

Response to Queries of Bidders on Scheme Document for the Third Round of Auction of Coal Linkages under Paragraph B (ii) of the SHAKTI Policy for IPPs having already concluded long term PPAs dated January 30, 2020 (“Scheme Document”)

Sr. No.	Document	Clause No. and existing provision	Clarification required	Suggested for amendment	Rationale for the Clarification or Amendment	Reply
1	Scheme Document	Clause 3.6.1.1 Each Eligible Bidder shall submit an IPO, for at least 1 (one) source, which shall be the Levelised Discount that the Eligible Bidder is willing to offer for a particular Source, which shall in any event be between 7 paisa/kWh and 40 paisa/kWh (“IPO Discount”).		May consider reducing IPO Discount from 7 paisa/kWh to 1 paisa/kWh.	<ul style="list-style-type: none"> In addition to the discount offered under Shakti B(ii) IPO/SPO rounds, successful bidder also pays Performance Incentive (PI) for quantity beyond 90% and up to 100% of ACQ under Shakti FSA. This itself is to be considered as additional discount over and above the bid discount. Therefore, IPO Discount to be allowed starting from 1 paisa/kWh onwards only. 	No change is envisaged
2	Scheme Document	Additional		Mode of Dispatch should be Rail Only		Kindly refer to Annexure VII of the Scheme Document. The provisions of the Scheme Document shall apply.
3	Scheme Document	Addition		<p>Clause B(ii)(a) of MoC policy dtd. 22052017 states ‘the discount shall be computed with reference to scheduled generation from linkage coal supplied under this auction’. However, the methodology to compute the scheduled generation from coal supplied is not provided.</p> <p>The formula to compute the same should take into consideration GCV (ARB) certified by the Third Party Sampling Agency and SHR as per CERC norms.</p> <p>The clause along-with formula should be incorporated into the Scheme Document.</p>		The provisions of the Scheme Document shall apply.

4	Scheme Document	Clause No. 3.6.1.2 Eligible Bidder can submit IPO(s) for more than 1 and up to all the Sources and if the Eligible Bidder so chooses, it will have to quote a different IPO Discount for each source.		IPO Discount to be allowed from 1 paisa/kWh onwards		No change is envisaged												
5	Scheme Document	Clause 3.3 Normative Coal Requirement		To consider change in determination of 'Normative Coal Requirement' from GCVEB to GCVARB basis.	<ul style="list-style-type: none"> Annexure VIII of Scheme document takes into consideration GCV measured on equilibrated basis (GCVEB) i.e. at 5% equilibrated moisture. This GCVEB doesn't reflect the total moisture content in coal and thus is higher than (and not representative) of the GCVARB of coal. There remains a mismatch of ~300 kcal/kg amongst them. Due to this difference in energy, the quantity computed at GCVEB is not representative of the actual normative coal requirement of a plant. The CERC Tariff Regulations also considers GCVARB while calculating tariff. CEA may please be requested to review its norms taking into account above facts; and apply such reviewed norms for this auction process. 	No change is envisaged												
				To compute 'Normative Coal Requirement' as = 100% x 85%;	<ul style="list-style-type: none"> The computation of 'Normative Coal Requirement' under Scheme document is as per the formula: -CEA Approved Qty. = 90% x 85%; It is learnt that the above computation is suggested to keep parity with existing linkages for plants to be commissioned after 2009. The said linkages were granted in Nov 2008 and at that point in time Normative Availability as per CERC norm as well as SBD was 80%. However said normative availability norm has increased under the SBD as well as CERC tariff norms to 85%/90%. The normative availability norms under SBD & CERC regulations are as under: <table border="1"> <thead> <tr> <th>Year</th> <th>2004</th> <th>2009</th> <th>2014</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>SBD</td> <td>80%</td> <td>85%</td> <td>90%</td> <td>90%</td> </tr> <tr> <td>CERC Regulations</td> <td>80%</td> <td>85%</td> <td>85%</td> <td>85%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Therefore unless entitlement for linkage under auction is increased, it create artificial situation of coal shortage; and as a result, the plants will not be able to service PPA fully. May kindly request CEA / MoP to review and accept this suggestion in view of the above merits. 	Year	2004	2009	2014	2019	SBD	80%	85%	90%	90%	CERC Regulations	80%	85%
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SBD	80%	85%	90%	90%														
CERC Regulations	80%	85%	85%	85%														
				To consider change in determination of 'Normative Coal	<ul style="list-style-type: none"> The effective PLF for the coal quantity computed under Scheme document is; <ul style="list-style-type: none"> 'Normative Coal Requirement' is 	No change is envisaged												

			Requirement' at SHR corresponding to the effective PLF.	<p style="text-align: center;">= ~76% (i.e. 85%x90%)</p> <ul style="list-style-type: none"> • As per CERC (Indian Electricity Grid Code) Regulations 2016; <ul style="list-style-type: none"> • for the plants running at PLF from 75-84.99%, the SHR to be increased by 1.25%; • for the plants running at PLF from 55-64.99%, the SHR to be increased by 3%. 	
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