

Bhutan enters into power trading through Indian Energy Exchange

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Bhutan is entering into power trading with India through Indian Energy Exchange (IEX), this will be a scheduled import-export of electricity delivery unlike in the past.

On January 1, 2022, Bhutan commenced trade in the day-ahead market through Druk Green Power Corporation.

This will create a common pool for neighbouring countries to trade electricity. Through this power trading, it will also allow excess power in one region to be used to meet a deficit elsewhere through a common grid.

IEX is India's premier energy marketplace providing a nationwide, state-of-the-art trading platform for delivery of electricity, green energy, and certificates.

According to IEX's press release, this initiative to trade power with their

regional countries particularly Bhutan, Nepal, and Bangladesh is to create a regional power grid, and this cross border electricity trade is starting on the Indian Energy Exchange (IEX).

The release also adds: "Nepal, Bangladesh and Bhutan are to be among the first beneficiaries, owing to the connectivity with the Indian electricity grid." It further adds: "This is a first-of-its kind initiative for the Exchanges to expand their power markets beyond India to the South Asia region towards building an integrated South Asian regional power market."

Earlier at annual energy conclave in March last year, power and new and renewable energy minister Raj Kumar Singh had said 'it was his aim to have a regional power grid that included Myanmar, Bhutan, Bangladesh, Nepal and Sri Lanka. The proposed market, which will include these countries, could aid regional peace and improve utilization of generation

assets—including the stranded assets in India—and efficient price discovery'.

Among the power trading countries at IEX, Bhutan is the largest exporter of electricity to India. According to a source in India, a data revealed and compiled in March last

year, it says: India imports 8.7 BU (billion units) from Bhutan and exports 2.37 BU and 7 BU to Nepal and Bangladesh, respectively. The power trade with these countries is expected to increase to about 40 BU by FY22 and 70 BU to FY 27 according to a study by Integrated Research and Action for Development (IRADe), a fully autonomous, non-



profit advanced research institute based in India.

According to sources, this four-nation power trading will hasten the implementation of the SAARC Framework Agreement for Energy Cooperation signed in Kathmandu. Under this agreement, a SAARC Market for Electricity will be created to promote regional power trade, energy efficiency, and energy conser-

vation. This will also allow excess power in one region to be used to meet a deficit elsewhere through a common grid.

Meanwhile, this move will start with short-term buying and selling of 220 megawatt power with three of India's neighbours that already have grid connectivity with India - Bangladesh, Bhutan, and Nepal.