

UNION MINISTER OF POWER & NEW AND RENEWABLE ENERGY LAUNCHES THE GREEN DAY AHEAD MARKET (GDAM)

Relevant for: Economy | Topic: Infrastructure: Energy incl. Renewable & Non-renewable

Shri R K Singh, Union Minister of Power & New and Renewable Energy, launched the new market segment, Green Day Ahead Market (GDAM) today.

On the occasion the Minister said that we are opening doors for Renewable Energy. In the set of reforms including the launch of GDAM today, any interested party can setup renewable energy capacity and sell it to Discoms / industries. sell renewable energy. Advantages of free ISTS will be available and Open access will be granted within 15 days. Large industries can go green. Our efforts have been to make doing the business simpler and GDAM is a step in this direction.

Shri Singh stated that we want to reduce our dependency on imported sources of fossil fuel. The government is working to putting in place the Green Hydrogen Mission under the guidance of Hon'ble Prime Minister, he added.

Speaking on the event Secretary Power Shri Alok Kumar stated that this is a day for celebration as a unique product has been launched for the energy market.

Energy transition is happening across the world and India is also committed to energy transition from fossil fuel to non-fossil fuel. Accordingly, the dynamics of the power market is changing. The buyer's behavior is shifting from long term contracts to short term contracts and also towards the power market. Thus, this new initiative will help in enabling this energy transition.

The launch of the green day-ahead market will deepen the green market and will provide competitive price signals, besides offering an opportunity to the market participants to trade in green energy, in the most transparent, flexible, competitive, and efficient manner.

The market-based competitive prices will provide another option to renewable generators to sell power as well as accelerate the renewable capacity addition towards the Government's vision of building India as a sustainable and efficient energy economy.

The distribution utilities would also be able to sell surplus renewable power generated in their area. The obligated entities (distribution licensee, open access consumers and captive power consumers) would also be able to meet the RPO target by directly buying green power from the power exchange(s). The non-obligated entities will be able to buy power on voluntary basis and help increasing the share of green power.

The introduction of GDAM is expected to create a domino effect that will lead to a gradual shift from PPA based contract to market-based models which will build and deepen the markets to the next level, paving the way for India to meet its ambitious target of 450 GW green capacity by 2030.

The other benefits of participating in the GDAM would be reduction of curtailment of green power, unlocking untapped renewable energy potential, ensuring instant payment to RE generators i.e. on the day of delivery itself.

National Load Despatch Centre (NLDC), POSOCO, as the Nodal Agency, has set up the latest technologies and communication infrastructure for facilitating the Green Day Ahead Market.

The Green Day-ahead market will operate in an integrated way with the conventional day-ahead market. The Exchanges will offer the market participants to submit bids together for both conventional and renewable energy through the separate bidding windows. The clearance will take place in a sequential manner - renewable energy bids will be cleared first in accordance with the must run status of the renewables, followed by conventional segment. This mechanism will allow renewable energy sellers to subsequently bid in the conventional segment should their bids remain uncleared in the green market. There will be separate price discoveries for the both the conventional and renewables.

MV/IG

Shri R K Singh, Union Minister of Power & New and Renewable Energy, launched the new market segment, Green Day Ahead Market (GDAM) today.

On the occasion the Minister said that we are opening doors for Renewable Energy. In the set of reforms including the launch of GDAM today, any interested party can setup renewable energy capacity and sell it to Discoms / industries. sell renewable energy. Advantages of free ISTS will be available and Open access will be granted within 15 days. Large industries can go green. Our efforts have been to make doing the business simpler and GDAM is a step in this direction.

Shri Singh stated that we want to reduce our dependency on imported sources of fossil fuel. The government is working to putting in place the Green Hydrogen Mission under the guidance of Hon'ble Prime Minister, he added.

Speaking on the event Secretary Power Shri Alok Kumar stated that this is a day for celebration as a unique product has been launched for the energy market.

Energy transition is happening across the world and India is also committed to energy transition from fossil fuel to non-fossil fuel. Accordingly, the dynamics of the power market is changing. The buyer's behavior is shifting from long term contracts to short term contracts and also towards the power market. Thus, this new initiative will help in enabling this energy transition.

The launch of the green day-ahead market will deepen the green market and will provide competitive price signals, besides offering an opportunity to the market participants to trade in green energy, in the most transparent, flexible, competitive, and efficient manner.

The market-based competitive prices will provide another option to renewable generators to sell power as well as accelerate the renewable capacity addition towards the Government's vision of building India as a sustainable and efficient energy economy.

The distribution utilities would also be able to sell surplus renewable power generated in their area. The obligated entities (distribution licensee, open access consumers and captive power consumers) would also be able to meet the RPO target by directly buying green power from the power exchange(s). The non-obligated entities will be able to buy power on voluntary basis and help increasing the share of green power.

The introduction of GDAM is expected to create a domino effect that will lead to a gradual shift

from PPA based contract to market-based models which will build and deepen the markets to the next level, paving the way for India to meet its ambitious target of 450 GW green capacity by 2030.

The other benefits of participating in the GDAM would be reduction of curtailment of green power, unlocking untapped renewable energy potential, ensuring instant payment to RE generators ie on the day of delivery itself.

National Load Despatch Centre (NLDC), POSOCO, as the Nodal Agency, has set up the latest technologies and communication infrastructure for facilitating the Green Day Ahead Market.

The Green Day-ahead market will operate in an integrated way with the conventional day-ahead market. The Exchanges will offer the market participants to submit bids together for both conventional and renewable energy through the separate bidding windows. The clearance will take place in a sequential manner - renewable energy bids will be cleared first in accordance with the must run status of the renewables, followed by conventional segment. This mechanism will allow renewable energy sellers to subsequently bid in the conventional segment should their bids remain uncleared in the green market. There will be separate price discoveries for the both the conventional and renewables.

MV/IG

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

Crack