions and capacity expansion

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THANK YOU

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