REPLIES TO BIDDERS QUERIES PROCUREMENT OF POWER ON LONG TERM BASIS THROUGH COMPETITIVE BIDDING PROCESS (FOLLOWED BY REVERSE E-AUCTION) FROM 500 MW GRID CONNECTED SOLAR PHOTOVOLTAIC POWER PROJECTS - RfS No. MSEDCL/RE/2019/500 MW Solar/T-035 Dated 23/08/2019

| Sr. No | Clause No.<br>(RfS/PPA)   | Existing Clause  | Bidder's Query  | MSEDCL Reply   |
|--------|---------------------------|--|---|--|
| 1      | Bid Information<br>sheet  | Ceiling Tariff of Rs. 2.80 per unit  |   | No Change in ceiling tariff. The exiting provision of the RfS documen shall prevail.   |
|        |                           |  | Considering the higher forex prices, increasing module prices & higher land prices in the areas around Grid Connected Solar Projects, it is suggested to increase the ceiling tariff to Rs. 3.0/unit.   |  |
| 2      |                           |  | In case SPV is already formed or to be formed after issuance of Letter of<br>Award, please inform submission requirement of Bank Guarantee.   | Please refer clause no. 3.9. (i) and (ii) of the RfS document. Which states as follows "The Bidders selected by MSEDCL, based on this RfS shall submit the Performance Bank Guarantee (PBG) of INR 14 Lakh/MW according to the Format 6.3 B from any of the Banks listed at Annexure - C, issued in favor of MSEDCL with a validity period up to 6 months from Scheduled Commercial Operation Date, 2 days prior to signing of PPA." |
| 3      | Clause no.1.2.4 of<br>RfS | In case of inter - state projects, all transmission charges and losses up to 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. | 1. In case the power is delivered to MSEDCL at interconnecting substation of CTU and STU (i.e. Maharashtra STU Periphery) through the solar plant connected to ISTS Grid, please confirm that there would not be any Maharashtra State Transmission Charges and Transimssion Losses to be paid by the sucessful bidder.      2. As per notification from Ministry of Power, the Transmission charges and losses for CTU system is not applicable if the same is supported by requisite approval from DISCOM at the time of schedeling. Please confirm that all the approvals required at the time of scheduling in order to waive off the CTU Transmission Charges and Losses would be provided by MSEDCL.  Due to any reason not attributable to Developer, in case project commercial operation falls beyond March 2022, Procurer to bear the CTU changes/losses. | The Delivery Point is at Maharashtra STU periphery. The State Transmission charges and losses are borne by MSEDCL. However, CTU charges and losses for iner-state projects will be applicable as per prevailing rules and regulations to seller.   |

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|        | Clause no.1.3.3, of<br>RfS     | The Bidder shall ensure that the cells and modules used in the solar PV power project shall be from the models and manufacturers included in the ALMM list as available on MNRE website.   | The bidder should be allowed to deploy any proven technology and not restrict to ALMM list. This would promote the use of latest techonology and consequently reduce the project cost.      Please also confirm whether the bidder is allowed to consider Chinese make solar PV module.  | No Change. The bidder shall adhere to the existing provision of the RfS document.  As per MNRE order dated 06 Sept. 2019 it is stated that After 31.03.2020, only the models and manufacturers included in ALMM Lists (of solar PV Cells and Modules) will be eligible for use in Government/ Government assisted Projects/ Projects under Government Schemes & Programmes, to be implemented in the country. The word "Government" shall include Central Government, State Governments, Central Public Sector Enterprises, State Public Sector Enterprises and Central and State Organisations/ Autonomous bodies. |
| 4      | the Rfs and Clause<br>1 of PPA | "Effective Date" shall mean the date of execution of Power Purchase Agreement (PPA) by both parties  | The effective date should be the date of execution of Power Purchase Agreement by both the parties or the date wherefrom the rights and obligations of parties become irreversibly binding and enforceable against each other or adoption of tariff, whiever is later.   |   |
|        |                                | "SEA" means the State Energy Account issued by<br>State Load Dispatch Centre, and ammendment<br>thereto.   | Please Confirm that State Energy Account would not be applicable for Inter State Projects  | Inter State Energy Account Procedure as applicable should have to be followed.  |
|        |                                | "Delivery Point" For Inter-state projects, energy settlement and delivery point shall be at  | Please clearify that for Inter State Projects, CTU Transmission charges and Lossess would not be applicable as per Ministry of Power's notification no. 23/12/2016-R&& dated 13th February, 2018.  | For Interstate projects CTU charges and losses will be applicable as per previaling rules and regulations.  |
|        |                                | Maharashtra STU/MSETCL periphery.  | For inter - state projects, energy settlement and delivery point shall be at Maharashtra CTU Substation.   | No Change. The existing provision of the RfS document shall prevail.  |
| 5      |                                | capacity shall be 5 MW at single location with minimum bid capacity of 5 MW for projects outside solar park.  (ii) For Inter State projects - The minimum  | As you may kindly aware that NTPC is having 1320 MW Solapur Super Thermal Power Project in district Solapur, Maharashtra with ISTS connectivity with Maharashtra as one of the beneficiary for availing its power. We wish to set up a Solar PV plant inside this plant premises (of any capacity between 5 MW to 30 MW subject to its feasibility). Although, in line with provision of CERC 2009, we would be eligible for getting ISTS connectivity for the proposed SPV plant through electrical system of this generation station, however the prevailing provision of your RfS, does not make us eligible for submission of our bid with a consideration of proposed SPV plant at this location. | No Change. The existing provision of the RfS document shall prevail. It is as per the MoP guideline   |
|        | Clause no. 3.3 of<br>RfS       | The successful bidder shall set up Solar PV Power Project(s) including the transmission/ Distribution network up to the Delivery Point in line with Section 3.7, at its own cost (including but not limited to open access charges till the delivery point | be levied on the Bidder  | Any charges and losses as per prevailing rules and regulations upto the delivery point shall be borne by the bidder.  |
| 6      |                                |  | Please confirm that the change in the No. of Locations and the State of Locations shall be allowed till the time of achievement of Financial Closure   | The existing provision of the RfS document shall prevail.   |

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| 7      | Clasue no. 3.5. (1<br>&2) of RfS | participate under this RfS.  2. The Bidding Entity should be incorporated in  | We are having a partnership firm with net worth of Rs 50 croes as per audited balance sheet as on 31/03/19. We want to participate in this bid and are financially qualified to do so but as per tender condition only company registered under companies act are eligible to bid. We feel that this is not providing level playing field to thousands of partnership firms handling crores of tenders in NHAI ,PWD, MSEDCL, MJP and various other govt departments.  | Request is not accepted. The existing provision of the RfS document shall prevail.  |
| 8      | Clause no. 3.7 of<br>RfS         | with CTU/STU/DISCOM shall entirely be of the successful bidder. The successful bidder shall submit documentary evidence for securing connectivity with grid from CTU/STU/DISCOM within 9 (nine) months from the date of execution of the Power Purchase Agreement, for projects being set up in Solar park, and within 12 (twelve) months from the date of execution of the Power | In case the SPD is unable to obtain connectivity and/or LTA until commissioning for the reasons not attributable to the SPD, the Scheduled Commissioning Date for the Project shall be extended for a period upto 1 year from the SCOD, to allow the SPD to apply for fresh connectivity and/or LTA at a separate substation. This is as per the terms and conditions followed by SECI & NTPC. We request you to incorporate this in the tender documents as SPD should not be at loss for delays not attributable to SPD.  The said Clause is suggested to be changed as below: "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 SPD has complied with the complete application formalities (ii) The SPD 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 SPD; The above shall be treated as delays beyond the control of the SPD (Developer) and SCD for such Projects shall be revised as the date as on 30 days subsequent to the readiness of the Delivery Point and power evacuation infrastructure and/or operationalization of LTA.  It is requested to add the Clause as mentioned below: "In case of extension of the SCD for the Project beyond the deadline of ISTS waiver, due to delay in readiness of ISTS substation and/or delay in LTA operationalization, such Projects shall be deemed having been commissioned prior to the above applicable deadline for ISTS waiver, and ISTS charges and losses for such | Request is not accepted.However,the clause 3.7(2) is amended as under:  2) The responsibility of getting the grid connectivity with CTU/STU/DISCOM shall entirely be of successful bidder /Solar Power Park Developer authorized by Central Government or State Government for projects set up in solar park. The successful bidder shall submit documentary evidence for securing connectivity with grid from CTU/STU/DISCOM within 9 (nine) months from the date of execution of the Power Purchase Agreement, for projects being set up in Solar park, and within 12 (twelve) months from the date of execution of the Power Purchase Agreement, for projects being set up outside Solar park. |

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|        |                              |  | If the Successful Bidder has completed the project as per agreed time-line, yet the project commissioning gets delayed due to delay in grant of connectivity/operationalization of connectivity/ open access, beyond the Bidder's control, the Bidder should be entitled to deemed generation.   |  |
| 9      | Clause no.3.7 (5) of<br>RfS  | The successful bidder shall not be entitled to deemed generation in case of any delay in grant of connectivity       | <ol> <li>Developer shall be entitled to deemed generation in case of any delay in grant of connectivity or non-availability of LTA to the project subject to delay of development of grid infrastrucuture by CTU/STU which is beyond control of sucessful bidder.</li> <li>Developer should be compensated by way of deemed generation due to delay in non-availability of CTU evacuation infrastructure for the reasons not attributable to bidders.</li> <li>Non-availability of LTA to the project should be considered as a Force Majeure event in the PPA.</li> </ol> |  |
| 10     | Clause no. 3.9 of<br>RfS     | The successful bidders are required to sign PPA with the MSEDCL within 30 days after the date of issue of LoA        | Please confirm that tariff adoption and PPA approval processes shall be completed at least 1 month before the Effective Date of the PPA.   | The PPA shall be signed within 1 month from the date of issue of Letter of Award (LoA).  |
| 11     | Clause no.3.9 (ii) of<br>RfS | The bidder selected by MSEDCL, based on this RfS shall submit the Performance Bank Guarantee (PBG) of INR 14 Lakh/MW | Please clearify the mode of requirement of Bank Guarantee in case SPV is formed post issuance of Letter of Award.  | Please refer clause no. 3.9. (i, ii) of the RfS document. Which states as follows "The Bidders selected by MSEDCL, based on this RfS shall submit the Performance Bank Guarantee (PBG) of INR 14 Lakh/MW according to the Format 6.3 B, issued in favor of MSEDCL with a validity period up to 6 months from Scheduled Commercial Operation Date, 2 days prior to signing of PPA." |
| 12     | Clause No. 3.11 of<br>RfS    | furnished by the Bidders at the time of submission   | Please define the term 'project company' used in the RFS document. Also clarify if a bidding company (other than consortiums) can form SPV after being declared as successful in the bid, associated timeline and any other requirement.   | II. Yes as per clause no. 3.5 (3) of the RfS document.   |
|        |                              | The PPA shall be signed within 1 month from the date of issue of Letter of Award (LoA).                              | Based on the bidders' experience, the adoption of tariff takes considerable time (around 90 days). Hence, we request you to kindly consider the Effective Date as the date of Tariff adoption by the State Electricity Regulatory Commission.Considering the above we kindly request you to extend the period of signing of PPA from 30 days of LOI to at least 90 days  | No Change. The exiting provision of the RfS document shall prevail.  |

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|        |                           | treated as incomplete bid and Cost of RfS,   | In case the bidding process is cancelled or annulled by MSEDCL before processing the submitted bids (i.e.: Processing the opening of technical and financial offers, seeking clarifications from bidders, processing e-reverse auction etc.), then the EMD and Processing fee should be returned to bidders. | No Change. The existing provision of the RfS document shall prevail.  |
| 13     |                           | energy correspondiing to the lower limit of CUF  | I. Please inform the maximum limit of declared CUF II. In case of reactive power demand by CTU/ STU/ Discom, please confirm that the loss of such generation would not be considered as shortfall of minimum generation and that developer would not be required to pay any compensation.                    | The maximum limit of declared CUF is bidders discretion.     The bidder shall supply the generation at unit power factor.   |
|        | Clause no.3.12. of<br>RfS | revise the same once within first year of COD.  2. The declared CUF shall in no case be less than 19% over a year. They shall maintain generation so   | II. Since Availability/ unavailability of CTU/ STU network is beyond the<br>control of the developer, hence it is suggested to consider it for calculation of  | The request is not accepted. The existing provision for deemed generation as stipulated in the RfS document shall prevail.  |
|        |                           | 1. During PPA, if for any year, it is found that the developer has not been able to generate minimum energy corresponding to the lower limit of CUF declared by the developer, such shortfall in performance shall make developer liable to pay the compensation provided in the PPA as payable to MSEDCL. | This should not be applicable for the commissioning year, since during this short period, project may not experience the high solar radiation as declared  | No Change. The existing provision of the RfS document shall prevail,  |
| 14     | Clause No.3.13 of<br>RfS  | b) Submit power evacuation/ connectivity agreement of successful bidder with CTU/STU/DISCOM  |  | The Clause 3.13 (b) of RfS is amended as under: b) Submit power evacuation/ connectivity agreement of Successful bidder/ Solar Power Park developer authorized by Central or State Governement for projects set up in Solar Park with CTU/STU/DISCOM. |

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| 15     | Clause no. 3.14 of<br>RfS      | period of 15 (fifteen) months from the date of<br>execution of the PPA, for projects being set up in<br>Solar park, and within a period of 18 (eighteen)   | I. In case of delay in commisioning of the project within specified timelines, the clause has provisions for penalty. However, there is no provision of incentive for early commisioning of the project.  II. In order to inspire developers for adhering to prescribed timelines, it is suggested that an incentive mechanism should be incorporated in the referred clause.                                 | No Change. The existing provision of the RfS document shall prevail,  |
|        |                                | Commisioning certificate shall be issued by RLDC/SLDC/DISCOM after sucessful commisioning of Project/ Units.   | I. Please confirm that part commisioning of the project is allowed and that the generation exported to the grid from part commisioning before full commisioning to be paid as per the PPA tariff.  II. Also confirm that commisioning certificates shall be issued for part commisioning.  III. Also inform whether consent from RLDC/ SLDC/ DISCOM would be required at each stage.                          | I. Yes part commisioning of the project is allowed upto three months prior to SCOD and at 75% of PPA tariff. Refer PPA clause no. 4.1.6 & 4.1.7  II. Yes  III. The requisite consent from RLDC/ SLDC/ DISCOM will be as per prevailing rules and regulation |
| 16     | Clause no. 3.16 (ii)<br>of RfS | (fifty-one per cent) at any time prior to 3 (three) years from the COD, except with the prior approval   | Request to modify the said clause as suggested below: "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% (fifty one per cent) at any time prior to 1 (One) years from the COD   |   |
| 17     | Clause no. 4.2. (B) of RfS     | All the Bidders quoting tariff equal to or below the Ceiling Tariff shall be shortlisted bidders and shall be invited for the Reverse Auction.   | Please confirm that all the bidders who are technically and financially qualified, would be invited for e-reverse auction and that there would be no restriction on the number of bidders allowed or e-reverse auction, neither in terms of numbers nor in terms of percentage with respect to lowest or higher bidder.  Please confirm that all technically qualified bidders will be eligible for RA stage. | Yes. The clause may be read as : All the <u>techno commercially qualified</u> bidders quoting tariff equal to or below the Ceiling Tariff shall be shortlisted bidders and shall be   |
| 18     | Clause No.4.4(6) of<br>RfS     | At the end of selection process, a letter of Award (LOA) will be issued to all the successful bidders. In case Consortium being selected as successful bidder, the LOA shall be issued to the Lead Member of the Consortium. |   | The following clause is added at 4.4(7) of RfS as under: After completion of reverse auction ,MSEDCL at its own discretion may procure power over and above bucket of 500 MW depending upon rate discovered.  |
| 19     |                                | It shall be mandatory to provide real time visibility<br>of electricity generation to MSLDC at Airoli, Navi<br>Mumbai, Maharashtra through RTUDC, V-SAT.   | In case the inter State connectivity with CTU, please confirm the methodology to be adopted for communication.  | In case of inter State connectivity, the generator shall provide real time visibility to the concerned SLDC/RLDC as per prevailing regulations.   |
| 20     | Clause no. 5.2. (b) of RfS     | 9  | Please confirm as to who will form the commisioning committee and who all will be part of commisioning committee.   | The committee shall be comprised of the chief engineer (testing)/superintending engineer rank officers of MSEDCL and authorised representatives of successful bidder/generator.   |

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| 21     | clause 3.14 RfS.                             | the connectivity within 9 (nine) months from the<br>date of execution of the Power Purchase Agreement,<br>for projects being set up in Solar Park, and within   | Since, the grant of connectivity is not in full control of the developer and the same needs to be approved from CTU/ STU, hence, for any delay in obtaining connectivity/LTA and subsequent compliance with financial closure/commisionining of the project on account of above, the developer shall be entitled for extension in financial closure and/or commisioning date for the reasons not attributable to the developer.                        | No Change. The existing provision of the RfS document shall prevail. |
| 22     |  | date of execution of the Power Purchase Agreement,  | If the project developer fails to tie-up financing arrangement for the project factors contributing to Change in Law, the time period for fulfillment of condition subsequent and financial closure should be extended to address the effect of change in law.   | Purchase Agreement, for projects being set up outside Solar park, as |
| 23     | (b) of RfS, 3.3.2 (b) of PPA of RfS & of PPA | 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 or till the Tariff becomes zero, whichever is earlier. | Please confirm that this clause is not applicable where the delay is on account of delay in connectivity to the ISTS for the reasons not attributable to the developer.  |  |
| 24     | Clause No. 3.4.3 of<br>PPA                   | However, if the plant is ready but necessary evacuation is not ready on Schedule Commercial operation date, the generation loss shall be calculated considering the normative CUF of 19%. Corresponding to this generation loss, considering the excess generation by the generator in the succeeding 3 (three) Contract Years, shall be procured by MSEDCL at the PPA tariff so as to offset this loss. [Applicable only in case of New plant yet to be commissioned]              | In case the project developer is unable to obtain connectivity and/or LTA within deadline and it is established that the project developer has complied with the complete application formalities and has adhered to the applicable Procedure in this regard as notified by the CERC/CTU, the Scheduled Commissioning Date for the Project should be extended for a period up to 1 wars from the SCD to allow the project developer to apply for fresh |  |

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| 25     | Clause No. 5.5.3, of PPA | In case the availability is more than the maximum CUF specified, the Solar Power Producer will be free to sell it to any other entity provided first right of refusal will vest with the Procurer. In case the Procurer purchases the excess generation, excess generation over and above 10% of declared annual CUF, the same may be done at 75% of the PPA tariff. | For cases of a better price offer by a third party for the over and above 10% generated power, the Solar Power Producer should be given an option for selling the power to the third party.   |  |
| 26     |                          | to one month's projected payments during first<br>contract year and thereafter during each contract<br>year, the amount of Letter of Credit shall be equal to  | Since there is possibility of delay in payments beyond one month, the amount of letter of credit indicated in referred clause of PPA is not adequate to secure payment risks of the developer.      II. It is suggested that the amount of letter of credit shall be atleast equal to two month average billing of previous contract year.                      | No Change. The existing provision of the RfS document shall prevail.   |
| 26     |                          | Payment Security Fund  | Generally in similar tenders, there is a guarantee from the State Govt. for the payment. Case in reference would be the Rewa Ultra Mega Solar tender, wherein, RUMSL issued a State Guarantee Agreement against the payment of energy off take of MPPMCL, Addendum Ref No.: RUMS/2016-17/345/29 dated 19/09/2016. Please make a provision for such a guarantee. | The request is not accepted. The existing provision of the RfS   |
| 27     | Clause no. 7 of PPA      | For the purpose of energy accounting, the ABT compliant meter with Automated Meter Reading (AMR) feature shall be installed by Power Producer at the metering point.   | Apart from metering arrangement, please inform additional infrastructure required for energy accounting apart from metering arrangement.  | Relevant regulations reg. Metering and Energy accounting shall prevail.  |
| 28     | Article 9 of PPA         | Government Instrumentality shall mean the GoI, the GoM and their ministries, inspectorate, departments, agencies, bodies, authorities, legislative bodies.   | "Government Instrumentality" shall mean the Government of India, Governments of state(s)  | India,Governments of State(s) (Insert the name of State) and also any other State Government or Union Territory and any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or any of the above State Government(s) or both, any political subdivision of any of them including any court or Appropriate Commission(s) or tribunal or judicial or quasi-judicial body in India |
| 29     |                          |  | Please provide definition of installed capacity as the same is not available neither in RfS and PPA.  | "Installed Capacity" means the solar panels installed to supply the desired contracted AC capacity.  |