

**Responses to Bidders' Queries - Part 1**  
**Auction of Coal Linkages to IPPs having already concluded long term PPAs {(SHAKTI B(ii))}**

S.No.	Query	Response
1	Annexure II - Point 11 should be modified to read as "CIL shall have the right to reject bid(s) assigning any reason but shall give a reasonable opportunity to Bidder before rejecting the bid"	Provisions of the Scheme Document shall apply.
2	Annexure II - Point 15 should be deleted	Provisions of the Scheme Document shall apply.
3	Annexure II - Point 17: Coal India should provide washery facilities to limit the ash content of coal below 34% as they are supplying to number of End use power plant instead of end plant providing the washery.	Provisions of the Scheme Document shall apply.
4	In the proposed scheme there is no level playing field between cost plus regime PPA holders vs competitive bid based PPA holders	The present scheme of auction is under SHAKTI B(ii) Policy issued by MoC which clubs Sections 62 and 63 in the same bracket. CIL is merely implementing this Policy.
5	Whether the present scheme is applicable for Bio Mass based IPPs	Bidders were requested to submit their EoIs along with relevant documents which have been forwarded to CEA. CEA shall determine the eligibility of the bidders.
6	Instead of submitting the tariff discount stream for each source against each PPA, submission of a single tariff discount stream based on weighted average of all the levelized discounts at which the Bidder has been successful may be considered to avoid operational issues.	Present methodology has been approved by the competent authority. Adopting a weighted average formula would presume supply of coal in a specific proportion from different sources all the time, which may not be in line with the actual supply pattern.
7	Sufficient time should be given to the Bidders to analyse the scheme document and a second pre-bid meeting may be scheduled for better understanding of the process. Further CEA may be requested to be present during the pre-bid meeting.	The point has been noted. Any information pertaining to the same shall be uploaded on the electronic platform.
8	When will the Sources be disclosed.	The same has been uploaded on the Electronic platform
9	What is the time difference envisaged between the IPO and SPO stage.	SPO stage is tentatively scheduled to be held on the next day of the IPO stage. The timelines for the auction shall be uploaded shortly.
10	Annexure VIII of the Scheme Document entails calculation of heat rate and grades on the equilibrated basis; Adjustment, if any, should be made on the as received basis.	The present calculations are as per the CEA norms. Hence the provisions of the Scheme Document shall apply.
11	As per the auction methodology, 20% of the demand quantity of bidders may not get fulfilled despite quantity being available in the sources.	The methodology has been approved by the competent authority.
12	Bid security may be accepted in the form of a bank guarantee instead of EMD, considering the stressed situation of power sector.	The request has been examined. It has been decided that the existing approved provision for submission of Bid Security shall remain unchanged.
13	Approval of amended PPA may take time which is beyond the control of the Bidders. Hence pending approval of amended PPA, FSA may be executed and supply be commenced with an undertaking/affidavit that the Bidder will get the amended PPA approved within a specified timeframe.	The present provision is as per the stipulations of the SHAKTI policy. Hence the same shall be applicable.
14	Extension of the period of 45 days for submission of the documents for signing of the FSA is required in view of uncertainty over time to taken by ERC to approve the amended PPA. Further forfeiture of EMD in the scenario of non submission of documents within the specified timeframe may be removed.	The request is under review.
15	Mock auction to be conducted to familiarize bidders of the auction mechanism	Mock auction shall be conducted. MSTC shall issue the timelines for the same.
16	What is the basis of the computation of the Starting Discount	This information is not relevant for the Bidders to participate in the auction.
17	Are there any penal provisions in case the Bidders expresses interest in the first 5 minutes but does not exercise right to choose in the next 10 minutes.	No
18	When will be the source wise quantity be disclosed	Source Wise Quantity shall be disclosed at the commencement of the SPO stage

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19	How will be the tariff discount stream be submitted	Tariff Discount Stream shall be submitted electronically on the Electronic Platform within 24 hours of conclusion of SPO stage.
20	Whether the Net allocable quantity will be dynamically adjusted on the Electronic Platform.	Net allocable Quantity shall be displayed on the electronic platform at the commencement of each round after factoring in the SPO allocation of the previous round and IPO allocation of the prevailing round.
21	Why submission of different IPO discount for different sources has been proposed.	Different sources shall have different values for a Bidder; IPO discount is expected to reflect the same.
22	When will the FSA be uploaded.	The same shall be uploaded shortly.
23	Can a model amended PPA be provided.	No; this will be decided by the respective DISCOMs and approved by the Appropriate Commission
24	Whether the ACQ shall change based on the grade of coal actually supplied.	No
25	Is transfer of linkage allowed	No transfer, swapping and/or rationalisation is permitted
26	I have a PPA based on variable cost. Providing tariff discount shall put be in the disadvantageous position as I will incur loss in such circumstance.	The auction process is as per the SHAKTI policy. Hence the provision of the Scheme document shall apply.
27	There are certain PPA(s) under litigation/approval. Is any scheme of auction is proposed for PPAs which are approved at a later date	This is a one time auction process.
28	Can we bid for different sources at a SPO discount.	Yes. However the bidder shall not be allowed to choose any quantity from a source from which the bidder has already been provisionally allocated some quantity.
29	Whether the Tariff discount shall be applicable on the basis of coal actually supplied?	The discount shall be computed with reference to scheduled generation from linkage coal supplied under this auction
30	There are certain concluded PPAs duly approved and adopted by Appropriate Commission under 86 1 (b). What will be the treatment of the same	The Bidder should have raised this issue in his EoI; CEA will examine and decide.
31	There is a PPA under national tariff policy. The Discom certificate has been received but the approval from Appropriate commission is awaited. The tariff is determined under section 62. What will be the treatment of the same	The Bidder should have raised this issue in his EoI; CEA will examine and decide.
32	Will the tariff discount stream be adjusted with the change in source, quantity, quality, price etc at a later stage	No
33	What will happen in case of failure of supply of coal ?	Appropriate provisions for shortfall in offtake / delivery shall be provided in the Fuel Supply Agreement.
34	Whether the documents mentioned in the Annexures of the Scheme Document need to be submitted separately.	Yes
35	Please clarify whether any third party sampling will be carried out for any slippage of coal grade. Also, for any grade slippage from the specified grade, the credit note to be provided by CIL to the Successful Bidder for the total coal value including applicable taxes and duties. Kindly confirm	Details will be provided in the Model FSA
36	Bidder should be allowed to quote the same/different IPO discount for all the Sources. Kindly specify the rationale for specifying different IPO Discount for each source.	Please refer to the response to Question No. 22
37	How the SPO Discount will be related to IPO discount of any particular source?	Bidder quoting a higher SPO discount will have an opportunity to book quantity from a particular source; However, in the event of the discount level reaching IPO Discount quoted by a certain Bidder for that particular Source, such Bidder shall have a priority allocation before other Bidders can book any quantity based on SPO from the same source.
38	The Balance Maximum Allocable Quantity should be known to Bidder on real time basis i.e. between each round of SPO stage also.	Same as response to Question No. 21 above.

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39	<p>(a) Does exercising the right to choose from a particular source at the SPO discount guarantee entire/proportionate allocation?</p> <p>(b) If the Bidder is not allocated any quantity even after choosing, he should be allowed to choose quantity from the source at a subsequent round</p>	<p>(a) Allocation will be proportionate, in the event more than 1 Bidder has chosen quantity from same source and their cumulative demand exceeds the balance quantity of the Source.</p> <p>(b) This is not possible; if Bidder has exercised his right to choose from a particular Source; he will get allocated at least some quantity (in case of pro rata allocation). Since in this situation, Source quantity is getting over, question of his getting opportunity to choose again from same Source at a subsequent round does not arise.</p>
40	<p>(a) Does it mean that for sources where SPO &gt; IPO quoted, Bidder should not exercise right to choose quantity?</p> <p>(b) Provisional IPO allocation is done at the beginning of SPO stage, what does it mean with no Provisional IPO allocation subsequently?</p>	<p>(a) No, Bidder can exercise right to choose quantity at SPO stage if it chooses to submit an SPO which is greater than the IPO quoted by him, if any, for that particular Source. However, in such case, his IPO for that Source will become null and void and the Source will get blocked for him during future rounds.</p> <p>(b) Query not clear.</p>
41	There is no relation between source wise quantity and Maximum Allocable Quantity. There may be a case where Maximum Allocable Quantity is greater than sum of source wise quantity	Please refer to Clause 3.6.2.2 for definition of Maximum Allocable Quantity
42	Kindly specify the Discount Rate for calculation of Levelized Tariff	This shall be provided by CERC; Bidders will be advised the same as soon as it is received by CIL
43	<p>(a) Kindly specify whether the discount stream to be provided separately for all the concluded PPA(s)?</p> <p>(b) Whether the discount stream to be provided for cost plus PPAs.</p> <p>(c) Also, if the Successful Bidder secures allocation from different sources, what will be considered as final offered discount? whether the discount stream to be provided source-wise separately for all the PPA(s)</p>	<p>(a) Yes</p> <p>(b) Yes</p> <p>(c) Yes; please read Clause 3.6.6 of the Scheme Document for more details.</p>
44	Submission of copy of Amended PPA should not be a precondition for execution of FSA and becoming a successful Bidder. An affidavit from the Bidder should be sufficient for signing of FSA and start of supply of coal. Kindly also provide the Standard Amended PPA.	Please refer to responses to Question nos 14 and 24 above.
45	Kindly upload the Model FSA before start of IPO stage.	It will be published shortly.
46	<p>(a) Allowing End Use Plants with target commissioning date up to March 31, 2022 will unnecessarily block the allocated quantity for almost 5 years.</p> <p>(b) Also, the levelized discount offered by such bidder will be much lower in NPV terms than the bidder with already commissioned End Use Plant. Kindly consider</p>	<p>(a) The provisions of the Scheme Document are as per SHAKTI policy and/or methodology approved by competent authority. CIL is implementing the same.</p> <p>(b) For all Successful Bidders YoY discount shall have to be offered from date of commencement of coal supply under this FSA.</p>
47	The process fee is very high. It is requested to kindly reduce the same.	Provisions of the Scheme Document shall apply.
48	It is requested to allow Bidders to submit Bid Security in the form of Bank Guarantee.	Please refer to the response to Question No. 13

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49	<p>(a) Kindly confirm that the discount will be applicable for the energy supplied under PPAs with the supply of coal from CIL under this auction process only.</p> <p>(b) Energy supplied by using coal from already signed FSAs are not covered under the discount stream. In that case, kindly specify the methodology for segregation of energy supply under these two cases.</p> <p>(c) Also, for securing coal from different sources with different tariff discount, what will be methodology followed to calculate the discount in energy supplied from different coal sources. How the energy accounting will be done to segregate the energy supply by using coal from different sources for the purpose of calculation of discount in bill value.</p>	<p>(a) Yes</p> <p>(b) Bidder will need to work it out to the satisfaction of its power procurer(s).</p> <p>(c) Bidder will need to work it out to the satisfaction of its power procurer(s). For the purpose of this auction, the Bidder will have to enter <b>for each of the sources it has won</b> coal from separate YoY discount streams <b>for all PPAs</b> so that it yields a Levellised Discount (for each of the discount streams) which is greater or equal to what the Bidder has quoted for such source.</p>
50	As per the bid document, the transfer of linkage is not transferable, however in case of transfer of PPA to other EUP, will the transfer of Linkage allowed ?	No
51	As per the bid document, the current linkage auction is only one time opportunity for all the plants having concluded PPA as on 17th May 2017. In case the PPA is under revision / litigation and no certificate could be obtained as on date of EOI submission from Discom than will there be any separate auction conducted later after the matter is resolved.	This is a one time auction process.
52	What will be the method of allocation of coal for PPAs on VC and RoFR where the tariff determination will be done at the later stage. Also for PPA executed on VC, any discount will be true loss and it will make no economic sense to serve the PPA under the SHAKTI scheme. In such a case, how the generator will get coal for that portion.	No separate methodologies for coal allocation for any specific type of PPA is proposed; Bidder may work out his economics keeping this in mind and bid accordingly.
53	In case captive coal block is under litigation, the bidder will not be eligible for auction for that quantity of coal. Can the generator will get next chance to get coal in case coal block is de-allocated.	This is a one time auction process.
54	Coal should be supplied to the successful bidder once the disposition of coal value and on fulling the submission of amended PPA to the Regulatory commission for its approval. Supply need not be held till the approval of the Regulatory commission as it will take longer time due to procedural motion.	Please refer to the response to Question No. 14