

Notice Inviting Tender

(Power Procurement for Rajasthan Urja Vikas and IT Services Limited)

NIT Number – TN-05/Long Term/Coal & Solar/FY 2023-24

Dated 02.05.2024

In order to fulfill the future electricity demand of the state, Rajasthan Urja Vikas and IT Service Limited (RUVITL) intends to tie-up procurement of thermal power up to capacity of 3200 MW and solar power up to capacity of 8000 MW through Tariff based Competitive Bidding Process.

1. Procurement of Coal-based Power

In exercise of the powers conferred under the Rule 16 of Electricity (Amendment) Rules, 2022, the Ministry of Power, Government of India, in consultation with Central Electricity Authority (CEA) had issued the guidelines for Resource Adequacy for the Indian electricity sector on 28th June 2023. These guidelines are expected to be followed by all institutions and stakeholders.

Resource Adequacy means tying up sufficient capacity to reliably serve expected demand of the consumers in the DISCOMs license area in a cost-effective manner. Further, Ministry of Power has also come with a notification maintaining resource adequacy for Distribution Licensees and they are not expected to resort to load shedding under any circumstance. RERC has also issued state grid code and Distribution Licensees are expected to maintain Spinning Reserve for smooth operation of grid systems. Due to ageing of many power stations of Rajasthan Vidyut Utpadan Nigam (RVUN) and issues related to coal quality/shortfall, actual availability of some of these plants have also been on the lower side in recent past.

Demand of electricity is also witnessing significant growth in the state and RUVITL is compelled to purchase power from exchange and other short term markets to meet demand of electricity. Sometimes, the required quantum is not even available in exchange leading to curtailment. Considering the present situation of availability from contracted thermal generators, requirement of Resource Adequacy for meeting peak demand and to maintain sufficient Spinning Reserve as per state grid code, RUVITL is in need for contracting additional coal based thermal capacity.

The Ministry of Coal (MoC) issued a notification on May 22, 2017, outlining specific guidelines for the allocation to the power sector under the SHAKTI (Scheme of Harnessing and Allocating Koyala (Coal) Transparently in India) Policy. According to these guidelines, coal linkages can also be earmarked to the States for new Power Purchase Agreements (PPAs) by pre-declaring the availability of coal linkages along with description. States can then communicate this linkage to Distribution Companies (Discoms)/State Distribution Agencies (SDAs). Based on such linkages, States/Discoms can conduct Tariff-Based Competitive Bidding for Long-Term Power Procurement and may recommend the allocation of these linkages to successful bidders.

In accordance with these guidelines, RUVITL aims to procure 3200 MW of power through a competitive bidding process.

To advance this endeavor, RUVITL vide its letter dated 13th May 2022 to CEA had sought grant of coal linkage for 3299 MW coal based thermal power plants. Subsequently, the Standing Linkage Committee (Long Term) for the Power Sector in its meeting held on March 1/4, 2024, approved linkage to the State of Rajasthan under SHAKTI B(iv) for the 3299 MW coal-based capacity through Tariff Based Competitive Bidding route.

Based on coal supply from the above linkage as fuel, RUVITL has decided to procure electricity on long term basis from power station (the "Thermal Project") on Design, Build, Finance, Own and Operate ("DBFOO") basis. Selection of developer for this procurement will happen through a transparent bidding process as per applicable guidelines. The developer may install a new project anywhere in Rajasthan and

connected to the STU. The developer may set up a dedicated transmission line up to the point of connection with state transmission grid or directly up the RPVNL periphery. The entire transmission losses up to delivery point will be borne by the developer.

2. Procurement of Solar Power

The resource adequacy framework issued by CEA lays down the optimal capacity mix required to meet the projected demand at minimum cost. Procurement actions according to Resource Adequacy framework must be taken up timely by DISCOMs so that generation capacity becomes available well before its requirement to meet projected growth. State discoms are expected to be prepared for the future growth in electricity demand. At the same time, they are also expected to maintain an optimal mix of generation sources going forward. Therefore, it is important to select the modes of power generation properly which serves twin objectives of reliable supply of electricity and sustainability in a cost-effective manner.

As per RERC (Renewable Purchase Obligation) Regulations, 2023 dated 13th June 2023, distribution companies shall be subject to Renewable Purchase Obligation (RPO) to the extent of a percentage of its consumption. Historically, Rajasthan Discoms have been falling short in meeting the RPO targets. Ministry of Power, through its order dated 20th October 2023, has prescribed long term growth trajectory of Renewable Purchase Obligation (RPO) up to year FY 2029-30. As per the order Discoms will have to meet 43.33% of their energy requirement from Renewable Energy sources (Wind – 6.94%, Hydro– 2.82%, Other RE sources – 33.57%). Solar power will be playing a significant role in this RPO target.

Agriculture load is a significant consumer category for Rajasthan Discom(s) and it is very tariff sensitive. Supplying electricity to farmers during daytime will bring them convenience. Since solar power is available during daytime and its tariff is relatively cheaper as compared to other sources of electricity, it may be utilized for meeting agriculture demand.

Further, Ministry of Power (Govt. of India) has also brought draft guidelines for Renewable Generation Obligation (RGO) for present and upcoming coal/lignite-based generating stations.

Generating stations coming on stream on or after 01.04.2025 are required to supplement their conventional generation with minimum supply of RE to the extent of 10%. RGO shall be assessed in terms of annual share of RE generation as a percentage of total annual generation (including both conventional and RE). Therefore, RUVITL has decided to procure 8000 MW of solar power capacity also during this process. This will help RUVITL in tying up large scale capacity in one step with optimal mix and it is expected to get better rates also due to benefit of larger scale. This will also attract potential generators of coal based power as they will be able to fulfill their RGO obligations.

Hence, RUVITL shall enter into Power Purchase Agreement (PPA) with the solar developers selected through competitive bidding for total capacity of 8000 MW. This electricity may be supplied from solar plants located in Rajasthan and the PPA will be for a period of 25 years. Solar capacity will start coming in phases which will help during initial growth in demand. After some time, coal based capacity will be commissioned to fulfill the increased base load. Bidders shall note that if solar power plant is not commissioned as per the terms of the RfS, RUVITL reserves the unconditional right to terminate the PPA for solar power plant and PSA for thermal power plant.

3. Bidding Process

This is a single tender for procuring coal-based power and solar power and bidders are mandatorily required to offer both the capacities in full, failing which such bid shall be considered as non-responsive. However, for ease of understanding and clarity about contractual obligations, different set of documents will be released for bidding process for coal based power and solar power. The corporate entity or the consortium will have to submit these bids in respective sets in online mode only.

The Power Purchase Agreement (PPA) for both thermal and solar power will be executed separately.

For coal-based power, following bidding documents will be circulated:

- i. Request for Qualification (RFQ) -Design, Build, Finance, Own and Operate (DBFOO)
- ii. Request for Proposal (RFP) – DBFOO
- iii. Draft Power Sale Agreement (PSA)

For solar power, following bidding documents will be circulated:

- i. Request for Selection (RFS)
- ii. Draft Power Purchase Agreement (PPA)

For the sake of clarity, broadly, the definitions and processes mentioned in RFQ-DBFOO and RFP-DBFOO will be applicable for PSA of coal-based power while the definitions and processes mentioned in RFS will be applicable for PPA of solar power.

After the submission of bids by prospective bidders, evaluation of bids will be carried out on aggregate basis and selection of successful bidder(s) will be done accordingly as per the process provided in Annexure I. Post e-reverse auction, RUVITL shall assess the tariffs discovered under the thermal & solar power tenders independently for market reflectiveness. If RUVITL is of the opinion that the discovered tariffs do not reflect the current market position, RUVITL reserves the unconditional right to annul the entire bidding process in entirety under this tender.

Along with submission of bids in accordance with RFP-DBFOO and RFS documents, the bidder will have to submit bid submission letter (to be uploaded on bid Portal) as given in Annexure II of this NIT. Schedule for the bid process is given in Annexure III. With respect to evaluation of bids, the specifications given in this Notice Inviting Tender (NIT) will prevail in case there is any inconsistency between NIT and other bid documents (e.g. RFQ-DBFOO, RFP-DBFOO and RFS) mentioned above.

Annexure-I

Bid Evaluation & selection of ‘Selected Bidder’

Bids in different sets of documents will be invited for coal based power and solar power.

Financial Bids will be opened for both the tenders. It must be noted that Financial Bid corresponding to Solar RfS will be opened for only those bidders who have qualified for both the technical bids (thermal and solar separately).

The Weighted Average Tariff for a bidder will be determined as illustrated in the following table:

Particulars	Unit	Thermal	Solar
Capacity	MW	3200	8000
PLF/CUF	%	85%	28%
Annual Ex-bus energy	MU	22,234	19,636
Fixed charge	INR/kWh	2.00	-
Energy charge	INR/kWh	2.40	-
Total tariff	INR/kWh	4.00	2.50
Weighted Average Tariff	INR/kWh	3.51	

Note:

- 1 The Fixed charges and Energy charges will be billed at STU interconnection point. This will be followed by a e-Reverse auction for weighted average tariff (basis L1 weighted average tariff as computed from the financial bids as shown above) and the bidders will be given an opportunity to reduce their bids for both solar and thermal tariffs.
- 2 At the end of the e-reverse auction, the bids will be compared based on Weighted Average Tariff determined as given above. The Bidder with lowest Weighted Average Tariff will be the “Selected Bidder”
- 3 If two or more Bidders quote same weighted average tariff, ranking of the Bidders will be done through time stamping and lowest ranked Bidder(s) will be the ‘Selected Bidder’. It is hereby clarified that the Utility will not accept the entire capacity offered of the last Lowest Bidder in the order of progression, in the event the Capacity Required gets fulfilled by a part thereof.
- 4 In the event that the Selected Bidder withdraws or is not selected for any reason in the first instance (the “first round of bidding”), the Utility may at its discretion, annul the bidding process or invite all the remaining Bidders to revalidate or extend their respective Bid Security, as necessary, and match the Bid (Weighted Average Tariff) of the aforesaid Selected Bidder (the “second round of bidding”). If in the second round of bidding, only one Bidder matches the Selected Bidder, it shall be the Selected Bidder. If two or more Bidders match the said Selected Bidder in the second round of bidding, then the Bidder whose Bid (Weighted Average Tariff) was lower as compared to other Bidder(s) in the first round of bidding shall be the Selected Bidder. For example, if the third and fifth lowest Bidders in the first round of bidding offer to match the said Lowest Bidder in the second round of bidding, the said third lowest Bidder shall be the Selected Bidder.

In the event that none of the other Bidders match the Bid of the Lowest Bidder, the Utility may, in its discretion, invite fresh Bids from the remaining Bidders

or annul the Bidding Process, as the case may be. Further, it is clarified that any single Bidder cannot quote part capacity from different stations.

- 5 After selection, a Letter of Award (the "LOA") shall be issued, in duplicate, by the Utility to the Selected Bidder and the Selected Bidder shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof.
- 6 Utility reserves the right to reject all the Bids and annul the bid process if the tariff quoted by the Bidders is not aligned with the prevailing market conditions.

Annexure II

Letter comprising the Bid

Dated:

[The ***,

Sub: Bid for 3200 MW Coal Based Power Project and 8000 MW Solar Project

Dear Sir,

With reference to your RFP-DBFOO document dated ----- and RFS document dated -----, I/we, having examined the Bidding Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.

- 1 I/We acknowledge that the RUVITL/Utility will be relying on the information provided in the respective Bid and the documents accompanying the Bid for selection of the Supplier/Project Developer, and we certify that all information provided therein is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying the Bid are true copies of their respective originals.
- 2 I/We have submitted the Bids for coal based power and solar power in respective formats in accordance with RFP-DBFOO and RFS issued in pursuant to this Notice Inviting Tender (NIT)
- 3 I/We shall make available any additional information it may find necessary or require to supplement or authenticate the Bid.
- 4 I/We acknowledge the right of the RUVITL /Utility 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.
- 5 In the event of I/we being declared as the Selected Bidder, I/we agree to enter into a PSA-DBFOO (for coal based power) and PPA (for solar power) in accordance with the draft that has been provided to me/us. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
- 6 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 / Contract is not awarded to me/us or our Bid is not opened or rejected.
- 7 The Tariff has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP-DBFOO, draft PSA-DBFOO, RFS our own estimates of costs and revenues, and after a careful assessment of the site and all the conditions that may affect the project cost and implementation of the project.
- 8 I/We shall keep this offer valid for 120 (one hundred and twenty) days from the Bid Due Date specified in the RFP-DBFOO and RFS. In witness thereof, I/we submit

this Bid under and in accordance with the terms of the RFP-DBFOO and RFS document.

- 9 I/we warrant that that all the facts, figures and data submitted in the bid documents are true and correct and can be substantiated by verifiable authenticated records by the bidder to the utility and its officers and nothing has been suppressed or mis-represented anywhere at any stage. In case any such information is found wrong/incorrect/misleading, then my/our bid shall be liable to be cancelled and I/we shall withdraw from the contract immediately. In such a circumstance, I/we shall be liable to be levied with suitable penalties.
- 10 I/we have not and shall not employ tactics of lobbying in the nature of direct or indirect political influence, by ourselves or by way of our agents, representatives, associates etc, for securing the present contract.

Yours faithfully,

Date: (Signature, name and designation of the Authorised signatory)

Place: Name and seal of Bidder/Lead Member

Annexure III
Schedule for Bid Process

S. No.	Particulars	Date	Time
1	Availability of Bid document	02-May-2024	20:00 Hrs
2	Last date for receiving queries	27-May-2024	17:00 Hrs
3	Pre-Bid Conference	03-Jun-2024	14:30 Hrs
4	Utility response to queries	11-Jun-2024	19:00 Hrs
5	Bid Due Date	24-Jun-2024	13:00 Hrs
6	Opening of Technical Bids	24-Jun-2024	16:00 Hrs
7	Announcement of Pre-qualified Applicants	To be Intimated	
8	Opening of Financial bids of eligible bidders	To be Intimated	
9	E-Reverse auction	To be Intimated	
10	Letter of Award	To be Intimated	
11	Execution of PPA (solar) and PSA (thermal)	To be Intimated	