

F. No. 238/1/2017-Wind_Part (I)
Ministry of New and Renewable Energy
Government of India

Block No. 14, CGO Complex
Lodhi Raod, New Delhi – 110043
Dated: 25th June 2020

To,

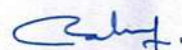
Shri J N Swain,
Managing Director
Solar Energy Corporation of India (SECI)
1st Floor, D-3, A Wing, Religare Building
District Centre, Saket, New Delhi – 110017

Subject: Guidelines for tariff based competitive bidding process for Scheme for procurement of blended wind power from 2500 MW ISTS connected projects

Government have issued two sets of standard bidding guidelines for tariff based competitive bidding for wind and solar power projects respectively. It has also sanctioned a Scheme of 2500 MW of wind-solar hybrid power projects.

2. As a step towards ensuring availability of renewable energy to DISCOMs at competitive rates and also developing wind power sector which is primarily domestic, I am directed to convey the sanction of President of India for implementation of the 'Scheme for Tariff Based Competitive Bidding Process for procurement of RE power from 2500 MW ISTS Connected Blended Wind Power Projects' for procurement of power at a tariff discovered through transparent process of bidding through Solar Energy Corporation of India (SECI). The details of the scheme are as under:

- i. **The objective of the Scheme** is to provide a framework for procurement of electricity from 2500 MW ISTS Grid Connected Wind Power Projects with upto 20% blending with Solar PV Power (hereafter termed as 'Blended Wind Power Project') through a transparent process of bidding.
- ii. **Capacity under the Scheme:** The total capacity to be awarded under the scheme is 2500 MW. Individual minimum size of project allowed under the scheme is 50 MW at one site and a single bidder cannot bid for less than 50 MW. Further, the rated power capacity of wind power project shall be at least 80% of the total contracted capacity.
- iii. **The arrangement for implementation of the Scheme shall be as under:**
 - a. SECI will be the nodal agency for implementation of the Scheme.
 - b. The selection of the Blended Wind Power Projects under the Scheme 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 nearby locations. However, the individual wind/solar component constituting the Blended Wind Power Project, will inject power in the grid through a single point.
 - d. While the blended wind power project developer would be free to install wind turbines and DC solar PV capacity as per its design of required output including its requirement of auxiliary consumption, it will not be allowed to sell any excess power to any other entity other than SECI, unless refused by SECI.
 - 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, project developer and SECI.
- g. The Intermediary Procurer, i.e. SECI, shall enter into a Power Purchase Agreement (PPA) with the Blended Wind Power Generator(s) and also enter into a Power Sale Agreement (PSA) with the distribution licensee(s) or bulk consumers. The PSA shall contain the relevant provisions of the PPA on a back to back basis, except the payment obligations of the intermediary procurer under the PPA and PSA. In case SECI is not able to enter into a PSA to sell power from projects awarded under this scheme to distribution licensee(s) or bulk consumers within six months from issue of letter of award, those projects would be deemed to be cancelled.
- h. The duration of the PPA period should not be less than 25 years from the Scheduled Commissioning Date (SCD) or from the date of full commissioning of the projects, whichever is earlier.
- i. The Intermediary Procurer shall charge a trading margin of seven paise/kWh from the Buying entity / Procurer for purchase and sale of the blended 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 Intermediary Procurer in the Request for Selection (RfS) document.
- k. No separate Central Financial Assistance is available for implementation of the Scheme.
- iv. **The Guidelines** for transparent bidding process, as required under Section 63 of the Electricity Act, 2003, for implementation of the Scheme are enclosed at Annex.
- v. **Role of SECI:** SECI will be the nodal agency for implementation of this scheme. In accordance with this scheme 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 this Scheme including Guidelines or interpretation/ modification is required, Ministry of New & Renewable Energy after approval of Minister In-Charge will issue the same. The decision in this regard shall be binding on all the parties concerned.
3. This issues with the approval of the Competent Authority.

Yours faithfully



(Dr. Rahul Rawat)
Scientist – C

Ph: 011-24363402

E-mail: rahul.mnre@gov.in


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 Scheme on MNRE website
5. Sanction Folder



(Dr. Rahul Rawat)
Scientist – C

Guidelines for Tariff Based Competitive Bidding Process for procurement of power from 2500 MW ISTS Connected Blended Wind Power Projects

1. BACKGROUND

1.1. The Government has been striving towards providing clean and affordable electricity in the country. In this direction, the tariff based transparent competitive bidding process was initiated in both solar and wind sector, because of which there has been considerable drop in tariffs of wind and solar power.

1.2 The Government has issued standard bidding guidelines for tariff based competitive bidding of both wind and solar power projects and had sanctioned scheme to enable bids of wind solar hybrid projects. Bids of several new types of RE projects like RTC power, peaking power were also done recently by SECI, which has received good response.

1.3. It is seen that the tariff of wind power projects in recent bids have shown an upward trend and has become comparatively costlier compared to solar power. But, since wind power is available during the early morning and the evening hours, it is necessary to encourage setting up of more wind capacity while at the same time keeping the tariff attractive. This is proposed to be done by blending wind power with appropriate amount of solar power under this scheme. Accordingly, a specific provision of blending of solar PV power up to 20% has been made. Thus, this scheme of 2500 MW ISTS Connected RE projects with at least 80% of the above capacity being Wind Power with up to 20% blending of Solar PV Power has been designed. It is expected that this scheme will provide adequate capacity to wind power industry of the country by ensuring a visibility of at least 2000 MW capacity of wind power.

1.4. Section 63 of Electricity Act, 2003 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 this scheme. SECI will conduct e-bidding process followed by e-reverse auction for eligible bidders in accordance with the scheme guidelines and also develop a suitable mechanism for commissioning and performance monitoring of projects.

2. OBJECTIVES OF GUIDELINES

2.1. The objective of these Guidelines are as follows:

a) To provide a framework for procurement of electricity from 2500 MW Grid Connected Wind Power Projects with up to 20% blending of Solar PV Power (hereafter termed as 'Blended Wind Power Project') through a transparent process of bidding and for defining of roles and responsibilities of various stakeholders.

b) To enable the Distribution Licensees to procure electricity from Blended Wind Power Project at competitive rates in a cost effective manner.

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 Procurer(s), from Blended Wind Power Projects. Minimum size of project at one site is 50



MW and minimum bid capacity by one bidder is also 50 MW. However, the rated power capacity of any wind power project shall at least be 80% of the total contracted capacity. While the blended wind power project developer would be free to install wind turbines and DC solar PV capacity as per its design of required output including its requirement of auxiliary consumption, it will not be allowed to sell any excess power to any other entity other than intermediary procurer, unless refused by intermediary procurer.

3.2. The solar and wind projects may be located at same or different nearby locations. However, the individual wind/solar component constituting the Blended Wind Power Project, will inject power in the ISTS grid through a single metering point. For example in case of a 100 MW Blended Wind Power Project, the wind component of 80 MW or more shall supply power through a single metering point. The remaining 20 MW or less solar component shall also supply power through the same injection point. Thus, the solar component may be located at same or nearby location.

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

3.4. 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 on the plant respectively.

4. EXPLANATION / DEFINITION:

a) Procurer(s): The term 'Procurer(s)', as the context may require, shall mean the distribution licensee(s), or bulk consumer(s), as the case may be.

b) Extent of blending: It would be possible to blend upto 20% of total project capacity with solar power and therefore atleast 80% of the project capacity will be from wind power.

c) Intermediary Procurer

(i) An intermediary, between the distribution licensee(s) and the Blended Wind Power Generator(s) is required to aggregate power to be purchased from different generators and sell it to the distribution licensee(s). In such cases, the 'Intermediary Procurer' is essentially a trader, buying power from the Blended Wind Power Generator(s) and selling 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 procurer for this scheme.

(ii) The Intermediary Procurer shall enter into a Power Purchase Agreement (PPA) with the Blended Wind Power Generator(s) and also enter into a Power Sale Agreement (PSA) with the distribution licensee(s) or bulk consumers. The PSA shall contain the relevant provisions of the PPA on a back to back basis, except the payment obligations of the intermediary procurer under the PPA and PSA. The Intermediary Procurer shall charge a trading margin of seven paise/kWh from the Buying entity / Procurer for its service.

(iii) As long as the Intermediary Procurer follows these Guidelines for procurement of power, the distribution licensee(s) shall be deemed to have followed these Guidelines for procurement of Blended Wind Power.

