

DEVELOPMENT OF SOLAR POWER PROJECTS IN THE STATE OF KARNATAKA

VOLUME I Request for Proposal

March 2013



**KARNATAKA RENEWABLE ENERGY
DEVELOPMENT LIMITED**

Request for Proposal

Contents

Volume I	Request for Proposal (RFP)
Volume II	Draft Power Purchase Agreement (Draft PPA)

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GLOSSARY

Discount in Tariff	As defined in Clause 1.2.5
Group Business Entity	As defined in Clause 3.3.2(b)
Authority	As defined in Clause 1.1
Bid(s)	As defined in the Disclaimer
Bidders	As defined in Clause 1.2.1
Bidding Process	As defined in Clause 1.2.1
Bid Due Date	As defined in Clause 1.2.2
Bid Security	As defined in Clause 1.2.4
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Consortium	As defined in Clause 2.1.2
Developer	As defined in Clause 1.1.1
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Government	Government of Karnataka
Request for Proposal (RFP)	As defined in Clause 1.1.8
Jt. Bidding Agreement	As defined in Clause 2.1.16(i)
Lead Member	As defined in Clause 2.1.16 (d)
LOA	As defined in Clause 3.5.6
Member	Member of a Consortium
Other Members	As defined in Clause 2.1.16 (d)
Performance Security	As defined in Article 1 of Power Purchase Agreement
PPP	Public Private Partnership
Project	As defined in Clause 1.1.1
Power Purchase Agreement	As defined in Clause 1.1.1
Re. or Rs. or INR	Indian Rupee
Right	As defined in Clause 1.1.7
SPV	As defined in Clause 2.1.16
Technical Capacity	As defined in Clause 3.3.2

The words and expressions beginning with capital letters and defined in this document shall, unless the context otherwise requires, have the meaning ascribed thereto herein, shall, unless the context otherwise requires, have the meaning ascribed thereto therein.

DISCLAIMER

The information contained in this Request for Proposal document (the “**RFP**”) or subsequently provided to Bidder(s), whether verbally or in documentary or any other form by or on behalf of the Authority or any of their employees or advisors, is provided to Bidder(s) on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This RFP is not an agreement and is neither an offer nor invitation by the Authority to the prospective Bidders or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in preparing their proposal pursuant to this RFP (the “**Bid**”). This RFP includes statements, which reflect various assumptions and assessments arrived at by the Authority in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This RFP may not be appropriate for all persons, and it is not possible for the Authority, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements and information contained in this RFP may not be complete, accurate, adequate or correct. Each Bidder should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this RFP and obtain independent advice from appropriate sources.

Information provided in this RFP to the Bidder(s) is on a wide range of matters, some of which depends upon interpretation of law. The information given is not an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Authority accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Authority, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way in this Bidding Process.

The Authority also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Bidder upon the statements contained in this RFP.

The Authority may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFP.

The issue of this RFP does not imply that the Authority is bound to select a Bidder or to appoint the Developer, as the case may be, for the Project and the Authority reserves the right to reject all or any of the Bidders or Bids without assigning any reason whatsoever.

The Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Authority or any other costs incurred in connection with or relating to its Bid. All such costs and expenses will remain with the Bidder and the Authority

shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the Bidding Process.

1. INTRODUCTION

1.1. Background

Karnataka Renewable Energy Development Ltd. (“Authority”/ “KREDL”) incorporated under the Companies Act, 1956 is a nodal agency of the Government of Karnataka to facilitate the development of renewable energy in the State of Karnataka. KREDL processes all applications received for setting up of renewable energy generation plants and based on their recommendation, Government of Karnataka (“GoK”) approves and grants rights to such independent power producers set up their generation plants in the State.

Subsequently, KREDL also monitors progress of various renewable energy projects in the State. In furtherance of the said objective and in line with the Renewable energy Purchase Obligations (“RPO”) set out by Karnataka Electricity Regulatory Commission (“KERC”), GoK intends to undertake development of 130 (One Hundred and Thirty) MW of solar thermal and/or solar PV power plants in the State of Karnataka in the second phase (hereinafter referred to individually as the “Project” and collectively referred as the “Projects”). GoK has, through KREDL, decided to carry out the bidding process for selection of the Bidders to whom the Project(s) may be awarded.

Bidders are allowed to bid for one or more Project(s) based on the Eligibility Criteria stipulated in this RFP.

This RFP document is common for all the Projects. It may be noted, however, that for all intents and purposes the Projects are independent of each other and the Bidder shall, as part of its Financial Bid, submit separate Discount in Tariff (as defined in Clause 1.2.5) for each of the Project for which it is submitting its Bids in accordance with this RFP document. Separate agreements shall have to be entered for each Project with concerned electricity supply company (“ESCOMS”) (hereinafter referred to as the “Power Purchase Agreement”).

- 1.1.1. The Selected Bidder shall be a company incorporated under the Companies Act, 1956 (hereinafter referred to as “Developer”) and will be responsible for design, finance, engineering, procurement, construction, operation and maintenance of the Project under and in accordance with the provisions of the Power Purchase Agreement to be entered into between the Developer and the concerned ESCOM in the form provided by the Authority as part of the Bidding Documents pursuant hereto.

1.1.2. Capacity of the Project

A bidder may submit Bids for developing the Project(s) under solar thermal technology (Solar Thermal Project) or solar PV technology (Solar PV Project) or both. The aggregate capacity offered under this RFP Document is 130 MW. A Bidder could propose any number of Project(s). Provided that the minimum capacity of the project proposed by the Bidder shall be at least 3 MW and the maximum capacity shall be 10 MW. However, the maximum capacity to be allotted to any Bidder including its Group Business Entity (ies) either bidding as Single Business Entity or as a Consortium shall not exceed 10 MW.

The Bidder shall furnish details of its Group Business Entity (ies) participating in the Bidding Process in the format provided in Appendix I.

1.1.3. **Connectivity with the Grid**

The Developer shall be responsible for power evacuation from the power plant to the nearest sub-station/delivery point. The interconnection to the nearest substation/delivery point shall be at the voltage level of 33/66/110 KV.

The Selected Bidder shall obtain power evacuation approval within 180 (hundred and eighty) days of signing of the Power Purchase Agreement from Karnataka Power Transmission Company Limited ("KPTCL")/ESCOM, as the case may be.

The Developer shall carry out maintenance of the transmission line during the Agreement Period. However, applicable supervision charges shall be paid by the Developer.

1.1.4. **Water Availability**

This Clause is applicable in case the Bidder is bidding for the Solar Thermal Project(s). It would be the responsibility of the Developer to make arrangements for the water required for the Project(s). The Bidder shall submit documentary evidence in the form of approval from the Irrigation Department, Government of Karnataka in case the water is proposed to be used from irrigation sources along with the Bid.

- 1.1.5. The scope of work will broadly include development, operation and maintenance of the Project(s) including supply of power at the Effective Tariff as per the draft Power Purchase Agreement during the tenure of the Power Purchase Agreement.
- 1.1.6. The Bidding Documents include this RFP and the draft Power Purchase Agreement.
- 1.1.7. The draft Power Purchase Agreement sets forth the detailed terms and conditions for grant of the right to the Developer to supply solar power to the ESCOM (the "**Right**") , including the scope of the Developer's services and obligations and is enclosed as Volume II of this RFP.
- 1.1.8. The statements and explanations contained in this RFP are intended to provide a proper understanding to the Bidders about the subject matter of this RFP and should not be construed or interpreted as limiting in any way or manner the scope of services and obligations of the Developer set forth in the draft Power Purchase Agreement or the Authority's right to amend, alter, change, supplement or clarify the scope of work, the Right to be awarded pursuant to this RFP or the terms thereof or herein contained. Consequently, any omissions, conflicts or contradictions in the Bidding Documents including this Volume I-Request for Proposal ("**RFP**") are to be noted, interpreted and applied appropriately to give effect to this intent, and no claims on that account shall be entertained by the Authority.
- 1.1.9. The Authority shall receive Bids in accordance with the terms set forth in this RFP and other documents to be provided by the Authority pursuant to this RFP (collectively the "**Bidding Documents**"), as

modified, altered, amended and clarified from time to time by the Authority, and all Bids shall be prepared and submitted in accordance with such terms.

1.1.10. Under this RFP, a Bidder may submit Bids for one or more Project(s). The Bidder may propose to develop different Project(s) in the same location, provided that each Project is separated by a distinct boundary. It shall be the onus of the Bidder to prove that the Project(s) proposed have distinct boundaries. In the event that the evidence provided by the Bidder is found to be unsatisfactory by the Authority, such Bids shall be summarily rejected. However, the Project would be awarded to the Bidder subject to it meeting the Eligibility Criteria set out for the Project. Bidders desirous of bidding for more than one Project will be required to submit separate Discount in Tariff for each of the Project. For the purpose of identifying the Bidder to implement the Project, the Bids submitted by each Bidder would be evaluated on the basis of the evaluation criteria set out in Section 3 of this RFP.

The Selected Bidder may change the location proposed during the RFP stage for the Project in the event that land for the same cannot be acquired. In such a case, the Project may also be split, however, the minimum capacity specified in the Bid Documents are to be maintained. In no circumstance shall the Discount in Tariff offered by the Bidder be changed due to change in location.

1.2. Brief Description of Bidding Process

- 1.2.1. The Authority has adopted a single stage process (the "**Bidding Process**") for selection of Bidders for award of the Projects and invites Bids from eligible parties ("**Bidders**"), which expression shall, unless repugnant to the context include the members of the Consortium, for the Project electronically in the unified e-procurement platform of the Government of Karnataka www.eproc.karnataka.gov.in (hereinafter referred to as "**E-Procurement Website**") as well as in the physical mode in accordance with the terms of this RFP.
- 1.2.2. The Bidders are requested to submit their Bids in accordance with the Bidding Documents. The Bid shall be valid for a period of not less than 180 (one hundred and eighty) days from the date specified in Clause 1.3 for submission of Bids (the "**Bid Due Date**").
- 1.2.3. The Bidding Documents include the Request for Proposal and draft Power Purchase Agreement for the Project. The Bidding Documents and any addenda issued subsequent to this RFP, but before the Bid Due Date, will be deemed to form part of the Bidding Documents.
- 1.2.4. The Bidders are required to deposit, along with its Bid, a bid security ("**Bid Security**") of Rs.20,00,000/- (**Rupees Twenty Lakhs only**) per MW. The Bid Security shall be refundable not later than 60 (sixty) days from the Bid Due Date except in the case of the Selected Bidder(s) whose Bid Security shall be retained till it has provided a Performance Security under the Power Purchase Agreement. The Bidder shall pay a part of Bid Security equal to an amount of Rs. Rs.1,00,000/- (**Rupees One Lakh only**) through E-Procurement Website, through any one of the following e-Payment options only.
 1. Credit Card
 2. Direct Debit
 3. National Electronic Funds Transfer (NEFT)

4. Over the Counter (OTC) – designated Axis Bank branches located across the country

Please note that payment submitted through cheque or demand draft shall not be accepted. For further details regarding e-payment, please refer to E-Procurement Website.

Remaining Bid Security¹, for an amount derived by multiplying the capacity for which the Bidder is submitting its bid with Rs. 20,00,000 (Rupees Twenty Lakhs) less Rs.1,00,000/- (**Rupees One Lakh only**) submitted through e-payment shall be provided in the form of Bank Guarantee acceptable to the Authority at the time of bid submission. The validity period of the Bank Guarantee shall not be less than 180 days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.

The Bid Security payable for the Project through E-Procurement Website and through bank guarantee are set out in the table below:

Name of Assignment	Bid Security	Through e- payment	By way of Bank Guarantee
Development of Solar Power Projects in the State of Karnataka	Rs.20,00,000/- per MW	Rs.1,00,000/-	An amount to be derived by each Bidder based on the capacity for which it is submitting its Bid for the Project(s) less the payment of Bid Security made through e-payment

1.2.4(A) Bidders would need to submit the following sets of documents as part of their Bid;

- a. **“Key Submissions”** to be submitted both in the form of hard copy as well as through E-Procurement Website as provided in Clauses 2.11.
- b. **“Financial Bid”** to be submitted only through E-Procurement Website. For the purpose of providing clarity on the Financial Bid to Bidders, a specimen for the Financial Bid is provided in **Appendix – VI**”.

1.2.4 (B) The evaluation of the Bid submissions would be carried out in the following three stages:

- a. The first stage would involve opening and evaluation of the Key Submissions and a test of responsiveness based on the provisions of Clause 3.2 of the RFP. Those Bids found to be substantially responsive would be evaluated in the second stage.

¹ This amount would be different for each Bidder and shall be calculated based on the capacity for which it is submitting its Bid for the Project(s).

- b. In the second stage, the information of the Bidders relating to their eligible experience comprising Technical Capacity and Financial Capacity ("Eligibility Criteria") would be evaluated as per Clause 3.3 of the RFP. Bidders who meet the Eligibility Criteria would qualify for evaluation of their Financial Bid.
- c. In the third stage, the Financial Bid in accordance with the provision of Clause 3.5 would be opened and evaluated to identify the Selected Bidder(s).

1.2.5. Financial Bids are invited for the Project on the basis of discount in Rupees/kWh on KERC approved applicable tariff (the "Discount in Tariff") offered by a Bidder for energy to be sold to ESCOMs under the Agreement. The tariff payable by ESCOM/kWh to the Bidder after applying the Discount in Tariff (the "Effective Tariff") shall constitute the sole criteria for evaluation of the Financial Bids. The Agreement Period is pre-determined, as indicated in the draft Power Purchase Agreement.

1.2.6. Generally, the Bidder who is required to be paid the lowest Effective Tariff will be selected first and so on till the total aggregate capacity of 130 MW is reached. The remaining Bidders shall be kept in reserve and shall be shortlisted in case any of the Selected Bidders withdraws or is not selected for any reason, in accordance with the process specified in this RFP and as explained in Clause 3.5. In the event that the other Bidders withdraw, the Authority may, in its discretion annul the Bidding Process.

1.2.7. The Developer shall be entitled for the revenues from the Project in accordance with the terms of the Power Purchase Agreement.

1.2.8. Further and other details of the process to be followed and the terms thereof are spelt out in this RFP.

1.2.9. Any queries (including any discrepancy, ambiguity and error) or request for additional information concerning this RFP shall be submitted in writing and shall be submitted through post/courier/fax/ e-mail to the officer designated in Clause 2.11.6. The envelopes/ communication shall clearly bear the following identification/ title:

"Queries/Request for Additional Information: RFP for "Development of Solar Power Projects in the State of Karnataka".

1.3. Schedule of Bidding Process

The Authority shall endeavour to adhere to the following schedule:

SI No	Event Description	Date
1.	Last date for receiving queries	March 12, 2013 , 1430 Hrs
2.	Pre-Bid Conference	March 12, 2013 , 1430 Hrs
3.	Bid Due Date	March 28, 2013 , 1630 Hrs
4.	Due Date for hard copy submission of Bid	March 29, 2013 , 1630 Hrs
5.	Opening of Bid (except Financial Bid)	April 01, 2013 , 1100 Hrs
6.	Opening of Financial Bid	To be intimated later
7.	Issue of Letter of Award	To be intimated later
8.	Issue of Allotment Letter, if required	To be intimated later

SI No	Event Description	Date
9.	Bid Validity Period	180 days from Bid Due Date
10.	Signing of the Power Purchase Agreement	30 days from the acknowledgement of LOA or Allotment Letter as the case may be

Venue of Pre-bid Conference:

KEB Engineers' Association Convention Hall
Race Course Cross Road,
Anand Rao Circle,
Bangalore-560009

2. TERMS OF BIDDING

A. GENERAL

2.1. General terms of Bidding

2.1.1. A Bidder is eligible to submit only one Bid for each of the Project(s). A Bidder bidding individually or as a member of a Consortium shall not be entitled to submit another Bid either individually or as a member of any Consortium, as the case may be for the same Project(s).

Further, a Bidder either bidding as Single Business Entity or as a Consortium is eligible for award of Project(s) of aggregate capacity up to 10 MW under this RFP. In the event where the Bid(s) submitted by any Bidder and its Group Business Entity(ies), either as a Single Business Entity or as a Consortium, aggregate to more than 10 MW, in such circumstances all the Bid(s) submitted by such Bidder and such Group Business Entity(ies) under this RFP would be rejected.

2.1.2. a. The Bidder may be a single business entity (“**Single Business Entity**”) or a group of entities (the “**Consortium**”), coming together to implement the Project. However, no Bidder applying individually or as a member of a Consortium, as the case may be, can be member of another Consortium. The term Bidder used herein would apply to both a Single Business Entity and a Consortium.

b. A Single Business Entity, government-owned entity and in case of Consortium, all the entities forming a Consortium, bidding for the Project, shall be a Company incorporated under the Companies Act 1956 or under an equivalent law abroad, if it is a foreign company. A Consortium shall be eligible for consideration subject to the conditions set out in Clause 2.1.16 below. Unless the context otherwise requires, the terms not defined in this RFP, but defined in the draft Power Purchase Agreement for the Project shall have the meaning assigned thereto in the draft Power Purchase Agreement.

2.1.3. Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the draft Power Purchase Agreement shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under Power Purchase Agreement.

2.1.4. The Financial Bid should be furnished in electronic mode only clearly indicating the Discount in Tariff, which shall be filled up by the Bidder in the format made available on the E-Procurement Website. The Bidder shall, as part of its Financial Bid, submit separate Discount in Tariff for each of the Project for which it is Bidding. The specimen of the Financial Bid is provided at **Appendix VI** of this RFP. The Financial Bid must clearly indicate the bid amount in Indian Rupees.

2.1.5. The Financial Bid shall consist of Discount in Tariff to be quoted by the Bidder as per Clause 2.1.4. The order issued by KERC regarding the tariff for grid connected Solar PV and Solar Thermal Projects is provided in Schedule 2 of this RFP.

2.1.6. The Bidder shall deposit a Bid Security as per Clauses 1.2.4 and 2.20 and in accordance with the provisions of this RFP. The Bidder shall provide part of the Bid Security in the form of a Bank Guarantee acceptable to the Authority, as per format at **Appendix - IV**.

2.1.7. The validity period of the Bank Guarantee shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder. The Bid shall be summarily rejected if it is not accompanied by the Bid Security. The Bid Security shall be refundable no later than 60 (sixty) days from the date of selection of Bidders except in the case of the Selected Bidders whose Bid Security shall be retained till they have provided a Performance Security under the Power Purchase Agreement.

2.1.8. The Bidder should submit a Power of Attorney as per the format at **Appendix - II**, authorising the signatory of the Bid to commit the Bidder.

2.1.9. In case the Bidder is a Consortium, the Members thereof should furnish a Power of Attorney in favour of the Lead Member in the format at **Appendix - III**.

2.1.10. Any condition or qualification or any other stipulation contained in the Bid submission shall render the Bid submission liable to rejection as a non-responsive Bid submission.

2.1.11. The Bid submission and all related correspondence and documents in relation to the Bidding Documents shall be in English language. Supporting documents and printed literature furnished by the Bidder with the Bid may be in any other language provided that they are accompanied by appropriate translations of the pertinent passages in the English language, duly authenticated and certified by the Bidder. Supporting materials, which are not translated into English, may not be considered. For the purpose of interpretation and evaluation of the Bid, the English language translation shall prevail.

2.1.12. The Bidding Documents including this RFP and all attached documents are and shall remain the property of the Authority and are transmitted to the Bidders solely for the purpose of preparation and submission of a Bid in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The Authority will not return any Bid or any information provided along therewith.

2.1.13. A Bidder shall not have a conflict of interest (the "**Conflict of Interest**") that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified. In the event of disqualification, the Authority shall forfeit and appropriate the Bid Security or Performance Security, as the case may be, as mutually agreed genuine loss and damages likely to be suffered and incurred by the Authority and not by way of penalty for, inter alia, the time, cost and effort of the Authority, including consideration of such Bidder's Bid submission, without prejudice to any other right or remedy that may be available to the Authority hereunder and / Power Purchase Agreement or otherwise. Without limiting the generality of the above, a Bidder shall be considered to have a Conflict of Interest that affects the Bidding Process, if:

a. such Bidder (or any constituent thereof) and any other Bidder (or any constituent thereof)

have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding in a Bidder or a constituent thereof in the other Bidder(s) (or any of its constituents) is less than 25% of its paid up and subscribed capital; or

- b. a constituent of such Bidder is also a constituent of another Bidder; or
- c. such Bidder has the same legal representative for purposes of this Bid as any other Bidder; or
- d. such Bidder, or any Group Business Entity thereof, has a relationship with another Bidder or any Group Business Entity thereof, directly or through common third parties, that puts them in a position to have access to each others' information about, or to influence the Bid of either or each; or
- e. such Bidder or any Group Business Entity thereof has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.

2.1.14. This RFP is not transferable.

2.1.15. Any award of Right pursuant to this RFP shall be subject to the terms of Bidding Documents.

2.1.16. Where the Bidder is a Single Business Entity, it may at its option, form an appropriate Special Purpose Vehicle under the Companies Act, 1956 (the “**SPV**”) to execute the Power Purchase Agreement and implement the Project. In case the Bidder is a Consortium, it shall, prior to execution of the Power Purchase Agreement, incorporate as per the terms of the RFP, an appropriate the “**SPV**” to execute the Power Purchase Agreement and implement the Project. The Consortium in addition to forming a SPV, shall also comply with the following requirements:

- a. The number of members in a Consortium would be limited to 3 (three);
- b. The shareholding commitments of all the members of the Consortium shall be in accordance with Clause 2.3;
- c. The Bid should contain the information required for each member of the Consortium;
- d. Members of the Consortium shall nominate one member as the lead member (the “**Lead Member**”) who shall have an equity share holding of at least 26% (twenty six percent) of the paid up and subscribed equity of the SPV until third anniversary of the Commercial Operation Date. The other members of the Consortium shall be termed as “**Other Members**”. The nomination(s) shall be supported by a Power of Attorney, as per the format at **Appendix - III**, signed by all the members of the Consortium;
- e. Members of the Consortium shall collectively hold at least 51% of subscribed and paid up equity share capital of the SPV at all times until third anniversary of the Commercial Operations Date of the Project.
- f. The Bid should include a brief description of the roles and responsibilities of individual members, particularly with reference to equity shareholding commitment, financial, technical and O&M obligations;

- g. An individual Bidder cannot at the same time be member of a Consortium applying for qualification. Further, a member of a particular Bidder Consortium cannot be a member of any other Bidder Consortium applying for qualification;
- h. The Parties to the Consortium should establish SPV and execute the Power Purchase Agreement in respect of the Project(s) awarded to such Consortium.
- i. Members of the Consortium shall enter into a binding Joint Bidding Agreement (the "**Jt. Bidding Agreement**"), as per the format provided in **Appendix – V**, for the purpose of submitting Bid and should submit the same along with the Bid. The Jt. Bidding Agreement should be specific to the Project and should fulfill the requirements set out below, failing which the Bid shall be considered non-responsive. The Jt. Bidding Agreement shall, *inter alia*:
 - (i) convey the intent to form a SPV with shareholding/ ownership equity commitment(s) in accordance with Clause 2.3, which would enter into the Power Purchase Agreement and subsequently carry out all the responsibilities as Developer in terms of the Power Purchase Agreement, in case the Project is awarded to the Consortium;
 - (ii) clearly outline the proposed roles and responsibilities of each member at each stage;
 - (iii) commit the minimum equity stake to be held by each member; and
 - (iv) include a statement to the effect that all members of the Consortium shall under the Power Purchase Agreement, be liable jointly and severally for all obligations of the Developer in relation to the Project until the Condition Precedent of the Project is achieved in accordance with the Power Purchase Agreement.

2.1.17. Any entity which has been barred by the Central/ any State Government, or any entity controlled by them, from participating in any project , and the bar subsists as on the date of Bid, would not be eligible to submit a Bid, either individually or as member of a Consortium.

2.1.18. 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.

2.1.19. The following conditions shall be adhered to while submitting a Bid:

- a. Bidders should attach clearly marked and referenced continuation sheets in the event that the space provided in the prescribed forms in the Annexes to Appendices is insufficient. Alternatively, Bidders may format the prescribed forms making due provision for incorporation of the requested information;
- b. information supplied by a Bidder (or other constituent Member if the Bidder is a Consortium) must apply to the Bidder, Member or Group Business Entity named in the Bid and not, unless specifically requested, to other associated companies;
- c. Bidders should demonstrate their Eligibility Criteria in accordance with Clause 3.3 of this RFP;

2.1.20. While qualification is open to persons from any country, the following provisions shall apply:

- (a) Where, on the date of the Bid, not less than 15% (fifteen percent) of the aggregate issued, subscribed and paid up equity share capital in a Bidder or its Member is held by persons resident outside India or where the Bidder or its Member is controlled by persons resident outside India; or
- (b) if at any subsequent stage after the date of the Bid, there is an acquisition of not less than 15% (fifteen percent) of the aggregate issued, subscribed and paid up equity share capital or control (by persons resident outside India) in or of the Bidder or its Member;

then the qualification of such Bidder or in the event described in sub clause(b) above, the continued qualification of the Bidder shall be subject to approval of the Authority from national security and public interest perspective. The decision of the Authority in this behalf shall be final and conclusive and binding on the Bidder.

The holding or acquisition of equity or control, as above, shall include direct or indirect holding/ acquisition, including by transfer, of the direct or indirect legal or beneficial ownership or control, by persons acting for themselves or in concert and in determining such holding or acquisition, the Authority shall be guided by the principles, precedents and definitions contained in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, or any substitute thereof, as in force on the date of such acquisition.

The Bidder shall promptly inform the Authority of any change in the shareholding, as above, and failure to do so shall render the Bidder liable for disqualification from the Bidding Process.

2.2. Change in composition of the Consortium

A Bidder shall not be allowed to change its composition for any of the Project(s), i.e. Single Business Entity bidding for a Project cannot bid as a Consortium for any other Project and a group of entities bidding as a Consortium for a Project cannot change its composition for any other Project. Further, where the Bidder is bidding as Consortium, the Lead Member of the Consortium shall remain same for all the Project(s).

2.3. Shareholding Commitments

- 2.3.1. In case the Selected Bidder is a Consortium, Members of the Consortium shall collectively hold at least 51% of subscribed and paid up equity share capital of the SPV at all times until third anniversary of the Commercial Operations Date of the Project. Lead Member shall have 26% shareholding of the SPV until third anniversary of the Commercial Operations Date of the Project. The Bidder further acknowledges and agrees that the aforesaid obligation shall be the minimum, and shall be in addition to such other obligations as may be contained in the Power Purchase Agreement, and a breach hereof shall, notwithstanding anything to the contrary contained in the Power Purchase Agreement, be deemed to be a breach of the Power Purchase Agreement and dealt with as such thereunder.

2.3.2. In case the Selected Bidder is a Single Business Entity and exercises its option to incorporate a SPV, then it shall hold at least 51% (fifty one percent) of subscribed and paid up equity share capital of the SPV, until third anniversary of the Commercial Operations Date of the Project. This condition is applicable only in case the Single Business Entity incorporates an SPV to execute the PPA and implement the Project.

2.4. Cost of Bidding

2.4.1. The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the Bidding Process. The Authority will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

2.5. Verification of information

2.5.1. It shall be deemed that by submitting a Bid, the Bidder has:

- a. made a complete and careful examination of the Bidding Documents;
- b. received all relevant information requested from the Authority;
- c. acknowledged and accepted the risk of inadequacy, error or mistake in the information provided in the Bidding Documents;
- d. satisfied itself about all matters, things and information necessary and required for submitting an informed Bid, execution of the Project in accordance with the Bidding Documents and performance of all of its obligations thereunder;
- e. acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Bidding Documents shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from the Authority, or a ground for termination of the Power Purchase Agreement; and
- f. agreed to be bound by the undertakings provided by it under and in terms hereof.

2.5.2. The Authority shall not be liable for any omission, mistake or error on the part of the Bidder in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to RFP, the Bidding Documents or the Bidding Process, including any error or mistake therein or in any information or data given by the Authority.

2.6. Right to accept and to reject any or all Bids

2.6.1. Notwithstanding anything contained in this RFP, the Authority reserves the right to accept or reject any Bid and to annul the Bidding Process and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof.

2.6.2. The Authority reserves the right to reject any Bid and appropriate the Bid Security if:

- a. at any time, a material misrepresentation is made or uncovered, or
- b. the Bidder does not provide, within the time specified by the Authority, the supplemental information sought by the Authority for evaluation of the Bid.

Such misrepresentation/improper response shall lead to the disqualification of the Bidder. If the Bidder is a Consortium, then the entire Consortium shall be disqualified /rejected. If such disqualification/rejection occurs after the Bids have been opened and one of the Selected Bidder gets disqualified/ rejected, then the Authority reserves the right to:

- (i) invite the remaining Bidders in accordance with Clause 3.5; or
- (ii) take any such measure as may be deemed fit in the sole discretion of the Authority, including annulment of the Bidding Process.

2.6.3. In case it is found during the evaluation or at any time before signing of the Power Purchase Agreement or after its execution and during the period of subsistence thereof, including the Right thereby granted by the Authority, that one or more of the qualification conditions have not been met by the Bidder or the Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet appointed as the Developer either by issue of the LOA or entering into the Power Purchase Agreement, and if the Bidder has already been issued the LOA or has entered into the Power Purchase Agreement, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFP, be liable to be terminated, by a communication in writing by the Authority to the Bidder, without the Authority being liable in any manner whatsoever to the Bidder or Developer, as the case may be. In such an event, the Authority shall forfeit and appropriate the Bid Security or Performance Security, as the case may be, as mutually agreed genuine compensation and damages payable to the Authority for, inter alia, time, cost and effort of the Authority, without prejudice to any other right or remedy that may be available to the Authority.

The Authority reserves the right to verify all statements, information and documents submitted by the Bidder in response to the RFP. Failure of the Authority to undertake such verification shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any right of the Authority thereunder.

B. DOCUMENTS

2.7. Contents of the RFP

2.7.1. This RFP comprises the Disclaimer set forth hereinabove, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.9.

a. Instructions to Bidders (Volume I)

- Section 1. Introduction
- Section 2. Terms of Bidding
- Section 3. Evaluation of Bids

Section 4. Fraud and Corrupt Practices
Section 5. Pre-Bid Conference
Section 6. Miscellaneous

Appendices

Appendix I- Letter of Bid
Annexes to Appendix I

Annex I - Details of Bidder
Annex II- Technical Capacity Undertaking
Annex III - Financial Capacity of the Bidder
Annex III -A Format for certificate from Statutory Auditor/Independent Auditor
Annex IV-Format for certificate from Statutory Auditor/ Independent Auditor for Group Business Entity
Annex V -Statement of Legal Capacity
Appendix II - Power of Attorney for signing of Bid
Appendix III - Power of Attorney for Lead Member of Consortium
Appendix IV - Format for Bank Guarantee for Bid Security
Appendix V - Joint Bidding Agreement
Appendix VI - Specimen for Financial Bid
Appendix VII – Anti Collusion Certificate
Appendix VIII- Anti Blacklisting Affidavit
Appendix –IX- Information sought by the Bidder in MS Excel format
Schedule -1 A – Technical Qualification Requirement in case of Solar Thermal Project
Schedule -1 B- Technical Qualification Requirement in case of Solar PV Project
Schedule -2- Solar Tariff Order issued by KERC

b. Draft Power Purchase Agreement (Volume II)

The draft Power Purchase Agreement provided by the Authority as part of the Bid Documents shall be deemed to part of this RFP.

2.8. Clarifications

- 2.8.1. Bidders requiring any clarification on the RFP may notify the Authority in writing or by fax and email to the address provided in Clause 2.11.6. They should send in their queries on or before the date mentioned in the Schedule of Bidding Process specified in Clause 1.3. The Authority shall endeavour to respond to the queries within 7 (seven) days prior to the Bid Due Date. The responses will be published in E-Procurement Website as well the Authority's Website www.kredlinfo.in without identifying the source of queries.
- 2.8.2. The Authority shall endeavour to respond to the queries raised or clarifications sought by the Bidders. However, the Authority reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause 2.8.2 shall be taken or read as compelling or requiring the Authority to respond to any question or to provide any clarification.

2.8.3. The Authority may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders through E-Procurement Website as well the Authority's Website www.kredlinfo.in. All clarifications and interpretations issued by the Authority shall be deemed to be part of the Bidding Documents. Verbal clarifications and information given by Authority or its employees or representatives shall not in any way or manner be binding on the Authority.

2.9. Amendment of RFP

- 2.9.1. At any time prior to the Bid Due Date, the Authority may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the RFP by the issuance of Addenda.
- 2.9.2. Any Addendum thus issued will be published in E-Procurement Website as well on the website of the Authority; www.kredlinfo.in. The published details on the said sources will be binding on the participating Bidders.
- 2.9.3. In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, the Authority may, at its own discretion, extend the Bid Due Date and/or Due Date. Information about extension of the deadline will be published in E-Procurement Website as well on the website of the Authority; www.kredlinfo.in vide corrigendum.

C. PREPARATION AND SUBMISSION OF BIDS

2.10. Format and Signing of Bid

2.10.1. The Bidder shall provide all the information sought under this RFP in electronic mode and submit the documents specified in Clause 2.11.4 in physical mode. The Authority will evaluate only those Bids that are received in the required formats and complete in all respects. Incomplete and /or conditional Bids shall be liable to rejection.

2.10.2. All the documents of the Bid sought in physical mode under this RFP shall be typed or written in indelible ink and signed by the authorised signatory of the Bidder who shall also initial each page in blue ink. In case of printed and published documents, only the cover shall be initialed. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialed by the person(s) signing the Bid. The Bid shall contain page numbers and shall be bound together in hard cover.

2.10.3. All documents of the Bids submitted in electronic mode under this RFP shall be uploaded on E-Procurement Website: www.eproc.karnataka.gov.in using digital signature.

2.11. Submission of Bid

2.11.1. The Bidder shall submit the Bid(s) in the form specified in Clause 2.11.2.

2.11.2. The Bidder shall submit following documents in the electronic mode using their digital signatures in the correct slots in E-Procurement Website. The documents accompanying the Bid(s) submission shall include.

“Key Submissions”

- a. Scanned copy of the Demand Draft of Rs. 10,000/- (Rupees Ten Thousand only) towards the cost of the RFP Document (non-refundable). The Demand Draft shall be from a Nationalized Bank or a Scheduled Bank² in India drawn in favour of “Managing Director, Karnataka Renewable Energy Development Limited”.
- b. Scanned copy of the Letter of Bid in the prescribed format provided in **Appendix - I** along with Annexes and supporting documents;
- c. Scanned copy of the Power of Attorney for signing of Bid in the prescribed format (**Appendix - II**);
- d. If applicable, the scanned copy of Power of Attorney for Lead Member of Consortium in the prescribed format (**Appendix - III**);

² excluding Co-operative Banks

- e. Scanned copy of the part of Bid Security as Bank Guarantee in the prescribed format (**Appendix - IV**). Apart from this the Bidder shall also submit the remaining part of the Bid Security in the manner provided in Clause 1.2.4;
- f. Scanned copy of Certificate of Incorporation and a copy of Memorandum and Articles of Association of the Bidder;
- g. In case the Bidder is bidding for Solar Thermal Project, scanned copy of the documentary evidence in the form of approval from the Irrigation Department, Government of Karnataka in case the water is proposed to be used from irrigation sources;
- h. If applicable, scanned copy of the certificate from the Statutory Auditor/ Independent Auditor for Group Business Entity (format provided as Annex IV of Appendix I);
- i. Scanned copy of the Jt. Bidding Agreement, in case of a Consortium in the format provided in **“Appendix V”**;
- j. Scanned copy of the Anti Collusion Certificate in the format provided -in Appendix – VII; and
- k. Scanned copy of the Anti Blacklisting Affidavit in the format provided in Appendix – VIII.

2.11.3. The Financial Bid of the Bidder shall be submitted only through E-Procurement Website. Specimen of the Financial Bid is provided at **Appendix – VI**.

2.11.4. Following documents in original shall be submitted in physical mode, in the manner set out herein and submit at the address provided in this Clause 2.11.4 before Bid Due Date:

“Key Submissions”

- a) Letter of Bid in the prescribed format **Appendix - I** along with Annexures and supporting documents;
- b) Power of Attorney for signing of Bid in the prescribed format (**Appendix – II**);
- c) If applicable, the Power of Attorney for Lead Member of Consortium in the prescribed format (**Appendix – III**);
- d) Part of Bid Security as Bank Guarantee in the prescribed format (**Appendix - III**);
- e) A copy of Certificate of Incorporation and a copy of Memorandum and Articles of Association of the Bidder;
- f) Copies of Bidder’s or each Consortium Member’s duly audited annual reports and financial statements (balance sheets and profit and loss account) for the latest financial year as on March 31, 2012;

- g) In case the Bidder is bidding for Solar Thermal Project, copy of the documentary evidence in the form of approval from the Irrigation Department, Government of Karnataka in case the water is proposed to be used from irrigation sources;
- h) Jt. Bidding Agreement, in case of a Consortium in the format provided in "**Appendix V**";
- i) A copy of the draft Power Purchase Agreement with each page initialled by the person signing the Bid in pursuance of the Power of Attorney's referred to in sub-clause (b) and sub-clause (c) hereinabove. No change whatsoever to the financial and commercial conditions will be made after accepting the Bid; and
- j) Non rewritable Compact Disc containing the information and details of the Bidder as set out in Appendix IX in xls format.

2.11.5. The documents provided in the Clause 2.11.4 (except Demand Draft/Bank Guarantee and non rewritable compact disc) shall be bounded between hard cover (book bound) and the pages shall be numbered serially. These documents shall be placed in an envelope and sealed and marked as "**Bid for Development of Solar Power Projects in the State of Karnataka**".

2.11.6. The envelopes shall be addressed to:

ATTN. OF:	Managing Director
ADDRESS:	Karnataka Renewable Energy Development Ltd. No.39, "Shanthigruha" Bharath Scots & Guides Building, Palace Road. Bangalore-560 001
FAX NO:	080-22257399
E-MAIL ADDRESS:	kredlnce@yahoo.co.in

2.11.7. If the envelopes are not sealed and marked as instructed above, Authority assumes no responsibility for the misplacement or premature opening of the contents of the Bid submitted and consequent losses, if any, suffered by the Bidder.

2.11.8. In the event of any inconsistencies between the document submitted by the Bidder in the electronic mode and the physical mode (Hard Copy Submission), the document submitted through electronic mode shall prevail for the purpose of evaluation.

2.12. Bid Due Date and Due Date

2.12.1. Bids through electronic mode in E-Procurement Website should be submitted up to the Bid Due Date in the manner and form as detailed in this RFP. The hard copy of the Bids should be submitted up to the Due Date for Hard Copy Submission as per the Schedule of Bidding Process provided in Clause 1.3, at the address provided in Clause 2.11.6 in the manner and form as detailed in this RFP and an acknowledgement / proof of delivery shall be obtained.

2.12.2. The Authority may, in its sole discretion, extend the Bid Due Date and/or Due Date for hard copy Submission by issuing an Addendum in accordance with Clause 2.9 uniformly for all Bidders.

2.12.3. The Authority reserves the right to seek original documents for verification of any of the documents or any other additional documents upon opening of the Bidding Documents

2.13. Late Bids

Bids received by KREDL after the specified time on the Bid Due Date and/or Due Date for Hard Copy Submission shall not be eligible for consideration and shall be summarily rejected.

2.14. Financial Bid

2.14.1. The Financial Bid submission shall be submitted only electronically on the e-procurement website and furnished in the format at Appendix – VI. Any Financial Bid received in the physical form shall be considered as a non-responsive Bid and would be rejected.

2.14.2. The Financial Bid shall consist of Discount in Tariff to be quoted by the Bidder. The Effective Tariff shall be payable by the ESCOM to the Developer in accordance with this RFP and the provisions of the Power Purchase Agreement.

2.14.3. The Project will be awarded to the Bidders on the basis of Effective Tariff in accordance with the procedure described in the Clause 3.5.

2.14.4. The opening of Bids and acceptance thereof shall be substantially in accordance with this RFP.

2.15. Withdrawal of Bids

2.15.1. The Bidder may withdraw its Bid after submission of the Bids electronically prior to Bid Due Date. No Bid can be withdrawn by the Bidder after the Bid Due Date.

2.15.2. Any alteration/ modification in the Bid or additional information supplied subsequent to the Bid Due Date or Due Date, as the case may be, unless the same has been expressly sought for by Authority, shall be disregarded.

2.15.3. No Bid may be withdrawn during the period after Bid Due Date or Due Date, as the case may be and during Bid Validity Period. Withdrawal of a Bid during this period may result in the forfeiture of its Bid security, pursuant to Clause 2.20.5.

2.16. Rejection of Bids

2.16.1. The Authority reserves the right to accept or reject all or any of the Bids without assigning any reason whatsoever. It is not obligatory for the Authority to accept any Bid or to give any reasons for their decision.

2.16.2. The Authority reserves the right not to proceed with the Bidding Process at any time, without notice or liability, and to reject any Bid without assigning any reasons.

2.17. Validity of Bids

The Bids shall be valid for a period of not less than 180 (one hundred and eighty) days from the Bid Due Date (the “**Bid Validity Period**”). The Bid Validity Period may be extended by mutual consent of the respective Bidders and the Authority.

2.18. Confidentiality

Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the Authority in relation to, or matters arising out of, or concerning the Bidding Process. The Authority will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. The Authority may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the Authority.

2.19. Correspondence with the Bidder

The Authority shall not entertain any correspondence with any Bidder in relation to acceptance or rejection of any Bid.

D. BID SECURITY

2.20. Bid Security

2.20.1. The part of Bid Security to be submitted in the form of a bank guarantee referred in Clause 1.2.4 hereinabove shall be issued by a Nationalized Bank, or a Scheduled Bank³ in India, in favour of “Managing Director, Karnataka Renewable Energy Development Limited” in the format at Appendix IV (the “Bank Guarantee”) and having a validity period of not less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days and may be extended by the Bidder from time to time. In case the Bank Guarantee is issued by a foreign bank outside India, confirmation of the same by any nationalized bank in India is required. For the avoidance of doubt, Scheduled Bank shall mean a bank as defined under Section 2(e) of the Reserve Bank of India Act, 1934.

2.20.2. Any Bid not accompanied by the Bid Security shall be rejected by the Authority as non responsive.

2.20.3. Save and except as provided in Clause 1.2.4, the Bid Security of unsuccessful Bidders will be returned by the Authority, without any interest, as promptly as possible on acceptance of the Bid of the Selected Bidder or when the Bidding process is cancelled by the Authority, and in any case within 60 (sixty) days from the Bid Due Date. With respect to Bid Security paid through e-payment, the refund shall be made in the form of an account payee demand draft in favour of the Bidder. For the said purpose, the Bidder shall provide a specific instructions in writing to the Authority about the name and address of the persons in whose favour the said demand draft shall be drawn by the

³ Excluding Co-operative Banks

Authority for refund, failing which it shall be drawn in the name of the Bidder and shall be mailed to the address given on the Bid and in case of a Consortium, it will be drawn in favour of the Lead Member and shall be mailed to the address given on the Bid.

2.20.4. The Selected Bidder's Bid Security will be returned, without any interest, upon the Bidder signing the Power Purchase Agreement and furnishing the Performance Security in accordance with the provisions thereof.

2.20.5. The Authority shall be entitled to forfeit and appropriate the Bid Security as mutually agreed genuine compensation / damages to the Authority in any of the events specified in Clause 2.20.6 herein below. The Bidder, by submitting its Bid pursuant to this RFP, shall be deemed to have acknowledged and confirmed that the Authority will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the Bid Validity Period. No relaxation of any kind on Bid Security shall be given to any Bidder.

2.20.6. The Bid Security shall be forfeited and appropriated by the Authority as mutually agreed genuine compensation and damages payable to the Authority for, inter alia, time, cost and effort of the Authority without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise, under the following conditions:

- I. If a Bidder submits a non-responsive Bid;
- II. If a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Section 4 of this RFP;
- III. If a Bidder withdraws its Bid during the period of Bid validity as specified in this RFP and as extended by the Bidder from time to time;
- IV. In case the Bidder fails to acknowledge the Letter of Award and/or Allotment Letter, and fails to fulfil conditions of the Letter of Award and/or Allotment Letter.
- V. In the case of Selected Bidder, if it fails within the specified time limit -
 - i) to sign the Power Purchase Agreement and/or
 - ii) to furnish the Performance Security
- VI. In case the Selected Bidder, having signed the Power Purchase Agreement, commits any breach thereof prior to furnishing the Performance Security.

3. EVALUATION OF BIDS

3.1. Opening and Evaluation of Bids

- 3.1.1. The Authority shall open the Bids as per the Schedule of Bidding process specified in Clause 1.3, at the place specified in Clause 2.11.6 and in the presence of the Bidders who choose to attend.
- 3.1.2. The Authority will examine and evaluate the Bids in the manner set out in Clause 1.2.4 (B) and in accordance with the provisions set out in this Section 3.
- 3.1.3. To facilitate evaluation of Bids, the Authority may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.
- 3.1.4. Any information contained in the Bid shall not in anyway be construed as binding on the Authority, its agents, successors or assigns, but shall be binding against the Bidder if the Project is subsequently awarded to it under the Bidding Process on the basis of such information.
- 3.1.5. The Authority reserves the right not to proceed with the Bidding Process at any time without notice or liability and to reject any Bid without assigning any reasons.

3.2. Tests of responsiveness

- 3.2.1. Prior to evaluation of Bids, the Authority shall determine whether each Bid is responsive to the requirements of RFP. A Bid shall be considered responsive only if:
 - a. It is accompanied by the Demand Draft towards cost of the RFP;
 - b. it is received as per the format at Appendix - I and its annexes;
 - c. it is received by the Bid Due Date and/or the Due Date including any extension thereof pursuant to Clause 2.12;
 - d. it is submitted electronically on the E-Procurement Website in the manner stipulated in Clause 2.11.2;
 - e. it is signed and submitted as stipulated in Clause 2.10;
 - f. the Bids in the hard copy mode is sealed, marked and bound together in hard cover as stipulated in Clause 2.11.5;
 - g. it is accompanied by valid Bid Security;
 - h. it is accompanied by the Power of Attorney as specified in Clauses 2.1.8 and 2.1.9, as the case may be;
 - i. it contains all the information (complete in all respects) as requested in this RFP and/or Bidding Documents (in formats same as those specified);
 - j. it provides information in reasonable detail. ("Reasonable Detail" means that, but for minor deviations, non material non – conformities, the information can be reviewed and evaluated by Authority without communication with the Bidder). Authority reserves the right to determine whether the information has been provided in reasonable detail;
 - k. it is accompanied by the Jt. Bidding Agreement (for Consortium), specific to the Project, as stipulated in Clause 2.1.16(i);
 - l. In case the Bidder is bidding for Solar Thermal Project, it is accompanied by documentary

evidence in the form of approval from the Irrigation Department, Government of Karnataka in case the water is proposed to be used from irrigation sources.

- m. it is accompanied by Anti Collusion Certificate as per the format provided -in Appendix – VII.
- n. it is accompanied by Anti Blacklisting Affidavit as per the format provided in Appendix – VIII.
- o. It is accompanied by the non rewritable compact disc containing the information and details of the Bidder in .xls format as set out in Appendix IX.
- p. it does not contain any condition or qualification; and
- q. it is not non-responsive in terms hereof.

3.2.2. The Authority reserves the right to reject any Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Authority in respect of such Bid.

3.3. Evaluation of Eligibility Criteria

3.3.1. Only those Bidders whose Bids are responsive in accordance with provisions of Clause 3.2.1 above shall be considered for evaluation under this Section 3.

3.3.2. The Bidders' competence and capacity is proposed to be established by following parameters:

- I. Technical Capacity; and
- II. Financial Capacity.

(a) Technical Capacity

The Bidder shall deploy commercially established technology wherein there is at least one project successfully operational of the proposed technology, for at least one year, anywhere in the world ("Technical Capacity"). The Bidder is required to undertake to furnish evidence of meeting the Technical Capacity in line with the provision of Clause 3.7. The Bidders must provide an undertaking for fulfilment of Technical Capacity in the format provided in Annex-II of Appendix – I.

The Bidder shall provide following technology for Solar Thermal or Solar PV Project, as the case may be, which is approved as per the Ministry of New and Renewable Energy, Government of India (MNRE) or any other technology approved by MNRE prior to Bid Due Date.

In case of Solar Thermal Project

Solar Power (CSP) technology, such as,

- a. Parabolic Trough Collectors,
- b. Solar Dish Stirling (or any other prime mover),
- c. Linear Fresnel Reflector,
- d. Central Tower with heliostats

or their any other combination could be used.

In case of Solar PV Project

<ul style="list-style-type: none"> a. Crystalline Silicon Solar Cell Modules b. Thin Film Modules c. Concentrator PV modules 	IEC 61215 IEC 61646 IEC 62108
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In case the technology proposed is not as per the approved list of technologies by MNRE, a Certificate from Electronics Test and Development Centre (ETDC) Bangalore, shall be allowed which shall certify the following:

- a. Technology
- b. Energy Produced per hour/square feet
- c. Period for which it is operational
- d. Proof of existing Project

(b) Financial Capacity:

The Bidder shall have a minimum net worth equivalent of Rs. 2 crore (Rupees two crore) or equivalent US\$ per MW of the proposed capacity as on March 31, 2012 (the "**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.

In case a Bidder is found not having the minimum Financial Capacity for the Project(s) for which the Bid(s) have been submitted, the Authority shall have the right to reject such Bid(s).

For the purpose of ascertaining qualification, Financial Capacity of group business entity ("**Group Business Entities**") can also be submitted by the Bidder in addition to its own Financial Capacity. The Financial Capacity would be summation of the Financial Capacity of the Bidder and the Group Business Entities. For the purpose of this RFP, a Group Business Entity shall mean;

- (a) A Business Entity, which directly or indirectly holds not less than 26% of voting securities in the Bidder; or
- (b) A Business Entity in which the Bidder directly or indirectly holds not less than 26% of voting securities.

The Group Business Entity shall be a Company incorporated under the Companies Act 1956 or under an equivalent law abroad, if it is a foreign company.

The details of Group Business Entities must also be provided as per Annex-I of the RFP.

3.4. Supporting Financial Documents

The Bidder must provide the Audited Annual Reports of the Bidder (of each Member in case of a Consortium) as on March 31, 2012.

In case the annual accounts for the latest financial year are not audited and therefore the Bidder could not make it available, the Bidder shall give an undertaking to the same effect and the Statutory Auditor/ Independent Auditor shall certify the same.

3.5. Selection of Bidder

- 3.5.1. The Financial Bid of the Bidders adjudged as responsive in terms of Clause 3.2.1, and who meet the Eligibility Criteria shall be opened.
- 3.5.2. All the Financial Bids received for the Projects would be opened in no specific order and the Effective Tariff to be paid by ESCOMS under each of the Bids would be determined. The Bids offering the lowest Effective Tariff payable by ESCOMS will be selected first and so on till the aggregate capacity of 130 MW is reached (the "**Selected Bidders**"). Where the Effective Tariff offered by two or more Bidders are same, then the Bidder proposing higher capacity would be given priority in the selection. In the event where two or more Bidders have same Effective Tariff and have offered the same capacity, the Authority shall by draw of lots, which shall be conducted, with prior notice, in the presence of the tie Bidders who choose to attend, select the priority of Bidder for selection.
- 3.5.3. In case the capacity of the last Project selected is higher than the capacity required for meeting the aggregate capacity of 130 MW for the Project, then the capacity to be awarded to the Bidder of the last Project shall be the residual capacity.

Illustration: If the aggregate capacity of the Projects selected reaches 120 MW, then the residual capacity is 10 MW. If the proposed capacity of the Project offering the next lowest Effective Tariff is 50 MW, such Bidder will be awarded 10 MW for development of Project at the same Discount in Tariff offered in its Bid.

Where the residual capacity offered to the Bidder quoting the Effective Tariff for the last Project is lesser than the capacity offered by it, than such Bidder may refuse to undertake the residual capacity without forfeiting its Bid Security. In such event, the Authority may offer the residual capacity to the Bidder which has offered the lowest Effective Tariff of all the Bidders and so on till any Bidder in order of lowest Effective Tariff is willing to take up the residual capacity.

In the process of offering the residual capacity, if two or more Bidders have the same Effective Tariff, then the Bidder proposing higher capacity would be given priority in accepting the residual capacity. In the event where two or more Bidders have same Effective Tariff and have offered same capacity, the Authority shall offer the residual capacity by draw of lots, which shall be conducted, with prior notice, in the presence of the tie Bidders who choose to attend.

- 3.5.4. In the event that the Selected Bidder(s) withdraws or is not selected for any reason in the first instance, the Authority may shortlist the remaining Bidders in the order of lowest Effective Tariff, in order to meet the total aggregate capacity of 130 MW.
- 3.5.5. In the event that the remaining Bidders want to withdraw from the process, the Authority may, in its discretion annul the Bidding Process.
- 3.5.6. After selection, a Letter of Award (the "**LOA**"), shall be issued, in duplicate, by the Authority to the Selected Bidders and the Selected Bidders shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. Along with the

acknowledgement of LOA, the Selected Bidder(s) shall submit an amount of Rs. 1,10,000 (Rupees One Lakh Ten Thousand only) per MW of the capacity for which the respective Bids were submitted towards the processing fee. The processing fee shall be payable by way of Demand Draft in favour of Managing Director, KREDL payable at Bangalore. In the event the duplicate copy of the LOA duly signed by the Selected Bidders along with the processing fee is not received by the stipulated date, the Authority may, unless it consents to extension of time for submission thereof, appropriate the Bid Security of such Bidder as mutually agreed genuine loss and damage suffered by the Authority on account of failure of the Selected Bidder to acknowledge the LOA. The Authority may indicate the name of ESCOM with which the Selected Bidder is required to enter into a Power Purchase Agreement. Where, this information about the ESCOM is not provided in LOA, the Authority shall issue an allotment letter (the "Allotment Letter") in duplicate, informing the name of ESCOM with which the Selected Bidder is required to enter into a Power Purchase Agreement. The procedure for acknowledgement of LOA and the consequence of failure thereof shall *mutatis mutandis* applicable for Allotment Letter.

- 3.5.7. After acknowledgement of the LOA or the Allotment Letter, as the case may be, the Selected Bidder shall execute the Power Purchase Agreement within 30 (thirty) days of such acknowledgement and within the aforementioned period, shall furnish to the Authority details about the SPV incorporated for the purpose of signing the Power Purchase Agreement. The Selected Bidder shall not be entitled to seek any deviation in the Power Purchase Agreement.
- 3.5.8. Failure of the Selected Bidder to comply with the requirements of Clause 3.5.6 shall constitute sufficient grounds for the annulment of the LOA and/or the Allotment Letter, as the case may be, and forfeiture of the Bid Security. In such an event, the Authority reserves the right to take any such measure as may be deemed fit in the sole discretion of the Authority.

3.6. Contacts during Bid Evaluation

Bids shall be deemed to be under consideration from the time immediately after they are opened until such time the Authority makes official intimation of award/ rejection to the Bidders. While the Bids are under consideration, Bidders and/ or their representatives or other interested parties are advised to refrain from contacting by any means, the Authority and/or their employees/ representatives on matters related to the Bids under consideration.

3.7. Financial Close

The Selected Bidder shall within 180 (Hundred and Eighty) days from the date of signing of the Power Purchase Agreement shall

- i. Achieve Financial Closure
- ii. furnish documentary evidence that the requisite technical criteria has been fulfilled as per the format provided in Schedule 1A in case of Solar PV Projects and Schedule 1B in case of Solar Thermal Projects and
- iii. Documentary evidence for the required land for project development as per the details set out in Appendix – I Annex- II.

3.8. Sharing of Clean Development Mechanism (CDM) Benefits

The Project shall be compatible to CDM claims and all such CDM claims shall be reported to the Authority periodically. The proceeds of carbon credit from approved CDM project shall be shared between Developer and concerned ESCOM in the following manner:

- a. 100% of the gross proceeds on account of CDM benefit to be retained by the Developer in the year after the date of commercial operation of the generating station
- b. In the second year, the share of the concerned ESCOM shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, where after the proceeds shall be shared in equal proportion, by the Developer and concerned ESCOM.

3.9. Commission of Project

The commercial operation date ("Commercial Operations Date"/"COD") for the Project shall be achieved by the Developer within 12 (twelve)/24 (twenty four)⁵ months from the date of signing of the Power Purchase Agreement.

Failure to achieve the said milestone the following provision would apply.

ESCOM shall encash and invoke the Performance Security in the following manner: -

Delay upto one month	20% of the total Performance Security
Delay of more than one month and upto two months	40% of the total Performance Security
Delay of more than two months and up to three months	40% of the Performance Security

In case the achievement of COD is delayed beyond 3 (three) months, the Developer shall pay to ESCOM the Liquidated Damages (LD) in a sum calculated at the rate of Rs.1,00,000 (Rupees One Lakh Only)/ MW per day of delay and the same payable in weekly basis. The maximum time period allowed for achieving COD with encashment of Performance Security and payment of Liquidated Damages shall be limited to 16 (sixteen) / 28 (twenty eight)⁶ months from the date of signing of PPA. In case of delay beyond 16 (sixteen) months from the date of signing PPA would amount to termination of Power Purchase Agreement.

3.10. Performance Bond and Performance Security

The Bidder shall furnish a performance bond ("Performance Bond") on graded scale simultaneously with the execution of the Power Purchase Agreement as provided hereunder⁷: The Performance Guarantee shall form part of Performance Security and shall be paid in the manner stipulated in Clause 3.11.

⁵ 12 months in case of Solar PV and 24 months in case of Solar Thermal

⁶ 16 months in case of Solar PV and 28 months in case of Solar Thermal

⁷ A sample Performance Guarantee calculation is provided in Schedule 3 of this RFP

Discount offered on KERC Approved Tariff	Amount of Performance Guarantee applicable for every paisa of discount on KERC Approved Tariff (Per MW)
Up to 10 %	Rs.10,000
More than 10% &up to 15%	Rs.20,000
More than 15% &up to 20%	Rs.30,000
More than 20% &up to 25%	Rs.40,000
More than 25%	Rs.50,000

In addition to the Performance Bond, the Selected Bidder shall furnish performance guarantee by way of an irrevocable Bank Guarantee for an amount Rs. 30 Lakh/MW ("Performance Guarantee") issued by a Scheduled Bank in India in favour of the concerned ESCOM and as required under the Power Purchase Agreement.

3.11. Performance Security

3.11.1. Performance Security shall be submitted by the Selected Bidder in favour of the concerned ESCOM in the form of Bank Guarantee for an amount equal to the sum of Bid Security, Performance Guarantee and Performance Bond in the manner set out in Clause 3.11.2. The Performance Security shall be valid for a period of 24 (twenty four) months from the date of PPA.

3.11.2. In addition to the Performance Guarantee the Bidder shall convert the Bid Security and Performance Bond into Performance Security in favour of the concerned ESCOM. The Performance Security (after conversion of Bid Security @ 20 Lakh/MW, Performance Bond & Performance Guarantee@ Rs. 30 Lakh/MW) shall be valid for a period of one year from Scheduled Commissioning Date.

3.11.3. At the time of signing of Power Purchase Agreement the Bidder shall submit three bank guarantees towards the Performance Security and the same shall be submitted in the ratio of 20%, 40% & 40%. (Example - If total Performance Security value including, Bid Security & Performance Guarantee (after conversion) is Rs.4, 00,00,000/- (Four Crores), then three bank guarantees of value Rs.0.80 crores, Rs.1.60 crores & Rs.1.60 crores are to be submitted). The bank guarantees shall be procured by the Bidder from a single bank.

4 FRAUD AND CORRUPT PRACTICES

- 4.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process and subsequent to the issue of the LOA and during the subsistence of the Power Purchase Agreement. Notwithstanding anything to the contrary contained herein, or in the LOA or the Power Purchase Agreement, the Authority shall reject a Bid or withdraw the LOA, as the case may be, without being liable in any manner whatsoever to the Bidder if it determines that the Bidder has directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process. In such an event, the Authority shall forfeit and appropriate the Bid Security as mutually agreed genuine compensation and damages payable to the Authority towards, *inter alia*, time, cost and effort of the Authority, without prejudice to any other right or remedy that may be available to the Authority hereunder or otherwise.
- 4.2 Without prejudice to the right of the Authority under Clause 4.1 hereinabove and the right and remedies which the Authority may have under the LOA, if a Bidder is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, or after the issue of the LOA or the execution of the Power Purchase Agreement, such Bidder or Developer shall not be eligible to participate in any tender or RFP issued by the Authority during a period of 2 (two) years from the date such Bidder or Developer, as the case may be, is found by the Authority to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.
- 4.3 For the purposes of this Article 4, the following terms shall have the meaning hereinafter respectively assigned to them:
 - a. **“corrupt practice”** means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Authority who is or has been associated in any manner, directly or indirectly with the Bidding Process or the LOA or has dealt with matters concerning the Power Purchase Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Authority, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Power Purchase Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Power Purchase Agreement, who at any time has been or is a legal, financial or technical adviser of the Authority in relation to any matter concerning the Project;
 - b. **“fraudulent practice”** means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process ;

- c. "**coercive practice**" means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the Bidding Process;
- d. "**undesirable practice**" means (i) establishing contact with any person connected with or employed or engaged by the Authority with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- e. "**restrictive practice**" means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

5 PRE-BID CONFERENCE

- 5.1 A pre-bid conference of the Bidders shall be convened at the designated date, time and place as mentioned in Clause 1.3. A maximum of three representatives of each Bidder shall be allowed to participate.
- 5.2 During the course of the pre-bid conference, the Bidders will be free to seek clarifications for consideration of the Authority. The Authority shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process. Further, a presentation, to inform the Bidders on submission of Bids on E-Procurement platform would also be arranged by the Authority during the Pre-Bid Conference.

6 MISCELLANEOUS

- 6.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts at Bangalore shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2 The Authority, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
 - a. suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
 - b. consult with any Bidder in order to receive clarification or further information;
 - c. retain any information and/ or evidence submitted to the Authority by, on behalf of, and/ or in relation to any Bidder; and/ or
 - d. independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 6.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Authority, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any right and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection herewith and waives any and all right and/ or claims it may have in this respect, whether actual or contingent, whether present or future.

APPENDIX – I
Letter of Bid
(On the Letterhead of the Bidder)

Dated:

Managing Director
Karnataka Renewable Energy Development Limited

Sub: Bid for Development of Solar Power Projects in the State of Karnataka

Dear Sir,

- 1 With reference to your RFP document dated *****, I/we, having examined the Bid Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.
- 2 I/ We propose to develop the following projects:

SI.No	Details of Proposed Location (Tehsil, District)	Proposed Technology	Proposed Capacity
1.			
2.			
3.			
4.			
5.			
6.			

- 3 Following are our Group Business Entity (ies) participating in the Bidding Process:

SI.No	Name of the Group Business Entity
1.	
2.	

- 4 All information provided in the Bid and in the Appendices is true and correct.
- 5 This statement is made for the express purpose of qualifying as a Bidder for the design, finance, construction and operation & maintenance of the aforesaid Project.
- 6 I/ We shall make available to the Authority any additional information it may find necessary or require to supplement or authenticate the Bid.
- 7 I/ We acknowledge the right of the Authority to reject our Bid without assigning any reason or

otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.

8 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.

9 I/ We declare that:

- a. I/ We have examined and have no reservations to the Bidding Documents, including any Addendum issued by the Authority.
- b. I/ We do not have any Conflict of Interest in accordance with Clauses 2.1.13 of the RFP document;
- c. I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of the RFP document, in respect of any tender or request for proposal issued by or any agreement entered into with the Authority or any other public sector enterprise or any government, Central or State; and
- d. I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Clause 4 of the RFP, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
- e. I/ We hereby declare that in case any of our Group Business Entity (ies) not mentioned herein above participates in the Bidding Process, our Bid and the Bid of our Group Business Entity (ies) will be rejected and the Bid Security shall be forfeited.
- f. The undertakings given by us along with the Bid in response to the RFP for the Project were true and correct as on date of making the Bid and are also true and correct as on the Bid Due Date and Due Date and I/We shall continue to abide them.

10 I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Project, without incurring any liability to the Bidders, in accordance with Clause 2.6 of the RFP document.

11 I/ We believe that we/ our Consortium satisfy(ies) the Financial Capacity and meet(s) the requirements as specified in the RFP document and are/ is qualified to submit a Bid in accordance with the RFP document

12 I/ We declare that we/ any Member of the Consortium are/ is not a Member of a/ any other Consortium submitting a Bid for the Project.

- 13 I/ We certify that in regard to matters other than security and integrity of the country, we have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
- 14 I/ We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our Group Business Entity's.
- 15 The Statement of Legal Capacity as per format provided at Annex-V in Appendix-I of the RFP document, and duly signed, is enclosed. The power of attorney for signing of Bid [and the power of attorney for Lead Member of consortium (strike out if not applicable),] as per format provided at Appendix II and III respectively of the RFP, are also enclosed.
- 16 I/ We further certify that we are not barred by the Central/ State Government, or any entity controlled by them, from participating in any project , and the bar subsists as on the date of Bid, would not be eligible to submit a Bid, either individually or as member of a Consortium.
- 17 I/ We further certify that no investigation by a regulatory authority is pending either against us or against our Group Business Entities or against our CEO or any of our Directors/ Managers/ employees.
- 18 I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the guidelines referred to above, we shall intimate the Authority of the same immediately.
- 19 In an event the SPV is incorporated by a Consortium;

We acknowledge that all the members of the Consortium shall collectively hold at least 51% (fifty one per cent) of the subscribed and paid up equity of the SPV at all times until the third anniversary of the commercial operation date of the Project. Lead Member shall hold 26% shareholding of the SPV until third anniversary of the Commercial Operations Date. (Strike out if not applicable)

or, in an event the SPV is incorporated by a Single Business Entity;

I acknowledge that the Selected Bidder shall hold at least 51% (fifty one percent) of subscribed and paid up equity share capital of the SPV to implement the Project, until the third anniversary of the Commercial Operations Date. (Strike out if not applicable)
- 20 We understand that in case Bidder/any of the members of the Consortium is a company as per Clause 2.1.20, the continued eligibility shall be subject to approval of the Authority from national security and public interest perspective. The decision of the Authority in this behalf shall be final and conclusive and binding on the Bidder.
- 21 I/We hereby irrevocably waive any right which we may have at any stage at law or howsoever

otherwise arising to challenge or question any decision taken by the Authority in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.

- 22 In the event of my/ our being declared as the Selected Bidder, I/We agree to enter into a Power Purchase Agreement in accordance with the draft that has been provided to me/us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
- 23 I/We have studied all the Bidding Documents carefully. We understand that except to the extent as expressly set forth in the draft Power Purchase Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the Authority or in respect of any matter arising out of or concerning or relating to the Bidding Process including the award of Rights.
- 24 The Discount in Tariff has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP; draft Power Purchase Agreement, our own estimates of costs and revenues and all the conditions that may affect the Bid.
- 25 I/We offer a Bid Security of Rs. _____ (Rupees _____) (calculated at Rs. 20,00,000/- (Rupees Twenty Lakhs only) per MW of the proposed capacity) to the Authority in accordance with the RFP Document.
- 26 I/We agree and understand that the Bid is subject to the provisions of the Bidding Documents. In no case, I/We shall have any claim or right of whatsoever nature if the Project is not awarded to me/us or our Bid is not opened.
- 27 I/We agree to keep this offer valid for 180 (one hundred and eighty) days from the Bid Due Date specified in the RFP.
- 28 I/We agree and undertake to abide by all the terms and conditions of the RFP document.

In witness thereof, I/we submit this Bid under and in accordance with the terms of the RFP document.

Date:

Yours faithfully,
(Signature of the Authorised signatory)

Place:

(Name and designation of the Authorised signatory)
Name and seal of Bidder/Lead Member

ANNEX-I
Details of Bidder
(On the Letterhead of the Bidder)

1. (a) Name:
 (b) Country of incorporation:
 (c) Address of the corporate headquarters and its branch office(s), if any, in India:
 (d) Date of incorporation and/ or commencement of business:
2. Brief description of the Company including details of its main lines of business and proposed role and responsibilities in [this/ these Project(s)]:
3. Details of individual(s) who will serve as the point of contact/ communication for the Authority:
 (a) Name:
 (b) Designation:
 (c) Company:
 (d) Address:
 (e) Telephone Number:
 (f) E-Mail Address:
 (g) Fax Number:
4. Particulars of the Authorised Signatory of the Bidder:
 (a) Name:
 (b) Designation:
 (c) Address:
 (d) Phone Number:
 (e) Fax Number:
5. In case of a Consortium:
 (a) The information above (1-4) should be provided for all the Members of the Consortium.
 (b) A copy of the Jt. Bidding Agreement, as envisaged in Clause 2.1.16 (i) should be attached to the Bid.
 (c) Information regarding role of each Member should be provided as per table below and the same shall be in accordance with the requirements set out in Clause 2.1.16 of this RFP:

Sl. No.	Name of Member	Role	Percentage of equity in the SPV
1.			
2.			
3.			

* The role of each Member, as may be determined by the Bidder, should be indicated.

6. A statement by the Bidder and each of the Members of its Consortium (where applicable) disclosing material non-performance or contractual non-compliance in past projects, contractual disputes and litigation/ arbitration in the recent past is given below (Attach extra sheets, if necessary).

ANNEX-II
Undertaking for Technical Capacity
(On the Letterhead of the Bidder/Lead Member)
(Refer to Clauses 3.3.2 of the RFP)

To,

Managing Director
 Karnataka Renewable Energy Development Limited

Dear Sir,

Sub: Bid for Development of Solar Power Projects in the State of Karnataka

I/We hereby undertake to certify in line with Clause 3.7 that the following details shall be furnished within 180 days of signing of PPA for each Project: -

1. That the technology proposed to be used is commercially established technology and at least one project based on this technology is successfully operational for atleast one year.
2. In case I/We decide to implement a technology different from what we have proposed in our Bid and the said technology is not listed in Clause 3.3.2 of the RFP and not as approved by MNRE as on the Bid Due Date, I/we shall submit any of the following documentary proof for the same indicating that the technology proposed is commercially established and at least one project based on this technology is successfully operational for atleast one year:
 - a. Certificate from the manufacturer
 - b. Certificate from ESCOM/ or the company consuming the Power
3. Details of the project with location and the successful operational period of the project utilizing this technology.
4. Evidence of clear possession of the required land for the project along with following documentary evidence: -
 - o Ownership or lease hold rights (for atleast 30 years) in the name of the Developer and possession of 100% of the area of land required for the project.
 - o Certificate by the concerned and competent revenue/registration authority for the acquisition / ownership/ vesting of the land in the name of the Developer and the land is suitable for industrial use.
 - o Sworn affidavit from the authorized person of the Developer listing the details of the land and certifying total land required for the project under clear possession of the Developer
 - o A certified English translation from an approved translator in case above land documents are in other than English and Hindi Languages.
 - o name of the district, taluk, village, total area, location and survey numbers of the land

Failure or delay on our part in achieving the above conditions shall constitute sufficient grounds for encashment of our Performance Security.

(Signature & Name of the Authorised Signatory)

ANNEX - III
Financial Capacity of the Bidder
(On the Letterhead of the Bidder/Lead Member)
(Refer to Clauses 3.3.2 of the RFP)

Bidder type	Member Code	Net Worth (Rs. Crores/US \$)
Single Business Entity Bidder		
Lead Member		
Other Member		
TOTAL		

Name & address of Bidder's Bankers:

1. A Bidder consisting of a Single Business Entity should fill in details as per the row titled Single Business Entity Bidder and ignore the rows titled Consortium Members. In case of a Consortium, row titled Single Business Entity Bidder may be ignored.
2. The Bidder should provide the Financial Capacity based on its own or the Group Business Entity's financial statements. For the purpose of Financial Capacity the Bidder may, in addition to its own net worth, provide net worth of any other Group Business entity. The Financial Capacity would be summation of the net worth of the Bidder and the net worth of the Group Business Entity. In case the Bidder claims the net worth of Group Business Entity, it shall submit a certificate from the Statutory Auditor/ Independent Auditor for claiming financial capability of Group Business Entity in the format set out as Annex- IV.
3. Member Code shall indicate NA for Not Applicable in case of a Single Business Entity. For other Members, the following abbreviations are suggested viz. LM means Lead Member, OM means Other Member.
4. For conversion of US Dollars to Rupees, the rate of conversion shall be exchange rate as on the Bid Due Date as issued by Reserve Bank of India. In case of any other currency, the same shall first be converted to US Dollars as on the date 60 (sixty) days prior to the Bid Due Date, and the amount so derived in US Dollars shall be converted into Rupees at the aforesaid rate. The conversion rate of such currencies shall be the daily representative exchange rates published by the International Monetary Fund for the relevant date.

Instructions:

1. The Bidder/ its constituent Consortium Members shall attach copies of the balance sheets, financial statements and Annual Reports as on March 31, 2012. The financial statements shall:

- (a) reflect the financial situation of the Bidder and its Group Business Entity where the Bidder is relying on its Group Business Entity's financials;
- (b) be audited by a Statutory Auditor/ Independent Auditor;
- (c) be complete, including all notes to the financial statements; and
- (d) correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).
- (e) In case the annual accounts for the latest financial year are not audited and therefore the Bidder could not make it available, the Bidder shall give an undertaking to this effect and the statutory auditor/ Independent Auditor shall certify the same.

2. Net Worth shall mean

- (a) For company = (Subscribed and Paid-up Capital + Reserves) - (Revaluation reserves + Miscellaneous expenditure not written off)

Paid up share capital will include

- 1) Paid –up equity share capital, and
- 2) Fully , compulsorily and mandatory convertible Preference Shares, and
- 3) Fully , compulsorily and mandatory convertible Debentures

3. In the case of a Consortium, a copy of the Jt. Bidding Agreement shall be submitted in accordance with Clause 2.1.16 (i) of the RFP document.

4. The Bidder shall also provide the name and address of the Bankers to the Bidder.

The Bidder shall provide a Statutory Auditor's Independent Auditor's certificate specifying the net worth of the Bidder and also specifying the methodology adopted for calculating such net worth

ANNEX – III A

Format for Certificate from Statutory Auditor/ Independent Auditor for Financial Capacity of the Bidder

(On the Letterhead of the Statutory Auditor/Independent Auditor)

Date:

We have verified the relevant statutory and other records of M/s _____ [Name of the Single Business Entity/Consortium Member], and certify that the net worth is Rs _____ Crores (Rupees _____ Crores) as on March, 31, 2012.

This certificate is being issued to be produced before Karnataka Renewable Energy Development Company, for the "**Development of Solar Power Projects in the State of Karnataka**" project.

Signature and Seal
and registration number
of Statutory Auditor/ Independent
Auditor

ANNEX IV

Format for Certificate from Statutory Auditor/ Independent Auditor for Group Business Entity (On the Letterhead of the Statutory Auditor)

Date

TO WHOMSOEVER IT MAY CONCERN

We have verified the relevant statutory and other records of M/s _____-
(Name of Bidder) and M/s _____ and certify that M/s _____
is a Group Business Entity as defined in the RFP Document issued by
KREDL for Solar Projects in the State of Karnataka.

The details of the shareholding are as follows:

- 1.
- 2.

This certificate is being issued to be produced before KREDL, Government of Karnataka.

Signature and Seal of the Statutory Auditor/
Independent Auditor clearly indicating
his/her membership number

ANNEX - V
Statement of Legal Capacity

(To be forwarded on the letterhead of the Bidder/ Lead Member of Consortium)

Ref. Date:

To,

Managing Director

Karnataka Renewable Energy Development Ltd. (KREDL)

Dear Sir,

I/We hereby confirm that we/ our members in the Consortium (constitution of which has been described in the Bid) satisfy the terms and conditions laid out in the RFP document.

We have agreed that (insert member's name) will act as the Lead Member of our consortium.*

We have agreed that (insert individual's name) will act as our representative/ will act as the representative of the consortium on its behalf* and has been duly authorized to submit the RFP. Further, the authorised signatory is vested with requisite powers to furnish such letter and authenticate the same.

Thanking you,

Yours faithfully,

(Signature, name and designation of the authorised signatory)

For and behalf of _____ (name of the company)

*Please strike out whichever is not applicable.

APPENDIX – II

Power of Attorney for signing of Bid

(To be executed on Stamp paper of appropriate value)

Know all men by these presents, We, _____ (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr. / Ms (Name), son/daughter/wife of _____ and presently residing at _____, who is [presently employed with us/ the Lead Member of our Consortium and holding the position of _____], as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Bid for the **Development of Solar Power Projects in the State of Karnataka**, proposed by the Karnataka Renewable Energy Development Limited (the "Authority") including but not limited to signing and submission of all applications, Bids and other documents and writings, participate in Bidders' and other conferences and providing information / responses to the Authority, representing us in all matters before the Authority, signing and execution of all contracts including the draft Power Purchase Agreement and undertakings consequent to acceptance of our Bid, and generally dealing with the Authority in all matters in connection with or relating to or arising out of our Bid for the said Project and/or upon award thereof to us and/or till the entering into the Power Purchase Agreement with the ESCOM.

The Project(s) proposed by us are:

SI.No	Details of Proposed Location (Tehsil, District)	Proposed Technology	Proposed Capacity
1.			
2.			
3.			
4.			
5.			
6.			

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, _____, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____, 20**.

For _____
(Signature)
(Name, Title and Address)

Witnesses:

2

Accepted

[Notarised]

(Signature)

(Name, Title and Address of the Attorney)

Notes:

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a resolution/power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Apostille certificate.*

APPENDIX – III**Power of Attorney for Lead Member of Consortium**
(To be executed on Stamp paper of appropriate value)

Whereas the Karnataka Renewable Energy Development Ltd. ("the Authority") has invited Bids from qualified parties for the "**Development of Solar Power Projects in the State of Karnataka**" ("the Project").

Whereas, _____, _____, and _____ (collectively the "Consortium") being Members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Proposal and other connected documents in respect of the Project, and Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium's Bid for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, _____ having our registered office at _____, M/s. _____, having our registered office at _____, and M/s. _____, having our registered office at _____, [the respective names and addresses of the registered office] (hereinafter collectively referred to as the "Principals") do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s _____, having its registered office at _____, being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the "Attorney") and hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the Bidding Process and, in the event the Consortium is awarded the Right, during the execution of the Project, and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the submission of its Bid for the Project, including but not limited to signing and submission of all applications, Bids and other documents and writings, participate in Bidders' and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the Bid of the Consortium and generally to represent the Consortium in all its dealings with the Authority, and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium's Bid for the Project and/ or upon award thereof till the Power Purchase Agreement is entered into with the Authority.

The Project(s) proposed by us are:

Sl.No	Details of Proposed Location (Tehsil, District)	Proposed Technology	Proposed Capacity
1.			
2.			
3.			
4.			
5.			
6.			

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY
ON THIS _____ DAY OF _____ 20**.

For _____ (Name & Title)

For _____ (Name & Title)

For _____ (Name & Title)

Witnesses:

1

2

(Executants)

(To be executed by all the Members of the Consortium)

Notes:

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- *For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Apostille certificate.*

APPENDIX – IV
Bank Guarantee for Bid Security
(To be executed on Stamp paper of appropriate value)

B.G. No.

Dated:

- 1 In consideration of you, _____, having its office at _____, (hereinafter referred to as "Authority", which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of _____ [a Company registered under provision of the Companies Act, 1956 or equivalent law abroad] and having its registered office at _____ [and acting on behalf of its Consortium] (hereinafter referred to as the "Bidder" which expression shall unless it be repugnant to the subject or context thereof include its/their executors administrators, "**Development of Solar Power Projects in the State of Karnataka**" (hereinafter referred to as "the Project") pursuant to the RFP Document dated ***** issued in respect of the Project and other related documents (hereinafter collectively referred to as "Bidding Documents"), we [Name of the Bank] having our registered office at _____ and one of its branches at _____ (hereinafter referred to as the "Bank"), at the request of the Bidder, do hereby in terms of Clause 2.1.7 read with Clause 2.20 of the RFP, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP Document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to Authority an amount of Rs. _____ (Rupees _____) (calculated at Rs. 20,00,000/- (Rupees TwentyLakhs only) per MW of the proposed capacity less the amount of Bid Security paid through E-payment) as bid security (hereinafter referred to as the "Bid Security") as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfill or comply with all or any of the terms and conditions contained in the said Bidding Documents.
- 2 Any such written demand made by Authority stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.
- 3 We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of Authority is disputed by the Bidder or not merely on the first demand from Authority stating that the amount claimed is due to Authority by reason of failure of the Bidder to fulfill and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its Bid open during the Bid Validity Period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. _____ (Rupees _____).
- 4 This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty days) days from the Bid Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between Authority and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.

- 5 We, the Bank, further agree that Authority shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents including, inter alia, the failure of the Bidder to keep its Bid open during the Bid Validity Period set forth in the said Bidding Documents, and the decision of Authority that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between Authority and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority.
- 6 The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person.
- 7 In order to give full effect to this Guarantee, Authority shall be entitled to treat the Bank as the principal debtor. Authority shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfilment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to Authority, and the Bank shall not be released from its liability under these presents by any exercise by Authority of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of Authority or any indulgence by Authority to the said Bidder or by any change in the constitution of Authority or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.
- 8 Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
- 9 We undertake to make the payment on receipt of your notice of claim on us addressed to [name of Bank along with branch address] and delivered at our above branch that shall be deemed to have been duly authorized to receive the said notice of claim.
- 10 It shall not be necessary for Authority to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which Authority may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.
- 11 We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of Authority in writing.
- 12 The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorized and has full power to execute this Guarantee for and on behalf of the Bank.

Signed and Delivered by _____ Bank
 By the hand of Mr./Ms _____, its _____ and authorized official.
 (Signature of the Authorized Signatory) (Official Seal)

APPENDIX V
Joint Bidding Agreement
(To be executed on Stamp paper of appropriate value)
(Refer Clause 2.1.16(i))

THIS JOINT BIDDING AGREEMENT is entered into on this the day of 20...

AMONGST

1. {.....} having its registered office at (hereinafter referred to as the "First Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)
AND
2. {.....} having its registered office at (hereinafter referred to as the "Second Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)
AND
3. {.....} having its registered office at (hereinafter referred to as the "Third Part" which expression shall, unless repugnant to the context include its successors and permitted assigns)*

The above mentioned parties of the FIRST, SECOND and, THIRD PART are collectively referred to as the "Parties" and each is individually referred to as a "Party"

WHEREAS,

- A. _____, established under the _____, represented by its _____ and having its principal offices at _____] (hereinafter referred to as "the Authority" which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) has invited Bids (the "Bids") by its Request for Proposal dated(the "RFP") for selection of bidders for "**Development of Solar Power Projects in the State of Karnataka**" (the "Project") through public private partnership.
- B. The Parties are interested in jointly bidding for the Project(s) as members of a Consortium and in accordance with the terms and conditions of the RFP document and other bid documents in respect of the Project.

The Project(s) proposed by us are:

SI.No	Details of Proposed Location (Tehsil, District)	Proposed Technology	Proposed Capacity
1.			
2.			

* The number of Parties will be shown here, as applicable, subject however to a maximum of 3 (three).

Sl.No	Details of Proposed Location (Tehsil, District)	Proposed Technology	Proposed Capacity
3.			
4.			
5.			
6.			

C. It is a necessary condition under the RFP document that the members of the Consortium shall enter into a Joint Bidding Agreement and furnish a copy thereof with the Bid.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretations

In this Agreement, the capitalised terms shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP.

2. Consortium

The Parties do hereby irrevocably constitute a consortium (the "Consortium") for the purposes of jointly participating in the Bidding Process for the Project.

The Parties hereby undertake to participate in the Bidding Process only through this Consortium and not individually and/ or through any other consortium constituted for this Project, either directly or indirectly or through any of their Group Business Entity.

3. Covenants

The Parties hereby undertake that in the event the Consortium is declared the selected Bidder and awarded the Project, it shall incorporate a special purpose vehicle (the "SPV") under the Indian Companies Act 1956 for entering into a Power Purchase Agreement with the Authority and for performing all its obligations as the Developer in terms of the Power Purchase Agreement for the Project.

4. Role of the Parties

The Parties hereby undertake to perform the roles and responsibilities as described below:

- a) Party of the First Part shall be the Lead member of the Consortium and shall have the power of attorney from all Parties for conducting all business for and on behalf of the Consortium during the Bidding Process and until the Financial Close is met under the Power Purchase Agreement when all the obligations of the SPV shall become effective;
- b) {Party of the Second Part shall be _____ and}
- c) {Party of the Third Part shall be _____ }

5. Joint and Several Liability

The Parties do hereby undertake to be jointly and severally responsible for all obligations and liabilities relating to the Project and in accordance with the terms of the RFP document.

6. Shareholding in the SPV

The Parties agree that the proportion of shareholding among the Parties in the SPV shall be as follows:

First Party:

Second Party:

{Third Party :}

The Parties undertake that the members in the consortium shall hold equity as follows:

7. The Members of the Consortium shall collectively hold at least 51% of subscribed and paid up equity share capital of the SPV at all times until third anniversary of the commercial operations date of the Project. Lead Member shall have 26% shareholding of the SPV until third anniversary of the commercial operations date of the Project.

8. Representation of the Parties

Each Party represents to the other Parties as of the date of this Agreement that:

- a. Such Party is duly organised, validly existing and in good standing under the laws of its incorporation and has all requisite power and authority to enter into this Agreement;
- b. The execution, delivery and performance by such Party of this Agreement has been authorised by all necessary and appropriate corporate or governmental action and a copy of the extract of the charter documents and board resolution/ power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member is annexed to this Agreement, and will not, to the best of its knowledge:
 - i. require any consent or approval not already obtained;
 - ii. violate any Applicable Law presently in effect and having applicability to it;
 - iii. violate the memorandum and articles of association, by-laws or other applicable organisational documents thereof;

- iv. violate any clearance, permit, concession, grant, license or other governmental authorisation, approval, judgment, order or decree or any mortgage agreement, indenture or any other instrument to which such Party is a party or by which such Party or any of its properties or assets are bound or that is otherwise applicable to such Party; or
- v. create or impose any liens, mortgages, pledges, claims, security interests, charges or Encumbrances or obligations to create a lien, charge, pledge, security interest, encumbrances or mortgage in or on the property of such Party, except for encumbrances that would not, individually or in the aggregate, have a material adverse effect on the financial condition or prospects or business of such Party so as to prevent such Party from fulfilling its obligations under this Agreement;
- c. this Agreement is the legal and binding obligation of such Party, enforceable in accordance with its terms against it; and
- d. there is no litigation pending or, to the best of such Party's knowledge, threatened to which it or any of its Group Business Entities is a party that presently affects or which would have a material adverse effect on the financial condition or prospects or business of such Party in the fulfilment of its obligations under this Agreement.

9. Termination

This Agreement shall be effective from the date hereof and shall continue in full force and effect until the Financial Close of the Project is achieved under and in accordance with the Power Purchase Agreement, in case the Project is awarded to the Consortium. However, in case the Consortium is either not pre-qualified for the Project or does not get selected for award of the Project, the Agreement will stand terminated in case the Bidder is not pre-qualified or upon return of the Bid Security by the Authority to the Bidder, as the case may be.

10. Miscellaneous

This Joint Bidding Agreement shall be governed by laws of India.

The Parties acknowledge and accept that this Agreement shall not be amended by the Parties without the prior written consent of the Authority.

IN WITNESS WHEREOF THE PARTIES ABOVE NAMED HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED
For and on behalf of

LEAD MEMBER by:

(Signature)
(Name)
(Designation)
(Address)

SIGNED, SEALED AND DELIVERED
For and on behalf of

SECOND PART

(Signature)
(Name)
(Designation)
(Address)

SIGNED, SEALED AND DELIVERED
For and on behalf of

THIRD PART

(Signature)
(Name)
(Designation)
(Address)

In the presence of:

1. 2.

Notes:

1. The mode of the execution of the Joint Bidding Agreement should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
2. Each Joint Bidding Agreement should attach a copy of the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member.
3. For a Joint Bidding Agreement executed and issued overseas, the document shall be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney has been executed.

APPENDIX – VI
Format of Financial Bid

Date:

Managing Director
 Karnataka Renewable Energy Development Ltd.
 No.39, "Shanthigruha" Bharath Scots & Guides Building,
 Palace Road.
 Bangalore-560 001

Re: Development of Solar Power Projects in the State of Karnataka

Sir,

We hereby submit our Financial Bid and offer a Discount in Tariff in accordance with the Bidding Documents and draft Power Purchase Agreement as per the table given below:

S.I No.	Location (Tehsil, District)	Proposed Technology	Capacity in MW	Discount in Tariff Offered in Rupees ⁸ per KWh(Unit) of Electrical Power	
				(in figures)	(in words)
1					
2					
3					
4					
5					
6					

We have reviewed all the terms and conditions of the RFP and undertake to abide by all the terms and conditions contained therein. We hereby declare that there are, and shall be no deviations from the stated terms in the RFP Document.

Yours faithfully,

For and on behalf of

.....

(Name of the Bidder⁹)

(Signature of Authorized Signatory)

(Name and designation of the Authorised Person)

⁸ Rupees may be quoted upto two decimal points

⁹ In case of Consortium, names of all members of Consortium

APPENDIX - VII
Anti-Collusion Certificate
(On the Letterhead of the Bidder)

We hereby certify and confirm that in the preparation and submission of our Bid for the **Development of Solar Power Projects in the State of Karnataka**, we have not acted in concert or in collusion with any other Bidder or other person(s) and also not done any act, deed or thing which is or could be regarded as anti-competitive.

We further confirm that we have not offered nor will offer any illegal gratification in cash or kind to any person or agency in connection with the instant Bid.

Dated this Day of, (month/year)

.....

(Name of the Bidder)

.....

(Signature of the Authorised Person)

.....

(Name of the Authorised Person)

Note:

1. On the Letterhead of the Bidder

To be executed by all members in case of a Consortium

APPENDIX VIII

Format for Affidavit certifying that the Entity/Promoter/s / Director/s of Entity are not blacklisted

(On a Stamp Paper of appropriate value)

Anti-Blacklisting Affidavit

I, M/s. (Single Business Entity / Lead Member/ Other Member /s), (the names and addresses of the registered office) hereby certify and confirm that we or any of our promoter/s / director/s are not barred by Karnataka Renewable Energy Development Ltd. (KREDL) / any other entity of Government of Karnataka or blacklisted by any state government or central government / department / agency in India from participating in Project/s, either individually or as member of a Consortium as on the _____(Bid Due Date).

We further confirm that we are aware that our Bid for the Project would be liable for rejection in case any material misrepresentation is made or discovered with regard to the requirements of this RFP at any stage of the Bidding Process or thereafter during the agreement period.

Dated thisDay of, 20....

Name of the Bidder

Signature of the Authorised person

Name of the Authorised Person

To be executed separately by all the Members in case of Consortium

Appendix -IX
INFORMATION SOUGHT FROM THE BIDDER IN MS EXCEL FORMAT

Information and details to be sought from the bidder is set out in MS Excel Format titled Appendix – IX and the same may be downloaded from the website. The details to be provided includes the following:

1. Checklist
2. Detail of Bidders including its Group Business Entity(ies) whose Financial Capacity is claimed by the Bidder
3. Technical and Financial Capacity

Schedule 1A

Technical Qualification requirement in case of Solar PV Project

The following are some of the technical measures required to ensure quality of the PV modules used in grid connected solar power projects.

1. PV Module Qualification

1.1 The PV modules used in the grid connected solar power projects must qualify to the latest edition of any of the following IEC PV module qualification test or equivalent BIS standards.

Crystalline Silicon Solar Cell Modules	IEC 61215
Thin Film Modules	IEC 61646
Concentrator PV modules	IEC 62108

1.2 In addition, PV modules must qualify to IEC 61730 for safety qualification testing. For the PV modules to be used in a highly corrosive atmosphere throughout their lifetime, they must qualify to IEC 61701.

2. Authorized Test Centers

The PV modules must be tested and approved by one of the IEC authorized test centers. In addition a PV module qualification test certificate as per IEC standard, issued by ETDC, Bangalore or Solar Energy Centre, MNRE, New Delhi will also be valid.

3. Warranty

- The mechanical structures, electrical works and overall workmanship of the grid solar power plants must be warranted for a minimum of 5 years.
- PV modules used in grid connected solar power plants must be warranted for output wattage, which should not be less than 90% at the end of 10 years and 80% at the end of 25 years.

4. Identification and Traceability

Each PV module used in any Solar PV Project must use a RF identification tag (RFID). The following information must be mentioned in the RFID used on each module (This can be inside or outside the laminate, but must be able to withstand harsh environmental conditions.)

- (i) Name of the manufacturer of PV Module
- (ii) Name of the Manufacturer of Solar cells
- (iii) Month and year of the manufacture (separately for solar cells and module)
- (iv) Country of origin (separately for solar cells and module)
- (v) I-V curve for the module
- (vi) Wattage, I_m , V_m and FF for the module
- (vii) Unique Serial No and Model No of the module
- (viii) Date and year of obtaining IEC PV module qualification certificate
- (ix) Name of the test lab issuing IEC certificate
- (x) Other relevant information on traceability of solar cells and module as per ISO 9000

All grid connected Solar PV Projects must install necessary equipment to continuously measure solar radiation, ambient temperature, wind speed and other weather parameters and simultaneously measure the generation of DC power as well as AC power generated from the plant. They will be required to submit this data to KREDL and/ or through a report on regular basis for the entire duration of Power Purchase Agreement.

Schedule 1B
Technical Qualification requirement in case of Solar Thermal Project

Technical Qualification Requirements for Eligibility of a Developer to Establish Solar Thermal Project

- a) Only new plant & machinery to be used.
- b) Any of the Concentrated Solar Power (CSP) technology, such as, Parabolic Trough Collectors, Solar Dish Stirling (or any other prime mover), Linear Fresnel Reflector, Central Tower with heliostats, or their any other combination could be used.
- c) Developer must fulfil either of following requirements as listed from (i) to (vi) and also undertake to tie up (wherever applicable) with technology provider fulfilling technology requirements within 180 days from the Effective Date:
 - I. Developer is himself a technology provider who has either experience in design and engineering of at least 1 (one MW capacity solar thermal power plant having been in operation for a period of at least one year on the specified cutoff date, or obtained at least one financial closure of a solar thermal power plant of at least 50% of the proposed capacity based on the proposed technology.
 - II. Developer has a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
 - III. Developer is an EPC contractor/power generating company having experience in engineering, erection and commissioning of at least 100 MW capacity conventional thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
 - IV. Developer has a tie-up with an EPC contractor having experience in engineering, erection and commissioning of at least 100 MW capacity conventional thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
 - V. Developer is an EPC contractor having experience in engineering, erection and commissioning of at least 1 (one) MW capacity solar thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
 - VI. Developer has a tie up with an EPC contractor having experience in engineering, erection and commissioning of at least 1 (one) MW capacity solar thermal power plant and a tie-up with a technology provider fulfilling technology requirements at S. No. (i) above.
- d) All grid connected solar thermal power plants will install equipment for regular monitoring of solar irradiance (including DNI), ambient air temperature, wind speed and other weather parameters and simultaneously for monitoring of the amount of electric power generated from the plant. They will submit this data to KREDL and / or through a report on regular basis for the entire duration of Power Purchase Agreement.

Note:

Tie up would mean any of a) MoU for Technology Transfer b) Technology or document sale agreement c) EPC Contract d) project specific assurance to support with design and construction of the Plant

For meeting the Technical criteria provisions of financial Close at Clause 3.7 shall be applicable

Schedule 2

Solar Tariff Order issued by KERC

KARNATAKA ELECTRICITY REGULATORY COMMISSION

No.9/2, 6th & 7th Floor, Mahalaxmi Chambers,
M.G.Road, Bangalore-560 001.

Present: Sri. M.R.Sreenivasa Murthy Chairman

Sri Vishvanath Hiremath Member

Sri K. Srinivasa Rao Member

In the matter of:

Determination of tariff for grid connected Solar PV, Solar Thermal power plants (other than demonstration projects) and Rooftop Solar Photovoltaic and other small solar power Plants connected to Distribution network at voltage levels below 33KV.

ORDER

No.S/03/1/

Dated: 13.07.2010

1. Preamble:

1.1 Section 86.1(e) of the Electricity Act 2003 (the Act) mandates promotion of co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid. Section 61(h) of the Act provides that, while specifying the terms and conditions of determination of tariff, the Commission shall be guided by the objective of promotion of co-generation and generation of electricity from renewable sources of energy. Section 62(1)(a) of the Act provides for determination of tariff for supply of electricity by a generating company to a distribution licensee.

1.2 Clauses 5.12.1 & 5.12.2 of the National Electricity Policy issued by the Ministry of Power, Government of India on 12th February 2005 envisage promotion of generation of electricity from non-conventional energy sources, biomass and cogeneration.

1.3 Clause 6.4 of the Tariff policy issued by the Ministry of Power, Government of India on 6th January 2006 also emphasizes the need to give preferential tariff for renewable sources of energy.

1.4 The Ministry of New and Renewable Energy, Govt of India, vide Resolution dated 11th January 2010, has launched the “Jawaharlal Nehru National Solar Mission” with the objective of ramping up capacity of grid connected solar power generation to 1000MW within 3 years i.e., by 2013. This mission also envisages creation of additional 3000MW capacity by 2017 through mandatory use of renewable purchase obligation by utilities backed with a preferential tariff, and 20,000 MW installed capacity of solar power by the end of the 13th Five-year plan in 2022.

1.5 Further, the MNRE GoI has issued guidelines for “Rooftop PV and Small Solar Power Generation Programme (RPSSGP)” on 16.06.2010. It is proposed to develop solar capacity of 100 MW under these guidelines. This capacity addition is envisaged under the following categories:

Sl. No.	Project Category	Capacity Limit
1.	Projects Connected at HT Level of Distribution Network with installed capacity of 100Kw and upto 2 MW	90 MW
2.	Projects Connected at LT Level of Distribution Network with installed capacity lower than 100Kw	10 MW

The projects under this programme should be designed for completion before March 31, 2013.

- 1.6 The Government of Karnataka, in its Renewable energy policy dated 19.01.2010 and corrigendum dated 06.05.2010, has envisaged a capacity addition of 126 MW of solar power in the next five years. The Policy also envisages installation of rooftop solar panels of 5KWp to 100KWp capacity to be connected at 11kv and LT distribution system. The GoK, vide its Order dated 10.05.2010, has also designated KREDL as competent authority to issue certificate required for registering the projects with IREDA and to review and report on the progress of these projects to the Central Government.
- 1.7 M/s Solitaire Powertech Pvt Ltd, has filed a petition before the Commission on 13.04.2010 for determination of tariff for their proposed 50MW Solar Photovoltaic power plant in Chickaballapur District. Similarly, KPCL has filed two petitions on 19.04.2010 for determination of tariff for its already commissioned Solar Photovoltaic power plants of 3MWp (Megawatt Peak) capacity each at Yelesandra village in Kolar District and Itnal village in Belgaum District. Further, BESCOM , in its letter dated 02.06.2010, has requested for determination of tariff in respect of Solar PV and Solar thermal projects in Karnataka State
- 1.8 In the above background, the Commission circulated a discussion paper on determination of tariff for grid connected solar power plants on 27.05.2010 and invited comments/suggestions. The Commission had also issued a press note on 09.06.2010 in this regard. The last date for receipt of comments/views/suggestions was 30.06.2010.
- 1.9 In response to the discussion paper, the Commission has received 27 responses. A list of the persons who have responded to the discussion paper is enclosed vide Annex-1 of this Order.
- 1.10 The Commission decided to hold a public hearing in the matter on 12.07.2010 at the Commission's Court hall. Accordingly notice for public hearing was issued on

09.07.2010 to elicit the views of the stakeholders/ general public. The Notices was published in the following newspapers:

- a. Times of India dated 10.07.2010.
- b. Deccan Herald dated 10.07.2010.
- c. Kannada Prabha dated 10.07.2010.
- d. Praja Vani dated 10.07.2010.

1.11 In response to the above public hearing, 7 persons representing developers, ESCOMs, STU and KPCL besides consumers and consumer representatives participated in the proceedings and made their oral submissions before the Commission. The list of persons who attended the public hearing and those who made oral submissions before the Commission are enclosed as **Annex-2**.

1.12 **After duly considering the written & oral submissions placed, the Commission, In exercise of the powers conferred under section 86.1(e), section 61(h) and section 62.1(a) of the Electricity Act 2003 hereby passes the following Order:**

2. Scope of the present Tariff determination:

- a) The Tariff determined in this order is applicable to all grid connected Solar PV, Solar Thermal power plants (other than demonstration projects) and Roof top Solar Photovoltaic and other small solar power Plants connected to Distribution network at voltage levels below 33KV which are entering into power purchase agreements (PPA)on or after the date of this Order with the distribution licensees of the State before 31.03.2013.
- b) This Order shall also be applicable to the solar power plants already commissioned by KPCL at Yelesandra in Kolar District and Itnal in Belgaum District

3. Determination of Tariff for Solar Photovoltaic, Solar Thermal Power projects and Rooftop solar PV & other small solar power plants connected to Distribution network at voltage levels below 33KV:

The following are the discussions and decisions on the operational and financial parameters, for determination of tariff:

a. Life of the plant:

As proposed in the Discussion Paper:

The Commission had proposed to consider the life of the plant as 25years.

Comments/Suggestions from Stakeholders:

KPCL, Solitaire Powertech Pvt Ltd, BESCOM, GMR Group, HESCOM and majority of the stakeholders have suggested that the life of the plant be considered as 25 years. M/s Consumer Care Society, Bangalore, have stated that, International Energy Agency predicts that by 2012, the Solar PV could attain competitive parity with grid power. In such a situation, there could be marked reduction in kwh costs and as such, the life of the plant be taken as 10 years.

Commission's Decision:

KPCL in their petition-dated 16.04.2010 and M/s Solitaire Powertech Pvt Ltd in its petition-dated 09.04.2010 have considered the useful life as 25 years. There is no valid basis for reducing the period to ten years as that would lead to inflating the tariff for the consumers. **The Commission, therefore decides that the life of the plant shall be taken as 25 years.**

b. Term & Tariff Design:

As proposed in the Discussion Paper:

Since there is no significant variable cost and solar plants are capital intensive, the Commission had proposed to adopt a single part levelised tariff for a period of 25 years for all grid connected solar power plants.

Comments/Suggestions from Stakeholders:

KPCL and Solitaire Powertech Pvt Ltd have proposed to adopt a levelised tariff for a period of 25 years. GMR Group has suggested that, since it involves technology risk and being at nascent stage, pioneering projects should be incentivised with preferential tariff for the entire useful life of the plant i.e., 25 Years. Sri. G.S.Rajamani, Former Member, CERC has stated that, Single part tariff has to be considered as intermediate introductory step which should be reasonable to both producers and consumer. Sri B.G.Rudrappa, Former Chairman, KEB and Member Advisory Committee, KERC, has stated that, Single part tariff is justified as these solar plants deliver only energy and not power. M/s Millenium Synergy Ltd, Bangalore has suggested that, since there is considerable difference in cost of energy and project cost, there has to be two part tariff. Gadag District Chamber of Commerce and Industry, Gadag have suggested that, tenure should not exceed 10 years. Most of the other stakeholders are generally of the view to adopt Single part Levelised tariff for a period of 25 years.

During the public hearing held on 12.07.2010, Sri Sridhar Prabhu, suggested that tariff should be determined on a case to case basis as there is large variation in capital costs. Sri B. Ganesh, Moser Baer, suggested that the term of tariff shall be 25 years.

Commission's Decision:

The purpose of the tenure of tariff is to build in certainty of revenue flows to the generator and to enable the investor to recover his costs. As regards the type of tariff, the levelised tariff considers time value of money for the period of tariff determination. Considering the views of the majority of the stakeholders and in order to provide certainty of revenue to the investors, **the Commission decides to adopt levelised single part tariff for a period of 25 years.**

c. Capital Cost:**As proposed in the Discussion Paper:**

Since solar power projects in India are at a nascent stage and definite data on the capital cost is still not available, based on the available data, the Commission had proposed to consider the capital cost at Rs 1300 Lakhs per MW for both Solar PV plants and Solar thermal plants.

Comments/Suggestions from Stakeholders:

G.S.Rajamani, Ex. Member, CERC has stated that, Considering Rs 13 Crs per MW seems to be out of step. Further, some differential has to be made between Solar PV and Solar Thermal in view of technological and cost differences. Sri B.G.Rudrappa, Former Chairman, KEB and Member Advisory Committee, KERC, has stated that, the cost per MW of Solar PV plant near Kolar is far higher than that in other locations and for the present the assumption of Rs. 13 Crs per MW is reasonable.

GMR Group has suggested that, to kick-start the solar energy revolution in India, it is critical that the first few "showcase" projects are set up for success, both commercially and technologically. Therefore, it is advisable not to be unduly aggressive with the capital cost norms. While there may be technologies at development stage which may deliver significantly lower capital costs, it is important that we focus on established technologies which have already been commercially deployed for the first few "showcase" projects. Therefore, it is proposed that the capital cost norm should not be less than Rs 15 Crs per MW in case of Solar PV and not less than Rs. 13.5 Crs per MW in case of Solar Thermal.

G.G. Hegde Kadekodi, Sirsi, has suggested that, considering the cost of solar panels, mounting cost and cost of power conditioning unit, the final capital

cost for both Solar PV and Solar Thermal plants can be fixed at Rs. 12 Crs per MW.

M/s Consumer Care Society, Bangalore, have stated that, there seems to be no rationale to have same capital costs for both Solar PV and Solar Thermal. It is suggested that, capital cost for Solar PV should be Rs. 17 Crs and for Solar thermal it should be Rs. 15 Crs.

Mohan Murali, Sun Technics Energy Systems Pvt Ltd, Bangalore, has stated that, for Solar PV plants, the capital cost should not be less than Rs. 16.90 Crs per MW as per CERC.

Welspun Renewable Energy Ltd, Mumbai, have opined that, the capital cost is always linked to the technology adopted and hence it is suggested that a capital cost of Rs 16 Crs per MW be considered.

M/s Prayas, Pune, has opined that, as yet in India, sufficient data to precisely determine appropriate capital costs is not available. The Commission should consider competitive bidding as per Tariff policy. The capital cost considered by various commissions varies from Rs. 13 Crs to Rs. 16.90 Crs per MW.

Astonfield, Mumbai, have suggested to adopt Rs.16.90Crs per MW for Solar PV and Rs.15.30 Crs per MW for Solar Thermal plants. Ranga & Co, Bangalore and AES Solar Energy Pvt Ltd, Gurgaon, have suggested to consider Rs 15 Crs per MW.

During the public hearing held on 12.07.2010, KPCL suggested to consider actual project cost of 62.05 Crs for each of its already commissioned 3 MW units at Kolar and Belgaum. Further, KPCL submitted that in future, capital cost of Rs. 13 Crs per MW would be acceptable. Sri B. Ganesh, Moser Baer opined that for the present, a capital cost of Rs. 16.90 Crs per MW may be considered and the same would come down over a period of time. Sri R.V. Girish, Meridian Green Energy, suggested to consider a capital cost of Rs. 18 Crs. Per MW for concentrated solar PV with sun tracking system. Prof. Kishore N. Koka , PEC, suggested that capital cost should be at Rs. 19 Crs. Per MW.

Commission's Decision:

The Commission notes that most of the stakeholders are not in favor of adopting Rs 13 Crs per MW as capital cost for Solar PV and Solar thermal power plants. The Stakeholders suggest that since technology is different, there should be different capital costs for Solar PV and Solar Thermal.

As regards the suggestion to introduce competitive bidding for solar power plants, the Commission is of the view, that, the solar power generation is in the nascent stage and developers are yet to establish themselves. In this situation it is felt that the time is not yet ripe for competitive bidding. However, the utilities are at liberty to invite bids and if the tariff is determined through bid route, the Commission will adopt the same as per law.

The Commission also notes that, the Capital cost incurred by KPCL for Solar PV plants ranges from Rs. 20.68 Crs per MW to Rs. 13.97 Crs per MW. KPCL's Raichur plant is at Rs.13.97 Crs per MW. During the public hearing, KPCL agreed that, the capital cost of Rs. 13 Crs per MW could be considered for all their future projects. Most of the stakeholders have suggested to adopt a capital cost in the range of Rs.15 Crs to 17 Crs per MW for SPV and Rs. 13 Crs to 17 Crs for Solar thermal plants.

For the present, the Commission considers a capital cost of Rs 15.50 Crs per MW for Solar PV plants and Rs 13 Crs for Solar thermal plants as reasonable and hence decides to adopt the same.

d. Debt Equity Ratio (DE Ratio):

The Commission had proposed to adopt a Debt Equity Ratio of 70:30. During the public hearing held on 12.07.2010, KPCL requested to consider Debt Equity ratio of 80:20 so as to enable the State owned Company to invest its equity in other projects.

The Commission clarified that the developers are at liberty to invest more than 30% by way of equity. However, the return on equity will be limited to 30% equity only as per norms.

Based on the Tariff Policy and the Industry norm, **the Commission decides to allow 70:30 Debt Equity ratio.**

e. Capacity Utilization Factor:

As proposed in the Discussion Paper:

The Commission had proposed to consider CUF of 19% for Solar PV generation and 23% for solar thermal generation considering the fact that, annual average normal radiation falls in the national average values.

Comments/Suggestions from Stakeholders:

KPCL & Solitaire Powertech Pvt Ltd, in their petitions have suggested to consider a CUF of 19%. B.G.Rudrappa, Former Chairman KEB & Member Advisory Committee, KERC has stated that, CUF depends on availability & intensity of sunlight as well as reliability of the plant inclusive of allied equipments. Therefore it is desirable to stipulate availability factor rather than the simplistic CUF.

M/s GMR Group have suggested that, CUF for Solar PV should not exceed 19% while the same for Solar Thermal should not exceed 23%. The CUF should be location based duly considering 'Direct Normal Irradiation' at selected locations in the State to arrive at the exact CUF that may be targeted. Provisions for use of different CUF at different locations should be made available to developers. Further, a capacity degradation factor of 0.6% for first 10 yrs and 0.75% for balance period of the useful life has to be allowed as the industry is still untested.

M/s Millenium Synergy Pvt Ltd, Bangalore, have suggested that, the Solar insolation in Karnataka ranges from 5.2 to 5.3 kwh/m²/day. CERC has arrived at a CUF of 19% considering solar insolation at Rajasthan & Gujarat. As such 16% CUF is a realistic value in Karnataka. Most of the other stakeholders have

generally agreed for adopting a CUF of 19% for Solar PV and 23% for Solar Thermal.

During the public hearing held on 12.07.2010, Sri R.V. Girish, Meridian Green Energy requested to consider efficiency of 22% to 24% for concentrated Solar PV with Sun tracking system with 1.8% being used for auxiliary purposes.

Commission's Decision:

The stakeholders have generally endorsed to the proposals made in the discussion paper i.e., CUF of 19% for Solar PV & 23% for Solar thermal power plants. Some of the stakeholders have suggested that Capacity Degradation Factor should be considered. One of the stakeholders proposed a CUF of 22% for concentrated Solar PV with Sun tracking system with 1.8% being used for auxiliary uses.

The Commission is of the view that, since the technology is yet to be used widely and adequate data is not available, provisions for degradation could be considered when adequate and reliable data is available. Also, since the tariff determination is on a generic basis, CUF based on specific technology like concentrated Solar PV with Sun tracking system is not considered.

Hence, the Commission decides to adopt a CUF of 19% for Solar PV and 23% for solar thermal plants.

f. **Tenure of Debt:**

As proposed in the Discussion Paper:

The Commission had proposed a normative loan repayment period of ten years.

Comments/Suggestions from Stakeholders:

While most of the stakeholders agreed with the proposal of the Commission to consider normative period of debt of 10 years, others are of the view that 15 to 20 years could be a better option. Millenium Synergy Pvt Ltd, Bangalore, have

suggested that, the tenure should be at 15 years to enable investors to realize some revenue for upkeep and maintenance of the plant.

During the public hearing held on 12.07.2010, Sri B. Ganesh, Moser Baer and Prof. Kishore N. Koka, suggested that the term of loan should be for 15 years.

Commission's Decision:

The Commission is of the view that, long term debts are generally repaid within a period of ten years. This would also provide early relief to the developers to recover their costs. Hence having a long tenure of 15 to 20 years for debt repayment is not advisable. As such, **the Commission decides to adopt loan repayment tenure of ten years.**

g. Interest on Term Loan:

As proposed in the Discussion Paper:

The Commission had proposed to consider the interest rate of 11.75% on term-loans following the existing SBI PLR.

Comments/Suggestions from Stakeholders:

KPCL has indicated a rate of 8.5%p.a in its petition. Solitaire Powetech Pvt Ltd has sought an interest rate of 13.39% p.a. Majority of the stakeholders have agreed to the proposal of the Commission to consider the interest rate of 11.75% on term-loans following the existing SBI PLR.

During the public hearing held on 12.07.2010, Sri B. Ganesh, Moser Baer, suggested to consider 12.5% interest on loan. Prof. Kishore N. Koka, suggested to consider 5% interest in accordance with international rates.

Commission's Decision:

The Commission notes that according to the recent guidelines by RBI, the Base Lending Rate (BLR) has replaced the existing Prime Lending Rate (PLR). The new base lending rate of SBI is 7.50% while the same in other banks is ranging between 7.00% to 8.75%. However, considering the fact that many of the

stakeholders are venturing into solar power generation for the first time in India and also many small investor groups are likely to invest, Capital financing at the base lending rate may not be possible. To address risk factors involved in financing these projects a higher rate of interest above BLR has to be allowed. Further, the Commission has noted the hardening tendency of the interest rates in the recent past. **Therefore, the Commission decides to adopt an interest rate of 12% p.a on term loans.**

h. **Operation & Maintenance expenses:**

As proposed in the Discussion Paper:

The Commission had proposed to consider Rs. 9 lakhs per MW for Solar PV plants and Rs. 13 lakhs per MW for solar thermal plants with an annual escalation of 5%.

Comments/Suggestions from Stakeholders:

KPCL and M/s Solitaire Powertech Pvt Ltd have sought to allow Rs 9.00 lakhs per MW and Rs 9.5 lakhs per MW respectively with 5.72% annual escalation for Solar PV plants. Welspun Renewable Energy Ltd, Mumbai, have suggested considering Rs. 9.51Lakhs/MW for Solar PV and Rs. 13.74 Lakhs/MW for Solar Thermal. Acciona Energy India Pvt Ltd, Bangalore, has suggested to consider Rs. 12 Lakhs/MW for Solar PV and Rs. 23 Lakhs/MW for Solar Thermal with annual escalation of 5.72%. AES Solar Energy Pvt Ltd, Gurgaon, have suggested to consider Rs 15 lakhs per MW. Majority of the other Stakeholders have agreed with the proposal of the Commission.

During the public hearing held on 12.07.2010, KPCL suggested to consider O&M escalation rates at 5.72% per annum instead of proposed 5%. Sri M.G Prabhakar suggested to reduce O&M expenditure to Rs. 5 lakhs per MW from the proposed Rs. 9 lakhs per MW. Sri R.V. Girish, Meridian Green Energy requested to allow 1% of capital cost towards insurance charges.

Commission's Decision:

The O&M expenses include Employee cost, Repairs & Maintenance and Administration & General Expenses. The proposed O&M expenses of Rs 9 lakhs per MW works out to 0.6% of the capital cost for solar PV plants and Rs.13 lakhs per MW works out to 1% of the capital cost for Solar thermal plants which are reasonable. As regards the rate of annual escalation, the Commission notes that 5% escalation rate is adequate to take care of the inflation. Hence, **the Commission decides to adopt Rs. 9 lakhs per MW for Solar PV plants and Rs.13 lakhs per MW for solar thermal plants with an annual escalation of 5%.**

i. Working capital:**As proposed in the Discussion Paper:**

The Commission had proposed two month's receivables for determining working capital requirement for both solar thermal and solar PV plants.

Comments/Suggestions from Stakeholders:

KPCL has suggested to consider one month's O&M, 15 % of capital cost for spares and two months receivables while M/s Solitaire Powertech Pvt Ltd, GMR Group, Astonfield, Mumbai and Hyderabad Karnataka Chamber of Commerce & Industry, Gulbarga have sought to allow one month's O&M, 15 % of O&M for spares and two month's receivables towards working capital. Majority of the other stakeholders have agreed with the Commission's proposal of considering two month's receivables as working capital.

During the public hearing held on 12.07.2010, Sri B. Ganesh, Moser Baer, suggested that, Working capital should be equivalent of two month's receivables plus one month's O&M expenses.

Commission's Decision:

Majority of the stakeholders are in agreement with the Commission's proposal to allow two month's receivables as working capital. Further, a payment security mechanism is available to the developer in the form of Letter of Credit (LC). In view of this, provision of working capital equivalent to two month's receivables is reasonable. Accordingly, **the Commission decides to allow two month's receivables for determining working capital requirement for both solar thermal and solar PV plants.**

J. Interest on working capital:**As proposed in the Discussion Paper:**

The Commission had proposed to consider SBI PLR of 11.75% plus 1.5% i.e., 13.25% for determining interest on working capital for both solar thermal and solar PV plants.

Comments/Suggestions from Stakeholders:

KPCL has considered 10.25% as interest on working capital in its petition. Solitaire Powertech Pvt Ltd, has suggested to consider 12.89% plus 100 basis points towards interest on working capital. M/s GMR Group and M/s Hyderabad Karnataka Chamber of Commerce & Industry, Gulbarga, have proposed SBI PLR plus 150 basis points. KREDL and CESC have suggested 13.25%. Mohana Murali, has suggested 11.5% to 12.5%.

Commission's Decision:

As discussed under the para pertaining to interest on loans, the existing SBI PLR has been replaced by base lending rates. The Commission has allowed an interest rate of 12% for term loans. For financing working capital requirements, a

marginally higher rate of interest would be necessary. Hence, **the Commission decides to allow 12.50% towards interest on working capital.**

k. Return on Equity (RoE)

As proposed in the Discussion Paper:

The Commission had proposed to provide a RoE of 16% and to allow actual tax as a pass through as tax rates keep on varying.

Comments/Suggestions from Stakeholders:

KPCL and Solitaire Powertech Pvt Ltd, have suggested to consider 19% pre-tax for first ten years and 24% pre-tax for the remaining fifteen years as RoE. GMR Group has stated that, the developers are entering into a business which is totally new in India. There is technology risk as well as financial risks. As such they should be allowed a RoE as per CERC norms. Reliance Industries Ltd, Solar Energy Group, have suggested that, Pre tax RoE is to be considered to give more transparency. Welspun Renewable Energy Ltd, Mumbai, have agreed to the Commission's proposal as this will relieve the developers from risks related to change in income tax laws. Other stakeholders have generally agreed to the Commission's proposal.

During the public hearing held on 12.07.2010, KPCL requested to consider RoE of 19% for first ten years and 24% for the balance fifteen years. Sri B. Ganesh, Moser Baer, suggested that an RoE of 20% has to be allowed.

Commission's Decision:

The Commission, having taken note of the stakeholder's views, **decides to allow 16% Return on Equity.** Further, the Commission decides not to consider tax element while allowing RoE as the tax rates keep on changing from time to time and developers need to be allowed to pass on the actual tax component. **Therefore, the Commission decides to allow the actual tax paid annually as a pass through without factoring in the same for tariff computations and to be claimed directly from the procurer (Distribution Licensees).**

I. Depreciation:**As proposed in the Discussion Paper:**

The Commission had proposed to provide 7% depreciation per annum on straight-line method on the capital cost of the asset.

Comments/Suggestions from Stakeholders:

KPCL & Solitaire Powertech Pvt Ltd have suggested considering 7% for first 10 years and 1.33% for the balance 15 years. Most of the stakeholders suggest adopting 7% depreciation for the first ten years.

Commission's Decision:

Considering loan repayment tenure of ten years, **the Commission decides to allow depreciation of 7% for the first ten years and 1.33% for the remaining fifteen years on straight-line method on the capital cost of the asset.**

m. Discount Factor:

M/s Prayas, Pune, have suggested that, a discount rate of 10.19% as specified in CERC's competitive bidding guidelines is to be used.

The Commission notes that, CERC has adopted weighted average cost of capital for deriving the discount factor. Considering the approved rate of interest on loan and Return on Equity with normative debt equity ratio of 70:30, the discount factor works out to 13.20%. **As such the Commission decides to adopt a discount factor of 13.20% for determination of Levelised tariff for 25 years.**

n. Auxiliary Consumption:**As proposed in the Discussion Paper:**

The Commission had proposed to consider nil auxiliary consumption for solar PV plants and 10% of generation as auxiliary consumption for solar thermal plants.

Comments/Suggestions from Stakeholders:

KPCL & Solitaire Powertech Pvt Ltd have not considered any auxiliary consumption for their Solar PV plants. Acciona Energy India Pvt Ltd, Bangalore, has suggested to consider 0.25% for Solar PV, 0.7% for PV using tracking system and 10% for Solar thermal plants should be allowed towards auxiliary consumption. Welspun Renewable Energy Ltd, Mumbai, has stated that, GERC order provides for startup or standby power at tariff applicable to HTP Consumer category and should not be adjusted to kwh basis with energy account and the same practice needs to be adopted.

Commission's Decision:

The Commission notes that solar PV generation does not require auxiliary consumption while the same is required for solar thermal generation. Further, the Commission notes that the conventional thermal power plants involves coal and ash handling necessitating a higher rate of auxiliary consumption which is 9%. **As such, the Commission decides not to allow any auxiliary consumption for solar PV plants and to allow 8% of the gross energy generated as auxiliary consumption for solar thermal power plants.** Further, any expenses towards electricity consumption in solar PV station shall be met out of O&M expenses.

4. Roof top Solar Photovoltaic and other small solar power Plants connected to Distribution network at voltage levels of below 33KV:**As proposed in the Discussion Paper:**

The Commission had proposed to extend the tariff to be determined in this proposed order to all the LT/11kv grid connected Rooftop Solar plants. The Distribution utilities shall be entitled to claim the generation based incentive as detailed above from MNRE.

Comments/Suggestions from Stakeholders:

Reliance Industries Ltd, Solar Energy Group, Bangalore has stated that, the cost of roof top SPV is more than MW SPV plants because of economies of scale and hence this needs to be considered while determining tariff for small roof top units.

Commission's Decision:

The Commission notes that no reliable data on the cost parameters for roof top solar PV and other small solar power generation is available. **As such, for the present, the Commission decides to extend the tariff as determined in this Order to all Rooftop Solar PV and other small solar power plants connected to Distribution network at voltage levels of below 33KV.** The Distribution utilities shall be entitled to claim the generation based incentive (GBI) as applicable under the guidelines for 'Rooftop PV and small solar power generation programme (RPSSGP)' issued by MNRE on 16.06.2010.

5. Other issues:**(i) Sharing of Clean Development Mechanism (CDM) benefits-****As proposed by the Commission:**

The Commission had proposed to adopt sharing of CDM benefits as per CERC Regulations dated 16.09.2009.

Comments from Stakeholders:

BESCOM has suggested that, Sharing of benefits of CDM shall be 100% to generator in the first year, 20% to the beneficiaries in the second year and progressively every year at 20% till it reaches 80%. Thereafter, the share shall be in the ratio of 20:80 between the generator and the beneficiaries. Welspun Renewable Energy Ltd, Mumbai has stated that, all costs are borne by the developer in registering the project under CDM and transaction of Certified Emission Reduction (CERs) shall be shared in proportion of sharing applicable in each year. CDM benefit sharing should be on the basis of actual revenues realized and not prior to realization or adjustment in monthly bills. Acciona

Energy India Pvt Ltd, Bangalore, have opined that, no CDM benefit sharing should be allowed.

During the public hearing held on 12.07.2010, Prof Kishore N. Koka, PEC, suggested that, in order to enable bridge financing, 100% CDM benefits should be allowed to be retained by the developers.

Commission's Decision:

The Commission decides to adopt the following mechanism for sharing of CDM benefits between the generating company and the beneficiaries:

- a) 100% of gross proceeds on account of CDM benefit are to be retained by the project developer in the first year, after the date of commercial operation of the generating station,
- b) In the second year, the share of beneficiaries shall be 10%, which shall be progressively increased by 10% every year till it reaches 50%, where after, the proceeds shall be shared in equal proportion by the generating companies and the beneficiaries.

(ii) Wheeling charges:

As proposed by the Commission:

The Commission had proposed not to charge any transmission or wheeling charges on solar energy for transactions within the State.

Comments from Stakeholders:

CESC, Mysore, have suggested that, in case of third party sales wheeling shall be allowed with wheeling charges in vogue and Banking shall not be extended. Gadag District Chamber of Commerce and Industry, Gadag, have stated that, when reasonable attractive tariff for solar generators is going to be determined in addition to incentives & subsidies, there is no necessity to curtail the income to the transmission company on third party sale. This also leads to wrong classification among generators of various sources. Consumer Care Society, Bangalore, have

stated that, if solar power is sold to third parties within the State, it would be unfair to DISCOMs and its consumers. If third party is ready to buy high cost solar power then such buyer would also be willing to pay the wheeling charges. Millenium Synergy Pvt Ltd, Bangalore, have commented that, the proposal of the Commission is acceptable. Acciona Energy India Pvt Ltd, Bangalore, have stated that, for third party sales, the Commission should give maximum promotional incentives and not to levy wheeling charges for transactions outside the State and Banking must be allowed for both within and outside the State.

Commission's Decision:

As a promotional measure, for the third party sales/ wheeling through open access within the State, the Commission decides not to charge any transmission or wheeling charges. However, in respect of third party sales/ wheeling through open access out side the State, the normal transmission and wheeling charges determined by the Commission from time to time is applicable.

(iii) Merit Order Dispatch:

As a promotional measure, for the present, as solar power is considered as infirm power, the Commission decides not to apply Merit order dispatch for all grid connected solar power plants.

(iv) Grid Connectivity:

Some of the stakeholders have suggested that the grid connectivity should be provided by the STU/ESCOMs.

The Commission observes that the STU has to plan for economic and efficient intra-state transmission system. As such, the STU shall take responsibility to evacuate power from the interconnection point. Further, STU/ESCOMs shall not collect any network augmentation charges towards system augmentation beyond the interconnection point. The developer shall be responsible for providing evacuation facility upto the interconnection point.

(v) Metering:

Metering shall be in compliance with the CEA (Installation and Operation of Meters) Regulations 2006 as applicable from time to time.

(vi) Allocation of solar power:

The Government of Karnataka shall allocate the solar power among the ESCOMs including Hukeri Rural Electric Cooperative Society, in proportion to the actual quantum of total power purchases made during FY10. The allocation shall be irrespective of the location of the solar power plant.

All other conditions governing the generation and supply of power shall be as per the Standard Power Purchase Agreement approved by the Commission in respect of all NCE projects.

Abstract of cost parameters approved by the Commission:

Particulars	Approved Parameters	
	Solar PV	Solar Thermal
Capital Cost/MW- Rs. Lakhs	1550	1300
Debt: Equity Ratio	70:30	70:30
Debt-Rs. Lakhs	1085	910
Equity- Rs. lakhs	465	390
Debt Repayment Tenure in Yrs.	10	10
Interest charges on Debt-%	12.00%	12.00%
Capacity Utilisation Factor (CUF)	19%	23%
ROE-%	16%	16%
Discount Factor -%	13.20%	13.20%
Auxiliary consumption-%	0	8%
O & M expenses in Rs. Lakhs per MW	9.00	13.00
O & M Escalation p.a.	5.00%	5.00%
Working Capital	2 months receivables	2 months receivables
Interest on Working Capital-%	12.50%	12.50%
Depreciation for first 10 yrs	7.00%	7.00%
Depreciation for next 15 yrs	1.33%	1.33%

6. Tariff for grid connected Solar PV, Solar Thermal power plants (other than demonstration projects) and Roof top Solar Photovoltaic and other small solar power Plants connected to Distribution network at voltage levels below 33KV.:

In the written as well oral submissions made before the Commission the stakeholders have made the following proposals regarding tariff to be approved:

KPCL has suggested to approve a Levelised tariff of Rs. 18.44 per unit for its existing units at Kolar and Belgaum and Rs.14.75 per unit for future projects. Solitaire Powertech Pvt Ltd has sought a Levelised tariff of Rs. 17.91 per unit for 25 years. Sri Murali Mohan of Suntechnics India Ltd has suggested to adopt a Levelised tariff of Rs.17.91 per unit and Rs.14.96 per unit (based on accelerated depreciations) as approved by CERC. Sri Kishore N.Koka, PEC suggested to approve a tariff of Rs. 19 per unit.

The Commission notes that none of the stakeholders have furnished detailed computations in support of their suggestions.

The Commission, based on the approved parameters as discussed in the foregoing paras, has determined the tariff as follows:

i. Solar PV Power Plants: **Rs. 14.50 per unit**

ii. Solar Thermal Power Plants: **Rs. 11.35 per unit**

iii. Rooftop Solar PV and other
Small solar power plants
connected to Distribution network
at voltage levels of below 33KV } **Rs. 14.50 per unit**

In respect of projects to be commissioned after 31.03.2013, the tariff would be determined separately.

This order is signed and issued by Karnataka Electricity Regulatory Commission on this thirteenth day of July 2010.

Consequent upon the issue of this Order, the petition filed by KPCL, Solitaire Powertech Pvt Ltd and application filed by BESCOM, shall stand disposed of.

Sd/-

M.R.Sreenivasa Murthy

Chairman

Sd/-

Vishvanath Hiremath

Member

Sd/-

K. Srinivasa Rao

Member

Annex-1

Sl. No	Name and address of the Stakeholders who have furnished written comments to the Discussion paper on determination of tariff for grid connected solar power plants.
1	KPCL, Bangalore
2	Solitaire Powertech Pvt Ltd, N23 B, Block -N, DDA Flat, Saket, New Delhi 110017
3	Prof. R.S.Deshpande, Institute for Social and Economic Change, VKRK Road, Nagarabhavi, Bangalore 72
4	Sri. M.R.Ganapathi, Arushi, Pump House Road, Madikeri 571 201
5	S.L. Rao, Chartered Cottage, 8, Langford Road, Bangalore 25
6	G.S.Rajamani, Ex. Member, CERC
7	B.G.Rudrappa, Former Chairman KEB & Member Advisory Committee, KERC
8	GMR Group, Knowledge Park, Bangalore- 560 029
9.	Hyderabad Karnataka Chamber of Commerce & Industry, Gulbarga- 585 101
10	G.G. Hegde Kadekodi, Sirsi 581 401
11.	Moahan Murali, Sun Technics Energy Systems Pvt Ltd, 660/1, 100 ft Road, Indiranagar, Bangalore- 560 038
12	CESC, Mysore
13	HESCOM, Hubli
14	Gadag District Chamber of Commerce and Industry, Gadag - 582 101
15	Consumer Care Society, Banashankari Bangalore
16	BESCOM, Bangalore
17	Millenium Synergy Pvt Ltd, No.16, 3 rd Main Road, Sakamma Garden, Basavanagudi, B'llore-04
18	Reliance Industries Ltd, Solar Energy Group, BTM Layout, 100ft Ring Road, B'llore- 76
19	KREDL, No. 19, A D Loganathan INA Cross, Queen's Road, B'llore- 52
20	Welspun Renewable Energy Ltd,Welspun House, 7 th Floor, Kamala City, Senapathi Bapat Marg, Lower Parel, Mumbai- 400 013
21	Prayas, Athwale Corner, Karve Road, Pune- 411 004
22	Astonfield, Makers Chambers V, Suite 916, Nariman Point, Mumbai 400 021
23	PEC Consultants, Kay Kay Heights, 104/75, 2 nd Main Road, Chamarajpet, B'llore-18
24	Acciona Energy India Pvt Ltd, The Millenia, No 1&2, Murphy Road, Ulsoor, Bangalore- 560 008
25	Ranga & Co, 112, 2 nd Floor, R.V.Road, VV Puram, B'llore- 04
26	AES Solar Energy Pvt Ltd, 9 th Floor, Tower B, Bldg 10, DLF Cybercity, Phase II, Gurgaon,Haryana-02
27	KPTCL, Bangalore

Annex-2

List of persons who have attended the public hearing held on 12/07/2010, in the matter of determination of tariff for grid connected solar power plants other than demonstration projects.

SI.NO.	SMT / SRI NAME	CONSULTANTS
1	SHRIDHAR PRABHU	ADVOCATE
2	R.V. GIRISH,	DIRECTOR, M/S MERIDIAN GREEN ENERGY PVT. Ltd.
3.	Y.V. ASWATHANARAYANA	CONSUMER CARE SOCIETY
4.	R.NAGARAJA	KPCL
5.	M.G. PRABHAKARAN	CONSULTANT
6.	GANESH AND MADHAVAN AND S.SHAIK AHMED	MOSER BAER
7.	SHIVANAND BHAVI	EXECUTIVE ENGINEER (COMERCIAL) GESCOM, GULBARGA
8.	R.NAGARAJA SHETTY	BANGALORE
9.	VIKARAM S. ANNAPPA	QUEST SEZ DEVELOP PVT.LTD.
10.	K.R. SRINIVASA	ENERCON INDIA LTD., BANGALORE
11.	B.M. CHANDRASHEKAR	FINANCIAL ADVISOR, KPTCL
12.	T. UMESH	SEE, KPTCL
13.	N.K. UPADHYA	EE (ELE.) HESCOM, HUBLI
14.	MANGALJYOTHI AND SUPRAJIT	ENERCON
15.	N.KRISHNA	PRAHARI ENERGY SOLUTION, BANGALORE
16.	S. MADHAVAN	-
17.	SUPRIYO GHOSH	ACCIONM ENERGY
18.	SONU MONDURKAR	JSLON TECHNOLOGY, C.V. RAMAN NAGAR, BANGALORE
19.	PROF ,KISHORE N. KOKA,	N.K.K.A, CEO, POLY ENGG AND CONSULTANTS
20.	C.VENU	ENGINEERING AND ADV. TO MEDIA
21.	T.V.SUDHARSHAN	MILLENIUM SYNERGY (P) LTD., BANGALORE
22.	L.SOMARAJU	AEE, CESE , MYSORE
23.	P.PONSEKAR	RELIANCE INDUSTRIES LTD.
24.	POONAM HAKLAR	LANCO SOLAR ENERGY PVT.LTD.
25.	M.A. NAGARAJU	CHAMUNDESHWARI ENG. BANGALORE-1
26.	SRI. JAYA PRAKASH	G.M.(TECH) BESCOM
27.	SMT. SAROJAMMA	DGM ,BESCOM

List of persons who made oral submissions before the Commission during the Public Hearing held on 12.07.2010 @ Court Hall, KERC

SI. No	Name & Address of the Stakeholders
1	Sri. Guruprasad, Law Officer, KPCL, Bangalore
2	Sri. Sridhar Prabhu, Advocate, Bangalore
3	Sri. Y.V.Ashwathnarayana, Consumer Care Society, Banshankari, Bangalore
4	Sri. M.G.Prabhakar, FKCCI, Bangalore
5	Sri. B.Ganesh, Solitaire Powertech Pvt Ltd, New Delhi.
6	Sri.R.V.Girish, Director, Meridian Green Energy, Bangalore
7	Prof. Kishore .N.Koka, PEC, Bangalore

Schedule 3

Sample Performance Bond Calculation

If a Bidder is proposing to develop a 15 MW Solar PV power plant and has offered a Discount in Tariff of Rs. 3.00, the corresponding Effective Tariff would be Rs. 11.50 per unit, as the applicable tariff as issued by KERC is Rs. 14.50 per unit

In this case, the amount of Performance Bond to be provided by the Bidder shall be calculated as follows:

Discount offered: Rs. 3.00 (300 paisa)

Percentage discount on applicable tariff: $(300/1450)*100 = 20.69\%$

Performance Bond amount:

Performance Bond = $(145*10000*15) + (72.5*20000*15) + (72.5*30000*15) + (10*40000*15) = \text{Rs } 8.21 \text{ Crores.}$