

SOLAR ENERGY CORPORATION OF INDIA LIMITED

New Delhi

Ref. No. SECI/C&P/IPP/11/0023/23-24/Clarifications-01

Date: 04/06/2024

Clarifications to the queries on the RfS for Selection of Solar Power Developers for Setting up of 1200 MW ISTS-Connected Solar PV Power Projects with 600 MW/1200 MWh Energy Storage Systems (ESS) in India under Tariff Based Competitive Bidding (SECI-ISTS-XV)

(RfS No. SECI/C&P/IPP/11/0023/23-24 dated 16.03.2024)

S. No.	Documents	Clause No.	Existing Clause	Proposed Modifications	Rationale/Remarks	SECI's response
1	RfS	3.4	ESS of at least 0.5 MW/1 MWh capacity for 1 MW Project Capacity shall mandatorily be installed as part of the Project. It is clarified that ESS charged using a source other than solar power would not qualify as solar power.		Kindly confirm how the source of charging power will be verified by SECI to fulfil this criteria of charging of ESS.	It will be verified through the data published by RLDCs.
2	RfS	3.4	ESS of at least 0.5 MW/1 MWh capacity for 1 MW Project Capacity shall mandatorily be installed as part of the Project. It is clarified that ESS charged using a source other than solar power would not qualify as solar power.		ESS - BESS have a degradation over the time in efficiency. Due to which SPD requires to Re-power the same over the time. We request you to kindly confirm if SPD needs to maintain min requirement for each 1 MW capacity for entire PPA duration by Re-powering of system time to time OR bidder can consider the degradation over time and can supply less than X/2 MWh during the PPA tenure during the ESS power supply. Kindly confirm.	Bidder is required to maintain the ESS capacity specified in the RfS and PPA for the entire PPA duration. It is clarified that neither any relaxation is allowed nor any compensation is envisaged in the RfS with regard to degradation of ESS.
3	RfS	3.4ESS may be owned by the SPD or may be tied-up separately with a third party by the SPD, for supply of power.....		With reference to the charging of ESS, we request clarity on the following points: 1. Kindly confirm if the bidder is required to declare a tie-up with any third party at the time of bid submission, or if this can be declared at a later stage as well. 2. Kindly confirm if the bidder can initially set up its own ESS plant and later change it to a tie-up with a third party during the PPA tenure. Will SECI allow this under the current RfS/PPA? 3. Kindly confirm if a third-party tie-up can be declared at a later stage, and if at the current stage, only the proposed ESS capacity can be declared in the bid response.	Tie-up of the ESS is not required to be specified at the time of bid submission. Proposed changes in the tie-up of ESS component as per the query are allowed at any stage during the project implementation. Kindly refer Clause 3.4 of the RfS.
4	RfS	42.4	In case of delay in signing of PPA by SECI beyond the date as on 12 months subsequent to issuance of LoAs, or any further date as mutually decided by the Successful Bidder and SECI, the Successful Bidder may choose to exit from this tender.		We request to kindly consider to amend the clause and keep the timeline of 6 months subsequent to LOA considering the dynamic market with price fluctuations. It's very difficult for bidder to offer the same tariff for 12 months period.	Tender conditions remain unchanged.
5	RfS	Appendix-I to Covering Letter	Tentative Average Hourly Profile		Kindly confirm if the power supply through ESS component is also to demonstrate in this average hourly profile and accordingly, if required kindly provide the hours so that accordingly, profile can be submitted.	Bidder may consider the discharge for any two hours during the Peak Hours for providing the profile.

6	RfS	15	Note: The SPD should apply for all the necessary approvals, permits and clearances not more than 90 days from the Effective Date of the PPA, which shall be complete in all respects, incorporating the clarifications/changes as required by the concerned authorities. The above timeline shall be adhered to, in order to examine cases where the SPD faces delay in grant of the necessary approvals and permits, for a period substantially greater than the standard period of grant of approval by the respective organizations.		We request to kindly allow the time period till FC or 12 months from PPA signing such that the approvals, permits and clearances can be applied based upon final land parcels and location of project. In 90 days, it's very difficult for SPD to finalise the land details and other criteria's considering obstructions such as ROW issues etc.	Tender conditions remain unchanged.
7	RfS		ESS requirement and installation of Solar component		Kindly confirm if SPD can install the excess solar capacity over and above the contracted capacity for a purpose of ESS charging.	Project sizing is under the scope of SPD. PPA will be signed for the Contracted Capacity.
8	RfS		Change in ESS capacity		We request SECI to kindly allow change in ESS capacity till FC timelines of project.	Minimum ESS capacity shall follow the formula as per Clause 3.4 of the RfS, throughout the term of the PPA.
9	RfS		Min. ESS requirement		Kindly confirm if bidder can use mix of ESS technologies to fulfil the requirements.	Yes.
10	RfS		Project connectivity		Kindly confirm if bidder is allowed to avail the connectivity of more capacity than contracted capacity based upon final configuration.	No.
11	PPA	4.5.3	In case of extension due to reasons specified in Article 4.5.1(b) and (c), and if such Force Majeure Event continues even after a maximum period of nine (9) months from the date of the Force Majeure Notice, termination of this Agreement shall be caused solely at the discretion of SECI, as per the provisions of Article 13.5.		The clause 4.5.3 of PPA provides the provisions to exit / terminate the PPA by SECI in condition of continuation of FM event even after a period of 9 months. We would like to highlight here that the provisions under this clause are raises concerns as it's asymmetrical and put a potential disadvantage on HPDs. Also, it gives the complete rights to SECI, though both parties are expected to impact equally during the FM event, so we request SECI to kindly consider to provide the mirror clause such that HPD will also have equal rights and also it will encourage bidders for participation.	Tender conditions remain unchanged.
12	PPA	12.1.1	In this Article 12, the term "Change in Law" shall refer to the occurrence of any of the following events pertaining to this project only after ___ [Enter the date of e-Reverse Auction (e-RA) conducted under the referred RfS] including any enactment or amendment or repeal of any law, leading to corresponding changes in the cost requiring change in tariff, and includes-		With reference to the provisions under PPA clause 12.1.1, it covers the events extending beyond the E-Ra date under Change in Law (CIL) events. However, it is essential to acknowledge that HPDs are mandated to submit their tariff at the Bid submission stage. Subsequently, during the E-RA, HPDs are only permitted to decrease the tariff. Nevertheless, alterations in statutory provisions may impact the tariff beyond the initially quoted Tariff and make the project unviable for bidder at quoted tariff. Accordingly, we request SECI to kindly consider effectiveness of CIL clause from date 7 days prior to date of bid submission.	Tender conditions remain unchanged.

13	PPA	3.1.1	The SPD shall configure the project with the objective of supplying solar power to the Buying Entity. Accordingly, the Project Capacity, i.e. the Installed Capacity shall mean the rated capacities of the Solar Power Project and ESS components, in the following configuration:	The SPD shall configure the project with the objective of supplying solar power to the Buying Entity. Accordingly, the Project Capacity, i.e. the Installed Capacity shall mean the rated capacities of the Solar Power Project and ESS components, in the following configuration: Solar: __ MW ESS: __ MW/ __ MWh It is hereby clarified that the installed capacity, for which Connectivity shall be granted as per extant regulations, can be greater than the Contracted Capacity.	We request SECI to allow this, as is allowed for the other FDRE tenders. This would provide the developer greater flexibility in sizing of the solar plant and in meeting the peak hour and off-peak compliance criteria, leading to lower tariff discovery.	Article remains unchanged. Further, it is clarified that under this RfS, the Project Capacity shall be equal to Contracted Capacity.
14	PPA	4.5.3	In case of extension due to reasons specified in Article 4.5.1(b) and (c), and if such Force Majeure Event continues even after a maximum period of nine (9) months from the date of the Force Majeure Notice, termination of this Agreement shall be caused solely at the discretion of SECI, as per the provisions of Article 13.5.	In case of extension due to reasons specified in Article 4.5.1(b) and (c), and if such Force Majeure Event continues even after a maximum period of nine (9) months from the date of the Force Majeure Notice, termination of this Agreement shall be caused mutually between SPD & SECI solely at the discretion of SECI , as per the provisions of Article 13.5.	We request that the agreement termination due to continued Force Majeure beyond 9 months should be a based on mutual discussion.	Tender conditions remain unchanged.
15	RfS	28	The Bidder shall submit the response to RfS which shall remain valid up to the date as on 12 months from the last date of submission of response to RfS ("Bid Validity"). SECI reserves the right to reject any response to RfS which does not meet the aforementioned validity requirement. It is clarified that subsequent to issuance of LoAs, the discovered tariffs shall be deemed to be valid until the signing of PPA, pursuant to Clause 42.4 of the RfS	The Bidder shall submit the response to RfS which shall remain valid up to the date as on 6 months from the last date of submission of response to RfS ("Bid Validity"). SECI reserves the right to reject any response to RfS which does not meet the aforementioned validity requirement. It is clarified that subsequent to issuance of LoAs, the discovered tariffs shall be deemed to be valid until the signing of PPA, pursuant to Clause 42.4 of the RfS	It has been noticed that there are inordinate delays in PPA signing. In today's dynamic environment where site availability, evacuation connectivity availability is very uncertain it becomes difficult for the Bidder to offer the power at same tariff discovered during e-RA beyond 6-7 months of the auction. Also, the FDRE guidelines provides timeline of only 3 months for PPA signing. Therefore, to ensure that all signed PPAs/ Project do get commissioned, we request to keep Bid validity of only 6 months.	Tender conditions remain unchanged.
16	RfS	42.4	In case of delay in signing of PPA by SECI beyond the date as on 12 months subsequent to issuance of LoAs, or any further date as mutually decided by the Successful Bidder and SECI, the Successful Bidder may choose to exit from this tender. Accordingly, the LoA issued to the respective Bidder shall stand cancelled, and the EMD submitted by such Bidder shall be returned by SECI. In case of extension of the above PPA signing date by mutual agreement, the minimum extension in the signing date shall be 3 months subsequent to the above deadline.	In case of delay in signing of PPA by SECI beyond the date as on 6 months subsequent to issuance of LoAs, or any further date as mutually decided by the Successful Bidder and SECI, the Successful Bidder may choose to exit from this tender. Accordingly, the LoA issued to the respective Bidder shall stand cancelled, and the EMD submitted by such Bidder shall be returned by SECI. In case of extension of the above PPA signing date by mutual agreement, the minimum extension in the signing date shall be 3 months subsequent to the above deadline.		Tender conditions remain unchanged.
17	PPA	4.4.1	<i>The CUF declared by the SPD is _____ (insert the amount as per SECI's LoA). The SPD will be allowed to revise the CUF of the Project once within first year after the date of commencement of power supply from full Project Capacity. In case of revision in CUF, the revised CUF shall, in no case, be lower than the originally committed value</i>	<i>The CUF declared by the SPD is _____ (insert the amount as per SECI's LoA). The SPD will be allowed to revise the CUF of the Project once within first year after the date of commencement of power supply from full Project Capacity. In case of revision in CUF, the revised CUF shall, in no case, be lower than the 85% of originally committed value</i>	As the actual performance can only be realised/understood after certain time from the commissioning, SPD should be allowed to revise the CUF on both the sides from originally committed value within one year after the commencement of the power. Original clause restricts the right of SPD to revise CUF on down side.	Tender conditions remain unchanged.
18	PPA	10.5.2	<i>"If the SECI disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, it shall pay undisputed amount or 50% of the invoice amount, whichever is higher....."</i>	Proposed Modified Provision as below: <i>"If the SECI disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, it shall pay 85% disputed amount and 100% of undisputed amount of the invoice"</i>	Request to accept proposed modification with the view to maintain the required liquidity and working cashflow at developer's end.	Tender conditions remain unchanged.
19	PPA	1.1	"Solar Power Project" or "Power Project" or "Project" shall mean the Solar Power Generation facility of Contracted Capacity of __.	clarification required	Is Project Capacity, Contracted Capacity and Solar PV plant generation capacity all same?	Yes.

20	RfS	3.4	"ESS of atleast 0.5MW/1MWh capacity for 1MW Project capacity shall mandatorily be installed as part of the Project."	clarification required	Please clarify if we bid for 'Project Capacity' of 100MW, will we need to supply 100MW for 2 hours or 50MW for 2 hours, as according to this clause we can install minimum of 50MW/100MWh ESS.	The clause is self explanatory.
21	RfS	6.1	"The Projects shall be located at the locations chosen by the Bidder/SPD at its own discretion of and cost, risk and responsibility.."	clarification required	Can a 100MW project be split into two parts of 50MW, each part consisting Solar plant+ESS. Will it be considered as a single project? We kindly request it to be treated as one single project	Yes.
22	RfS	7.8	Reactive power charges and charges against power drawn from grid as per CERC/SERC regulations, shall be payable by SPD as per provisions of PPA. Metering arrangement for the Project shall have to be adhered to in line with relevant provisions of the PPA	clarification required	How much would be the mposed Penalties due to reactive power?	The penalties will be governed by applicable extant regulations.
23	RfS	3.4	3.4 ESS of at least 0.5 MW/1 MWh capacity for 1 MW Project Capacity shall mandatorily be installed as part of the Project. It is clarified that ESS charged using a source other than solar power would not qualify as solar power. For avoidance of any doubt, it is hereby clarified that ESS may be owned by the SPD or may be tied-up separately with a third party by the SPD, for supply of power. The ESS technology can be changed by the SPD at any time during the Term of the PPA. Any change in the ESS component during the term of the PPA shall be at the risk and cost of SPD and under intimation to SECI.		1. With the current format of this clause, we understand that the tender allows any storage technology like BESS/PSP can be employed by the developer. Pls confirm if the said understanding is correct. 2. We would also like to understand from SECI is there any availability requirements defined for the required ESS, if yes, pls provide the same.	1. Yes. 2. Please refer performance criteria as per the RfS.
24	RfS	8.1	The Buying Entity shall intimate the hours (which shall be 2 hours during a day) during which it intends to draw the energy from the ESS on day-ahead basis. The SPD shall maintain the ESS capacity such that the same is able to discharge the power as desired by Buying Entity.		We request SECI team to kindly confirm on the following - 1. Does ESS need support any ancillary functionalities other than supplying the power to demand? 2. As demand will informed day ahead basis, how to ensure that a demand from night and consecutive next day early morning demand will not arise? We also suggest SECI to kindly define broadly the possible time slots wherein the BESS discharge could be scheduled as this would help to optimize the BESS/Solar sizing, else developer would have to considerably raise the Solar capacities considering the worst case scenarios. Also, explaining this demand profile will help us to define the ESS capacity as ESS need to be charged only through solar power according to 3.4	1. No ancillary functionalities are envisaged by the ESS. 2. The peak hours will be chosen only between the time range as per the RfS. Requisition pertaining to hours outside the stipulated time range will not be allowed, and the SPD may choose to reject such requisition.
25	RfS	20.2	The PPAs shall be valid for a period of 25 years from the SCSD		As per the tender conditions, the PPA period shall be 25 years. We have an observation to make with regards to the BESS component that usually comes with a design life of 20 years. This further indicates that the BESS component would need to be replaced entirely during the course of 25 years of Operations. We would like to request SECI to consider intial 12 years for the BESS operations (most of the BESS tenders floated recently, including those of SECI, have been designed with considering BESS life of 12 years) as this would help to optimize the overall	Tender conditions remain unchanged.

					Tariff & chances to find off take would be better. Post the duration of 12 years, SECI & developer may mutually discuss to increase the BESS operations timeperiod.
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Note: All the queries received from various prospective bidders have been scrutinized and have been tried to be answered comprehensively. In case of any query not published here and is not covered under the Amendments issued to the RfS, it shall be construed in such cases, tender conditions shall prevail.