

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 *per cent*) 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 Procurer 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 procurer 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.

Tentative Time Table for Bid Process

Event	Time from Zero date
Date of issue of RfS and draft PPA and PSA	Zero date
Bid clarification, conferences, revision of RfS, etc.	**
RfS bid submission	22 days
Evaluation of bids and issue of LOI	110 days
Signing of PPA and the PSA	140 days

** In case of any change in RfS document, the Intermediary Procurer 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 Procurer gives extended time for any of the events in the bidding process, on account of delay in achieving the activities required to be completed before the event, 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 /