

ANNEXURE-2

BHAIYATHAN PROJECT: PROCEEDINGS OF THE PUBLIC HEARING HELD ON 14.09.2007

A public hearing on the deviations from the guidelines for the determination of tariff by bidding process for procurement of power from Bhaiyathan project, as proposed by CSEB, was held on 14.09.2007 at Raipur. The list of officers of CSEB and the representatives of various firms who participated in the public hearing is annexed. M/s. SBI Capital Market, the consultant for the CSEB for the project, made a presentation on the proposed Bhaiyathan Thermal Power Project, the bid documents and the proposed deviations from the guidelines and Standard Bid Documents issued by Ministry of Power. General issue relating to the project, the proposed deviations and other related aspects were deliberated during the course of hearing.

Gist of the important comments/views expressed by the representatives of various firms before the Commission during the course of public hearing is given below:

1. General:

M/s KSK stated that they had received the documents dealing with RFP five days before and that only seventeen days were left now to submit the proposal, which was not sufficient. M/s Chambal Infrastructure also observed on that the time available to the bidders was not sufficient to submit the bid document. M/s Reliance Industry expressed their concern over the likelihood of change in interconnection point of the power project with the transmission system. M/s GMR submitted that it is not clear whether the MoEF clearance would remain valid if the unit configuration changes. CSEB has applied to MoEF for clearance for 3x500 MW. However, any bidder can install 2x750 MW project. Hence M/s. GMR said that it would be proper to obtain clarification in this regard. M/s Chambal Infra structures Ltd and M/s. GMR have opined that as per the mining plan provided by CSEB coal production was likely to be 5.3 MTPA which is not suitable for a project of 1500 MW capacity. They request that the Board should get the capacity of the mine extended from the competent authority. Many participants informed the Commission that the reports regarding preparedness of CSEB on Coal Transportation system, feasibility report and details of walk through survey, copy of reconnaissance survey report of transmission system, upto the delivery point, Indicative costs of land, anicuts were either delayed or not yet received. M/s GMR submitted that the project document envisages only one double circuit line for evacuating power and a single line will affect the availability of power. Their view was from reliability point of view an

alternate route for evacuating power must be provided by CSEB. M/s GMR further stated that it would be appropriate to provide a levelled platform for all bidders. The company further stated that the metering provisions should be made for the entire installed capacity so that evacuation of balance power is also made properly.

In reply the representative of CSEB stated the required reports had been forwarded to all concerned and sufficient time for nearly one month would be proposed to be given to the bidders to submit their bid.

2.Deviation in RFQ document of CSEB from Standard Bidding Documents.

M/s KSK objected to the deviations proposed by CSEB relating to the technical qualification criteria. The company stated that the qualifying criterion of experience of atleast one unit of 200 MW or above capacity is restrictive. As per the proposed qualifying criteria, a developer having achieved financial closure of 200 MW unit shall qualify and so this qualifying criterion is not a real indicator of experience and expertise in developing a coal based thermal power project. The company suggested that this criterion must be relaxed so as to enable a developer having an overall composite experience of developing project and financial closure achieved for thermal projects of capacity 500 MW or above could be eligible. This will provide wider participation and encourage competition. The company further added that the qualifying criteria proposed by CSEB unnecessarily compels the developers to find a consortium partner. M/s Chambal Infra structure also opposed this above technical qualification criteria. The company was of the view that this pre qualifying requirement is too restrictive and that even for Ultra Mega Power Project such as Sasan and Mundra this requirement was not stressed. The firm was large enterprise having adequate financial capability to install a power project but the qualification laid down restricted this firm on diversify its business. M/s Reliance Industry Ltd opined that restriction of no of units upto a maximum 3 should be relaxed and said that they should be allowed to install a maximum of 5 units. CSEB stated that the restriction on no of units has been proposed considering the limited availability of land for the project.

3.Deviation in RFP document of CSEB from the SBD

M/s Chambal Infrastructure and M/s Reliance Industry Ltd. suggested to include Escrow mechanism for payment security.

4.Deviation in PPA document of CSEB from the SBD

M/s Reliance Ind Ltd raised objections regarding CSEB's proposal of nominating two Directors on the Board of the proposed company. The company said that seeking two Director positions for holding below 26% does not seem justified. The company suggested that this provision be relaxed so that there is no directorship for holding below 5%. The company suggested to modify the clause regarding the ratio of Directors from CSEB side as proposed in the bid document. M/s. Chambal raised the issue regarding administrative support for getting mega status. He said that the administrative support of state govt was very necessary and the document should be amended to provide for it.

Annexure

List of participants in the public hearing on 14.09.2007 on CSEB's Proposal for approval of long-term power purchase through Competitive Bidding Process of Bhaiyathan Thermal Power Project

Sl. No.	Name	Organization
1.	Shri Kartik Iyer	SBI Capital Market
2.	Shri Phuntsok Wangyal	SBI Capital Market
3.	Shri S.B. Lele	L&T SRL
4.	Shri R.D. Sinha	L&T SRL
5.	Shri Navjit Gill	KSK Energy Ventures
6.	Shri L.R. Shrivastave	Chambal Infrastructure Ventures Ltd., Delhi
7.	Shri Pramthesa Mishra	Ispat Industries Ltd.
8.	Shri Ashutosh Sharma	Lanco Groups
9.	Shri I Venkatramana	GMR Group
10.	Shri R.K. Mishra	TATA Power

Chhattisgarh State Electricity Board

Sl. No.	Name	Designation
1.	Shri S.P. Chaturvedi	Member (Generation)
2.	Shri P.K. Baxi	ACE
3.	Shri P.K. Girtonia	SE
4.	Shri Gopal Sharma	ASE (PRG -I)