

SOLAR ENERGY CORPORATION OF INDIA LIMITED						
New Delhi						
No. SECI/C&P/MI/00/0006/2024-25/Clarification-01					Dated: 03-10-2024	
Clarification-01 to RfS for Setting up Production Facilities for Green Hydrogen in India under SIGHT Scheme (Mode-1-Tranche-II) (RfS No. SECI/C&P/MI/00/0006/2024-25)						
S. No.	Documents	Clause No.	Existing Clause	Proposed Modifications	Rationale/Remarks	SECI's response
1	RfS	9.1	The Green Hydrogen Production Facilities to be set up under this RfS shall be allowed 36 months from the date of issuance of Letter of Award (LoA) for commissioning of full Production Capacity which shall be referred to as Scheduled Commissioning Date (SCD) of the Project.	The Green Hydrogen Production Facilities to be set up under this RfS shall be allowed 48 months from the date of issuance of Letter of Award (LoA) for commissioning of full Production Capacity which shall be referred to as Scheduled Commissioning Date (SCD) of the Project.	The proposed timeline is more suited to the scope of the project.	Tender conditions remain unchanged.
2	RfS	11.1	The Production Facilities awarded under this RfS will be eligible for getting direct incentive by SECI in Rs./kg of Green Hydrogen (GH2) production on annual basis for a period of 3 years from the SCD	The Production Facilities awarded under this RfS will be eligible for getting direct incentive by SECI in Rs./kg of Green Hydrogen (GH2) production on quarterly basis for a period of 3 years from the SCD	Quarterly disbursement would ensure a healthy cash flow for the GHP	Tender conditions remain unchanged.
3	RfS	34.2	In cases where the end-product is a derivative of Green Hydrogen such as Green Ammonia, the incentive would be made available based on the amount of Green Hydrogen (in kg) utilized to produce the given amount of the derivative.	In cases where the end-product is a derivative of Green Hydrogen such as Green Ammonia, the incentive would be made available based on the amount of Green Hydrogen (in kg) produced.	Although, end-product is a derivative of Green Hydrogen such as Green Ammonia, production of green hydrogen only should be taken in consideration for incentive purpose. Bidder shall install a flowmeter at Hydrogen production unit outlet to calculate/measure the Hydrogen production.	Tender conditions remain unchanged.
4	RfS	5.4	Further, in case, at any stage after the award/ allocation of GH2 production capacity to the Bidder under this tender it is found that the Bidder has been awarded/allocated GH2 production capacity more than 2,25,000 MT/annum, SECI shall terminate the additional capacity awarded under this tender, such that the total awarded capacity awarded to the bidder, including its Affiliates/Parent/Ultimate Parent/Group Company(ies) under Component-II of the SIGHT Scheme is not more than 2,25,000 MT/annum, and the equivalent amount of PBG shall be encashed by SECI commensurate to the additional undeclared capacity.	<u>Request Modification:</u> Further, in case, at any stage after the award/ allocation of GH2 production capacity to the Bidder under this tender it is found that the Bidder has been awarded/allocated GH2 production capacity more than 2,25,000 MT/annum, SECI shall terminate the additional capacity awarded under this tender, such that the total awarded capacity awarded to the bidder, including its Affiliates/Parent/Ultimate Parent/Group Company(ies) under Component-II of the SIGHT Scheme is not more than 2,25,000 MT/annum, and the equivalent amount of PBG shall be encashed by SECI commensurate to the additional undeclared capacity.	While the additional capacity is terminated from tranche-II, PBG should not be encashed as the bidder/GHP would not be aware whether it will win the capacities under other modes and tranches through SIGHT scheme during bid submission under tranche-II.	Tender conditions remain unchanged.
5	RfS	-	-	We request necessary provisions/guidelines to prioritise RE connectivity from CTU/STU to those GHP who are issued LoA under the Mode-1 Tranche-II SIGHT scheme.	Bidder requests GHP's own RE plant to be treated at par with the RE producer.	This query is beyond the scope of the tender.
6	RfS	Others	Not Defined	Bidder Disqualification: Bidders failing to execute projects should be barred or blacklisted from participating in subsequent bidding rounds for a predetermined period (e.g. 5-year period)	The current penalty structure for non-execution of green hydrogen projects primarily relying on a BG. This low penalty might encourage some bidders to submit bids with minimal intention of project completion on time	Tender conditions remains unchanged.
7	RfS	30.1	The Net Worth of the Bidder, as on the last date of previous Financial Year, i.e. FY 2023-24 should be equal to or greater than the values as given in the table below:	The Net Worth of the Bidder, as on the day at least 7 days prior to the bid submission deadline , should be equal to or greater than the values as given in the table below:	As the Green Hydrogen and its derivatives sector is evolving rapidly, many partnerships/JVs and equity infusion activities are currently underway. The modified Financial Eligibility Criteria will allow those credible entities that were formed in the current financial year to participate in this process ensuring better quantity and quality of bids. This will also encourage more bonafide players to enter the sector, thus leading to better adoption of Green Hydrogen ecosystem.	Tender conditions remains unchanged.
8	RfS	5.5	Multiple bids from same company including its Parent/ Ultimate Parent/Affiliates/Group Companies shall make all the bids submitted by the group invalid. In case of a Joint Venture Company/ Consortium, a partner/ company will be allowed to tie up the production capacity (of any stage) with another partner/company for one bid only.	Multiple bids, <u>exceeding the maximum bid capacity under any bucket (e.g., 90,000 MTPA in Bucket-I)</u> , from same company including its Parent/ Ultimate Parent/Affiliates/Group Companies shall make all the bids submitted by the group invalid. In case of a Joint Venture Company/ Consortium, a partner/ company will be allowed to tie up the production capacity (of any stage) with another partner/company for one bid only.	Bidder should be allowed to bid from multiple entities provided they don't exceed the maximum bid capacity under any Bucket. (For e.g., 90,000 MTPA in Bucket -I). The rationale for the above is explained through the below illustration where a single bid will not suffice as the separate companies have already been incorporated. Bidding under Bucket-I (90,000 MTPA) Company A: Holding Company Company B: Ammonia production company Company C: Other Hydrogen derivative company Company B bids for 60,000Mt H2 production capacity, and Company C bids for 30,000Mt H2 production capacity. Cumulative bid from the same promoter group: 60,000 + 30,000 = 90,000 Mt. It is to be noted that Company B and C are not SPVs of Company A but 2 independent companies under Company A. Multiple entities can specialise in different Green Hydrogen derivatives. A producer should be encouraged, rather than penalised or prevented from seeking incentives, for expediting NGHM objectives by developing different Green Hydrogen ecosystems in the country	Tender conditions remains unchanged.

9	RfS	5.1			<p>What is the rationale behind the minimum bid capacity of 10,000 MT (XX Nm3/hr) for bucket 1?</p> <p>Request SECI to lower it to $\leq 2,500$ MT (XX Nm3/hr) to reduce the risk for green hydrogen producers, given no offtake guarantee is provided in the RfS. This will also facilitate small and medium size business to participate and captive green hydrogen plants to be developed within the premises of steel/refineries/fertilizers/pharma/glass etc companies</p>	<p>The minimum bid capacity value is as per the Guidelines issued by MNRE dated 03.07.2024 for Mode-1 Tranche-II tender.</p> <p>Tender conditions remain unchanged.</p>
10	RfS				Kindly confirm if there is any minimum capacity requirement for the first instalment in case of partial commissioning of the project.	Kindly refer to Clause 9.4.a (Part Commissioning) of the RfS. The clause is self-explanatory.
11	RfS				If grey power from the grid is utilized at any given Time of Day (ToD) to operate electrolyzers, etc., will the project still be eligible to receive incentives for production during other times when green power is used to operate the plant?	The eligibility for the incentive will be subject to fulfillment of tender conditions and the definition of GH2 specified in the Green Hydrogen Standard issued by MNRE.
12	RfS	14.1	...The Bank Guarantees towards EMD have to be issued in the name of the Bidding Company/ Lead Member of Bidding Consortium/JV".....	...The Bank Guarantees towards EMD have to be issued in the name of the Bidding Company/ any Member of Bidding Consortium/JV " or those Affiliates/shareholders of the Bidder(s) that undertake to contribute the required equity funding and PBG/POI in case the Bidder(s) fail to do so in accordance with the RfS.....	This change would allow the SPV/Consortium specifically formed for the Project to furnish the BG towards EMD without locking their funds unnecessarily, while ensuring that SECI has the required EMD towards participation in the bid process from the Bidder.	The Clause has been suitably amendment. Kindly refer amendment.
13	RfS	11.1	The Production Facilities awarded under this RfS will be eligible for getting direct incentive by SECI in Rs. /kg of Green Hydrogen production on annual basis for a period of 3 years from the date of commencement of Green Hydrogen production (CoD).	Will the incentive payout disbursed be taxable under The Income Tax Act (1961)? It is requested that incentives in form of subsidy shall be net of taxes and any tax liability arising on account of subsidy shall not be to the account of developer. Request to consider it appropriately	It may be appreciated that incentives offered globally are much higher compared to Indian Govt., therefore, cost of production of green fuel in India is relatively higher. It is requested that incentives in form of subsidy shall be net of taxes and any tax liability arising on account of subsidy shall not be to the account of developer. Request to consider it appropriately	Kindly refer to Clause 11.4 of the RfS document.
14	RfS	9.4	Part Commissioning of the plant is allowed, however, the GHP shall be allowed to commission the Project in a maximum of 3 instalments, with each part capacity to be chosen at its own discretion.	It is being submitted that incentives for 3 years shall be provided from COD for each unit commissioned separately.	<p>A Producer developing 2-3 Projects under the awarded capacity should be allowed part commissioning (i.e. separate commissioning for each project at different time period) with incentive payout for each project linked with respective plant COD.</p> <p>Having single project for 90 KTPA would be very capital intensive while in case of staggered commissioning, GHP would be risking loss of subsidy. The proposed mechanism is not incompatible with SIGHT guidelines and would promote rapid development of Green Hydrogen/derivative capacities.</p>	Tender conditions remains unchanged.
15	RfS	11.2	Incentive payout in a given year = [(Incentive quoted for that year in Rs./kg) x (Allocated capacity or Actual Production in the year, in kg., whichever is lower)]	Please clarify that the "year" referred in this clause 11.2 means same as "Incentive Year" i.e. year starting from COD + 1 day.		Yes. Kindly refer Clause 11.1 of the RfS document for the start date of incentive disbursement.
16	RfS	14, 15 & 16	General	Would EMD, PBG, Success Fees payable to SECI attract GST?		EMD and PBG are to be submitted in form of Bank Guarantee and the same will not attract GST. However, the Success fees to be paid by the Bidder with the applicable GST.
17	RfS	14.1	EMD @ Rs. 2500 per MT	The EMD requirement need to be reduced as PBG @ INR 500 per MT	A bidder who wishes to bid for 90 KT would have to arrange a BG of INR 22.5 Crores which is very high. Domestic Green Hydrogen/ Ammonia Industry is in nascent stage which require Govt. support. As the purpose of EMD is to ensure commitment and seriousness of the bidder, therefore, it is suggested that qualifying requirement in itself is stringent to ensure serious bidder participation. Therefore, it is requested that an EMD amount may be lowered to INR 500 per MT.	Tender conditions remain unchanged.
18	RfS	17.1	PBG @ Rs. 5000 per MT	The PBG requirement need to be reduced as PBG @ INR 1000 per MT	Such huge PBG requirement would ultimately increase the cost of production of ammonia. We propose that PBG @ INR 1000 per MT is sufficient enough for ensuring the Green Hydrogen Producers adhere to schedule and other performance requirements.	Tender conditions remain unchanged.
19	RfS	35.1	For each bucket, the bidder quoting the Least Average Incentive shall be first allocated its admissible bid capacity.	Under evaluation criteria, It is proposed that project maturity shall be the major criteria for award of project rather than lowest price	It may be appreciated that project execution period has been awarded as 36 Months which is typical requirement for execution of any such complex project. Govt. of India intend to facilitate those developers who are serious about investing in such complex projects. Therefore, it is submitted that project which are in advance stage shall be awarded full subsidy of 50 Rs/Kg, 40 Rs/Kg and 30 Rs/KG for 3 years and projects can be evaluation on criteria such as projects which has secured land, commenced FEED, progress of the FEED studies, Statutory clearance status, Green hydrogen certification etc.	Tender conditions remains unchanged.
20	RfS			Is the use of existing RE power sources for GH production facility acceptable?		Yes.
21	RfS			Is there any restriction on the nature of sale (domestic/ export), with respect to incentive disbursement?		No.
22	RfS	1.6		It is specified that producer of GH and its derivatives shall be eligible for carbon credits. However, the procurer of GH2/derivatives will also claim carbon credits for use of green hydrogen/derivative.	It may thus be clarified how the double counting would be avoided.	The clause is self-explanatory.

23	RfS	7	Construction Plan Monitoring	Construction plan to be setup for Green Hydrogen plant only or for its corresponding RE plant as well.		The construction plan of the Green Hydrogen Plant to be submitted by the Bidder. Further, the Bidder may also submit the additional information of the related construction plans to RE production plant.
24	RfS	9.4	Part Commissioning	The multiple production facilities are allowed, is there any restriction on quantity (KTPA) of part commissioning facility?		Please refer to Clause 6 (Project location) and 9.4.a (Part Commissioning) of the RfS document.
25	RfS	11.3	All other costs pertaining to the inspection procedure will be borne by the GHP.	Please clarify what are these other costs that will be borne by the GHP.		All the costs other than the travelling and lodging costs of officials from SECI/ its designated agencies.
26	RfS	15.1	In case of non-submission of PBG within the above deadline, the Bidder may choose to submit the PBG within additional 10 days, upon payment of extension fees @ Rs. 1000/MW/day + applicable GST within the deadline for submission of PBG (i.e. 15 days from the issuance of NoA).	SECI to correct the penalty clause based on MT of GA.		The Clause has been suitably amendment. Kindly refer amendment.
27	RfS	17	Force Majeure	FM clause shall be extended to RE plant supplying RE to GH/GA plant.		Tender conditions remain unchanged
28	RfS	19.2, 19.3 and 19.4	[relating to change in controlling shareholding of Bidding Company / SPV]	Please clarify whether transfer of shareholding between companies within the same group of companies is permitted.		The Clause is self-explanatory
29	RfS	21.5	Also, the confidential information/data pertaining to the Production Facility, including but not limited to production process, will not be shared by SECI to any third party without prior consent of the GHP, unless sought by the Government or required to be given under law.	Please clarify whether SECI will notify the GAP before any such disclosure of confidential information/data to the Government – and whether the GAP will have the right to seek appropriate court orders to limit the extent of disclosure sought by the Government (before SECI discloses the confidential information to the Government).		The Clause is self-explanatory
30	RfS	30.2	Net worth	If we are bidding from Indian GHP company (recently formed), will it be allowed to use the net worth of our principle company HQ abroad		Please refer to Clause 30.5 and 30.6 of the RfS document.