

REPLY TO PRE-BID QUERIES OF RFS NO. MSEDCL/RE/2019/500 MW Solar/Ph-V/T-77 Dated 27.12.2019

Sr. No.	Clause of RFS/PPA	Existing Clause	Bidders Query / Suggestion	MSEDCL's Reply
1	Bid Information sheet:- Ceiling Tariff	Ceiling Tariff : INR 2.90 per unit	<p>1) Ceiling tariff may please be increased upto atleast INR 3.05 - 3.10/unit as Project cost will be high for intra state projects due to higher land costs, relatively lower CUF percentage in Maharashtra, applicability of Safeguard duty & necessary evacuation infrastructure cost etc.</p> <p>2) Recently concluded/ ongoing SECI bids have ceiling tariff of INR 2.78/ kWh. The projects being won in these tenders are being set up in Rajasthan.</p> <p>Reasons</p> <ol style="list-style-type: none"> 1. Radiation in Maharashtra is ~ 10% lower than Rajasthan. 2. Land cost is approximately 60% to 70% higher than Rajasthan 3. Interest cost for MSEDCL as procurer is 0.50% - 0.75% higher as compared to SECI/ NTPC/ NHPC <p>Revising Ceiling Tariff shall lead to more participation and thus the most competitive tariff discovery during reverse auction.</p>	The request is not accepted. Bidders shall adhere to RfS conditions.
2	Clause 1.3.1 o RfS	The Projects to be selected for aggregate capacity of 500 MW to be set up in the state of Maharashtra only	In the previous MSEDCL tenders in Ph-I and II, projects were allowed to be set up outside the State and connected to the CTU. That resulted in very attractive tariffs being discovered and MSEDCL being the ultimate beneficiary. Suggested modification - Kindly amend the clause to allow projects to be set up outside the state of Maharashtra	The request is not accepted. The bidder shall adhere to the RfS condition.
3	(RFS) 2.1 Definitions Interconnection Point	<p>"Interconnection Point"; shall mean the point(s) of connection(s) at which the project is connected to the grid:</p> <p>-For existing intra - state projects, it shall be at the existing interconnection point(s)..</p> <p>-For new intra - state projects, it shall be at the LV side of pooling substation of MSEDCL/MSETCL.</p>	<p>As you may kindly aware that the Government of India through Ministry of Power have waived the Inter-state transmission charges and losses on transmission of electricity generated from solar and wind sources of energy under para 6.4 (6) of revised Tariff Policy, 2016 provided these are commissioned till 31st December 2022. NTPC is in position to offer an attractive Solar PV capacity having grid connectivity thru ISTS network to MSEDCL at a very competitive price.</p> <p>Since, there will not be any cost implication on the procurer w.r.t ISTS charges and losses and power would be delivered at STU network, your are kindly requested for taking into consideration and agreed for making suitable provisions in the RfS document for allowing submission of response by the prospective project developers against this tender with the solar capacity having connectivity thru ISTS network to STU network.</p>	The request is not accepted and the existing clause shall prevail.

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4	Delivery Point/CTU transmission charges and loses	In case of interstate projects, all transmission charges and losses upto delivery point shall be to the account of the successful bidder. No change in charges/losses of CTU shall be covered under change in law.	Change in CTU transmission charges and losses shall be covered under change in law.	No such clause is present in the RFS document. Interstate projects are not eligible in this RFS. May refer to the reply given in S.No. above
5	Clause 3.2 of RfS	3.2 Total Capacity Offered: 2. Minimum Capacity of Project: The minimum project capacity shall be 5 MW at single location with minimum bid capacity of 5 MW.	As per RFS document, Section-3, Clause no 3.2, Minimum Bid Capacity for Project is 5 MW with project capacity of 5MW at single location. Whereas Minimum Bid Capacity for Project was 50 MW for last tender ,500MW(ph-IV) Intra State. Please clarify about this.	Minimum capacity shall be 5MW at single location with minimum bid capacity of 5MW
6	Clause 3.6.1 (i) of RfS	The Net-Worth of the Bidder for the financial year ended on 31.03.2019 shall not be less than INR 0.55 Crores per MW (of the capacity quoted).	In all the SECI/NTPC tenders, the relevant clause allows "as on the last date of previous Financial Year, i.e. FY 2018-19 or as on the day at least 7 days prior to the bid submission deadline." Suggested modification - Kindly amend the clause to allow "or as on the day at least 7 days prior to the bid submission deadline."	The said provision is already included in RfS.
7	Clause 3.6.2 (i) of RfS	A minimum annual turnover of INR 25 lakhs/MW of the quoted capacity during the previous financial year i.e. FY 2018-19.	In all the SECI/NTPC tenders, the relevant clause allows "as on the last date of previous Financial Year, i.e. FY 2018-19 or as on the day at least 7 days prior to the bid submission deadline." Suggested modification - Kindly amend the clause to allow "or as on the day at least 7 days prior to the bid submission deadline."	The said provision is already included in RfS.
8	Clause 3.9 (i) of RfS	Earnest Money Deposit (EMD) of INR 5 lakh/MW	In the recent SECI tender, the requisite Earnest Money Deposit (EMD) is INR 4 lakh/MW. Suggested modification - Kindly amend the existing requirement to INR 4 lakh/MW	The request is accepted and EMD is revised to Rs. 4 Lakh/MW.
9	Clause 3.12.1 of RfS	They shall maintain generation so as to achieve CUF in the range of ±10 % of their declared value during PPA duration. The lower limit will, however, be relaxable by MSEDCL to the extent of grid nonavailability for evacuation which is beyond the control of the developer.	They shall maintain generation so as to achieve CUF in the range of ±20 % of their declared value during PPA duration. The lower limit will, however, be relaxable by MSEDCL to the extent of grid nonavailability for evacuation which is beyond the control of the developer.	The request is not accepted. The bidder shall adhere to the RfS condition.
10	Clause 3.14 of RfS	The projects shall be commissioned within a period of 18 (eighteen) months from the date of execution of the PPA, in line with the procedure elaborated in PPA document.	Considering the challenges of land acquisition, RoW approval and other unforeseen challenges, we humbly request MSEDCL to relax the SCOD to 24 months. Same representation has been made to SECI by all the developers.	The request is not accepted as the clause is as per MNRE guidelines issued by MNRE. The existing RfS and PPA provisions shall prevail.
11	Article 1 of PPA Definitions Delivery Point	"Delivery Point"; shall mean the point(s) of connection(s) at which energy is delivered into the Grid System: · For existing intra - state projects, metering shall be at the existing metering point(s). · For new intra - state projects, metering shall be at the HV side of pooling substation of MSEDCL/MSETCL.	Connectivity of at PSS is mentioned as HV side in PPA contradiction to the RfS document which says it should at LV side of PSS	The definition in RfS shall prevail as under: "Delivery Point" shall mean the point(s) of connection(s) at which energy is delivered into the Grid System: -For existing intra - state projects, metering shall be at the existing metering point(s). -For new intra - state projects, metering shall be at the LV side of pooling substation of MSEDCL/MSETCL.
12	Article - 3.3.2 of PPA Obligation of MSEDCL	_____	Clause may please be incorporated in Obligation of MSEDCL : MSEDCL shall develop /augment evacuation infrastructure beyond Interconnection Point if required; 2 months before completion of the project.	The request is not accepted.

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13	Article 4.1.4 of PPA	Performance Bank Guarantee : MSEDCL shall release the Performance Bank Guarantee upon successful commissioning of full contracted capacity after adjusting Liquidated Damages (if any) as per Article 3.3.	Clause may be modified as : MSEDCL shall release the Performance Bank Guarantee upon successful commissioning of full contracted capacity after adjusting Liquidated Damages (if any) as per Article 3.3 within 30 days.	Request is accepted. 4.2 Performance Bank Guarantee: ----- 4.2.4 MSEDCL shall release the Performance Bank Guarantee upon successful commissioning of full contracted capacity after adjusting Liquidated Damages (if any) as per Article 3.3 within 30 days.
14	Article 4.1.6 of PPA	The part commissioning of the project prior to SCOD may be accepted by MSEDCL subject to the condition that a) In case of project at multiple locations under same bid, the commissioning of full capacity at single location and b) For the bid/project at single location, the 50% of contracted/awarded AC capacity on the basis of CUF declared in PPA		Part commissioning of the Project shall be accepted by MSEDCL subject to the condition that the (a) Minimum Capacity for acceptance of first shall be 50MW or 50% of the Contracted Capacity whichever is lower, and additions shall be in multiples of 5 MW. (b) DC capacity installed at the time of such Part Commissioning should be proportionate to the Part Commissioning Capacity (AC) as per AC:DC ratio, as declared by the successful Bidder.
15	Article 4.1.7 of PPA	The early commissioning of solar power project is permitted for full commissioning as well as part commissioning up to 3 months before SCOD. In case of early full commissioning, MSEDCL will purchase the generation till SCOD at PPA tariff. In case of early part commissioning till SCOD as described in Section 4.1.6 above, MSEDCL will purchase the generation till SCOD at 75% of PPA tariff. In case of commissioning of project delayed beyond SCOD, MSEDCL will purchase the generation for the period from Scheduled COD to Commercial Operation Date at 75% of PPA tariff. If the project is not fully commissioned within the maximum time period allowed for commissioning of the full Project Capacity i.e. 21 (Twenty One) months from the date of execution of the PPA, for projects being set up in Solar park, and within a period of 24 (Twenty Four) months from the date of execution of the PPA, then the last date of such maximum time period shall be considered as COD.	In case of projects at multiple locations under one bid, projects capacity will be distributed. Some of the lesser capacity projects , may be commissioned before SCOD . Thus, it is requested to consider early commissioning of projects prior to 3 months at full PPA tariff.	The request is partly accepted. Revised clause of the PPA is given below - The early commissioning of solar power project is permitted for full commissioning of the contracted capacity as well as Part commissioning of the project capacity before SCOD with prior intimation to MSEDCL. In case of early full commissioning, MSEDCL will purchase the generation till SCOD at PPA tariff. In case of early part Commissioning till SCOD as described in Section 4.1.6 above, MSEDCL will purchase the generation till SCOD at 75% of PPA tariff. In case of commissioning of project delayed beyond SCOD, MSEDCL will purchase the generation for the period from Scheduled COD to Commercial Operation Date at 75% of PPA tariff. If the project is not fully commissioned within the maximum time period allowed for commissioning of the full Project Capacity i.e. 21 (Twenty One) months from the date of execution of the PPA, for projects being set up in Solar park, and within a period of 24 (Twenty Four) months from the date of execution of the PPA, then the last date of such maximum time period shall be considered as COD.

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16	(PPA) 5.5.1	5.1.1 Criteria for generation: The Solar Power Producer has declared a CUF of% of their project at the time of executing this PPA and will be allowed to revise the same only once at the time of first anniversary of the project i.e. on completion of 1 year from COD. Such revision of the CUF shall be done within 1 month of completion of 1 (one) year from COD and no such revision shall be allowed thereafter. The declared CUF shall in no case be less than 19% over a contract year. They shall maintain generation so as to achieve CUF in the range of ±10 % of their declared value during the entire PPA duration of 25 years either from the Commercial Operation Date in case of proposed/new solar power projects i.e. the date on which full commissioning of the project capacity is achieved or from the date of execution of PPA for existing solar power projects. The lower limit will, however, be relaxable by MSEDCL to the extent of grid non-availability for evacuation which is beyond the control of the developer.	Please allow to revise the CUF anytime within first year also.	The request is not accepted and the existing clause shall prevail.
17	(PPA) 6.1/6.2/6.4	Billing provision / payment / Rebate : 6.2) MSEDCL shall make payment of the amounts due in Indian Rupees within thirty (30) days from the date of receipt of the Tariff Invoice by the designated office of the MSEDCL. a) A rebate of 1% shall be payable to MSEDCL for the payments made within a period of 15 days of the presentation of Tariff Invoice by modes as mentioned in Article 6.3 . along with required supporting documents at MSEDCL office. No rebate shall be applicable for payment beyond 15 days of the presentation of Tariff Invoice.	Clause may be modified as : 6.2) MSEDCL shall make payment of the amounts due in Indian Rupees within Fifteen (15) days from the date of receipt of the Tariff Invoice by the designated office of the MSEDCL. 6.4 a) A rebate of 1% shall be payable to MSEDCL for the payments made within a period of 10 days of the presentation of Tariff Invoice by modes as mentioned in Article 6.3 . along with required supporting documents at MSEDCL office. No rebate shall be applicable for payment beyond 10 days of the presentation of Tariff Invoice.	The request is not accepted and the existing clause shall prevail.
18	(PPA) 6.1 & 6.2	Billing and Payment :	Supplementary bill clause may please be incorporated in the article 6. Payment of supplementary bill shall be at the terms of payment for Monthly bill. The late payment charge for the supplementary bill also be incorporated in the PPA.	The request is not accepted and the existing clause shall prevail.

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19	Article 6.1 & 6.2 of PPA	Billing and Payment :	Reconciliation clause may please be incorporated in the article 6. Quarterly and Annual reconciliation may be incorporated.	<p>The request is accepted and following new clauses shall be added in PPA</p> <p>6.7 The Parties acknowledge that all payments made against Monthly Bills shall be subject to quarterly reconciliation within 30 days of the end of the quarter at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year within 30 days to take into account the Energy Accounts, Tariff adjustment payments, Tariff Rebate, Late Payment Surcharge, or any other reasonable circumstance provided under this Agreement.</p> <p>6.8 The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the Power Producer and Power Procurer shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a Reconciliation statement, the SPD shall make appropriate adjustments in the next Monthly Bill.</p>
20	Article 6.5 of PPA : Payment Security	<p>1) Letter of Credit: (c)</p> <p>ii) The amount of the Letter of Credit shall be equal to one month's projected payments during first contract year and thereafter during each contract year, the amount of Letter of Credit shall be equal to one month average billing of previous contract year.</p> <p>iii). The MSEDCL shall replenish the Letter of Credit to bring it to the original amount within 30 days in case of any valid drawdown.</p>	<p>Clause may be modified as :</p> <p>The amount of the Letter of Credit shall be equal to Two month's projected payments during first contract year and thereafter during each contract year, the amount of Letter of Credit shall be equal to Two months average billing of previous contract year.</p> <p>The MSEDCL shall replenish the Letter of Credit to bring it to the original amount within 10 days in case of any valid drawdown.</p>	<p>The request is not accepted.</p> <p>The request is not accepted.</p>
21	Article 9 of PPA	Change in Law and Tariff Adjustment	In the event of lapse of any tax, duty, cess after the bid submission, will there be a post-facto tariff adjustment?	The bidder has to take his due diligence on its own prior to submission of bid as per provision of RfS and PPA.
22	(PPA) 10.3.4 (a) (ii)	MSEDCL's Default : a) ii) Failure to pay the monthly and / or supplementary bills beyond 90 days	<p>Clause may pl be modifies as :</p> <p>Failure to pay the monthly and / or supplementary bills beyond 90 days after receipt of a valid invoice raised by the Power Producer on MSEDCL.</p>	<p>The request is accepted and 10.3.4 (a)(ii) is modified as follows -</p> <p>Failure to pay the monthly and / or supplementary bills beyond 90 days after receipt of a valid invoice raised by the Power Producer on MSEDCL.</p>

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23	(PPA) 12.2 MSEDCL's Indemnity	MSEDCL agrees to defend, indemnify and hold harmless the Power Producer, its officers, directors, agents, employees and affiliates (and their respective officers, directors, agents and employees) from and against any and all claims, liabilities, actions, demands, judgments, losses, costs, expenses, suits, actions and damages arising by reason of bodily injury, death or damage to property sustained by third parties that are caused by an act of negligence or the willful misconduct of MSEDCL, or by an officer, director, subcontractor, agent or employee of MSEDCL except to the extent of such injury, death or damage as is attributable to the willful misconduct or negligence of, or breach of this Agreement by, the Power Producer, or by an officer, director, subcontractor, agent or employee of the Power Producer.	Clause may please be included in PPA : i) The Procurer shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the Procurer, contractors or their employees that are required to be paid by the Procurer as per the Law in relation to the execution of the Agreement. ii) The Seller shall be indemnified and held harmless by the Procurer against any claims that may be made against the Seller in relation to the matters set out in (i) above. iii) The Seller shall not be liable for any payment of, taxes, duties, levies, cess whatsoever for discharging any obligation of the Procurer by the Seller on behalf of Procurer or its personnel.	The request is not accepted and the existing clause shall prevail.
24	LD for delay in commissioning	<p>.....</p> <p>b) In case the commissioning of the project is delayed beyond Six (6) months from SCOD :- The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Bank Guarantee and reduction in the fixed tariff shall be limited to 21 (Twenty One) months from the date of execution of the PPA, for projects being set up in Solar park, and within a period of 24 (Twenty Four) months from the date of execution of the PPA, for projects being set up outside Solar park.</p> <p>c) In case, the Commissioning of the Project is delayed beyond this period as mentioned in Section (b) above, the power producer's Event of Default as per clause 10.3 of PPA, shall be considered to have occurred and the contracted capacity shall stand reduced / amended to the project Capacity Commissioned upto the maximum time period allowed for commissioning of the full Project capacity and the PPA for the balance Capacity not commissioned shall be terminated and shall be reduced from the selected Project Capacity.</p>	<p>..In case the commissioning of the project is delayed beyond Three (3) months from SCOD - the tariff discovered after e-Reverse Auction shall be reduced at the rate of 0.50 paise/kWh per day of delay for the delay in such remaining capacity which is not commissioned for the entire term of the PPA..."</p> <p>There is no such clause SECI tenders. The clause shall be deleted and brought in line with SECI</p>	The clause No.3.14 of RfS is in line with the amendment to MNRE Guideline for Long Term procurement of Solar Power.