

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
(Constituted under section 82 (1) of the Electricity Act, 2003)
(Central Act 36 of 2003)

PRESENT:-

ThiruS.Akshayakumar Chairman

Thiru.G.Rajagopal Member

and

Dr.T.PrabhakaraRao Member

M.P.No.13 of 2016

In the matter of: Seeking permission for procurement upto 500 MW solar power by TANGEDCO from the private developers through reverse bidding route with Rs.5.10 as fixed by the Commission in Order No.2 of 2016 dated 28-03-2016 as upper limit and to approve the tender specification evolved by the TANGEDCO in line with the draft guidelines issued by Central Government.

And in the matter of:

Tamil Nadu Generation and Distribution Corporation Limited
Represented by Chief Engineer / Non-Conventional Energy Sources
144, Anna Salai, Chennai – 600 002.
... Petitioner

(ThiruM.Gopinathan
Standing Counsel for TANGEDCO)

Vs.

Nil

...Respondent

Dates of hearing: 02-06-2016 and 28-06-2016

Date of Order: 29-08-2016

The M.P.No.13 of 2016 came up for final hearing on 28-06-2016. The Commission upon perusal of the Petition and after hearing the submissions of the Petitioner hereby passes the following:

ORDER

1. Prayer of the Petitioner in M.P.No.13 of 2016:

The prayer of the Petitioner in the above M.P.No.13 of 2016 is -

- (a) to grant permission to TANGEDCO for procurement of 500 MW solar power from the solar power developers through reverse bidding route with Rs.5.10 per unit as fixed in Order No.2 of 2016 dated 28-03-2016 as upper limit;
- (b) to approve the tender specification evolved by the TANGEDCO in line with the draft guidelines issued by Central Government along with the provisions of payment security mechanism to the bidders through letter of credit without escrow mechanism; and
- (c) to pass such further or other orders as this Commission may deem fit and proper in the facts and circumstances of the case and thus render justice.

2. Contentions of the Petitioner:-

2.1. In the Tamil Nadu State Solar Energy Policy–2012 on 20-10-2012, it was proposed to establish solar PV power plants for a capacity of 3000 MW by the end of 2015 through Utility Scale Projects, Roof Tops and REC Mechanism. In furtherance of the said policy, TANGEDCO has floated tender for procurement of 1000 MW solar power. Letter of Intent had been issued to 52 Nos. developers for a combined capacity of 708 MW and a petition seeking approval of this Commission had been filed by TANGEDCO in P.P.A.P.No.1 of 2014.

2.2. The Commission vide Order dated 15.9.2014 in I.A.No.1 of 2014 and P.P.A.P No.1 of 2014 dismissed the petition on the ground that the prerequisite of transparent bidding process was not in accordance with the guidelines issued by the Central Government. In the meantime the Commission issued 'Comprehensive Tariff order

on solar power' vide Order No.7 of 2014 dated 12.09.2014, fixing the following tariff for procurement of power generated from Solar Photo Voltaic (SPV) plants under preferential tariff route:

- a) Rs.7.01 per unit without Accelerated Depreciation (AD) benefit.
- b) Rs.6.28 per unit with AD benefit.

The above tariff was made applicable for the plants commissioned up to 31.03.2016.

Order No.7 of 2014 was implemented by the TANGEDCO and under preferential tariff scheme 86 Developers for a combined total capacity of 1484 MW have entered in to Energy Purchase Agreement with TANGEDCO, out of which, 69 Power plants to a combined total capacity of 947 MW have been commissioned.

2.3. The Commission has issued Order No.2 of 2016 dated 28.03.2016 effective from 01.04.2016 fixing tariff of Rs.5.10 per unit applicable for solar PV power plants without accelerated depreciation benefit. As on 31.03.2016, installed capacity of grid connected solar PV power plants under sale to TANGEDCO category is 973 MW (with 947 MW under Preferential tariff scheme and 26 MW under Central Govt. scheme).

2.4. While so the Commission vide notification dated 07.03.2016 has fixed the following Renewable Purchase Obligation (RPO) to be complied with by the obligated entities by amending the Renewable Energy Purchase Obligation Regulation, 2010:

“(1A) The following percentage of Renewable Purchase Obligation is fixed:

Sl. No.	Year	Minimum quantum of total renewable purchase obligation in percentage (in terms of energy in KWh)	Minimum quantum of solar renewable purchase obligation in percentage out of the total renewable purchase obligation mentioned in Column (3) (in terms of Energy in KWh)
(1)	(2)	(3)	(4)
1.	2015-16	9.50%	0.50%
2.	2016-17	11.50%	2.50%
3.	2017-18	14.00%	5.00%

2.5. In compliance with the above said RPO, the required capacity of the solar power plant is as follows:-

Sl. No	Year	Solar RPO Target	Total electricity units sold and expected to be sold to different category of consumers	Electricity units to be procured in proportionate to solar RPO	Total capacity of Solar power generation required to meet out solar RPO	Expected capacity of solar power generation to be available	Capacity of solar power generation required to be added
1	2015-16	0.5%	68235 MU	341 MU			
2	2016-17	2.5%	72000 MU	1800 MU	1200 MW		
3	2017-18	5%	75000 MU	3750 MU	2500 MW	1600 MW	900 MW

The above position revealed that there is short fall of 900 MW in meeting out solar RPO of 5% for the year 2017-18.

In order to meet out the solar RPO of 5% for the year 2017-18 as fixed by the Commission and to avoid purchase of solar certificate in power exchange in case of failure of compliance of solar RPO, TANGEDCO is required to procure solar power of 500 MW from the solar power developers at a tariff other than average pooled cost.

2.6. The Commission has issued preferential tariff order vide Order No.2 of 2016 dated 28-03-2016 fixing tariff of Rs.5.10 per unit which is applicable for the solar projects commissioned on or after 01-04-2016. In recent days, few States in India have adopted bidding route for procurement of solar power in the absence of Central Government guidelines. In the State Advisory Committee Meeting held on 17.03.2016 where the issues relating to tariff fixation and wheeling in respect of renewable energy sources of power such as wind, solar, Biomass and bagasse based Co-generation plants, were discussed, wherein from TANGEDCO it was suggested that it may be appropriate to procure solar power through bidding route with a tariff to be fixed by the Commission as benchmark so that TANGEDCO could get power at lesser tariff.

2.7. Under section 63 of Electricity Act, 2003, the State Electricity Commission is conferred with power to adopt tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. While so, section 86 (1) (b) of the said Act, inter-alia, provides that the State Commission shall regulate Electricity purchase and procurement process of distribution licensee including the price at which electricity shall be procured. No such guide lines are available as of now. However, draft guideline for Tariff Based Competitive Bidding Process for Grid Connected Solar PV Power Projects issued by the Government of India order dated 22.03.2016 are available and yet to be finalized by the Government of India. Hence, approval of the Commission is sought based on the said draft guidelines.

2.8. One of the aspects as provided in clause 7.7 (ii) of the draft guidelines is as follows:

Payment security to be made available by the procurer:

Adequate payment Security shall be made available to the bidders. The Payment security may constitute:

- a) Letter of Credit (LC)
- b) Letter of Credit (LC) backed by credible Escrow mechanism.

In this regard, TANGEDCO has proposed to provide payment security mechanism to the bidders through Letter of Credit without Escrow mechanism.

2.9. In view of the above, it may be appropriate that solar power of 500 MW in first phase out of the total required capacity of 900 MW may be procured by TANGEDCO through reverse bidding route with Rs.5.10 as fixed by the Commission vide Order No.2 of 2016 dated 28.03.2016 as upper limit, so as to get cheaper tariff than the preferential tariff. Tender Specification for procurement of 500 MW solar power from private developers through reverse bidding route. viz request for submission document format evolved by TANGEDCO is in line with draft guidelines issued by the MNRE but with the provision of payment security mechanism to the bidders through letter of credit without Escrow mechanism.

3. Submission of the Petitioner in the Additional Affidavit dated 20-06-2016:-

3.1. The Commission vide Daily Order dated 02-06-2016 passed in M.P.No.13 of 2016 has directed the TANGEDCO to file an additional affidavit with regard to details as sought for by the Commission. The details sought by the Commission are the following:-

- (i) What arrangements are made by TANGEDCO for e-bidding.

- (ii) The details of District-wise availability of power evacuation facility shall be part of the tender specification.

3.2. M/s.MSTC Limited, Central Government Organization, service provider has assured that they will provide e-bidding software for bidding process within a week time from the date of offer. Accordingly, e-bidding software will be provided after the tender specification is approved by the Commission.

3.3. The details of district-wise availability of power evacuation facility, is being prepared in consultation with the Planning Wing of TANGEDCO. However, it is ensured that the details of district-wise availability of power evacuation facility will be part of the tender specification. The Commission may be pleased to accept this affidavit and pass order as prayed for in P.P.A.P.No.13 of 2016.

4. Findings of the Commission:-

4.1. This petition has been filed under section 86(1)(b) of the Electricity Act,2003, (Central Act 36 of 2003) seeking permission for procurement of 500 MW solar power by TANGEDCO from private developers through reverse bidding route by fixing the tariff of Rs.5.10 determined by the Commission in Order No.2 of 2016 dated 28.03.2016, as the upper limit, and to approve the tender specification evolved in line with the draft guidelines for Tariff Based Competitive Bidding Process for Grid Connected Solar PV issued by the Ministry of New and Renewable Sources of Energy (MNRE),Government of India.

4.2. Having contracted the capacity of solar power required to meet the Renewable Purchase Obligation (RPO) for the years 2015-16 and 2016-17, the petitioner, TANGEDCO has submitted that there is a shortfall in solar power to the tune of 900

MW in meeting the 5% solar purchase obligation fixed for the year 2017-18 at a projected consumption of 75000 MU for that year. TANGEDCO intends to purchase solar power for a capacity of 500 MW through the process of competitive bidding like in other States that have adopted bidding route for procurement of solar power to comply with the RPO. TANGEDCO's proposal to procure power through reverse bidding is in accordance with their suggestion in the State Advisory Committee meeting held on 17.03.2016 for discussion on tariff related issues for renewable sources of power, that it would be appropriate to procure solar power through competitive bidding with the tariff to be fixed by the Commission serving as the benchmark so that the utility could get power at lesser tariff.

4.3. TANGEDCO had earlier floated tender for procurement of 1000 MW of solar power and issued letter of intent to 52 nos. developers for a capacity of 708 MW and a petition filed before the Commission vide P.P.A.P No.1 of 2014 seeking approval for purchase of power and adoption of tariff. The Commission vide Order dated 15.09.2014 in I.A No.1 of 2014 and P.P.A.P No.1 of 2014 dismissed the petition on the ground that the prerequisite of transparent bidding process was not in accordance with the guidelines issued by the Central Government. Commission issued two 'Comprehensive Tariff Orders on Solar Power', one vide order No.7 of 2014 dated 12.09.2014 and the other vide Order No. 2 of 2016 dated 28.03.2016. The tariff fixed in Order No.2 of 2016 dated 28.03.2016 is Rs.5.10 per unit without accelerated depreciation. This is the rate that TANGEDCO has desired to fix as the upper limit to proceed with the reverse bidding for procurement of solar power for a capacity of 500 MW adopting the draft guidelines issued by the Ministry of New and Renewable Energy, Government of India, for Tariff Based Competitive Bidding Process for Grid Connected Solar PV Power Projects on 22.03.2016.

4.4. It is further stated by TANGEDCO that in recent days a few States in India have adopted the bidding route for procurement of solar power in the absence of Central Government guidelines and approval for procurement of 500 MW of solar power in this petition has been sought based on draft guidelines issued by MNRE, Government of India on Tariff Based bidding for Solar Power.

4.5. During the hearing held on 02.06.2016, Commission sought to know the arrangements made by TANGEDCO for e-bidding and the details of district wise availability of power evacuation facility.

4.6. TANGEDCO in the additional affidavit has submitted that M/s.MSTC Limited, a Central Government Organisation and a service provider has assured to provide e-bidding software within a week's time from the date of offer and further has assured that details of Districtwise availability of power evacuation facility will be part of the tender specification.

4.7. Before going into the aspect of according approval for procurement of solar power through the reverse bidding route, the provisions in the Tamil Nadu Solar Energy Policy, 2012, the provisions in the draft guidelines issued by MNRE and the Commission's Regulations on Power Procurement/orders needs to be reviewed:-

4.7.1 Para 18 of Tamil Nadu Solar Power Policy, 2012 provides for procurement of solar power through competitive/reverse based bidding.

4.7.2 It is observed that the draft Guidelines issued by MNRE for Tariff Based Competitive Bidding Process for Grid Connected Solar PV projects are under section 63 of the Electricity Act,2003.

4.7.3 Para 7.4 of MNRE's draft guidelines on 'Bidding process' says that 'intimation shall be sent by the Procurer to the appropriate Regulatory Commission about initiation of the bidding process'.

4.7.4 Further as per para 9 of MNRE draft guidelines, deviation from the guidelines shall be only with the prior approval of MNRE.

4.7.5 As to the position on reverse bidding, MNRE's draft guidelines permit reverse bidding on benchmark VGF tariff or discounted tariff. Bidders can submit their bids by offering discount in tariff fixed by the procurer.

4.7.6 Regulation 4(3) of Commission's Power Procurement from New and Renewable Sources of Energy Regulations,2008 is extracted below:

*"4(3) The Commission shall, by a general or specific order, determine the tariff for the purchase of power from each kind of new and renewable sources based generators by the distribution licensee.
Provided where the tariff has been determined by following transparent process of bidding in accordance with the guidelines issued by the Central Government, as provided under section 63 of the Act, the Commission shall adopt such tariff."*

4.7.7 Para 11.1.1 of the Commission's Order No.2 of 2016 dated 28.03.2016 says that it is open to the distribution licensee to procure solar power through competitive bidding route following the guidelines of Government of India if it can realize a more competitive rate than the one determined by the Commission and that for any procurement of solar power in excess of the solar RPO fixed by the Commission, the distribution licensee has to obtain specific approval from the Commission.

4.8. The accurate consumption of energy in the licensee's area shall be known at the time of filing of the Annual Revenue Requirement. Therefore the solar capacity contracted vis-a-vis energy consumption shall be subject to verification at the time of filing of ARR.

4.9. The MNRE's draft guidelines make it clear that an intimation to the Commission is adequate on the initiation of the bidding process for procurement of solar power by the procurer.

4.10. While so, the petitioner has filed this petition seeking approval of the Commission under section 86(1)(b) of the Electricity Act, 2003. Section 86(1)(b) of the Electricity Act, 2003 empowers the Commission to regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State.

4.11. The Commission, under Section 86 (1) (e) of the Electricity Act, 2003 is mandated to promote generation of electricity from renewable sources of energy. The Tariff Policy 2016 emphasizes purchase of solar energy such that it reaches 8% of the total consumption of energy, excluding Hydro power, by March 2022. The Ministry of New and Renewable Sources of Energy, Government of India in letter dated 10.07.2015 has fixed a Solar RPO target of 8% to be achieved by 2019 requiring the Distribution companies to absorb additional solar power.

4.12. The approval sought by TANGEDCO for procurement of solar power for a quantum of 500 MW is to meet the solar renewable purchase obligation. The reverse bidding process with a ceiling price at the preferential tariff rate of Rs.5.10 per unit would fetch power at optimum prices and is a better option for the licensee. In view of the above, the proposal of TANGEDCO to procure solar power through reverse bidding by fixing Rs.5.10 per unit which is the preferential tariff fixed by the Commission in the Order No.2 of 2016 dated 28.03.2016, as the upper limit, to meet the solar renewable purchase obligation is acceptable. The Commission approves the solar power purchase for a quantum of 500 MW which shall be the upper limit and the petitioner is at liberty to restrict the purchase below the specified limit after a prudence check with respect to the energy consumption and reduction of energy generated from hydro sources.

4.13. As to the approval sought for the tender document prepared on the basis of the guidelines of MNRE, the guidelines of MNRE for Tariff Based Competitive Bidding for Grid Connected Solar PV power projects framed under section 63 and being at the draft stage, and the approval is for reverse bidding at tariffs less than the generic tariff fixed by the Commission, the Commission accords in principle approval of the tender document submitted by the petitioner along with this petition that is annexed to this order, with certain changes detailed below:-

The words 'EPA' wherever appearing may be replaced with 'PPA' uniformly. The word 'levelised' appearing in the first sentence of para 11.0 may be deleted. The words 'under the draft guidelines.....MNRE' appearing in the fourth sentence of para 16.0 may be deleted. As assured by TANGEDCO, details of Districtwise availability of power evacuation facility shall be part of the tender specification.

4.14. TANGEDCO has submitted a draft Energy Purchase Agreement to be executed with the successful bidders. The draft EPA may be aligned with the

provisions in the tender document and in a manner consistent with the provisions of the Electricity Act,2003 and the Regulations/Orders of the Commission before issue of invitation for bids. The words 'EPA' wherever appearing may be replaced with 'PPA'. The draft PPA is subject to changes after discussions with the successful bidders.

4.15. Further to the approval issued in para4.11 and 4.12 of this order, the Commission issues the following directions:-

(i) TANGEDCO shall publish the notice inviting tender in atleast two daily newspapers, in English and Tamil, having wide circulation and host in the website. Clarifications/revised bidding documents shall be uploaded in TANGEDCO's website after the pre bid meeting and minimum 15 days time granted for submission of bids. Model Power Purchase Agreement may also be amended based on inputs received from the parties and uploaded in TANGEDCO's website.

(ii) Bidding shall be conducted in a transparent manner. Evaluation of the bids shall be undertaken with a proper committee in place before the bidding process.

(iii) Notwithstanding the above, if the number of qualified bidders is less than two, the petitioner shall seek approval from the Commission to continue with the bidding process.

4.16. The Commission further directs that TANGEDCO shall seek approval for procurement of solar power on the basis of tariffs determined in the bidding process.

5. Appeal:-

An appeal against this order shall lie before the Appellate Tribunal for Electricity under section 111 of the Electricity Act, 2003 within a period of 45 days from the date of receipt of a copy of this order by the aggrieved person.

(Sd)
(Dr.T.PrabhakaraRao)
Member

(Sd.....)
(G.Rajagopal)
Member

(Sd.....)
(S.Akshayakumar)
Chairman

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission



**TAMIL NADU GENERATION AND DISTRIBUTION
CORPORATION LIMITED**

**REQUEST FOR SUBMISSION (RFS) DOCUMENT
FOR PROCUREMENT OF SOLAR POWER FROM
DEVELOPERS ESTABLISHING SOLAR POWER
PLANTS IN TAMIL NADU**

**THROUGH
REVERSE BIDDING PROCESS**

**LAST DATE FOR SUBMISSION OF RFS DOCUMENT
DUE ON@.....Hrs.**

Specn.No.CE/NCES/OT No.1/2016-17

**The Chief Engineer/NCES
Chennai-2.**

INTRODUCTION

Tamil Nadu State Solar Energy policy has been announced by Hon'ble Chief Minister of Tamil Nadu on 20.10.2012. In the policy it was proposed to establish solar PV power plants for a capacity of 3000 MW by the end of 2015.

The Hon'ble TNERC has issued 'Comprehensive Tariff order on solar power' vide Order No.7 of 2014 dated 12.09.2014, which was in force upto 31.03.2016.

The Hon'ble TNERC has issued Comprehensive Tariff Order on Solar Power vide Order No.2 of 2016 dated 28.03.2016, effective from 01.04.2016 with a control period of one year.

The Hon'ble TNERC has fixed RPO targets as 2.5% for the year 2016-17 and 5% for the year 2017-18 to the TANGEDCO. To meet RPO targets, approximately 1200 MW of solar power is required for the year 2016-17 and approximately 2400 MW of solar power is required for the year 2017-18. Hence TANGEDCO has proposed to procure 500 MW of solar power through bidding route to meet its RPO requirement.

In order to facilitate developers to establish Solar Power Plants of capacity 1 MW and above and also to have a competitive rate to the TANGEDCO, TANGEDCO proposes to facilitate the investors by procuring the energy generated from these plants through a long term Energy Purchase Agreement up to a capacity of 500 MWac, considering the tariff of Rs.5.10 per unit fixed by the Hon'ble TNERC in its Order No.2 of 2016 dated 28.03.2016, as upper limit. The developers will be selected through the bidding process.

INVITATION FOR BID

For and on behalf of TANGEDCO RFS document along with bids are invited through Electronic Mode (e-bidding) in duplicate for the following scheme:-

- 1) Description: Procurement of Solar Power from Developers establishing Solar Power Plants of minimum 1 MWac and maximum 50 MWac capacity in a single location for a single bidder or company or group of companies in the State of Tamil Nadu at the rate to be finalized through reverse bidding, considering the tariff of Rs.5.10 per unit fixed by the Hon'ble TNERC in its Order No.2 of 2016 dated 28.03.2016, as upper limit.

- 2) Specification No. CE/NCES/OT No.1/2016-2017.

- 3) Earnest Money Deposit (EMD): Rs. 10 Lakh per MW (Rupees Ten Lakhs only), in the form of Bank Guarantee. Bank Guarantee format is enclosed herewith as **Annexure F**.

- 4) Last date for Submission of RFS document: **upto** **hrs.**
(No bid uploaded after the scheduled date and time for receipt of the bid will be considered). Bids by consortium are also accepted. RFS document without proof of EMD and payment of processing fee will not be considered.

- 5) Date, time & Place of Opening of RFS Document: **at** **hrs.**
Office of the Chief Engineer/NCES, 2nd Floor, Eastern Wing, NPKRR Maligai, 144, Anna Salai, Chennai-2.

If the due date happens to be a holiday, the RFS

document will be opened on the next working day.

- 6) Period of Validity of offer: 120 days from the date of issue of RFS document.
- 7) Number of RFS offers to be furnished: 1 no. Scanned copy with signature in all pages.
- 8) Participation in the bid. Bidders can peruse the RFS document from TANGEDCO website (www.tangedco.gov.in) and Government of Tamil Nadu website (www.tenders.tn.gov.in) and can participate in the auction.
- 9) Processing fee Rs.10,000/- per application.
- 10) Date of commencement of uploading of RFS document : at Hrs
- 11) Date, Time & venue of pre-bid meeting: at Hrs.
Pykara Hall, TANGEDCO Head Quarters, 10th floor, Western wing, 144, Anna Salai, Chennai- 600 002.
- 12) Tender Inviting Authority: **Chief Engineer/NCES/TANGEDCO, Chennai-2.**
E-mail: cences@tnebnet.org
Web: www.tangedco.gov.in

INSTRUCTION TO BIDDERS

TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LTD

1.0) General

- a) The Provisions of Draft Guidelines for Tariff Based Competitive Bidding Process for Grid Connected Solar PV Power Projects has been generally followed in this document.
- b) For and on behalf of Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), RFS document along with bids are invited through Electronic mode (e-bidding) from Solar Power Generators (SPGs) by the **Chief Engineer, NCES/Chennai-2** for supplying solar power at the rate finalized through reverse bidding, by establishing solar power plant of capacity Minimum 1 MWac and maximum 50 MWac capacity in a single location for a single bidder or company or group of companies in Tamil Nadu.
Due on at hrs.

2.0) Scope of Services:

To establish, maintain and operate solar power plants of Minimum 1 MWac and maximum 50 MWac capacity in a single location for a single SPG or company or group of companies in Tamil Nadu and to supply the generated solar power to TANGEDCO under long term Energy Purchase Agreement (EPA) at the rate to be finalized through reverse bidding, considering the tariff of Rs.5.10 per unit fixed by the Hon'ble TNERC in its Order No.2 of 2016 dated 28.03.2016, as upper limit.

Specification No: CE/NCES/OT. No. 1/2016-2017.

3.0) Earnest Money Deposit (EMD): Rs.10,00,000/ (Rupees Ten lakhs only) per MW in the form of Bank Guarantee.

- a) Intending SPG's should submit an EMD as specified in Invitation for Bid.
- b) Bid not accompanied with EMD in accordance with the above provisions will be summarily rejected.

The EMD will be forfeited, in case, TANGEDCO offers to execute the EPA with the SPG and if the SPG refuses to execute the EPA within the stipulated time period and the EMD will be encashed by the TANGEDCO.

TANGEDCO will release the bank guarantees to the unsuccessful bidders within 15 days from the date of completion of reverse bidding process.

4.0 Schedules for Receipt and Opening of Bid:

- a) Opening date and time for RFS IST Hrs.
Document
- b) Closing date and time for IST Hrs.
submission of RFS Document
- c) Date of Pre-bid meeting with IST Hrs
the SPG
- d) Last date and time for receipt of IST Hrs
RFS and bids.
- e) Date and time for opening of bids IST Hrs
(Techno-Commercial Bids)

5.0) RFS document will also be placed in the **TANGEDCO Web Site:** www.tangedco.gov.in and the **Government of Tamil Nadu website:** www.tenders.tn.gov.in. The prospective bidders may peruse the RFS Document from the above websites and can participate in the bid.

6.0) Bid Qualification Requirement (BQR):

The Bidder should be financially sound and the Bidder should have to give documentary proof of having financial capability to carry out this work. The required Financial Criteria are detailed in **Annexure D.**

7.0) Invitation of Bids :

Bid for a capacity of 500 MWac maximum (minimum 1 MWac capacity Maximum 50 MWac capacity in a single location for a single bidder or company or group of companies).

8.0) Submission of Bid :

- a) The bid shall be submitted as per the TANGEDCO schedule of quantities specified in the RFS document.
- b) Along with the scanned copy of RFS document, the following should be submitted:
 - (i) **Part A:** The techno commercial bid along with scanned copies of BG of required EMD, networth certificate and payment (*) of processing fee through RTGS.
*Payment through RTGS shall be to the A/c.No. CFC/TANGEDCO/0911201003004, Canara bank, Mount Road, Chennai-2. The original BG, Networth certificate and UTR details towards payment of processing fee shall be furnished on or before..... @2 P.M.
 - (ii) **Part B:** The price bid as per **Annexure C**.
- c) The SPG shall submit the bid for supplying the solar power generated from their proposed solar PV plants in Tamil Nadu indicating the location of the proposed project.
- d) Expected date of commencement of supply shall be furnished by the bidder.

9.0) Opening of Bids:

The Bids will be opened by the Chief Engineer/NCES/ TANGEDCO / Chennai-2 on the specified date & time in the presence of the Bidders or their authorized representatives.

10.0) Short Listing of Bids :

- I. The bid of any company / firm / Individual may be rejected by TANGEDCO if:

- a) It is observed that the SPG has not furnished the scanned copy of BG against EMD, network certificate and payment of processing fee through RTGS.
 - b) The RFS does not conform to the TANGEDCO's technical specification or commercial terms.
 - c) RFS is not digitally signed by the SPG.
- II Only those SPG's who fulfilled the technical criteria, financial criteria, EMD, payment of processing fee and producing network certificate will be considered for further evaluation.

11.0) Tariff :

Fixed levelled tariff for 25 years. However, the tariff of Rs.5.10 per unit mentioned in Hon'ble TNERC order on "Comprehensive Tariff order on solar power" issued vide Order No.2 of 2016, dt:28.03.2016, shall be considered as a upper limit. The applicable tariff will be arrived after deducting the discount offered by the bidder from the upper limit tariff.

12.0) Capacity Utilisation Factor (CUF) :

The capacity Utilisation Factor (CUF) shall be 17 % to 19%, calculated on yearly basis. In case the availability is more than the maximum CUF specified i.e.19%, the TANGEDCO will purchase the excess generation, at Average Pooled Purchase Cost (APPC) or the PPA tariff or the applicable preferential tariff, whichever is less. In case the availability is less than the minimum CUF specified i.e.17%, the SPG shall pay TANGEDCO for the actual shortfall in terms of units at the prevailing forbearance price fixed by the CERC, since the TANGEDCO is an obligated entity to utilize solar power as per Hon'ble TNERC's RPO Regulation.

13.0) Repowering:

The SPG will be free to re-power their plants from time to time during the EPA duration. However, the TANGEDCO will be obliged to buy

power only within the CUF specified in the EPA. Any excess generation will be purchased by the TANGEDCO at Average Pooled Purchase Cost (APPC) or the PPA tariff or the applicable preferential tariff, whichever is less. If there is any shortfall of generation after repowering of plant, the SPG shall pay TANGEDCO the prevailing forbearance price fixed by the CERC for the actual shortfall in units.

14.0) Energy Purchase Agreement (EPA) period:

The EPA period shall be 25 years. The SPGs are free to operate their plants after the expiry of 25 years EPA period. However, any extension of the EPA beyond 25 years shall be through mutual agreement between the SPG and the TANGEDCO. The SPG may like to take land for longer period, preferably 40 years, in order to be able to run the plant beyond 25 years.

Performance Bank Guarantee (PBG) of Rs.30 Lakh/MW at the time of signing of EPA shall be furnished by the SPG, either by way of DD/Banker's cheque/Pay Order or Bank guarantee valid for a period of 15 months. On furnishing of the Performance Bank Guarantee as above the EMD furnished shall be returned. In addition the EMD already furnished may also be converted into Performance Bank Guarantee.

In case, TANGEDCO offers to execute the EPA with the SPG and if the SPG refuses to execute the EPA within the stipulated time period, the Bank Guarantees towards EMD shall be encashed by the TANGEDCO. In case the Project is not selected, TANGEDCO shall release the Bank Guarantees within fifteen days after the completion of bidding process. In case any extension is given to the project, the corresponding extension needs to be made in the PBG.

Power Purchase Agreement shall be executed with the SPG on production of following documents.

- a. Copy of Registered sale deed or Registered lease deed for land (Minimum 2 ha per MW).

- b. Copy of MOA & AOA/Partnership deed.
- c. Certificate of incorporation.
- d. Plant layout.
- e. Village map and topo sketch.
- f. Local body clearance.

The SPG shall furnish the following documents to TANGEDCO before commissioning of the project and only on receipt of the following documents, TANGEDCO will issue Grid tie up approval to SPG.

- a. No Objection Certificate (NoC)/ Environmental clearance (if applicable) for the Power Project.
- b. Forest Clearance (if applicable) for the land for the Power Project.
- c. Approval from the concerned Authority (if applicable) for Water required for the Power Project.

The Performance Bank Guarantee format is enclosed as **Annexure F**.

15.0) Offtake Constraints :

During the operation of the plant, there can be some periods where the plant can generate power but due to temporary transmission unavailability, the same does not happen. In such cases the generation compensation shall be addressed by the Procurer in following manner:

Sl. No.	Duration of Grid unavailability	Provision for generation compensation
a.	Grid unavailability of upto 175 hours in a financial year:	No generation compensation
b.	Grid unavailability beyond 175 hours in a financial year:	The normative CUF of 19% or committed CUF, whichever is lower, for the period of grid unavailability beyond 175 hours, shall be taken for the purpose of generation compensation. Corresponding to this generation loss, the excess generation by the SPD in the succeeding financial year(s), shall be procured by the TANGEDCO at the PPA tariff or the APPC rate, whichever is higher, so as to offset this loss.

16.0) Termination Compensation:

In order to increase the bankability of the solar EPAs, it is important to keep such EPA's sacrosanct. Accordingly, the TANGEDCO and the SPG's are restricted from unilateral termination or amendment of the EPA's under the draft guidelines on Tariff based Competitive Bidding Process for Grid Connected Solar PV Power Projects issued by the MNRE.

Notwithstanding above, in case, such a scenario arises, there shall be a termination compensation to be paid in the following manner:

(i) Termination of EPA for reasons solely attributable to the SPG:

The TANGEDCO shall not be liable to pay any termination compensation to the SPG. The Lender(s) may take over the project and manage it themselves, or they may bring in new promoter(s). Save as otherwise provided in the guidelines, the SPG cannot terminate PPA to supply power to a third party.

(ii) For all other cases:

Save as otherwise excluded in the Force Majeure clause(s) in the EPA, balance debt (as per the Debt-repayment schedule) or actual debt, whichever is less, minus the insurance coverage on the plant, shall be provided by the TANGEDCO to the SPG. The solar power plant shall be handed over to TANGEDCO.

Notwithstanding the above, the SPG may choose not to take the termination compensation and retain the project assets, with the consent of the lenders.

17.0) Qualification Criteria for Short-Listing of Bids/ Projects :

(i) Technical Criteria:

The detailed technical parameters for Solar PV Power Projects to be selected are enclosed in **Annexure B**.

(ii) Financial Criteria:

Net worth: The net worth of the SPG should be equal to or greater than the value calculated at the rate of Rs.1 Crore per MW of the proposed project capacity are enclosed in **Annexure – D**.

(iii) Connectivity with the Grid:

- i. The Solar Power Plant shall be designed for inter-connection with STU/TANGEDCO substation through dedicated transmission line/cable at voltage level of 11 KV and above.
- ii. The entire cost of Transmission from the project up to the STU/TANGEDCO substation including cost of construction of line, losses etc. shall be borne by the SPG and it will not be reimbursed by the TANGEDCO or met by the STU/TANGEDCO.
- iii. The responsibility of getting Transmission Connectivity and access to the transmission system owned by the STU/TANGEDCO will lie with the SPG and shall be at the cost of SPG.
- iv. The SPG shall not be entitled to any deemed generation in case of any delay in connectivity to the Project whatsoever the reason may be.
- v. STU/TANGEDCO shall endeavour to match the commissioning of the transmission system with the commissioning of the solar projects.
- vi. If two bidders bid for the same location, first preference will be given to L1. If the subsequent selected bidders (L2,L3 etc.) opt for the same location of L1, suggestion will be given by TANGEDCO to change the location. If they opt for same location of L1 again, the improvement works if any arises, shall be carried out by the STU/TANGEDCO and if there is any delay in such improvement works, causing delay in commissioning the project, STU/TANGEDCO shall not be held responsible.
- vii. The delivery point of power shall be at TANGEDCO/TANTRANSCO SS.

- viii. District wise and substation wise power evacuation feasibility is furnished in the **Annexure E**.

18.0) Bidding Process :

The bidding shall be conducted through Electronic mode (e-bidding), considering the tariff rate of Rs.5.10 per unit fixed by Hon'ble TNERC in Order no.2 of 2016 dated 28.03.2016, as upper limit. The bidders who have quoted highest discount will be considered for the award. The TANGEDCO shall have the right to reject all price bids if the rates quoted are not aligned to the upper limit tariff rate of Rs.5.10 per unit. The bidder shall submit their RFS document through e-bidding service provider, M/s. MSTC Limited (A Government of India Enterprises).

19.0) Payment Security:

The due date for payment of energy bill will be 60 days from the date of receipt (excluding the date of receipt) of bill in complete from the generator. TANGEDCO shall provide unconditional revolving and irrevocable LC which shall be drawn upon the SPGs.

TANGEDCO shall provide LC from public sector/scheduled commercial bank. The payment shall be made on 60th day from the date of receipt of passed bill (Invoice) at LC opener's bank. If the 60th day (due date) happens to be a holiday for TANGEDCO and/or Banks, then payment will be made on the next working day. All expenses relating to LC viz. Opening charges, Maintenance Charges, Negotiation Charges and renewal charges are to the account of SPGs. The revolving LC shall have a term of 12 months and validity of the LC shall be renewed year after year and remains valid upto expiry of the agreement and the amount shall also be renewed for an amount equal to 105% of the average of monthly billing of proceeding 12 months.

20.0) Sharing of CDM Benefits :

The CDM benefit shall be shared between SPG and TANGEDCO in the following manner, namely

- a) 100% of the gross proceeds on account of CDM benefit to be retained by the SPG in the first year after the date of commercial operation of the generating station;
- b) In the second year, the share of the TANGEDCO shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, where after the proceeds shall be shared in equal proportion, by the SPG and the TANGEDCO.

The above shall be in consonance with the CERC (Terms and Conditions for Tariff determination from Renewable energy Sources) Regulation, 2012, as amended from time to time.

21.0) Time Table for Bid Process :

The timetable for the bidding process is indicated in **Annexure-A**.

22.0) Role of STU/TANGEDCO:

The STU/TANGEDCO will provide transmission system to facilitate evacuation of power from the projects which may include the following:

- a. Provide connectivity to the solar projects with the grid.
- b. Support during commissioning of projects.
- c. STU/TANGEDCO will execute bay extension work and any other improvement works under Deposit Contribution Works (DCW) basis on payment of estimated cost by the SPG and to carry out the operation and maintenance of the bay extension and improvement works on payment of 50% of material cost of bay extension work and improvement work by the SPG.

23.0) Role of Solar Power Developer (SPG):

- a. The SPG has to establish, operate and maintain the solar power plant.
- b. The erection of power evacuation line connecting the proposed solar power plant and STU/TANGEDCO substation shall be under the scope of SPG.

- c. The SPG shall pay the cost of bay extension work to be executed by STU/TANGEDCO under Deposit Contribution Works (DCW) basis after finalization of transmission system required for power evacuation.

24.0) Minimum Paid up Share Capital to be held by the SPG :

The SPG developing the project shall provide the information about the Promoters and their shareholding in the company to TANGEDCO indicating the controlling shareholding before signing of the EPA with TANGEDCO.

No change in the shareholding in the Company developing the Project shall be permitted from the date of submitting the RFS till the execution of the EPA, except for minor changes on account of transfer of shares within the Group Companies or on account of exercise of share option by the company's employees. However, this condition will not be applicable if a listed company is developing the Project.

After execution of EPA, the controlling shareholding (controlling shareholding shall mean more than 50% of the paid up share capital) in the Company developing the project shall be maintained for a period of 3 months after commencement of supply of power. Thereafter, any change can be undertaken under intimation to TANGEDCO. This condition would not apply to the cases where substitution of Promoter / Controlling Shareholder is necessitated by action of and request by Lending Financial Institution / Lender.

25.0) Financial Closure :

The SPG shall report Project Financing Arrangements within 150 days from the date of signing Energy Purchase Agreement.

In case of delay in achieving above condition as may be applicable, TANGEDCO shall encash Performance Bank Guarantees and shall remove the project from the list of the selected projects. An extension for financial closure will be considered on payment of Rs.1 Lakh per MW.

26.0) Commissioning:

(a) Part Commissioning:

Part commissioning shall be accepted for the total 50% bidded capacity. Part commissioning will not be applicable to projects having capacity of 10 MW or less.

(b) Commissioning Schedule and Liquidated Damages for Delay in Commissioning:

The solar power plant shall be commissioned within 10 months from the date of signing of Energy Purchase Agreement. In case of failure to achieve this milestone, TANGEDCO shall encash the Performance Guarantee in the following manner:

Delay up to three months: TANGEDCO will encash the Performance Bank Guarantee on per day basis and proportionate to the Capacity not commissioned, with 100% encashment for 3 months delay.

Delay beyond three months: In case the commissioning of project is delayed beyond 3 months, the SPG shall, in addition to 100% encashment of Bank Guarantee, shall pay TANGEDCO a sum of Rs.10,000/- per MW per day of delay for the delay in such remaining Capacity which is not Commissioned.

The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Bank Guarantee and payment of Liquidated Damages shall be 6 months from the scheduled date of commissioning. The amount of Liquidated Damages worked out as above shall be recovered by TANGEDCO from the payments due of the Project Developer on account of Sale of Solar Power to TANGEDCO. In case, the Commissioning of the Project is delayed beyond 6 months from the scheduled date of commissioning, the EPA capacity shall stand reduced / amended to the Project Capacity Commissioned and the EPA for the balance Capacity will stand terminated and shall be

reduced from the selected Project Capacity. Also, if the project is not commissioned beyond 6 months from the scheduled date of commissioning, the EPA will be terminated.

27.0) Commercial Operation Date (COD):

The projects commissioned during a month shall be entitled for payment of energy @ Rs.3.00/kWh as infirm power till Commercial Operation Date (COD). The Project COD shall be considered 30 days from the actual date of commissioning. The tenure of PPA shall commence from Commercial Operation Date.

In case of part-commissioning also, COD for the part commissioned capacity shall be 30 days from the actual date of commissioning of that part commissioned capacity and therefore the clause for payment of energy @Rs. 3.00/kWh as infirm power till Commercial Operation Date (COD) will apply to the part commissioned capacity also.

In such cases, where

- (i) Some capacity of the project is commissioned and COD for that capacity has been achieved, whereas
- (ii) Some more capacity has been commissioned but COD for that capacity has not been achieved, then the metered energy will be distributed on pro-rata basis between
 - (a) Capacity commissioned & COD achieved and
 - (b) Capacity commissioned but COD not achieved.

28.0) Transmission Feasibility:

The SPG has to pay open access application fee to TANGEDCO as per the Hon'ble TNERC's Intra State Open Access Regulations 2014. The SPG has to establish power evacuation facility based on the load flow study results i.e the SPG has to erect the power evacuation line from their proposed solar power plant to the STU/TANGEDCO substation at their cost as per section 10(1) of the Electricity Act, 2003. Also if new substation is required for power evacuation, the developer has to establish the

substation and erect the transmission line upto TANTRANSCO grid substation which will be identified in load flow study as per section 10(1) of the Electricity Act, 2003.

29.0) Arbitration :

Where any dispute arises claiming any change in or regarding determination of the tariff or any tariff related matters, or which partly or wholly could result in change in tariff, such dispute shall be adjudicated only by the TNERC.

ANNEXURE A

Sl. No.	Event	Elapsed Time from Zero date
1.	Date of issue of RFP	Zero date
2.	Bid clarification, conferences etc. & revision of RFP	**
3.	RFP Bid submission	30 days
4.	Evaluation of bids and issue of LOI	60 days
5.	PPA becomes effective: Signing of Agreements: i) Power purchase agreement and any other agreement as applicable. ii) Signing of share purchase agreement and transfer of SPV, if applicable.	90 days

** In case of any major change in RFP document, the TANGEDCO shall provide Bidders additional time.

ANNEXURE B

Technical Requirements for Grid Connected Solar PV Power Plants

The following are some of the technical measures required to ensure quality of equipment used in grid connected solar photovoltaic power projects:

1. SPV Modules

1.1. The SPV modules used in the grid solar power projects must qualify to the latest edition of any of the following IEC PV module qualification test or equivalent BIS standards.

Crystalline Silicon Solar Cell Modules IEC 61215

Thin Film Modules IEC 61646

Concentrator PV modules IEC 62108

1.2. In addition, SPV modules must qualify to IEC 61730 for safety qualification testing at 1000V DC or higher. The modules to be used in a highly corrosive atmosphere throughout their lifetime must qualify to IEC 61701.

2. Power Conditioners/ Inverters

The Power Conditioners/ Inverters of the SPV power plants must conform to the latest edition of IEC/ equivalent Standards as specified below:

Efficiency Measurements IEC 61683

Environmental Testing IEC 60068 -2/IEC 62093

EM Compatibility (EMC) IEC 61000-6-2, IEC 61000-6-4 & other relevant parts of IEC 61000

Electrical safety IEC 62103/ IEC 62109-1&2

Anti-Islanding Protection IEEE 1547/IEC 62116/UL 1741 or equivalent BIS Standards.

3. Other Sub-systems/ Components:

Other subsystems/components used in the SPV power plants (Cables, Connectors, Junction Boxes, Surge Protection Devices, etc.) must also conform to the relevant international/ national Standards for Electrical Safety besides that for Quality required for ensuring Expected Service Life and Weather Resistance. It is recommended that the Cables of 600-1800 Volts DC for outdoor installations should comply with the BS EN 50618:2014 / 2pfg 1169/08.2007 for service life expectancy of 25 years.

4. Authorized Test Centers

The PV modules / Power Conditioners deployed in the power plants must have valid test certificates for their qualification as per above specified IEC/ BIS Standards by one of the NABL Accredited Test Centers in India. In case of module types like Thin Film and CPV / equipment for which such Test facilities may not exist in India at present, test certificates from reputed ILAC Member Labs abroad will be acceptable.

5. Warranty

PV modules used in grid solar power plants must be warranted for output wattage, which should not be less than 90% at the end of 10 years and 80% at the end of 25 years.

6. Identification and Traceability

Each PV module used in any solar power project must use a RF identification tag. The following Information must be mentioned in the RFID used on each module (This can be inside or outside the laminate, but must be able to withstand harsh environmental conditions.)

- i. Name of the manufacturer of PV Module
- ii. Name of the Manufacturer of Solar cells
- iii. Month and year of the manufacture (separately for solar cells and module)
- iv. Country of origin (separately for solar cells and module)
- v. I-V curve for the module at Standard Test Condition (1000 W/m², AM 1.5, 250C)

- vi. Wattage, I_m , V_m and FF for the module
- vii. Unique Serial No and Model No of the module
- viii. Date and year of obtaining IEC PV module qualification certificate
- ix. Name of the test lab issuing IEC certificate
- x. Other relevant information on traceability of solar cells and module as per ISO 9000

Site owners would be required to maintain accessibility to the list of Module IDs along with the above parametric data for each module.

7. Performance Monitoring:

All grid solar PV power projects must install necessary equipment to continuously measure solar radiation, ambient temperature, wind speed and other weather parameters and simultaneously measure the generation of DC power as well as AC power generated from the plant. They will be required to submit this data to Procurer and MNRE or any other designated agency on line and/or through a report on regular basis every month for the entire duration of PPA. In this regard they shall mandatorily also grant access to Procurer and MNRE or any other designated agency to the remote monitoring portal of the power plants on a 24X7 basis.

8. Safe Disposal of Solar PV Modules:

The developers will ensure that all Solar PV modules from their plant after their 'end of life' (when they become defective/ non-operational/ non-repairable) are disposed of in accordance with the "e-waste (Management and Handling) Rules, 2011" notified by the Government and as revised and amended from time to time.

ANNEXURE C

Price Bid

Specification CE/NCES/OT/No.1/2016-2017

Sl.No.	Location of Proposed Solar power Plant and name of the nearby SS which is to be connected	Capacity proposal in MW	Discount rate from the benchmark tariff of Rs.5.10 per unit (all inclusive)
1.			
2.			
3.			

Company Seal

Signature

Designation

Date

ANNEXURE D

Financial Criteria :

Net worth

The net worth of the bidder should be equal to or greater than the value calculated at the rate of Rs.1 Crore per MW of the proposed project capacity. The computation of net worth shall be based on unconsolidated audited annual accounts of the company. For the purpose of the computation of net worth, the average of the following four years shall be considered. The company would thus be required, to submit annual audited accounts for the financial years 2011-12, 2012-13, 2013-14 and 2014-15 while indicating the year, which should be considered for evaluation, along with a certificate from the Chartered Accountant to demonstrate the fulfillment of the criteria.

For companies which are newly incorporated, the Net Worth criteria should be met seven days prior to the date of submission of bid by the Project Developer. To demonstrate fulfillment of the criteria, the Project Developer shall submit a certificate from a Chartered Accountant certifying the Net Worth on the date seven days prior to submission of bid further, the Project Developer shall submit the un-audited financial statements of the company for the date on which the Certificate of Chartered Account has been obtained.

Net Worth :

= Paid up share capital

Add: Reserves

Subtract : Revaluation Reserves

Subtract: Intangible Assets

Subtract: Miscellaneous Expenditures to the extent not written off and carry forward losses.

For the purposes of meeting financial requirements only unconsolidated audited annual accounts shall be used. However, audited consolidated annual accounts of the Project Developer may be used for the purpose of financial requirements provided the Project Developer has at least twenty six percent

(26%) equity in each company whose accounts are merged in the audited consolidated account and provided further that the financial capability of such companies (of which accounts are being merged in the consolidated accounts) shall not be considered again for the purpose of evaluation of the Bid.

If the bid is submitted by a consortium the financial requirement to be met by each Member of the Consortium shall be computed in proportion to the equity commitment made by each of them in the Project Company. Any consortium, if selected, shall, for the purpose of supply of power to TANGEDCO, incorporate a Project Company with equity participation by the Members before signing the EPA with TANGEDCO. The Project Developer may seek qualification on the basis of financial capability of its Parent Company and / or its Affiliate(s) for the purpose of meeting the Qualification Requirements. In case of the Project Developer being a Bidding Consortium, any Member may seek qualification on the basis of financial capability of its parent company and / or its Affiliate(s).

ANNEXURE F

**BANK GUARANTEE IN LIEU OF EARNEST MONEY DEPOSIT (EMD) AND
PERFORMANCE BANK GUARANTEE (PBG) PAYABLE BY THE SOLAR POWER
GENERATOR (SPG)**

Bank Guarantee No..... Date.....

NON-Judicial – Rs.80/- Stamp Paper

THIS DEED OF GUARANTEE made on this.....day ofTwo thousand and Sixteen by the Bank ofof(Bank Name and Address) (Hereinafter called "Bank") to and in favour of the TANGEDCO a body corporate constituted under the Indian Companies Act 1956 having its Registered office at NPKRR Maligai, 144, Anna Salai, Chennai-2 represented by the Chief Engineer/NCES (hereinafter called "TANGEDCO").

WHETHERAS Messrs
..... (herein called SPG, "The Solar Power Generator") has proposed to establish MW solar power plant atvillage,taluk,district under bidding route to supply solar power to TANGEDCO for a period of 25 years in accordance with the terms and conditions of RFS document.

WHEREAS in accordance with the terms and conditions of RFS document the SPG has to pay a sum of Rs...../- (RupeesOnly) towards EMD/PBG in the form of BG from a Nationalized Bank / Scheduled Bank.

AND WHEREAS the SPG has requested the TANGEDCO to accept bank guarantee in lieu of EMD/PBG for a sum of Rs.10 Lakhs per Mega Watt/Rs.30 Lakhs per Mega Watt for the satisfactory performance of the agreement.

AND WHEREAS the Bank has, at the request of the Solar Power Generator, agreed to guarantee the payment of the said sum in case the agreement is not performed in accordance with the specifications indicated in the terms and conditions contained in RFS document.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. In consideration of the TANGEDCO having agreed to accept the Bank Guarantee from a Nationalized Bank / Scheduled Bank towards EMD/PBG for a sum

equivalent to Rs..... (Rupees only), the Bank to hereby guarantee that if the Solar Power Generator fails to perform the agreement in accordance with the specification and conditions of the RFS document, the Bank shall pay forthwith merely on demand without any demur to the TANGEDCO such amount or amounts, as the Bank may be called upon to pay by the TANGEDCO.

PROVIDED that the liability of the Bank under this deed shall not at any time exceed the said guaranteed amount of Rs...../- (Rupees only).

PROVIDED further that the guarantee hereunder furnished shall be released as soon as the Solar Power Generator has performed his part of the agreement in accordance with the terms of the RFS document a certificate to that effect is issued by the TANGEDCO.

2. The Bank further undertakes to indemnify the TANGEDCO against any loss or damage that may be caused or suffered by the TANGEDCO by reason of any breach of the terms and conditions in the said RFS document.
3. The guarantee herein contained shall remain in force till the terms and conditions of the RFS document have been fully and properly carried out by the said SPG and in any case, the guarantee shall not hold good after
4. The Bank further agrees with the TANGEDCO shall have the fullest liberty (without the consent of the Bank and without affecting in any manner the obligations of the Bank hereunder) to vary any of the terms and conditions stipulated in the RFS document or to extend the time of performance by the said SPG from time to time or to postpone from time to time any of the powers exercisable by the TANGEDCO against the said SPG and to forbear to enforce any of the terms and conditions relating the said RFS document and the Bank shall not be relieved of its liability by the reason of any such variations, or extension being granted to the reason to the said Solar Power Generator or by reasons of any forbearance, act or omission on the part of the TANGEDCO or any

indulgence by the TANGEDCO to the said SPG or by any such matter or thing whatsoever which under the law relating the sureties would but for these provisions have the effect of so relieving the Bank.

- 5. Any account settled between the TANGEDCO and the SPG shall be the conclusive evidence against the Bank for the amount due and shall not be questioned by the Bank.
- 6. The expression 'Bank' TANGEDCO and "Solar Power Generator" hereinbefore used shall include their respective successors and assigns.

NOTWITHSTANDING anything contained herein above

- 1. Our liability under this Bank Guarantee shall not exceed Rs...../- (Rupees Only).
- 2. This Bank Guarantee shall be valid upto (Date of Expiry), and
- 3. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if you serve upon us a written claim or demand on or before (Date of Expiry), the expiry of this Guarantee.

IN WITNESS WHERE OF THIRU acting for and behalf of the Bank has signed this Deed on the day, month and year first above written.

Signature

With the seal of the Bank
(Name in Block letters)

In the presence of witnesses

- 1. (Name in Capital with address)
- 2. Name in capitals to be subscribed with designation, Office address or Residential address).

ANNEXURE G
COVERING LETTER FORMAT

From

Name of the SPG with full postal address.

Email address.....

To

The Chief Engineer/NCES
TANGEDCO,
2ND FLOOR, Eastern wing,
NPKRR Maligai,
144, Anna Salai,
Chennai-600 002.

Sir,

Sub: M/s....(Name of the SPG)- Establishment ofMW solar power plant atvillage,taluk,district under bidding route – BG for EMD in original, UTR details towards payment of processing fee through RTGS,Networth certificate issued by the Auditor and Declaration – Submission of – Reg.

We, M/s..... has proposed to establishMW solar power plant atvillage,taluk,district under bidding route in accordance with the specifications indicated in the RFS document.

We, herewith enclosed copy of signed RFS document along with original required EMD in the form of BG, Networth certificate issued by the Auditor and UTR details towards payment of processing fee through RTGS.

We declare that the validity of this offer is days from the date of opening of bid document and we have not taken any deviation of terms and conditions stipulated in the RFS document.

We, further declare that TANGEDCO have not blacklisted our organization in any case.

Encl:BG,Networth certificate

& UTR details in original

Signature with Company name and seal