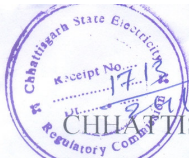


**Annexure-4**



**CHHATTISGARH STATE ELECTRICITY BOARD**

No. 03/05/100-C/ 1966

Raipur dtd: 24 SEP 2007

To,

✓ The Secretary,  
Chhattisgarh State Electricity Regulatory Commission,  
Civil Lines, GE Road,  
Raipur.


**Sub: Petition for approval of deviations from the guidelines and standard Bid Documents issued by MoP, GoI for procuring power through bidding process from Bhaiyathan Project (Petition No.21 of 2007 (M) ).**

Ref: Hon'ble Commission letter No. P No. 21 of 2007 (M) / 2007 / 1224 dtd 17-09-07, 1243 dtd. 19-09-07 & 1257 dtd. 21-09-07..

In reference to the above, the point-wise reply is enclosed here with for further action in the matter at your end please.

Thanking you,

Yours faithfully,

  
Secretary  
C.S.E.B. : Raipur

GS/Let-Gen

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1224 dated 17.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 22, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
GMR Energy Limited – GEL / BD/CSERC/152/07				
1.	Power Evacuation	Project documents envisage only one double circuit line for power evacuation. From the reliability point of view CSEB should provide for an alternate route for evacuation of power.		CSEB specified the interconnection point at Raipur load centre, the bidder has to ensure the reliable operation of the transmission system with adequate configuration. Like in power plant, CSEB would not recommend the configuration or alternate route for evacuation of power for transmission system, which will be integral part of the project.
2.		CSEB, in its submission to CSERC seeking approval on deviations from Standard Bid Guidelines, has mentioned " the metering at interconnection Point is limited to contracted capacity for CSEB". Metering provision should be made for the entire installed capacity to give the developer a respite in evacuating the balance power also through CSEB network.		Please note that PPA has metering system as per project structure having contracted capacity limited to 65%. However, the bidders may necessary arrangement for supply of excess power over and above contracted capacity to CSEB.

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1224 dated 17.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 22, 2007

---

### Preparedness of CSEB in terms of developmental Activities

S.No.	Activity	Proposed Date	Actual Date	Comments	CSEB Reply
1	Obtain necessary environmental and forest clearances for the Power Plant, prior to the issue of the Letter of Intent. These clearances are being obtained in relation to a project of Installed Capacity of 1500 MW (with configuration of 3 x 500 MW);	Prior to the issue of Letter of intent	N.A	As the bidders are allowed to chose the unit configuration, it is not clear if the MoEF clearance would remain valid if the unit size changes (say 2 x 750 MW)	In line with Bidding Guidelines, CSEB proposed to take environment clearance. The Environment clearance taken by CSEB will facilitate the bidder to expedite the developmental process.
2	Coal Mines: Copy of Allocation Letter for Captive Coal Blocks, geological report (GR) for the same (on the payment of Rs. 50,000/- and submission of duly signed undertaking by the Bidder), available mining plan (as prepared by CSEB); at least ninety (90) days prior to Bid Deadline.;	3rd July 07	15th June 07	The mining plan given by CSEB provides for 5.6 MTPA coal production which is suitable only for 1000MW. In case the installed capacity is 1500 MW revised mining plan for at least 7.5 MTPA capacity has to be submitted by CSEB for approval.	CSEB furnished mining plan to facilitate the bidder. The bidder shall prepare the final mining plan as per the project requirement.

### CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1224 dated 17.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 22, 2007

S.No.	Activity	Proposed Date	Actual Date	Comments	CSEB Reply
3	Coal Transportation System: Copy of feasibility report and details of walk through survey at least sixty (60) days prior to Bid Deadline	2nd Aug 07	3rd Sept 07	Delay of 30 days . Further the report shows alignment of MGR system passing through canal bearing areas (which may not be practical to execute)	CSEB has furnish the requisite information as available. However, the bidders are requested to propose viable coal transportation system from Mines to power plant
4	Transmission System upto Delivery Point / Interconnection Point: Copy of Reconnaissance Survey at least sixty (60) days prior to Bid Deadline.	2nd Aug 07	3rd Sept 07	Delay of 30 days. The proposed transmission line route has shown a tentative location of Raipur Load center. In case the actual site for load center is located at a different place, it may have adverse implications on capital cost for the line.	The proposed survey covers the location of Raipur Load centre.
5	Tying up water linkage for the Project requirement along with approval of State Government at least sixty (60) days prior to Bid Deadline;	2nd Aug 07		Confirmation of 50 MCM tie-up received, balance 10 MCM pending.	Already tied up. MOM regarding allotment of 60 MCM is signed between CSEB and WRD on August 02, 2007.
	Reports on Power Plant viz. water intake study report .	3rd July 07	13th July 07	Received project reports for Lakhanpur Barrage, Joor Barrage and Gobri Weir totaling	No further information. CSEB would furnish the indicative cost water intake infrastructure and the bidder has to pay the same amount to WRD

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1224 dated 17.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 22, 2007

S.No.	Activity	Proposed Date	Actual Date	Comments	CSEB Reply
6				to 12.28 MCM, balance pending consolidated water intake study report and project report for any other barrage/weir	(Water Resource Department) to execute the same.
7	Project report including geo-technical study, topographical survey, Rapid EIA and R&R policy would be made available at least ninety (90) days prior to Bid Deadline.	3rd July 07	15th June 07		
8	Indicative costs of the following:  1.Land for Captive Coal Mines and land for compensatory afforestation. 2.land for Fuel transport system; 3.Anicut & other infrastructure to be made for water intake system; 4.Rehabilitation and resettlement for 1, 2 and 3 above; and 5.Compensatory afforsteration, if	1st Sep 07	---	Not yet received. Further, loading cost of the land for coal mine areas on developer does not seem pragmatic as the lease for coal mines would remain with CSEB even after expiry of Assistance and Operators Agreement.  Also the developer's role and / or apportionment of cost for constructing Anicuts is not clear.	The same will be furnished by September 30, 2007.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1224 dated 17.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 22, 2007

S.No.	Activity	Proposed Date	Actual Date	Comments	CSEB Reply
	any, for Captive Coal Mines area.  shall be provided at least thirty (30) days prior to Bid Deadline;				
9	Details regarding the Interconnection Points and Facilities shall be provided at least sixty (60) days prior to Bid Deadline.	2nd Aug 07	---	Not yet received.	CSEB has sent the detail on Sept 22, 2007.
10	<b><i>Procurer shall intimate the Bidders, the amount of consideration payable by the Selected Bidder to Procurer for developmental activities undertaken or proposed to be undertaken as per the RFP and RFP Project Documents, at least thirty (30) days prior to Bid Deadline.</i></b>	1st Sept. 07	---	Not yet received	The same will be furnished by September 30, 2007.

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

### Clarification to Observations of Hon' able Commission in covering letter

1. Annexure 1 (pg 5& 6) (deviation from standard bidding document) gives the expected dates of completion of various activities to be undertaken by the procurer. In view of the present status of these activities, the expected dates of completion of these activities are likely to change. Please furnish the revised dates by which these activities are expected to be completed including the date by which environment clearance is expected.

### CSEB Reply

SN	Activity	Bhaiyathan TPS	Status on September 21, 2007
1	Site identification	Identified prior to bid process	Completed
2	Issue of Section 6 notification, Declared price of land and draft R&R including cost of the same, relating to land required for the Power Plant	Thirty (30) days prior to Bid Deadline	Section 9(iii) for Power Station land already issued much in advance. Declared price of land and draft R&R including cost of the same, relating to land required of power will be sent to bidder by <b>September 30, 2007</b> .
3	Environmental and forest clearance for power plant	Prior to the issue of the Letter of Intent.	CSEB expect to get environmental & forest clearance of power plant by December 15, 2007.
4	Allocation of Captive Coal Mine(s) and geological report (GR) alongwith available mining plan	Ninety (90) days prior to Bid Deadline	Submitted to bidders on June 15, 2007
5	Tying up water linkage for the Project requirement	Sixty (60) days prior to Bid Deadline	Already tied up much in advance. MOM regarding allotment of 60 MCM is signed between CSEB and WRD on August 02, 2007.

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

SN	Activity	Bhaiyathan TPS	Status on September 21, 2007
6	Water intake study report and Project Report including geo-technical study, topographical survey, area drainage study, socio-economic study and EIA study (rapid),	Ninety (90) days prior to Bid Deadline	Submitted to bidders on June 15, 2007.
7	Coal Transportation System: Feasibility report and details of walk through survey	Sixty (60) days prior to Bid Deadline	Submitted to bidders on September 05, 2007 alongwith SECLs' observation on proposed route
8	Transmission System upto Delivery Point / Interconnection Point: Reconnaissance Survey	Sixty (60) days prior to Bid Deadline	Submitted to bidders on September 05, 2007
9	Details regarding the Interconnection Points and Facilities	Sixty (60) days prior to Bid Deadline	Will be sent to bidders by September 30, 2007.
10	Indicative costs of the following: 1. land for Captive Coal Mines and land for compensatory afforestation. 2. land for Fuel transport system; 3. Anicut & other infrastructure to be made for water intake system; 4. rehabilitation and resettlement for 1, 2 and 3 above; and 5. compensatory afforestation, if any, for Captive Coal Mines area.	Thirty (30) days prior to Bid Deadline	Will be sent to bidders by September 30, 2007.
11	The amount of consideration payable by the Selected Bidder to Procurer for developmental activities undertaken or proposed to be undertaken as per the RFP and RFP Project Documents	Thirty (30) days prior to Bid Deadline	Will be sent to bidders by September 30, 2007.



## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

2. The Schedule for RFQ documents, selection of bidders etc. (page 4) (Annexure 1) will have to change. Please furnish the revised schedule for opening of RFQ and selection of bidders etc.

Considering the schedule of furnishing the information/ documents to the bidders, the bid deadline may be required to be extended by 30 days except the information regarding the interconnection points which was supposed to be given by 60 prior to bid submission date. It is being furnished by September 30, 2007, which would be 30 days prior to bid submission date in case bid deadline is extended by 30 days. It may be please noted that the details of interconnection point would not have significant impact on bidders' efforts to prepare the competitive bid as the interconnection points will be guided by the regulations as prescribed by Hon' able CSERC in the state of Chhattisgarh as well as CEA.

However, CSEB has hereby agreed to extend the bid deadline by 60 days as requested by various bidders as well as in anticipation of competitive bid by facilitating the bidders after expected time to prepare the bid. The extension of bid deadline is being communicated to the bidders.

Considering the extension of bid deadline by 60 days, presently, the following schedule is envisaged for bid submission and onwards:

Qualification, Technical and Price Bid Submission in response to bid document	December 03, 2007 at 15.00 hrs IST
Opening of RFQ documents	December 03, 2007 at 16.00 hrs IST
Selection of qualified bidders	December 18, 2007
Opening of Envelope I - RFP	December 26, 2007 at 16.00 hrs IST
Opening of Envelope II - RFP	January 10, 2008 at 11.30 hrs IST
Issuance of Letter of Intent	January 28, 2008
Signing of Agreement	February 20, 2008

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

3. The transmission line of 390 km long has been included as part of the project. It is presumed that the Board would have worked out the comparative cost – benefit of inclusion of this in the project vis-à-vis the Board setting up the lines on its cost as the transmission utility and taking transmission charges. The Commission would like to have the comparative cost benefit analysis results. The Commission would like to have the addition to the per unit cost if the power to be generated by the project because of inclusion of the transmission line in the project.

Consideration for inclusion of Transmission line in the project:

### (A) Integrated Structure of the Project

In order to realise the overall objective of effective & prompt execution of all associated system of the project including Transmission Line, it is essential to award the project in totality. Any slippage of schedule on the associated facilities will have significant consequences and impact on the financials of both procurer (CSEB) and seller (the project company). Thus it is necessary to keep the transmission line as part of the proposed project.

### (B) Available Competence with Private Sector for Transmission Lines

It is observed in previous instances that the private company have the requisite capabilities to establish and to operate the transmission line. Particularly, there was the overwhelming response from Private Sector for Construction of Transmission Lines under Western Region System Strengthening Scheme – II. Ten bidders had submitted final price bid in response to this tender. These participants include four bidders, who have participated both pre bid meetings and public hearing arranged by Hon' able CSERC, for the proposed Bhiyathan TPS. Further there are few mega transmission line projects, which are identified for development through private sector participation at national level. In previous such bid of WR strengthening, the bidders have agreed to take necessary clearances/ consents including environmental clearance for development of transmission lines. However, CSEB has agreed to extend all the possible administrative support to facilitate the bidders in obtaining the requisite clearances and consents.

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

### (C) Optimisation of taxes and developmental expenditure

Being the transmission line as integrated part of the project, the bidders will structure the overall project to maximize the benefits of all possible financial incentives including but not limited to mega power benefits and tax holiday. Further the developmental expenditure will be optimised due to integrated approach for development of project.

### (D) Economy of Scale by the selected bidder

As CSEB wish the power at Raipur load centre, CSEB has to set up the transmission line for off taking 65% of power due to the proposed project structure for Bhaiyathan Thermal Power Station. Additionally, there has to be an additional arrangement to facilitate the bidders in case the bidder wish to utilize the transmission line for evacuation of excess power over and above the contracted capacity. CSEB has reviewed such contractual arrangement and it was concluded that the integrated approach for development of Bhaiyathan TPS would have ease of operation and responsibilities.

### (E) Conclusion

Based on above considerations, CSEB has brought the development of transmission line as integrated constituent of the project.

CSEB is furnishing the following analysis towards financial viability of such arrangement of transmission line as integrated part of the project:

CSEB expects that the development of transmission line will not be more than 6-8% of total project cost. Considering the recovery of fixed assets will constitute around 50-60% of tariff in competitive bidding process. Thus the total impact on tariff will be around 3-4% in overall tariff by bringing in transmission line as part of project based on very comfortable analysis. However, the economy of scale as well as integrated approach will ensure the impact to the extent of 2-3%. Further this impact will be rationalised by other incentives viz. third party sales as well as administrative support by CSEB. Thus the impact of such inclusion will further optimise to much lower levels. However, exclusive development of such transmission line by CSEB will have much more impact on landed tariff for CSEB at proposed interconnection point. Further CSEB refrained to make any estimation in monetary terms as it is evident that the competitive tariff in bidding process has variation to an extent of 180% from lowest quote to others. As confirmed by CSEB under SN 5 that CSEB has requisite power to reject any or all bids (Clause 3.4.1.3 of

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

RFP) in case of quoted tariff is not in line with prevalent tariff otherwise. At the end, CSEB is confident to get highly competitive tariff for proposed project and inclusion of transmission line will result into mutual benefits for both Procurer (CSEB) and Seller (the Project Company).

4. The requirement of power on long term basis by the Board in justification of this project

Clause 3.1 (iii) (a) of Competitive Bidding Guidelines is reproduced below

*Approval of the Appropriate Commission shall be sought prior to initiating the bidding process in respect of the following aspects:*

*(a) For the quantum of capacity / energy to be procured, in case the same is exceeding the projected additional demand forecast for next three years (Both for **Case 1** and **Case 2**).*

Further Ministry of Power vide 23/11/2004 – R&R (Vol. IV) dated March 30<sup>th</sup>, 2006 has clarified the following:

*With reference of clause 3.1 (iii) (a), it is clarified that the requirement of additional power would be related to the period of three years post the expected date of commissioning.*

As suggested by Hon' able Commission, CSEB is furnishing the demand scenario in Chhattisgarh State for three years post commissioning. The COD of power station and commissioning of first unit is expected to be within 58 months and 50 months respectively from effective date (the effective date is proposed to be in February 2008). The first unit is expected to be commissioned in FY 2013- 2014. Thus CSEB is furnishing the demand forecast for FY 2013 –14, 2014 – 15 and 2015 – 16. The details are furnished under Annexure –1 of this document.

5. The expected rate f tariff from the project.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

**A GENERATION BY 2016-17  
CSEB THERMAL PROJECTS**

<b>S.NO.</b>	<b>PROJECTS</b>	<b>CAPACITY (MW)</b>	<b>CUMULATIVE INSTALLED CAPACITY (MW)</b>	<b>CUM. AVAILABILITY (.80 OF IC)</b>	<b>YEAR WISE ADDITION IN CAPACITY</b>
1	Present Generation	500	1286	1029	
2	2X250 MW Korba East TPP	600	1786	1429	
3	2X300 MW Korba West TPP	500	2386	1909	
4	2X500 MW IFFCO-CSEB	500	2886	2309	2011-12
5	2X500 MW IFFCO-CSEB	500	3386	2709	2012-13
6	3X500 MW TPP, Bhaiyathan	500	3886	3109	2013-14
7	3X500 MW TPP, Bhaiyathan	500	4386	3509	2014-15
8	2X500 MW TPP, Marwa	500	4886	3909	2014-15
9	3X500 MW TPP, Bhaiyathan	500	5386	4309	2015-16
10	2X500 MW TPP, Marwa	500	5886	4709	2015-16

**B. CSEB HYDEL PROJECTS**

<b>S.NO.</b>	<b>PROJECTS</b>	<b>CAPACITY (MW)</b>
1	Present	138
	Total	138

**C. CENTRAL SECTOR**

<b>S.NO.</b>	<b>PROJECTS</b>	<b>CAPACITY (MW)</b>	<b>AVAILABILITY (.80 OF SHARE)</b>
1	Present Share	364	291
2	Seepat II	142	114
3	Seepat I	315	252
4	Total	821	657

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

### D. IPP

S.NO.	PROJECTS	CSEB SHARE
1	Jindal	250
2	BESCL	60
3	RKM Powergen Ltd.	382
4	Total	682

### DEMAND AND AVAILABILITY PROJECTION BY 12TH PLAN

Year	Available Thermal Generation	Hydel	Central Sector	IPP	Total Availability
2011-12	2309	138	657	682	3786
2012-13	2709	138	657	682	4186
2013-14	3109	138	657	682	4586
2014-15	3909	138	657	682	5386
2015-16	4709	138	657	682	6186
2016-17	4709	138	657	682	6186

Year	Projected CSEB Availability (MW)	Projected CSEB Demand (MW)	Surplus (+)/ Deficit(-)
2011-12	3786	3700	86
2012-13	4186	4038	153
2013-14	4086	4396	190
2014-15	5386	4792	594
2015-16	6186	5223	963
2016-17	6186	5692	494

As per the above, CSEB will be surplus w.e.f. 2011-12 onwards, but this is presumed that rise in peak demand will be much more than the projected 9%. However, this should be seen in the national perspective and we have to make Chhattisgarh as Power Hub of the Country.

**Chief engineer (PRG-I)**  
**CSEB: Raipur**

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

**CSEB DEMAND PROJECTED**

**Demand at the end of 11th plan (2011-12)-3700 MW**

Year	Projected CSEB Demand (MW)	CAGR(%)
2012-13	4033	9%
2013-14	4396	9%
2014-15	4792	9%
2015-16	5223	9%

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

CSEB is confident to get very competitive tariff for the proposed project due to inherent advantages of project structure. However, it is observed that the tariff in bidding process do vary in significant scale and thus CSEB has refrained to estimate the tariff from proposed project. CSEB is aware of its obligation to ensure competitiveness of tariff in order to provide most efficient & economical electricity to the consumers, thus CSEB has incorporated the clause 3.4.1.3 of RFP (as reproduced below) to reject any or all bids in case the quoted tariff are in line with prevalent market tariff.

**3.4.1.3 Procurer, in its own discretion, has the right to reject any or all Bids if the Quoted Tariffs are not aligned to the prevailing market prices.**

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
Lanco Infratech Limited - Ref. No e-mail dated September 18, 2007				
3.	1.2 / Introduction - RFQ The objective of this Bidding process is to identify Bidders for supply ___ MW (65% of Installed Capacity) of contracted capacity at the delivery point located at Raipur load center for a period of 25 years. The successful Bidders shall enter into a Power Purchase Agreement (PPA) with CSEB.		The objective of this Bidding process is to identify Bidders for supply 1200-1500 MW (100% of Installed Capacity) of contracted capacity at the delivery point located at Power Project Switchyard for a period of 25 years. The successful Bidders shall enter into a Power Purchase Agreement (PPA) with CSEB.	Please refer CSEB clarification at SN 3 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007



## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
4.	2.2.1 / Purchase of power by the Procurer CSEB plans to procure power of contracted capacity of _____ MW (65% of Installed Capacity viz. nameplate rating of units in the power plant in range of 1200 – 1500 MW) at the delivery point located at Raipur load center. The Normative Availability required to be met by the Bidder, over and above which incentives shall be paid, shall be 80%.		CSEB plans to procure power of contracted capacity of 1200-1500 MW (100% of Installed Capacity viz. nameplate rating of units in the power plant) at the delivery point at switchyard of power plant. The Normative Availability required to be met by the Bidder, over and above which incentives shall be paid, shall be 80%.	Please refer CSEB clarification at SN 2 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
5.	Article 2.6.1 & 2.6.2 :  Due date for submission of Bids : Qualification, Technical and Price Bid submission in response to Bid Document by October 01, 2007 at 16.00 hrs. IST.		Will adequate time be permitted for submission of RFQ & RFP response?	CSEB assure to provide adequate time to the bidder to prepare the competitive bid. The same will be communicated separately.
6.	3.4 / Evaluation Criteria Acceptance of response to RFQ only will lead to opening of RFP bid.	Intent of this clause itself is very clear making submission of proposal by “Bidders”		Please refer CSEB clarification at SN 22 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		upon short listing only. "Bidders" are required to submit Bid Bond and it is pertinent executing the same only after short listed parties ("Bidders") by CSEB.		12.09.2007
7.	<p>4.2.3.1 / Bidder Information Board Resolution of the Bidding Company committing investment of 100% of equity requirement of Project including allotting 26.00% of the ordinary equity shares of the Seller to CSEB as contemplated herein above.</p> <p>4.2.3.2 / Bidder Information</p> <ul style="list-style-type: none"> <li>➤ Board Resolution from each of the Consortium Members together committing investment of 100% of equity requirement of Project including allotting 26.00% of the ordinary equity shares of the Seller to CSEB as contemplated herein above.</li> <li>➤ Board Resolution of the Parent Company and/or Affiliate whose technical and</li> </ul>	<p>a) Unreasonable demand of seeking allotment of 26% equity shares appearing as a Premium for business opportunity which will result in high tariff and burden on Common Consumer. This is in contrast with Reform Process through competitive bidding.</p> <p>b) We foresee that Board of a company with public shares may</p>	<ul style="list-style-type: none"> <li>➤ Board Resolution of the Bidding Company committing investment of 100% of equity requirement of Project.</li> <li>➤ Board Resolution from each of the Consortium Members together committing investment of 100% of equity requirement of Project.</li> <li>➤ Board Resolution of the Parent Company and/or Affiliate whose technical</li> </ul>	Please refer CSEB clarification at SN 1 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	<p>financial credentials have been considered in accordance with clause 3.3.4 indicating its approval to commit in aggregate one hundred percent (100%) of the equity requirement of the Project including allotting 26.00% of the ordinary equity shares of the Seller to CSEB as contemplated herein above.</p> <p>➤ Undertaking of the Parent Company and/or Affiliate in the prescribed format whose technical and financial credentials have been considered in accordance with clause 3.3.4 for the equity requirement of relevant member of the Consortium including allotting 26.00% of the ordinary equity shares of the Seller to CSEB as contemplated herein above.</p>	<p>with public shares may not be passing such a resolution in the absence of clarity concerning recovery/ return on investment.</p> <p>c) CSEB must consider its project development expenses and cost towards land, water transportation system, railway siding/MGR, infrastructure, etc. towards its equity investment. CSEB may like to confirm bringing in its equity contribution from its internal resource generation.</p>	<p>and financial credentials have been considered in accordance with clause 3.3.4 indicating its approval to commit in aggregate one hundred percent (100%) of the equity requirement of the Project.</p> <p>➤ Undertaking of the Parent Company and/or Affiliate in the prescribed format whose technical and financial credentials have been considered in accordance with clause 3.3.4 for the equity requirement of relevant member of the Consortium.</p>	
8.	<p>Definition - RFP</p> <p>“Contracted Capacity” means 780 – 975 MW equivalent to 65% of Installed Capacity i.e.</p>		<p>“Contracted Capacity” Means lesser of Available Capacity of the Power Station (100% of</p>	<p>Please refer CSEB clarification at SN 3 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P</p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	nameplate rating of Project ranging between 1200 – 1500 MW till COD of Power Station and post COD 65% of aggregate of capacities at generator terminal and the Contracted Capacity shall be measured at the Interconnection Point.		installed capacity) rated net capacity at the Interconnection Point	No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
9.	<p>Definition – RFP</p> <p>“Project” shall mean the thermal Power Plant proposed to be setup at Bhaiyathan District Surguja, Chhattisgarh, mining of Captive Coal Blocks to be operated as per Assistance and Operator Agreement, coal transportation from Captive Coal Blocks from coal mines to Power Plant, and supply of power from Power Plant till Raipur Load Centre through 400 kV transmission line and the matters connected therewith and incidental thereto, in respect of which the present RFP is issued.</p>	<p>Can the Project be located south of Madanpur in close vicinity of coal blocks but in non-coal bearing area to reduce the recurring cost of coal transportation over the plant life of 25 years? Dedicated rail line laying in any case require about 150 hectares of forest land which could meet substantial requirement of power plant.</p>	<p>“Project” shall mean the thermal power plant proposed to be setup at Bhaiyathan, District Surguja, Chhattisgarh, mining of captive coal blocks leasehold rights in respect of which are and shall remain with CSEB, coal transportation from captive coal blocks from coal mines to power plant, and supply of power from power station and the matters connected therewith and incidental thereto, in respect of which the present RFP is issued.</p>	<p>Please refer CSEB clarification at SN 4 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007</p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
10.	RFP - Definitions “Seller” shall mean the special purpose vehicle formed by the Successful Bidder for the purposes of development, finance, ownership, design, engineering, procurement, construction, commissioning, operation and maintenance of the Project in accordance with the RFP and RFP Project Documents;	The successful bidder shall be responsible for completion of development and not for development of the Project.	“ <b>Seller</b> ” shall mean the special purpose vehicle formed by the Successful Bidder for the purposes of completion of development, finance, ownership, design, engineering, procurement, construction, commissioning, operation and maintenance of the Project in accordance with the RFP and RFP Project Documents	CSEB finds the definition in order as the Seller is responsible for all phases of the project. Thus CSEB retains the same definition.
11.	RFP – 1.1 Introduction The Chhattisgarh State Electricity Board (hereinafter to be referred as “CSEB” or “Procurer”) wishes to invite Bids for procurement of power on long term basis from a Project comprising building, owning, operating, maintaining of 1200-1500 MW coal fired thermal power project at Bhaiyathan in District Surguja including development of Captive Coal Block, coal transportation and power evacuation up to Raipur Load Center (Chhattisgarh). India.	To be consistent in accordance with inclusion of transmission line in the scope of STU.	The Chhattisgarh State Electricity Board (hereinafter to be referred as “CSEB” or “Procurer”) wishes to invite Bids for building, owning, operating, maintaining of 1200-1500 MW coal fired TPP at Bhaiyathan in District Surguja including development of captive coal block, coal transportation and power supply at switchyard of power	Please refer CSEB clarification at SN 3 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	(Chhattisgarh), India.		plant.	
12.	<p>1.3 Introduction</p> <p>The objective of the bidding process is to select a Bidder for development of the Project as per the terms of RFP Project Documents. The Project will have a Contracted Capacity between 780 – 975 MW equivalent to 65% of Installed Capacity i.e. nameplate rating of Project ranging between 1200 – 1500 MW in accordance with the terms of the PPA. The Selected Bidder shall be responsible for ensuring that the Seller undertakes development, finance, ownership, design, engineering, procurement, construction, commissioning, operation and maintenance of the Project as per the terms of the RFP Project Documents. The Selected Bidder shall ensure that all equipments and auxiliaries are suitable for operation in the frequency range of 47.5 to 51.5 Hz (-5% to +3% of rated frequency of 50.0 Hz)</p>	<p>To be consistent in accordance with corrections proposed in RFQ concerning the same.</p>	<p>The objective of the bidding process is to select a Bidder for development of the Project as per the terms of RFP Project Documents. The Project will have a Contracted Capacity of 1200-1500 MW (100% of Installed Capacity) in accordance with the terms of the PPA. The Selected Bidder shall be responsible for ensuring that the Seller undertakes completion of development, finance, ownership, design, engineering, procurement, construction, commissioning, operation and maintenance of the Project as per the terms of the RFP Project Documents. The Selected Bidder shall ensure that all equipments and</p>	<p>Please refer CSEB clarification at SN 2 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007</p>

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
			auxiliaries are suitable for operation in the frequency range of 47.5 to 51.5 Hz (-5% to +3% of rated frequency of 50.0 Hz)	
13.	RFP 2.1.1 / Purchase of power by Procurer The Procurer plan to procure Contracted Capacity to the extent of 780 - 975 MW (65% of Installed Capacity equivalent to 1200 - 1500 MW) at the Delivery Point as per the terms of the PPA.		The Procurer plan to procure Contracted Capacity to the extent of 100% of Installed Capacity in the range of 1200 - 1500 MW at the Delivery Point as per the terms of the PPA.	Please refer CSEB clarification at SN 2 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
14.	RFP 2.12.1 / Bid Bond Each Bidder shall submit the Bid accompanied by Bid Bond issued by any of the banks listed in Annexure 9.	Please confirm that Bid Bond shall be submitted by the Bidder upon shortlisting by CSEB based on RFQ Response.	<b>NO CHANGE</b>	Please refer CSEB clarification at SN 22 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
15.	RFP 2.13.1 / Performance Guarantee Simultaneously with the execution of the PPA, the Seller or the Selected Bidder, on behalf of the Seller, shall provide to Procurer. the	Separate Performance Guarantee for Rupees One Billion (Rs.1,000,000,000.00)	Simultaneously with the execution of the PPA, the Seller or the Selected Bidder, on behalf of the Seller, shall	CSEB recommends no variation to amount of Performance Guarantee. This will limit the participation by serious bidders.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	the Seller, shall provide to Procurer, the Performance Guarantee in the format provided in the Annexure 8, for an aggregate amount of Rupees One Billion (Rs. 1,000,000,000) only.	should be waived off reducing the avoidable burden.	extend the Bid Bond as Performance Guarantee for an amount equal to the Bid Bond amount.	bidders.
16.	SSA Cover Page Between [insert Name of the Seller] ("Seller") and Chhattisgarh State Electricity Board ("Procurer")	This agreement can be between the Project Company, Special Purpose Vehicle promoted by the Successful Bidder in order to facilitate CSEB equity holding in the Company.	Between [insert Name of the Company] ("the Company") and Chhattisgarh State Electricity Board ("Procurer")	Agreed.
17.	SSA Preamble Chhattisgarh State Electricity Board, a Board constituted by the Government of Chhattisgarh and a State Electricity Board as defined in the Electricity Act, 2003 and having its registered office at _____ (hereinafter referred to as "CSEB" or "Investor", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the	CSEB is procurer as per Bid Document and not an Investor. This will be consistent with the cover sheet.	SSA Preamble Chhattisgarh State Electricity Board, a Board constituted by the Government of Chhattisgarh and a State Electricity Board as defined in the Electricity Act, 2003 and having its registered office at _____ (hereinafter referred to as "CSEB" or	Agreed



**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	OTHER Part		“ <b>Procurer</b> ”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the OTHER Part	
18.	SSA Preamble / (iii) At the request of the Company and the Promoters, CSEB has agreed to subscribe to equity shares of the Company as mentioned herein below, on the terms and conditions contained in this Agreement;	Upon the call of CSEB the Company and its Promoters have considered the same.	The Company and the Promoters (as defined herein below) have considered CSEB subscribing to <b>ordinary</b> equity shares of the Company in the manner and on the terms and conditions contained in this Agreement;	Agreed. However in place of ordinary equity share shall be equity share as defined under Share Subscription Agreement.
19.	SSA Article 1.1.1 Definition “Captive Coal Blocks” shall mean the coal blocks located at Gidhmuri and Paturia to be operated as per the terms and conditions of Assistance and Operator Agreement	This is the best way to operate. However, please provide the copy of Allocation Letter to examine the issue.	“ <b>Captive Coal Blocks</b> ” shall mean the coal blocks located at Gidhmuri and Pathuria and, the leasehold rights in respect of which vest with CSEB and that will be transferred to the Company.	The present definition will retain. This is already informed to the bidders that the mining lease may not be transferred.
20.	SSA Article 1.1.1 Definition	Does CSEB wishes to define its securities as	“ <b>Investor's Securities</b> ” means any and all ordinary equity	Investor Securities will be revised to CSEB Securities and such references

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	"Investor's Securities" means any and all Equity Shares which may be held by CSEB from time to time.	Investor's Security? If so, CSEB Securities can be defined separately.	shares which may be held by any of the investors from time to time in the Company.	under Share Subscription Agreement will accordingly revised.
21.	SSA ; Article 1, 1.1 / Definitions "Material Adverse Effect" shall mean a material adverse effect on:- (iii) the validity or enforceability of this Agreement or of the rights or remedies of any of CSEB, or	To make it more appropriate in the interest of the Company.	(iii) the validity or enforceability of this Agreement or of the rights or remedies of any of CSEB, other share holders and Promoters, or	The Share Subscription Agreement pertains to agreement between CSEB and the Seller. Thus the same clause will be retained.
22.	Article 1, 1.1 / Definitions "Permitted Investor Nominee(s)" shall mean:	We consider that CSEB wanted it for its nominees.	"Permitted CSEB Nominee(s)" shall mean:	Agreed as Investor Securities is revised to CSEB Securities. Thus, Permitted Investor Nominee shall be revised to Permitted CSEB Nominee.
23.	Article 1, 1.2 / Context (viii) words and expressions used but not defined herein shall have the meaning ascribed to them in the Power Purchase Agreement, the Promoters Agreement and in case of any ambiguity or inconsistency thereunder, the RFP/RFQ dated _____ in respect of the CSEB Project.	To make it more appropriate in the interest of the Company.	(viii) words and expressions used but not defined herein shall have the meaning ascribed to them in the Power Purchase Agreement, the Promoters Agreement and in case of any ambiguity or inconsistency thereunder, the RFP/RFQ dated 08 02 2007 in	The date of RFQ/RFP is left blank, as it will be filled subsequently as date of issue of final documents by CSEB after receipt of approval by CSERC.  At the end, the following contents will be added "And the accepted bid submitted by one

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
			RFP/RFQ dated 08.02.2007 in respect of the Project issued by CSEB and the accepted Bid submitted by one of the Bidders in response to thereof.	of the Bidders in response to thereof'
24.	Article 2 / Subscription Article 3 / Conditions Precedent Article 4 / Company's Warranties Article 5 / Covenants & Conditions Applicable During Term of Agreement Article 6 / Other Covenants of the Company Article 7 / Voting Article 8 / Fresh Issue of Capital Article 9 / Sale/Transfer of Investor's Securities Article 10 / Communication Article 11 / Indemnification Article 12 / General Provisions	All Directors including CSEB nominee director will be communicated in compliance with the Company Act. All share holders will be informed about Annual General Meet and/or Extra Ordinary General Meet and the details as necessary to comply with the Company Act.	To be appropriately written with the intent that CSEB desire to hold 26% of ordinary equity shares and the Company agrees to allot the same giving right for nominating two (2) Directors in the Board of the Company comprising of seven (7) Directors. Schedule of equity subscription over the construction period will have to be defined for timely progress of the Project. Company act will be .....	For clarification, the equity shares is already defined and it includes paid up capital and preference shares. Consistency is reviewed and found in order.
25.	PPA Preamble The Procurer has identified the Project which includes Power Plant at Bhaiyathan, District	To be consistent in line with the change in text as proposed in our	The Procurer has identified the Project which includes Power Station at Bhaiyathan, District	Please refer CSEB clarification at SN 3 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	Surguja, Chhattisgarh, mining of Gidhmuri and Paturia coal blocks as per terms of Assistance and Operator Agreement, coal transportation from coal mines to Power Plant and supply of power from Power Station till Raipur load centre through 400 kV dedicated transmission line, details of which are as set out in the Schedule 1A	observations on RFQ and RFP documents.	Surguja, Chhattisgarh, mining of Gidhmuri and Paturia coal blocks (Captive Coal Mines) whose lease are and shall remain with Procurer, coal transportation from coal mines to power plant and supply of power from Power Station at its switchyard, details of which are as set out in the Schedule 1A.	No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
26.	PPA Preamble E Pursuant to the said bidding process, [Insert name of successful bidder] has been identified by the Procurer as the Selected Bidder to construct the Project having Power Station with Installed Capacity of _ MW (to be filled as quoted by Successful Bidder in range of 1200 – 1500 MW) out of which Contracted Capacity (as defined hereunder) of ___ MW (insert 65% of Installed Capacity i.e. nameplate rating of the Project) for sale and supply of electricity in bulk therefrom to the Procurer in accordance with the terms of this Agreement.	To be consistent in line with the change in text as proposed in our observations on RFQ and RFP documents.	Pursuant to the said bidding process, [Insert name of successful bidder] has been identified by the Procurer as the Selected Bidder to construct the Project having Power Station with Installed Capacity of _ MW (to be filled as quoted by Successful Bidder in range of 1200 – 1500 MW) the Contracted Capacity (100 % of Installed Capacity i.e. nameplate rating equivalent	Please refer CSEB clarification at SN 2 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	with the terms of this Agreement.		to ____ MW) for sale and supply of electricity in bulk therefrom to the Procurer in accordance with the terms of this Agreement.	
27.	PPA Preamble G In accordance with Bid Documents, [Insert name of successful bidder] has agreed to allot 26.00% of Equity requirement of the Seller to the Procurer for consideration other than cash and has executed the Share Subscription Agreement.	Not agreed because it will result in avoidable increase in tariff burdening the common consumer for ever.	DELETED	Please refer CSEB clarification at SN 1 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
28.	PPA Definition Contracted Capacity: Means ____ MW (65% of Installed Capacity i.e. nameplate rating equivalent to ____ MW) rated net capacity till COD of Power Station and post COD 65% of aggregate of available capacities at generator terminal and the Contracted Capacity shall be measured at the Interconnection Point		Means lesser of Available Capacity of the Power Station (100 % of Installed Capacity) rated net capacity at the Interconnection Point;	Please refer CSEB clarification at SN 2 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
29.	PPA Definition: Interconnection Facilities		Request to exclude the transmission line	Already clarified that transmission line is integral part of the project.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
30.	Article –1 Definition Procurer Debt Service		To change project debt service towards 100% contracted power	Clarified that project structure remains intact with contracted capacity towards 65%.
31.	Article 3.1.1/ Satisfaction of conditions subsequent by the Seller and Procurer		Requested to waive the requirement of performance bond	Clarified that such a waiver is not permitted.
32.	Article 3.1.2 c) / Satisfaction of conditions subsequent by the Seller and the Procurer The Seller shall have taken the possession of the land for the Power Station and have paid the remaining Declared Price of the Land, if any to the State Government authority acquiring the land	Total land requirement is included. The Land Cost should be treated as CSEB subscription to its equity holding.	The Seller shall have taken the possession of the land for the Power Station, Ash Dump Area, Coal Transportation System, Colonies and Coal Mining and have paid the remaining Declared Price of the Land, if any to the State Government authority acquiring the land if Procurer does not wish to subscribe to equity	It is suggested for no variation to project structure.
33.	Article 3.1.2 f) / Satisfaction of conditions subsequent by the Seller and the Procurer The Seller shall have paid the final cost of geological report (GR) provided as per the	Costs incurred by CSEB in development and facilities is proposed to be its	The Seller shall have paid the final cost of geological report (GR) provided as per the provisions of the Project	It is suggested for no variation to project structure.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	provisions of the Project Documents.	subscription to the equity in the Project.	Documents if CSEB has not wished to hold equity in the project.	
34.	Article 3.1.2A / Activity 1- i) Handing over the possession of the land for the Power Plant	Can the land cost be treated as CSEB subscription to its equity?	Handing over the possession of the land for the Power Plant, Ash Dump Area, Water and Fuel Transportation System, Colonies and Coal Mining, etc	Project structure envisaged shall remain. Thus no further change is envisaged.
35.	Article 3.3.1/ Consequences of non fulfilment of Conditions under Article 3.1 If any of the conditions specified in Article 3.1.2 is not duly fulfilled by the Seller within three (3) Months after the time specified under Article 3.1.2, then on and from the expiry of such period and until the Seller has satisfied all the conditions specified in Article 3.1.2, the Seller shall be liable to furnish to the Procurer additional weekly Performance Guarantee of Rs. Two (2) crore within two (2) business days of expiry of every such week. Such additional Performance Guarantee shall become part of the Performance Guarantee and all the provisions of this Agreement shall be construed	Invoking Performance Guarantee for not meeting the intermediate progress bench-marks is not acceptable unless overall completion of the project is delayed owing to the same. Intermediate benchmarks will be only for monitoring the progress.	If any of the conditions specified in Article 3.1.2 is not duly fulfilled by the Seller within the time specified under Article 3.1.2 and Procurer has fulfilled the conditions specified in Article 3.1.2A, then on and from the expiry of such period and until the Seller has satisfied all the conditions specified in Article 3.1.2, the Seller shall be liable to furnish to the Procurer subsequent to eight (8) weeks grace period additional weekly Performance	The existing clause will prevail as the same is in line with Standard Bidding Documents.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	<p>accordingly. The Procurer shall be entitled to hold and/or invoke the Performance Guarantee, including such increased Performance Guarantee, in accordance with the provisions of this Agreement.</p>		<p>Guarantee of Rs. Two (2) crores within two (2) business days of expiry of every such week. Such additional Performance Guarantee shall become part of the Performance Guarantee and all the provisions of this Agreement shall be construed accordingly. The Procurer shall be entitled to hold and/or invoke the Performance Guarantee, including such increased Performance Guarantee provided the project completion is delayed owing to not fulfilling these conditions.</p>	
36.	<p>3.3.1 Subject to Article 3.3.3 and 3.3.3A, if:</p> <p>(i). fulfilment of any of the conditions specified in Article 3.1.2 is delayed beyond the period specified in Article 3.1.2 and the Seller fails to furnish any</p>	<p>A period of twenty (20) weeks is considered adequate over and above the proposed revised time schedule indicated above against Article</p>	<p>NO CHANGE</p> <p>(ii) the Seller furnishes additional Performance Guarantee to the Procurer in accordance with Article 3.3.1 hereof but fails to fulfil the conditions specified in Article</p>	<p>The proposed provision is in line with Standard Bidding Document. The liquidated damages shall be in tune of Rs. 150 Crore due to integrated project. Thus CSEB proposes no revision in present clause.</p>



**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	<p>3.1.2 and the Seller fails to furnish any additional Performance Guarantee to the Procurer in accordance with Article 3.3.1 hereof; or</p> <p>(ii). the Seller furnishes additional Performance Guarantee to the Procurer in accordance with Article 3.3.1 hereof but fails to fulfil the conditions specified in Article 3.1.2 for a period of eight (8) months beyond the period specified therein,</p> <p>the Procurer or Seller shall have the right to terminate this Agreement by giving a Termination notice to the Seller / Procurer in writing of at least seven (7) days.</p> <p>If the Procurer or the Seller elect to terminate this Agreement in the event specified in the preceding paragraph of this Article 3.3.2, the Seller shall be liable to pay to the Procurer an</p>	<p>3.3.1.</p> <p>Procurer should also be responsible for timely fulfilling its obligations.</p> <p>Liquidated damages in the tune of Rupees Sixty crore (Rs.60,00,00,000.00) is adequate in such an event of termination of agreement for non-fulfillment of conditions by the Seller.</p>	<p>3.1.2 for a period of twenty (20) weeks including eight (8) weeks of grace period beyond the period specified therein,</p> <p>the Procurer shall have the right to terminate this Agreement by giving a notice to the Seller in writing of at least seven (7) days provided that Procurer has timely fulfilled its obligations for the project.</p> <p>If the Procurer or the Seller elect to terminate this Agreement in the event specified in the preceding paragraph of this Article 3.3.2, the Seller shall be liable to pay to the Procurer an amount of Rupees Sixty crore (Rs.60,00,00,000.00) only as liquidated damages provided that the Procurer has timely fulfilled all its committed</p>	

## CLARIFICATION TO HON' ABLE COMMISSION

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhayathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	<p>Seller shall be liable to pay to the Procurer an amount of Rupees One hundred and Fifty (Rs. 150,00,00,000) crores only as liquidated damages. The Procurer shall be entitled to recover this amount of damages by invoking the Performance Guarantee to the extent of Rupees One hundred and Fifty (Rs. 150,00,00,000) crores and shall then return the balance Performance Guarantee, if any, to the Seller. If the Procurer are unable to recover said the amount of Rupees One hundred and Fifty (Rs. 150,00,00,000) crores or any part thereof from the Performance Guarantee the amount not recovered from the Performance Guarantee, if any, shall be payable by the Seller to the Procurer within ten (10) days from the end of eight (8) Months period from the due date of completion of conditions subsequent.</p>		<p>obligations. The Procurer shall be entitled to recover this amount of damages by invoking the Performance Guarantee to the extent of Rupees Sixty crore (Rs.60,00,00,000.00) and shall then return the balance Performance Guarantee, if any, to the Seller. If the Procurer are unable to recover the said amount of Rupees Sixty crore (Rs.60,00,00,000.00) or any part thereof from the Performance Guarantee the amount not recovered from the Performance Guarantee, if any, shall be payable by the Seller to the Procurer within ten (10) days from the end of twenty (20) weeks period from the due date of completion of conditions subsequent.</p>	

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
37.	PPA 3.3.3 A			The bidder has referred the clause, which was part of earlier version of PPA prior to first pre bid meeting. No comments.
38.	PPA 3.3.4			No comments as the provision is similar to SBD.
39.	PPA 3.4.1			No comments as the provision is similar to SBD.
40.	PPA 4.1.1 c) comply with the Time Schedule as specified in Schedule 12 of this Agreement.	Schedule for intermediate activity is for the purpose of monitoring only. Necessary time need to be allowed for building the project.	c) comply with the Time Schedule with regard to the item 14, "Trial operation completion and handing over" that stipulates 54 months for the first unit and 62 months for the last unit as specified in Schedule 12 of this Agreement.	CSEB opines to keep a broad monitoring mechanism for regular progress. Thus CSEB wish to retain the same clause.
41.	PPA 4.6.3			No comments as the provision is similar to SBD.
42.	PPA 4.7.1	Provision for revision in Scheduled COD prior to the date of	such Unit shall, until the effects of the Procurer Event of Default or of Non Natural	CSEB expects that the bidder shall provide the best completion schedule in the bid. However, the revision in

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		Scheduled COD.	Force Majeure Event (or Natural Force Majeure affecting the Procurer) no longer prevent the Seller from undertaking a Commissioning Test/s, be deemed to have a Tested Capacity equal to the Installed Capacity and to this extent, be deemed to have been Commissioned with effect from the Scheduled COD or mutually pre-agreed revised Scheduled COD without taking into account delay due to the Procurer Event of Default or Non Natural Force Majeure Event (or Natural Force Majeure affecting the Procurer) and shall be treated as follows.	Scheduled COD prior to the date of Scheduled COD may be mutually discussed at the time of such occurrence. Thus the provision for revised schedule COD is not incorporated.
43.	PPA 4.7.1 (b)			No comments as the provision is similar to SBD.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
44.	PPA 4.7.1 (c & d)			No comments as the provision is similar to SBD.
45.	PPA Article 4.8 Liquidated Damages for failure in complying with Time Schedule as specified in Schedule 12	In order to simplify the Agreement in view of Article 4.6 addressing requirement of Liquidated Damages for delay in providing Contracted Capacity.	DELETED	CSEB wish to bring a broad time schedule to check the regular progress as CSEB shall not be only the offtaker of the project but also the shareholder of the company. Thus the provision of Time Schedule is incorporated.
46.	Article 4.9.2 / Limit on amounts payable due to default Similarly, Seller's only liability for any loss suffered by the Procurer of any kind or description whatsoever (except claims for indemnity under Article 15), by reason of the Seller's failure to meet its obligations of Commissioning the various Units on their Scheduled COD and / or comply with obligations specified in Article 4.1.1(c), shall be as per Article 4.6, 4.8 and Article 14.	In order to simplify the Agreement in view of Article 4.6 addressing requirement of Liquidated Damages for delay in providing Contracted Capacity.	4.9.2 Similarly, Seller's only liability for any loss suffered by the Procurer of any kind or description whatsoever (except claims for indemnity under Article 15), by reason of the Seller's failure to meet its obligations of Commissioning the various Units on their Scheduled COD and / or comply with obligations specified in Article 4.1.1(c), shall be as per Article 4.6 and Article 14.	The provision for non compliance to completion schedule shall be retained.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
47.	PPA Article 5.2			No comments as the provision is similar to SBD.
48.	PPA Article 6.1.1 Synchronisation			No comments as the provision is similar to SBD.
49.	PPA Article 6.2.2			No comments as the provision is similar to SBD.
50.	PPA Article 12.7 (d)	Requested for Project debt in case of Procurer debt		No change in the proposed provision as project structure includes only 65% of capacity contracted for CSEB.
51.	PPA Article 15.2 / Monetary Limitation of Liability	Please clarify the justification of the amount indicated in this clause.		The proposed provision will prevail.
52.	Schedule 2 / Part - 1 ii. Necessary Environment & Forest Clearances for the Power Plant.	It is pertinent to have initial consent for the associated facilities for timely completion.	ii. Necessary Environment & Forest Clearances for the Power Plant and associated facilities.	CSEB shall get environment and forest clearance for power plant as defined under Definition of PPA.
53.	PPA - Schedule 8			No change in interconnection point is proposed

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
54.	PPA - Schedule 12			CSEB propose to maintain the same.
55.	A&OA – Appointment			Mining lease will be and will remain with CSEB.
56.	A&OA - Clause 9 After extraction the Company shall transport or cause to be transported the entire coal to the weigh bridge under supervision of CSEB to a place mutually agreed by the Company and CSEB for weighment. The trucks carrying the Coal from the pit shall carry transports slips in triplicates, one copy of the said transport slip shall be handed over at the weigh bridge of the CSEB and after weighment two copies of the weighment slips shall be handed over to the truck drivers. The weighment slips along with the corresponding transport slip for each truck shall be the basis of determining the quantity of Coal raised during a month accordingly Raising Bill shall be raised.	No additional monitoring as proposed by CSEB is called for and that may also cause unnecessary bottleneck in the mining operations. Coal dispatches are in any way governed by the State Mining and Geology department and monitored at dispatch/loading point. Coal raised in a billing month in any case will be computed as per weighing arrangement at loading/dispatch point..	After extraction the Company shall transport the entire coal to the dispatch/loading point where its weighment shall be ensured complying with weigh bridge under supervision of CSEB or to any other place as designated by CSEB for weighment. The trucks carrying the Coal from the pit shall carry transports slips in triplicates, one copy of the said transport slip shall be handed over at the weigh bridge of the CSEB and after weighment two copies of the weighment slips shall be handed over to the truck drivers. The weighment slips along with the	Agreed

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
			corresponding transport slip for each truck shall be the basis of determining the quantity of Coal raised during a month accordingly Raising Bill shall be raised.	
57.	A&OA – Company Covenants			CSEB proposes no revision to present clause.
58.	A&OA - CSEB Warranties			CSEB proposes no revision in CSEB warranties as these will ensure realistic mining operation for proposed plant.
59.	A&OA – Force Mejeure			Force Mejeure for A&OA cover “any other act beyond the control of the party affected”. It is possible to specify all possible force mejeures.
60.	A&OA -Term and Termination In the event of the closure of the entire mining operation as a result of any past and / or present omission / commission on the part of CSEB and / or due to any force – Majeure, order(s), injunction(s), direction(s), and / or instructions (s) from any court, judicial or quasi judicial and	The stoppage of work may result in shortage of coal for the Power Project, which is a loss for the Company. CSEB shall take responsibility for the	In the event of the closure of the entire mining operation as a result of any past and / or present omission / commissions on the part of CSEB and / or due to any order(s), injunction(s),	CSEB proposes to retain the proposed clause.



**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	statutory authority(ies) whatsoever restraining directly or indirectly in any manner whatsoever the entire operation of the Leasehold Area, the period of this Agreement shall automatically get extended proportionately for the corresponding period of stoppages of work.	delay and stoppage and make good all such losses.	direction(s) and / or instruction(s) from any court, judicial or quasi judicial and statutory authority(ies) whatsoever restraining directly or indirectly in any manner whatsoever the entire operation of the Leasehold Area, the period of this Agreement shall automatically get extended proportionately for the corresponding period of stoppages of work. CSEB shall make good all the loss arising due to the delay	
61.		The operator agreement may lose its relevance if the Lease Hold right for captive mining of coal is transferred to the Company. Transfer of lease hold is desirable in order to optimise		Mining lease will be and will always remain with CSEB.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		tax burden ultimately reducing the tariff. This document needs to be re-examined in this context and redrafted accordingly if required.		
KSK Energy Venture Private Limited – CSERC/NG/1487 dated Sept 17, 2007				
62.	Qualification			Please refer CSEB clarification at SN 18 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
Chambal Infrastructure Ventures Limited Reference Nil dated Septemeber 17 2007				
63.		It is desirable that transmission line configuration is fixed by CSEB for bringing the total power output of the project upto Raipur and thereafter		CSEB has stipulated the transmission system under Annexure – 1 of PPA regarding 400 kV double circuit line. However CSEB do not intend to specify any configuration and schematic for transmission line as CSEB has opted for not specifying the configuration of power

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		distribution of the 35% power which is not contracted by CSEB can be distributed by the promoter according to their tie-up and arrangement. It will bring all bidders to a uniform base for working out the tariff.		<p>plant. This will give requisite freedom to the bidder to optimise the project cost after taking requisite performance parameters towards reliability including Availability, Contracted Power etc.</p> <p>Further CSEB confirm that the bidders are free to make their own arrangement for sale of excess power over the contracted capacity to CSEB in compliance with prevailing regulatory framework in the state and the country.</p>
64.		It was suggested that the land for transmission line as well as for MGR system be acquired either on an outright basis or ROW, as applicable, by CSEB or Government of Chhattisgarh and handed over to the		Please refer CSEB clarification at SN 21 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		promoter. This will avoid any delays due to prolonged process of land acquisition / ROW which an individual private party may not be equipped to deal with and thus may delay the commissioning of the project. However, the cost of acquiring the land including settlement of R&R can be attributed to the developer and can be built into the tariff as a capitalized cost.		
65.		We once again request that the pre-qualifying requirement of 200 MW project is restrictive in nature and even for ultra	From our perspective unless this requirement is removed we would not be in a position to bid.	Please refer CSEB clarification at SN 18 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		mega power projects, this requirement was not there. Considering various factors like 26% sweat equity, additional works like transmission lines and MGR system, distance from which water has to be brought to the site etc, it is likely that you may receive very limit number of offers, which may not be desirable from the CSEB point of view.		
66.		As we informed you during the meeting a number of inputs have been issued late by CSEB with respect to the time table published in the initial stages where the date		CSEB assure to provide adequate time to the bidder to prepare the competitive bid. The same will be communicated separately.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		of submission of RFP was 1 <sup>st</sup> Oct. 2007. Since the scope in Bhaiyathan project is enlarged to cover transmission line, development of mine, MGR system etc, apart from the power project and the details of the route have been issued only on 5 <sup>th</sup> Sept. 2007, a minimum 3 months period is requested for the submission of RFP from the date of issue of clarification / approval by CSERC.		
67.		As requested during the meeting we would like to suggest that CSEB should limit sweet equity only to the extent of coal mine		Please refer CSEB clarification at SN 20 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		development and not for the power project. Although as per the guidelines prevalent at the time coal mine was allocated during the early 2005, were the same as being stipulated by CSEB, but since CSEB has taken number of deviations from S.B.D., which suit them this deviation can be taken to suit the developers.		
68.		Please make it very clear to all the developments as to whether the 65% of the output which is to be contracted to CSEB is exclusive of aux. power or is inclusive of aux. Power		Please refer the definition of contracted capacity to CSEB which clearly states that the contracted capacity shall be made at Interconnection Point.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1243 dated 19.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 21, 2007

---

<b>S. N</b>	<b>Clause No. &amp; Existing Provisions</b>	<b>Clarifications Required</b>	<b>Suggested Text for Amendment</b>	<b>CSEB Reply</b>
69.		We would sincerely request you to provide ESCROW for the payment security in addition to the LC for the 65% output contract with CSEB.		Please refer CSEB clarification at SN 8 sent vide 03-05/109-C/ 1964 dated Sept 22, 2007 in response to CSERC letter P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007



**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
Reliance Power Ref Nil dated September 21, 2007				
70.		Extension by 60 days		CSEB will give adequate time to the bidders for preparation of bid. CSEB shall communicate separately for extension of due deadline.
Reliance Power dated September 21, 2007				
71.		Relaxation towards number of units		Please refer CSEB clarification at SN 06 sent vide 03-05/109C/1964 dated September 22, 2007 in response to CSERC letter ref. P No. 21 of 2007(M)/ 2007/1216 dated 12.09.2007
GMR Energy Limited with Ref GEL/BD/CSERC/157/07 dated September 20, 2007				
72.	Intake Water System	1- The arrangement and cost estimates for raw water system is yet to be provided by CSEB. As of now,		1. CSEB will furnish the indicative cost of water intake system to bidder by September 30,2007. The selected bidder has to pay indicative amount to Water Resource Department (WRD)

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		<p>it is not clear whether the proposed amicuts / barrages will be built by Water Resources Department of Govt. of Chhattisgarh (WRD) or the successful bidder. In case the same is to be built by WRD, then what is the cost apportionment to be borne by the Developer.</p> <p>2- CSEB is yet to provide the consolidated water intake study report.</p> <p>3- In respect to</p>		<p>and WRD will execute the proposed infrastructure.</p> <p>2. CSEB have already furnished reports for tank and barrages which are part of water intake infrastructure. There is no consolidated water intake study to be furnished by CSEB.</p> <p>3. The indicative cost as furnished by CSEB for water intake infrastructure will include the cost estimate for Chandani Tank. Thus CSEB would not furnish the cost estimate for Chandani Tank separately.</p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		Chandnai Tank we have only received the salient data. Cost estimates and irrigation department report of the same are not yet received.		
73.	Indicative Costs			CSEB will furnish the indicative cost as mentioned under Clause 1.4 and Clause 1.6 of RFP by September 30, 2007.
74.	Power Evacuation System	Details regarding the interconnection points at Raipur end are not yet provided.		The details are sent by CSEB on September 22, 2007 to all bidders.
75.	Developmental Activities undertaken by CSEB	The amount and details of consideration payable by the Selected Bidder to CSEB, for developmental activities undertaken or pro-		CSEB will furnish the same by September 30, 2007 to all bidders.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

---

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		posed to be undertaken, it yet to be provided.		
76.	Change in Law Provisions	During the public hearing CSEB advised that the estimates provided them for land, distances and costs pertaining to Fuel System, intake water system (Anicuts & other infrastructure to be made for water intake system) and coal mining should be used for preparing the bid and any future change in these estimates would be considered as change in law. This may kindly be confirmed.		Kindly refer clause 13.1.1 (iv) for provision in change in law in PPA. Other details are furnished for convenience of bidders to prepare the competitive bid and the bidders are advised to take necessary steps to get familiarised with the available infrastructure at the site.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
77.	<p>Development and operation of coal mines and interplay of consideration</p> <p>Clause 1.7 of RFQ -</p> <p>"Apart from the transfer prie, successsful Bidder shall be required to allot to CSEB 26.00% of the ordinary equity shares and preference shares of the project, for consideration other than cash' in lieu of grant of certain rights for and in relation to the Captive Coal Mines and shall provide a board resolution agreeing to the same as per the format provided in Annexure 2"</p> <p>Clause II of Attachment IV of Operators Agreement (AOA) -</p> <p>"The consideration for the grant of excavation of coal from the mining lease hold area and other rights for and on behalf of CSEB to the Company as herein contemplated shall be the Energy Charges payable by CSEB to the Company for the off-take of power at Raipur Load Centre in accordance with the Power Purchase Aggrement"</p>	<p>1- The two clause (cl 1.7 of RFQ &amp; cl. II of Attachment IV of AOA) are conflicting - while on one hand SPV would have to allot 26 percent equity to CSEB for grant of right in relation to Captive Coal Mines, on the other hand it also earns 'Energy Charges' for the same.</p> <p>2- Who owns the coal from the time it lies under the earth ad until it is used in power generation by the SPV ?</p>		<p>1. CSEB clarifies that the allotment of 26% equity for consideration would be towards grant of rights for being sole and exclusive operator of captive coal mines exclusively for usage of proposed power plant. However, the energy charges payable by CSEB to Project Company shall be for services rendered for captive coal mines for usage of proposed power plant.</p> <p>2. The mining lease will remain with CSEB. Thus ownership of coal will remain with CSEB until it is used in power generation. However CSEB will comply with Assistance &amp; Operators' Agreement for availability of coal for the power plant, as specified therein.</p> <p>3. Please refer reply to point 1</p> <p>4. This is towards monthly compilation of the coal</p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		<p>3- If the SPV owns the coal, is the allotment of 26% shares in the SPV to CSEB towards advance payment for purchase of coal?</p> <p>4- What is the relevance of the Raising Bill in the proposed arrangement ? (Reference given in para 9 and 10 of clause I of AOA).</p>		<p>compilation of the coal excavated and transportation for exclusive use of power plant and it shall not include any financial obligation towards lease holder ie CSEB.</p>
78.	<p>Payment of Royalty</p> <p>We understand that CSEB would be the lessee of the coal mining land and execute the required lease agreement with the Government of Chhattisgarh. Section 9 (2) of the Mines and Minerals (Development and Regulation) Act, 1957 ('MMDR Act') states as follows:</p>	<p>a. Does the AOA envisages payment of Royalty as specified (above) under the MMRD Act?</p>		<p>It is proposed that all payments as required but not limited to Royalty, by lease holder i.e. CSEB, shall be met by Project Company. Further in accordance with A&amp;OA, CSEB shall authorise by way of General Power of Attorney in favour of two nominees of the Company for taking all such steps and to do all</p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	<p>"The holder of a mining lease granted on or after the commencement of this Act shall pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area at the rate for the time being specified in the second schedule in respect of that mineral"</p> <p>Accordingly, the obligation of royalty payments per se lies on the holder of the mining lease i.e. in this case CSEB.</p> <p>In this regard, it would be relevant to note para 5 of Clause III of the AOA, which is extracted below:</p> <p>"The Company shall ensure payment of all Government revenue such as royalty, forest cess, dead rent, sales tax and any other new levies, etc payable by the Company so that mining operation are carried out uninterruptedly"</p>	<p>Act?</p> <p>b. As from a technical perspective these payments are required to be made to the State by CSEB, whether these payments will be same by the SPV in the nature of a reimbursement to CSEB ?</p>		<p>such acts and deeds as are required in connection with and for purpose of carrying out mining operations and / or any function incidental to main purpose of A&amp;OA.</p> <p>In case of any problem of proper execution of same, A&amp;OA is very explicit that both the parties with fairness and without detriment to the interest of any of them will use their endeavour to remove the cause or causes of the same.</p>
79.	Pre-bid activities	a. Would the initial development phase		i. The activities to be taken by the CSEB is mentioned under RFP

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
	<p>Clause 1.5 of RFQ -                      "The Project includes Power Station -----                      ----- for the term of PPA.                      CSEB has started initial development phase activities of the Project and will complete the following tasks in this regard by such time as stipulated at RFP stage:</p> <ol style="list-style-type: none"> <li>1- Site identification and land acquisition required for the power plant.</li> <li>2- Allocation of Captive Coal Mines for exclusive use of Power Station.</li> <li>3- Environment and Forest clearance for Power Plant.</li> <li>4- Water linkage for the Power Plant.</li> <li>5- Detail Project Report"</li> </ol> <p>Clause 1.6 of RFQ -                      "The Project will be transferred to the Successful Bidder at a transfer price to implement the Project after signing of Agreement. The said transfer price shall be informed 30 days prior to bid submission date".</p>	<p>activities include any assets/rights/obligations created by CSEB for the Project?</p>		<p>clause 1.4. Apart from such activities, no other assets are created by CSEB.                      ii. It will be a single price towards transfer price.</p>



**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
80.	Funding of SPV	<p>1- Should the Successful Bidder fund the SPV by way of promoter's loan? if yes, would the SPV also e required to create an obligation in favour of CSEB to the extent of 26 percent?</p> <p>2- Would it make a difference if the funding is through convertible instruments?</p>		As per Share Subscription Agreement, the Project Company is required to subscribe 26.00% of the equity shares and preference shares of the Project, for “consideration other than cash. Further, the subscription to CSEB shall be governed by Share Subscription Agreement (SSA). It is left to the bidders to carry out financial structuring of the project in compliance with SSA.
81.	Construction of Anicut			CSEB will intimate the bidder the declared cost of infrastructure for water intake system. The selected bidder shall deposit such amount to WRD (Water Resource Department) and WRD would execute the same.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 23, 2007

---

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
82.	Accounting Treatment of SPV	a. How should the SPV value and account for the shares issued for consideration other than cash?		As per prevailing law, accounting practices and standards.  As deemed fit by the Project Company subject to RFP Project Documents.
83.	Submission of draft PPA to Central Electricity Regulatory Commission ('CERC')	To obtain a Mega Power Project status, we understand that PPA needs to be executed with at least two states. In this respect, we request clarification on whether CSEB would submit the PPA proposed to be entered into between CSEB		The present PPA is between CSEB and Project Company for procurement of power for a project in Chhattisgarh and procured by distribution licensee in Chhattisgarh. Thus the PPA shall be submitted to CSERC in accordance with Competitive Bidding Guidelines. However, in accordance with PPA, CSEB shall provide all administrative assistance including issuing necessary letter of recommendation for obtention of mega power status for the Power Station.

**CLARIFICATION TO HON' ABLE COMMISSION**

Reference: P No. 21 of 2007(M)/ 2007/1257 dated 21.09.2007

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhayathan TPS

September 23, 2007

---

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
		and the SPV with the CERC or would it only submit with the CSERC?		

**CLARIFICATION TO HON' ABLE COMMISSION**

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 26, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
1	Experience of 200 MW Unit for Technical Qualification			<p>Considering that this Project shall involve both Power generation and transmission and considering the experience of many power projects allotted or proposed to undertaken by developers having non-power sector experience, CSEB proposes that the developer shall have core competence in power sector. However CSEB realises that operational experience is not utmost important as this may be outsourced. Further, CSEB has relaxed the requirement to the extent that the bidding consortium shall have one member having 26% of 74% of project equity to comply with such technical qualification.</p> <p>Further CSEB clarifies that selection for 200 MW Unit for technical qualification is based on various aspects particularly understanding of technology, competition regarding response to bid, project capitalised cost (taking cognizance of qualification as mentioned in SBD) and permissible unit size of 200 MW for proposed power plant. Thus based on combination of all factors, it is decided to specify minimum unit size as 200 MW and thus looking each aspect in individuality may not justify the stipulated requirement of 200 MW unit size for technical qualification.</p> <p>(A) <b>Understanding of Technology:</b> CSEB understands that unit size of 200 MW is not abundantly available in other sources of generation viz. Hydroelectric (only few new units coming up in private sector), nuclear</p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 26, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
				<p>(only with government entities not participating in such competitive bids) and non conventional (no such single unit available). However, reference of such unit may be possibly available globally but CSEB has discussed qualification criteria with the bidders, who have purchased the bid documents. Therefore CSEB has not specifically mentioned the experience of thermal power plant. However, this stipulation brings in the requirement of established reheat technology which is available on such 200 MW unit. During the pre bid meeting, it was even requested by few bidders to specify the operational experience that may bring in requisite competence in the project. However CSEB has mentioned the bidders' experience up to financial closure due to reason as mentioned above as well as to promote the competition.</p> <p><b>(B) Competition Regarding Response of Bid:</b> CSEB have captured the feedback during the pre bid meetings regarding qualification criteria to ensure good response to the bid. Even though, CSEB has earlier stipulated experience of coal mining due to integrated structure of project but later, it was relaxed because of restrictive participation due to such qualification requirements.</p> <p><b>(C) Taking Cognizance of SBD</b> RFQ of SBD dated January 31, 2007 states the following</p> <p><i>“The Bidder must have experience of developing projects (not necessarily in the power sector) in the last 10 years whose aggregate capital costs must not be</i></p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 26, 2007

S. N	Clause No. & Existing Provisions	Clarifications Required	Suggested Text for Amendment	CSEB Reply
				<p><i>less than the amount equivalent to Rs. 0.75 Crore per MW of the maximum capacity specified by the Procurer. Out of these projects, the capital cost of at least one project should be equivalent or more than Rs. 0.125 Cr. Per MW of the maximum capacity specified by the Procurer. For this purpose, capital expenditure on projects that have been completed at least 7 (seven) days before the RfQ submission date shall be considered. “</i></p> <p>Considering the integrated structure of proposed project, CSEB believe that capital cost of at least one project shall be at least Rs. 0.5 Crore per MW of maximum capacity. The Capital Cost for such project shall be apprx. Rs. 750 Crores and thus the project having unit size of 200 MW will essentially comply with such requirement.</p> <p>(D) Project Structuring of Bhaiyathan TPS</p> <p>The proposed project structure comprises maximum number of units of three with minimum capacity of 200 MW. This aspect has also been considered while specifying the technical qualification of 200 MW Unit.</p> <p>Thus CSEB has specified technical qualification with 200 MW Unit for the proposed project.</p>

**CLARIFICATION TO HON' ABLE COMMISSION**

Tariff Based Bidding for Procurement of Power from 1200 – 1500 MW Bhaiyathan TPS

September 26, 2007

---