Twitter Thread by TheMarket■

TheMarket■
@BullsforBears

Transformation drivers

1) Decarbonization - use of solar & wind ,RE (renewable energy)

2) Decentralisation - RE a threat to centralized energy productn

3) Digitization

4) Democratization- peer 2 peer energy trading

Changing energy mix
2020/ 2022 /2030 % of contribution
Thermal 62 /53 /35
Wind 10 /12 /17
Solar 9 / 20/ 36
Hydro 12 / 10 /8

Electricity value chain 4 parts
Generation - Transmission - Distribution - Consumption

Power sector construct
Long term 90%
Short term 10%

Power markets in developed countries are in range 30 - 80% of total power demand ,India 5%

Share of exchange in total generation
2016 - 2.9 %
2021 - 5.2%
Share of ST market in total generation
2016 - 9.9%
2021 - 10.3%
Exchange mkt & ST MKT as % of total gen
2016 29.9
2021 50.2

Electricity consumption to increase
Per capita consumption India 1/3rd global avg,to double over 5 yrs
- Core sector growth ,industrializationrapid urbanization to drive demand
Last mile connectivity- Saubhagya ,power for all 24/7
Demand
2017 - 1236 BU
2020 - 1381 BU

#stocks

Per capita electricity consumptn (KWh)
US 12994
Brazil 2601
China 3927
Global avg 3127
India 1181

IEX India leading power Xchange platform,mkt share 95%
Avg daily trade 6000+ MW
Record day vol 308 MUs

Customer
Industries 4000+
Discoms 55+
ES Cert 100+
Generators 500+
REs 1500+

#IEX Benefits
Benchmark prices for all electricity transactions
Transparent mech for price discovery
High liquidity on Xchnage ensure low cost,assured supply
One grid one price
Lower cost for discoms end users
Flexibility on 15 min basis

Market segments
Day ahead mkt ,Intraday ,Term ahead 11 days, RE certification, ES Cert ,Real time within an hour

India signatory to Paris agreement 2016
40% RE by 2030
450 GW installed RE capacity
Consumer demand for green energy
New Green term ahead mkt,launched Aug 2020

Real time market segment
Launched Jun 20

48 bid sessions intraday,15 min each starting 22.45, anonymous bidding
Benefit - manage demand supply ,generators can sell excess/surplus capacity ,Enable grid operators to enhance safety/ security of grid

New launches
Cross border trade ,green day ahead mkt, longer duration contract ,banking contracts ,gas exchange
Maharashtra discoms turned to Xchanges ,shunned costly PPAs in Apr 2020

IEX transaction vols up 4x 2011 to 20
India electricity mkt dominated by Longterm PPA ~90%

Need for ST Mkt currently 10% driven by supply issues,price arbitrage opportunity, load variance
Gradual shift toward ST mkt

Energy xchange platforms
IEX 95 % share
PXIL of NSE 5%
97% contracts of daily traded vols in Day ahead mkt (DAM) & Term ahead Mkt (TAM) pass thru IEX

Low cost operating structure
90% income from transaction fees INR 0.04/kwh/transaction
10% from admission & membership fees

Risk to IEX model :
Lower transaction fee
New players
Stagnant mkt share
Change in Xchnage platform design

@IndianEnergyXch
Unroll
@threadreaderapp

@IndianEnergyXch
Mkt share of 95%/40% of spot/short term power mkt
Shift of vols to power exchanges & new products to aid growth
Better price discovery, transparent pricing,RE ,low transmission congestion to shift momentum to Spot mkt
Zero debt,efficient cash conversion,80% GMs