

Auction of Coal Linkages to IPP(s) having long term PPA based on domestic coal

List of Frequently Asked Questions

S. No.	Question	Answer
1.	I have an existing linkage and a valid PPA. Can I participate in the auction?	Bidders can participate in the auction for the portion for which they do not have an existing linkage. Please refer to the Clause 4.1.2.1 of the Scheme Document.
2.	I have a PPA based on imported coal. Am I eligible to participate in the auction?	Only Bidders having long term PPA based on domestic coal are eligible to participate in the auction.
3.	Can I surrender my existing linkage to participate in the auction?	In case the Bidder is an existing linkage holder who had linkage(s) as on May 17, 2017, such Bidder shall not surrender/terminate or dilute their letter of assurance/fuel supply agreement to participate in this Auction. Please refer to Clause 4.1.2.5 of the Scheme Document.
4.	If my PPA has not been approved by the appropriate commission but the supply has commenced under the PPA, shall I be allowed to participate in the auction?	Only Bidders with long term PPA (both under section 62 and section 63 of the Electricity Act, 2003), based on domestic coal, which has been adopted or approved by the appropriate regulatory commission on or before May 17, 2017 are eligible to participate in the auction.
5.	In case I am not able to secure 100% of my requirement through the proposed auction, will there be further auction scheme for such balance quantity?	This is a one-time auction process.
6.	I have a coal mine which has been allocated to me for use in my specified end use plant. However, the mine has not attained PRC. Can I participate in the auction?	In case a coal mine has been allocated for captive consumption of coal in an EUP, then the CEA Approved quantity shall be net of grade adjusted coal requirement, on the basis of Peak Rated Capacity (PRC), being met from such captive coal mine. Where a mine has been allocated for multiple plants, then the CEA Approved Quantity of the Specified End Use Plant shall be calculated after proportionately factoring the coal consumption from the said mine.
7.	Whether getting the verification certificate signed by the Trader would suffice?	Kindly refer to Paragraph 1 (vi) of the Request for Expression of Interest. The verification certificate has to be signed by the DISCOM.

S. No.	Question	Answer
8.	I have the option to sell 15% on merchant basis, how shall the annual requirement met through my captive coal mine be computed?	The annual energy requirement met through the captive coal mine shall be net of any energy requirement for the sale of power on merchant basis. Bidders are required submit the Percentage of power sold on merchant basis at the time of EOI submission which shall , remain fixed for the purposes of this auction and shall not be subject to any change thereafter.
9.	I am already registered on the MSTC platform for the e-auction of coal. Would my credentials be valid for this new auction as well?	No. For participation in auction of linkage, Bidder shall be required to register on the website of MSTC Ltd at the following link www.mstcecommerce.com/auctionhome/shakti/index.jsp
10.	In case the grade of coal supplied is different from the grade contracted, What would be the payment mechanism?	Each source on offer shall have a range of grades and a representative grade. Auction shall be held based on the representative grade of the source. The representative grade is an indicative grade for a particular Source on the basis of which the Auction shall be conducted. The actual supply pursuant to the FSA may vary between the range of grades, as applicable in respect of the Source from which the coal is actually supplied under the FSA. The Successful Bidder shall be required to make periodic payments for the coal supplied under the FSA on the basis of the following formula: <i>Notified Price multiplied by the Allocated Quantity supplied under the FSA.</i>
11.	What is the Bid Security for the auction process?	Bid Security is proposed to be submitted in the form of Earnest Money Deposit (EMD) at the rate of Rs. 100/tonne. Bid Security shall be deposited for the quantity which the bidder intends to participate in the Auction, which shall not be more than the CEA Approved Quantity.
12.	How shall the Bid Security be refunded?	<ul style="list-style-type: none"> • The Bid Security pertaining to the Provisional Allocated Quantity of the Provisional Successful Bidder will be returned by the relevant Subsidiary, without any interest, upon the expiry of 30 (thirty) days from the First Delivery Date, as defined in the FSA; and • the balance Bid Security of the Provisional Successful Bidder (net of amounts retained above), if any, and the Bid Security of other Eligible Bidder(s) shall be returned by the Service Provider to the Provisional Successful Bidder or Eligible Bidder(s), as the case may be, without any interest, post completion of the Auction.

S. No.	Question	Answer
13.	What is the Process Fee for the auction process?	Process Fee shall be as under: <i>Rs. 11.8 (Indian Rupees Eleven and Eighty Paise) per tonne (inclusive of applicable taxes) multiplied by the quantity for which the Eligible Bidder intends to participate in the Auction, which shall not be more than the CEA Approved Quantity.</i>
14.	How shall the Process Fee be refunded?	The Process Fee pertaining to the Provisional Allocated Quantity of each Provisional Successful Bidder shall be debited towards transaction expenses for running the Auction Process and the balance Process Fee shall be refunded from the bank account (details of which are provided in Annexure VI of the Scheme Document), without interest, to the relevant Provisional Successful Bidder after completion of the Auction. In the event that an Eligible Bidder does not qualify as a Provisional Successful Bidder, the entire amount of the Process Fee, without any interest, shall be refunded to such Eligible Bidder after completion of the Auction.
15.	Can I transfer the Coal linkage to other EUPs of the same company or other company?	No.
16.	Can I choose not to off-take coal supplied from mine/siding linked to the source?	No.
17.	How will be the auction conducted?	Auction shall be held in 2 (two) stage process conducted on the Electronic Platform, in the following sequence: (a) Initial Price Offer (“IPO”) Stage; and (b) Subsequent Price Offer (“SPO”) Stage.
18.	When will the Source Wise quantity be declared?	The Source Wise quantity shall be declared at the commencement of the SPO Stage.
19.	What will happen if I submit the Bid Security and Process Fee but do not submit the IPO even for a single source. In such a scenario, what will happen to my Bid Security and Process Fee?	If the bidder does not submit an IPO Discount for at least 1 (one) Source, such bidder shall not be eligible to participate in the SPO stage. Bid Security and Process Fee of such Bidder shall be refunded.
20.	What will be the duration of each SPO round of the auction?	SPO Stage shall be held in rounds. The duration of each round shall be 15 (fifteen) minutes, of which, the Eligible Bidders shall be permitted to participate, in sequence, as follows: (i) 5 (five) minutes for expressing interest to participate in a particular round; and (ii) 10 (ten) minutes for exercising the right-to-choose from the Source Wise Quantity In the event, no interest is expressed for participation in any round by any Eligible Bidder in the first 5 (five) minutes of any round of the SPO Stage, the Auction will proceed to the next round. Kindly refer clause 3.6.3 of the Scheme Document.

S. No.	Question	Answer
21.	If I have not expressed willingness to participate in a particular SPO round within the first 5 minutes, shall I be provided the right to choose in the next 10 minutes?	No. Please refer to Clause 3.6.3.4 (d) of the Scheme Document.
22.	What if I choose a quantity but it is not allocated in full. How will the allocation be done in that case?	The allocation shall be done on pro-rata basis in line with clause 3.6.3.4 (c) and Clause 3.6.3.4 (f)(iv) of the Scheme Document.
23.	If I submit an IPO, can I choose not to accept the provisionally allocated quantity?	Bidder has the option to participate in the SPO Stage from other sources. Even for the source for which the bidder as submitted the IPO, it can book quantity at a higher SPO discount. However in case the discount in the round reaches the IPO discount submitted by the bidder, it has to accept the quantity provisionally allocated to it.
24.	When will I be in a position to sign the FSA?	The Bidder can sign the FSA within the timeframe as specified under clause 3.6.9.2 of the Scheme Document after submitting necessary documents as specified under Clause 3.6.8 of the Scheme Document.
25.	What PPA capacity shall be considered for computing the CEA Approved Quantity?	For the purpose of computation of CEA Approved Quantity, PPA Capacity shall be gross capacity at generation end.
26.	I am a Power Producer but not an IPP. Will I be eligible to participate in the auction?	No.