



Press Release

Mumbai, September 15, 2009

PXIL's 'Weekly' and 'Day-Ahead Contingency (DAC)' products launched ***Approved by CERC, products will enable power trading with Transparency, Certainty and Ease***

Power Exchange India Limited (PXIL), India's first institutionally promoted Power Exchange launched its unique longer tenure 'Weekly' products today post approval from the Hon'ble Central Electricity Regulatory Commission (CERC).

The Weekly products are a great step forward for power markets in India as they provide electricity buyers and seller the opportunity to secure electricity in an informed environment in a planned manner on weekly basis. These products are firm delivery-based contracts and have been designed in-line with the existing bilateral trade mechanism while ensuring transparency and certainty of trade.

Keeping in mind the Indian power market conditions and practices, these products have been developed through a country-wide consultative process involving the policy makers, regulatory bodies, power utilities and economists. These products would greatly facilitate the power procurement processes of the utilities and would be operated through the bilateral open access system.

Speaking on the occasion, **Mrs. Rupa Devi Singh, MD & CEO PXIL said:** "PXIL has always believed in providing innovative and credible solutions to transform the Indian Power Market and launching these longer tenure products on the PXIL platform is a crucial step towards that direction. A significant innovation introduced by PXIL in trading of these products is the flexibility of pricing to various participants unlike the Uniform Market Clearing price adopted in Day Ahead Market."



From left: Smt. Rupa Devi Singh, MD & CEO, PXIL, Shri. V. P. Raja, Chairman, MERC, Shri Bharatsinh Solanki, Union Minister of State for Power, Smt. Chitra Ramkrishna, JMD, NSE, Shri R. Ramaseshan, MD & CEO, NCDEX.

The innovative 'Differential Pricing Mechanism' as devised by PXIL for matching of trades, provides the members complete flexibility in pricing their power procurement and sales based upon their organisation's pricing preferences, rather than being an outcome of uniform price mechanism, which, in a shallow market, often reflect other participants' compulsions.

Also launched on the occasion was **Day-Ahead Contingency (DAC)** product, which has been developed in response to the desired needs of electricity buyers & sellers to provide them an option to trade those bids that could not be matched during the Day-Ahead Spot (DAS) market sessions early in the day.



These unique products created by PXIL are sure to prove to be catalysts for the Power sector as they will enable market participants to buy and sell electricity up to a month in advance, thereby helping the power sector players in taking decisions with a more organized and planned view of their portfolio positions and pricing.

At the launch, **Chief Guest, Honourable Minister of State for Power Shri Bharatsinh Solanki** said: “I congratulate the members of PXIL for their foresight and vision and their confidence in the modern market mechanism that can be enabled only by a neutral and transparent platform for nationwide reach.” He also added, “I would like to congratulate Power Exchange India Ltd on the occasion of launch of longer tenure products and wish it a success.”

Addressing on the occasion, **Smt. Chitra Ramkrishna, the Joint Managing Director, NSE** said, “the path to creating a vibrant nation-wide market in power is a long and arduous one, yet PXIL has set on that journey and is firmly taking one step at a time. The launch of these longer tenure products is one of those small but a significant step, which has the potential to help the power sector in the country take a substantial leap forward.”

PXIL will manage the counter-party risk on both sides of the trade thereby mitigating the credit risk. The transactions in these products are therefore completely secure, assuring certainty of delivery for the buyers and certainty of daily payments for the sellers.

Unique features of the Longer Tenure Products: Designed in-line with the existing bilateral commercial process for better acceptability

- The ‘Differential Pricing Mechanism’ devised by PXIL does not force members to accept the uniform pricing as an outcome of the system but provides them with a flexibility in pricing depending on their organisation’s preference
- The price movements are unaffected by panicked and high volume buyers and sellers
- Buyers can submit fixed bids and up to four optional bids, thus multiplying chances of getting cleared
- More than one auction session will be held on each trading day thereby increasing chances of dispatch or procurement of power
- The trading engine, matching system, risk management and other related infrastructure for these products are developed completely in-house by PXIL.

About PXIL

Power Exchange India Limited (PXIL) is India’s first institutionally promoted Power exchange that provides innovative and credible solutions to transform the Indian Power Markets.

PXIL is promoted by the National Stock Exchange of India Limited (NSE), and the National Commodity & Derivatives Exchange Limited (NCDEX). The other stakeholders are Power Finance Corporation Limited, Gujarat Urja Vikas Nigam Limited, West Bengal State Electricity Distribution Company Limited, Madhya Pradesh Power Trading Company Limited, JSW Energy limited, GMR Energy Limited and Tata Power Trading Company Ltd.

The mainstay of PXIL is its unassailable integrity and a consummate fervour for commitment, excellence and continued innovation in all activities.

PXIL’s unique combination of local insights and global perspectives, aids its stakeholders to make better informed business & investment decisions, improve the efficiency of the power markets and help shape policy and projects.

For further information, please contact:

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