To,

Shri J N Swain
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District Centre, Saket, New Delhi – 110017

Subject: Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects – Reg.

Sir,

The Government has issued Wind-Solar Hybrid Policy on 14.05.2018 which was with the objective to provide a framework for promotion of large grid connected wind-solar PV hybrid system for optimal and efficient utilization of transmission infrastructure and land, reducing the variability in renewable power generation and achieving better grid stability.

2. Subsequently, a scheme for setting-up of 2500 MW wind-solar hybrid power projects was sanctioned on 25.05.2018 for procurement of hybrid power at a tariff discovered through transparent process of bidding by Solar Energy Corporation of India (SECI). The wind solar hybrid projects of 1440 MW capacity have been awarded by SECI till date, under the above scheme.

3. As a step toward ensuring availability of renewable energy to DISCOMs at competitive rates, I am directed to issue the Guidelines for procurement of Wind-Solar Hybrid power through Tariff Based Competitive Bidding Process (annex). These Guidelines would be applicable for wind solar hybrid bids, till notification of unified Guidelines. The brief of these Guidelines is as under:

i. The objective is to provide a framework for procurement of electricity from ISTS Grid Connected Wind-Solar Hybrid Power Projects (hereafter termed as 'Hybrid Power Project') through a transparent process of bidding.

ii. Capacity limits: Individual minimum size of project allowed is 50 MW at one site and a single bidder cannot bid for less than 50 MW. Further, the rated power capacity of one resource (wind or solar) shall be at least 33% of the total contracted capacity.

iii. The arrangement for implementation shall be as under:
   a. SECI will be the nodal agency for implementation of these Guidelines.
   b. The selection of the Hybrid Power Projects will be through a transparent e-bidding process followed by e-reverse auction.
   c. The solar and wind projects may be located at same or different locations.
   d. Storage may be added to the Hybrid power project.
e. The power procured from the project may be used for fulfilment of solar RPO and non-solar RPO in the proportion of rated capacity of solar and wind power in the plant respectively.

f. Unless explicitly specified in these Guidelines, the provisions of these Guidelines shall be binding on the Procurer and SECI.

g. The Intermediary Procurer, i.e. SECI, shall enter into a Power Purchase Agreement (PPA) with the Hybrid Power Generator(s) and also enter into a Power Sale Agreement (PSA) with the distribution licensee(s) / consumer(s). The PSA shall contain the relevant provisions of the PPA on a back to back basis. In case SECI is not able to enter into a PSA to sell power from projects awarded to distribution licensee(s) or bulk consumers within six months from issue of letter of award, those projects would be cancelled.

h. The duration of the PPA period should not be less than 25 years from the Scheduled Commissioning Date (SCD).

i. SECI may charge a trading margin of seven paise/kWh from the Buying entity / Procurer for purchase and sale of the hybrid power.

j. The bidders may avail fiscal and financial incentives available for such projects as per prevailing conditions and Rules, and the same may be disclosed by the SECI in the Request for Selection (RfS) document.

iv. The Guidelines for transparent bidding process, as required under Section 63 of the Electricity Act, 2003, are enclosed at annex.

v. Role of SECI: SECI will be the nodal agency for implementation. In accordance with these Guidelines, SECI will conduct e-bidding process, followed by e-reverse auction for eligible bidders and develop a suitable mechanism for monitoring the performance/ commissioning of the Projects.

vi. Role of State Nodal Agencies (SNAs): The State Nodal Agencies appointed by respective State Governments will provide necessary support to facilitate the required approvals and sanctions in a time bound manner so as to achieve commissioning of the projects within the scheduled timeline.

vii. Power to remove Difficulties: If any difficulty arises in giving effect to any provision of these Guidelines or interpretation of the Guidelines or modification to the Guidelines, Ministry of New & Renewable Energy is empowered to do the same, with the approval of Minister, New & Renewable Energy. The decision in this regard shall be binding on all the parties concerned.

4. This issues with the approval of the Competent Authority.

Yours faithfully

(Dr. Rahul Rawat)
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Copy for information to:
1. Secretary, Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi - 110001
2. Chairman, Central Electricity Authority (CEA), Sewa Bhawan, R K Puram, New Delhi - 110066
3. Chairman & Managing Director, PGCIL, Gurgaon
4. Principal Director of Audit, Scientific Audit – II, DGACR Building, IP Estate, New Delhi - 110002
5. All State / UT Energy/Power/New & Renewable Energy Secretaries
6. Secretary, CERC/SERCs
7. All State Nodal Agencies
8. All Discoms

Internal Distribution:
1. PS to Hon’ble Minister
2. Sr. PPS to Secretary
3. All Group Heads/Advisors, MNRE
4. Director, NIC to upload the Guidelines on MNRE website
5. Sanction Folder
Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects

1. BACKGROUND

1.1. It has been established that combining different sources of renewable energy reduces their individual variability and gives better output. It also results in more efficient utilization of transmission infrastructure and land resource. It is common knowledge that wind is better during morning and evening or night, complementing solar energy which peaks during day time. Hybrid projects backed by storage facility can further enhance the quality of RE power.

1.2. MNRE issued Wind-Solar Hybrid Policy on 14.05.2018 (and issued amendment on 11.10.2018) with the objective to provide a framework for promotion of large grid connected wind-solar PV hybrid system for optimal and efficient utilization of transmission infrastructure and land, reducing the variability in renewable power generation and achieving better grid stability.

1.3. Subsequently, a scheme for setting-up of 2500 MW wind-solar hybrid power projects was sanctioned on 25.05.2018 for procurement of hybrid power at a tariff discovered through transparent process of bidding by Solar Energy Corporation of India (SECI). Under the above scheme, Wind Solar hybrid projects of 1440 MW capacity have been awarded by SECI.

1.4. Section 63 of Electricity Act, 2003 promotes the competition in electricity sector and provides for adoption of the tariff by the Appropriate Commission if the same has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. The National Tariff Policy notified on 28 January 2016 also encourages the procurement of renewable power through competitive bidding to discover market based tariff. These Guidelines will provide framework for transparent bidding process, as required under Section 63 of the Electricity Act, 2003.

1.5. SECI will be the nodal agency for implementation of these Guidelines. SECI will conduct e-bidding process followed by e-reverse auction for eligible bidders in accordance with the guidelines and also develop a suitable mechanism for commissioning and performance monitoring of projects.

2. OBJECTIVES OF GUIDELINES

2.1. The specific objectives of these Guidelines are as follows:
   a. To promote competitive procurement of electricity from grid connected wind solar hybrid power projects (hereafter termed as 'Hybrid Power Project'), by distribution licensees, to protect consumer interests;
   b. To facilitate transparency and fairness in procurement processes / and to provide for a framework for an Intermediary Procurer as an Aggregator/Trader for the inter-state sale-purchase of long term power.
   c. To provide a risk-sharing framework between various stakeholders, involved in the wind solar hybrid power procurement, thereby encouraging investments, enhanced bankability of the Projects and profitability for the investors.
3. APPlicability of Guidelines

3.1. These Guidelines are being issued under the provisions of Section 63 of the Electricity Act, 2003 for long-term procurement of electricity through competitive bidding process, by Procuer(s), from Hybrid Power Projects having individual size of 50 MW and above at one site with minimum bid capacity of 50 MW, subject to the condition that the rated power capacity of one resource (wind or solar) shall be at least 33% of the total contracted capacity.

3.2. The solar and wind projects of the hybrid project may be located at same or different locations. The minimum capacity to be injected at each injection point shall be 50 MW.

3.3. Storage may be added to the hybrid power project:

a. to reduce the variability of output power from wind solar hybrid project;

b. providing higher energy output for a given capacity (bid/ sanctioned capacity) at delivery point, by installing additional capacity of wind and solar power in a wind solar hybrid project;

c. to ensure availability of firm power for a particular period.

3.4. Unless explicitly specified in these Guidelines, the provisions of these Guidelines shall be binding on the Procuer and Intermediary Procuer. The process to be adopted in event of any deviation proposed from these Guidelines is specified in Clause 23 of these Guidelines.

3.5. The power procured from the project may be used for fulfilment of solar and non-solar RPO in the proportion of rated capacity of solar and wind power in the plant respectively.

4. Explanation / Definition:

a. Procuer(s): The term ‘Procuer(s)’, as the context may require, shall mean the distribution licensee(s), or an Intermediary procuer.

b. Intermediary Procuer

i. An intermediary, between the distribution licensee(s) and the Hybrid Power Generator(s) (HPG) is required to aggregate hybrid power to be purchased from different generators and sell it to the distribution licensee(s)/ customer(s), or to enhance the credit profile. The ‘Intermediary Procuer’ shall buy power from the Hybrid Power Generator(s) and sell the same to one or more distribution licensees and shall carry out the bidding as per provisions of these Guidelines. Solar Energy Corporation of India Ltd. (SECI) will be intermediary procuer under these Guidelines.

ii. The Intermediary Procuer shall enter into a Power Purchase Agreement (PPA) with the Hybrid Power Generator(s) and also enter into a Power Sale Agreement (PSA) with the distribution licensee(s) / consumer(s). The PSA shall contain the relevant provisions of the PPA on a back to back basis. The Intermediary Procuer may charge trading margin of seven paise/ kWh from the Buying entity / Procuer for purchase and sale of such power.

iii. As long as the Intermediary Procuer follows these Guidelines for procurement of hybrid power, the distribution licensee(s) shall be deemed to have followed these Guidelines for procurement of hybrid power.
5. **APPROPRIATE COMMISSION**

5.1. Subject to the provisions of the Electricity Act, 2003, Appropriate Commission would be as under:
   
a. In case the hybrid power projects is supplying power to Distribution licensee(s) of one State, the Appropriate Commission, for the purpose of these bidding Guidelines, shall be the State Electricity Regulatory Commission of the concerned State where the distribution licensee(s) is located.
   
b. In case the hybrid power projects supplying power to Distribution licensee(s) of more than one State, the Appropriate Commission, for the purpose of these bidding Guidelines, shall be the Central Electricity Regulatory Commission.
   
c. For cases involving sale of hybrid power from generating companies owned or controlled by Central Government, the Appropriate Commission shall be the Central Electricity Regulatory Commission.

6. **PREPARATION FOR INVITING BID AND PROJECT PREPAREDNESS**

The Intermediary Procurer shall meet the following conditions:

6.1. **Bid Documentation:**

It shall prepare the bid documents in accordance with these Guidelines and shall approach the Ministry for any deviations (if required) from these Guidelines.

6.2. **Site-related project preparatory activities including clearances:**

In order to ensure timely commencement of supply of electricity, the bidder would be required to submit documents in respect of matters as mentioned below, as per the time schedule specified in the bidding documents:

a. Land acquisition: Submission of documents / Lease Agreement to establish possession and right to use 100 % (hundred per cent) of the required land in the name of the HPG for a period not less than the complete term of PPA, on or before the Scheduled Commissioning Date (SCD). Wherever leasing of private land is involved, the lease should allow transfer of land lease rights to the lenders or Procurer, in case of default of the HPG.

b. No Objection Certificate (NoC)/ Environmental clearance (if applicable) for the Project.

c. Forest Clearance (if applicable) for the Project.

d. No objection certificate (NoC) from Ministry of Defence (if applicable).

e. A letter from Central Transmission Utility (CTU) confirming technical feasibility of connectivity of the plant to CTU substation.

f. Any other clearances (if any), as may be legally required.

7. **BID STRUCTURE**

7.1. **Bid Size:** A bidder is allowed to bid for a minimum 50 MW project at one site. The Procurer may also choose to specify the maximum capacity that can be allotted to a single bidder including its Affiliates. The maximum capacity for single bidder or company or group of companies may be fixed by the Procurer keeping in mind factors such as economies of scale, land availability, expected competition and need for development of the market.

7.2. **Bidding Parameters:** For procurement of wind solar hybrid power, the tariff quoted by the bidder shall be the bidding parameter. The Procurer may select either
of the following kinds of tariff based bidding: (a) fixed tariff in Rs./kWh for 25 years or more or (b) escalating tariff in Rs./kWh with pre-defined quantum of annual escalations fixed in Rs./kWh and number of years from which such fixed escalation will be provided. The procurer may also opt for e-reverse auction for final selection of bidders, in such a case, this will be specifically mentioned in the notice inviting bids and bid document. The procurer may disclose in the RfS, the prevailing incentives available to the HPGs.

8. POWER PURCHASE AGREEMENT

The draft PPA proposed to be entered into with the successful bidder and draft PSA shall be issued along with the RfS. Standard provisions to be incorporated as part of the PPA shall include inter alia the following, which, unless otherwise specified herein, shall be provided for, on a back to back basis in the PSA:

8.1. PPA Period: As the PPA period influences the tariff by determining the period over which the investment is returned to the investor/Developer, longer PPA is favoured for lower tariffs. The PPA period should thus be not less than 25 (twenty-five) years from the date of the Scheduled Commissioning Date (SCD). The Generators are free to operate their plants after the expiry of the PPA period in case the arrangements with the land and infrastructure owning agencies, the relevant transmission utilities and system operators so provide.

8.2. CAPACITY UTILIZATION FACTOR (CUF):

8.2.1. The Generator(s) will declare the annual CUF of its Project at the time of bid submission and will be allowed to revise the same once within first three years of COD. Calculation of CUF will be on yearly basis from 1st April of the year to 31st March of next year. The declared annual CUF shall in no case be less than 30 per cent. The Generator(s) shall maintain generation so as to achieve annual CUF not less than 90% of the declared value (i.e. Minimum CUF) and not more than 120% of the declared CUF value (i.e. Maximum CUF), during the PPA duration of 25 years. The lower limit will, however, be relaxable to the extent of non-availability of grid for evacuation of hybrid power, which is beyond the control of the HPG. Energy supplied between COD and the commencement of first financial year after COD will not be taken into consideration for the purpose of calculation of CUF. Subsequently, the annual CUF will be calculated every year from 1st April of the year to 31st March next year.

8.2.2. In case the project supplies energy less than the energy corresponding to the minimum CUF, the HPG will be liable to pay to the Procurer, compensation for the shortfall in availability of energy. This will, however be relaxable to the extent of grid non-availability for evacuation, which is beyond the control of the Generator. The amount of such compensation will be calculated @ 50% (fifty per cent) of the PPA tariff for the shortfall in energy terms, in accordance with the terms of the PPA. Such compensation as recovered from the Generator shall be passed on by the Intermediary Procuer to the End Procuerer.

8.2.3. In case of availability of energy more than the maximum annual CUF specified, Generator will be free to sell it to any other entity provided first right of refusal will vest with the Procuer(s). In case the Procuer purchases the excess generation, the same may be done at 75% (seventy-five per cent) of the PPA tariff, and provision to this effect shall be clearly indicated in the RfS document.
8.3. Repowering: The Hybrid Power Generator(s) will be free to re-power their plants during the PPA duration. However, after repowering, the minimum ratio of both the resources (wind & solar) shall be kept as per clause 3.1. Further, the Procuer will be obliged to buy power only as per terms of PPA and any excess generation will be dealt as specified in clause 8.2.3 of these Guidelines.

8.4. Payment Security: The Procuer(s) shall provide adequate payment security measures, as specified below:

a. Payment Security by Intermediary Procuer to the HPG: The Intermediary Procuer shall provide payment security to the HPG through:

i. Revolving Letter of Credit (LC) of an amount not less than 1 (one) months' average billing from the Project under consideration;

AND

ii. Payment Security Fund, which shall be suitable to support payment of at least 3 (three) months' billing of all the Projects tied up with such fund. For the purpose of this Payment Security Fund, the Intermediary may collect Rs 5.0 Lacs / MW (Five Lacs per MW) from Hybrid Power Generator(s). Such charges shall be stipulated clearly in the RfS and shall go to the Payment Security Fund set up for such Intermediary Procuer.

b. Payment Security by Distribution licensee to Intermediary Procuer: The Distribution licensee shall provide payment security to the Intermediary Procuer through:

i. Revolving Letter of Credit (LC) of an amount not less than 1 (one) months' average billing from the Project(s) under consideration;

AND

ii. State Government Guarantee (or Tri-Partite Agreement), in a legally enforceable form, such that there is adequate security, both in terms of payment of energy charges and termination compensation if any.

For the purpose of this clause, the Tri-Partite Agreement (TPA) signed between Reserve Bank of India, Central Government and State Government shall qualify as State Government Guarantee covering the security for payment of energy charges.

The Intermediary Procuer shall ensure that upon invoking this guarantee, it shall at once, pass on the same to the Hybrid Power Generator, to the extent the payments to the Hybrid Power Generator in terms of the PPA are due.

Provided that where the End Procuer is not covered by the Tri-Partite Agreement and is not in a position to give the State Government Guarantee, the Revolving Letter of Credit may be for two months.
8.5. CHANGE IN LAW

8.5.1. In the event a change in Law results in any increase or decrease in the cost of generation, the said increase / decrease in cost shall be passed on in tariff in the following manner:

(a) For the purpose of ensuring that the pass through happens in an expeditious manner within 30 days of the Change in Law event, the following formula may be followed:-

Let Financial Impact of Change in Law = \( P \);

Then, the modification in PPA tariff (M.T.) for compensating the financial impact is given by

\[
M.T. = \frac{Y}{X}
\]

Where, \( X = \) estimated monthly electricity generation (in kWh) = \((1/12) \times \text{contracted capacity of the RE power plant as per PPA (in MW)} \times \text{Annual CUF declared in PPA (in %)} \times 8760 \text{ hours} \times 10\);

and

\[
Y = \left[ (P \times M_r) \times (1+M_r)^n \right] + [(1+M_r^n) - 1]
\]

where,

\( n = \) no. of months over which the financial impact has to be paid; and

\( M_r = \) monthly rate of interest = \( \) where \( R = \) annual rate of interest on loan component (in %) as considered by Central Electricity Regulatory Commission (CERC) in its Order for Tariff determination from Renewable Energy Sources for the year in which the project is commissioned. In absence of relevant CERC Orders for the concerned year, the interest rate shall be average interest rate plus 200 basis points above the average State Bank of India Marginal Cost of Funds based leading rate (MCLR of one year tenor) prevalent during the last available six months for such period.

Further, the M.T. shall be true up annually based on actual generation of the year so as to ensure that the payment to the Generator is capped at the yearly annuity amount.

(b) The pass through according to the formula stipulated above shall be calculated and shall come into effect automatically after 30 days of the Change in Law event.

(c) Within 30 days of the pass through coming into effect the Generator/ Intermediary procurer/ Procurer shall submit the relevant documents/calculation sheets to the Appropriate Commission for trueing up the rate of pass through per unit.

(d) The Appropriate Commission shall verify the calculation and do the trueing up within 60 days of the pass through coming into effect after which the rates of pass through shall be adjusted if necessary according to the trueing up.

8.5.2. In case change in Law / Regulations results in delay in commissioning, where cause and effect between these two can be clearly established, the Intermediary Procurer may provide suitable extension to commissioning of the project.
8.5.3. In these Guidelines, the term 'Change in Law' shall refer to the occurrence of the following events, after the last date of the bid submission, (i) the enactment of any new Law; or (ii) an amendment, modification or repeal of an existing Law; or (iii) the requirement to obtain a new consent, permit or license; or (iv) any modification to the prevailing conditions prescribed for obtaining a consent, permit or license, not owing to any default of the Generator; or (v) any change in the rates of any taxes which have a direct effect on the Project.

However, Change in Law shall not include any change in taxes on corporate income or any change in any withholding tax on income or dividends.

8.6. Force Majeure

The PPA shall contain provisions with regard to force majeure definitions, exclusions, applicability and available relief on account of force majeure, as per the industry standards. The HPG shall intimate the Procuer about the occurrence of force majeure within 15 (fifteen) days of the start of the force majeure and the Procuer shall take a decision on his claim within 15 days of the receipt of the intimation.

8.7. Offtake constraints due to Back down:

The Generator and the Procuer shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no hybrid power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case of Backdown, including non-dispatch of power due to non-compliance with "Order No. 2322/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, the Power Generator shall be eligible for a Minimum Generation Compensation, from the Procuer, in the manner detailed below.

<table>
<thead>
<tr>
<th>Duration of Backdown</th>
<th>Provision for Generation Compensation</th>
</tr>
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| Hours of Backdown during a monthly billing cycle. | Minimum Generation Compensation = \(100\% \times \left[ \frac{\text{Average Generation per hour during the month} \times \text{number of backdown hours during the month}}{\text{PPA Tariff}} \right] \)  
Where, Average Generation per hour during the month \((\text{kWh})\) = \(\frac{\text{Total generation in the month (kWh)}}{\text{Total hours of generation in the month}}\) |

The Generation Compensation is to be paid as part of the energy bill for the successive month after receipt of Regional Energy Accounts (REA). No Trading Margin shall be applicable on this Generation Compensation. Possible conditions for exclusion of Generation Compensation, on account of Backdown purposes, shall be clearly specified in the RfS and the PPA.

No compensation shall be payable, however, if the backdown/curtailment is on account of considerations of grid security/safety. Such a backdown will be recorded and reported to RLDC/ NLDC. RLDC/ NLDC will examine the issue of grid safety/security and give a finding that the issue of grid safety existed.
The details of back-down/ curtailment, including justifications for such curtailment, to be made public by the concerned Load Dispatch Centre.

8.8. Event of Default and the Consequences thereof

While detailed provisions with regard to the event of default of the concerned parties and its resulting consequences shall be detailed in the SBDs, this clause lays down the broad principles of contractually dealing with the default of the HPG and the Procurers.

8.8.1. Generator Event of Default and the consequences thereof:

a. In the event the generator is unable to commission the plant within the stipulated time period, or fails to supply power in terms of the PPA, or assigns or novates any of its rights or obligations contrary to the terms of the PPA, or repudiates the PPA, or effectuates a change in control or shareholding of its promoters in breach of the provisions of the PPA, or commits any other acts or omissions as laid down in the PPA and is also unable to cure any of the aforesaid within the defined period, as may be provided in the PPA, the generator shall be construed to be in default.

b. Upon being in default, the Generator shall be liable to pay to the Procurer, damages, as provided in these Guidelines in Clause 17.3 for failure to commission within stipulated time and Clause 8.2 for failure to supply power in terms of the PPA. For other cases, Generator shall pay to the Procurer, damages, equivalent to 6 (six) months, or balance PPA period whichever is less, of charges for its contracted capacity. The Procurer shall have the right to recover the said damages by way of forfeiture of bank guarantee, if any, without prejudice to resorting to any other legal course or remedy.

c. In addition to the levy of damages as aforesaid, in the event of a default by the HPG, the lenders shall be entitled to exercise their rights of substitution, in accordance with the substitution agreement provided in the PPA and in concurrence with the Procurer. However, in the event the lenders are unable to substitute the defaulting generator within the stipulated period, the Procurer may terminate the PPA and acquire the project assets for an amount equivalent to 90% of the debt due, failing which, the lenders may exercise their mortgage rights and liquidate the project assets.

8.8.2. Procurer Event of Default and the consequences thereof:

a. If the Procurer is in default on account of reasons including failure to pay the monthly and/or supplementary bills within the stipulated time period or repudiation of the PPA, the defaulting Procurer shall, subject to the prior consent of the HPG, novate its part of the PPA to any third party, including its Affiliates within the stipulated period.

b. In the event the aforesaid novation is not acceptable to the HPG, or if no offer of novation is made by the defaulting Procurer within the stipulated period, then the HPG may terminate the PPA and at its discretion require the defaulting Procurer to either (i) takeover the Project assets by making a payment of the ‘termination compensation’ which will be equivalent to the amount of the ‘debt due’ and the 110% (one hundred and ten per cent) of the adjusted equity as defined below, less Insurance Cover if any or, (ii) pay to the Generator, damages, equivalent to 6 (six) months, or balance PPA
period whichever is less, of charges for its contracted capacity, with the Project assets being retained by the Generator.

c. In the event of termination of PPA, any damages or charges payable to the STU/CTU, for the connectivity of the plant, shall be borne by the Procurer.

**Adjusted Equity** means the Equity funded in Indian Rupees and adjusted on the first day of the current month (the 'Reference Date'), in the manner set forth below, to reflect the change in its value on account of depreciation and variations in Wholesale Price Index (WPI), and for any Reference Date occurring between the first day of the month of Appointed Date and the Reference Date;

i. On or before COD, the Adjusted Equity shall be a sum equal to the Equity funded in Indian Rupees and expended on the Project, revised to the extent of one half of the variation in WPI occurring between the first day of the month of Appointed Date and Reference Date;

ii. After COD, the Adjusted Equity hereunder shall be a sum equal to the Base Adjusted Equity, reduced by 0.333% (zero point three three percent) thereof at the commencement of each month following the COD [reduction of 1% (one percent) per quarter of an year] and the amount so arrived at shall be revised to the extent of variation in WPI occurring between the COD and the Reference Date;

iii. An amount equal to the Adjusted Equity as on COD shall be deemed to be the base (the 'Base Adjusted Equity').

For the avoidance of doubt, the Adjusted Equity shall, in the event of termination, be computed as on the Reference Date immediately preceding the Transfer Date; provided that no reduction in the Adjusted Equity shall be made for a period equal to the duration, if any, for which the PPA period is extended, but the revision on account of WPI shall continue to be made.

**Debt Due** means the aggregate of the following sums expressed in Indian Rupees outstanding on the Transfer Date:

i. The principal amount of the debt provided by the Senior Lenders under the Financing Agreements for financing the Total Project Cost (the 'Principal') but excluding any part of the principal that had fallen due for repayment prior to the Transfer Date;

ii. All accrued interest, financing fees and charges payable under the Financing Agreements on, or in respect of, the debt referred to in sub-clause (i) above until the Transfer Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the Transfer Date, (ii) any penal interest or charges payable under the Financing Agreements to any Senior Lender (iii) any pre-payment charges in relation to accelerated repayment of debt except where such charges have arisen due to Utility Default, and (iv) any Subordinated Debt which is included in the Financial Package and disbursed by lenders for financing the Total Project Cost.

Provided that if all or any part of the Debt Due is convertible into Equity at the option of Senior Lenders and/or the Concessionaire, it shall for the
purposes of this Agreement be deemed not to be Debt Due even if no such conversion has taken place and the principal thereof shall be dealt with as if such conversion had been undertaken.

Provided further that the Debt Due, on or after COD, shall in no case exceed 80% (eighty percent) of the Total Project Cost.

9. **BIDDING PROCESS**

9.1. SECI shall call for the bids adopting a single stage bidding process to be conducted through Electronic mode (e-bidding). SECI shall adopt e-reverse auction. E-procurement platforms with a successful track record and with adequate safety, security and confidentiality features will be used.

9.2. SECI shall invite the bidders to participate in the RfS for installation of Hybrid Power Project(s) in terms of these Guidelines.

9.3. The bidding documents including the RfS and draft PPA shall be prepared by SECI in consonance with these Guidelines.

9.4. SECI shall publish the RfS notice on the Central Public Procurement Portal website and its own website, to accord wide publicity.

9.5. SECI shall provide opportunity for pre-bid conference to the prospective bidders, and shall provide written interpretation of the bid documents to any bidder which shall also be made available to all other bidders. All the concerned parties shall rely solely on the written communication. Any clarification or revision to the bidding documents shall be uploaded on the website of SECI for adequate information. In the event of the issuance of any revision or amendment of the bidding documents, the bidders shall be provided a period of at least 7 (seven) days therefrom, for submission of bids.

9.6. If the bids have already been invited prior to the notification of these Guidelines, and if there are any deviations between these Guidelines and the bidding documents, the bidding documents shall be amended as per these guidelines and the bidders shall be provided a period of at least 7 (seven) days therefrom, for submission of bids / revised bids.

10. **RfS DOCUMENT**

The standard provisions to be provided by the Procurer in the RfS shall include the following:

10.1. **Bid Responsiveness:** The bid shall be evaluated only if it is responsive and satisfies conditions including *inter-alia* ~

   a. bidder or any of its Affiliates is not a willful defaulter to any lender

   b. there is no major litigation pending or threatened against the bidder or any of its Affiliates which is of a nature that could cast a doubt on the ability or the suitability of the bidder to undertake the project

   c. performance of bidder is satisfactory in earlier project(s) awarded by SECI, if any.
10.2. Qualification requirements to be met by the bidders:

10.2.1. Technical Criteria:
The Government would like to encourage competition by way increased participation. However, in order to ensure proper implementation of the Projects, the Procurer may choose to specify Technical Criteria such as past experience of the bidders etc. Such criteria should be set after an assessment of the number of project developers that are expected to meet the criteria so that an adequate level of competition is achieved.

10.2.2. Financial Criteria:

a. Net-worth:
   i. SECI shall specify financial criteria in the form of net-worth as a part of the qualification requirement. The net-worth requirement should be at least 20% of the Estimated Capital Cost for project for the year in which bids are invited.
   ii. The net worth to be considered for the above purpose will be the cumulative net-worth of the bidding company or consortium, together with the net-worth of those Affiliates of the bidder(s) that undertake to contribute the required equity funding and performance bank guarantees in case the bidder(s) fail to do so in accordance with the RfS.
   iii. It is clarified that the net-worth to be considered for this clause will be the total net-worth as calculated in accordance with the Companies Act.

b. Liquidity: It is necessary that the bidder has sufficient cash flow/ internal accruals/ any bank reference to manage the fund requirements for the project. Accordingly, SECI may also stipulate suitable parameters such as annual turnover, internal resource generation, bank references/ line of credit, bidding capacity, etc.

10.3. Quantum of the Earnest Money Deposit (EMD): SECI will specify the quantum of the Earnest Money Deposit (EMD) in the form of a bank guarantee or Letter of Undertaking (as given in para 14.3), to be furnished by the bidders. The EMD shall stand forfeited in the event of failure of the successful bidder to execute the PPA within the stipulated time period.

10.4. Compliance of Laws by foreign bidders: In case a Foreign Company is selected as the successful bidder, it shall comply with all the laws and provisions related to Foreign Direct Investment (FDI) in India.

11. BID SUBMISSION AND EVALUATION

11.1. Formation of consortium by bidders shall be permitted, in which case the consortium shall identify a lead member which shall be the contact point for all correspondences during the bidding process. SECI may specify technical and financial criteria, and lock in requirements for the lead member of the consortium.

11.2. SECI shall constitute committee for evaluation of the bids (Evaluation Committee), with at least three members, including at least one member with expertise in financial matters/ bid evaluation.

11.3. The bidders may be required to submit non-refundable processing fee as specified in the RfS.
11.4. The bidders shall be required to submit separate technical and price bids. Bidders shall also be required to furnish necessary bid-guarantee in the form of an EMD along with the bids.

11.5. The technical bids shall be evaluated to ensure that the bids submitted meet the eligibility criteria set out in the RfS document on all evaluation parameters. Only the bids that meet the evaluation criteria set out in the RfS shall be considered for further evaluation on the price bids.

11.6. To ensure competition, the minimum number of qualified bidders should be two. If the number of qualified bidders is less than two, even after three attempts of bidding, and the Procuree still wants to continue with the bidding process, the same may be done.

11.7. The price bid shall be rejected, if it contains any deviation from the bid conditions. No clarifications shall normally be requested from bidders at this stage.

11.8. Bid evaluation methodology: The comparison of bids shall be on the basis of the bidding criteria as specified in the RfS, i.e. the fixed tariff or the first year tariff. Ranking of the bidders will start from the bidder quoting the 'lowest tariff (L1)'. SECI may choose to define a band from L1 in terms of percentage of L1 within which they will accept bid offers.

11.9. The selection of all successful bidders would be on bucket filling approach starting with L1, till entire capacity for which the bid has been called for is full or the capacity corresponding to the upper limit for the band from the L1 tariff is reached, whichever is earlier. The detailed procedure for evaluation of the bid and selection of the bidder shall be provided for in the RfS.

12. INDICATIVE TIME TABLE FOR BID PROCESS

12.1. In the bidding process, a minimum period of 22 (twenty two) days shall be allowed between the issuance of RfS documents and the last date of bid submission. In normal circumstances, the bidding process is likely to be completed in a period of 110 (one hundred ten) days. The Procuree may give extended timeframe than indicated in the table and this shall not be construed as deviation to the Guidelines. The indicative timetable for the bidding process is as below.

<table>
<thead>
<tr>
<th>Event</th>
<th>Time from Zero date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of issue of RfS and draft PPA and PSA</td>
<td>Zero date</td>
</tr>
<tr>
<td>Bid clarification, conferences, revision of RfS, etc.</td>
<td>**</td>
</tr>
<tr>
<td>RfS bid submission</td>
<td>22 days</td>
</tr>
<tr>
<td>Evaluation of bids and issue of LOI</td>
<td>110 days</td>
</tr>
<tr>
<td>Signing of PPA and the PSA</td>
<td>140 days</td>
</tr>
</tbody>
</table>

** In case of any change in RfS document, the Intermediary Procuree shall provide the bidders additional time in accordance with clause 9.5 and clause 9.6 of these Guidelines.

Note: It is clarified that if the Intermediary Procuree 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, such extension of time shall not in any way be deviation from these Guidelines.
13. CONTRACT AWARD AND CONCLUSION

13.1. The PPA shall be signed with the successful Bidder/ Project Company or an SPV formed by the successful Bidder.

13.2. 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.

13.3. For the purpose of transparency, SECI 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 SECI’s website for at least 30 (thirty) days.

14. BANK GUARANTEES

The Generator shall provide the following bank guarantees to the Procurer in terms of the RfS and the PPA:

14.1. Earnest Money Deposit (EMD) to be fixed by the Procurer [but not to be more than 2% (two per cent) of the Estimated Capital Cost for Hybrid Power Project], to be submitted in the form of a bank guarantee or Letter of Undertaking (as given in para 14.3) along with response to RfS.

14.2. Performance Bank Guarantee (PBG) to be fixed by the Procurer [but not to be more than 5% (five per cent) of the Estimated Capital Cost for Hybrid Power Project] to be submitted at the time of signing of the PPA. In addition to the other remedies, this PBG 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 SECI 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 SECI under Clause 8.4 of these guidelines.

14.3. As an alternative mechanism, the Generator may submit Letter(s) of Undertaking from Indian Renewable Energy Development Agency Limited (IREDA) or Power Finance Corporation Limited (PFC) or REC Limited (REC) in place of EMD and/or PBG, to pay in case situation of default by Generator in terms of PPA arises, in terms of relevant orders issued by MNRE.

15. FINANCIAL CLOSURE

15.1. Hybrid Power Generator shall attain the financial closure in terms of the PPA, within 12 (twelve) months from the date of execution of the Power Purchase Agreement. However, if for any reason, the time period for attaining the financial closure needs to be kept smaller than that provided in these Guidelines, the Procurer can do the same.

15.2. Failing the aforesaid, the Procurer shall encash the PBG / LoU unless the delay is on account of delay in allotment of land by the Government not owing to any action or inaction on the part of the Generator or caused due to a Force Majeure. An extension for the attainment of the financial closure can however be considered by the Intermediary Procurer, on the request of the Generator, on payment of a penalty as specified in the PPA. This extension will not have any impact on the SCD. Any penalty paid so, shall be returned to the Generator without any interest on achievement of successful commissioning within the SCD. In other cases, the extension charges /
penalty as collected under this clause, will be credited to the Payment Security Fund to be maintained by SECI.

15.3. It is presumed that in terms of Clause 13.4 of these Guidelines, the tariff will be adopted by the Appropriate Commission within 60 days of such submission. However, notwithstanding anything contained in these Guidelines, any delay in adoption of tariff by the Appropriate Commission, beyond 60 (sixty) days, shall entail a corresponding extension in financial closure.

16. MINIMUM PAID UP SHARE CAPITAL TO BE HELD BY THE PROMOTER

16.1 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% at any time prior to 1 (one) year from the COD (as defined in Clause 18), 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) year from the COD, except with the prior approval of the Procurer. However, in case the successful bidder shall be itself executing the PPA, then it shall ensure that its promoters shall not cede control till 1 (one) years from the COD, 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.

‘Control’ shall mean the ownership, directly or indirectly, of more than 50 per cent of the voting shares of such Company, or right to appoint majority Directors to the Board of Directors.

16.2. Any change in the shareholding after the expiry of 1 (one) year from the COD can be undertaken under intimation to Procurer.

16.3. 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.

17. COMMISSIONING

17.1. Part Commissioning: Part commissioning of the Project shall be accepted by Procurer subject to the condition that the minimum capacity for acceptance of first part commissioning shall be atleast 50 MW, without prejudice to the imposition of penalty, in terms of the PPA on the part which is not commissioned. The projects can further be commissioned in parts of at least 25 MW batch size; with last part could be the balance capacity. However, the SCD will not get altered due to part-commissioning. In case of part-commissioning of the Project, possession of land in accordance with clause 6.2(a) of these Guidelines, corresponding to the part capacity being commissioned, shall be required to be demonstrated by the Generator prior to declaration of commissioning of the said part capacity. Irrespective of dates of part commissioning, the PPA will remain in force for a period of 25 years from the SCD. Part commissioning cannot be construed by just installing one source of generation, the Generator shall install both solar and wind capacities in proposed ratio on pro-rata basis.

17.2. Early Commissioning: The Generator shall be permitted for full commissioning as well as part commissioning (as per 17.1) of the Project even prior to the SCD subject to availability of transmission connectivity and Long-Term Access (LTA). In cases of early part commissioning, the Generator will be free to sell it to any other entity provided first right of refusal will vest with the Procurer(s). The procurer(s)
shall provide refusal within 30 (thirty) days from the receipt of the request, beyond which it would be considered as deemed refusal. Procurement of such early commissioned power, if accepted by the Procure / Intermediary Procurer, shall be done at the PPA tariff.

17.3. Commissioning Schedule:

(i) The projects shall be commissioned, within a period of 18 (eighteen) months from the date of execution of the PPA. However, if for some reason, the scheduled commissioning period needs to be kept smaller than that provided in these Guidelines, the Procurer can do the same. Subject to clause no. 8.6 of these Guidelines, delay in commissioning, beyond the Scheduled Commissioning Period shall involve penalties, on the Hybrid Power Generator, as detailed below:

a) For Delay in commissioning upto 6 (six) months from SCD, encashment of Performance Bank Guarantee (PBG) on per day basis and proportionate to the capacity not commissioned.

b) For Delay in commissioning beyond six months from SCD, Generator Event of Default, as per clause 8.8.1 of these Guidelines, shall be considered to have occurred and the contracted capacity shall stand reduced to the project capacity commissioned upto SCD + 6 (six) months. The PPA for the balance capacity not commissioned shall be terminated.

(ii) It may be noted that commissioning/ part commissioning of the Project will not be declared until the Generator demonstrates possession of land in line with Clause 6.2.(a) above, in addition to the other conditions as established by the Procurer/Intermediary Procurer. For part commissioning portion of land on which the part of the project is commissioned should be with Generator in accordance with clause 6.2(a).

(iii) It is presumed that in terms of Clause 13.4 of these Guidelines, the tariff will be adopted by the Appropriate Commission within 60 days of such submission. However, notwithstanding anything contained in these Guidelines, any delay in adoption of tariff by the Appropriate Commission, beyond 60 (sixty) days, shall entail a corresponding extension in scheduled commissioning date.

17.4. Delay in Commissioning on account of delay in LTA Operationalization:

Long Term Access (LTA) shall be required to be submitted by the Generator prior to commissioning of the Project. Subsequent to grant of connectivity, in case there is a delay in grant/operationalization of LTA by the CTU and/or there is a delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network until SCD of the Project, and it is established that:

i. The Generator has complied with the complete application formalities as per the Connectivity Procedure.

ii. The Generator has adhered to the applicable Procedure in this regard as notified by the CERC/CTU, and

iii. The delay in grant of connectivity/LTA by the CTU and/or delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network, is a factor
attributable to the CTU/ transmission licensee and is beyond the control of the Generator;

The above shall be treated as delays beyond the control of the Generator and SCD for such Projects shall be revised as the date as on 60 days subsequent to readiness of the Delivery Point and power evacuation infrastructure and/or operationalization of LTA. Decision on requisite extension on account of the above factor shall be taken by SECI.

18. COMMERCIAL OPERATION DATE (COD):

Commercial Operation Date (COD) shall be considered as the actual date of commissioning of the project as declared by the Commissioning Committee constituted by procurer. In case of part commissioning COD will be declared only for that part of project capacity.

19. TRANSMISSION CONNECTIVITY

19.1. The project shall be designed for inter-connection with CTU substation either directly or from pooling station where other projects also connected, through a transmission network as per applicable Regulations at the appropriate voltage level, as specified by Procurer.

19.2. Responsibility of getting Transmission Connectivity and LTA to the transmission system owned by the CTU will lie entirely with the Generator and shall be at the cost of Generator.

19.3. The Inter-connection/ Metering Point, is the point at which energy supplied to the Procurer shall be measured, shall be the bus bar of the CTU substation/ Pooling station at which power is injected in the transmission system of CTU. For interconnection with grid and metering, the Generators shall abide by applicable Grid Code, Grid Connectivity Standards, Regulations on Communication System for transmission of electricity and other Regulations (as amended from time to time) issued by Appropriate Commission and CEA. The transmission of power up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the Generator at his own cost. All expenses including transmission charges (if any) and losses in relation to the transmission beyond the Metering Point shall be borne by the Procurer(s).

19.4. The Generator shall comply CERC/SERC regulations on Forecasting, Scheduling and Deviation Settlement, as applicable and are responsible for all liabilities related to LTA and Connectivity. The Generator and the Procurer shall follow the forecasting and scheduling process as per the Regulations in this regard by the Appropriate Commission.

19.5. The transmission connectivity to the Generator may be provided by the CTU, prior to commissioning of the project on the request of the project developer, to facilitate testing and allow flow of infirm power generated into the grid to avoid wastage of Power.

20. TECHNICAL SPECIFICATIONS

20.1. SECI shall promote commercially established and operational technologies to minimize the technology risk and to achieve the timely commissioning of the Projects.
20.2. In order to ensure quality of wind turbines installed, only type certified wind turbine models listed in Revised List of Models and Manufactures (RLMM) brought out by MNRE from time to time and updated as on the date of commissioning of the Project, will be allowed for deployment in the country. The wind power projects will be developed as per Guidelines issued by MNRE on Development of Onshore Wind Power Projects.

20.3. For solar modules and balance of systems, the technical guidelines issued by the Ministry from time to time for grid connected solar PV systems will be followed. Further, the orders of Ministry regarding 'Approved List of Models and Manufacturers (ALMM)' as applicable will be followed.

21. ROLE OF STATE NODAL AGENCIES
The State Nodal Agencies appointed by respective State Governments will provide necessary support to facilitate the required approvals and sanctions in a time bound manner so as to achieve commissioning of the projects within the scheduled timeline. This may include facilitation in the following areas:
- Coordination among various State and Central agencies for speedy implementation of projects.
- Support during commissioning of projects.

22. PERFORMANCE MONITORING
All Hybrid Power Projects shall install necessary equipment to continuously measure wind and solar resource data and other weather parameters and electrical parameters. They are required to submit this data through online portal to SECI, National Institute of Wind Energy (NIWE) and/or other designated agency for monitoring the performance for the entire life of the project.

In addition to the above, the Successful Bidder shall also submit information, as required by SECI, for regular monitoring of status of the project. SECI may develop a standard monitoring template/parameter for capturing regular progress of the project.

23. DEVIATION FROM PROCESS DEFINED IN THE GUIDELINES
In case there is any deviation from these Guidelines, the same shall be subject to approval by the Appropriate Commission. The Appropriate Commission shall approve or require modification to the bid documents within a reasonable time not exceeding 60 (sixty) days.

24. ARBITRATION
All disputes arising out under the contractual documents under these Guidelines will be adjudicated by the Appropriate Commission, i.e. CERC or SERC / JERC, as the case may be.

25. CLARIFICATION AND MODIFICATION TO GUIDELINES
If any difficulty arises in giving effect to any provision of these Guidelines or interpretation of the Guidelines or modification to the Guidelines, Ministry of New & Renewable Energy is empowered to do the same, with the approval of Minister, New & Renewable Energy. The decision in this regard shall be binding on all the parties concerned.