



Leading Through Innovation

To,
Shri Harpreet Singh Pruthi
The Secretary,
Central Electricity Regulatory Commission,
36, Janpath, New Delhi-110001.

Date: 16.09.2024

Sub: Comments on Draft Central Electricity Regulatory Commission (*Connectivity and General Network Access to the inter-State Transmission System*) (*Third Amendment*) Regulations, 2024.

Dear Sir,

At the outset of, we are grateful to Hon'ble Central Electricity Regulatory Commission (*Connectivity and General Network Access to the inter-State Transmission System*) (*Third Amendment*) Regulations, 2024.

We ACME Cleantech Solutions Private Limited are grateful to Hon'ble CERC for providing the opportunity to submit our comments to the Draft Central Electricity Regulatory Commission (*Connectivity and General Network Access to the inter-State Transmission System*) (*Third Amendment*) Regulations, 2024.

We hereby submit our comments for your kind consideration. The annexures are also attached in support of rationale for reference.

Thanks & Regards,

For and on behalf of **ACME Cleantech Solutions Private Limited**



Tushar Goyal
(Assistant Vice President)

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ACME's Comments/Suggestion in Draft CERC (Connectivity and General Network Access to the inter-State Transmission System) (Third Amendment) Regulations, 2024.

S. No.	Proposed Regulation	ACME's Suggestions	Rationale
1.	<p>Proposed Regulation 5.8 (xi) (a), Proviso First and Second: Provided that: (i) In case of REGS other than RHGS and RHGS located in a single place, for an application based on such LOA or PPA, an applicant shall be eligible to apply for Connectivity up to the installed capacity provided in the LOA or PPA. The connectivity under clause (a) of this Regulation shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) to (c) of this Clause.</p> <p>(ii) In case of Applicant being multi-located REGS, where LOA or PPA provides location and installed capacity at each location, the applicant shall be eligible to seek the Connectivity up to the Installed capacity at each location provided in the LOA or PPA. In case the installed capacity is higher than the LOA or PPA quantum, the connectivity under clause (a) of this Regulation at each location shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause."</p>	<p>Regulation 5.8 (xi) (a) Proviso First and Second: Provided that: (i) In case of REGS other than RHGS and RHGS located in a single place, for an application based on such LOA or PPA, an applicant shall be eligible to apply for Connectivity up to the installed capacity provided in the LOA or PPA. The connectivity under clause (a) of this Regulation shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) to (c) of this Clause.</p> <p>(ii) In case of Applicant being multi-located REGS, or RHGS where LOA or PPA provides location and installed capacity at each location, the applicant shall be eligible to seek the Connectivity up to the Installed capacity as certified by REIA or Discom at each location provided in the LOA or PPA. In case the installed capacity is higher than the LOA or PPA quantum, the connectivity under clause (a) of this Regulation at each location shall be limited to the LOA or PPA quantum. For balance capacity, if any, the applicant shall be eligible to seek additional Connectivity based on sub-clauses (b) or (c) of this Clause."</p>	<p>It may be noted that the new bids i.e. FDRE, hybrid etc require higher CUF and firm power supply during peak hours which would require installation of project capacity higher than the contracted capacity. The higher installed capacity is certified by REIAs in the LOA and the same is also a part of PPA and it is the obligation under PPA to install such higher capacity mentioned in PPA failing which LDs are applicable. Therefore, it is crucial to have connectivity for such installed capacity which may be higher than contracted capacity at a single substation.</p> <p>If developers are not allowed to obtain LOA based capacity for installed capacity higher than contracted capacity, then they will have to opt for BG route for incremental connectivity which will be additional burden on developers as developers are already submitting huge BGs to REIAs and CTU.</p> <p>Further the compliances of both connectivity will be different, which again will create multiple issues.</p>
2.	<p>Proposed Clauses (4) of Regulation 11A "(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and</p>	<p>Proposed Clauses (4) of Regulation 11A "(4) An entity, which has applied for Connectivity under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 and</p>	<p>It is submitted that the final grant is issued approximately after 14 months from the date an applicant applies for connectivity by</p>



<p>has been issued final grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:</p> <p>a.</p>	<p>has been issued final grant in-principle grant of Connectivity, is issued LOA or enters into a PPA, as eligible under Clause (xi)(a) of the Regulation 5.8, either for part capacity or full capacity, may apply to CTU for conversion of its Connectivity under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8 to Clause (xi)(a) of the Regulation 5.8, subject following:</p> <p>a.</p> <p>Provided that the Bank Guarantee submitted under Regulation 5.8(xi)(c) shall be returned after the conversion.</p>	<p>submitting BG under Reg 5.8(xi)(c). Therefore, such high amount BGs are getting stuck for more than 12 months' period which could otherwise be use for participating in new bids or meeting project expenses. A flow chart depicting timelines is annexed herewith.</p> <p>Once in-principle grant is issued, certain rights are accrued to developers and thereafter CTU takes time for award of bay after which it issues final grant. There is no reason to wait for issuance of final grant of connectivity to return such BGs to the developers which were submitted under Reg 5.8(xi)(c) when the developer has a valid LOA from REIA/Discom.</p> <p>Hon'ble CERC has also allowed source (wind or solar) conversion after in-principle grant. Therefore, BG submitted under Reg 5.8(xi)(c) must be allowed to return after in-principle grant of connectivity.</p> <p>It is also pertinent to note that as per provision 11 (A) (1) of these regulations, the Bank guarantee submitted under Reg 5.8(xi)(c) is allowed to return within 07 days from date of submission of 50% land documents, however, similar treatment is not extended to LOA. It is submitted that LOA and land document ought to be given similar treatment and treated at par for return of BG.</p> <p>We request Hon'ble CERC to take a practical view on this issue as the RE industry is facing</p>
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		<p>challenges with respect to BG limits. Developers are submitting huge BGs to REIA (Rs. 15-20 lakhs/MW for EMD and Rs. 35-50 lakhs/MW PBG).</p> <p>Therefore, it is suggested that either this Commission should allow return of BGs after issuance of in-principle grant or allow conversion of connectivity from BG to LOA after in-principle grant is issued so that the BGs submitted by developers are returned upon submission of LOA.</p>
<p>3. Subclause (c) under Clauses (4) of Regulation 11A 11A (4)</p> <p>c) After conversion has been approved by the CTU, the requirement of furnishing the documents towards such converted Connectivity, in accordance with Clauses (1) to (2) of this Regulation, shall be the same as applicable to the entities covered under Clause (xi)(a) of the Regulation 5.8, with the condition that scheduled date of commercial operation for the purpose of Clause (2) of this Regulation shall be the start date of Connectivity.</p>	<p>Subclause (c) under Clauses (4) of Regulation 11A 11A (4)</p> <p>c) After conversion has been approved by the CTU, the requirement of furnishing the documents towards such converted Connectivity, in accordance with Clauses (1) to (2) of this Regulation, shall be the same as applicable to the entities covered under Clause (xi)(a) of the Regulation 5.8, with the condition that scheduled date of commercial operation for the purpose of Clause (2) of this Regulation shall be the start date of Connectivity.</p>	<p>The proposed Subclause (c) under Clauses (4) of Regulation 11A seems ambiguous as Regulation 5 (xi)(a) does not require Land and FC documents, the same are furnished and completed in terms of LOA and PPA. Therefore, it is requested from this Hon'ble Commission to clarify that conditions of the Regulation 5.8 (xi)(a) shall only be fulfilled.</p>
<p>4. Sub-clause (d) of Clause (4) of Regulation 11A 11A (4)...</p> <p>d) After the Connectivity of an entry under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c)(i) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entry seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such re-conversion shall be allowed subject to the following conditions:</p>	<p>Sub-clause (d) of Clause (4) of Regulation 11A 11A (4)...</p> <p>d) After the Connectivity of an entry under Clause (xi)(b) or Clause (xi)(c) of Regulation 5.8 is converted into Connectivity under Clause (xi)(a) of Regulation 5.8, for part or full capacity by CTU under subclause (c)(i) of Clause (4) of this Regulation, if LOA or PPA for such part or full capacity is terminated, and such entry seeks to convert its Connectivity back to routes under Clause (xi)(b) or Clause (xi)(c) of the Regulation 5.8, such re-conversion shall be allowed subject to the following conditions:</p>	<p>It is submitted that this mechanism should be provided irrespective of whether LOA or PPA is terminated or not as it might be possible that a developer may plan for new LOA based project to a substation where it has converted its BG based connectivity to LOA based connectivity by submission of some other LOA but is now intending to allocate different LOA. This may be due to different substation timelines vis-à-vis COD under PPA.</p>



<p>5. Sub-clause (e) of Clause (4) of Regulation 11A 11A (4)...</p> <p>e) The Applicant shall not be eligible to seek another Connectivity using the same land documents based on which the Connectivity was sought under Clause (xi)(b) of the Regulation 5.8 and has been converted to Clause (xi)(a) of the Regulation 5.8.</p>	<p>1.</p> <p>Sub-clause (e) of Clause (4) of Regulation 11A 11A (4)...</p> <p>e) The Applicant shall not be eligible to seek another Connectivity using the same land documents based on which the Connectivity was sought under Clause (xi)(b) of the Regulation 5.8 and has been converted to Clause (xi)(a) of the Regulation 5.8.</p> <p>Provided that the applicant can change land and use the said land for implementing any project.</p> <p>Regulation 24.3A For Connectivity Grantees covered under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations:</p>	<p>The proposed regulation is silent upon the aspect that the said land can be used for a new project implementation as change in land is allowed. Please clarify the same so as to avoid any possible dispute later on.</p>
<p>6. Regulation 24.3A For Connectivity Grantees covered under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations:</p> <p>(a) In case full or part of Connectivity is relinquished within six months of the final grant of Connectivity, 50% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, corresponding to relinquished quantum shall be encashed, and the balance shall be returned;</p> <p>(b) If the Connectivity is relinquished after six months of the final grant of Connectivity, 100% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed.</p>	<p>1.</p> <p>Regulation 24.3A For Connectivity Grantees covered under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations:</p> <p>(a) In case full or part of Connectivity is relinquished within six months of the final grant of Connectivity, 50% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, corresponding to relinquished quantum shall be encashed, and the balance shall be returned;</p> <p>(b) If the Connectivity is relinquished after six months of the final grant of Connectivity, 100% of the subsisting Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations, shall be encashed.</p> <p>Provided that the Conn BG-1 and Conn BG-3 shall be returned.</p> <p>Provided further that where ATS or terminal bays have not been awarded for implementation as on the date of withdrawal, Conn-BG2 shall be returned to</p>	<p>The proposed Regulation 24.3A deals with relinquishment which is similar to proposed regulation 3.7 which is dealing with withdrawal of connectivity application.</p> <p>It is further submitted that Regulation 24.3A is silent on the aspect related to Conn BGs. Since, the scenario is similar it is suggested that a clause dealing with return of Conn BGs should be inserted.</p>



7.	<p>12. Amendment to Regulation 8.3 of the Principal Regulations:</p> <p>8.6 Conn-BG1, Conn-BG2, Conn-BG3, and BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations shall be issued by any scheduled commercial bank recognized by the Reserve Bank of India, in favour of CTU, as per the Format stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1 of these regulations.</p>	<p>the Applicant within 15 days of such withdrawal of the application.</p> <p>8.6 Conn-BG1, Conn-BG2, Conn-BG3, and BG submitted in terms of Clause (vii)(c) or Clause (xi)(c) of Regulation 5.8 of these regulations shall be issued by any scheduled commercial bank recognized by the Reserve Bank of India, in favour of CTU, as per the Format stipulated in the Detailed Procedure for Connectivity and GNA issued in accordance with Regulation 39.1 of these regulations.</p> <p>Provided that the applicants/grantees can submit Letter of Undertaking (LOU) in place of above BGs, issued by govt financial institutions like PFC, REC and IREDA. These LOUs shall be issued as "Payment on Order Instrument" (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the liable to be encashed by CTULL in accordance with the applicable regulations.</p> <p>Provided further that the applicants/grantees can also submit Insurance Surety Bond in place of above BGs, from an Insurer as per the guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI). The Surety Bond issuing organization undertakes to pay in all scenarios under which the liable to be encashed by CTULL in accordance with the applicable regulations.</p>	<p>It is submitted that Insurance Surety Bonds (ISB) are accepted as per General Finance Rules (GFR), 2017 issued by Department of Expenditure Procurement Policy Division, Ministry of Finance, Government of India, vide Office Memorandum dated 02.02.2022. The relevant office memorandum is attached herewith for your consideration. These ISBs are acceptable by Central Govt agencies like NHAI, SECI, NHPC, SJVN etc in their tenders.</p> <p>It is further submitted that Ministry of Power has also allowed Letter of Undertaking issued by PFC, REC and IREDA as alternate instrument other than BG for the purpose of submission of EMD and PBG in the tenders issued by bidding agencies. Accordingly, all REIAs accept LOUs in their respective Tenders.</p> <p>These two alternate instruments are at par with BGs and are encashable in case of any default of entity.</p> <p>These options will provide much relief and also provide flexibility in their BG limits. BG can be issued by banks only thereby restricting the ability of developers to arrange BG, however, LOUs are issued by PFC/REC/IREDA which are over and above BG limits which helps developers in participating multiple bids and in the present case it will help in substantiating</p>
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		<p>security towards connectivity in the similar manner as to BG. Surety bonds are equally enforceable and are issued by insurer under IRDAI guidelines.</p> <p>It is humbly requested that the Hon'ble Commission takes a practical view in this regards.</p>
<p>8. 27. Amendment to Regulation 22.2 of the Principal Regulations:</p> <p>27.3. The words 'start date of GNA' shall be substituted with the words 'effective date of GNA' in Clause (d) of Regulation 22.2 of the Principal Regulations.</p>	<p>It is requested that clause 22.2(d) and 40.2 regarding applicability of one time GNA charges be removed on account of being in contradiction with CERC Sharing Regulations, MoP orders and Electricity Act,2003.</p>	<p>It is humbly submitted that Regulation 22.2(d) and 40.2 provides that the entities covered under regulations 4.1 and 17.1 (iii) of GNA regulations shall pay one-time GNA charges of Rs. 1 lakh/MW and these would be utilized for reducing Monthly Transmission Charges under the Sharing Regulations. However, the sharing regulations provide exemption from payment of transmission charges by solar and wind projects which are being commissioned prior to 30.06.2025. Therefore, once the transmission charges are waived off under the regulations, then other charges to reduce the impact of transmission charges should not be made applicable.</p> <p>Further, CERC Sharing Regulations provides components of transmission charges which doesn't include One-time GNA charges. Hence, these one-time GNA charges are not in consistent with transmission charges provided in Sharing Regulations.</p> <p>Section 38(2)(d)(1) of Electricity Act CTU shall provide non-discriminatory open access to any licensee or generating company on payment of the transmission charges. As</p>

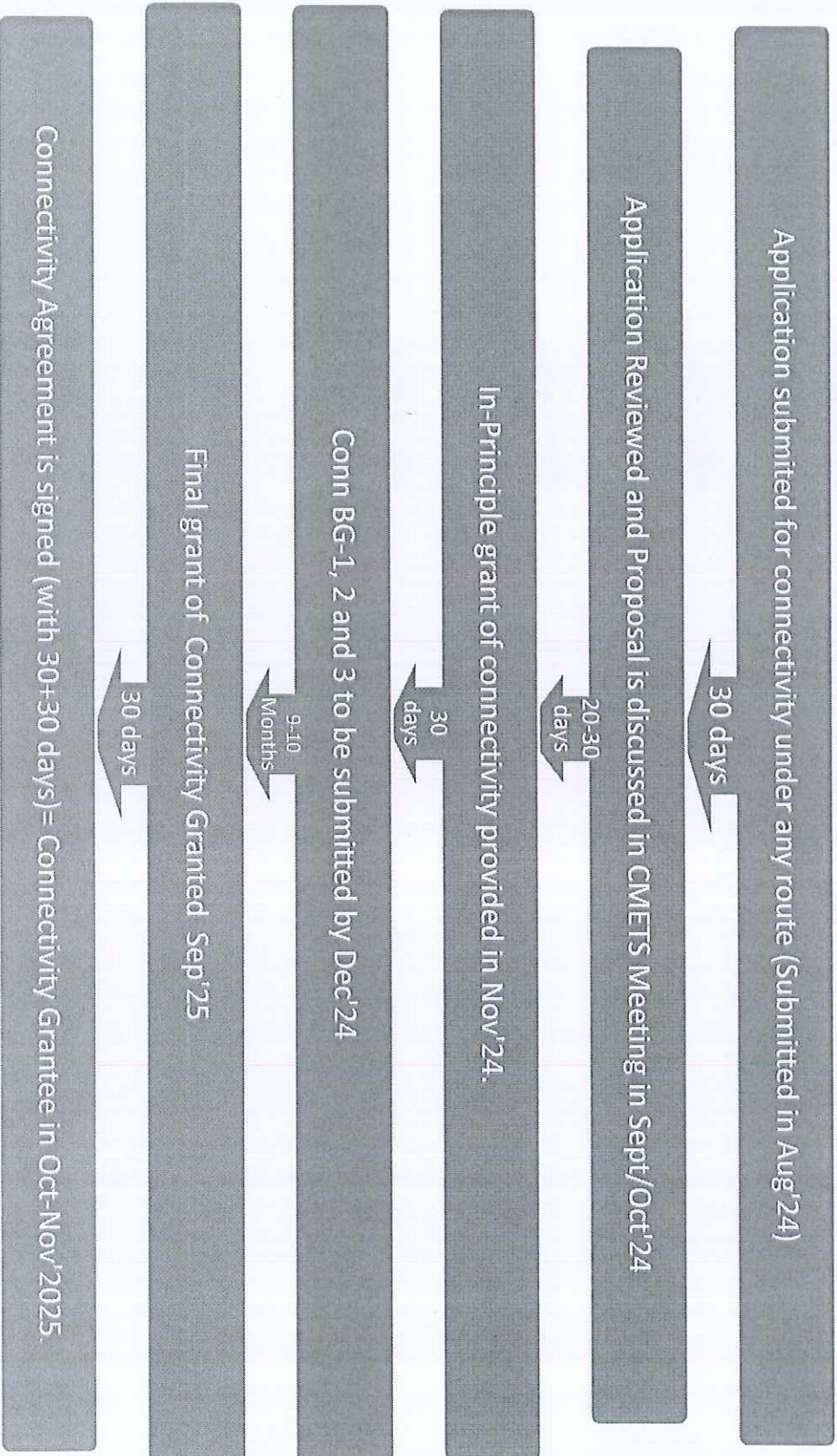


			<p>explained above, the transmission charges for Renewable Energy projects are already exempted by Central Government and CERC under Sharing Regulations and further One-time GNA charges are not component of transmission charges, therefore, levy of transmission charges is against Section 38(2)(d)(1) of Electricity Act.</p> <p>Therefore, it is requested that Hon'ble CERC should remove the applicability of one-time GNA charges for RE projects.</p>
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Annexure:

Flow chart showing timelines starting from application till signing of connectivity agreement:



No.F.1/1/2022-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
2nd February, 2022.

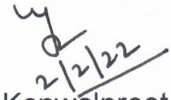
OFFICE MEMORANDUM

Subject: Amendment to General Financial Rules (GFR), 2017 to include Insurance Surety Bonds as Security Instrument.

It has been decided to partially amend Rule 170(i) and Rule 171(i) of General Financial Rules (GFR), 2017 regarding 'Bid Security and Performance Security respectively' as under:

Rule/ Para	Existing provision	Amended Rule
170(i)	The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects.	The bid security may be accepted in the form of Insurance Surety Bonds , Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects.
171(i)	Performance Security may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects	Performance Security may be furnished in the form of Insurance Surety Bonds , Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects

2. This OM is also available on website of Department of Expenditure; www.doe.gov.in -> Notification -> Circular --> Procurement Policy OM. Hindi version of this OM will follow.


2/2/22

Kanwalpreet
Director (Procurement Policy)
Tel.: 23093811
Email: kanwal.irss@gov.in

To
Secretaries to All Central Government Ministries/ Departments



**Request for Selection (RfS) Document
for
Selection of Solar Power Developers for Setting up of
2000 MW ISTS-Connected Solar PV Power Projects
with 1000 MW/4000 MWh Energy Storage Systems
(ESS) in India under Tariff-Based Competitive Bidding
(SECI-ISTS-XVII)**

RfS No. SECI/C&P/IPP/11/0011/24-25 dated 31.07.2024

Tender Search Code on ISN-ETS: SECI-2024-TN000037

*Solar Energy Corporation of India Limited
(A Government of India Enterprise)
6th Floor, Plate-B, NBCC Office Block Tower-2,
East Kidwai Nagar, New Delhi – 110023
Tel: 011 - 24666200, e-mail : contracts@seci.co.in*

encashment of EMD, the encashed amount shall include all applicable taxes. Electronic Bank Guarantee (e-BG) is also acceptable against EMD under this RfS.

- 16.2 The Bidder shall furnish the Bank Guarantees towards EMD from any of the Scheduled Commercial Banks as listed on the website of Reserve Bank of India (RBI) and amended as on the date of issuance of bank guarantee. Bank Guarantee issued by foreign branch of a Scheduled Commercial Bank is to be endorsed by the Indian branch of the same bank or State Bank of India (SBI).

The EMD shall be valid as per the timelines stipulated above. However, shortfall in the EMD validity, if any, up to a period of seven (7) days shall be acceptable. Further, an additional shortfall only in the following cases shall be acceptable: If the Bidder has submitted the EMD with validity as per original bid submission date or as per any revised submission date and if the deadline for submission of bids has been extended further, the EMD shall be acceptable provided, the EMD is valid for more than two months from the actual date of bid submission and the Bidder submits the EMD extension for the requisite period within seven days from the date of actual bid submission, if required.

- 16.3 SECI has agreed to accept the EMD in the form of an unconditional and irrevocable Bank Guarantee instead of the cash deposit with the clear position intimated to the bidder that the EMD Bank Guarantee shall be encashable for being appropriated by SECI in terms of the guarantee as in the case of appropriation of the cash deposit lying with SECI.

16.4 **Forfeiture of EMD:**

The BG towards EMD shall be encashed by SECI in following cases:

- a. If the bidder withdraws or varies the bid after due date and time of bid submission and during the validity of bid;
- b. In case, SECI offers to execute the PPA with the Selected Bidder and if the Selected Bidder does not submit the requisite documents as per Clause 20 of the RfS or does not execute the PPA within the stipulated time period;
- c. If after issuance of LoA, it is found that the documents furnished by the bidders as part of response to RfS are misleading or misrepresented in any way;
- d. If the bidder fails to furnish required Performance Bank Guarantee/POI/Surety Bond in accordance with Clause 17 of the RfS.

16.5 **Payment on Order Instrument (POI):**

As an alternative to submission of EMD as above, the Bidder also has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (i) Indian Renewable Development Agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited. This Letter of Undertaking shall be issued as “Payment on Order Instrument” (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the EMD would be liable to be encashed by SECI within the provisions of RfS/PPA. This instrument would have to be furnished as per Format 7.3 B

of the RfS, within the timelines as per Clause 16.1 above, for the amount and validity period as per those Clause 16.1 above.

16.6 Insurance Surety Bond:

As an another alternative to submission of EMD as above, the bidder also has an option to submit Insurance Surety Bond from an Insurer as per the guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI). The Surety Bond issuing organization undertakes to pay in all scenarios under which the EMD would be liable to be encashed by SECI within the provisions of RfS/PPA. This instrument would be furnished as per Format 7.3C of the RfS, within the timelines as per Clause 16.1 above, for the amount and validity period as per Clause 16.1 above.

16.7 The term “Bank Guarantee (BG) towards/ against EMD” occurring in the RfS shall be read as “Bank Guarantee (BG)/ Payment on Order Instrument (POI)/Surety Bond towards/ against EMD”.

17 *Performance Bank Guarantee (PBG)/ Payment on Order Instrument (POI)*

17.1 The Successful Bidder shall submit a Performance Bank Guarantee (PBG) for a value @ **INR 40,60,000/MW/Project** (Indian Rupees Forty Lakhs and Sixty Thousand /MW/Project) prior to signing of PPA. It may be noted that successful Bidders shall submit the PBG according to the Format 7.3D with a validity period up to (& including) the date as on 12 months after the SCSD of the Project. On receipt and after successful verification of the total Performance Bank Guarantee in the acceptable form, the BG submitted towards EMD shall be returned by SECI to the successful Bidder. It may be noted that PPA will be signed only upon successful verification of the PBG submitted by the SPD. Electronic Bank Guarantee (e-BG) is also acceptable against PBG under this RfS. Prior to signing of PPA, in case of any shortfall in validity of the PBG, the same will be acceptable, subject to the condition that the PBG validity is enhanced by the SPD prior to expiry of validity of the PBG.

17.2 All Performance Bank Guarantees (PBGs) shall be submitted separately for each Project.

The PBGs are required to be submitted in the name of the entity signing the PPA. In case of PPA being eventually signed with the SPV incorporated/utilized by the successful bidder, the PBG may be submitted in the name of the successful bidder at an earlier date, if the bidder chooses to do so, and the same shall be replaced by the PBG issued in the name of the SPV, prior to signing of PPA, subject to submission of Board Resolution from the Successful Bidder to transfer the project to its SPV and Board Resolution from the SPV accepting the said Project from the Successful Bidder.

17.3 The SPD shall furnish the PBG from any of the Scheduled Commercial Banks as listed on the website of Reserve Bank of India (RBI) and amended as on the date of issuance of bank guarantee. Bank Guarantee issued by foreign branch of a Scheduled Commercial Bank is to be endorsed by the Indian branch of the same bank or State Bank of India (SBI). In case of the Project being implemented through a SPV incorporated by the

सरकार द्वारा स्थापित विवाद निवारण समिति द्वारा किया जाएगा, ऐसा न होने पर भारतीय मध्यस्थता एवं समाधान अधिनियम, 1996 के अंतर्गत किया जाएगा। यदि एसईआरसी/जे ईआरसी उपयुक्त आयोग हो, तो सभी विवादों पर एसईआरसी/जे ईआरसी द्वारा निर्णय किया जाएगा अथवा एसईआरसी/जे ईआरसी द्वारा मध्यस्थता के लिए भेजा जाएगा।

19. दिशानिर्देशों के बारे में स्पष्टीकरण और संशोधन

यदि इन दिशानिर्देशों के प्रावधानों को लागू करने में या दिशानिर्देशों की व्याख्या में या दिशानिर्देशों के संशोधन में किसी प्रकार की परेशानी उत्पन्न होती है, तो नवीन एवं नवीकरणीय ऊर्जा मंत्री के अनुमोदन से विद्युत मंत्रालय ऐसा करने के लिए सशक्त है। इस संबंध में निर्णय सभी संबंधित पक्षों पर बाध्यकारी होगा।

20. नवीकरणीय/भंडारण क्रय बाध्यता (आरपीओ)

इस स्कीम के अंतर्गत खरीदे गए नवीकरणीय ऊर्जा उपकरण [आरई नैक्सेस साथ चार्ज की गई ऊर्जा भंडारण प्रणाली (ईएसएस) सहित] आरपीओ अनुपालना के पात्र होंगे। यदि सख्त विद्युत में पवन, हाइड्रो और अन्य आरपीओ घटक हैं, तो हाईब्रिड संयंत्रों के मामले में अपनाए गए सिद्धांत के अनुसार हाइड्रो और अन्य आरपीओ के बीच विभाजन होगा। परियोजना में उपयोग की गई ईएसएस क्षमता का उपयोग भारत सरकार के आदेशों अथवा अधिसूचनाओं के अनुसार भंडारण विद्युत दायित्वों को करने के लिए किया जा सकता है।

21. आईएसटीएस शुल्क और हानियां

विद्युत के पारेषण के संबंध में आईएसटीएस शुल्क और हानियां, जिसमें आरई विद्युत के लिए छूट सम्मिलित है, मौजूदा वर्तमान नियमों और विनियमनों के अनुसार होंगी।

हेमन्त कुमार पाण्डेय, मुख्य अभियंता

MINISTRY OF POWER

RESOLUTION

New Delhi, the 9th June, 2023

Guidelines for Tariff Based Competitive Bidding Process for Procurement of Firm and Dispatchable Power from Grid Connected Renewable Energy Power Projects with Energy Storage Systems

No. 23/03/2023-R&R

1. INTRODUCTION

1.1. Background

- 1.1.1. In order to facilitate development of grid connected solar power, the first phase of National Solar Mission provided for a scheme of “bundling” wherein, the then relatively expensive solar power was bundled with cheaper thermal power from the unallocated quota of the Government of India (Ministry of Power), generated by NTPC coal-based stations.
- 1.1.2. With the intervention of Government of India, the risks associated with solar and wind power sector have been brought down through measures as advance arrangement of land and evacuation through solar parks, green energy corridors, a secure and standardized Power Purchase Agreement (PPA) for 25 years with elaborate mechanism for risk apportionment and compensations, payment security, etc.
- 1.1.3. Such de-risking of renewable energy (RE) sector, coupled with advancement of technologies and economies of scale has resulted in bringing down the tariffs in solar and wind power sector thereby aiding in rapid deployment of solar and wind capacity in the country.
- 1.1.4. However, the intermittent and variable nature of renewable energy and low-capacity utilization of the transmission system needs to be addressed. The problem will get pronounced with the addition of large-scale renewable capacity. In order to manage the infirm nature of power, electricity distribution companies (DISCOMs) are procuring balancing power to provide grid stability and meeting their requirements during hours /periods of non-availability of renewable energy (RE).
- 1.1.5. The developments in renewable energy sector, an increased demand for ‘green power’ and a vision for realising ‘true’ energy independence for the country, present a case for supply of round-the-

2.	Bid clarification, conferences, opening of online Data Room to share all Project specific details including site, if specified by Procurer etc. & revision of RfS document	**
3.	RfS Bid submission	22days
4.	Evaluation of technical bids	64 days
5.	Evaluation of financial bids and conduction of e-Reverse Auction	99 days
6.	Issuance of Letter of Award (LoA)	110 days
7.	Signing of PPA & PSA (if applicable)	140 days

*** In case of any change in RfS document, the Procurer shall provide the bidders additional time in accordance with Clause 8.5 of these Guidelines.*

Note: It is clarified that if the Procurer gives extended time for any of the events in the bidding process, on account of delay in achieving the activities required to be completed before the event, or any other reason, such extension of time shall not in any way be construed as deviation from these Guidelines.

10.2. In normal circumstances, the bidding process is likely to be completed in a period of 110 (one hundred ten) days.

11. CONTRACT AWARD AND CONCLUSION

11.1. The PPA shall be signed with the successful bidder/ project company or an SPV formed by the successful bidder.

11.2. The procurer shall constitute a committee for evaluation of the RfS bids. After the conclusion of bidding process, the Evaluation Committee constituted for evaluation of RfS bids shall critically evaluate the bids and certify as appropriate that the bidding process and the evaluation has been conducted in conformity to the provisions of the RfS document. The evaluation authority should satisfy itself that the price of the selected offer is reasonable and consistent with the requirement. The evaluation committee shall have the right to reject all price bids if the rates quoted are not aligned to the prevailing market prices.

11.3. For the purpose of transparency, the Procurer shall, after the execution of the PPA, publicly disclose the name(s) of the successful bidder(s) and the tariff quoted by them together with breakup into components, if any. The public disclosure shall be made by posting the requisite details on the website of the Procurer for at least 30 (thirty) days.

11.4. Subject to provisions of the Act, the distribution licensee or the Intermediary Procurer, as the case may be, shall approach the Appropriate Commission for adoption of tariffs discovered, in terms of Section 63 of the Act, within 15 (fifteen) days of the discovery of the tariffs through e-reverse auction or otherwise, in the transparent competitive bidding process conducted in accordance with these Guidelines.

11.5. Subsequent to the distribution licensee or Intermediary Procurer, as the case may be, approaching the Appropriate Commission for adoption of tariffs under Section 63 of the Act, in case, the Appropriate Commission does not decide upon the same within sixty days of such submission or within 120 (one hundred and twenty) days from the date of Power Sale Agreement (PSA), whichever is more, the Procurer(s) shall grant appropriate extension of time in SCSD to the generators, corresponding to the delay [beyond 60 (sixty) days of submission or 120 (one hundred and twenty) days of PSA whichever is more] in adoption/ approval by the Appropriate Commission, till the date of adoption/ approval by the Appropriate Commission.

12. BANK GUARANTEES/ CORPORATE GUARANTEES/ PAYMENT ON ORDER INSTRUMENTS/ LETTERS OF UNDERTAKING

The Generator shall provide the following bank guarantees/ corporate guarantees/ letters of undertaking to pay to the Procurer in terms of the RfS

12.1. Earnest Money Deposit (EMD) as per Clause 9.3 to be submitted along with response to RfS, in the form of:

(a). Bank Guarantee(s);

OR

(b). "Payment on Order instrument" / Letter of Undertaking, to pay in case of default of the RE Power Generator in terms of RfS , from Indian Renewable Energy Development Agency (IREDA)/ Power Finance Corporation Limited (PFC)/ REC Limited (REC).

"Payment on Order instrument" means Letter of Undertaking from Indian Renewable Energy Development Agency Limited (IREDA) or Power Finance Corporation Limited (PFC) or REC Limited (REC) [the three non-banking financial institutions under Ministry of New & Renewable Energy (MNRE)/ Ministry of Power (MoP)], to pay in case situation of default of generator in terms of tender conditions/Power Purchase Agreement (PPA) arises. Such Letter(s) will have same effect as that of a Bank Guarantee issued by any public sector bank. Such "Payment on Order instrument" would have terms and conditions similar to that of any Bank Guarantee given by any public sector bank and would promise to pay the Procurer on demand within stipulated time. Generators can seek such Letters(s) by offering due security to the above mentioned three non-banking financial institutions mentioned above (IREDA, PFC & REC). Procurer(s) shall not accept the instrument of 'Letter of Undertaking' as described above or in any other form, from any other non-banking financial institutions or bank, except IREDA, PFC & REC.

12.2. Performance Guarantee (PBG), to be fixed by the Procurer, but not to be less than 5% (five percent), of the estimated RE Project cost, for the financial year in which the bids are invited, or any other criteria specified in the RfS, to be submitted at the time of signing of the PPA, in the form of:

(a). Bank Guarantee(s);

OR

(b). "Payment on Order instrument" / Letter of Undertaking to pay in case of default of RE Power Generator in terms of Power Purchase Agreement (PPA), from Indian Renewable Energy Development Agency (IREDA)/ Power Finance Corporation Limited (PFC) and REC Limited (REC);

12.3. In addition to the other remedies, this PBG (or alternatives provided thereto as per these Guidelines) can be encashed to recover any damages/dues of the generator in terms of the PPA. It is hereby clarified that the damages/dues recovered by the Intermediary Procurer by encashing the PBG, upon the default of the generator under the PPA, shall be credited to the Payment Security Fund to be maintained by the Intermediary Procurer under Clause 7.3 of these Guidelines. PBG (or alternatives provided thereto as per these Guidelines) shall be returned to the generator within 45 days of the SCSD of the project. In case of part commencement of supply of power, PBG corresponding to such part capacity, should be released within 45 days.

12.4. Procurer(s) may release the Bank Guarantees submitted by a generator as 'Performance Bank Guarantee (PBG)', if the generator is able to replace the same with "Payment on Order instrument" / Letter(s) of Undertaking to pay in case situation of default of generator in terms of Power Purchase Agreement (PPA) arises, from Indian Renewable Energy Development Agency Limited (IREDA) or Power Finance Corporation Limited (PFC) or REC Limited (REC). Generators can seek such Letters(s) by offering due security to the above mentioned three nonbanking financial institutions (IREDA, PFC & REC) for seeking replacement of their Bank Guarantees already pledged with the implementing agencies.

13. SHAREHOLDING BY THE PROMOTER

13.1. 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) year from the SCSD except with the prior approval of the Procurer. In the event the successful bidder is a consortium, then the combined shareholding of the consortium members in the SPV/project company executing the PPA, shall not fall below 51% at any time prior to 1 (one) years from the SCSD, except with the prior approval of the Procurer. Further, the successful bidder shall ensure that its promoters shall not cede control² of the bidding company/ consortium till 1 (one) years from the SCSD, except with the prior approval of the Procurer. In this case it shall also be essential that the successful bidder shall provide the information about its promoters and their shareholding to the Procurer before signing of the PPA with Procurer.

13.2. Any change in the shareholding after the expiry of 1 (one) years from the SCSD can be undertaken under intimation to Procurer.

13.3. In the event the Generator is in default to the lender(s), lenders shall be entitled to undertake "Substitution of Promoter" in concurrence with the Procurers.

[²The expression 'control' shall mean the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such Company or right to appoint majority Directors.]

14. COMMENCEMENT OF SUPPLY OF POWER

14.1. The Power Purchase Agreement between the RE Project and Procurer/Intermediate procurer shall clearly indicate the SCSD and quantum of supply.