

Tender No. : IS-02/2019 Dated:14.02.2019



HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED
(A State Government Undertaking)

Office of the Chief Engineer (SO), Vidyut Bhawan, Shimla-171004 (HP)
Tel. 0177-2657901, Fax. 2653656, Email: ceso@hpseb.in, Web : www.hpseb.com

BID DOCUMENT FOR

Sale of Non-solar Renewable Power on Short Term Basis.

1. HPSEBL hereby invites tenders for sale of its renewable power (non-solar) from the Inter State Trading Licensees (Category 'III' or above) and Power Utilities authorized for trading of electricity under the Electricity Act 2003 on Firm basis for the period commencing from **23rd April, 2019 to 7th October, 2019** as per the schedules given in **Annexure-I**. The sale of renewable power shall be governed as per the general terms and conditions specified in **Annexure-II**.
2. The bidder(s) shall submit their bid(s) in sealed envelopes in the following two parts;
 - **Part-A:**
 - 1) Covering Letter
 - 2). Earnest money deposit in the form of Demand Draft/ Bank Guarantee in favour of Senior Accounts Officer(Banking), HPSEBL, Vidyut Bhawan, Shimla – 171004 payable at Shimla.
 - 3). Authorization Certificate / LOI (Letter of Intent) of Buying Utility(ies).
 - 4) Copy of valid Inter-state Energy Trading License issued by CERC to deal in Inter-state/Intra-state trading of energy (In case of bid by Trader).
 - 5) Acceptance of General Terms and Conditions and provisions of Tender Documents.

- **Part-B :**

"Part B" shall comprise of 'Price and Quantum Bid' in the prescribed format enclosed as Annexure-IV

Both part A & B shall be put together in one sealed envelope superscribed with words "Tender for purchase of renewable power from HPSEBL" with Due Date of Opening and shall be sent to:

Chief Engineer (System Operation),
Vidyut Bhawan, HPSEBL,
Shimla-171004.
Phone No.: 0177-2657901
Fax No. 0177-2653656

The bid(s) submitted by the bidder(s) and all correspondence and documents relating to the bid(s) shall be written in the English Language. This notice of

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tender together with the Annexures shall hereinafter be referred to as the "Bid Document".

3. Contract Documents:

HPSEBL shall intimate the award of the contract to the successful bidder(s) through a Letter of Intent (LoI). Successful bidder(s) shall convey their acceptance of LoI within 2 days from the date of issuance of LoI. Acceptance of LoI shall be construed as a binding contract and failure to comply with this requirement within the stipulated period will be construed to be the unwillingness on part of the successful bidder and LoI issued by the HPSEBL shall stand automatically withdrawn alongwith forfeiture of Earnest Money Deposit. After acceptance of LoI, the successful bidder(s) shall execute the detailed Power Purchase Agreement with HPSEBL within 10 days incorporating provisions of the General terms and conditions attached as Annexure-II.

4. Compliance to the Terms and Conditions:

The Bidder(s) is/are advised to ensure that the bid is fully complied to the requirements specified, terms and conditions contained in the Bid Document. No deviation(s) against the tender document clauses shall be taken by the bidders and bid shall be accompanied with "No Deviation Certificate" on the prescribed format as per Annexure-III. Any bid not accompanied with "No Deviation Certificate" shall be summarily rejected.

5. Bid Security:

- a) The Bidder shall have to deposit earnest money of Rs.2,00,00,000/- (Rupees Two Crore only) in the form of Demand Draft/Bank Guarantee issued by any Nationalized Bank in favour of Sr. Accounts Officer (Banking), HPSEBL payable at Shimla as a security deposit (EMD). If Part 'A' of the bid is not submitted or, if on opening Part 'A' of the bid, it is observed that the EMD amount is not enclosed or is for less than the above amount, the bid shall be out rightly rejected and Part-B of the bid submitted by such a Bidder shall not be opened.
- b) The EMD shall be forfeited in favour of HPSEBL, if a bidder(s) withdraws or modifies its bid(s) during Bid Validity Period and if a successful bidder fails to submit the Contract Performance Guarantee within 10 days after issuance of LoI.
- c) The EMD shall be refunded to the unsuccessful bidder within 10 days after the expiry of the bid validity period.
- d) The EMD of the successful bidder shall be refunded after furnishing the Contract Performance Guarantee.

No interest shall be paid on the Earnest Money Deposit (EMD).

6. Contract Performance Guarantee (CPG):

- a) The successful bidder shall furnish CPG within 10 days of issuance of LoI for an amount of Rs.3.0 Lac per MW for maximum quantum of bid.
- b) The CPG shall be in the form of Bank Guarantee issued by any Nationalized/Scheduled Bank and valid for the period of contract with a claim period of one month after the expiry of contract period.

- c) In the event, the CPG is not furnished within the stipulated date the Bid Security submitted against the bid shall be forfeited.
- d) The CPG provided by the successful bidder shall be forfeited for non-performing the contractual obligations.
- e) The CPG shall be released to the successful bidder(s) within 30 days after completion of Contract Period.

No interest shall be paid on the Contract Performance Guarantee (CPG).

7. HPSEBL's Right to Accept/Reject the Bid:

HPSEBL reserves the right to reject any or all bids or to accept any bid in full or part at its sole discretion without assigning any reason whatsoever thereof. For the avoidance of doubt, it is clarified that HPSEBL also reserves the right to alter the quantities of power/split the quantities of power, amongst more than one selected bidder for the same month/period of supply. The decision of HPSEBL shall be final and binding on the bidders in this respect and no further correspondence shall be entertained by HPSEBL in this regard.

8. Modification of the Bid Documents:

HPSEBL reserves the right to modify any part of the terms and conditions of the Bid Documents by issuing in writing one or more amendments prior to the submission of the bid by the bidder. Any amendment shall form part of the bid documents, and will be provided to all bidders and shall be binding on them. The bidder will be required to acknowledge the receipt in writing of each such amendment promptly. The bidder shall send this acknowledgement by hand delivery, registered post, courier or fax at the address provided in clause 2 above. An acknowledgement sent by fax should be reconfirmed by Registered post, courier or hand delivery.

9. Execution of Power Purchase Agreement:

The successful bidder shall have to execute the Power Purchase Agreement with HPSEBL within 10 days of acceptance of Lol failing which Lol shall be liable to be terminated and EMD shall be forfeited.

The Power Purchase Agreement with the successful bidder shall be exclusive and shall have no correlation/linkage whatsoever with any other contract executed by the parties or to be executed by the parties.

10. Termination of Power Purchase Agreement:

HPSEBL reserves full right to terminate the Power Purchase Agreement in case the successful bidder(s) fail(s) to abide by the stipulated terms and conditions. In such an eventuality HPSEBL shall neither be responsible nor liable for any loss suffered by the successful bidder.

11. Bid Validity Period:

The offer shall remain valid for a period of 30 days from the date of opening of bid and the Bidder(s) shall have no right to withdraw the offer or alter any terms and conditions during the period of validity. In case the bidder withdraws or alters any terms and conditions during the period of validity, EMD submitted by the bidder shall be forfeited.

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12. Submission of the Bid:

The Bid(s) shall be submitted in the office of Chief Engineer (System Operation), HPSEBL, Vidyut Bhawan, Shimla-171004 on or before **26.02.2019 by 14:00** hrs. Offers submitted after stipulated period shall not be considered. Offers submitted through Fax, e-mail etc. will not be entertained. The offers shall be opened for evaluation on the same day at 15:00 hrs. The bidder(s) or their authorized representatives may be present at the time of opening of the bid(s), if they so desire.

Incomplete & conditional Bid(s) shall not be considered for evaluation.

13. Governing Law:

All matters arising out of or in conjunction with the Bid Documents and/or the bidding process shall be governed by and construed in accordance with Indian law and the courts at Shimla shall have exclusive jurisdiction.


14/2/2019
Chief Engineer (System Operation),
HPSEBL, Vidyut Bhawan,
Shimla-171004 (HP).

ANNEXURE-I**Quantum of Non-Solar Renewable Power for sale at H.P. Periphery**

Month	Period	Time Slots (in Hours)	Quantum	
			in MW	in MUs
April, 2019	23rd to 30th	00:00-24:00	50	9.60
May, 2019	1st to 7th	00:00-24:00	75	12.60
	8th to 15th	00:00-24:00	175	33.60
	16th to 22nd	00:00-24:00	75	12.60
	23rd to 31 st	00:00-24:00	125	27.00
June, 2019	1st to 7th	00:00-24:00	75	12.60
	8th to 15th	00:00-24:00	75	14.40
	16th to 22nd	00:00-24:00	175	29.40
	23rd to 30th	00:00-24:00	175	33.60
July, 2019	1st to 7th	00:00-24:00	145	24.36
	8th to 15th	00:00-24:00	145	27.84
	16th to 22nd	00:00-24:00	95	15.96
	23rd to 31 st	00:00-24:00	95	20.52
August, 2019	1st to 7th	00:00-24:00	120	20.16
	8th to 15th	00:00-24:00	120	23.04
	16th to 22nd	00:00-24:00	170	28.56
	23rd to 31 st	00:00-24:00	120	25.92
Sept., 2019	1st to 7th	00:00-24:00	115	19.32
	8th to 15th	00:00-24:00	140	26.88
	16th to 22nd	00:00-24:00	115	19.32
	23rd to 30th	00:00-24:00	115	22.08
Oct, 2019	1st to 7th	00:00-24:00	75	12.60
Total in MUs				471.96

Note:

- 1) The Quantum of power can be increased or decreased at the time of issuance Lol to the successful bidder(s) by HPSEBL.
- 2) The per application MW quantum of power will not be less than 10MW RTC.
- 3) The quantum will be considered from HPSEBL's own power houses and IPP owned SHP's supplying power to HPSEBL at preferential tariff.
- 4) Power will be scheduled on weekly/monthly basis.
- 5) Chief Engineer (System Operation) will certify the total power supplied as renewable energy during the month at HP periphery.

General Terms and Conditions

HPSEBL shall sell quantum of power on **Firm Basis** as specified in **Annexure-I** which hereinafter shall be referred as "**Contracted Power** " on the following terms and conditions:

1. Delivery Point:

The delivery point for supply of power by HPSEBL shall be **HP periphery** i.e. interconnection point of HP STU transmission system with CTU (POWERGRID) transmission system.

2. Transmission Charges & Losses:

(a) Before Delivery Point:

All charges and losses upto delivery point including SLDC charges shall be borne by HPSEBL.

(b) Beyond Delivery Point:

All charges and losses beyond delivery point shall be borne by successful bidder(s) which shall include but not limited to the following:

All mandatory Open Access/Transmission charges and losses, SLDC(s)/ RLDC(s) charges, Inter-regional Links(s) charges and any other charges applicable beyond Delivery Point shall be borne by the successful bidder(s).

3. Scheduling:

Successful bidder shall schedule the power in full, except in case of Force Majeure conditions specified in Clause 12 hereinafter. The scheduling and Dispatch of the power shall be coordinated with respective SLDC/RLDC(s) as per the relevant provisions of IEGC and framework of ABT and the decisions of RLDCs and RPCs to ensure scheduling of full quantum of power as per Lol/Agreement:

- a. The Power shall be scheduled and dispatched as per the prevailing relevant provisions of CERC (Open Access in inter-state Transmission) Regulations.
- b. Both the entities shall obtain the concurrence of their respective SLDC required for short term open access. The successful bidder shall apply for STOAs as per short term scheduling procedures along with the SLDC consent and pay the open access charges as per rules as well as application fees.
- c. The supplying utility shall reimburse the applicable open access and scheduling charges upto delivery point, to successful bidder within 7 days after receiving the bill.
- d. In case of cancellation of corridor by RLDC due to system constraints, the refund received by recipient utility/Trader from RLDC, if any, against

supplying State's Open Access Charges shall be refunded by the successful bidder to HPSEBL within 7 days from the date of receipt of same from the Nodal RLDC.

- e. In case of re-routing of open access corridor due to congestion/ system constraints, the additional charges involved shall be borne by successful bidder.

4. Rate per kWh:

The bidder(s) shall offer rate for purchase of RE power from HPSEBL at Delivery Point in Rupees per kWh as per Annex-IV. Bids wherein price rate is quoted at a point other than delivery point i.e. HP periphery, shall not be considered.

5. Billing Cycle:

5.1 HPSEBL shall be raising weekly bills on provisional basis for the energy supplied at HP periphery. For the purpose of weekly bills, each month will be divided into four parts, starting from 00:00 hrs. of 1st, 9th, 16th & 24th day of the month to 24:00 hrs of 8th, 15th, 23rd and last day of the month respectively. The relevant bills will be raised based on the provisional weekly energy data for the energy at delivery point based on NRLDC website data. After receipt of final REA for the previous month from NRPC, adjustment will be made towards the difference in the following 1st/ 2nd weekly bill of the next month as below:

- i) Actual bill on the basis of final REA issued by NRPC minus provisional bills issued for the month.
- ii) Rebate, if any, admissible for the previous month.

5.2 For the energy governed under the provisions contained in Clause No. 10 viz. compensation for reduced supply/offtake, the billing as regards the payment / receipt of compensation amount, as may be applicable, shall be resorted to in addition to the provisions contained in sub-para 5.1, above. Such bill(s), to be raised on weekly basis, shall be distinct and not adjustable against bill(s) for supply of power referred to in sub-para 5.1 above.

6. Payment:

The "Due Date" for payment of the billed amount as per provisions contained in Clause No. 5 above would be the seventh day commencing from the date of receipt of faxed/mailed bill by the either party (The day of receipt of faxed/mailed bill will be counted in aforesaid seven days period). The payment of bills will be made in a scheduled Bank through Letter of Credit (LC) or through RTGS on or before the "Due Date". LC Opening & Operating charges and bank charges, if any, shall be borne by the party liable for making the payments. If "Due Date" happens to be a holiday, next working day shall be considered as "Due Date".

7. Rebate for Prompt Payment:

For timely payment of full amount of the bill on or before Due date, a rebate of 2% shall be allowed by HPSEBL.

No rebate shall be applicable on bills raised for Compensation amount for default in scheduling, Transmission Charges, Wheeling Charges, Open Access Payment etc.

8. Surcharge for Late Payment:

A surcharge of 18% (Eighteen percent) per annum shall be applicable on all payments outstanding after 10th day of receiving relevant bill by the either party through fax/mail (The day of receiving bill through fax/mail will be counted in aforesaid 10 days period). This surcharge would be calculated on day to day basis for each day of the delay beyond the 10th day. This will also equally apply to payments to be made by the either party in accordance with provisions contained in Clause No. 10 read with sub para 5.2 of Clause No. 5.

9. Open Access:

The power shall be scheduled and dispatched as per the relevant provisions of CERC (Open Access in Interstate Transmission) Regulations, 2008 issued vide CERC Notification No. L7/105(121)/2007-CERC dated 25.01.08, effective from 01.04.08 and "Procedure for Reservation of Transmission Capacity to Short Term Open Access" dated 28.01.08, and as amended from time to time. Once the Open Access is approved by Nodal Agency, the same will be final and would be subject to any revision/change only after mutual consent. HPSEBL shall not be responsible for any Unscheduled Interchange (UI) liability if any.

The responsibility to obtain necessary Open Access shall solely be of the successful bidder and shall not be considered as Force Majeure. Upon issuance of Letter of Intent (LoI) by the HPSEBL and acceptance thereto conveyed by the successful bidder within the period stipulated under Clause 3 of the NIT, the successful bidder shall timely apply and obtain 'Open Access' for the quantum of power indicated in Clause-1 to ensure scheduling of full quantum of power as per LoI/Agreement. Failure to do so shall make LoI liable to be terminated alongwith forfeiture of the EMD/Contract Performance Guarantee (CPG).

Any further liability on account of Open Access/clarification on Open Access or change/amendment in the Regulations beyond delivery point shall be paid by successful bidder.

10. Compensation for Reduced Supply/Offtake:

Without prejudice to the provisions of Force Majeure, if the successful bidder fails to draw a minimum 85% of the Contracted Power, successful bidder shall pay a compensation at 20% of the tariff per kWh at which successful bidder shall be purchasing power against this bid document from HPSEBL for the quantum of power that falls short of 85% of the Contracted Power. On the other hand, if HPSEBL fails to supply 85% of the Contracted Power, HPSEBL shall pay compensation at the same rate i.e. 20% of the tariff per kWh to the successful bidder for the quantum of offtake that falls short of 85% of Contracted Power. The quantum of power for calculation of compensation amount shall be undertaken on daily basis.

11. Payment Security Mechanism:

Option-A

Weekly revolving irrevocable Letter of Credit (LC) for an amount equal to 10 days of billing shall be established by successful bidder in favour of HPSEBL at least one week before the date of actual flow of power. LC opening and operating charges shall be borne by the successful bidder. LC shall however remain valid for a period beyond one month of the contract period.

OR

Option-B

- a. The successful bidder will provide Payment Security cover in form of suitable Bank Guarantee in a format to be furnished by HPSEBL from any nationalized bank/scheduled commercial bank for an amount equivalent to 30 (Thirty) days billing based on maximum MW quantum as per LOI for entire duration of contract.
- b. In case of non-payment of any weekly invoice amount by successful bidder to HPSEBL within 15 days from the invoice date, HPSEBL will encash the provided Bank Guarantee in full on 16th day from the invoice date. However, the excess amount (BG amount – HPSEBL due amount), if any, realised from BG encashment by HPSEBL, would be remitted back to the designated bank account of the successful bidder within three (03) working days. In case of such encashment of the BG HPSEBL reserve the right to terminate the contract. In such an event the contract performance guarantee will also be forfeited.
- c. The validity of BG should be 40 days beyond the invoice date of the last provisional bill of contract period raised by HPSEBL.
- d. HPSEBL will not commence flow of power in absence of adequate payment security mechanism. In the event of failure to provide “payment security mechanism” before the start of flow of power, HPSEBL shall reserve the right to cancel the award or not to schedule the power. The BG will be used only as back-up mechanism.

OR

Option-C

The successful bidder shall establish a dedicated ESCROW bank account into which the trader shall deposit or cause to be deposited amount equivalent to 10 (Ten) days billing based on maximum MW quantum as per LOI for entire duration of contract. The establishment of ESCROW account aims to secure the trader's payment obligations towards HPSEBL. The successful bidder shall enter into an ESCROW agreement with HPSEBL and concerned bank.

12. Force Majeure:

Both the parties shall ensure compliance of the terms and conditions of the Power Purchase Agreement that would be executed pursuant to provisions



contained in Clause No. 3 of this bid document. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of this Agreement to the extent that such failure is due to Force Majeure events such as rebellion, mutiny, civil commotion, riots, strike, lock out, epidemic, plague, fire, explosion, flood, drought, cyclone, lightening, earth-quake, war or other forces, accident or act of God, terrorism, malicious act, landslide, sabotage, communal violence and kidnapping. Any party claiming the benefit of this clause shall satisfy the other Party of existence of such an event(s). Any restriction imposed by POWERGRID / RLDC on scheduling of power supply due to constraint(s) in transmission / Grid shall be treated as Force Majeure without any liability on either side.

13. Dispute Resolution Mechanism:

All differences or disputes between the parties arising out of or in connection with the bid documents shall be settled by both the parties amicably. In the event such disputes are not settled amicably through mutual discussions amongst parties concerned within two months, then dispute shall be referred to, arbitration as provided herein.

The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and any statutory amendments thereto. Notwithstanding the existence of any disputes and differences referred to arbitration, the parties hereto shall continue to perform their respective obligations under this Agreement.

14. Change in Law:

In case of change in law or restriction imposed by Regulator (Central or State) or Government (Central or State) or Appellate Tribunal or Courts on any aspect of sale or purchase of power, the same shall be binding on both the parties.

15. Jurisdiction:

Dispute of any nature that may arise in connection with this tender enquiry, which falls under Electricity Act, 2003, shall be filed and forwarded to the Court(s) located at Shimla alone. The courts at Shimla shall have exclusive jurisdiction to entertain and try all matters arising out of this Bid Document.

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ANNEXURE-III

NO DEVIATION CERTIFICATE

(To be signed by the authorized person of the bidder)

We / I have carefully gone through the Bid Document and satisfied ourselves/ myself and hereby confirm that our/my offer strictly conforms to the requirements of the bid document and all the terms and conditions are acceptable to us/me.

SIGNATURE:

DATE:

NAME:

PLACE:

STATUS:

Whether Authorized Yes/No

NAME OF BIDDING COMPANY:

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ANNEXURE-IV

PRICE AND QUANTUM BID:

Month	Period	Time Slots	Quantum (in MW)	Net Rate excluding trading margin, if any
April, 2019				
May, 2019				
June, 2019				
July, 2019				
August, 2019				
September, 2019				
October, 2019				

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