

**Queries on the Terms of Reference (TOR) for Regulatory Impact Assessment of Renewable Energy Certificate Mechanism**

S. No.	References and Page No.	Description	Query/Suggestions	Response
1.	Clause 6 <b>Qualification Criteria</b> Sub Clause 6.1 Page 6	6.1 The Consultant should have completed at least three assignments in the last five years of assisting SERC/CERC/FOR/MNRE on Renewable Energy related matters. The consultant should also have experience in advising on regulatory issues regarding Renewable Energy in general and Renewable Energy Certificate Mechanism in particular.	6.1 The Consultant should have completed/ <b>ongoing</b> at least three assignments in the last <b>ten</b> five-years of assisting SERC/CERC/FOR/MNR <b>E/State Nodal Agencies/State Undertaking Companies</b> on Renewable Energy related matters. The consultant should also have experience in advising on regulatory issues regarding Renewable Energy in general and Renewable Energy Certificate Mechanism in particular.	The provisions in the TOR appear to be adequate and are in line with several other studies floated earlier.
2.	Clause 7 <b>Application and Evaluation Criteria</b> Sub Clause 7.4 Page 7	7.4 The bids of the eligible bidders as per Clause 6 will be scrutinized by Consultancy Evaluation Committee (CEC) and shortlisted bidders will be called for interaction with the CEC (to be supplemented with a presentation not exceeding 6 slides). Their technical performance will be evaluated based on the following criteria:  <i>The qualifications and experience of the key staff (who would actually be working on the project) proposed : 40 Marks</i>	It is requested to provide clarification on number of key staff required along with educational qualification and years of experience with respect to marks allotted to each key staff.	It is for the Consultant to decide and submit the staff strength proposed for the study. Evaluation shall be made on the comparative assessment of the all the bids submitted
3.			We understand that as part of the exercise, the consultant would need to visit various stakeholders including	The Consultant is expected to cover at least a sample size of 10% across different categories of eligible

			<p>the eligible entities, obligated entities, central/state agencies etc. While ImaCS would propose a sampling methodology for the exercise, it is requested that a sample size be indicated for the exercise for ease of project planning and budgeting. Further, it is also necessary that CERC facilitates the meetings with the various stakeholders. Some of the stakeholders may not entertain the consultants if approached independently without initiation from CERC. Please confirm if this understanding is correct.</p>	<p>entities, obligated entities, State Agencies and also Central Agency. However the Consultant is expected to do its own assessment and strategy for the stakeholder interactions.</p> <p>The Consultant shall hold meeting with the concerned stakeholders. CERC shall not facilitate any meetings. Letter of Award for the Study shall suffice.</p>
4.	<p>Clause 3 <b>Scope of work</b>  Page 2</p>	<p>3.2 To develop RIA tools for impact assessment of CERC REC Regulations.</p>	<p>Clause 3.2 of the scope of work states that the consultant needs to develop a tool for impact assessment of the CERC REC Regulations. We request that the detailed requirements for this tool be shared. Kindly clarify whether it would be a broad framework for assessment, or an excel based model, or a software, etc.? In either of these cases, please suggest the specifications of the tool and who will the intended users be.</p>	<p>The RIA tool shall be an excel based model to be used by CERC.</p>
5.	<p>Clause 3</p>	<p><b>Clause 3.3.3 Impact on Obligated</b></p>	<p>Clause 3.3.3 of the</p>	<p>The objective is to</p>

	<p><b>Scope of work</b></p> <p>Page 3</p>	<p><b>Entities</b></p> <ul style="list-style-type: none"> <li>• Analysis of participation of obligated entities in the REC mechanism.</li> <li>•</li> </ul>	<p>scope of work requires the consultant of analyse the participation of the obligated entities in the REC mechanism. IMAcS seeks clarity on the contours of the assessment. Kindly clarify whether the assessment will be restricted to a trend analysis or will the consultant need to assess the reasons behind the extent of participation etc.</p>	<p>perform regulatory impact assessment of the REC mechanism. The Consultant is expected to carry out a detailed assessment with outcomes and recommendations.</p>
6.	<p><b>Clause 3 Scope of work</b></p> <p>Page 3</p>	<p><b>Clause 3.3.4 Impact on Central Agency, State Agency and Power Exchanges</b></p> <p>Grading of State Agencies involved in the REC mechanism for promoting better discipline and efficiency.</p>	<p>Clause 3.3.4 of the scope of work requires the grading of state agencies involved in the REC mechanism for promoting better discipline and efficiency. IMAcS seeks clarification on whether this requirement entails the preparation of a grading framework. If so, then what will be the broad categories under the framework. Further, will the matrix be used for subsequent years as well? If so, then will the consultant need to arrange for a training session for CERC representatives. Who will be responsible to updating these grading year on year?</p>	<p>The Consultant is expected to formulate the grading framework and define the parameters for assessment of State Agencies. The same shall be discussed and mutually agreed after the Contract is awarded.</p>
7.	<p><b>Clause 3 Scope of work</b></p> <p>Page 4</p>	<p>3.3.7 Review of Reports and literature published on REC Mechanism</p> <ul style="list-style-type: none"> <li>• Review extant reports issued by the Ministry,</li> </ul>	<p>Clause 3.3.7 of the scope of work requires the review of reports and literature published on REC</p>	<p>The Consultant is expected to do its own assessment of the extant literature and submit a proposal</p>

		<p>Other literature published by other organisations, institutions, think-tanks etc.</p> <ul style="list-style-type: none"> <li>Analyse the key findings and the recommendations in the reports and recommend changes which shall enhance the operational efficiency.</li> </ul>	<p>Mechanism.</p> <p>IMaCS understands that this requirement under the scope forms a part of the background work that would be performed in the exercise. However, since it forms a part of the scope of work, we seek clarity on the contours of the analysis and the number of reports that need to be analysed. Further, the list of organisations whose reports will be acceptable also need to be shared by CERC.</p>	
8.	<p>Clause 3 <b>Scope of work</b>  Page 4</p>	<p>3.4 Cost of regulatory compliance/enforcement</p> <p>Analysis of cost of regulatory compliance for market players (eligible entities, obligated entities, voluntary buyers etc.) and cost of enforcement for the entire mechanism</p>	<p>Clause 3.4 of the scope requires the analysis of cost of regulatory compliance for market players (eligible entities, obligated entities, voluntary buyers etc.) and cost of enforcement for the entire mechanism. IMaCS seeks further clarity on the specific requirements under the analysis of cost of enforcement for the entire mechanism. What is exactly meant by compliance cost? Is the cost of accreditation, registration and generation of RECs being referred here?</p>	<p>Compliance Cost refers to the total cost which has to be incurred by the respective market players to become a part of the mechanism and seek benefits.</p>
9.	<p>Clause 8.2 <b>Liquidated Damages</b></p>	<p>8.2 Liquidated Damages for error/variation in the report In case any error or variation is detected in the reports submitted by the Consultant and such error or</p>	<p>The scope of work includes assessment of impact on REC trading market due to the Regulations,</p>	<p>The provisions in the TOR appear to be adequate and are in line with several other studies floated earlier.</p>

		<p>variation is the result of negligence or lack of due diligence on the part of the Consultant, the consequential damages thereof shall be quantified by CERC in a reasonable manner and shall be recovered from the Consultant by way of liquidated damages from the payment to be made as per clause 5(ii) above, subject to a maximum of 50% (fifty per cent) of the Agreement Value.</p> <p>In addition to the liquidated damages as specified above, warning may be issued to the Consultant for minor deficiencies noted by CERC. In the case of non-completion of study/ assignment within the stipulated time or extended time, CERC shall have the right to get the study / assignment completed at the risk and cost of the Consultant. In the case of significant deficiencies in services causing adverse effect on the Project or on the reputation of CERC, other penal action including debarring for a specific period may also be initiated</p>	<p>procedures, judicial pronouncements, etc. This impact assessment has to be done on multiple market players such as eligible entities, nodal agencies, etc. Outcome of this study would be discussion report / recommendation report. Also, the scope does not involve proposing alternate regulations etc.</p> <p>Given these, we feel that consequential damages should not be applicable for this kind of assignment. CERC, in its previous RFPs (database of orders, inputs for tariff determination etc), did not put this clause in place. Request you to kindly remove this clause.</p> <p>In addition, we also request CERC to remove the “penal action” point in the same clause since there are sufficient clauses including debarring, LD etc to safeguard CERC.</p>	
10.	<p>Clause 9. <b>Termination of contract</b> Page 21</p>	<p>(iii) The CERC and the Consultant have the option to terminate the assignment on mutual consent by giving notice of one month to the other. This is however subject to adjustment of Liquidated Damages imposed if any for error/variation or delay in completion of the work schedule in that event.</p>	<p>It is mentioned that The CERC and the Consultant have the option to terminate the assignment on mutual consent by giving notice of one month to the other. In such an event, we request that Mutual</p>	<p>This query appears hypothetical.</p>

			Consent by CERC may not be unreasonably withheld.	
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