



Expression of Interest for Virtual Power Purchase Agreement (VPPA) Based Renewable Energy Procurement

Ref: SECI/C&P/EOI/17/0004/25-26 dated 17.04.2026

*(A 'NAVRATNA' Government of India Enterprise)
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DISCLAIMER

- I. Though adequate care has been taken while preparing this EoI document, the Participants shall satisfy themselves that the document is complete in all respect. Intimation regarding any discrepancy shall be given by the prospective participants to the office of SECI immediately. If no intimation is received from any participant within 20 (Twenty) days from the date of issuance of EoI documents, it shall be considered that the document is complete in all respect and has been received/ acknowledged by the participant(s).
- II. Solar Energy Corporation of India Ltd (SECI) reserves the right to modify, amend or supplement this document.
- III. The information contained in this Expression of Interest (EoI) document or subsequently provided to the participants, whether verbally or in documentary or any other form by or on behalf of SECI, is provided to participants on the terms and conditions set out in this EoI.
- IV. This EoI is not an agreement and is neither an offer nor an invitation by SECI to the prospective Participants or any other person. The purpose of this EoI is to provide interested parties with information that may be useful to them in the formulation of their EoI response pursuant to this EoI.
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Place: New Delhi

Date: 17.04.2026

EOI INFORMATION SHEET

The brief details of the EoI are as under:

(A)	NAME OF WORK/ BRIEF SCOPE OF WORK/ JOB	Assessment and Aggregation of Demand for VPPA-based Renewable Energy Procurement and Facilitation of Subsequent Competitive bidding processes for Strike Price Discovery
(B)	EoI No. & DATE	SECI/C&P/EOI/17/0004/25-26 dated 17.04.2026
(C)	DATE, TIME & VENUE OF PRE-EOI RESPONSE MEETING (As per the schedule of EoI on SECI website)
(D)	DEADLINE FOR SUBMISSION OF RESPONSE TO EoI (As per the schedule of EoI on SECI website)
(E)	EOI RESPONSE OPENING (As per the schedule of EoI on SECI website)
(F)	NAME, DESIGNATION, ADDRESS AND OTHER DETAILS (FOR REFERENCE)	Sh. Atulya Kumar Naik Executive Director (Contracts & Procurement) Solar Energy Corporation of India Limited 6 th Floor, Plate-B, NBCC Office Block Tower-2, East Kidwai Nagar, New Delhi - 110023 Email: <u>contracts@seci.co.in</u>
(G)	DETAILS OF PERSONS TO BE CONTACTED IN CASE OF ANY ASSISTANCE REQUIRED	1) Sh. Pratik Prasun DGM (C&P) Contact No.: 011-24666237 <u>pratikpr@seci.co.in</u> 2) Ms. Arya Sharma Sr. Engineer (C&P) Contact No.: 011-24666293 <u>arya.sharma@seci.co.in</u>

1. INTRODUCTION AND BACKGROUND

- 1.1. Solar Energy Corporation of India Limited (SECI), a Central Public Sector Undertaking under the Ministry of New and Renewable Energy (MNRE), Government of India, hereby invites Expression of Interest (EoI) from eligible and designated consumers for participation in proposed Virtual Power Purchase Agreement (VPPA) based renewable energy procurement.
- 1.2. India has committed to achieving 500 GW of installed renewable energy capacity by the year 2030 as part of its nationally determined contributions under global climate commitments. In furtherance of this objective, the Government of India, under the Energy Conservation Act, 2001, has notified Renewable Consumption Obligations (RCO) applicable to obligated entities, including designated consumers, distribution licensees, open access consumers, and captive users. The RCO trajectory mandates a progressive increase in the share of renewable energy consumption, thereby necessitating structured and scalable procurement mechanisms for renewable energy.
- 1.3. In addition to direct renewable energy procurement and Renewable Energy Certificate (REC) mechanisms, a buyout provision has also been specified, wherein non-compliance with RCO attracts financial liability. The buyout price, as determined by the Central Electricity Regulatory Commission (CERC), follows an escalating trajectory over the years, thereby increasing the financial exposure of obligated entities who fail to meet their renewable consumption requirements.

Financial Year	Buyout Price (₹/MWh)	Per Unit (₹/kWh)
FY 2024-25	347	0.347
FY 2025-26	347	0.347
FY 2026-27	364	0.364
FY 2027-28	382	0.382
FY 2028-29	401	0.401
FY 2029-30	421	0.421

- 1.4. The above trajectory indicates a progressively increasing financial exposure for non-compliance, thereby reinforcing the need for long-term renewable procurement strategies such as VPPAs.
- 1.5. In this regulatory and market context, Virtual Power Purchase Agreements (VPPAs) have emerged as a viable and innovative mechanism enabling consumers to secure renewable energy attributes through financial arrangements without necessitating physical delivery of power. Recognizing the importance of this emerging market construct, SECI proposes to act as a facilitation agency to enable structured development of VPPA transactions in India.

- 1.6. The proposed VPPA facilitation initiative represents a market-enabling intervention by SECI aimed at accelerating renewable energy adoption through financial innovation, while minimizing systemic risks and ensuring alignment with national energy transition objectives.

2. PURPOSE AND OBJECTIVE OF THE EOI

- 2.1 The present Expression of Interest is being issued with the primary objective of assessing the market readiness and demand for VPPA-based renewable energy procurement among eligible and designated consumers. The EoI is intended to serve as a structured instrument for collecting detailed information regarding procurement requirements, contractual preferences, and risk considerations of prospective participants.
- 2.2 Through this EoI, SECI seeks to undertake demand aggregation across a diverse set of consumers, including industrial, commercial, public sector entities and DISCOMs, thereby enabling the design of aggregated procurement frameworks. Such aggregation is expected to enhance the efficiency of subsequent competitive bidding processes, improve price discovery outcomes, and reduce transaction costs for all stakeholders.
- 2.3 Further, the information obtained through this EoI shall form the basis for designing subsequent VPPA tenders, including determination of procurement quantum, supply profiles (such as round-the-clock or peak-hour supply), contract duration, and payment security structures. The ultimate objective is to facilitate transparent and competitive discovery of VPPA strike prices through a standardized and institutionally supported framework.
- 2.4 It is clarified that this EoI is non-binding in nature and is intended solely for the purposes of market assessment, demand aggregation, and facilitation of future procurement processes.
- 2.5 It is hereby clarified that submission of demand or any information under this EoI shall not be construed as a firm procurement commitment by the participant. Any obligation for procurement of renewable energy under the VPPA framework shall arise only upon participation in subsequent tender processes and execution of definitive agreements between the contracting parties.

3. OVERVIEW OF VIRTUAL POWER PURCHASE AGREEMENT (VPPA)

- 3.1 A Virtual Power Purchase Agreement (VPPA) is a financial contract executed between a renewable energy generating station and a consumer, wherein the parties agree upon a pre-determined price, referred to as the “Strike Price,” for the notional supply of renewable energy. Unlike conventional power purchase agreements, a VPPA does not involve the physical delivery of electricity from the generator to the consumer.
- 3.2 Under this mechanism, the renewable energy generator sells physical electricity through power exchanges or other permissible market avenues under the Electricity Act, 2003 and the Central Electricity Regulatory Commission (Power Market Regulations), 2021, as amended from time to time. The consumer continues to procure its physical electricity

requirement independently through its own arrangements.

- 3.3 The VPPA operates as a Contract-for-Difference structure, wherein the difference between the market price at which electricity is sold and the agreed strike price is settled financially between the generator and the consumer. In addition to the financial settlement, the Renewable Energy Certificates (RECs) corresponding to the contracted capacity are transferred from the generator to the consumer. These RECs may be utilized by the consumer for compliance with RCO or other regulatory obligations. Upon redemption for the purpose of compliance, such RECs shall be deemed extinguished in accordance with the applicable regulatory framework and shall thereafter cease to be valid instruments for trading, transfer, or further use.
- 3.4 This structure enables the consumer to hedge against price volatility and secure renewable attributes, while allowing the generator to obtain revenue certainty and market access.
- 3.5 It is envisaged that VPPA procurement structures developed pursuant to this EoI may prioritize supply during evening peak hours, round-the-clock (RTC) supply, or other non-solar time blocks, in alignment with prevailing grid demand patterns and market price behavior. Such structuring is expected to reduce settlement volatility and enhance commercial viability for both generators and consumers.

4. REGULATORY FRAMEWORK GOVERNING VPPA

- 4.1 Virtual Power Purchase Agreements (VPPAs) in India are governed under the provisions of the Electricity Act, 2003, read with the Central Electricity Regulatory Commission (CERC) Power Market Regulations, 2021.
- 4.2 The Central Electricity Regulatory Commission (CERC), vide its Guidelines issued on 24th December 2025 under Regulation 54(3), has formally recognized VPPAs as permissible bilateral contractual arrangements between a Renewable Energy Generating Station (REGS) and a consumer or designated consumer.
- 4.3 As per the regulatory framework, VPPAs are Over-The-Counter (OTC), non-transferable and non-tradable contracts, to be executed directly between the generator and the consumer, with a minimum contract duration of one (1) year.
- 4.4 The renewable energy generator is required to sell physical electricity through power exchanges or other permitted market mechanisms, in accordance with applicable regulations, independent of the VPPA arrangement.
- 4.5 Renewable Energy Certificates (RECs) corresponding to the contracted VPPA capacity shall be issued in accordance with applicable regulations and transferred to the consumer, enabling compliance with Renewable Consumption Obligations (RCO), where applicable.
- 4.6 The VPPA framework operates within the broader policy context of increasing Renewable Consumption Obligations (RCO) and associated compliance mechanisms, including REC purchase and buyout provisions, as notified by the Government of India

and the CERC.

- 4.7 In line with the above regulatory structure, SECI's role under this EoI is limited to facilitation of demand aggregation and competitive processes, without assuming any contractual, financial, or settlement obligations under the VPPA.

5. ROLE OF SECI AS FACILITATION AGENCY

- 5.1 SECI proposes to act as a national-level facilitation agency for VPPA transactions, providing institutional support for the development and execution of such agreements. The role of SECI shall be limited to facilitation and shall not extend to participation as a contractual counterparty in any VPPA arrangement.
- 5.2 In this capacity, SECI shall undertake demand aggregation through the present EoI process, followed by the design and structuring of VPPA tenders based on aggregated demand. SECI shall also develop standardized VPPA agreement templates in alignment with applicable regulatory provisions, thereby ensuring uniformity, transparency, and legal robustness across transactions.
- 5.3 Subsequently, SECI shall conduct competitive bidding process for discovery of strike prices, wherein renewable energy generators shall participate by quoting their respective strike prices. Upon conclusion of the Competitive bidding process, SECI shall facilitate the execution of bilateral VPPA agreements between selected generators and designated consumers.
- 5.4 It is expressly clarified that SECI shall not assume any financial liability, shall not undertake settlement obligations, shall not trade electricity or renewable attributes, and shall not be a signatory to the VPPA contracts. The contractual relationship shall exist solely between the generator and the consumer.

6. ELIGIBILITY FOR PARTICIPATION

- 6.1 This EoI is open to a broad category of entities that are either obligated under the RCO framework or have a voluntary interest in procuring renewable energy attributes through VPPA arrangements. Eligible entities include, but are not limited to, open access consumers, captive users, large commercial and industrial establishments, public sector undertakings, data centres, and other power-intensive consumers.
- 6.2 Following categories of entities shall be eligible as Participant under this EoI:
 - a. Companies registered under the Companies Act, 2013
 - b. Limited Liability Partnerships
 - c. Government-owned Enterprises incorporated in India
- 6.3 In case of registered Companies, the copies of Certificate of Incorporation (CoI), Article of Association (AoA), and Memorandum of Association (MoA) shall be provided along with the response documents.
- 6.4 Participation by Consortium/ JV are not allowed for participation under this EoI.

- 6.5 The participant must not be debarred, blacklisted, or banned by any Central or State Government agency, Public Sector Undertaking (PSU), or any Regulatory Commission (CERC/SERC) as on the last date of submission of response to this EoI.

7. DETAILED INFORMATION TO BE SUBMITTED BY PARTICIPANTS

- 7.1 Interested entities are required to submit relevant information to enable SECI to assess demand and appropriately structure subsequent VPPA procurement mechanisms. The information sought through this EoI is indicative in nature and intended to capture both the quantum and broad preferences of prospective participants.
- 7.2 Participants shall provide organizational details, including legal identity, nature of operations, and contact details of the authorized representative, in accordance with Format-II of this EoI.
- 7.3 Participants are required to indicate their tentative demand for VPPA-based procurement, including proposed contracted capacity (in MW), indicative minimum and maximum capacity range, preferred commencement period, and indicative contract duration. The information provided at this stage is non-binding and may be revised at the time of participation in subsequent tender processes.
- 7.4 In addition to the above, participants may indicate their preferred supply profile, including broad preferences such as round-the-clock supply, peak-hour supply, or any specific time blocks (e.g., evening peak). Such inputs are intended to facilitate appropriate structuring of supply configurations in subsequent stages.
- 7.5 Participants are encouraged to indicate their broad commercial preferences, including willingness for long-term engagement, indicative payment security mechanisms (such as Letter of Credit, Bank Guarantee, corporate guarantees, etc.), and general risk considerations with respect to market price fluctuations. Detailed commercial terms and requirements shall be specified at the stage of issuance of subsequent tender documents.
- 7.6 Participants may also provide relevant regulatory information, including applicability of Renewable Consumption Obligations (RCO), status of compliance (if applicable), and current mode(s) of renewable energy procurement, such as open access, REC purchase, or other mechanisms, if available.
- 7.7 A declaration confirming the correctness of the information furnished and acknowledgment of the non-binding nature of this EoI shall be submitted as part of the response, as per the prescribed format.
- 7.8 All information shall be furnished in the formats prescribed under Format-III of this EoI document. Participants may also provide additional information, if any, that they consider relevant for the purpose of this EoI.
- 7.9 It is clarified that submission of information under this Clause does not constitute any binding commitment for procurement and is intended solely for demand assessment and market understanding purposes.

8. POST EOI ACTIVITIES

- 8.1 Based on the responses received under this EoI, SECI may, at its discretion, initiate a competitive bidding process for VPPA procurement.
- 8.2 Based on the aggregated demand and market feedback, SECI may design and issue subsequent tender documents (RfS) for procurement of renewable energy under the VPPA framework, including detailed terms and conditions, eligibility criteria, and contractual provisions. Prior to issuance of tender and pursuant to clause 8.4 below, SECI shall intimate the buyer(s) about the tendering process and seek confirmation from them on the above.
- 8.3 The tender process shall involve competitive bidding for discovery of strike price; wherein renewable energy generators shall participate.
- 8.4 A non-refundable Procurement Capacity Fee of INR 2,500/MW + applicable taxes shall be levied on the respective buyers on whose behalf SECI undertakes the tendering process. The fee shall be payable by the designated consumers to SECI in advance, at least seven (7) days prior to the issuance of the corresponding tender.
- 8.5 Participation in this EoI shall not automatically entitle any participant to participate in subsequent tender processes, which shall be governed by separate eligibility criteria and qualification requirements.
- 8.6 SECI reserves the right to modify, defer, or cancel the proposed tendering process without any obligation or liability to any of the parties concerned.

9. DISCLAIMER AND GENERAL CONDITIONS

- 9.1 This Expression of Interest is issued for the limited purpose of market assessment and demand aggregation. Participation in this EoI does not create any legal obligation on SECI to proceed with subsequent tendering processes, nor does it confer any right upon participants to claim participation in future procurement activities.
- 9.2 SECI reserves the right to accept or reject any or all EoI responses without assigning any reason. SECI may also modify, amend, or withdraw this EoI at any stage without prior notice. The information provided by participants shall be treated as confidential and used solely for the purposes of demand assessment and procurement planning.
- 9.3 SECI reserves the right to utilize aggregated and anonymized information derived from EoI responses for the purposes of market analysis, policy inputs, and design of future procurement frameworks. However, entity-specific information shall be treated as confidential and shall not be disclosed without prior consent of the participant.

10. VALIDITY OF OFFER

The Expression of Interest and the offers, if any, submitted by the Participant shall remain valid and open for acceptance for a period of six (6) months calculated from the last date of submission of response as stipulated in this EoI document.

11. SUBMISSION PROCEDURE

11.1 Interested entities shall submit their Expression of Interest in the prescribed formats (Format-I, Format-II and Format-III) along with all supporting documents as specified in this EoI. The submission shall be in a Single Part EoI response.

11.2 The EoI response shall include, but not be limited to, the following documents:

- i. Memorandum of Association (MoA) and Articles of Association (AoA) of the Participant (if applicable).
- ii. Certificate of Incorporation/Registration of the Participant.
- iii. Certified copies of annual audited financial statements for the last three financial years, i.e., FY 2022-23, 2023-24, and 2024-25, or provisional accounts duly certified by a practicing Chartered Accountant (as applicable), including Balance Sheet, Profit & Loss Account, Schedules, and Cash Flow Statement.
- iv. Power of Attorney (PoA) in favour of the authorized signatory submitting the EoI response.
- v. Duly filled and signed Format-I (Covering Letter).
- vi. Duly filled and signed Format-II (Financial Details).
- vii. Duly filled and signed Format-III (Demand and Commercial Preferences).
- viii. Any other relevant supporting documents deemed necessary by the Participant.

11.3 No fee is required to be submitted at the stage of this EoI.

11.4 Incomplete submissions or submissions not in line with the requirements of this EoI may be liable for rejection.

12. SUBMISSION DETAILS

12.1 The EoI response shall be submitted online via email only.

12.2 The complete EoI response, along with all supporting documents, shall be sent in a single email (or multiple emails, if required due to file size limitations) to the following email addresses as mentioned in the EoI Information Sheet.

- i. Sh. Pratik Prasun, DGM (C&P)
Contact No.: 011-24666237
pratikpr@seci.co.in
- ii. Ms. Arya Sharma, Sr. Engineer (C&P)
Contact No.: 011-24666293
arya.sharma@seci.co.in

12.3 The subject line of the email shall clearly mention:
“EoI for VPPA-Based Renewable Energy Procurement”

12.4 No physical/offline submission of documents shall be accepted.

12.5 The responsibility of ensuring timely submission of the EoI response lies with the Participant. SECI shall not be responsible for any delay in receipt of email or submission due to technical or connectivity issues.

COVERING LETTER

(To be submitted on the Letterhead of the Participant)

Ref No.....

Date:

From: _____ (Insert name and address of Participant)

Tel.#: _____

E-mail address#: _____

To,
Solar Energy Corporation of India Limited
6th Floor, Plate-B, NBCC Office Block Tower-2,
East Kidwai Nagar, New Delhi - 110 023

Sub: Expression of Interest for Virtual Power Purchase Agreement (VPPA) Based Renewable Energy Procurement under EoI No..... dated.....

Dear Sir/Madam,

1. We, the undersigned, having read and examined in detail the EoI document, hereby submit our Expression of Interest for participation as a procurer under the VPPA-based renewable energy procurement framework facilitated by SECI.
2. We confirm that we meet the Eligibility Criteria as outlined in clause 6 of the EoI.
3. We confirm our intent to procure renewable energy attributes through the VPPA framework.
- 4. Acceptance: -**

We hereby unconditionally and irrevocably agree and accept that the decision made by SECI in respect of any matter regarding or arising out of the EoI shall be binding on us.

5. Familiarity with Relevant Indian Laws & Regulations: -

We confirm that we have studied the provisions of the relevant Indian Laws and Regulations as required to enable us to submit this response to EoI.

6. We enclose herewith the details as per the formats required.
7. We confirm that all the terms and conditions of our EoI response are valid for a period up to the date as on 6 months from the last date of submission of response to EoI.

8. Contact Person

Details of the representative to be contacted by SECI are furnished as below:

Name :

Designation :

Company :

Address :
Phone Nos. :
Mobile Nos. :
E-mail address :

9. We have neither made any statement nor provided any information in this EoI response, which to the best of our knowledge is materially inaccurate or misleading. Further, all the confirmations, declarations and representations made in our EoI response are true and accurate.

Thanking you,

We remain,

Yours sincerely,

(Name, Designation, Seal and Signature of Authorized Person)

FINANCIAL DETAILS*(To be submitted on the Letterhead of the Chartered Accountant)***1. Average Annual Turnover of Last Three Financial Years**

S. No.	Financial Year	Turnover (INR in Crore)	Remarks
i.	2022-23		
ii.	2023-24		
iii.	2024-25		
Total			
Average Annual Turnover			

2. Net Worth of Last Financial Year

S. No.	Financial Year	Turnover (INR in Crore)	Remarks
i.	2024-25		

3. Long Term Rating of the Entity as issued by CRISIL/ICRA/CARE or other similar agencies (if applicable)

S. No.	Financial Year	Rating (For eg. AAA, AA+, B, etc.)	Remarks
i.	2024-25		
ii.	2023-24		
iii.	2022-23		

4. Declaration

We hereby declare that the information provided above is true and correct to the best of our knowledge. We understand that this Expression of Interest is non-binding in nature and is intended solely for demand assessment purposes. We further acknowledge that participation in this EoI does not guarantee participation in any subsequent tender or procurement process.

In addition to the above, the participant shall submit copies of audited balance sheet(s) for last 3 Financial Years ending on 31st March 2025.

Date:

Stamp and Signature of Chartered Accountant

Stamp and Signature of Participant

UDIN:

DEMAND AND COMMERCIAL PREFERENCES*(To be submitted on the Letterhead of the Participant)***1. Organization Details**

S. No.	Parameter	Details
i.	Name of Organization	
ii.	Type of Entity	
iii.	Registered Address	
iv.	Contact Person	
v.	Designation	
vi.	Email	
vii.	Phone	

2. Demand Details

(The following information is sought to enable accurate demand aggregation, load profiling, and structuring of suitable VPPA procurement frameworks. Participants are encouraged to provide realistic and representative data based on current and projected consumption patterns.)

S. No.	Parameter	Details
i.	Proposed Aggregated Contracted Capacity (MW)	<i>(Total capacity intended to be procured under VPPA framework)</i>
ii.	Minimum Aggregated Capacity (MW)	<i>(Lower bound of procurement requirement, if flexibility exists)</i>
iii.	Maximum Aggregated Capacity (MW)	<i>(Upper bound of procurement requirement, if flexibility exists)</i>
iv.	Preferred Start Date	<i>(Expected commencement date for VPPA arrangement)</i>
v.	Contract Duration (Years)	<i>(Preferred tenure of VPPA contract)</i>
vi.	No. of hours of supply on a daily basis (hrs)	<i>(Average daily requirement of contracted supply)</i>
vii.	Estimated Annual Energy Requirement (MU)	<i>(Energy corresponding to proposed contracted capacity)</i>
viii.	Preferred Supply Geography (if any)	<i>(Preference for location/region of generation, if relevant)</i>
ix.	Flexibility in Contracted Capacity (%)	<i>(Permissible variation in contracted capacity)</i>

S. No.	Parameter	Details
x.	Average Consumption - Last 3 Years (MU)	<i>(Year-wise or average consumption data)</i>
xi.	Peak Demand - Last 3 Years (MW)	<i>(Maximum demand recorded during each year)</i>
xii.	Projected Consumption - Next 3 Years (MU)	<i>(Expected growth trajectory of consumption)</i>

3. Supply Preferences

(Participants may allocate their requirements across different supply types. The total preferred capacity should broadly align with the proposed contracted capacity indicated above.)

Supply Type	Preferred Capacity (MW)	Preferred Time Block (if applicable)	Remarks
Round-the-Clock (RTC)		<i>NA</i>	
Evening Peak Supply		<i>(e.g., 18:00-23:00)</i>	
Duration of Supply		<i>(Specify hours)</i>	
Solar/Daytime Supply (Optional)		<i>(e.g., 09:00-17:00)</i>	
Any Other (Specify)			
Total	<i>(in MW)</i>		

Parameter	Details
Firm Supply Requirement (Yes/No)	<i>(Whether firm/assured supply is required)</i>
Flexibility in Supply Profile (if any)	<i>(Ability to accept variations in time blocks or supply structure)</i>

4. Commercial Preferences

Parameter	Details
Preferred Payment Security Mechanism	
% of gain/loss proposed to be shared with the CfD pool	
Preferred ceiling of Strike Price, if any (INR/kWh)	
Preferred bandwidth of the deviation from strike price ($\pm\%$) upto which the Procurer is willing to compensate/receive profit sharing.	

5. Regulatory Details

Parameter	Details
Applicability of RCO	Yes/No
Current RE Procurement Mode	

6. Declaration

We hereby declare that the information provided above is true and correct to the best of our knowledge. We understand that this Expression of Interest is non-binding in nature and is intended solely for demand assessment purposes. We further acknowledge that participation in this EoI does not guarantee participation in any subsequent tender or procurement process.

Note: *The information to be provided under this format shall be in accordance with the requirements specified under Clause 7 of this EoI document. Participants may provide additional details, wherever required, to adequately capture their procurement requirements and preferences.*

Authorized Signatory

Name:

Designation:

Date:

ANNEXURE-I: FREQUENTLY ASKED QUESTIONS (FAQS) ON VPPA

1. What is a Virtual Power Purchase Agreement (VPPA)?

A Virtual Power Purchase Agreement (VPPA) is a structured financial contract between a renewable energy generator and a consumer, wherein the parties agree upon a fixed price (referred to as the “Strike Price”) for a notional quantity of renewable energy.

Unlike conventional Power Purchase Agreements (PPAs), a VPPA does not involve physical delivery of electricity. Instead, it operates as a financial hedge mechanism coupled with transfer of renewable attributes.

Component	Description
Physical Electricity	Sold by generator in power markets (IEX/PXIL etc.)
Financial Settlement	Between generator and consumer
Renewable Attribute	Transferred via RECs

2. How does the financial settlement mechanism work?

The VPPA operates on a **Contract-for-Difference (CfD)** mechanism.

Illustration

Scenario	Market Price (₹/kWh)	Strike Price (₹/kWh)	Settlement	Net Outcome
Market > Strike	7.00	6.27	Generator pays ₹0.73 to consumer	Consumer gains
Market < Strike	5.80	6.27	Consumer pays ₹0.47 to generator	Generator protected

Interpretation

- Generator effectively realizes - Strike Price
- Consumer receives hedge + RECs

3. Does a VPPA involve physical delivery of electricity to the consumer?

No. Under a VPPA, there is no physical delivery of electricity to the consumer. The consumer continues to procure its electricity requirement through its existing arrangements. The VPPA only involves financial settlement and transfer of renewable attributes.

4. What is meant by Strike Price?

The Strike Price is the mutually agreed fixed price (₹/kWh) under the VPPA. It serves as the reference price for financial settlement. If the market price at which the generator sells electricity is higher than the strike price, the generator pays the difference to the consumer. Conversely, if the market price is lower than the strike price, the consumer pays the difference to the generator.

5. How does a VPPA help in meeting Renewable Consumption Obligations (RCO)?

Under the VPPA framework, Renewable Energy Certificates (RECs) corresponding to the contracted capacity are transferred to the consumer. These RECs can be used by the consumer for compliance with RCO or other applicable renewable purchase obligations.

6. Who are the parties to a VPPA contract?

The VPPA is a bilateral contract executed directly between the renewable energy generator and the consumer. SECI is not a party to the contract and does not assume any contractual obligations.

7. What role does SECI play?

SECI acts strictly as a facilitation agency.

Activity	Generator	Consumer	SECI
Contract Signing	✓	✓	✗
Financial Settlement	✓	✓	✗
Demand Aggregation	✗	✗	✓
Tendering	✗	✗	✓
Price Discovery	✗	✗	✓

8. What are the benefits of entering into a VPPA for consumers?

VPPA enables consumers to secure renewable attributes for compliance with RCO, hedge against volatility in REC prices and buyout costs, and support renewable energy capacity addition without altering their existing electricity procurement arrangements.

9. What are the benefits for renewable energy generators?

For generators, VPPAs provide revenue certainty through a fixed strike price, improve bankability of projects, and enable access to a diversified pool of consumers.

10. What is the typical duration of a VPPA?

The minimum duration of a VPPA, as per regulatory guidelines, is one year. However, longer durations (including multi-year or long-term contracts) may be structured depending on participant preferences and tender design.

11. Is participation in this EoI binding?

No. Participation in this EoI is non-binding and intended solely for demand assessment. However, participation in subsequent tender stages may involve binding commitments and payment obligations.

12. Will SECI guarantee the performance of generators or consumers?

No. SECI acts solely as a facilitator and does not provide any guarantee regarding performance, payment, or contractual obligations of either party.

13. Can small consumers participate in the VPPA process?

Yes. The demand aggregation approach adopted by SECI enables participation by both small and large consumers, thereby allowing smaller entities to benefit from aggregated procurement.

14. What happens after submission of EoI?

Based on the responses received, SECI will undertake demand aggregation and design a competitive tender process for VPPA strike price discovery. Interested participants may be invited to participate in subsequent tender stages in accordance with applicable terms and conditions.