

Responses to Bidders' Queries - Part 3
Auction of Coal Linkages to IPPs having already concluded long term PPAs {{SHAKTI B(ii)}}

S.No.	Query	Response
1	<p>Please clarify whether any third party sampling will be carried out for any slippage of coal grade.</p> <p>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</p>	Model FSA has been uploaded. Please refer to the same.
2	<p>Bidder should be allowed to quote the same/different IPO discount for all the Sources.</p> <p>Kindly specify the rationale for specifying different IPO Discount for each source.</p>	Provisions of the Scheme Document shall apply.
3	<p>In line to our earlier query list, request you to kindly clarify an additional query as explained hereunder with an example:</p> <p>1) Say, there are 3 sources S1, S2 & S3 offering quantity 10 MTPA, 15 MTPA & 20 MTPA respectively.</p> <p>2) An eligible bidder say B1 having maximum eligibility of 10 MTPA has submitted IPO for one source only; say S1 @5p/kwh. B1 has not submitted IPO for other sources S2 & S3.</p> <p>Bidder IPO Discount (paise/kwh) Source 1 Source 2 Source 3 B1 5p - -</p> <p>3) Now under SPO stage, say SPO reaches at 7p/kwh and bidder B1 expresses to bid 3 MTPA from source S1 and is also provisionally allocated the same.</p> <p>SPO Round: 7p/kwh Source wise available (MTPA) Source 1 Source 2 Source 3 Bidder Starting Bal. Max. El. Qty. 10 15 20 Ending Bal. Max. El. Qty. B1 10 3 - - 7</p> <p>4) Now, as per the conditions of Scheme document, on provisional allocation against the SPO bid – further participation from said source S1 and the IPO bid corresponding to S1 will become annulled.</p> <p>5) So, for availing the balance maximum eligible qty. of 7 MTPA for Bidder B1 – the following queries may please be addressed;</p> <p>Queries: 1. Whether the bidder shall be eligible to bid further in Sources S2 & S3 in subsequent SPO stages lower than 7/kwh? 2. Will the bidder be allowed to bid in Sources S2 & S3 at subsequent SPO stages with discount value (say @2 or 3 paise/kwh) less than the IPO discount (@ 5 paise/kwh) submitted earlier for source S1?</p>	<p>Responses to Queries: 1. Yes 2. Yes</p>
4	It is requested to conduct another pre-bid meeting for better understanding of the auction process	2nd pre bid meeting has been notified
5	It is requested that a format of calculation of levelized tariff be provided so that there is no difference in calculation of levelized tariff by the company and MSTC.	It may be noted that the Bidder has to quote a Levelized Discount on tariff and not Levelized Tariff. Format of calculation of Levelized Discount is already there in the Scheme Document.

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6	In case a PPA gets extended for further period, what will be the discount applicable for such extended period?	FSA will mature on the day of expiry of PPA as it stood on 17 May 2017. FSA will not be extended beyond this date.
7	What would be ACQ under the FSA. Would it be Maximum Allocable Quantity or the Quantity won under the Auction or anything else?	Quantity won under the auction.
8	<p>The table covering the coal requirement as worked out by CEA at Annexure VIII has following anomaly.</p> <p>The GCV bands considered for various grades between G1 to G17 are on 'Equilibrated basis', ie. the GCV of that grade of coal is calculated at 60% Relative Humidity and 40 Degrees Celcius. These are hypothetical conditions and coal is neither produced not consumed at these conditions. The 'Equilibrated values' of GCV are more than the 'As Received Basis' values for the same grade of coal by about 250 to 300 Kcal/ Kg.</p> <p>On the other hand, the Unit Heat Rate as considered by CEA considers values on 'As Received Basis', ie. at the actual site conditions where the coal is burnt in the Thermal Power Plant.</p> <p>Thus, by considering different measures for arriving at the coal consumption norms, the quantity of coal as calculated in the Consumption Norms table is suppressed. We request that these values may be appropriately increased by requesting CEA to rework the norms.</p>	Provisions of Scheme Document shall apply.
9	How the issue of Grade Slippage be addressed.	Please refer to model FSA already uploaded
10	<p>Annexure X to the scheme document lists the documents that need to be submitted to CIL post auction process. Following documents are listed amongst other documents :</p> <p>7. Certificate of Date of Commercial Operation (COD) issued by CEA.*</p> <p>8. Certificate of commissioning in respect of the Specified End Use Plant.*</p> <p>As these are similar documents, we request that any one of the above documents may be insisted for submission.</p>	Provisions of Scheme Document shall apply.
11	Considering the complex nature of the bidding process, it is requested to kindly extend the auction timelines.	This has already been done.
12	For the larger interest of all stakeholders, it shall be prudent that a pilot bid with nominal quantity may be carried out first and learning's from that bid may be incorporated in the large qty. bid at a subsequent stage.	Bidders will have a chance to familiarise themselves with the process during Mock Auction.
13	Auction of coal linkages being a new bidding route adopted for the first time, it is requested that a training/acclimatisation session may be conducted on similar lines as "DEEP" bidding portal.	Bidders will have a chance to familiarise themselves with the process during Mock Auction.
14	In accordance with Bid transparency requirement, it is requested that the list of qualified bidders along with eligible quantum may be announced similar to DBFOO norms as followed by Ministry of Power, GOI.	Provisions of Scheme Document shall apply.
15	Source wise quantum may kindly be disclosed prior to IPO stage to ascertain transparency in bid process.	Provisions of Scheme Document shall apply.
16	Draft FSA may be shared before start of the bid process clearly specifying the clauses/conditions which can be deviated /modified or amended by relevant coal subsidiary.	Model FSA has been uploaded.

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17	The sources of coal which have been exhibited on the website are insufficient as the only names of subsidiaries are given. The names of collieries and quantity are also required which may kindly be provided to enable us to select the most preferred source considering location of our plant and computing the maximum possible discount on tariff and doing necessary workings for the same considering all factors is a tedious exercise and would require sufficiently enough time after having provided all the details requested,	Provisions of Scheme Document shall apply.
18	In the power point presentation made during the pre-bid meeting held on 22.08.2017, subsequently uploaded on the MSTC website, in Para B(ii) the seventh bullet point it has been stated that:- "PPA may be amended or supplemented mutually between the developer and the procurer." It will be appreciated if the bidders are apprised of under which Act or law permits the said proposed amendment in the clauses. In usual course also the Discoms and the competent regulatory commissions generally take about 1-2 years for approving the documents, even if the same are very minor in nature. in the event the said Discoms and the competent regulatory commission do not approve, what will the fate of FSA to be signed and how will coal supply be effected. It needs to be clarified whether any interim arrangement for coal, for the period from being successful in bid and signing of FSAs, will be made or IPPs will have to participate in the forward auction for procuring coal. In case assurance regarding supply of coal is not given during that interim period, it will again cause shutdown of IPPS causing financial bankruptcy and devastation.	This is as per SHAKTI Policy Provision which states: "FSA shall be signed with the successful bidders after the terms and conditions for signing of FSA are met and the Appropriate Commission has approved the amendment or supplement to the PPA."
19	The quantity determined by CEA will be 90% of Annual Energy Requirement. There is no clarity of how the IPPs will get coal for the balance 10%. It is requested that clarification may be given whether for the balance 10% IPPs will be entitled to participate in forward auction.	There is no restriction such Bidders' participation in regular e-auction of coal, subject the conditions thereof
20	Whether the tariff discount shall be adjusted in case of change in price of coal and other parameters	No
21	In order to estimate the cost of generation and workout the logistics arrangement, we request the following to be provided well in advance before commencement of IPO: a) Specific source details should be given like name of mines etc. b) Against every source its grade should be declared and mode of transport should be clearly mentioned i.e. whether quantity from a particular source shall be made available by Rail mode or Road Mode. c) Above is important to plan out cost of generation effectively. In case of non-pithead plants, bidder may like to take more of high grade coal to optimise on transportation costs.	Source details have already been provided. Source wise quantity will be made available at the commencement of SPO. No further details will be made available.
22	Coal Will be allocated for the 100 % installed capacity or according to the percentage of PPA	Coal will be allocated based on the quantum of valid PPA and not based on overall capacity (if these are different figures).
23	What is Levellised Tariff ?	Please read the word "Levellisd Tariff" in Examples 16 and 16A as "Levellised Discount". A corrigendum is being issued separately.
24	What is the source wise quantity?	This will be made available at the beginning of SPO stage.
25	We understand that the PPA provision w.r.t Change in Law impacts on the quoted tariff (i.e Royalty, Clean Energy Cess, Excise Duty and other taxes and duties) from the Effective Date of the Original PPA will be applicable for the coal allocated under this auction process. The discount in tariff streams in the bill will no way alter Bidder's right in change in law claims in original PPA applicable from date of Effective Date (which is seven days prior to Bid Due Date of original PPA). Under all practical purpose for PPA, the coal allocation under this auction process will be treated as Linkage coal only. Alternate coal used to meet any shortfall on supply of coal w.r.t. ACQ under this dispensation to be borne by the Discoms as per the formula specified by CERC. Kindly confirm the same.	We are unable to comment on PPA related matter. Bidder may seek his own legal advice on this.