

Dated 23 August 2018

Clarification-1 for the queries received from the Bidders till 1100 hours of 21 August 2018

The clarification to the Bidding Documents for “short term tender for development of 200 MW (AC) solar power projects in Karnataka to be implemented in 10 (ten) Talukas” dated 10 Aug 2018 including but not limited to the RFP and Draft PPA is mentioned below:

Clause no.	Description	Query/Suggestion	KREDL’s Clarification
RFP Clause 1.1	GoK intends to undertake the development of 200 MW (Two Hundred Mega Watt) (AC) (20 MW (AC) x 10 Talukas) Grid Interactive Megawatt Scale Solar Power Plants across ten (10) Talukas of Karnataka	Kindly provide the details of the available bay space in the interconnecting substations in the respective Talukas.	This shall be the responsibility of the Bidders to review the information related to this query. No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Clause 1.1.3	The Developer shall carry out maintenance of the transmission lines during the PPA Period. Also, applicable supervision charges shall be paid by the Developer.	Operation & Maintenance of transmission line should be the responsibility of the KPTCL/ESCOM.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Clause 1.1.9		Change in location of the Project is permitted within geographical boundary of the Taluka only. Please confirm that change in location of the Project is permitted up to SCOD.	The change in location of the Project is permitted up to SCOD, subject to the Bidder meeting the SCOD related timelines as per the terms and conditions of the Bidding Documents. In no case, KREDL/ BESCOM or any other authorities shall be responsible for any delay in achieving the SCOD on the account of such change in location brought by the Bidder. In such cases, the Bidder shall be solely responsible

Short term tender for development of 200 MW (AC) solar power projects in Karnataka to be implemented in 10 (ten) Talukas” dated 10 Aug 2018

Clause no.	Description	Query/Suggestion	KREDL's Clarification
			<p>in case of any delay in achieving the SCOD and in no case any additional extension of timelines shall be permitted.</p> <p>No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.</p>
RFP Clause 1.1.9	The Selected Bidder may change the proposed location within the same Talukas only indicated during the RFP stage for the Project, in the event that land or rooftop or floating area or canal top or combination of either of the above for the same cannot be acquired or for other technical reasons	Please confirm that change in Location shall be allowed till the commissioning of the project	<p>Yes, the understanding is accurate. The change in location of the Project is permitted up to SCOD or any further date of achieving COD on actual basis, subject to the terms and conditions of the bidding documents.</p> <p>No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.</p>
RFP Clause 1.2.5	Under the Project Agreements, BESCO shall enter into PPA with Solar Power Developers for the PPA Term. The maximum tariff payable to the Project developer is fixed at 2.93 INR (Indian Rupees Two and Ninety Three Paisa) per kWh for 25 years.	<p>Due to levy of Safeguard Duty, kindly modify the said clause as mentioned below:</p> <p>“Under the Project Agreements, BESCO shall enter into PPA with Solar Power Developers for the PPA Term. The maximum tariff payable to the Project developer is fixed at 3.33 INR (Indian Rupees Three and Thirty Three Paisa) per kWh for 25 years.”</p> <p>Or</p>	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
		<p>Kindly increase the Commissioning timelines to 24 months so that the timelines Modules procurement fall beyond 29.07.2020.</p> <p>Rationale: Ministry of Finance (MoF) vide its notification dated 30.07.2018 has levied safeguard duty on import of “Solar cells whether or not assembled in modules or panels” from China and Malaysia as below:</p> <ul style="list-style-type: none"> - 25% minus anti-dumping duty payable, if any, when imported during the period from 30.07.2018 to 29.07.2019. - 20% minus anti-dumping duty payable, if any, when imported during the period from 30.07.2019 to 29.01.2020. - 15% minus anti-dumping duty payable, if any, when imported during the period from 30.01.2020 to 29.07.2020. <p>Since the commissioning timelines is 12 months from KERC Approval, 25% Safeguard duty may be levied on the procurement of Solar Modules. This will increase the project cost considerably at which Rs 2.93/kWh will not be a workable tariff</p>	

Clause no.	Description	Query/Suggestion	KREDL's Clarification
RFP Clause 2.1.1		<p>The Bidder including its Parent, Ultimate Parent, Affiliate, Group Business Entity (ies) or any other Group Entity (ies) either bidding as Single Bidder or as a Consortium is eligible to submit only 1 (one) Bid for 1 (one) Taluka. Suggest allowing multiple bids from a bidder. Encouraging more competition is in the interest of the off taker as it will ensure discovery of lowest possible tariff</p>	<p>The Bidder including its Parent, Ultimate Parent, Affiliate, Group Business Entity (ies) or any other Group Entity (ies) either bidding as Single Bidder or as a Consortium is eligible to submit only 1 (one) Bid for all the Taluka(s) for which the Bidder is eligible to participate as per the Technical Criteria and Financial Capacity along with all other terms and conditions as mentioned in the RFP. An Addendum will be issued in this regard.</p> <p>For other points raised in this query, no change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.</p>
RFP Clause 2.1.15	<p>A Bidder/ Consortium Member should, in the last three years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Bidder, nor been expelled from any project or contract nor have had any contract terminated for breach by such Bidder/ Consortium Member.</p>	<p>Please clarify that this statement, "have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Bidder" means and infers that such non-performance eventually leads to termination /abandonment of the project.</p>	<p>No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.</p>

Clause no.	Description	Query/Suggestion	KREDL's Clarification
RFP Clause 2.14.2	The Bidder can quote for one Quoted Tariff in this Price Bid for all the Project(s) capacities up to a maximum tariff of 2.93 INR (Indian Rupees Two and Ninety-Three Paise) per kWh	We request you to kindly remove the Ceiling tariff.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Clause 2.14.2	The Bidder can quote for one Quoted Tariff in this Price Bid for all the Project(s) capacities up to a maximum tariff of 2.93 INR (Indian Rupees Two and Ninety-Three Paise) per kWh.	<p>The said cap on the tariff appears to have been adopted from the L1 tariff discovered by the utility in the previous Taluka based tendering which is prior to the notification of the Safeguard Duty (“SGD”) by the Ministry of the Finance, Govt of India.</p> <p>As you may be aware the Orrisa & Madras High Court and have stalled charging of any SGD also the recent notification dated: 13th August, 2018 from Ministry of Finance in regards to the Safe Guard Duty, we humbly request you to please confirm that the said Cap is without considering the impact of SGD and that upon Effectiveness of the SGD it would qualify for the Change in Law. Also the SBD of MNRE and also few other bid documents have notified the Formula for Compensatory Tariff on account of the Change in Law due to the SGD. We humbly request you to consider the same.</p> <p>“In case of Change in Law, Power Producer shall be allowed an increase / decrease in tariff of 1 paise / unit for every increase / decrease of Rs. 1 Lakh in the Project Cost which shall be allowed upon submission of proof of payment made by the Power Producer towards safeguard duty and/or anti-dumping duty to the concerned Authority”</p>	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
		Also, we request you to consider revision in the Cap in the event the SGD is getting effective post the August 20, 2018 after which the temporary stay on SGD may get vacated.	
RFP Clause 2.14.2	In no case, the Quoted Tariff in this Price Bid can be more than the ceiling limit of 2.93 INR (Indian Rupees Two and Ninety Three Paisa) per kWh for all the Project(s) capacities	Please remove the Benchmark tariff. As per KERC 'Determination of tariff and other norms in respect of new Solar Power Projects (Ground mounted and Solar Rooftop Photovoltaic Units) for FY 2018-19 order dated 18th May, 2018, the Levelized tariff is Rs 3.05/kWh. A simple assessment of the derivation of tariff, considering an imposition of Safeguard duty of 25% on the module costs, without changing the rest of the assumptions, shows that the Levelized tariff increases to Rs. 3.42/kWh. An appropriate relief in the form of a confirmation of a similar increment in tariff based on appropriate calculations must be provided to the SPD prior to Bid due date. Considering the above, please raise the benchmark tariff by 50 paisa.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Clause 2.14.2		In no case, the Quoted Tariff in this Price Bid can be more than the ceiling limit of 2.93 INR (Indian Rupees Two and Ninety Three Paisa) per kWh for all the Project(s) capacities. We strongly urge KREDL to increase the tariff ceiling due to the expected imposition of Safeguard Duty and variation in radiation available across different talukas. Suggest using the State APC of Rs 3.57/kWh as the ceiling, in line with past taluka-based tender	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
RFP Clause 3.3.2.a. Technical Capacity Para 1	The Bidder proposing aggregate capacity of more than 20 MW (AC) shall have developed and commissioned the projects in the World as a Developer of not less than 20% of the {Cumulative capacity proposed - (minus) initial 20 MW (AC)} (“Technical Experience”).	<p>We are confident that the utility would agree that in the present-day development, construction and operation of the Solar PV Projects can be done without much background experience. Further, there is a networth requirement cited in the Financial Criterial of Rs. 2 cr / MW which in itself is a deterrent to the bidders without the financial strength.</p> <p>So, to promote more competition we humbly request you to consider no Technical Experience criteria for up to 60 MW instead of just 20 MW. Accordingly, the Para may be modified as below:</p> <p>The Bidder proposing aggregate capacity of more than 60 MW (AC) shall have developed and commissioned the projects in the World as a Developer of not less than 20% of the {Cumulative capacity proposed - (minus) initial 60 MW (AC)} (“Technical Experience”).</p> <p>We reiterate that this would promote a healthy competition and would result in discovering a competitive tariff for the DISCOM</p>	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Clause 3.3.2.a. Technical Capacity Para 2	For the avoidance of doubt, the Bidder claiming technical experience should have held, in the Project, a minimum of twenty six percent (26%) equity at the time of commercial operation date of the project(s) for which Technical Experience is being claimed.	<p>As known to you, the Ministry of New and Renewable Energy (“MNRE”), Govt of India has been notifying the Standard Bid Documents (“SBD”) and changes to them from time to time. It is pertinent to note that there are no specific Technical Qualification criteria sought in the SBD from bidders except for the Technology to be adopted.</p> <p>Also, as per the SBD of MNRE in the event the bid is through a JV the JV Partners can borrow the strength of the parent / affiliates. While we appreciate the intent of the utility in notifying the Technical Eligibility, completely disallowing</p>	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL’s Clarification																						
		<p>even credible participants on account of not meeting the 26% stake on CoD criteria is terrible and therefore we humbly request you to consider the following in the Para 2 of the clause:</p> <p>For the avoidance of doubt, the bidder claiming technical experience should have held, in the Project, a minimum of 26% equity at the time of commercial operation date of the project(s) for which the Technical Experience is being claimed. However, in the event the stake of such bidder / its Parent is < 26% then only Proportionate Stake of such Bidder / its Parent in the Project Capacity will be considered for the Technical Qualification. Same is explained by way of an example below:</p> <table border="1" data-bbox="909 865 1404 1036"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">Units</th> <th colspan="2">Stake</th> </tr> <tr> <th>>=26%</th> <th><26%</th> </tr> </thead> <tbody> <tr> <td>1. Project Capacity Commissioned by Bidder / Parent</td> <td>MW</td> <td>100</td> <td>100</td> </tr> <tr> <td>2. Stake of the Bidder / Parent</td> <td>%</td> <td>26%</td> <td>16%</td> </tr> <tr> <td>3. Technical Eligibility Capacity</td> <td>MW</td> <td>100</td> <td>16</td> </tr> <tr> <td>4. Capacity Eligible to Bid*</td> <td>MW</td> <td>200</td> <td>80</td> </tr> </tbody> </table> <p>* in incremental to the 60 MW Capacity</p>	Particulars	Units	Stake		>=26%	<26%	1. Project Capacity Commissioned by Bidder / Parent	MW	100	100	2. Stake of the Bidder / Parent	%	26%	16%	3. Technical Eligibility Capacity	MW	100	16	4. Capacity Eligible to Bid*	MW	200	80	
Particulars	Units	Stake																							
		>=26%	<26%																						
1. Project Capacity Commissioned by Bidder / Parent	MW	100	100																						
2. Stake of the Bidder / Parent	%	26%	16%																						
3. Technical Eligibility Capacity	MW	100	16																						
4. Capacity Eligible to Bid*	MW	200	80																						
	<p>In case of consortium under the category (Schedule 2), the members of the consortium can collectively, on its own, meet the Technical Experience and Financial Capacity only. In no case, the members of the consortium can meet Technical Criteria and/or Financial Capacity through its individual member’s respective Parent,</p>	<p>As per the SBD notified by MNRE and the tenders floated by SECI, an individual member of the JV/Consortium are allowed to use / borrow Technical and Financial credentials of respective Parent, Ultimate Parent, Affiliate, Group Business Entity (ies) or any other Group Entity (ies). The same is however disallowed by under the bid document which is a significant deviation from the SBD of MNRE. We therefore request you to align this with the MNRE notified SBD and allow the individual</p>	<p>No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.</p>																						

Clause no.	Description	Query/Suggestion	KREDL's Clarification
	Ultimate Parent, Affiliate, Group Business Entity (ies) or any other Group Entity (ies).	members of the JV/Consortium to borrow Technical and/or Financial credentials of its respective Parent, Ultimate Parent, Affiliate, Group Business Entity (ies) or any other Group Entity (ies) proportionately as per the shareholding of the members in the JV/Consortium.	
RFP Clause 3.3.2.b. Financial Capacity	In case of a Consortium, for the computation of Financial Capacity, the net worth of all the members of the Consortium would be aggregated. In computing the net worth of the Single Business Entity/ Consortium Members, the net worth of their respective Group Business Entities would also be eligible hereunder.		No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Clause 3.3.2.b. Financial Capacity	The Bidder shall have a minimum net worth equivalent of INR 2 crore (Indian Rupees Two crore) or equivalent US\$ per MW (AC) in proportion to the cumulative capacity proposed (the “Financial Capacity”) as on March 31, 2017.	We request you to consider aligning the Net-Worth criteria as per the SBD notified by the MNRE and the bid documents of the SECI wherein the Net Worth for the Financial Criteria is only Rs. 1 Crore per MW.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Clause 4.2.1		From the above ranking, the Eligible Bidders shall be selected for further participation in the E-Reverse Auction process for capacity up to first 400 MW (AC). Suggest selecting Eligible Bidder for further participation in the E-Reverse Auction process for capacity up to 80% of aggregate bids received or 400 MW, whichever is greater. Encouraging more competition is in the interest of the offtaker as it will ensure discovery of lowest possible tariff	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP 4.2.7	In the event that the Selected Bidder(s) withdraws or is not selected for any reason in the	Please confirm that for any unallocated capacity in any Taluk(s), the remaining	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA,

Clause no.	Description	Query/Suggestion	KREDL's Clarification
	first instance, KREDL may shortlist the remaining Bidders in the order of lowest Effective Tariff, in order to meet the total aggregate capacity of 200 MW.	shortlisted bidders shall be ranked in the order of their lowest Effective Tariff in any Taluk.	Addendum and Corrigendum as published from time to time.
RFP Clause 4.7		Delay up to 1 (one) month from SCOD 20% (twenty percent) of the total Performance Security Delay of more than 1 (one) month and up to 2 (two) months from SCOD 40% (forty percent) of the total Performance Security Delay of more than 2 (two) months and up to 3 (three) months from SCOD 40% (forty percent) of the Performance Security Suggest modifying this clause to daily encashment of PBG per MW uncommissioned for up to 3 months of delay from SCOD. This will encourage Developers to commission project at the earliest without risking a large part of their PBG at once.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
RFP Appendix - I Letter of Bid, Clause 9	We certify that in the last three years, we/ any of the Consortium Members have neither failed to perform on any contract, as evidenced by imposition of a penalty or a judicial pronouncement or arbitration award, nor been expelled from any project or contract nor have had any contract terminated for breach on our part.	Please clarify that this statement, "we/ any of the Consortium Members have neither failed to perform on any contract, as evidenced by imposition of a penalty or a judicial pronouncement or arbitration award," means and infers that such non-performance eventually leads to termination /abandonment of the project.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
Draft PPA Clause 3.2		This Agreement shall subject to Clauses 3.2, 3.3 and 3.4 be valid for a term of 25 (twenty five) years commencing from the Effective Date and ending on the Expiry Date. However, the Parties may, 180 (one hundred eighty) days prior to the Expiry Date, decide to extend the term of this Agreement on mutually agreed terms and conditions. The Agreement should be valid for a term of 25 years commencing from the SCOD.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 4.2	obtained all Consents, Clearances and Permits required for supply of power to ESCOM as per the terms of this Agreement;	Land conversion is deemed as per the Karnataka solar policy and should be exempted from being produced at the time of financial closure.	It is clarified that Land conversion is not included as a part of Conditions Precedent provided in Clause 4.2. No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 4.4(b)	Upon occurrence of a Developer Default or failure to meet the Conditions Precedent by the Developer, BESCO shall, without prejudice to its other rights and remedies hereunder or in law, shall be entitled to encash and appropriate the relevant amounts from the Performance Security as Damages for such Developer Default or Conditions Precedent	Bank guarantees should be encashed in proportion to the capacity un-commissioned on per day basis	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
Draft PPA Clause 4.6	Sharing of Clean Development Mechanism (CDM) Benefits.	Since the lapse of the Kyoto protocol, the CDM market is almost finished. Hence, please don't put any obligations on the developer for the same.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.6	BESCOM, at any time during a Contract Year, shall not be obliged to purchase any additional energy from the Developer beyond Million kWh (MU) [Insert value of energy generated corresponding to a maximum CUF of 26% (twenty six percent) for solar PV projects (new projects)]	There should be no capping on the CUF number or the generation numbers for the SPDs. This is also followed in all other standard NSM tenders. The bidder should be allowed to declare the CUF	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.6	Purchase of any excess energy, beyond the energy generated corresponding to a maximum CUF of 26% (twenty six percent) for solar PV (new projects) shall be charged at a rate equivalent to 75% of PPA tariff or 75% of the applicable APPC charges, whichever is less, provided first right of refusal will vest with BESCOM	This should be amended as follows:- Purchase of any excess energy, beyond the energy generated corresponding to the declared CUF by the bidder for solar PV (new projects) shall be charged at a rate equivalent to 75% of PPA tariff or 75% of the applicable APPC charges, whichever is less, provided first right of refusal will vest with BESCOM	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.6	For part commissioning, the purchase of such generation shall be settled at a rate equivalent to 75% of PPA tariff or applicable APPC charges,	Please confirm that purchase at 75% of PPA tariff or applicable APPC charges is only up to the scheduled commissioning and hence, beyond the scheduled commissioning,	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
	whichever is minimum, provided first right of refusal will vest with the ESCOMs.	purchase of generation will be at applicable PPA tariff.	
Draft PPA Clause 5.6		In case of off-take constraint due to transmission infrastructure or grid unavailability, The Developer and BESCO shall follow the forecasting and scheduling process as per the regulations in this regard by KERC BESCO should compensate developer for offtake constraints due to Transmission Infrastructure / Grid Unavailability in line with MNRE's Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.6	Commissioning: The Developer shall commission the Project within 18 (eighteen) months from the Effective Date as per PPA from the date of concurrence from KERC.	Kindly modify this as “The Project shall be commissioned within a maximum period 21(twenty-One) months from Effective Date.” Rationale: Ministry of Power, Govt. of India on 14th June,2018 vide Notification No. 23/27/2017-R&R has declared that the Projects shall be commissioned within a period of 21 (twenty-one) months from the date of execution of the PPA for project capacity below 250MW.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.6		In case of any off-take constraints due to Back down by LDC: The Developer 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	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
		Code (IEGC), encourages a status of “must-run” to solar power projects. Provision for generation compensation in the event of back down by LDC shall be provided as the solar power plant have been declared as must run plants in the IEGC. The Developer and BESCO shall follow the forecasting and scheduling process as per the regulations in this regard by KERC. BESCO should compensate developer for off-take constraints due to Back down by LDC in line with MNRE's Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects	
Draft PPA Clause 5.6		BESCO, at any time during a Contract Year, shall not be obliged to purchase any additional energy from the Developer beyond Million kWh (MU) [Insert value of energy generated corresponding to a maximum CUF of 26% (twenty six percent) for solar PV projects (new projects)]. Suggest removing 26% CUF cap and allowing Developers to define CUF at the time of PPA execution, which can be changed up to SCOD. Providing this flexibility to Developers will allow them to size the plant optimally, and provide the lowest cost of energy to BESCO.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.6		In case of purchase of any excess energy, Purchase of any excess energy, beyond the energy generated corresponding to a maximum CUF of 26% (twenty six percent) for solar PV (new projects) shall be charged at a	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
		rate equivalent to 75% of PPA tariff or 75% of the applicable APPC charges, whichever is less, provided first right of refusal will vest with BESCO. Suggest modifying the tariff of excess energy to "a rate equivalent to 75% of PPA tariff or applicable APPC charges" to bring it in line with part commissioning tariff	
Draft PPA Clause 5.6		For part commissioning, Part commissioning shall mean commissioning in steps of minimum 10 MW (AC) in a Taluka/ Legislative Constituency by the successful Bidder out of the total capacity allotted to the successful Bidder in that Taluka/ Legislative Constituency. Kindly confirm that part commissioning will not affect the SCOD in any way	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.7.2	In case of extension occurring due to reasons specified in clause 5.7.1(a), any of the dates specified therein can be extended, subject to the condition that the Scheduled Commissioning Date would not be extended by more than 4 (four) months.	Please remove the 4 month limit specified in this clause. The extension should not be limited to any specified time as it should effectively compensate for the delay in performance of the developer obligations.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 5.8.1	If the Developer is unable to commence supply of power to ESCOM by the Scheduled Commissioning Date other than for the reasons specified in Clause 5.7.1, the Developer shall pay to ESCOM, Liquidated	The liquidated damages should be levied on per MW un-commissioned per day basis	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL’s Clarification
	<p>Damages for the delay in such commencement of supply of power and making the Contracted Capacity available for dispatch by the Scheduled Commissioning Date as per the following:</p> <p>a. For the delay up to one month an amount equivalent to 20% of the Performance Security.</p> <p>b. For the delay of more than one (1) month and up to two months an amount equivalent to 40% of the total Performance Security.</p> <p>c. For the delay of more than two and up to three months an amount equivalent to 40% of the Performance Security.</p>		
Draft PPA Clause 5.8.3	<p>The maximum time period allowed for achievement of Commercial Operation Date with payment of Liquidated Damages shall be limited to 22 (twenty two) months from the Effective Date. In case, the achievement of COD is delayed beyond 22 (twenty two) months from the Effective Date, it shall be considered as an Developer’s Event of Default and provisions of Article 16</p>	<p>The maximum time period allowed for achievement of Commercial Operation Date with payment of Liquidated Damages shall be limited to 22 (twenty two) months from the Effective Date or 4 months from extended COD granted as per the provisions of the PPA, as the case may be. In case, the achievement of COD is delayed beyond 22 (twenty two) months from the Effective Date or 4 months from extended COD granted as per the provisions of the PPA, as the case may be, it shall be considered as an Developer’s Event of Default and provisions of Article 16 shall</p>	<p>No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.</p>

Clause no.	Description	Query/Suggestion	KREDL's Clarification
	shall apply and the Power Project shall be removed from the list of selected projects in the event of termination of this Agreement	apply and the Power Project shall be removed from the list of selected projects in the event of termination of this Agreement	
Draft PPA Article 7	there are no actions, suits, proceedings or investigations pending or to the Developer's knowledge threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may constitute Developer Event of Default or which individually or in the aggregate may result in Material Adverse Effect	Please delete this line from the PPA as this is not required.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 12.2	Provided further that as a consequence of delay in commissioning of the Project beyond the Scheduled Commissioning Date, subject to Article 14, the changed applicable Effective Tariff for the Project shall be 80% (eighty percent) of the Effective Tariff quoted by the Bidder at the closure of e-reverse auction process, if the Project is commissioned within 4 (four) months thereafter.	<p>This Clause should be removed.</p> <p>Rationale: There is provision of encashing of Performing Security and charging of Liquidated Damages in case of delay in achieving COD. This provision of further reduction in tariff should not be imposed.</p> <p>This kind of clause is not part of the prevailing Bid Documents including SECI 200 MW Bid for Pavagada Solar park.</p> <p>Moreover, as per Electricity Act 2003, tariff can be determined by Regulator under Section 62 while tariff is to be adopted by Regulator under Section 63. Tariff determination by KERC</p>	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL’s Clarification
		under the said clause of RFP will be in violation of Electricity Act 2003 since the RFP/PPA released by KREDL falls under Section 63 of Electricity Act 2003.	
Draft PPA Clause 12.2	Provided further that as a consequence of delay in Commissioning of the Project beyond the Scheduled Commissioning Date, subject to Article 14, the changed applicable Effective Tariff for the Project shall be 80% (eighty percent) of the Effective Tariff quoted by the Bidder, if the Project is commissioned within 3 (three) months thereafter	Please add the following: "Provided further that in the event an extension of time for achieving COD is granted as per the provisions of the PPA, such revision of tariff would be applicable only upon delay of COD beyond the extended commissioning date"	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 13.6		Payment Security Mechanism In addition to Letter of Credit, BESCO should provide Payment Security Fund to support payment for at least 3 (three) months’ billing of all the Projects as outlined under MNRE’s Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Article 15	Change in Law means the occurrence of any of the following events after the Effective Date resulting into any additional recurring/ non-recurring expenditure by the	This clause should be changed as follows: Change in Law means the occurrence of any of the following events after the bid submission date resulting into any additional recurring/ non-recurring expenditure by the Developer or any income to the Developer	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
	Developer or any income to the Developer		
Draft PPA 15.1.1	Change in Law	Clarify that Anti-Dumping Duty shall be covered under change in law.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 15.1.1		"Change in Law" means the occurrence of any of the following events after the Effective Date resulting into any additional recurring/ non-recurring expenditure by the Developer or any income to the Developer: Suggest modifying this clause to "occurrence of any of the following events after the Bid Due Date" As no party can foresee the impacts of changes in law after Bid Due Date, this protection should be available to all the parties	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 15.1.1 e.		any change in taxes and duties or introduction of any taxes and duties made applicable for setting up of the Project and supply of power by the Developer as per the terms of this Agreement Suggest modifying this clause to "any change in taxes and duties and cesses or introduction of any taxes and duties and cesses made applicable " in line with MNRE's Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 15.2.1		The aggrieved Party shall be required to approach the KERC for seeking approval of Change in Law. Kindly outline the process/mechanism for claiming relief in	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA,

Clause no.	Description	Query/Suggestion	KREDL's Clarification
		greater detail as the imposition of various taxes and duties, such as Safeguard Duty, is now a real possibility in India	Addendum and Corrigendum as published from time to time.
Draft PPA clause 16.2		Termination for BESCOM Event of Default BESCOM Event of Default should include "Failure or refusal by BESCOM to pay any portion of undisputed monthly bill for a period of 90 days after due date." Timely payments are part of BESCOM's Obligations (Article 6) and hence deserves to be part of the Events of Default	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 16.4		Procedure for cases of BESCOM Event of Default In case of BESCOM Event of Default, BESCOM should compensate the Developer with Due Debt and 150% of equity as compensation. It is unreasonable to allow developer to start selling power to a third party after occurrence of default and a 2-month waiting period	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
Draft PPA Clause 17.3.1		In case of non-payment of such losses after a valid notice under this Article 17, such event shall constitute a payment default under Article 16. Currently, Payment Default is absent from Clause 16.2 Termination for BESCOM Event of Default and should be added for payments delayed greater than 90 days from the Due Date	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
General	Land	NA conversion should be considered as deemed conversion once applied. Also, Financial Closure & Commissioning the project	It is clarified that Land conversion is not included as a part of Conditions Precedent provided in Clause 4.2.

Clause no.	Description	Query/Suggestion	KREDL's Clarification
		should not be held up for demonstration of NA conversion.	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
General	Taluka	<p>Please clarify, whether taluka is defined as per location of project OR evacuation of project.</p> <p>For example, if project's major land (>51%) is located in single location and evacuation is in same taluk, that fulfill the RfS conditions.</p> <p>OR,</p> <p>Land should be in same taluk with evacuation could be in different taluk fulfills the RFS conditions.</p> <p>Further, evacuation should be allowed in different taluks.</p>	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
General	Interconnection approval	This should not include the interconnection approval as it is issued only post synchronization of the project	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.
General	Bank	Please confirm that we can submit EMDs and PBGs from Societe Genarale bank	No change in the terms and conditions. Bidder to comply with the relevant provisions of the NIT, RFP, draft PPA, Addendum and Corrigendum as published from time to time.