

Replies to Pre Bid Queries – 50 MW Biomass Tender

S. No.	Clause No.	Existing Clause	Bidders Query	MSEDCLs Reply
1	3.4.6 (C)	Formats to be enclosed with its Application Infrastructure Clearance from MEDA. (i) (ii) Detailed Project Report (DPR).	MEDA has not issued infrastructure clearance, hence submission of MEDA infrastructure clearance certificate to be waived off or to submit recommendations to MEDA for issuance of infrastructure clearance	The clause shall be amended as follows: The infrastructure clearance from MEDA shall be submitted within 7 months from signing of PPA.
2	3.6 (B)(d)	The ceiling tariff is Rs. 5.00 per unit.	The fuel cost is a major component and at Rs. 5.00 per unit of ceiling tariff, they will be not able to break-even. Hence, the ceiling tariff to be linked to MERC RE tariff Order year on year i.e. Rs. 7.30 for FY 2018-19	The request is not accepted.
3	3.6 (B)(e)	For Merit Order Dispatch purposes, the tariff shall be bifurcated into fixed charge and variable charge in 50:50 ratio.	The same to be linked to MERC RE tariff Order year on year	The request is not accepted.
4	3.8.1 - Earnest Money Deposit (EMD)	Earnest Money Deposit (EMD) of @ Rs. 10 Lakh per MW of capacity offered by the Bidder according to Format 6.3 A and valid for 06 months from the due date of bid submission, shall be submitted by bidder along with their bid, failing which the bid shall be summarily rejected. The Bank Guarantees towards EMD have to be in the name of the bidding company / Lead Member of Bidding Consortium.	The EMD amount of Rs. 10 Lakhs per MW is very high the same to be waived off or to be lowered.	The clause shall be amended as follows: Earnest Money Deposit (EMD) of @ Rs. 5 Lakh per MW of capacity offered by the Bidder according to Format 6.3 A and valid for 06 months from the due date of bid submission, shall be submitted by bidder along with their bid, failing which the bid shall be summarily rejected. The Bank Guarantees towards EMD have to be in the name of the bidding company / Lead Member of Bidding Consortium.
5	3.8.2 - Performance Bank Guarantee (PBG)	- Performance Bank Guarantee (PBG) will be applicable only for the projects yet to be commissioned, whereby the Bidders selected based on this RfS and post the e-reverse auction shall submit Performance Guarantee for a value @ Rs. 20 Lakh / MW of capacity offered within 30 days of issuance of Letter of Intent (LoI) and before signing of PPA. It may be noted that successful Bidders shall submit the Performance Guarantee according to the Format 6.3 B for a value @ Rs 20 Lakh/MW/Project of capacity with a validity period of 24 months from the effective date of PPA with claim period of one month additional.	The PBG of Rs. 20 Lakhs per MW is on the higher side and to waive off the same as it will highly impact their own funds contribution for achieving financial closure so.	The request is not accepted.
6	3.11 - Financial Closure or Project Financing Arrangements	3.11.1 - The Project shall achieve Financial Closure within 7 (Seven) months from the date of signing Power Purchase Agreement (PPA) (for e.g. if PPA signing date is 23.11.2018, then scheduled Financial Closure date shall be 22.06.2019). At this stage, the bidders shall report tie-up of Financing Arrangements for the Projects. In this regard the bidder shall submit a certificate from all financing agencies regarding the tie-up of funds.	To allow period of 30 months from the date of signing of PPA to achieve both financial closure and the COD	The request is not accepted.
		3.11.2 - In case of failure to achieve the financial closure, the PPA will become null and void unless agreed in writing by MSEDCL. The period for financial closure is agreed to be extended by MSEDCL on verification of the following documents. An extension for the attainment of the financial closure can however be considered by MSEDCL, on the sole request of the Successful Bidder, on advance payment of extension charges of Rs. 10,000/- per day per MW. In case of any delay in depositing this extension charge, the Successful Bidder has to pay an interest on this extension charge for the days lapsed beyond due date of Financial Closure @ SBI MCLR (1 Year). This extension shall not have any impact on the COD. Any extension charges paid so, shall be returned to the Successful Bidder without any interest on achievement of successful commissioning within the COD, on pro-rata basis, based on the Project Capacity commissioned on COD. However, in case of any delay in commissioning of the project beyond the Scheduled Commissioning Date, the amount as deposited above by the Successful Bidder shall not be refunded by MSEDCL.	To waive off the extension charges of Rs. 10,000 per day per MW applicable for non-achievement of timely financial closure.	The request is not accepted.

7	3.12 Commissioning Schedule and Liquidated Damage for Delay in Commissioning	<p>-3.12.1 The Project shall be commissioned within 18 months of the date of signing of PPA (for e.g. if PPA signing date is 23.11.2018, then scheduled Commissioning date shall be 22.05.2020). In this regard, SLDC shall certify successful commissioning of the Project. In case of failure to achieve this milestone, provisions of PPA as mentioned below shall apply:</p> <p>3.12.2 MSEDCL shall encash the Performance Bank Guarantee in the following manner:</p> <p>a) Delay up to three months – 20% of the PBG amount shall be encashed as penalty for the first month of delay, calculated on per day basis; e.g. for a Project of 10 MW capacity, if commissioning is delayed by 18 days from the scheduled date, then the penalty shall be: 20% of PBG amount X (18/90).</p> <p>b) Delay of more than three months and up to six months – MSEDCL will encash remaining amount from Performance BG worked out on per day basis. e.g. for a Project of 10 MW exportable capacity, if commissioning is delayed by 150 days from the scheduled date, then the penalty shall be: 80% of PBG amount X ((150-90)/90).</p> <p>c) The maximum time period allowed for commissioning of the Project with encashment of Performance Bank Guarantee shall be limited to 24 months from the date of signing of PPA. In case, the Commissioning of the Project is delayed beyond 24 months from the date of signing of PPA, the PPA will stand terminated and the submitted PBG of the successful bidder shall be encashed by MSEDCL.</p>	To allow period of 30 months from the date of signing of PPA to commission the project.	The request is not accepted.
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