



POWER COMPANY OF KARNATAKA LTD.

ಪವರ್ ಕಂಪನಿ ಆಫ್ ಕರ್ನಾಟಕ ಲಿಮಿಟೆಡ್

(Govt., of Karnataka undertaking)

In continuation to Notification No. PCKL/ 8/2007-08/7422 dated 04-10-2007, inviting bids for Establishing Minimum of 5 MW capacity and part thereof Generating power plants within Taluka levels in Karnataka State, the last date & time for submission of RFQ document is hereby extended upto **27th December 2007, 3 PM.**

However, PCKL will not entertain any further clarifications on this RFQ document. The issues clarified during the pre bid conference held on 13th November 2007 are final and forms a part of the RFQ document. The same shall be Supplemental to RFQ document and are as follows.

Amendments and clarifications to the queries raised during Pre Bid Conference on Request for Qualification (RfQ) for Tariff Based Bidding Process for Procurement of Power with Minimum of 5 MW and part thereof on Long-Term Basis by Establishing Power Stations at Taluka level

Clause No. and its description	As existing in the RFQ document	Amendment to RFQ document
Clearances, consents and permits:	The successful Bidder shall be responsible for ----- such sources as approved by the Ministry of Non Conventional energy sources, Government of India or Government of Karnataka with a latest applicable technology.	The successful Bidder shall be responsible for ----- such sources as approved by the Ministry of Non Conventional energy sources including coal and other fuels as approved by Government of India or Government of Karnataka with a latest applicable technology.
RFQ document	NCES fuel	NCES fuel or any other fuels as approved by GOI/GOK.
Purchase of power:	The term of the PPA shall be for entire <i>life span of the plant or twenty five (25) years whichever is lower.</i> There is a provision to sale power to third party with a consent letter from the Procurers.	The term of the PPA shall be for twenty five (25) years. There is a provision to sale power to third party with a consent letter from the Procurers subject to payment of applicable charges.

Clause No. and its description	As existing in the RFQ document	Amendment to RFQ document
Tariff:	Bidders shall quote the single part tariff for the capacity less than 25 MW and two part tariff for the capacity 25 MW and above as per the pre-specified structure, which will be mentioned in RfP.	Bidders shall quote two part tariff for the projects covered under Merit Order despatch irrespective of their capacity and single part tariff for the projects which are not under Merit Order Despatch as per the pre-specified structure, which will be mentioned in RfP.
1.2.4	-----minimum supply of 5 MW and part thereof at Taluka levels to the KPTCL / Distribution Line network for entire life span of the plant or twenty five (25) years whichever is lower.	-----minimum supply of 5 MW and part thereof at Taluka levels to the KPTCL / Distribution Line network for twenty five (25) years.
1.3 Defn. of Bidder	Shall mean the Bidding Company or Bidding Consortium -----	Shall mean the Bidding Company or Bidding Consortium or proprietor or partnership firm----
1.3 Defn of “Lead Procurer”	“Lead Procurer” shall mean the Procurer designated by the Procurers to undertake the purchase of power on their behalf.	Deleted.
1.3 Defn of “Lead Member of the Bidding Consortium”	“Lead Member of the Bidding Consortium” or “Lead Member”: There shall be only one Lead Member, who commits at least 26% equity stake in the Bidding Consortium, meets the technical requirement as per Clause 2.1.4 and cannot be changed till 5 years of the Commercial Operation Date (COD) of the Power Station.	“Lead Member of the Bidding Consortium” or “Lead Member”: There shall be only one Lead Member, who commits at least 26% equity stake in the Bidding Consortium, meets the financial requirement as per Clause 2.1.1 and cannot be changed till 5 years of the Commercial Operation Date (COD) of the Power Station.

Clause No. and its description	As existing in the RFQ document	Amendment to RFQ document
2.1.1 & 2.1.3	Financial Requirements (i) Internal Resource Generation: 5 Years (ii) Net worth: 3 Years (iii) Turnover: 3 Years	Financial Requirements (i) Internal Resource Generation: 5 Years or Number of years in business operations whichever is lower. (ii) Net worth: 3 Years or Number of years in business operations whichever is lower (iii) Turnover: 3 Years or Number of years in business operations whichever is lower.
2.1.2 and wherever Technical qualification appears in the RFQ document	Regarding the Technical qualification.	Meeting the Technical qualification as per RFQ document is not mandatory
2.7.4	All pages of Bid submitted must be initialed by the authorized signatory on behalf of the Bidder.	All pages of Bid submitted must be initialed by the authorized signatory on behalf of the Bidder in case of Company/consortium/partnership or by the proprietor in case of individual concern.
Annexure 7	Format for Joint Deed Agreement among the Bidding Consortium section 2.5.2.2 of Request for qualification	Format for Joint Deed Agreement among the Bidding Consortium The clause No. mentioned as 2.5.2.2 in the original document need to be replaced with 2.5.2.1.
Annexure 9A 1, Annexure 9A 2, Annexure 9A 3, Annexure 9 B, Annexure 9 B 2, Annexure 9 B 3.	Clause No. 2.1.3 and 3.3.3	The clause No. mentioned as 2.1.3 and 3.3.3 in the original document need to be replaced with 2.1.1 and 3.3.3 & 3.3.4 respectively.
Annexure 9 C	Formats for Technical requirement	This Annexure stands deleted consequent to deletion of clause No. 2.1.2.
Annexure 9 D	Clause No. 2.1.3 Exhibit (ii) Technical Parameters	The clause No. mentioned as 2.1.3 in the original document need to be replaced with 2.1.1. Exhibit (ii) stands deleted.
Formats under response to RFQ document	All Annexures Affixing of Common Seal	All Annexures Affixing of Common Seal/ Rubber seal/stamp seal
Formats under RFQ document	Signature and stamp of statutory Auditor	Signature and stamp of statutory Auditor/ Chartered Accountant.

Sl.No.	Clarification sought by the developer in the Pre Bid Conference	Replies to the queries
1.	Can we quote for less than 5 MW	No- An individual company may form a consortium with other companies and ultimate capacity from such consortium company shall be more than 5 MW or part thereof.
2.	We have 2 firms namely, a) AQUATYTE ENGINEERS, PROPRIETOR: Dr. C.V. NAGARAJA RAO Ph.D b) AQUATYTE ENERGY PVT. LTD. MD: Dr. C.V. NAGARAJA RAO Ph.D Can we quote as proprietor of the individual concern or as MD of AQUATYTE ENERGY PVT. LTD., (AEPL) as AEPL has not done any activities in the field of Energy event though trying for last six years with BWSSB, KREDL, Etc.?	Yes. An individual company may form a consortium with other companies and ultimate capacity from such consortium company shall be more than 5 MW or part thereof.
3.	Can we change the Boiler after we start operating the FIRST, to suit the economical Condition prevailing on this later date?	Yes It is left to bidders Can be permitted with the prior approval of the procurers. However, any increase in the cost shall not be passed on to the Procurers through Tariff.
4.	Qualification of the Company? Can an operating Company of 5 MW Power can join for supply later also OR a running plant can become a supplier later?	If the company qualifies all the preconditions set forth in the bid, either the existing or the new company can participate in this bid. However, supply of power at later stage is not permitted.
5.	Is the land identified is given by KPTCL or help rendered by KPTCL in obtaining the land (Leased or Purchased outright) through KAIDB?	PCKL will only assist/facilitate in obtaining the land required for establishing power plants. Responsibility of acquiring land and obtaining clearances vests fully with bidders.
6.	Can extra land be reserved for future expansion?	It is left to the discretion of Bidders.
7.	Can more than one Power station be started in one taluka in accordance with fuel availability?	Yes. Permitted
8.	Can the Tariff bids be on prorata basis linked to KPTCL supply rate, with option to revise after Two months based on KPTCL ratios?	No The rate per unit shall be based on the tariff quoted in the Bid.
9.	Is the sale to third party with a notice of 1 year to KPTCL at later date permitted?	Subject to conditions set forth in the RFQ, RFP and PPA, third party sale is permitted subject to payment of applicable charges.
10.	Contract for supply of power for 25 years or life span of a plant for 25 years? Who decides which ever is lower.	The Term of the Agreement for supply of power shall be 25 years.

Sl.No.	Clarification sought by the developer in the Pre Bid Conference	Replies to the queries
11.	Can R&D unit have a chance in different area to bid apart from the open bid?	Left to discretion of bidders.
12.	Can we implement New Technology in the middle of contract period and any permission required from your end?	Yes. Prior approval from procurers needs to be obtained.
13.	Any penalty for unable to supply?	Yes. Bidders has to furnish their schedule of power supply in the RFP and they should abide by it.
14.	Are Bidders permitted to change hands? Sale equity or so is permission required?	Permitted - Subject to provisions detailed in the RFQ
15	Does NCE mean – Non Conventional Energy? If so, can the Bidder set up power plant on Fossil fuels such as NG/LNG, Coal etc.	Yes. Yes, Bidder is free to select any type of fuel. The RFQ document will be suitably amended.
16.	Can Government of Karnataka help ensure Fuel supply to Bidder during tenure of the contract?	No
17.	Request to clarify Power Plant capacity sought in the RFQ, based on which PCKL would award the contract.	The bidder will be selected based on the lowest levellised tariff quoted.
18.	Clause 2.1.4 is missing from the RFQ document.	It was typographical error and it has to be 2.1.1
19.	Clause 2.1.4 is missing from the RFQ document.	It was typographical error and it has to be 2.1.1
20.	Can Bidder have redundant Operations & Maintenance Contract with the Manufacture & Supplier rather than Equity by the same / Technical Member?	Not acceptable
21.	Can a bidder submit two offers for two projects.	Yes However, the Minimum capacity of 5 MW should be offered.
22.	As per the bid document the power plant can run with any type of fuel. Since the tariff of a power plant will be different for different types of fuel, what will be your criterion of evaluation since the lowest tariff offered by a bidder will only be acceptable.	The bidder will be selected based on the lowest levellised tariff quoted.
23.	Since CDM benefits are based on the rates prevalent in the market and are subject to the approval of UNFCCC, this cannot be taken in our tariff calculations. This needs to be clarified.	Tariff shall be calculated considering the CDM Benefits.

Sl.No.	Clarification sought by the developer in the Pre Bid Conference	Replies to the queries
24.	In a particular taluka there may enough biomass for a 10 MW biomass based power plant. If three bidders submit their offers for a 10MW power plant in the same taluka, what will be your criterion of evaluation?	The bidder will be selected based on the lowest levelled tariff quoted.
25.	Documents calls for to identify bidders for the supply of 5 MW and part thereof. Please confirm if there is any maximum ceiling on the capacity that can be offered.	No, The bidder is free to bid for any capacity above 5MW.
26.	The documents states that the bidder shall quote as a single part tariff for the capacity of less than 25 MW and two part for the capacity of 25 & above. We wish to quote as single Part Tariff for the capacity of 25 MW and above. Kindly confirm whether this is acceptable.	No. Quoting single part tariff for capacity more than 25 MW in case of Co-gen & Bio Mass projects is not permissible, as these power plants will be covered under ABT regime. However, the regulations of KERC as amended from time to time in the matter of Intra State ABT will be applicable to these power projects.
27.	Given the nature of the input for the wind power projects there is no control on the input. The Generation from the wind power projects has to be absorbed as and when it is generated. The Procurer shall absorb all the power from the Wind Power projects all the time, else will effect the Financials of the project. In other words the Procurer shall not retain/exercise any rights on the dispatch on the contracted capacity of the Power station.	Depending upon the previous historical data, the developer has to indicate the schedule of power and has to abide by their schedule. The regulations of KERC from time to time in the matter of Intra State ABT will be applicable to these projects, capacity presently is more than 25MW .
28.	The Wind farm development in India is Predominately on the Developer Model i.e. the Developer of the Wind Power Project will do all the implementation including taking necessary statutory clearances, Supply of the machine etc. and then Transfer the Project to the potential investor. We wish to offer our Bid on the same basis. However with a slight change that through out the Life span of the Project Enercon India ltd will be the lead player for all the matter including signing of the PPA with the Procurer and Enercon will be permitted to have its own clients within the windfarm.	Permitted subject to conditions set forth in the RFQ document.
29.	The Carbon Credit benefit will be completely to the Bidder, in other words there will not be any sharing of the carbon credit with the Procurer.	Tariff shall be calculated considering the CDM Benefits. If bidder doesnot claim, PCKL/ESCOM will claim carbon credits
30.	Please confirm if there will be Default Escrow Account operated by the procurer for the project set up by the bidder.	The payment security mechanism will be spelt out in the RFP Stage.

Sl.No.	Clarification sought by the developer in the Pre Bid Conference	Replies to the queries
31.	We are EPC contractors involved in manufacturing of boilers and other power plant equipments. We have built power plants on turn key basis and we have also been operating and maintaining power plants. We have collaborator to supply steam turbines also. However we have not invested on power plants capital equipments. Please clarify if we can also participate in the bid.	Yes. Anybody who qualifies the bid conditions setforth in the RFQ documents can submit the bids.
32.	Will there be any mechanism to protect the fuel availability of the plant. For e.g. Not allowing any other power plant in the same area for protecting the fuel availability of the power plant.	No. Neither the PCKL nor the procurer will intervene in the matter.
33.	Will any incentive be awarded for renewable energy sources.	Applicable incentives as per MNES/GOI/GOK policies will have to be availed by the bidder. However, PCKL will facilitate in availing such concessions.