

Subject : Replies to queries/Clarifications Sought by Qualified Bidders

Date: 14th May 2016

Reference : RFP No. MBPPL/Power/2016-17/267 dated 23rd April 2016

Sl. No.	Ref. Clause	Existing Provision	Queries/ Clarification Sought	Reply
1		General Query	Kindly clarify if Utility has taken any deviation from Standard Bidding Document issued by MoP. If yes, then kindly provide copy of approval taken for the respective authority/commission.	No material deviation has been taken. MERC has approved the power purchase plan of MBPPL vide Order dated 26 February 2016 in Case No. 49 of 2015. The copy of the MERC Order can be downloaded from the MERC website www.mercindia.org.in and www.merc.gov.in
2	Appendix 1 Point 30 (RFP)	A Tariff of Rs.....and paise.....\$(Rupees....and paise.....) per kWh comprising a Base Fixed Charge of Rs.....and paise.....\$(Rupees....and paise.....) per kWh and a Base Variable Charge of Rs.....and paise.....\$(Rupees....and paise....) per kWh including (i) Rs.....and paise...\$(Rupees....and paise....) per kWh as the cost of generation (ii) Rs.....and paise...\$(Rupees....and paise....) per kWh as the cost of transmission charge and	Further kindly clarify that whether transmission charges have to be quoted on Normative Availability basis (85%) or at 100% availability? Kindly provide illustration for evaluation purpose.	Clause is as per the Model RFP. Presently applicable Intra-State transmission charges are Rs. 0.26/kWh and transmission losses are 3.89%. The Bidder will have to add the inter-State transmission charges and transmission losses to the above intra-State transmission charges and transmission losses while quoting, by converting the losses to per unit terms. The inter-State transmission charges shall be calculated considering normative Availability of 100%.

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		(iii) Rs.....and paise...\$ (Rupees....and paise....) per kWh as the cost of transmission loss.		
3	11.4.4 (APP) Computation of Fixed Charge	In the event that any shortfall in supply of electricity to the Utility occurs on account of deficiency in transmission between the Point of Grid Connection and Delivery Point, Availability shall be deemed to be reduced in accordance with the provisions of Clause 11.5.2 and the Non-Availability arising as a consequence thereof shall, for the purposes of payment of Fixed Charge, be deemed to be Availability to the extent of 50% (fifty per cent) of the Non-Availability here under.	Suggestion: This clause should be modified to reflect changes as suggested below: <ul style="list-style-type: none"> • Availability of the Power Station should not be linked to the transmission deficiency • 100% fixed charge recovery should be permitted. 	Clause is as per Model APP; no modification possible
4	4.2 & 4.3 (APP)	Damages for delay by Utility and Damages for delay by the Supplier	Suggestion: The damages should be modified in such a way that it has equality on both sides.	Clause is as per Model APP; no modification possible

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5	10.1 (APP) Contracted Capacity	Pursuant to the provisions of this Agreement, the Supplier shall dedicate a generating capacity of *** MW to the Utility as the capacity contracted hereunder for round the clock (the "Contracted Capacity") and the Contracted Capacity shall at all times be operated and utilised in accordance with the provisions of this Agreement.	Kindly confirm if the Contracted Capacity is at the Periphery of MBPPL or at Maharashtra Periphery. If the Contracted Capacity is at MBPPL Periphery, then please clarify the quantum for which open access has to be taken.	As per the Model APP, " Delivery Point " means any point in the intra-State Grid where the electricity supplied under this Agreement is received by the Utility; Contracted Capacity is at the interconnection point of MBPPL at 220/22 kV AKP Substation and 100/22 kV Nocil Substation of MSETCL The quantum for which open access has to be taken needs to be considered appropriately. It is clarified that MBPPL requires 10 MW capacity at its delivery point.
6	11.8.1 (APP) Taxes and Duties	The Parties expressly agree that the Tariff shall be inclusive of all taxes and duties, save and except the taxes and duties specified in Clause 11.8.2. It is further agreed that the Supplier shall pay all taxes and duties, including the taxes and duties specified in Clauses 11.8.2, in accordance with Applicable Laws.	Kindly clarify whether Taxes and Duties are a part of Fixed Charge or not.	Clause is as per Model APP. Please refer Clause 11.8.1 and 11.8.2 Whether Taxes and Duties are to be considered as part of Fixed Charge or Energy Charge depends on the incidence of tax, viz., whether the taxes and duties are leviable based on the generation or independent of the generation. The Bidders may quote appropriately.

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7	12.2 (APP) Variable charge	<p>The Parties agree that the variable charge, in accordance with the offer of the Supplier for the Base Year, shall be Rs. (Rupees)\$ per kWh, comprising(Rupees...)11 per kWh as the cost of Fuel/generating cost and, Rs....(Rupees.....) per kWh as the cost of transmission charges and Rs.....(Rupees.....) per kWh as the cost of transmission loss (the “Base Variable Charge”) which shall be revised in accordance with the provisions of Clause 12.3 to determine the Variable Charge for the relevant period. For the avoidance of doubt, the Parties expressly agree that the Variable Charge shall include the transmission charges and transmission losses as on Bid Date upto the Delivery Point.</p>	<p>Request you to kindly consider the transmission charges and losses of the preceding week to the Bid Due Date week.</p>	<p>Clause is as per Model APP.</p> <p>The transmission charges and losses prevailing as on May 16, 2016 shall be considered.</p>

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8	2.1.15 (RFP)	Bidders whose source of Fuel is from Coal Mine/ Blocks allocated through auction by Government Instrumentality as per provisions of Applicable Laws shall not be eligible to Bid in response to this RFP document.	<p>We have been Qualified in Bid process for RFQ stage; there is no mention of such condition in RFQ.</p> <p>Our group company is having a operational power station having Fuel from Coal mine allocated through Government Auction.</p> <p>We have also submitted an Undertaking on Affidavit by Generating Company stating the same during RFQ stage. Utility has to clarify such insertion of clause as the rates offered by such generating company would be competitive during the period of supply.</p> <p>Hence this clause/ provision should be deleted.</p>	<p>MBPPL has opted for Lumpsum Tariff as is evident from the RFQ and RFP documents issued.</p> <p>The footnote 21 to Clause 12.3.1 as given in the Model APP states as follows:</p> <p><i>"... Bidders whose source of Fuel is from Coal Mine/Blocks allocated through auction by Governmental Instrumentality as per provisions of Applicable Laws shall not be eligible to Bid under this sub-clause (X) (Lumpsum Tariff)."</i></p> <p>The same footnote is also provided in the RFQ as footnote 18 to Clause 1.2.8. However, as per directions given in the RFQ, the serially numbered footnotes have to be omitted before issuing the RFQ.</p> <p>Further, the MoP's guidelines issued vide letter no. 23/09/2014-R&R dated 05.05.15 is specific to long-term power procurement under DBFOO, and is not applicable to lump sum procurement under FOO.</p> <p>The Bidder may give an undertaking on</p>

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				affidavit stating that Fuel from Coal Mine/Blocks allocated through auction by Government Instrumentality as per provisions of Applicable Laws shall not be used to provide electricity to MBPPL.
9	Appendix 1 Point 30 (RFP)	A Tariff of Rs.....and paise.....\$(Rupees....and paise.....) per kWh comprising a Base Fixed Charge of Rs.....and paise.....\$(Rupees....and paise.....) per kWh and a Base Variable Charge of Rs.....and paise.....\$(Rupees....and paise....) per kWh including (i) Rs....and paise...\$(Rupees....and paise....) per kWh as the cost of generation (ii) Rs.....and paise...\$(Rupees....and paise....) per kWh as the cost of transmission charge and	Utility to provide an illustration on same in line with connected provisions of MAPP and RFP Clause 3.5. The case of factoring in the transmission losses in per kWh needs to be clear.	A Tariff of Rs. 3.25 (Rupees three and paise twenty five) per kWh comprising a Base Fixed Charge of Rs. 1.50 per kWh and a Base Variable Charge of Rs. 1.50 per kWh including (i) Rupees 1.00 and paise 50 per kWh as the cost of generation (ii) Rupees zero and paise 22 per kWh as the cost of transmission charge and (iii) Rupees zero and Paise 03 per kWh as the cost of transmission loss. The tariff structure is as per the Model APP

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		(iii) Rs.....and paise...\$ (Rupees....and paise....) per kWh as the cost of transmission loss.		
10	6.4 (RFP)	The Bidding Documents and RFQ are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this RFP, in the event of any conflict between them the priority shall be in the following order: (a) The Bidding Documents; (b) The RFQ. i.e. the Bidding Documents at (a) above shall prevail over the RFQ at (b) above.	RFQ was not having any mention of 'Bidders whose source of Fuel is from Coal Mine/Blocks...' and now referring to this clause the Bidding documents viz. RFP, MAPP shall prevail over the RFQ. We request utility to continue such provision only in case Clause 2.1.15 is Deleted	Please refer Clarification given at Sl. No. 11
11	Appendix 1 Point 30 (RFP)	Footnotes: \$Applicable only if the Applicant is sourcing fuel From Coal Mine/Blocks allocated through auction By Governmental Instrumentality	Utility to provide clear illustration of such tariff methodology (which considers plants based on coal mine/blocks) as the same is inconsistent with clause 2.1.15 which requires deletion.	Please refer Clarification given at Sl. No. 11

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12	1.1.1 (RFP)	The Mindspace Business Parks Pvt. Ltd.....thereof for a period of 5 (five) years.....in accordance with the procedure set out herein.	<p>As per CERC notification the open access is provided for a period of not more than 3 years on medium term. So Bidder need to apply for open access twice in the total term ,</p> <p>a) Request utility to consider that the payment against the fresh application for the period should be reimbursed as per actual.</p> <p>b) As the application for renewal of open access will be applied after 3 years the availability of grid can't be insured by Developer. One Scenario could be after completion of 3 years the Supplier will apply for fresh MTOA and as per priority the applicants having longest tenure will be granted approval. In that case an applicant having 3 years quantum will get preference over our application of 2 years.</p> <p>Request utility to advice in such scenario when Open Access is not granted by CTU.</p>	<p>MBPPL is a Distribution Licensee and by virtue of being a Distribution Licensee, we have prayed to MERC to be considered as a Long Term Open Access (LTOA) User.</p> <p>Refer Clause 5.5 of APP</p> <p>The inter-state and intra-state transmission of electricity shall be undertaken solely at the risk and cost of the Supplier and all liabilities arising out of any failure of inter-state and intra-state transmission shall, subject to the provisions of Clause 11.4.4, be borne by the Supplier. The Parties further agree that the obligation of the Supplier to pay the regulated charges for transmission of electricity shall be restricted to the tariffs and rates applicable on the Bid Date for and in respect of the Contracted Capacity and any differential arising from revision of the regulated tariffs and rates thereafter shall be payable or recoverable, as the case may be, by the Utility.</p>
13	1.1.1	The Mindspace Business	As per RFQ the power supply will start in	MBPPL is a Distribution Licensee and by

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	(RFP)	<p>parks Pvt. Ltd.....period when supply must commence – 3 months from date of RFQ.....in accordance with the procedure set out herein</p>	<p>July'16 (3 months from RFQ date) for the period of five years. After execution of APP a timeframe for applying Medium Term open access is minimum 5 months from the start of supply date.</p> <p>Request utility that during the time the open access is not issued the power should be purchased on short term open access basis and payment should be done for the short term open access charge till the time medium term open access is not processed.</p>	<p>virtue of being a Distribution Licensee, we have prayed to MERC to be considered as a Long Term Open Access (LTOA) User.</p> <p>If the Seller's plant is located outside Maharashtra, the clarification given at Sl. No, 15 above shall be applicable.</p>
14	1.1.1 (RFP)	<p>The Mindspace Business parks Pvt. Ltd.....Capacity Reuired – 10 MW (8:00 to 23:00 Hrs on weekdays) from date of RFQ.....in accordance with the procedure set out herein</p>	<p>As Medium term open access is available for round the clock for supply of power irrespective of the timeslot for which corridor is utilised.</p> <p>We request utility to consider payment to developer as per the actual amount paid to the CTU for the transmission of power irrespective of the time slot for which the power will be supplied.</p>	<p>As per Clause 5.5 of APP</p> <p>The Bidder has to factor in the applicable transmission charges, while quoting the transmission charges in Rs/kWh of energy supplied at delivery point</p>
15	7.1 (n)	<p>It has entered into a Fuel Supply Agreement for</p>	<p>As per the response to the queries at RFQ stage, Utility responded on 4th April'16 that developer</p>	<p>The undertaking has to be resubmitted along</p>

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		assured supply of Fuel required for meeting obligations.....Fuel required for meeting obligations under this Agreement, if Supplier is a Trading Licensee;	needs to submit undertaking that they will source fuel and guarantee uninterrupted supply of power to utility. Request Utility that the undertaking submitted at time of RFQ stage shall be considered at the RFP stage.	with the RFP.
16	10.2.2 (APP)	In the event that any part of the Contracted Capacity, which is not utilised by the Utility or its nominees, and is, therefore Utility shall be subject to provisions of adequate payment security either by the nominee or by the Utility.	Kindly confirm the amount and instrument to be provided as payment security in case of power supply to nominee of the Utility.	Clause is as per Model APP.
17	11.4.4. (APP)	In the event that any shortfall in supply of electricity to the Utility occurs on account of deficiency in transmission between the Point.....shall be applied first towards reduction of Fixed Charge payable by the Utility	Suggestions: We suggest that if the shortfall in supply of electricity occurs on account of a deficiency in transmission between the Point of Grid Connection and Delivery Point, by Force majeure events then availability should be deemed to be at Normative Availability	Clause is as per Model APP; no modification possible

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		hereunder and only the balance remaining shall be appropriated by the Supplier.		
18	12.6 (APP)	The Parties expressly acknowledge and agree that the Supplier, if supplier is NOT a Trading Licensee.....by utilizing gas procured under a fixed supply contract.....by it for the gas that has remained unutilized.	Request utility to omit the clause as fuel utilized by Developer is coal and not gas, thus the clause is not applicable to the Developer.	Under Lumpsum Tariff, supplier can use any type of fuel. Therefore, it is a generic clause applicable only if any supplier uses gas as a fuel.
19	APP General		Please provide details of the nominees for the utility that the Developer may be asked to supply power to.	The Clause is as per the Model APP.
20	5.5 (APP)	Obligations relating to transmission charges	As the transmission charges have to be quoted on per unit basis, though the payment of transmission charges by Bidder is on per MW basis, please clarify the treatment in cases where the Licensee does not draw the power.	The payment shall be made in accordance with Clause 5.5 of the APP. It is clarified that the Licensee shall pay the difference in transmission charges, if any, on account of non-drawal of power.
21	11.3 (APP)	Annual Revision of Fixed Charge	Please clarify how the increase in WPI will be considered	The increase in WPI shall be calculated in accordance with Clause 11.3 of the APP. The WPI as on January 31st of the respective years shall be compared for calculating the increase.