

**F. No. 238/1/2017-Wind\_Part (I)**  
**Ministry of New and Renewable Energy**  
**Government of India**

**Block No. 14, CGO Complex**  
**Lodhi Raod, New Delhi – 110043**  
**Dated: 25<sup>th</sup> June 2020**

To,

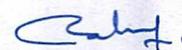
**Shri J N Swain,**  
**Managing Director**  
**Solar Energy Corporation of India (SECI)**  
**1<sup>st</sup> Floor, D-3, A Wing, Religare Building**  
**District Centre, Saket, New Delhi – 110017**

**Subject: Guidelines for tariff based competitive bidding process for Scheme for procurement of blended wind power from 2500 MW ISTS connected projects**

Government have issued two sets of standard bidding guidelines for tariff based competitive bidding for wind and solar power projects respectively. It has also sanctioned a Scheme of 2500 MW of wind-solar hybrid power projects.

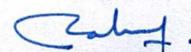
2. As a step towards ensuring availability of renewable energy to DISCOMs at competitive rates and also developing wind power sector which is primarily domestic, I am directed to convey the sanction of President of India for implementation of the 'Scheme for Tariff Based Competitive Bidding Process for procurement of RE power from 2500 MW ISTS Connected Blended Wind Power Projects' for procurement of power at a tariff discovered through transparent process of bidding through Solar Energy Corporation of India (SECI). The details of the scheme are as under:

- i. **The objective of the Scheme** is to provide a framework for procurement of electricity from 2500 MW ISTS Grid Connected Wind Power Projects with upto 20% blending with Solar PV Power (hereafter termed as 'Blended Wind Power Project') through a transparent process of bidding.
- ii. **Capacity under the Scheme:** The total capacity to be awarded under the scheme is 2500 MW. Individual minimum size of project allowed under the scheme is 50 MW at one site and a single bidder cannot bid for less than 50 MW. Further, the rated power capacity of wind power project shall be at least 80% of the total contracted capacity.
- iii. **The arrangement for implementation of the Scheme shall be as under:**
  - a. SECI will be the nodal agency for implementation of the Scheme.
  - b. The selection of the Blended Wind Power Projects under the Scheme will be through a transparent e-bidding process followed by e-reverse auction.
  - c. The solar and wind projects may be located at same or different nearby locations. However, the individual wind/solar component constituting the Blended Wind Power Project, will inject power in the grid through a single point.
  - d. While the blended wind power project developer would be free to install wind turbines and DC solar PV capacity as per its design of required output including its requirement of auxiliary consumption, it will not be allowed to sell any excess power to any other entity other than SECI, unless refused by SECI.
  - e. The power procured from the project may be used for fulfilment of solar RPO and non-solar RPO in the proportion of rated capacity of solar and wind power in the plant respectively.



- f. Unless explicitly specified in these Guidelines, the provisions of these Guidelines shall be binding on the Procurer, project developer and SECI.
  - g. The Intermediary Procurer, i.e. SECI, shall enter into a Power Purchase Agreement (PPA) with the Blended Wind Power Generator(s) and also enter into a Power Sale Agreement (PSA) with the distribution licensee(s) or bulk consumers. The PSA shall contain the relevant provisions of the PPA on a back to back basis, except the payment obligations of the intermediary procurer under the PPA and PSA. In case SECI is not able to enter into a PSA to sell power from projects awarded under this scheme to distribution licensee(s) or bulk consumers within six months from issue of letter of award, those projects would be deemed to be cancelled.
  - h. The duration of the PPA period should not be less than 25 years from the Scheduled Commissioning Date (SCD) or from the date of full commissioning of the projects, whichever is earlier.
  - i. The Intermediary Procurer shall charge a trading margin of seven paise/kWh from the Buying entity / Procurer for purchase and sale of the blended power.
  - j. The bidders may avail fiscal and financial incentives available for such projects as per prevailing conditions and Rules, and the same may be disclosed by the Intermediary Procurer in the Request for Selection (RfS) document.
  - k. No separate Central Financial Assistance is available for implementation of the Scheme.
- iv. **The Guidelines** for transparent bidding process, as required under Section 63 of the Electricity Act, 2003, for implementation of the Scheme are enclosed at Annex.
- v. **Role of SECI:** SECI will be the nodal agency for implementation of this scheme. In accordance with this scheme guidelines, SECI will conduct e-bidding process, followed by e-reverse auction for eligible bidders and develop a suitable mechanism for monitoring the performance/ commissioning of the Projects.
- vi. **Role of State Nodal Agencies (SNAs):** The State Nodal Agencies appointed by respective State Governments will provide necessary support to facilitate the required approvals and sanctions in a time bound manner so as to achieve commissioning of the projects within the scheduled timeline.
- vii. **Power to remove Difficulties:** If any difficulty arises in giving effect to any provision of this Scheme including Guidelines or interpretation/ modification is required, Ministry of New & Renewable Energy after approval of Minister In-Charge will issue the same. The decision in this regard shall be binding on all the parties concerned.
3. This issues with the approval of the Competent Authority.

Yours faithfully



(Dr. Rahul Rawat)

Scientist – C

Ph: 011-24363402

E-mail: rahul.mnre@gov.in

Copy for information to:

1. Secretary, Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi - 110001
2. Chairman, Central Electricity Authority (CEA), Sewa Bhawan, R K Puram, New Delhi - 110066
3. Chairman & Managing Director, PGCIL, Gurgaon

4. Principal Director of Audit, Scientific Audit – II, DGACR Building, IP Estate, New Delhi - 110002
5. All State / UT Energy/Power/New & Renewable Energy Secretaries
6. Secretary, CERC/SERCs
7. All State Nodal Agencies
8. All Discoms

Internal Distribution:

1. PS to Hon'ble Minister
2. Sr. PPS to Secretary
3. All Group Heads/Advisors, MNRE
4. Director, NIC to upload the Scheme on MNRE website
5. Sanction Folder



(Dr. Rahul Rawat)  
Scientist – C

## **Guidelines for Tariff Based Competitive Bidding Process for procurement of power from 2500 MW ISTS Connected Blended Wind Power Projects**

### **1. BACKGROUND**

1.1. The Government has been striving towards providing clean and affordable electricity in the country. In this direction, the tariff based transparent competitive bidding process was initiated in both solar and wind sector, because of which there has been considerable drop in tariffs of wind and solar power.

1.2 The Government has issued standard bidding guidelines for tariff based competitive bidding of both wind and solar power projects and had sanctioned scheme to enable bids of wind solar hybrid projects. Bids of several new types of RE projects like RTC power, peaking power were also done recently by SECI, which has received good response.

1.3. It is seen that the tariff of wind power projects in recent bids have shown an upward trend and has become comparatively costlier compared to solar power. But, since wind power is available during the early morning and the evening hours, it is necessary to encourage setting up of more wind capacity while at the same time keeping the tariff attractive. This is proposed to be done by blending wind power with appropriate amount of solar power under this scheme. Accordingly, a specific provision of blending of solar PV power up to 20% has been made. Thus, this scheme of 2500 MW ISTS Connected RE projects with at least 80% of the above capacity being Wind Power with up to 20% blending of Solar PV Power has been designed. It is expected that this scheme will provide adequate capacity to wind power industry of the country by ensuring a visibility of at least 2000 MW capacity of wind power.

1.4. Section 63 of Electricity Act, 2003 provides for adoption of the tariff by the Appropriate Commission if the same has been determined through transparent process of bidding in accordance with the Guidelines issued by the Central Government. The National Tariff Policy notified on 28 January 2016 also encourages the procurement of renewable power through competitive bidding to discover market based tariff. These Guidelines will provide framework for transparent bidding process, as required under Section 63 of the Electricity Act, 2003.

1.5 SECI will be the nodal agency for implementation of this scheme. SECI will conduct e-bidding process followed by e-reverse auction for eligible bidders in accordance with the scheme guidelines and also develop a suitable mechanism for commissioning and performance monitoring of projects.

### **2. OBJECTIVES OF GUIDELINES**

2.1. The objective of these Guidelines are as follows:

a) To provide a framework for procurement of electricity from 2500 MW Grid Connected Wind Power Projects with up to 20% blending of Solar PV Power (hereafter termed as 'Blended Wind Power Project') through a transparent process of bidding and for defining of roles and responsibilities of various stakeholders.

b) To enable the Distribution Licensees to procure electricity from Blended Wind Power Project at competitive rates in a cost effective manner.

### **3. APPLICABILITY OF GUIDELINES**

3.1. These Guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for long-term procurement of electricity through competitive bidding process, by Procurer(s), from Blended Wind Power Projects. Minimum size of project at one site is 50



MW and minimum bid capacity by one bidder is also 50 MW. However, the rated power capacity of any wind power project shall at least be 80% of the total contracted capacity. While the blended wind power project developer would be free to install wind turbines and DC solar PV capacity as per its design of required output including its requirement of auxiliary consumption, it will not be allowed to sell any excess power to any other entity other than intermediary procurer, unless refused by intermediary procurer.

**3.2.** The solar and wind projects may be located at same or different nearby locations. However, the individual wind/solar component constituting the Blended Wind Power Project, will inject power in the ISTS grid through a single metering point. For example in case of a 100 MW Blended Wind Power Project, the wind component of 80 MW or more shall supply power through a single metering point. The remaining 20 MW or less solar component shall also supply power through the same injection point. Thus, the solar component may be located at same or nearby location.

**3.3.** Unless explicitly specified in these Guidelines, the provisions of these Guidelines shall be binding on the Procurer, Project Developer and Intermediary Procurer. The process to be adopted in event of any deviation proposed from these Guidelines is specified in Clause 23 of these Guidelines.

**3.4.** The power procured from the project may be used for fulfilment of solar RPO and non-solar RPO in the proportion of rated capacity of solar and wind power on the plant respectively.

#### **4. EXPLANATION / DEFINITION:**

**a) Procurer(s):** The term 'Procurer(s)', as the context may require, shall mean the distribution licensee(s), or bulk consumer(s), as the case may be.

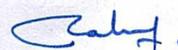
**b) Extent of blending:** It would be possible to blend upto 20% of total project capacity with solar power and therefore atleast 80% of the project capacity will be from wind power.

#### **c) Intermediary Procurer**

**(i)** An intermediary, between the distribution licensee(s) and the Blended Wind Power Generator(s) is required to aggregate power to be purchased from different generators and sell it to the distribution licensee(s). In such cases, the 'Intermediary Procurer' is essentially a trader, buying power from the Blended Wind Power Generator(s) and selling the same to one or more distribution licensees and shall carry out the bidding as per provisions of these Guidelines. Solar Energy Corporation of India Ltd. (SECI) will be intermediary procurer for this scheme.

**(ii)** The Intermediary Procurer shall enter into a Power Purchase Agreement (PPA) with the Blended Wind Power Generator(s) and also enter into a Power Sale Agreement (PSA) with the distribution licensee(s) or bulk consumers. The PSA shall contain the relevant provisions of the PPA on a back to back basis, except the payment obligations of the intermediary procurer under the PPA and PSA. The Intermediary Procurer shall charge a trading margin of seven paise/kWh from the Buying entity / Procurer for its service.

**(iii)** As long as the Intermediary Procurer follows these Guidelines for procurement of power, the distribution licensee(s) shall be deemed to have followed these Guidelines for procurement of Blended Wind Power.



## **5. APPROPRIATE COMMISSION**

**5.1.** Subject to the provisions of the Electricity Act, 2003, Appropriate Commission would be as under:

- a) In case the Blended Wind Power Project supplying power to Distribution licensee(s) of one State, the Appropriate Commission, for the purpose of these bidding Guidelines, shall be the State Electricity Regulatory Commission of the concerned State where the distribution licensee(s) is located.
- b) In case the Blended Wind Power Project supplying power to Distribution licensee(s) of more than one State, the Appropriate Commission, for the purpose of these bidding Guidelines, shall be the Central Electricity Regulatory Commission.
- c) For cases involving sale of power from generating companies owned or controlled by Central Government, the Appropriate Commission shall be the Central Electricity Regulatory Commission.

## **6. PREPARATION FOR INVITING BID AND PROJECT PREPAREDNESS**

The Intermediary Procurer shall meet the following conditions:

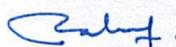
### **6.1. Bid Documentation:**

- a. Prepare the bid documents in accordance with these Guidelines.
- b. Inform the Appropriate Commission about the initiation of the bidding process.
- c. Seek approval of the Appropriate Commission for deviations, if any, in the draft RfS, draft PPA, draft PSA from these Guidelines, in accordance with the process described in Clause 23 of these Guidelines.
- d. If the Procurer while preparing the draft RfS, draft PPA, draft PSA and other Project agreements provides detailed provisions that are consistent with these Guidelines, such detailing will not be considered as deviations from these Guidelines even though such details are not provided in the Guidelines.
- e. The Intermediary Procurer may disclose in the RfS, the prevailing incentives available to the Blended Wind Power Generator(s).
- f. The bids shall be called in accordance with the procurement rules of Intermediary Procurer.

### **6.2. Site-related project preparatory activities including clearances:**

In order to ensure timely commencement of supply of electricity, the bidder would be required to submit documents in respect of matters as mentioned below, as per the time schedule specified in the bidding documents:

- a. Land acquisition: Submission of documents / Lease Agreement to establish possession and right to use 100 % (hundred per cent) of the required land in the name of the Blended Wind Power Generator for a period not less than the complete term of PPA, on or before the Scheduled Commissioning Date (SCD). Wherever leasing of private land is involved, the lease should allow transfer of land lease rights to the lenders or Procurer, in case of default of the Blended Wind Power Generator.
- b. No Objection Certificate (NoC)/ Environmental clearance (if applicable) for the Project.
- c. Forest Clearance (if applicable) for the Project.
- d. No objection certificate (NoC) from Ministry of Defence (if applicable).



- e. A letter from State Transmission Utility (STU)/ Central Transmission Utility (CTU), as applicable, confirming technical feasibility of connectivity of the plant to STU/ CTU substation.
- f. Any other clearances (if any), as may be legally required.

## 7. BID STRUCTURE

**7.1. Bid Size:** The total contracted power capacity of the bid shall be 2500 MW. A bidder is allowed to bid for a minimum 50 MW project at one site. The Procurer may also choose to specify the maximum capacity that can be allotted to a single bidder including its Affiliates. The maximum capacity for single bidder or company or group of companies may be fixed by the Intermediary Procurer keeping in mind factors such as economies of scale, land availability, expected competition and need for development of the market.

**7.2. Bidding Parameters:** For procurement of power, the tariff quoted by the bidder shall be the bidding parameter.

## 8. POWER PURCHASE AGREEMENT

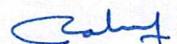
The draft PPA proposed to be entered into with the successful bidder and draft PSA shall be issued along with the RfS. Standard provisions to be incorporated as part of the PPA shall include *inter alia* following:

**8.1. PPA Period:** The PPA period influences the tariff by determining the period over which the investment is returned to the investor and longer PPA period results in lower tariffs. Keeping in view the need for having lower tariffs in the interest of consumers, the PPA period should therefore be not less than 25 years from the SCD or from the date of full commissioning of the projects, whichever is earlier. The PPA may be further extended on such term and conditions as mutually agreed between the parties signing the PPA and approved by Appropriate Commission, provided the arrangements with the land and infrastructure owning agencies, the relevant transmission utilities and system operators permits operation of the Blended Wind Power Project beyond the initial PPA period of 25 years. Further, in case the PPA is not mutually extended the Blended Wind Power Generator(s) are free to operate their plants after the expiry of the PPA period provided the relevant arrangements with the land and infrastructure owning agencies, transmission utilities and system operators permits operation beyond the initial PPA period of 25 years.

### **8.2. Capacity Utilization Factor (CUF):**

8.2.1. The Generator(s) will declare the annual CUF of its Project at the time of bid submission and will be allowed to revise the same once within first three years of COD. Calculation of CUF will be on yearly basis from 1st April of the year to 31st March of next year. The declared annual CUF shall in no case be less than 30 *per cent*. The Generator(s) shall maintain generation so as to achieve annual CUF not less than 90% of the declared value (i.e. Minimum CUF) and not more than 120% of the declared CUF value (i.e. Maximum CUF), during the PPA duration of 25 years. The lower limit will, however, be relaxable to the extent of non-availability of grid for evacuation of power, which is beyond the control of the Generator. For the first year of operation of the project, the annual CUF shall be calculated for the complete year after COD of the Project. Subsequently, the annual CUF will be calculated every year from 1st April of the year to 31st March next year.

8.2.2. In case the project supplies energy less than the energy corresponding to the minimum CUF, the Generator will be liable to pay to the Procurer, compensation for the shortfall in availability of energy. This will, however be relaxable to the extent of grid non-availability for



evacuation, which is beyond the control of the Generator. The amount of such compensation will be calculated @ 50% (fifty *per cent*) of the PPA tariff for the shortfall in energy terms, in accordance with the terms of the PPA. Such compensation as recovered from the Generator shall be passed on by the Intermediary Procurer to the End Procurer.

8.2.3. In case of availability of energy more than the maximum annual CUF specified, Generator will be free to sell it to any other entity provided first right of refusal will vest with the Procurer(s). The procurer(s) shall provide refusal within 30 (thirty) days from the receipt of the request, beyond which it may be considered as deemed refusal of purchase of such excess generation. In case the Procurer purchases the excess generation, the same may be done at the PPA tariff, and provision to this effect shall be clearly indicated in the RfS document.

**8.3. Repowering:** The Blended Wind Power Generator(s) will be free to re-power their capacity as per Repowering Policy of GoI, during the PPA duration. However, after repowering the ratio of both the resources (wind & solar) shall be kept as per clause 3.1. Further, the Procurer will be obliged to buy power only as per terms of PPA and any excess generation would be sold in accordance of terms and conditions of repowering programme/ tender.

**8.4. Payment Security:** The Procurer(s) shall provide adequate payment security measures, as specified below:

a) **Payment Security by Intermediary Procurer to the Generator:** The Intermediary Procurer shall provide payment security to the generator through:

i. **Revolving Letter of Credit (LC)** of an amount not less than one months' average billing from the Project under consideration;

**AND**

ii. **Payment Security Fund**, which shall be suitable to support payment of at least three months' billing of all the Projects tied up with such fund.

b) **Distribution licensee to Intermediary Procurer:** The **Payment Security by Distribution** licensee shall provide payment security to the Intermediary Procurer through:

i. **Revolving Letter of Credit (LC)** of an amount not less than one months' average billing from the Project(s) under consideration;

**AND**

ii. **State Government Guarantee**, in a legally enforceable form, such that there is adequate security, both in terms of payment of energy charges and termination compensation if any. [*for the purpose of this clause, the Tri-Partite Agreement (TPA) signed between Reserve Bank of India, Central Government and State Government shall qualify as State Government Guarantee covering the security for payment of energy charges*]. The Intermediary Procurer shall ensure that upon invoking this guarantee, it shall at once, pass on the same to the Generator; to the extent the payments to the Generator in terms of the PPA are due.

iii. In addition to i) & ii) above, the Distribution licensee may also choose to provide **Payment Security Fund**, which shall be suitable to support payment of at least three months' billing of all the Projects tied up with such fund.

It is hereby clarified that the State Government guarantee shall be invoked only after the Intermediary Procurer has been unable to recover its dues under the PPA by means of the Letter of Credit and the Payment Security Fund, if any.



## **8.5. Change in Law / Regulations**

8.5.1. In the event a change in Law/ Regulations which results in any adverse financial loss/ gain to the Generator, then in order to ensure that the Generator is placed in the same financial position as it would have been had it not been for the occurrence of the change in Law/ Regulations, the Generator/ Procurer shall be entitled to compensation by the other party, as the case may be, subject to the condition that the quantum of compensation payment shall be determined and shall be effective from such date as may be decided by the Appropriate Commission. Any relief on account of Change in Law/ Regulation shall be provided in terms of modification in the PPA tariff.

8.5.2. In case change in Law / Regulations results in delay in commissioning, where cause and effect between these two can be clearly established, the Intermediary Procurer may provide suitable extension to commissioning of the project.

8.5.3. In these Guidelines, the term 'Change in Law/ Regulation' shall refer to the occurrence of the following events, after the last date of the bid submission, including (i) the enactment of any new Law/ Regulation; or (ii) an amendment, modification or repeal of an existing Law/ Regulation; or (iii) the requirement to obtain a new consent, permit or license; or (iv) any modification to the prevailing conditions prescribed for obtaining a consent, permit or license, not owing to any default of the Generator; or (v) change in the rates of any taxes which have a direct effect on the Project.

However, Change in Law shall not include any change in taxes on corporate income or any change in any withholding tax on income or dividends.

## **8.6. Force Majeure**

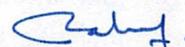
The PPA shall contain provisions with regard to *force majeure* definitions, exclusions, applicability and available relief on account of *force majeure*, as per the industry standards. The Generator shall intimate the SECI about the occurrence of *force majeure* within 15 (fifteen) days of the start/occurrence of the *force majeure* and SECI shall take a decision on his claim and reply within 30 days of the receipt of the intimation and also communicate to Procurer(s).

## **8.7. Generation Compensation for Off-take Constraints**

The Procurer may be constrained not to off-take the power scheduled by Generator on account of Grid unavailability or in the eventuality of a Back-down.

### **8.7.1. Generation Compensation in offtake constraints due to Grid Unavailability:**

During the operation of the plant, there can be some periods where the plant can generate power but due to temporary transmission unavailability power is not evacuated, for reasons not attributable to the Generator. In such cases the generation compensation shall be calculated corresponding to the average generation loss, beyond the limit of Grid Unavailability, on a monthly basis and shall be addressed by the Procurer in accordance with relevant Regulations.



<b>Duration of Grid unavailability</b>	<b>Provision for Generation Compensation</b>
Grid unavailability in a billing month beyond the limit* prescribed by CERC Regulation in a Contract Year	<p><b>Generation Loss = [(Average Generation per hour during the billing month) × (number of hours of grid unavailability beyond the limit prescribed by CERC Regulation during that particular billing month)]</b></p> <p>Where, Average Generation per hour during the billing month (kWh) = Total generation in the billing month (kWh) ÷ (24 X number of days in that particular billing month - total hours of grid unavailability in that particular billing month)</p>

\*In case the limit is not defined under Regulation, it should be treated as 50 hours in a Contract Year

**8.7.2. Offtake constraints due to Back down:** Governments encourages status of ‘must-run’ to wind and solar power projects, which is reflected both in Indian Electricity Grid Code (IEGC) as well as State Grid Codes/ Regulations. Therefore, the wind and solar projects, duly commissioned, should not be directed to back down by a DISCOM/ Load Dispatch Centre (LDC) except for reasons of grid security or safety of any equipment or personnel, where justification should be duly recorded and be notified to project developer in writing, which can be verified by any third party agency. No back-down / curtailment shall be ordered without giving formal/ written instructions for the same. The details of back-down / curtailment, including justifications for such curtailment, specifying data to back such curtailment, should be made public, including by putting in their website, by the concerned Load Dispatch Centre.

In the event of any Backing down, except in the cases where the back down is due to grid security or safety of any equipment or personnel or such other conditions, the Generator shall be eligible for a Generation Compensation, from the Procurer, in the manner detailed below.

<b>Duration of Backdown</b>	<b>Provision for Generation Compensation</b>
Hours of Backdown during a monthly billing cycle.	<p><b>Generation Compensation = 100% x (Average Generation during the month corresponding to the capacity backed down) x PPA Tariff</b></p> <p>Where, Average Generation during the month corresponding to the capacity backed down (kWh) =</p> <p>(CUF during the month ) x Σ (Backed down capacity in MW x corresponding time of backdown in hours x 1000)</p>

The Generation Compensation as calculated above will be limited to the extent of shortfall in annual generation corresponding to the declared CUF permitted as per clause 8.2.1. The Generation Compensation is to be paid as part of the energy bill for the successive month after receipt of Regional Energy Accounts (REA). No trading margin shall be applicable on this Generation Compensation.

Possible conditions for exclusion of Generation Compensation, on account of Backdown purposes, shall be clearly specified in the RfS and the PPA.



## **8.8. Event of Default and the Consequences thereof**

This clause lays down the broad principles of contractually dealing with the default of the Generator and the Procurers.

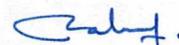
### **8.8.1. Generator's Event of Default and the consequences thereof:**

- a. In the event the generator is unable to commission the plant within the stipulated time period, or fails to supply power in terms of the PPA, or assigns or novates any of its rights or obligations contrary to the terms of the PPA, or repudiates the PPA, or effectuates a change in control or shareholding of its promoters in breach of the provisions of the PPA, or commits any other acts or omissions as laid down in the PPA and is also unable to cure any of the aforesaid within the defined period, as may be provided in the PPA, the generator shall be construed to be in default.
- b. Upon being in default, the Generator shall be liable to pay to the Procurer, damages, as provided in these Guidelines in Clause 17.3 for failure to commission within stipulated time and Clause 8.2 for failure to supply power in terms of the PPA. For other cases, Generator shall pay to the Procurer, damages, equivalent to 6 (six) months, or balance PPA period whichever is less, of charges for its contracted capacity. The Procurer shall have the right to recover the said damages by way of forfeiture of bank guarantee, if any, without prejudice to resorting to any other legal course or remedy.
- c. In addition to the levy of damages as aforesaid, in the event of a default by the Generator, the lenders shall be entitled to exercise their rights of substitution, in accordance with the substitution agreement provided in the PPA and in concurrence with the Procurer. However, in the event the lenders are unable to substitute the defaulting generator within the stipulated period, the Procurer may terminate the PPA and acquire the project assets for an amount equivalent to 90% of the debt due, failing which, the lenders may exercise their mortgage rights and liquidate the project assets.

### **8.8.2. Procurer Event of Default and the consequences thereof:**

- a. If the Procurer is in default on account of reasons including failure to pay the monthly and/or supplementary bills within the stipulated time period or repudiation of the PPA, the defaulting Procurer shall, subject to the prior consent of the Generator, novate its part of the PPA to any third party, including its Affiliates within the stipulated period.
- b. In the event the aforesaid novation is not acceptable to the Generator, or if no offer of novation is made by the defaulting Procurer within the stipulated period, then the Generator may terminate the PPA and at its discretion require the defaulting Procurer to either (i) takeover the Project assets by making a payment of the 'termination compensation' which will be equivalent to the amount of the 'debt due' and the 110% (one hundred and ten per cent) of the adjusted equity as defined below, less Insurance Cover if any or, (ii) pay to the Generator, damages, equivalent to 6 (six) months, or balance PPA period whichever is less, of charges for its contracted capacity, with the Project assets being retained by the Generator.
- c. In the event of termination of PPA, any damages or charges payable to the STU/ CTU, for the connectivity of the plant, shall be borne by the Procurer.

**Adjusted Equity** means the Equity funded in Indian Rupees and adjusted on the first day of the current month (the 'Reference Date'), in the manner set forth below, to reflect the change in its value on account of depreciation and variations in Wholesale Price Index (WPI), and for any Reference Date occurring between the first day of the month of Appointed Date and the Reference Date;



- i. On or before COD, the Adjusted Equity shall be a sum equal to the Equity funded in Indian Rupees and expended on the Project, revised to the extent of one half of the variation in WPI occurring between the first day of the month of Appointed Date and Reference Date;
- ii. An amount equal to the Adjusted Equity as on COD shall be deemed to be the base (the 'Base Adjusted Equity').
- iii. After COD, the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, reduced by 0.333% (zero point three three three *per cent*) thereof at the commencement of each month following the COD [*reduction of 1% (one percent) per quarter of an year*] and the amount so arrived at shall be revised to the extent of variation in WPI occurring between the COD and the Reference Date;

For the avoidance of doubt, the Adjusted Equity shall, in the event of termination, be computed as on the Reference Date immediately preceding the Transfer Date; provided that no reduction in the Adjusted Equity shall be made for a period equal to the duration, if any, for which the PPA period is extended, but the revision on account of WPI shall continue to be made.

**Debt Due** means the aggregate of the following sums expressed in Indian Rupees outstanding on the Transfer Date:

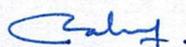
- i. The principal amount of the debt provided by the Senior Lenders under the Financing Agreements for financing the Total Project Cost (the 'Principal') but excluding any part of the principal that had fallen due for repayment prior to the Transfer Date;
- ii. All accrued interest, financing fees and charges payable under the Financing Agreements on, or in respect of, the debt referred to in sub-clause (i) above until the Transfer Date but excluding (i) any interest, fees or charges that had fallen due prior to the Transfer Date, (ii) any penal interest or charges payable under the Financing Agreements to any Senior Lender (iii) any pre-payment charges in relation to accelerated repayment of debt except where such charges have arisen due to Utility Default, and (iv) any Subordinated Debt which is included in the Financial Package and disbursed by lenders for financing the Total Project Cost.

Provided that if all or any part of the Debt Due is convertible into Equity at the option of Senior Lenders and/or the Concessionaire, it shall for the purposes of this Agreement be deemed not to be Debt Due even if no such conversion has taken place and the principal thereof shall be dealt with as if such conversion had been undertaken.

Provided further that the Debt Due, on or after COD, shall in no case exceed 80% (eighty percent) of the Total Project Cost.

## 9. BIDDING PROCESS

9.1. SECI will call for the bids adopting a single stage two envelop bidding process to be conducted through Electronic mode (e-bidding). SECI will conduct e-reverse auction for final selection of bidders for which E- procurement platforms with a successful track record and with adequate safety, security and confidentiality features will be used.



9.2. SECI will invite the bidders to participate in the RfS for installation of Blended Wind Power Project(s) in terms of these Guidelines.

9.3. The bidding documents including the RfS, draft PPA and draft PSA shall be prepared by SECI in consonance with these Guidelines.

9.4. The RfS notice shall be well publicized including on SECI's website.

9.5. The SECI shall provide opportunity for pre-bid conference to the prospective bidders, and shall provide written interpretation of the bid documents to any bidder which shall also be made available to all other bidders. All the concerned parties shall rely solely on the written communication. Any clarification or revision to the bidding documents shall be uploaded on the website of SECI for adequate information. In the event of the issuance of any revision or amendment of the bidding documents, the bidders shall be provided a period of at least 7 (seven) days therefrom, for submission of bids.

9.6. In case of an ongoing bidding process by SECI, if the bids have already been invited prior to the notification of these Guidelines, and if there are any deviations between these Guidelines and the proposed RfS, PPA, PSA, the RfS, PPA and the PSA shall be amended as per these guidelines and the bidders shall be provided a period of at least 7 (seven) days therefrom, for submission of bids/ revised bids.

## 10. RfS DOCUMENT

The standard provisions to be provided by the Procurer in the RfS shall include the following:

**10.1. Bid Responsiveness:** The bid shall be evaluated only if it is responsive and satisfies conditions of RfS including following-

- i. bidder or any of its Affiliates is not a wilful defaulter to any lender
- ii. there is no major litigation pending or threatened against the bidder or any of its Affiliates which is of a nature that could cast a doubt on the ability or the suitability of the bidder to undertake the project
- iii. performance of bidder is satisfactory in earlier project(s) awarded by SECI, if any.

### 10.2. Qualification requirements to be met by the bidders:

10.2.1. **Technical Criteria:** The Government encourages competition by way of increased participation. However, in order to ensure proper implementation of the projects, SECI may choose to specify technical criteria such as past experience of the bidders, timely execution of projects, etc. Such criteria should be set after an assessment of the number of project developers that are expected to meet the criteria so that an adequate level of competition is achieved. Cut-off date for meeting the technical criteria should normally be kept as the end date of the financial year that is previous to the financial year in which the bid is being floated.

### 10.2.2. Financial Criteria:

#### a) Net-worth:

- (i) SECI shall specify financial criteria in the form of net-worth as a part of the qualification requirement. The net-worth requirement should be at least 20% of the Estimated Capital Cost for project for the year in which bids are invited.
- (ii) The net worth to be considered for the above purpose will be the cumulative net-worth of the bidding company or consortium together with the net-worth of those Affiliates of the bidder(s) that undertake to contribute the required equity funding and performance bank guarantees in case the bidder(s) fail to do so in accordance with the RfS.



(iii) The net-worth to be considered for this clause will be the total net-worth as calculated in accordance with the Companies Act, 2013.

**b) Liquidity:** It is necessary that the bidder has sufficient cash flow/ internal accruals/ any bank reference to manage the fund requirements for the project. Accordingly, SECI may also stipulate suitable parameters such as annual turnover, internal resource generation, bank references/ line of credit, bidding capacity, etc.

**10.3. Quantum of the Earnest Money Deposit (EMD):** SECI will specify the quantum of the Earnest Money Deposit (EMD) in the form of a bank guarantee, to be furnished by the bidders. The EMD shall stand forfeited in the event of failure of the successful bidder to execute the PPA within the stipulated time period.

**10.4. Compliance of Laws by foreign bidders:** In case a Foreign Company is selected as the successful bidder, it shall comply with relevant laws and provisions of India including those related to Foreign Direct Investment (FDI) in India.

## **11. BID SUBMISSION AND EVALUATION**

**11.1.** Formation of consortium by bidders shall be permitted, in which case the consortium shall identify a lead member which shall be the contact point for all correspondences during the bidding process. SECI may specify technical and financial criteria, and lock in requirements for the lead member of the consortium.

**11.2.** SECI shall constitute committee for evaluation of the bids (Evaluation Committee), with at least three members, including at least one member with expertise in financial matters/ bid evaluation.

**11.3.** The bidders may be required to submit non-refundable processing fee as specified in the RfS.

**11.4.** The bidders shall be required to submit separate technical and price bids. Bidders may also be required to furnish necessary bid-guarantee in the form of an EMD along with the bids.

**11.5.** The technical bids shall be evaluated to ensure that the bids submitted meet the eligibility criteria set out in the RfS document on all evaluation parameters. Only the bids that meet the evaluation criteria set out in the RfS shall be considered for further evaluation on the price bids.

**11.6.** To ensure competition, the minimum number of qualified bidders should be two. If the number of qualified bidders is less than two, even after three attempts of bidding, and the Intermediary Procurer still wants to continue with the bidding process, the same may be done with the consent of the Appropriate Commission.

**11.7.** The price bid shall be rejected, if it contains any deviation from the bid conditions. No clarifications shall normally be requested from bidders at this stage.

**11.8. Bid evaluation methodology:** The comparison of bids shall be on the basis of the bidding criteria i.e. fixed tariff in Rs./kWh for 25 years. Ranking of the bidders will start from the bidder quoting the 'lowest tariff (L1)'. SECI may choose to define a band from L1 in terms of percentage of L1 within which they will accept bid offers.

**11.9.** The selection of all successful bidders would be on bucket filling approach starting with L1, till entire capacity of 2500 MW is full. The detailed procedure for evaluation of the bid and selection of the bidder shall be provided for in the RfS.



## 12. INDICATIVE TIME TABLE FOR BID PROCESS

12.1. In the bidding process, a tentative period of 30 (thirty) days may be allowed between the issuance of RfS documents and the last date of bid submission. The indicative timetable for the bidding process is as below.

**Tentative Time Table for Bid Process**

Event	Time from Zero date
Date of issue of RfS and draft PPA and PSA (if applicable)	Zero date
Bid clarification, conferences, revision of RfS, etc.	**
RfS bid submission	30 - 45 days
Evaluation of bids and issue of Letter of Award	75 days
Signing of PPA	165 days

\*\* In case of any change in RfS document, the Intermediary Procurer shall provide Bidders additional time in accordance with clause 9.5 and clause 9.6 of these Guidelines.

**Note:** It is clarified that if the Intermediary Procurer gives extended time for any of the events in the bidding process, on account of delay in achieving the activities required to be completed before the event, such extension of time shall not in any way be deviation from these Guidelines.

## 13. CONTRACT AWARD AND CONCLUSION

13.1. The PPA shall be signed with the successful Bidder(s) / Project Company(ies) or SPV(s) formed by successful Bidder(s) or Parent Company of the successful Bidder(s).

13.2. For the purpose of transparency, the Procurer shall, publicly disclose the name(s) of the successful Bidder(s) and the tariff quoted by them together with breakup into components, if any. The public disclosure shall be made by posting the requisite details on the SECI's website for at least 30 (thirty) days.

13.3. Subject to provisions of the Electricity Act, 2003, SECI shall approach the Appropriate Commission for adoption of tariffs in terms of Section 63 of the Act, within one month of signing of PPA.

## 14. BANK GUARANTEES

The Generator shall provide the following bank guarantees to the Procurer in terms of the RfS and the PPA:

14.1. **Earnest Money Deposit (EMD)** to be fixed by the Procurer [but not to be more than 1% (one *per cent*) of the Estimated Capital Cost for Blended Wind Power Project for year 2020-21], to be submitted in the form of a bank guarantee along with response to RfS.

14.2. **Performance Bank Guarantee (PBG)** to be fixed by the Procurer [but not to be more than 2% (two *per cent*) of the Estimated Capital Cost for project for the year 2020-21] to be submitted at the time of signing of the PPA. In addition to the other remedies, this PBG can be encashed to recover any damages/dues of the Generator in terms of the PPA. It is hereby clarified that the damages/dues recovered by the SECI by encashing the PBG, upon the default of the Generator under the PPA, shall be credited to the Payment Security Fund to be maintained by the SECI under Clause 8.4 of these guidelines.

As an alternative mechanism, the Generator may submit Letter(s) of Undertaking to pay in case situation of default of Generator in terms of PPA arises, from Indian Renewable Energy

Development Agency Limited (IREDA) or Power Finance Corporation Limited (PFC) or REC Limited (REC) in place of PBG, in terms of relevant orders issued by MNRE.

## 15. FINANCIAL CLOSURE

**15.1.** Generator shall attain the financial closure in terms of the PPA, within 12 (twelve) months from the date of execution of the Power Purchase Agreement.

**15.2.** Failing financial closure as per abovementioned timelines, the Procurer shall encash the PBG unless the delay is on account of *force majeure*. An extension for the attainment of the financial closure can however be considered by the Intermediary Procurer, on the sole request of the Generator, on payment of a penalty as specified in the PPA. This extension will not have any impact on the SCD. Any extension charges paid, shall be returned to the Generator without any interest on achievement of successful commissioning within the SCD. In other cases, such extension charges shall be credited to the Payment Security Fund maintained by SECI.

## 16. MINIMUM PAID UP SHARE CAPITAL TO BE HELD BY THE PROMOTER

**16.1.** The successful bidder, if being a single company, shall ensure that its shareholding in the SPV/project company executing the PPA shall not fall below 51% at any time prior to one year from the COD (as defined in Clause 18). In the event the successful bidder is a consortium, then the combined shareholding of the consortium members in the SPV/project company executing the PPA, shall not fall below 51% at any time prior to one year from the COD. However, in case the successful bidder shall be itself executing the PPA, then it shall ensure that its promoters shall not cede control till one year from the COD. In this case it shall also be essential that the successful bidder shall provide the information about its promoters and their shareholding to the Procurer before signing of the PPA with Procurer.

Transfer of controlling the shareholding with in the same group of Companies will however be allowed at any time, with the permission of SECI, subject to the condition that, the management control remains within the same group of companies.

*'Control' shall mean the ownership, directly or indirectly, of more than 50 per cent of the voting shares of such Company, or right to appoint majority Directors to the Board of Directors.*

**16.2.** Any change in the shareholding after the expiry of 1 (one) year from the COD can be undertaken under intimation to SECI.

**16.3.** If the Generator is in default to the lender(s) regarding the project debt, lenders shall be entitled to undertake 'Substitution of Promoter' in concurrence with the Procurers.

## 17. COMMISSIONING

**17.1. Part Commissioning:** Part commissioning of the Project shall be accepted by Procurer subject to the condition that the minimum capacity for acceptance of first part commissioning shall be at least 50 MW, without prejudice to the imposition of penalty, in terms of the PPA on the part which is not commissioned. The projects can further be commissioned in parts of at least 25 MW batch size; with last part could be the balance capacity. However, the SCD will not get altered due to part-commissioning. In case of part-commissioning of the Project, possession of land in accordance with clause 6.2 of these Guidelines, corresponding to the part capacity being commissioned, shall be required to be demonstrated by the Generator prior to declaration of commissioning of the said part capacity. Irrespective of dates of part commissioning, the PPA will remain in force for a period of 25 years from the SCD or from



the date of full commissioning of the projects, whichever is earlier. Part commissioning cannot be construed by just installing solar power capacity, the Generator shall be allowed to install solar capacity in proposed ratio of installed wind power capacity on pro-rata basis. However, the generator shall be allowed to install wind power capacities individually without installing solar capacity.

**17.2. Early Commissioning:** The Generator shall be permitted for full commissioning as well as part commissioning (as per 17.1) of the Project even prior to the SCD subject to availability of transmission connectivity and Long-Term Access (LTA). In cases of early part commissioning, the Generator will be free to sell it to any other entity provided first right of refusal will vest with the Procurer(s). The procurer(s) shall provide refusal within 30 (thirty) days from the receipt of the request, beyond which it would be considered as deemed refusal. Procurement of such early commissioned power, if accepted by the Procurer/Intermediary Procurer, shall be done at the PPA tariff.

**17.3. Commissioning Schedule:** The Projects shall be commissioned by the Scheduled Commissioning Date (SCD), which will be the date as on 24 (Twenty Four) months from the date of execution of the PPA or PSA, whichever is later. Delay in commissioning, beyond the SCD shall involve penalties on the Generator, as detailed in PPA.

It may be noted that commissioning/ part commissioning of the Project will not be declared until the Generator demonstrates possession of land in line with Clause 6.2.(a) above, in addition to the other conditions as established by the Procurer/Intermediary Procurer. For part commissioning portion of land on which the part of the project is commissioned should be with Generator in accordance with clause 6.2(a).

**17.4. Delay in Commissioning on account of delay in LTA Operationalization:** Long Term Access (LTA) shall be required to be submitted by the Generator prior to commissioning of the Project. Subsequent to grant of connectivity, in case there is a delay in grant/operationalization of LTA by the CTU and/or there is a delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network until SCD of the Project, and it is established that:

- (i) The Generator has complied with the complete application formalities as per the Connectivity Procedure.
- (ii) The Generator has adhered to the applicable Procedure in this regard as notified by the CERC/CTU, and
- (iii) The delay in grant of connectivity/LTA by the CTU and/or delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network, is a factor attributable to the CTU/ transmission licensee and is beyond the control of the Generator;

The above shall be treated as delays beyond the control of the Generator and SCD for such Projects shall be revised as the date as on 60 days subsequent to readiness of the Delivery Point and power evacuation infrastructure and/or operationalization of LTA. Decision on requisite extension on account of the above factor shall be taken by SECI.

## **18. COMMERCIAL OPERATION DATE (COD):**

The Commercial Operation Date (COD) shall be considered as the actual date of commissioning of the project as declared by the Commissioning Committee constituted by



SECI. In case of part commissioning, COD will be declared only for that part of project capacity.

## **19. TRANSMISSION CONNECTIVITY**

**19.1.** The project shall be designed for inter-connection with CTU substation either directly or from pooling station where other projects also connected, through a transmission network as per applicable Regulations at the appropriate voltage level, as specified by SECI.

**19.2.** Responsibility of getting Transmission Connectivity and LTA to the transmission system owned by the CTU will lie entirely with the Generator and shall be at the cost of Generator.

**19.3.** The Inter-connection/ Metering Point, is the point at which energy supplied to the Procurer shall be measured, shall be the bus bar of the CTU substation/ Pooling station at which power is injected in the transmission system of CTU. For interconnection with grid and metering, the Generators shall abide by applicable Grid Code, Grid Connectivity Standards, Regulations on Communication System for transmission of electricity and other applicable Regulations (as amended from time to time) issued by Appropriate Commission and CEA. The transmission of power up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the Generator and is to be done at his own cost. All expenses including transmission charges (if any) and losses in relation to the transmission beyond the Metering Point shall be borne by the Procurer(s) except as provided under clause 8.6.

**19.4.** Generator shall comply CERC/SERC Regulations on Forecasting, Scheduling and Deviation Settlement, as applicable and are responsible for all liabilities related to LTA and Connectivity. The Generator and the Procurer shall follow the forecasting and scheduling process as per the Regulations in this regard by the Appropriate Commission.

**19.5.** The transmission connectivity to the Generator may be provided by the CTU, as the case may be, prior to commissioning of the project on the request of the project developer, to facilitate testing and allow flow of infirm power generated into the grid to avoid wastage of Power.

**19.6.** Government of India orders regarding waiver of inter-state transmission system (ISTS) charges and losses on transmission of wind and solar power will be applicable. However, in case the commissioning of the project gets delayed beyond the applicable date of ISTS waiver due to reasons attributable to the Generator, the liability of transmission charges and losses would be of Generator.

## **20. TECHNICAL SPECIFICATIONS**

**20.1.** SECI shall promote commercially established and operational technologies to minimize the technology risk and to achieve the timely commissioning of the Projects.

**20.2.** In order to ensure quality of wind turbines installed, only type certified wind turbine models listed in Revised List of Models and Manufactures (RLMM) brought out by MNRE from time to time and updated as on the date of commissioning of the Project, will be allowed for deployment in the country. The wind power projects will be developed as per Guidelines issued by MNRE on Development of Onshore Wind Power Projects.

**20.3.** For solar modules and balance of systems, the technical guidelines issued by the Ministry from time to time for grid connected solar PV systems will be followed. Further, the orders of

*Bahf.*

the Ministry regarding 'Approved List of Models and Manufacturers (ALMM)' will be followed.

## **21. ROLE OF STATE NODAL AGENCIES**

The State Nodal Agencies appointed by respective State Governments will provide necessary support to facilitate the required approvals and sanctions in a time bound manner so as to achieve commissioning of the projects within the scheduled timeline. This may include facilitation in the following areas:

- Coordination among various State and Central agencies for speedy implementation of projects.
- Support during commissioning of projects.

## **22. PERFORMANCE MONITORING**

All blended wind power projects shall install necessary equipment to continuously measure wind and solar resource data and other weather parameters and electrical parameters. They are required to submit this data through online portal to SECI, National Institute of Wind Energy (NIWE) and/ or other designated agency for monitoring the performance for the entire life of the project.

In addition to the above, the Successful Bidder shall also submit information, as required by SECI, for regular monitoring of status of the project. SECI may develop a standard monitoring template/ parameters for capturing regular progress of the project.

## **23. DEVIATION FROM PROCESS DEFINED IN THE GUIDELINES**

In case there is any deviation from these Guidelines, the same shall be subject to approval by the Appropriate Commission. The Appropriate Commission shall approve or require modification to the bid documents within a reasonable time not exceeding 60 (sixty) days.

## **24. DISPUTE RESOLUTION**

In the event any dispute arises regarding claiming any change in conditions or regarding determination of the tariff or any tariff related matters, or which partly or wholly can result in change in tariff, such dispute shall be adjudicated by the Appropriate Commission.

All other disputes shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996.

## **25. CLARIFICATION AND MODIFICATION TO GUIDELINES**

If any difficulty arises in giving effect to any provision of these Guidelines or interpretation of the Guidelines or modification to the Guidelines, Ministry of New & Renewable Energy after approval of Minister In-Charge will issue the same. The decision in this regard shall be binding on all the parties concerned.

