



NATIONAL SOLAR ENERGY FEDERATION OF INDIA

Regd. No. 362 / IV of 8 May, 2013

भारतीय सौर ऊर्जा महासंघ

पंजीकरण नं 362 / IV - 8 मई, 2013

Pranav R Mehta
Chairman

Ref. NSEFI/MoP/2021-22/027

Date: 02.06.2021

To,

Shri Raj Kumar Singh
Hon'ble Minister (IC) – Power and NRE
Government of India

Subject: Mishandling of UPNEDA Tender – Negative consequences on present/future FDI investments in India – Requesting your kind intervention

Reference:

- (1) RfP No. 05/UPNEDA/Grid Connect/RfP/2019 dt. 17.09.2019
- (2) NSEFI letter to UP CM, dt. 15.05.21 Ref:NSEFI/GoUP/21-22/2

Hon'ble Shri Raj Kumar Singh ji,

Greetings from National Solar Energy Federation of India. NSEFI is an umbrella organization for solar energy stakeholders in India representing companies active along the whole photovoltaic value chain: project developers, manufacturers, engineering companies, financing institutions, and other stakeholders. NSEFI was founded in 2013 by solar energy industry leaders with the vision to promote solar energy.

We are writing this letter to bring to your kind attention the challenges being faced by our members (solar developers) in the state of UP. In this letter we would like to highlight the concerns raised by our members who participated in the UPNEDA Phase-4 e-reverse auction bid conducted on 11 February 2020 and secured capacities to install solar projects. While in the subject Request for Proposal (RfP) referred as Ref. no. (1) above, wherein, inter alia it was specified that LOI was expected to be issued within 94 days of the e-reverse result. However, the LOIs were not received by members for the past 16 months and UPNEDA has communicated to our members earlier this week that the tender is cancelled.

1. UPNEDA in their letter to our members wrote “the Bids submitted by our members pursuant to the RFP have become time barred and infructuous because no action has taken by our members for the “bid period extension” and thus, no action is warranted from UPNEDA on these bids and the issue be treated as closed, hereafter”



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2. Apart from the lack of coherence and rationale in the statement made by UPNEDA, it is clearly logical that after a reverse auction process is completed the onus is on the bidding agency to issue the LOIs to the winners in a time bound manner as mentioned in the bidding guidelines. According to the RFP, UPNEDA was under an obligation to issue the Letter of Intent (“LOI”) on or before 15 May 2020 (i.e. 94 days). However, UPNEDA could not issue the LOI to our members within these timelines despite their regular follow up and requested our members to extend the timelines for extension of Bid Period Validity on various occasions which was duly accepted by our members. This was done by our members in the interest of commissioning the project hoping that they will receive the LOIs soon.
3. It is also pertinent to note that our members have also been extending the EMD along with extension of the Bid Validity Period and their EMD submitted is valid till 30 June 2021. It is very evident that our members have always shown their keen desire to implement the project within the timelines as they have been accepting the request of UPNEDA to extend the Bid Period Validity to enable UPNEDA to issue the LoI and have always been in compliance of the RFP. Despite this, UPNEDA failed to issue the LOI for the reasons only known to it.
4. It is very wrong on the part of UPNEDA to conclude that no action has been taken by our members for the Bid Period extension. There is no basis for UPNEDA’s statement that says our bids became time barred and infructuous because we didn’t take any action, while all the way it was UPNEDA whose inaction led to this.
5. We strongly believe and would like to submit that these Bids are valid and not liable to be cancelled or expire merely because UPNEDA has not fulfilled its part of obligations under the RFP.
6. While UPNEDA cannot cancel the bid at this stage unilaterally, we believe actions such as this will tarnish the image of India on the international stage thereby affecting our reputation among foreign investors and consequent FDI.
7. There has been an increasing trend among the states towards cancellation or re-negotiation of the bids (Example AP PPA renegotiation, Punjab tariff discount negotiation, Gujarat Dholera LoI cancellation), as per their own convenience, making it difficult for companies to execute projects in India.
8. This uncertainty will not only hinder the FDI in the sector, but also make foreign investors cautious towards all investments into the Power Sector which will affect India’s renewable energy journey and targets.



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Hence, we would like to request your good office to kindly intervene in this matter at the earliest and direct UP Government to retract their letter sent to developers and issue LoI for the bidders who won the reverse auction.

Looking forward to your kind support

With Best Regards



Pranav R Mehta
Chairman
National Solar Energy Federation of India

CC:

- **Shri Indu Shekhar Chaturvedi, Secretary, Ministry of New & Renewable Energy, Government of India, New Delhi**