

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/Petition No. 13 of 2023

Date of Hearing : 22.03.2023
Date of Order : 29.03.2023

In the Matter of

Petition under Section 86(1)(b) of the Electricity Act, 2003 read with Clause 3.1.1 and 18 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects issued by Ministry of Power vide notification dated 03.08.2017 and amended vide notifications dated 14.06.2018, 03.01.2019 and 25.09.2020 seeking approval of the Request for Selection (RfS)/ Bidding document for the procurement of 100 MW solar power with maximum Capacity up to 10 MW by any single generator to be set up in the State of Haryana along with draft Power Purchase Agreement to be executed with successful bidders.

Petitioner

Haryana Power Purchase Centre, Panchkula (HPPC)

Present on behalf of the Petitioner

1. Ms. Sonia Madan, Advocate

Quorum

Shri R.K. Pachnanda
Shri Naresh Sardana

Chairman
Member

ORDER

Brief Background of the case

1. The present petition has been filed by HPPC seeking approval of the tender/request for selection (RfS) document along with the proposed deviations from the Standard Bidding Guidelines, for procurement of 100 MW solar power from projects to be set up in Haryana.
2. HPPC has submitted as under:-
 - 2.1 That considering the need for promotion of solar power and the associated benefit of balancing the distribution of load from peak hours to day time off peak hours, the Steering Committee for Power Planning (SCPP) in its 67th meeting had decided to procure 100 MW of solar power with a maximum capacity up to 10 MW from any single generator to be set in the State of Haryana through tariff based competitive bidding.
 - 2.2 That guidelines including the Standard Bidding Documents (SBD) for tariff based competitive for procurement of power from Grid connected Solar PV Power projects have been issued by the Ministry of Power (MoP) vide notification dated 03.08.2017 and subsequently amended vide notifications dated 14.06.2018, 03.01.2019 and 25.09.2020 (hereinafter referred as 'Solar PV Guidelines, 2017').

- 2.3 It has been submitted that bidding document including RfS and Power Purchase Agreement (PPA), have been prepared in accordance with Solar PV Guidelines, with a few deviations.
- 2.4 That as per Clause 3.1.1 read with Clause 18 of the Solar PV Guidelines, 2017, the petitioner has to seek approval of the Hon'ble Commission for any deviation(s) from the Standard Bidding Guidelines.
- 2.5 That the salient terms and conditions of the draft RfS and PPA are as under:-

Tariff Based Competitive Bidding Selection	<u>Clause 3.2.1 of RfS</u> The selection of Grid-connected Solar PV Projects for total capacity of 100 MW with upto maximum of 10MW from single bidder will be carried out through tariff based competitive e-bidding followed by e-Reverse Auction process.
Minimum & Maximum Capacity of Project	<u>Clause 3.2.2 of RfS</u> For all Projects, the minimum bid capacity shall be 1 MW. The bids shall be quoted only in integral values. A bidder can offer projects at multiple locations subject to each project have minimum capacity of 1 MW with cumulative capacity offered not exceeding 10MW
Tariff	<u>Clause 3.2.2 of RfS</u> Bidder shall quote a single fixed tariff for entire of its projects capacity offered. The competitive tariff to be initially quoted by the bidders during the bidding process shall be firm and less than ceiling tariff of Rs. 3.38/- per kWh.
Location of project	<u>Clause 3.2.4 of RfS</u> The bidders are free to locate their Ground mounted Solar PV Project(s) anywhere in Haryana on the land to be identified and purchased or taken on lease by the bidder.
Financial Requirement Net Worth	<u>Clause 3.4.6(i) of RfS</u> The Net-Worth of the Bidder for the financial year ended 31.03.2021 or 31.03.2022 shall not be less than INR 1(one) Crores per MW (of the capacity quoted)
Liquidity	<u>Clause 3.4.7 of RfS</u> A minimum annual turnover of Rs. 50 Lakhs/MW of the quoted capacity during the previous financial year i.e. FY 2021-22 or FY 2020-21. or Internal resource generation capability, in the form of Profit Before Depreciation Interest and Taxes (PBDIT) for a minimum amount of Rs. 10 Lakhs/MW of the quoted capacity, as on 31.03.2021 or 31.03.2022. or In-principle sanction letter from the lending institutions/banks of the Bidder, committing a Line of Credit for a minimum amount of Rs. 12.5 Lakhs/MW of the quoted capacity.
Connectivity with the Grid	<u>Clause 3.5 of RfS</u> The project should be designed for delivery of energy at Delivery Point i.e. Grid substation of Discoms/HV/PNL. The entire cost of transmission including cost of construction of line, maintenance, losses etc. from the project up to the delivery/ interconnection point will be borne by the Successful Bidder.
Clearances Required from the Centre/State Government and other Local Bodies	<u>Clause 3.6 of RfS</u> All necessary approvals, permits and clearances required for setting up of the Project (including connectivity and land registration) and those required from State/Central Government and local bodies shall be in the scope of the successful bidder.

Guarantees - Earnest Money Deposit (EMD) and Performance Guarantee (PG)	<p><u>Clause 3.7 of RfS</u></p> <p>a) The Bidder shall provide Earnest Money Deposit (EMD) of Rs. 8 Lakh / MW in the form of Bank Guarantee from nationalized and scheduled Bank in the favour of HPPC payable at Panchkula/Chandigarh, valid for 06 months from the last date of bid submission with claim period up to 07 months. The EMD shall be returned to the Successful Bidders after PGs submitted by them are verified by HPPC and PPAs are signed.</p> <p>b) Performance Guarantee (PG) of @ Rs. 20 lakhs/MW in the form of Bank Guarantee after issuance of LOI and before signing of PPA from nationalized and scheduled Bank in the favour of HPPC payable at Panchkula/Chandigarh. The PBGs shall be valid up to a period of 6 months from Scheduled Commercial Operation Date (SCOD) of the Project with claim period up to 7 months from SCOD.</p>
Signing of PPA	<p><u>Clause 3.7.3 of RfS</u></p> <p>The Successful Bidders are required to sign PPA with HPPC within 45 days from the date of signing of LOI.</p>
Financial closure	<p><u>Clause 3.10 of RfS</u></p> <p>a) The Successful Bidder shall report tie-up of Financing Arrangements for the Project(s) within 12 months from the date of execution of PPA for which the Successful Bidder shall furnish documentary evidence within 12 months from the date of execution of PPA.</p> <p>b) Failing the aforesaid, HPPC shall encash the Performance Bank Guarantee. An extension for the attainment of the financial closure can however be considered by HPPC, on the sole request of the Successful Bidder, on advance payment of extension charges of Rs. 1000/- per day per MW (Plus GST). In case of any delay in depositing this extension charge, the Successful Bidder has to pay an interest on this extension charge for the days lapsed beyond due date of Financial Closure @ SBI MCLR (1 Year). This extension will not have any impact on the SCOD. Any extension charges paid so, shall be returned to the Successful Bidder, without any interest, on achievement of successful commissioning within the SCOD, on pro-rata basis, based on the Project Capacity commissioned on SCOD.</p>
Commissioning of Project	<p><u>Clause 3.11 of RfS</u></p> <p>The projects shall be commissioned, within a period of 18 (Eighteen) months from the date of execution of the PPA.</p>
Penalty for Delay in Commissioning	<p><u>Clause 3.11.2 of RfS</u></p> <p>The Project shall be commissioned by the Scheduled Commercial Operation Date. In case of failure to achieve this milestone, HPPC shall encash/forfeit the Performance Guarantee (PG) in the following manner.</p> <p>a) Delay up to two (2) months from SCOD-HPPC will encash total Performance Guarantee on per day basis and proportionate to the balance Capacity not commissioned.</p> <p>b) In case the commissioning of the project is delayed beyond two (2) months from SCOD, the seller's Event of Default as per Article 10.2.1 of PPA shall be considered to have occurred and the contracted capacity shall stand reduced to the project capacity commissioned up to SCOD plus 2 (two) months. The PPA for balance capacity not commissioned shall be terminated and HPPC will forfeit the total PBG.</p> <p>In case of delay of plant commissioning due to reasons beyond the control of the SPG, HPPC after having been satisfied with documentary evidences produced by the SPG for the purpose, can extend the time for commissioning date without any financial implications to the SPG.</p>
Early Commissioning	<p><u>Clause 3.11.3 of RfS</u></p> <p>The Successful Bidder shall be permitted for full commissioning as well as part commissioning of the Project even prior to the SCOD. In cases of early part-commissioning, till SCOD, HPPC may purchase the generation till SCOD, at 75% (seventy-five per cent) of the PPA tariff and SCOD will not get altered due to Part commissioning. However, in case the entire</p>

	capacity is commissioned prior to SCOD, HPPC may purchase the generation at PPA Tariff.
Minimum Paid up Share Capital to be Held by Project Promoter	<u>Clause 3.12 of RfS</u> 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% (fifty-one percent) at any time prior to 1 (one) year from the COD, except with the prior approval of HPPC.
Right of HPPC to Reject a Bid	<u>Clause 3.21 of RfS</u> HPPC reserves the right to reject any or all of the responses to RfS or cancel the RfS or annul the bidding process for any project at any stage without assigning any reasons whatsoever and without any liability
Ineligibility for Participation in Retenders	<u>Clause 3.23 of RfS</u> Notwithstanding the provisions specified above, if a bidder after having been issued the Letter of Intent either does not sign the PPA pursuant to Clause 3.9 or does not submit acceptance of LOI or acceptable Performance Guarantees pursuant to Clause 3.7 then such bidder shall be treated ineligible for participation in retendering of this particular selection process if any.
Bid Evaluation	<u>Clause 4.1 of RfS</u> Bid evaluation will be carried out considering the information furnished by Bidders as per the provisions specified in Section 3 of this RfS. To ensure competitiveness, the minimum number of qualified Bidders required should be two. If the number of qualified bidders is less than two, even after three attempts of bidding, HPPC may continue with the bidding process subject to requisite approvals/consent of Hon'ble HERC. The detailed evaluation procedure and selection of bidders are described in this Section.
Financial Bid (Part-II) Evaluation (Step-2):	<u>Clause 4.2 B of RfS</u> In this step, evaluation will be carried out based on tariff quoted by the Technical qualified bidders. Financial Bids (Part II) of the Qualified Bidders shall be opened online, on the date as specified in Bid Information sheet or as intimated by HPPC on the ETS e-bidding portal https://www.bharatelectronicstender.com . The bidders quoting tariff equal to or more than the maximum ceiling under this RfS (Rs. 3.38/kWh) shall be treated as disqualified and shall not be eligible for reverse auction bidding/ process.
Reverse Auction (Step-3)	<u>Clause 4.3 of RfS</u> i. After completion of evaluation of the financial bids and ranking of bidders e-reverse auction will be conducted to determine the last lowest discovered tariff. ii. Participation Charges for the e-Reverse Auction Event of Rs.15,000 (plus GST) payable directly to the ETS Service Provider, are to be paid Online on the Bharat-Electronic Tender portal by all bidders wishing to participate in the e-Reverse Auction. At the start of the reverse auction process, the tariff quoted by bidder in financial bid along with the qualified capacity of Project(s) of short-listed bidders shall be considered as their first quoted tariff and lowest quoted tariff will be displayed to all the bidders. iii. The Reverse auction shall be held on the same day as the opening of Financial Proposal within 120 minutes of opening of financial bid and the respective tariff of bidder shall be displayed on its window. After opening of financial bid, reverse e-auction will be done with all the bidders.
Auction extension time	<u>Clause 4.3.2 of RfS</u> The initial auction period will be of sixty (60) minutes with a provision of 'n' number of auto extensions of 10 (ten) minutes each from the scheduled/ extended closing time. Such auto extension shall be effected if by way of reduction in quoted price, a Bidder causes a change in the list of awardees which are in the bucket at that point. If no valid bid is received

	<p>during last 10 minutes of auction period or extended auction period, then the e-reverse auction will get closed</p> <ol style="list-style-type: none"> i. During the e-Reverse Auction the Bidders will have the option of reducing the tariff quoted by them in decrements of Rs. 0.01/kWh or multiples thereof. During the Reverse Auction the prevailing Lowest Tariff would be visible to all the Bidders. In addition, bidder's own respective rank will also be visible to all bidders. ii. Bidders can only quote any value lower than their previous quoted tariff taking into consideration of the minimum decrement value mentioned above. However, at any stage, increase in tariff will not be permissible. Bidders can improve their ranking by quoting the tariff lower than their last quoted tariff. iii. Further, in Reverse Auction no revision in capacity of Project(s) for which a bidder is considered qualified after evaluation of technical bid is allowed. During Reverse Auction, the bidder shall not have the option of changing the total project capacity while quoting tariff. iv. After completion of E-reverse auction, HPPC will display the discovered lowest tariff alongwith the capacity offered by the L-1 bidder on the same day and would be visible to all the Bidders ("Discovered lowest Tariff").
<p>Procedure for L-1 matching after the e-reverse auctioning for two way Chat system</p>	<p><u>Clause 4.4 of RfS</u></p> <ul style="list-style-type: none"> • Two-Way Chat system is available between the Buyer/ Auctioneer and all those Bidders who have participated in e-Reverse Auction. The Auctioneer can use this to broadcast information related to 'Discovered lowest tariff' and remaining quantity. The Auctioneer, can also broadcast message to all other Bidders to offer their capacity at 'Discovered lowest tariff'. • The Bidders can submit their 'Acceptance' through this Chat itself and the Digitally Signed documents will be submitted by such bidders in module 'Supporting Documents'. Response of each Bidder will be logged by the system with Date and Time. Preference would be given on the basis of the order in which the bidders have responded in terms of "Acceptance". <p>Note:</p> <ol style="list-style-type: none"> A. If the sum of quantum of power offered exceeds the power requirement of 100 MW, then selection will be done on the following criteria: <ol style="list-style-type: none"> I. The bidder offering the maximum capacity will be given first priority. II. The bidder who will respond first by accepting the tariff will be given second priority. III. In case bidder have fulfilled above two conditions, then the bidder will be selected whose net worth is higher than the other. B. List of successful bidders along with their capacity and tariff will be displayed on the site once the full capacity is achieved. C. Bidders are not allowed to increase their Bid capacity in MW during the Two way Chat or in subsequent stages. However, they may reduce the capacity offered. D. After finalization of above selection procedure and adoption/approval of tariff by State Commission, the Letter(s) of Intent shall be issued to all such Successful Bidder(s) selected as per the provisions of this RFS. E. The bidder will submit PG within 15 days of issue of LOI. F. If the Successful bidder, to whom the Lol has been issued, does not fulfil any of the conditions specified in the Clauses 3.7, HPPC reserves the right to annul the award of the letter of Intent of such successful bidder and encash the EMD. G. HPPC, in its own discretion, has the right to reject any/all Bids if the Single Quoted Tariff is not aligned to the prevailing market prices and HPPC decision in this regard shall be final and binding on bidders.

	<p>In case of the last selected bidder, if the balance project capacity is less than the total project capacity mentioned by the bidder, then the balance capacity shall be awarded to the bidder till the total capacity is exhausted subject to a maximum allocation of 100 MW.</p> <p>However, if the allocated capacity is less than 50% of the offered capacity by the bidder, then the bidder shall have the right to refuse the bid within 7 working days after e-reverse auction event in writing. In such case, this balance capacity will be offered to next eligible bidder at HPPC discretion. EMD submitted by such Bidder shall be returned along with those of the unsuccessful Bidders.</p> <p>Further, in case the partial capacity offered is greater than or equal to 50% of the total quoted capacity by such Bidder, then it shall be mandatory for the last Bidder to accept such partial capacity offered against its quoted capacity, subject to the total cumulative capacity awarded after e-Reverse Auction to the successful Bidders not exceeding 100 MW. In case the last Bidder refuses to accept such partial capacity offered by HPPC, EMD submitted by such Bidder shall be forfeited/encashed by HPPC.</p>
Selection of Successful Bidders	<p><u>Clause 4.4.1 of RfS</u></p> <p>In case the capacity offered by discovered L-1 bidder is not sufficient to meet the required capacity of RFS, then all those bidders who have participated in the above E-reverse auction process will be asked to offer their capacity at the L-1 discovered lowest tariff to be declared on the same day of E-RA through two way Chat system (as per Note below), so that the remaining capacity is fulfilled.</p>
Validity of the Bid	<p>The Bid submitted by the bidder shall remain valid up to one hundred and eighty (180) days after the Bid Deadline ("Bid Validity").</p>
Power Generation by Successful Bidder	<p><u>Clause 3.9 of RfS</u></p> <p>a) Criteria for Generation: The Successful Bidder will declare the annual CUF of their Project at the time of submission of response to RfS, which shall be allowed to be modified until 1 year from Commercial Operation Date of the project. Thereafter, the CUF for the Project shall remain unchanged for the entire term of the PPA. The declared annual CUF shall, in no case, be less than 21%. SPD shall maintain generation so as to achieve CUF in the range of $\pm 10\%$ their declared value during the entire duration of PPA i.e. 25 years from the COD of the plant.</p> <p>b) Shortfall in Generation: If for any Contract Year, it is found that the SPD (Solar Power Developer) has not been able to generate and supply minimum energy corresponding to the value of annual CUF within the permissible lower limit of CUF on account of reasons solely attributable to the SPD, such shortfall in performance shall make the Solar Power Generator liable to pay the compensation of 25% (Twenty -five percent) to HPPC for shortfall in generation below minimum CUF, calculated at PPA tariff.</p> <p>c) Excess Generation: In case the generation is over and above 10% of declared annual CUF, the Solar Power Developer will be free to sell it to any other entity provided first right of refusal will vest with the HPPC. In case the HPPC purchases the excess generation, the same shall be done at 75% (seventy-five per cent) of the PPA tariff.</p> <p>d) Re-powering: The Successful Bidder, at its cost and responsibility, will be free to repower their Plant(s) from time to time during the PPA duration without any liability on HPPC. However, HPPC will be obliged to buy power only within the range of CUF specified in the PPA. Any excess generation shall be dealt as per the PPA</p>
Payment Security Mechanism	<p><u>Article 6.5 of PPA</u></p> <p>Letter of Credit (LC): HPPC shall open and maintain an irrevocable monthly revolving LC in favour of the SPD issued by any Nationalized Bank. All costs relating to opening, maintenance of Letter of Credit shall be borne by HPPC</p>

2.6 That following deviations from the Solar PV Guidelines, 2017, as amended from time to time, have been incorporated by the petitioner in the RfS -

Sr No.	Clause as per guidelines of MoP	Clause as per RfS prepared by HPPC	Reasons for deviation
1	<p>5.3. Payment Security: The Procurer shall provide adequate payment security measures, as specified below.</p> <p>5.3.1. Scenario 1: Direct Procurement by Procurer from Solar Power Generator: The Procurer shall provide payment security to the Solar Power Generator through:</p> <p>a) Revolving Letter of Credit (LC) of an amount not less than 1 (one) months' average billing from the Project under consideration; AND,</p> <p>b) Payment Security Fund, which shall be suitable to support payment for at least 3 (three) months' billing of all the Projects tied up with such fund;</p> <p>c) In addition to a) & b) above, the Procurer may also choose to provide State Government Guarantee, in a legally enforceable form, ensuring that there is adequate security to the Solar Power Generator, both in terms of payment of energy charges and termination compensation if any</p>	<p>Article 6 of PPA -</p> <p>6.5 Payment Security</p> <p>6.5.1 Revolving Letter of Credit (LC): HPPC shall provide to the SPD, in respect of payment of its Monthly Bills, an unconditional, revolving and irrevocable Letter of Credit (LC), opened and maintained by HPPC, which may be drawn upon by the SPD, to be made operative at least 15 days prior to the Due Date of its first Monthly Bill under this Agreement.</p> <p>6.5.2 The Letter of Credit shall have a term of twelve (12) months and shall be renewed every year. The amount of LC shall be equal to:</p> <p>i. the estimated average monthly billing for the first Contract Year, and</p> <p>ii. the average of the monthly tariff payments of the previous Contract Year for each subsequent Contract Year.</p> <p>Provided that the SPD shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill, and shall not make more than one drawal in a month.</p>	<p>HPPC has only retained the Revolving Letter of Credit as payment security mechanism. The said amendment as been done in the larger interest as the same is highly effective and stable security mechanism and reduces credit risk.</p>
2	<p>3.2.3. Project site selected by the Solar Power Generator: In case the Procurer does not specify a site or in a Solar Park and the Project site is selected by the Solar Power Generator, to ensure timely completion and commencement of supply of power, 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:</p> <p>---</p> <p>a) Land acquisition: Within 12(twelve) months of the execution of the PPA,</p>	<p>RfS- Clause 3.10</p> <p>3.10.5 SPD shall submit necessary documents/Lease Agreement duly registered, to establish possession/right to use 100% of the required land in the name of solar power developer or its Affiliate for a period not less than the complete term of PPA along with arrangement for Connectivity of project with HPPC/HVPLN. In case the land is in the name of the Affiliate, the land should be transferred in the name of SPD <u>prior to</u> Financial closure. Wherever</p>	<p>The only deviation proposed in this condition is the time limit for transferring the land in the name of Solar Power Developer in the event the same has been procured in the name of the Affiliate. The transfer of the same prior to Financial Closure is imperative as the same shall</p>

	<p>submission of documents/ Lease Agreement to establish possession/ right to use 100 % (hundred per cent) of the required land in the name of the Solar Power Generator or its Affiliate. In case the land is in the name of any other entity, including Affiliate, the land/ land lease rights should be transferred in the name of Solar Power Generator <u>prior to Scheduled Commissioning Date (SCD)</u>. 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 Solar Power Generator.</p>	<p>leasing of private land is involved, the lease should allow transfer of land to the lender or procurer, in case of default of the SPD. A sworn affidavit from the authorized person listing the details of the land and certifying total land required for the project under clear possession of the solar power developer shall also be submitted</p>	<p>enable process of final connectivity approval in the name of SPD and enable grant of final approvals in the name of SPD to avoid further amendments to the same.</p>
3	<p>3.2.3 Project site selected by the Solar Power Generator: In case the Procurer does not specify a site or in a Solar Park and the Project site is selected by the Solar Power Generator, to ensure timely completion and commencement of supply of power, 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:</p> <p>b) A letter from State Transmission Utility (STU)/ Central Transmission Utility (CTU) [or Solar Power Park Developer, in case of selected site being a solar park] confirming technical feasibility of connectivity of the plant to STU/CTU substation. If the Project site is located in the same State as the Procurer/End Procurer, State Govt. shall endeavor to provide necessary support to facilitate the connectivity of the plant to STU/CTU substation.</p>	<p>RfS, Clause 4.6 4.6 Role of HVPNL It is envisaged that the HVPNL will provide transmission system connectivity to facilitate the evacuation of power from the Projects as per terms of this document. HVPNL shall coordinate with the Planning wing of Discoms for grant of feasibility upon application by the developer in this regard, in accordance with the applicable electricity laws.</p>	<p>Since the business of transmission of power is undertaken by HVPNL for the State of Haryana, the HVPNL has been specifically named in the Clause to make it explicit.</p>
4	<p>4.3.1. Tariff as the Bidding Parameter: In this case, the bidding parameter shall be the tariff quoted by the bidder. The Procurer may select either of the following kinds of tariff based Bidding: (a) fixed tariff in Rs./kWh for 25 (twenty-five) years or more or (b) escalating tariff in Rs./kWh with pre-defined quantum of annual</p>	<p>RfS, Clause 3.2.2 3.2.2 Minimum & Maximum Capacity of Project: For all Projects, the minimum bid capacity shall be 1 MW. The bids shall be quoted only in integral values. A bidder can offer projects at multiple locations subject to each project have minimum capacity of 1 MW with cumulative</p>	<p>In absence of any tariff notified by this Hon'ble Commission for any grid connected Solar PV projects for FY 2023-24, HPPC has considered the ceiling tariff of Rs 3.38/Kwh after</p>

	<p>escalations fixed in Rs./kWh and number of years from which such fixed escalation will be provided. The Procurer shall specify that the tariff quoted by the bidder cannot be more than the tariff for grid-connected solar PV power plants, notified by the Appropriate Commission, if any, for the financial year in which the bids are invited. The Procurer may disclose in the RfS, the prevailing incentives like the Generation Based Incentive (GBI) or such other incentives, to the Solar Power Generators.</p>	<p>capacity offered not exceeding 10MW. However, Bidder shall quote a single fixed tariff for entire of its projects" capacity offered. The competitive tariff to be initially quoted by the bidders during the bidding process shall be firm and less than ceiling tariff i.e. Rs. 3.38/- per kWh. This would be followed by the e reverse auction and after e-reverse auction, the discovered tariff shall be applicable for the entire contract period (25 years).</p>	<p>considering the tariff discovered by SECI and factoring in additional transmission cost, increase in safeguard duty and GST.</p>
5	<p>11.2 Performance Bank Guarantee (PBG)/ Performance Guarantee (PG) 11.2.1 Performance Guarantee (PG), to be fixed by the Procurer [but not to be more than 4% (four per cent), in case of site specified by the Procurer, and 5% (five per cent), in case of site selected by the Solar Power Generator, of the Project cost, as determined by CERC, if any, for the financial year in which the bids are invited or the estimated project cost] to be submitted at the time of signing of the PPA, in the form of: (a) Bank Guarantee(s); OR (b) "Payment on Order instrument"/Letter of Undertaking to pay in case situation of default of solar power generator in terms of Power Purchase Agreement (PPA) arises, from Indian Renewable Energy Development Agency (IREDA)/Power Finance Corporation Limited (PFC) and REC Limited (REC);</p>	<p>RfS, Clause 3.7 3.7 Guarantees -Earnest Money Deposit (EMD) and Performance Guarantee (PG) 3.7.1 The Bidder shall provide the following Guarantees to HPPC in a phased manner as follows: xxx ii) Performance Guarantee (PG) of @ Rs. 20 lakhs/MW in the form of Bank Guarantee after issuance of LOI and before signing of PPA from nationalized and scheduled Bank in the favour of HPPC payable at Panchkula/Chandigarh. 3.7.2 Performance Guarantee (PG) wherever mentioned in this document shall refer to Performance Guarantee (PG) in the form of Bank Guarantee.</p>	<p>Since Performance Bank Guarantee (PBG) is a more stable payment security mechanism, the PBG as mode of security alone has been retained in the larger interest.</p>

2.7 The petitioner has averred that the above mentioned deviations/vis-a-vis SBD will make the conditions specific and more explicit. The said deviations do not, in any manner, bestow undue preference to any party and are in consonance with the objectives of the Electricity Act, 2003 and the regulatory framework of this Hon'ble Commission.

2.8 The following Prayers have been made:-

- a) Grant approval of Tender/ RfS document appended herewith along with deviations as detailed in the Petition;
- b) Grant approval of draft PPA to be executed with the successful bidders along with deviations as detailed in the Petition;
- c) Allow HPPC to float tender and invite applications for setting up of the Solar PV Plant in the State of Haryana on the conditions specified under approved Bidding documents;
- d) Pass any such further order(s) or direction(s) that this Hon'ble Commission may deem fit and necessary in the facts and circumstances of the case.

Proceedings in the Case

3. The case was heard on 22.03.2023, in the court room of the Commission, wherein the petitioner (HPPC) mainly reiterated the contents of its petition, which for the sake of brevity are not being reproduced here.

Commission's Order

4. The Commission has considered the submissions of the petitioner including the reasons for certain deviations from the SBD. Admittedly, there is a need to procure renewable energy including solar energy not only to fulfill RPO obligations but also to promote larger integration of clean sources to mitigate green house gas effect and move towards carbon neutrality. Further, setting up of such projects in Haryana will have the spin-off benefits in terms of reduction of transmission and distribution losses as solar power will be generated and consumed locally. Additionally, it will enable peak load management and thereby avoid investments, to a certain extent, in transmission and fossil fuel generation capacity.
5. The deviations proposed from the SBD is also approved as the same has been considered to impart clarity and is no way hinders tariff based competition amongst the interested bidders.
6. In terms of the above discussions, the bidding document along with the proposed deviations irrespective of the capacity is approved. Accordingly, the present petition stands disposed of.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 29.03.2023.

Date: 29.03.2023
Place: Panchkula

(Naresh Sardana)
Member

(R.K. Pachnanda)
Chairman