

Hydrogen (in kg) utilized to produce the given amount of the derivative.

The following equivalence factor would be applicable for Green Ammonia:

Derivative	Equivalent amount of Green Hydrogen
Green Ammonia	0.1765 kg Green Hydrogen per kg of Green Ammonia

In case of any other derivative, MNRE shall declare an equivalence factor based on amount of Green Hydrogen (in kg) utilized to produce the given amount of the derivative.

5.3. Guiding Principles:

- i. Under the scheme, a direct incentive in terms of ₹/kg of Green Hydrogen production will be provided for a period of 3 years from the date of commencement of Green Hydrogen production.
- ii. Beneficiaries under the scheme will be selected through a competitive selection process.
- iii. The incentives will be capped at ₹50/kg in the first year of production, ₹40/kg during the second year of production and ₹30/kg during the third year of production.

5.4. Selection of Bidders for award of Incentives

The details of selection process of bidders for award of incentives under Mode 1 is outlined in this section.

5.4.1 Bid Process

MNRE, through SECI, will invite bids for competitive selection under this mode. The bidders will be required to quote the following:

- a. Annual production capacity of Green Hydrogen and/or its derivatives for which incentive is sought. The capacity quoted should be constant over first three years from start of commercial production (in Thousand Metric Tonnes {MT}); and
- b. Incentive demanded in ₹/kg for each of the first three years of production with an upper cap of ₹50/kg, ₹40/kg & ₹30/kg for Green Hydrogen for first, second and third year of production respectively.

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5.4.2 Selection Process:

- a. Qualified bidder(s) will be allocated capacities in the order of the **Least Average Incentive** demanded (in ₹/kg), taken as a simple average of the incentive demanded (in ₹/kg) for each of the three years.
- b. For each bucket, the bidder quoting the Least Average Incentive shall be first allocated its admissible capacity. Thereafter, the Bidder quoting the next lowest average incentive will be allocated its admissible capacity, and so on, until the total capacity in the bucket is exhausted.
- c. In case two or more bidders quote the exact same Least Average Incentive demanded, such tied bids would be prioritized based on who has quoted higher quantum of bid capacity and if bid capacities are also equal, then the bidders would be given the same ranking and allotted equal capacities.

Illustration

1. If a bidder quotes ₹ 48/kg for the first year, ₹ 37/kg for the second year and ₹ 29/kg for the third year, then

Least Average Incentive will be calculated as simple average of incentives demanded over three years i.e

$$\text{Least Average Incentive demanded} = ₹ (48+37+29)/3 = ₹ 38/\text{kg}$$

If the Least Average Incentive demanded by bidder 1 comes out to be ₹ 38/kg of Green Hydrogen; and the Least Average Incentive demanded by bidder 2 comes out to be ₹ 36/kg of Green Hydrogen, then Bidder 2 will be first allocated the quoted bid capacity, which should not be higher than the maximum allowed bid capacity i.e. 90,000 MT and also not lower than 10,000 MT (as in Para 5.4.5)

2. In case of tie between two bidders with same Least Average Incentive demanded (e.g. ₹ 37/kg) and same bid capacities (eg 50,000 MT); then they will be awarded equal capacities depending on the quantum of unallocated capacity, upto a maximum of 50,000 MT each, as bidden.

5.4.2. Separate Buckets for different pathways:

Capacities available for bidding during Tranche II, under different pathways is as under:

	Technology Agnostic Pathways (Bucket I)	Biomass Based Pathways (Bucket II)
Total capacity available for bidding	410,000 MT/annum of Green Hydrogen	40,000 MT/annum of Green Hydrogen

5.4.3. Eligibility for Bidding

- i. The Net Worth of the Bidder under "Technology Agnostic Pathways", as on the last date of previous Financial Year, as specified in the tender document should be equal to or greater than ₹15 crore per thousand MT per annum of quoted production capacity of Green Hydrogen.
- ii. The Net Worth of the Bidder under "Biomass Based Pathways", as on the last date of previous Financial Year as specified in the tender document should be equal to or greater than ₹ 1.5 crore per thousand MT per annum of quoted production capacity of Green Hydrogen.
- iii. The bidder can be a single company or a Joint Venture/ Consortium of more than one company. The Bidder may seek qualification on the basis of financial capability of its Affiliate(s) for the purpose of meeting the qualification requirements.

5.4.4. Capacity Allocation

- i. The capacity available for bidding under the Tranche II of Mode I is 450,000 MT per annum of Green Hydrogen.
- ii. Under "Technology Agnostic Pathways", the maximum capacity that can be allotted to a single bidder will be 90,000 MT per annum. The minimum capacity that can be bid for shall not be less than 10,000 MT per annum.
- iii. Under "Biomass Based Pathways", the maximum capacity that can be allotted to a single bidder will be 4,000 MT per annum. The minimum capacity that can be bid for shall not be less than 500 MT per annum.
- iv. The Bucket-II shall be allocated first. In case any capacity is left unallocated in this bucket, it shall be added to the Bucket-I. Thereafter, Bucket-I shall be allocated.
- v. The bidder can bid either for Bucket I or Bucket II or both of them.
- vi. The maximum allocation to a single bidder under Tranche II will be 90,000 MT per annum.

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5.5. Payment of incentives to successful bidders

The incentive payout for successful bidders will be calculated as follows:

Incentive payout in a given year = (Incentive quoted for that year in Rs/kg) × (Allocated capacity or Actual Production in the year, in kg, whichever is lower)

Allocated capacity will remain constant over a period of three years.

Incentive shall be disbursed to each successful bidder on an annual basis, after the requisite claim is received from the successful bidder, and duly verified by MNRE, through SECI.

5.6. Timelines for Commissioning

The successful bidders allotted capacities under the scheme must commence manufacturing in accordance with the timelines mentioned in the tender document.

5.7. Penalties

- i. Bidders will have to submit, at the time of bid submission, Earnest Money Deposit (EMD) as prescribed in the tender document. The tender document will inter-alia, contain provisions regarding forfeiture of EMD in case of selected bidder refusing to submit the requisite documents/Performance Bank Guarantees (PBG)/or other similar Performance Guarantee instruments as per tender document/ extant guidelines or the selected bidder not meeting eligibility criteria upon submission of documents.
- ii. Successful Bidders will have to submit Performance Bank Guarantees (PBG)/ other similar Performance Guarantee Instruments, at the time of accepting the award as prescribed in the tender document. In case of default or delay in commissioning, commensurate bank guarantees will be forfeited by SECI, as penalty. Detailed modalities in this regard will be given in tender documents. Encashment of EMD, bank/other guarantees, accrued interest or other charges collected by SECI will be remitted to the Consolidated Fund of India by SECI as per rule-230 (8) of GFRs 2017 after deducting the legal expenditure (if any).

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5.8. Monitoring

A Scheme Monitoring Committee (SMC) under the chairmanship of Secretary, MNRE, and comprising representatives from MNRE, SECI and experts from other organizations as may be required for the purpose, shall periodically review of the status of implementation/ performance of Green Hydrogen manufacturing capacities awarded/ set up under the scheme. The Committee will also facilitate / recommend measures to resolve difficulties, if any.

5.9. Power to amend Scheme Guidelines

MNRE may make the necessary amendments in the Scheme Guidelines, as and when required, with the approval of the Minister of New & Renewable Energy.

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