

Date: November 15, 2022

CORRIGENDUM NO. 3 TO SCHEME DOCUMENT FOR THE FIFTH ROUND OF AUCTION OF COAL LINKAGES UNDER PARAGRAPH B(ii) OF THE SHAKTI POLICY FOR IPPs HAVING ALREADY CONCLUDED LONG TERM PPAs

The following amendments and insertions are applicable to the original Scheme Document. The amendments have been highlighted in bold and italics only for ease of reference.

Sl. No. 1	Reference to Scheme Document: 1.1.57
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As appearing in the original Scheme Document

“**Pre-notified Discount Rate**” shall mean the discount rate, as may be notified by CERC at a later date.

To be read as

“**Pre-notified Discount Rate**” shall mean the *discount rate as notified by CERC from time to time (presently 8.09%)*.

Sl. No. 2	Reference to Scheme Document: 3.6.1.1
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As appearing in the original Scheme Document

Each Eligible Bidder shall submit an IPO, for at least 1 (one) Source, which shall be the Levellised Discount that the Eligible Bidder is willing to offer for a particular Source, which shall not, in any event, be less than 12 paise/kWh (“**IPO Discount**”).

To be read as

Each Eligible Bidder shall submit an IPO, for at least 1 (one) Source, which shall be the Levellised Discount that the Eligible Bidder is willing to offer for a particular Source, which shall in any event, be between 12 paise/kWh and **40 paisa/kWh** (“**IPO Discount**”).

Sl. No. 3	Reference to Scheme Document: 3.6.3.1
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As appearing in the original Scheme Document

The SPO Stage shall be held in rounds, wherein, the first round shall commence at a starting discount (“**Starting Discount**”) and each subsequent round will commence in a decrement of 1paise/kWh to arrive at a discount in each round (“**SPO Discount**”).

To be read as

The SPO Stage shall be held in rounds, wherein, the first round shall commence at **Levellised Discount of 40 Paisa/kWh (“Starting Discount”)** and each subsequent round will commence in a decrement of 1paise/kWh to arrive at a discount in each round (“**SPO Discount**”).

Sl. No.4	Reference to Scheme Document: 3.6.6
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As appearing in the original Scheme Document

Example 16

Suppose, the Auction is completed on December 31, 2022 and the Provisional Successful Bidder has been provisionally allocated quantity from Source 1 at the SPO Discount of 12 paise/kWh. The Concluded PPA for the Provisional Successful Bidder expires on February 04, 2032 i.e. the remaining term of 9 (nine) years, 1 month and 5 days from the completion of the Auction. In such a scenario, part period i.e. 1 month and 5 days from December 31, 2031 to February 04, 2032 shall be considered as one full year for the purpose of computation of the levellised discount and the Provisional Successful Bidder has to provide year-on-year discount for 10 years (i.e. the remaining term of the Concluded PPA (9 years) and the part period (1 year)). Accordingly, Provisional Successful Bidder may quote the following stream of discounts.

Year	1	2	3	4	5	6	7	8	9	10
Tariff Discount Quote	10	10	10	11	12	12	12	12	12	12
Discount Factor*	1.00	0.90	0.82	0.74	0.67	0.60	0.54	0.49	0.44	0.40
LevellisedDiscount	11.06									

*The Pre-notified Discount Rate used in the above example being 10.70%.

Further, assume that the first coal supply date pursuant to the FSA is February 10, 2023. In such a scenario, Year 1 shall be considered as February 10, 2023 to February 09, 2024 for actual application of the year-on-year discount provided as per above table. Accordingly, in such a case, the last year shall be February 10, 2031 to February 04, 2032 and the tariff discount stream shall be considered as under:

Year	February 10, 2023 to February 09, 2024	February 10, 2024 to February 09, 2025	February 10, 2025 to February 09, 2026	February 10, 2026 to February 09, 2027	February 10, 2027 to February 09, 2028	February 10, 2028 to February 09, 2029	February 10, 2029 to February 09, 2030	February 10, 2030 to February 09, 2031	February 10, 2031 to February 04, 2032
Tariff Discount Quote	10	10	10	11	12	12	12	12	12

Example 16A

In addition to example 16 above, assume that the Provisional Successful Bidder has as additional Concluded PPA expiring on on February 04, 2037 i.e. the remaining term of 14 (fourteen) years, 1 month and 5 days from the completion of the Auction. In such a scenario, Provisional Successful Bidder has to submit a separate tariff discount stream for the additional Concluded PPA against the source. Hence for the purpose of submission of the tariff discount stream, part period i.e. 1 month and 5 days from December 31, 2036 to February 04, 2037 shall be considered as one full year for the purpose of computation of the levellised discount and the Provisional Successful Bidder has to provide year-on-year discount for 15 years (i.e. the remaining term of the Concluded PPA (14 years) and the part period (1 year)). Accordingly, Provisional Successful Bidder may quote the following stream of discounts:

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Tariff Discount Quote	10	10	10	11	12	12	12	12	12	12	12	12	12	12	12
Discount Factor*	1.00	0.90	0.82	0.74	0.67	0.60	0.54	0.49	0.44	0.40	0.36	0.33	0.30	0.27	0.24
LevellisedDiscount	11.24														

*The Pre-notified Discount Rate used in the above example being 10.70%

Thus, the Provisional Successful Bidder has to submit 2 tariff discount streams i.e., separate tariff discount stream for each of its Concluded PPA(s), against each source. Further, assume that the first coal supply date pursuant to the FSA is same as under example 16 i.e. February 10, 2023. In such a scenario, Year 1 shall be considered as February 10, 2023 to February November 09, 2024 for actual application of the year-on-year discount provided as per above table. Accordingly, in such a case, the last year shall be February 10, 2036 to February 04, 2037 and the tariff discount stream shall be considered as under:

Year	Feb 10, 2023 to Feb 09, 2024	Feb 10, 2024 to Feb 09, 2025	Feb 10, 2025 to Feb 09, 2026	Feb 10, 2026 to Feb 09, 2027	Feb 10, 2027 to Feb 09, 2028	Feb 10, 2028 to Feb 09, 2029	Feb 10, 2029 to Feb 09, 2030	Feb 10, 2030 to Feb 09, 2031	Feb 10, 2031 to Feb 09, 2032	Feb 10, 2032 to Feb 09, 2033	Feb 10, 2033 to Feb 09, 2034	Feb 10, 2034 to Feb 09, 2035	Feb 10, 2035 to Feb 09, 2036	Feb 10, 2036 to Feb 04, 2037
Tariff Discount Quote	10	10	10	11	12	12	12	12	12	12	12	12	12	12

To be read as

Example 16

Suppose, the Auction is completed on December 31, 2022 and the Provisional Successful Bidder has been provisionally allocated quantity from Source 1 at the SPO Discount of 12 paise/kWh. The Concluded PPA for the Provisional Successful Bidder expires on February 04, 2032 i.e. the remaining term of 9 (nine) years, 1 month and 5 days from the completion of the Auction. In such a scenario, part period i.e. 1 month and 5 days from December 31, 2031 to February 04, 2032 shall be considered as one full year for the purpose of computation of the levellised discount and the Provisional Successful Bidder has to provide year-on-year discount for 10 years (i.e. the remaining term of the Concluded PPA (9 years) and the part period (1 year)). Accordingly, Provisional Successful Bidder may quote the following stream of discounts.

Year	1	2	3	4	5	6	7	8	9	10
Tariff Discount Quote	12	12	12	12	12	12	13	13	13	13
Discount Factor*	1.00	0.93	0.86	0.79	0.73	0.68	0.63	0.58	0.54	0.50
Levellised Discount	12.31									

*The Pre-notified Discount Rate used in the above example being **8.09%**.

Further, assume that the first coal supply date pursuant to the FSA is February 10, 2023. In such a scenario, Year 1 shall be considered as February 10, 2023 to February 09, 2024 for actual application of the year-on-year discount provided as per above table. Accordingly, in

such a case, the last year shall be February 10, 2031 to February 04, 2032 and the tariff discount stream shall be considered as under:

Year	February 10, 2023 to February 09, 2024	February 10, 2024 to February 09, 2025	February 10, 2025 to February 09, 2026	February 10, 2026 to February 09, 2027	February 10, 2027 to February 09, 2028	February 10, 2028 to February 09, 2029	February 10, 2029 to February 09, 2030	February 10, 2030 to February 09, 2031	February 10, 2031 to February 04, 2032
Tariff Discount Quote	12	12	12	12	12	12	13	13	13

Example 16A

In addition to example 16 above, assume that the Provisional Successful Bidder has as additional Concluded PPA expiring on on February 04, 2037 i.e. the remaining term of 14 (fourteen) years, 1 month and 5 days from the completion of the Auction. In such a scenario, Provisional Successful Bidder has to submit a separate tariff discount stream for the additional Concluded PPA against the source. Hence for the purpose of submission of the tariff discount stream, part period i.e. 1 month and 5 days from December 31, 2036 to February 04, 2037 shall be considered as one full year for the purpose of computation of the levellised discount and the Provisional Successful Bidder has to provide year-on-year discount for 15 years (i.e. the remaining term of the Concluded PPA (14 years) and the part period (1 year)). Accordingly, Provisional Successful Bidder may quote the following stream of discounts:

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Tariff Discount Quote	12	12	12	12	12	12	12	12	12	12	13	13	13	13	13
Discount Factor*	1.00	0.93	0.86	0.79	0.73	0.68	0.63	0.58	0.54	0.50	0.46	0.42	0.39	0.36	0.34
Levellised Discount	12.21														

*The Pre-notified Discount Rate used in the above example being **8.09%**

Thus, the Provisional Successful Bidder has to submit 2 tariff discount streams i.e., separate tariff discount stream for each of its Concluded PPA(s), against each source. Further, assume that the first coal supply date pursuant to the FSA is same as under example 16 i.e. February 10, 2023. In such a scenario, Year 1 shall be considered as February 10, 2023 to February November 09, 2024 for actual application of the year-on-year discount provided as per above table. Accordingly, in such a case, the last year shall be February 10, 2036 to February 04, 2037 and the tariff discount stream shall be considered as under:

Year	Feb 10, 2023 to Feb 09, 2024	Feb 10, 2024 to Feb 09, 2025	Feb 10, 2025 to Feb 09, 2026	Feb 10, 2026 to Feb 09, 2027	Feb 10, 2027 to Feb 09, 2028	Feb 10, 2028 to Feb 09, 2029	Feb 10, 2029 to Feb 09, 2030	Feb 10, 2030 to Feb 09, 2031	Feb 10, 2031 to Feb 09, 2032	Feb 10, 2032 to Feb 09, 2033	Feb 10, 2033 to Feb 09, 2034	Feb 10, 2034 to Feb 09, 2035	Feb 10, 2035 to Feb 09, 2036	Feb 10, 2036 to Feb 04, 2037
Tariff Discount Quote	12	12	12	12	12	12	12	12	12	12	13	13	13	13