

Clarifications on the queries raised by various stakeholders, dated 30th November, 2013

Sl. No.	Queries	Clarifications
1.	Open Access Who will be responsible for taking the Open Access?	SECI shall be responsible for taking the Open Access; Clause 3.7. D (ii) of RfS shall be amended to this effect.
2.	Selection of Technology	
i.	Technologically agnostic: Does it apply only to modules and cells? Are there any restrictions on BoS for e.g. string inverter concept, AC module etc.?	Selection of Projects would be technology agnostic including BoS.
ii.	Can a Project be set up using a combination of different solar PV technologies (e.g. crystalline, thin-film etc.)?	Yes.
iii.	Does SECI have a list of solar PV module manufacturers that satisfy the criteria specified in the RfS document?	No. As such there is no restriction on selection of manufacturers subject to meeting the RfS requirements.
3.	Will the Projects selected under this scheme be eligible for Renewable Energy Certificates (RECs)?	No.
4.	Land Requirement	
i.	General Conditions	Following shall be the general conditions: <ul style="list-style-type: none"> • The land should be under the possession of the SPD who signs PPA with SECI • Land should be obtained by legally enforceable Agreement / Lease/ Sub-Lease Agreement. • Period of lease/sub-lease (wherever applicable) should not be less than 30 years • State Government consent / No Objection Certificate is required towards land use
ii.	Is it necessary that a Bidder should possess land at the time of bidding?	The ownership and possession of land at the time of responses to RfS and PPA is not insisted upon. At the time of Financial Closure, the selected SPD is required to submit the documentary evidence for ownership and physical possession of land through

		purchase/ acquisition/ leasing/ sub-leasing.
iii.	Can a Bidder use leased land obtained through lease agreements, for the Projects under this scheme?	This shall be only acceptable for lease/sub-lease from State/Central Government entities.
iv.	Can a bidder take land on lease from Parent/ Affiliate/ Group Company?	This, as a special case, shall be acceptable.
v.	Can a bidder take land on lease from a private party other than specified in 4.iv. above?	No.
vi.	Right to Use: Some of the State Governments allocate land for setting up of the Project on Right to Use basis. Will such land be allowed?	This shall be acceptable provided, the concerned Government body gives its consent for such an arrangement.
vii.	In cases where land cannot be transferred to the SPD due to a special order/rule of the Central/State Government, can it be allowed?	It is allowed only in such cases, where land is held in the name of Parent Company of the SPD and it cannot be transferred to the SPD due to a special order/rule of the Central/State Government. This is subject to the condition that the 'No Objection' is obtained from concerned State/Central Government. In such cases, transfer of controlling share in the SPD will not be allowed during the whole duration of the PPA.
viii.	If a government entity sub-leases land to the Bidder for specific purposes (e.g. Solar Park), can it be considered?	Yes.
ix.	Is the Bidder allowed to change the project location? If yes, does he need to inform SECI?	The Bidders are allowed to change the location of the Project and also the substation (if required) within the State only, till the time of Financial Closure. He, however, shall submit a fresh letter (Format 6.7 of RfS) from the STU/CTU/ other transmission utility, in case of any change.
x.	To set up 2 projects at the same location, can separate boundary fencing be provided instead of separate boundary wall?	Yes. It is allowed.
5.	Letter from STU/CTU/any other transmission utility for grid connectivity	
i.	Is it mandatory for the Bidder to get a letter from the concerned CTU/STU/any other transmission utility for connectivity of the Project with the grid?	Yes, it is mandatory to submit a letter from the concerned CTU/STU/any other transmission utility in the Format 6.7 of RfS.

ii.	In case the bidder wants to set-up multiple projects at the same location, i.e. same village and under same substation, can he apply for cumulative capacity to the STU/CTU for technical feasibility at one location? If yes, the STU/CTU will give only one original letter of the cumulative capacity, can the bidder submit certified true copy in each of the projects?	Yes, the bidder can submit a single letter for cumulative capacity under the same STU/CTU. In case the Bidder proposes installing a cumulative capacity more than 100 MW under a single substation, he has to submit the letter only for a total capacity of 100 MW. However, the letter should clearly specify all the Projects which add up to the cumulative capacity for which the CTU/STU is issuing the letter. In the event of award of projects, the bidder would be required to submit separate Transmission Service Agreement for each allotted Project at the time of Financial Closure. Accordingly clause no. 3.7 (D) (i) and Format 6.7 of RfS shall be amended.
iii.	Can a Bidder bid for the same Project under both Parts and thus, submit a single letter from a single STU?	No, the bidder is not allowed to propose the same Project in both parts of the bid.
iv.	It is suggested that the Clause 3 of the "Format 6.7:Letter from STU/CTU of RfS Document be removed	It is not agreed to. The Clause 3 remains unchanged.
v.	In case the STU delays in issuing the feasibility letter, can the Bidder submit the bid without this letter, which can be submitted later on?	Not agreed to. Submitted bids shall contain all the required attachments and formats as mentioned in the RfS.
vi.	Some STUs issue conditional letter for connectivity. Will that be acceptable to SECI?	No, SECI shall accept only the letter as per Format 6.7 of RfS.
6. Interconnection Point		
i.	Can the existing transmission line capable of carrying additional power, be used for transmission of power from the solar projects under pooling system, with meters at the interconnecting points as well as pooling points?	Yes.
ii.	If there is an existing project commissioned under JNNSM Ph-I, can we have common pooling arrangements with separate meter with that project to share the evacuation cost?	The developer can have common pooling arrangement with separate meter with an existing JNNSM project subject to his submission of permission to SECI from NVVN. However, SECI will not be responsible for any loss due to evacuation issues, if any, related to this arrangement.

iii.	Interconnection with DISCOM network may be accepted in exceptional cases where the DISCOM is the ultimate buyer. At this stage, how do we know that the DISCOM is purchasing the entire power?	At this stage, it is not possible to ascertain the ultimate buyer(s) of power from a particular project. This clause is mentioned as an exceptional condition, which may be examined at later stage only.
iv.	It is request to replace "Injection Point" in clause 3.5 of RfS document with "Delivery Point".	Accepted. Accordingly, suitable amendment shall be issued.
7.	Is change in location and GSS allowed at a later stage after RfS submission?	Yes, provided that the change is not from one State to another. Kindly refer to Clause 3.13 of the RfS.
8.	If the SPD sets up a plant at a location where the DISCOM is not willing to buy power from SECI, will it impact SPD in any given manner?	For the SPDs, SECI is the purchaser of power from their projects. Hence, they won't be affected in any manner by the arrangement between SECI and DISCOMs.
9.	Waiting List	
i.	Is the capacity allotted under waiting list additional to 750 MW?	No. The total capacity would remain 750 MW.
ii.	What would be the timelines for the projects allotted under wait list?	For the projects allotted under wait list, all the timelines shall become effective from the date of issue of Lol.
iii.	It is requested that the bidders may be allowed to remove themselves from the waiting list at suitable juncture of the scheme.	<p>Wait list is meant only to enable to replace the defaulters after the initial allocation process. However, the bidders would be required to opt to be in the wait list to avail this provision in the following manner:</p> <ul style="list-style-type: none"> • Up to the time of completion of signing of PPA between SECI and the originally selected SPDs, and in this case Bidders would be required to keep their EMD valid for 9 (nine) months from last date of submission of the Bid. • Up to the time of completion of financial closures of all the Projects for which SECI signed the PPAs with selected SPDs, and for this the Bidders would be required to keep their EMD valid for 13(thirteen) months from last date of submission of the Bid.

		Accordingly, the amendments shall be issued to clauses 3.4, 3.10 (i) and the Format 6.1 of the RFS Document.
10.	Commissioning Timelines	
i.	Request for increasing the commissioning period to at least 18 months from the signing of PPA, due to delays in land procurement.	Not agreed to.
ii.	Request to provide separate timelines for commissioning based on the capacity of the Project.	Not agreed to.
11.	Calculation of Capacity Utilization Factor: Shall it be based on the DC Capacity or on Contract Capacity?	Calculation of CUF shall be based on Contracted Capacity. Accordingly the amendment to the Article 1.1 of the PPA shall be issued.
12.	Contracted Capacity: Does it mean AC MW or corresponding DC MW at STC?	Contracted capacity is different from Project capacity. It is defined as AC MW at the Delivery Point where metering is done. Please refer to the definition given in Section 2 of RfS.
13.	Submission of bids: Clause 3.19(ii): Softcopy should contain documents in points (i) and (ii). Do we need to include the documents mentioned in the points (iii) and (iv) too?	Yes. All the documents mentioned in points (i) to (iv) shall be submitted in softcopy in the CD. The Clause 3.19(ii) shall be amended accordingly. It is also clarified that the sealed Financial Envelope shall be placed inside the Techno-Commercial Envelope for the respective Project. All other documents should be given in soft copy in the sealed Techno-Commercial Envelope. <u>Soft copy of Financial Bids is not to be submitted by the Bidder.</u>
14.	Can a SPD submit two bids for the same location- one with AD and other without AD benefits?	No.
15.	Will the list of willing DISCOMs and bulk consumers be provided to SPDs?	Not envisaged.
16.	Excess Generation	
i.	In case of excess generation, SECI will buy the power, if it can find off-takers. What would be the case when SECI refuses to buy? Will there be any prior/written intimation from SECI to SPD?	In case of excess generation, the SPD shall inform SECI 30 days in advance about any possible excess generation likely to take place, so that SECI may arrange for its purchase. SECI would intimate the SPD accordingly on the matter of accepting excess power during this period.

ii.	If the excess power is refused by SECI and SPD is selling power to the third party, can the SPD claim REC benefits for the sale of such power?	SECI intends to buy all the power generated from projects under this scheme. In case SECI refuses to buy the excess power, the SPD would be free to deal with it as per the prevailing REC regulation, including sale to third party.
iii.	Will the SPD be eligible to get RPO/ REC benefits for the excess power purchased by SECI?	No.
17.	For online data monitoring by any authorized data centres of SECI/ MNRE, the GPRS modem at remote location will not be in the scope of SPD. SPD shall provide only required data in required format for online data transfer.	As per provisions of guidelines, the SPD is mandated to make available the plant performance data to SECI/MNRE. Therefore, arrangement (as specified in the guidelines) to make available data online is in the scope of SPD.
18.	Sale of projects: Should SECI be consulted prior to the sale of project as SECI will operationalize the PPA with the new asset owner? Or it will only be intimation in advance?	Prior intimation of sale of projects by the SPD is acceptable. However, the new asset owner shall have to necessarily comply with all the eligibility criteria as per RfS and shall honor all terms and conditions as stipulated in PPA and VGF Securitization Agreement.
19.	Shortfall in generation: Details of compensation provided in the PSA as payable to DISCOM along with the details of compensation payable by the DISCOM towards non-meeting of RPOs needs to be circulated in advance to the bidders.	Compensation towards non-meeting of RPO is a dynamic phenomenon and hence, can't be specified to the bidders beforehand. The amount of compensation shall be equal to the compensation payable (including RECs) by the Buying Utilities towards non-meeting of RPOs, if such compensation is ordered by the State Commission. However, this compensation shall not be applicable in events of Force Majeure identified under PPA with SECI affecting supply of solar power by SPD.
20.	Discrepancy between PBG amount of Rs. 20 lacs/MW mentioned in the guidelines and Rs. 30 lacs/MW as mentioned in the RfS may be clarified.	It may be noted that the EMD shall be Rs. 10 Lac/ MW and PBG shall be of Rs. 30 Lac/MW. Procedurally, for the successful bidders, PBG has to be submitted @ Rs. 30 Lac/MW after which BG submitted against EMD shall be returned.
21.	Criteria for generation: Suggested that upper limit to be kept as +15% instead of +10%. Further, it is suggested that the calculation of excess/shortfall generation	Not agreed to. It is based on the Government guidelines.

	should be done in a lock of 3 years after the first year.	
22.	Can a bidder bid multiple VGF amounts for a single project at a location?	No. Only one VGF amount shall be quoted against a single project.
23.	Domestic Content Requirement (DCR)	
i.	In case a developer is awarded a project under DCR category, and after all the efforts, is unable to procure modules and cells made in India, will he be allowed to import the modules and cells?	Import of cells and modules is not allowed under DCR category.
ii.	How will SECI verify the compliance of the Project with the DCR requirement of RfS?	Clear mention of the Indian manufacturer of solar cells and modules under DCR category would be required as a part of information under RFID for each module. This would be supported by the manufacturers' declaration of supplies of the same to the SPD. This information would be provided in soft form to SECI at the time of commissioning of the project. SECI reserves the right to visit and verify the details of the Project.
iii.	Are semi-finished solar cells imported from other countries allowed under DCR category?	The solar cells manufactured in India only are allowed. Guidelines to define DCR requirement for solar cells will be brought out by MNRE.
24.	Is a project which is being currently implemented under REC mechanism eligible for bidding?	No.
25.	In case a bidder bid for more than 100 MW, what would be the Net Worth and EMD requirement?	Since allocation of projects would be restricted to 100 MW capacity to a bidder, the net worth and EMD requirements would be for 100 MW capacity only. Accordingly, the clauses 3.7 (B) (i) and 3.10 of RfS document shall be amended.
26.	Net Worth infusion @ 20% of the minimum equity contribution: Can the project company show source of equity rather than infusion in the Project Company?	Physical infusion of Net Worth as per Clause 3.7)B)xii) of the RfS document is mandatory.
27.	Kindly explain the definition of Paid up share capital	Paid up share capital shall include: <ul style="list-style-type: none"> • Paid –up equity share capital and • Fully, compulsorily and mandatory convertible Preference Shares and • Fully, compulsorily and mandatory convertible Debentures

28.	Will Share Premium will form part and parcel of Net Worth	Yes, Share Premium will form an integral part of Net Worth, provided it is realized in cash or cash equivalents.
29.	It is requested that the change in shareholding of bidding company due to infusion of equity, to be allowed till the time of signing of PPA.	Infusion of any additional equity has to be made without altering the existing shareholding. Hence no change in Clause 3.15 of the RfS document is envisaged.
30.	Is a "Partnership Firm" eligible for Bidding under this scheme?	No.
31.	It is suggested that the company may be allowed to revise the CUF of the project within 2 years of commissioning.	Provision of RfS shall prevail.
32.	At the time of FC, in case the project cost is higher than what is declared in the bid, the same should be accepted subjected to the VGF remaining the same.	Please refer to the Clause 1.3.3 of the RfS document. VGF amount shall not be revised on the higher side.
33.	It is suggested that 100% VGF be paid on COD. If required, a progressively diminishing BG for 50% of the VGF could be taken which shall be valid till 5 years.	The process of VGF disbursement shall remain the same.
34.	Grace period of 3 months may be provided before encashment of PBG.	Not agreed upon.
35.	It is suggested that SECI ensures that the required testing would be carried out within 10 days of issue of notice by the SPD, failing which the plant would be deemed to be commissioned.	Deemed commissioning shall not be accepted.
36.	Can the Company avail 20% depreciation in addition to 7.69% which is the depreciation applicable to projects, not availing accelerated depreciation?	Claiming of depreciation in the normal rate or Accelerated rate will be as per appropriate Government regulations.
37.	Bidders may be allowed to opt out of the process if they are offered last project which is less than the quoted capacity Clause (4.1 (B) (e) of RfS document).	Accepted. In such cases, EMDs will not be forfeited. The SPD will have to indicate the choice in the Format 6.1 of RfS.
38.	It is suggested to amend Clause 8.2.2 of the Standard PPA document limiting SECI's claim on insurance proceeds up to the VGF Disbursed.	Accepted. Accordingly, suitable amendment shall be issued.
39.	It is suggested to delete clause 4.8.3 of the PPA pertaining to Quarterly Maintenance of CUF.	Accepted.
40.	It is suggested to reword Clause 3.7 B (xiii) of RfS Document regarding Minimum Equity Contribution.	Accepted. It is reworded to read "minimum equity contribution of" as "minimum equity contribution which is equal to".

41.	Is it necessary for a SPD to register with SNA for putting up projects?	It is not a requirement of SECI.
42.	It is suggested to amend point 3.0 (ii) of Format 6.10 of the RfS Document related to suitability of land for industrial use.	Accepted. The clause will read to replace "industrial use" with "solar power project" Accordingly, suitable amendment shall be issued.
43.	It is assumed that the Projects to the waitlisted Bidders will be allotted at the VGF quoted by them and will not have to match the VGF quoted for the cancelled projects. Please clarify.	Yes, the Projects to the waitlisted Bidders will be allotted at the VGF quoted by them and will not have to match the VGF quoted for the cancelled projects.
44.	It is requested to clarify the discrepancy related to use of net worth of Ultimate Parent Company and Parent Company for meeting financial eligibility between clause 3.7 (B) (xii) and Format 6.6 of the RfS document.	It is clarified that "Ultimate Parent" is removed from Exhibit-i and Exhibit-ii of the Format 6.6. Accordingly, suitable amendment shall be issued.
45.	Pursuant to Clause 4.8 of the Standard PPA, who will bear the cost of third party verification?	All costs related to third party verifications (wherever required) shall be borne by the SECI.
46.	Is a bidder allowed to set up different projects under both the categories at the same location, provided they will have separate metering and physical boundaries?	Yes.
47.	In the illustration of LD Calculation- part (d)- calculation shows that Tariff: Rs.5.45-Rs.(0.5*10/100) = Rs. 5.40/kWh. It seems that the penalty considered is 0.5 paise per month for the remaining capacity. Please clarify whether if it is per day or per month?	Kindly refer to the illustration for LD calculation in the RfS document. In the table provided in part (b), it is clearly mentioned that the last quantum of 10 MW gets commissioned after 10 days from the latest commissioning. Hence, the calculation is for a period of 10 days only. The penalty of 0.5 paise is applicable per day and not per month.
48.	If SECI is not equipped to carry out the trading activity and NVVN does it on behalf of SECI, will it impact the SPD in any manner? Does the SPD have to get into any kind of agreement with NVVN?	No. SPDs won't get affected in any manner.
49.	Please provide the draft copy of the PSA between SECI and willing DISCOMs	The draft PSA will be provided at a later stage.
50.	Preliminary cost estimates: Kindly provide the clarifications on following cases: i) If the break-up cost is interchanged keeping the estimated project cost unchanged	i) The bidder can interchange the break-up of the project costs based on facts and figures. SECI is concerned only

	ii) Increase in the project cost, in compliance with the guidelines	with the overall project cost estimated by the bidder. ii) Kindly refer Clause 1.3.3. of the RfS document.
51.	Order of Preference: Will the preference be separately made for Part-A & Part-B?	Yes. The Preferences shall be made separately.
52.	Can the plant and machinery be taken on lease for the Project?	The ownership of plant and machinery has to be with the SPD.
53.	Guarantees/ Warrantee	In order to maintain the CUF and degradation norms, it is suggested that SPDs may get Guarantees/ Warrantees from the Solar PV module manufacturers as well as Solar cell manufacturers.

Note: Further clarifications regarding securitization of VGF shall be uploaded shortly.