

Clarifications to queries raised on JNNSM Phase I Batch II

Technology

Sl. No.	Query	NVVN Reply
	Can the SPD change PV technology after PPA?	Yes, Developer can change the technology till Financial Closure.
	<p>a) What is the standard methodology for determining project capacity in AC from the installed DC capacity of the plant?</p> <p>b) What type of losses can be considered by determining AC capacities? Is there a limit on the losses to be considered?</p> <p>c) The losses may vary by location, technology & components used. Is there a cap on maximum installed DC capacity? (i.e. for a 5MW project capacity, to account for transmission losses and other losses before injection point and deliver 5.25MW AC power, can the installed DC capacity of the plant be higher than 5.25MW)</p>	<p>AC output obtained after subtracting of losses and Auxiliary Power Consumption from Installed DC capacity</p> <p>Losses for conversion of power from DC to AC power is limited to CERC Tariff Notification for grid-interactive Solar PV Power Projects, if any.</p> <p>Yes the cap on 5MW capacity is + 5 % i.e. 5.25 MW is DC capacity to provide AC output of 5 MW at Inverter output for scheduling..</p>
	<p>Clause 3.2:</p> <p>(i) In case of 5MW, why tolerance is +5% instead of \pm 5% while in case of 20 MW, tolerance is \pm 5%.</p> <p>(ii) MW Capacity is D.C output of Solar Panels (Generator) or A.C. output after Inverter, Main Transformer and dedicated transmission line</p> <p>Clause 3.5</p> <p>(i) What does different/multiple locations means?</p> <p>(ii) Can a single Company submit proposals for 3 Projects?</p> <p>Clause 5.2:</p>	<p>Since minimum capacity as per guidelines is 5 MW only no negative tolerance is provided. Tolerance is in DC Capacity to provide 5 MW AC at inverter output.</p> <p>Different location means Projects (maximum upto three nos.) situated at three different location.. However, each individual project should have separate PPA and interconnection (at 33kV & above voltage levels) and separate metering arrangement with the STU/ CTU/ Transmission Utility.</p> <p>Yes, it can. However, the aggregate capacity (in multiple of 5 MW) would be limited to 50 MW and individual project capacity limited to 20 MW.</p>

	Who will designate the Nodal Agency?	MNRE
	RfS mandates crystalline cells also to be from India. Presently there are very few reputed cell manufacturers in India and majority of them use it for their own projects as they are into EPC and power development as well, which gives them a distinct advantage going into the reverse bidding stage. We would request you to amend the clause to same as it was present in Batch 1 allocation.	Conditions of Guidelines for Batch II / RfS will prevail
	Technology Criteria: Whether NVVN has a list of approved Solar PV Module Manufacturers (Crystalline Silicon) that satisfy the technology criteria specified in the RfS document?	No
	Whether the MOU with the Technology provider is to be submitted along with the response to RfS?	No, the Order / Agreement would be required at the stage of Financial Closure only.
	How does a Project Developer prove the 5MW capacity of his farm? When should be this done?	The same would be assessed based on the energy output corresponding to 5MW A.C at the time of Commissioning.
	Technology Partner (TP) is not required during RfS submission and technology will depend on TP. Since we have to submit the technology to be adopted at the RfS stage, can we propose 2 or more technologies?	SPD has to submit their proposed technology only at the stage of RfS Final Technology selection has to submitted at the stage of Financial Closure.
	Which technologies will be classified as "advanced technologies" to be eligible for delivering higher than 21% CUF?	SPD has to assess technologies that deliver more than 21 % CUF. However Modules with tracking system or technology with storage is expected to deliver more than 21%.
	For the technical criteria- 'there is at least one project successfully operational of the proposed technology, for at least one year, any where in the world' – What kind of evidence is needed to satisfy the technical eligibility (such as a performance certificate)? Also, since this evidence needs to be submitted at the time of Financial closure, does the one year time period apply at the time of submission of evidence at FC or at the time of submission of RfS? Also, any MOU/Agreement is required from the technology provider of the project?	A certificate from the project / Client that the technology supplied by the manufacturer / Technology Provider has been in successful operation. Order copy / Agreement copy, with the Technology Provider/ Supplier for supply of the Equipments are required to be supplied at the time of Financial closure
	For the technical criteria format 6.7 – Pls clarify for 4.0 - ' Specific plan for meeting the requirement of domestic content in case of projects based on crystalline silicon	Format 6.7 is modified. Specific plan for meeting the requirement of domestic content for cells and modules is to be submitted

	technology’ – what exactly is required in this plan?	
	In the format 6.11, pls specify how ‘Conventional’ and ‘Advanced’ are defined in item 5.	Wherever CUF is committed to be upto 21 % it is considered with conventional technology and above 21% is considered as with advanced Technology.
	<p>We are a project developer that will make an application from an Indian Company that is defined under India Companies Act. This Indian Company (“ India Holdco “) is owned today 100% by a US Limited Liability Company (“ US LLC “). The US LLC is owned by a PE Limited Partnership (“ LP “) which has multiple investors. In our case one of our LP will be the single largest shareholder of US LLC as they will own more than 45% and as per the RFS, they would qualify as the single largest shareholder of India Holdco, indirectly.</p> <p>We will make the application from our India Holdco Company and will use the net worth of the LP only for credentials of net worth and they will not be participating in the actual bidding process.</p> <p>We would like to use the Net Worth of the LP to meet the qualifications of the RFS. We will provide all the documentation that is required by the RFS such as CA certificates for net worth. We will also ensure that ownership of India Holdco will not change from RFS time to the time of signing of PPA as defined by the RFS ie LP will continue to be the single largest shareholder.</p>	<p>Net Worth can be borrowed from the parent entity only if it has the status of a company . Since this does not happen to be the case here it will not be permitted and the Indian Company has to fall back on its own strength for Qualification.</p>

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PPA

Sl. No.	Query	NVVN Reply
	The Solar Power plant requires auxiliary power during generation and at non-generation time. Can the SPD take a separate power connection for the purposes of Auxiliary power consumption?	The project developer is required to make arrangements for auxiliary power in consultation with the state in which the plant is located. In case power connection is provided by the state , the energy consumption would be reduced from the generation of the plant for energy accounting.
	Clause 2.0: Metering point is not clear. Is it at the start of dedicated transmission line (Power Plant end) or at the end of line (STU/S/S)	STU substation end of dedicated line.
	You are requested to specify the CERC approved tariff which shall be applicable for projects being developed under JNNSM Phase – I Batch – II Or Kindly let us know the prevailing rate of normal tariff as well as Tariff as per accelerated rate of depreciation. What is the tariff NVVN is Offering?	CERC approved applicable Tariff as per CERC order in petition No 256/2010, Order Date 9 th November 2010 is Rs. 15.39/kWh applicable in case of Normal rate of Depreciation and @ Rs. 12.94/kWh with Accelerated rate of Depreciation. NVVN will be asking the project developers to offer discount on the above mentioned tariff for their proposed project.
	Bidders are allowed to bid for a capacity ranging from 5 MW to 20 MW in multiples of 5 MW. Hence, is felt that the commissioning schedule should be different for different capacities.	RfS Conditions will remain unchanged
	We understand the Direct Tax Code (DTC) will be coming into effect from 1 st April 2012. In that context, whether the Tariff once quoted under “Accelerated Depreciation” will have an effect? Will there be an exemption given when DTC is introduced?	Refer Article 12 of model PPA document .
	Please confirm if the PPA will remain in force for 25 years from the date of first Part	Refer definition “ Expiry date” in PPA.

	Commissioning or last Part Commissioning.	
	<p>PPA Clause 4.8.3 - “The third party may carry out checks for testing the CUF of the Power Project.</p> <p>During a Contract Year, if the CUF of the Power Project is found to be below [Insert value i.e. 5% less than CUF] or if it is found that the SPD has not been able to maintain a CUF of [Insert value i.e. 3% less than CUF] for a consecutive / non consecutive period of three (3) months during a Contract Year on account of reasons solely attributable to SPD, the SPD shall be liable for non fulfillment of its obligation. The liability shall be equal to the amount levied by the Discom on NNVN for non supply of power by NNVN which in turn shall have the right to assign such liability to the SPD under this Agreement.”</p> <p>Kindly delete the clause of consecutive period of 3 months during a contract year. Technically clause may be appropriate for a fossil fuel fired project, but is completely in appropriate for a Solar PV project in view of seasonal variations which are inevitable</p>	PPA conditions will prevail
	NNVN should either ask for a capacity and let the developer quote the levelised CUF OR ask for a decreasing yearly energy output and let the developer decide the capacity	Conditions as specified in RfS shall prevail.
	If COD is achieved before 31 March 2013, will NNVN buy energy and what will be the expected output till March 2013 in that case?	If COD is achieved before 13 months from PPA, for 5MW or in multiples of 5MW, NNVN will buy energy produced from date of COD.
	PPA Article 4.8.3 If the CUF is lesser by more than 5% on account of lesser GHI? SPD should not be held responsible and NNVN should not levy any LD.	Article 4.8.3 shall remain applicable

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Land

Sl. No.	Query	NVVN Reply
	<p>In Gujarat, as per Land Revenue Law, a company can not register land in its name unless the land is converted in to Non agricultural land. A company would not generally keep big size land in anticipation of allotment of project by Govt. So condition regarding ownership of land before project on hand should be given relaxation. More over, what about land in the name of Directors of the company. Would it be taken as land of company for valid participation in the tender?</p>	<p>The ownership and possession of land at the time of submission of responses to RfS and RfP (by the short-listed developers) and PPA is not insisted upon.</p> <p>At the time of Financial Closure, the selected Project Developer is required to submit the documentary evidence for ownership and physical possession of land (@ minimum 2 Hectares per MW) .</p> <p>The land should be specifically in the name of the Project Company with whom PPA is signed by NVVN.</p>
	<p>It is requested to allow the developer to change the location of the land without any conditions, till the PPA is signed, however, subject to the submission of fresh letter from concerned STU.</p>	<p>Change of location is permitted within the state only and can be done upto the date of reporting Financial Closure.</p>
	<p>Can land be taken on lease from the Parent/Affiliate companies or Group Company?</p>	<p>No. The land on lease can be taken for minimum period of 30 years from State/ Central Govt.</p>
	<p>In case of consortium – possession of land is in the name of Non Lead member it can be accepted for one project only.</p>	<p>Only one application for a project can be submitted for any specific land. The land can however be in the name of a non lead member in case of a consortium.</p>
	<p>How much land is required as per the JNNSM Batch II Scheme</p>	<p>Minimum 2 Hectares per MW</p>

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STU

Sl. No.	Query	NVVN Reply
	<p>We had also participated for phase 1 and had got the letter from STU for the Grid connectivity. We are planning to apply again from the same location and same grid sub station. Can we submit the same confirmation letter or does it need to be applied again?</p>	<p>No, it is to be got issued a-fresh.. Even if the project capacity is being kept as 5 MW only then also it would require re-endorsement from the STU / CTU as availability of bays in substation needs to be relooked into after the time gap.</p>
	<p>The cost of the power evacuation setup is to be borne by STU or Bidding Co.?</p>	<p>The cost for the evacuation system from the project upto the interconnection point with STU will have to be borne by the Developer only.</p>
	<p>Can you please elaborate on the metering- where exactly be the metering done?</p>	<p>Metering shall be done at the inter-connection point where the power is injected into the CTU / STU system</p>
	<p>Please clarify on the contractual obligation of the SPD. It is towards supply of contracted capacity from the project or energy from the power project.</p>	<p>Obligation of the SPD is to first set up the Contracted Capacity and then to fulfill annual obligations of contracted energy derived from the CUF committed by the SPD for 25 years tenure of PPA.</p>

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Net worth

Sl. No.	Query	NVVN Reply
	Kindly explain the definition of Paid up share capital	Paid up share capital will include 1 Paid –up equity share capital and 2 Fully , compulsorily and mandatory convertible Preference Shares and 3 Fully , compulsorily and mandatory convertible Debentures
	Whether Share premium will form part & parcel of Net Worth	Yes. Share Premium will form an integral part of Net Worth provided it is realized in cash or cash equivalents
	Whether Net worth can be drawn from ultimate parent as well as from group Companies in addition to Parent/Affiliate format 6.6?	Yes
	As project developer would be corporate entity only, rate of depreciation applicable to solar PV project would be @ 80% + 20% additional as per Income Tax Act, 1961. More over, as per Income Tax Act, depreciation applicable on plant and machinery is compulsorily and automatically taken as claimed at applicable rate. It means all the projects of Solar PV projects would be paid at Tariff as per accelerated rate of depreciation only. So there is no question of Tariff based on normal rate of depreciation.	As per IT Act 1961 there are two rates of Depreciation. One is straight-line method which is treated as Normal rate of Depreciation. Another is WDV as stated by you, which is treated as Accelerated rate of Depreciation.
	We would like to seek your clarification as to whether in “FINANCIAL CRITERIA” Net Worth requirement of Rs. 3 Crore or equivalent US\$ per MW of the project capacity upto 20 MW i.e. Rs.60 Crores is minimum threshold limit or not. The doubt arises in our mind is that for a bidder opting for 5 MW capacity project, minimum Net Worth criteria would be Rs.60/- crores?	The minimum capacity that a project can have is 5MW +5%, thus, required net worth for 5 MW capacity Power plant would be 3x5 = Rs. 15 Crore. Similarly for 10 MW it is 30 Cr, for 15 MW it is 45 Cr and 20 MW it is 60 Cr
	There is a contradiction in statements in RfS Document page 15 Point B Cont. Note (i), A copy of return submitted to ROC for registration of shareholders is to be submitted with RfS and Before Signing of PPA. NOT Clear when to submit the document?	Copy of return can be submitted at the time of verification of documents before PPA.
	The condition to infuse equity into the SPV may be relaxed for those SPVs/ bidders seeking qualification on the basis of parent /affiliate by obtaining suitable equity commitment undertaking from the parent/ affiliate (similar to Standard Bidding Document released by MOP for Thermal Projects).	The conditions of RfS shall remain unchanged

	<p>Since in the Format 6.4 – Format for Board Resolution, the Parent/ Affiliate, i.e. the entity whose financial credentials have been used, has already committed through the Board Resolution that “all the equity investment obligations of the Bidding company shall be deemed to be our equity investment obligations and in the event of any default the same shall be met by us.” the requirement of infusing the required Net Worth does not seem to be necessary. We request you to kindly remove this requirement, as it causes additional procedural burden on the bidder.</p>	<p>The provisions of RfS shall remain unchanged</p>
	<p>In case bidder is a wholly owned direct/indirect subsidiary of a listed company, will this condition be applicable? Please confirm.</p>	<p>Yes. If for meeting Net Worth requirement resource is drawn from parent / affiliate / group company, Infusion of Net Worth in the Bidding company before signing of PPA is to be done</p>
	<p>Capital increase in the parent company for the purpose of business expansion, specially relevant for companies which are professionally owned, between the time of RfS submission and PPA signing should be allowed. Company is a Euro 160m company about to go for fund raising for expansion in different parts of the world.</p>	<p>Capital increase in the company without changing the shareholding percentage is permissible</p>
	<p>The Lead Member of the Consortium needs to have 50% or more shareholding at the time of RFS. Can the Lead Member dilute this to atleast 26%, which is defined as the Controlling stake in the RFS, at the time of PPA signing or before one year from COD?</p>	<p>Please Refer Clause 3.20 of RfS & Elaboration. The controlling stake means holding of more than 50% of paid up share capital and voting rights .</p>
	<p>What are the documents needed to prove financial closure if funds are committed from internal sources? Will board resolutions from project SPV and parent/ultimate parent company suffice? (Clause 3.2.1)</p>	<p>The companies which have agreed in providing Financial Strength must have that much liquid financial resources in their Balance Sheet. To verify this we will require latest Balance Sheets, Profit & Loss A/c, cash flow statement, schedules attached thereto etc.</p>
	<p>At one place in Qualifying Requirements it is mentioned that ‘Bidder shall submit a certificate from a Chartered Accountant certifying the availability of Net worth ----’. In format 6.6 signature from either Statutory Auditor or Chartered Accountant is called for whereas in Note(i) certificate from Statutory Auditor is mentioned. A clarification is desirable as to from whom certificate is required.</p>	<p>Both Statutory Auditors or a practicing Chartered Accountant can certify</p>

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Bank Guarantee

Sl. No.	Query	NVVN Reply
	<p><u>Para 3.19 – Bank Guarantee</u></p> <p>It is mentioned that the bank guarantee towards EMD & Bid Bond will be converted into Performance Guarantee and further Performance Guarantee @ Rs.30 Lacs per Megawatt should be submitted before signing of the PPA. However it is mentioned that on receipt and after verification of the total Performance Bank Guarantee in acceptable form the earlier Bank Guarantee towards EMD & Bid Bond would be returned to the bidder. This is contradictory with each other</p>	<p>To address the issue a Clause will be inserted in the PBG format as under-</p> <p>“ These Bank Guarantees towards Performance Guarantee are inclusive of values of EMD & Bid Bond submitted earlier and are issued in lieu of earlier Bank Guarantees submitted towards EMD and Bid Bond</p> <p>i) Nos ----- dated ----, Value -----</p> <p>ii) Nos----- dated -----, Value ---</p>
	<p>“For delay of more than one month.....NVVN will encash 40% of the total Performance Bank Guarantee.....”. Please confirm if this would be cumulative 40% or in addition to the 20% already recovered as per clause 3.22 a.</p>	<p>For delay more than one month 40 % would be deducted in addition to 20 % already recovered</p>
	<p>EMD may be kept as Rs.3 Lakh/MW in line with that of case 1 bids where the value is derived as Rs.3lakh/MW. Performance Guarantee may be kept as Rs.7.5/MW in line with UMPP & case 2 bids for which bid documents are finalized by MoP.</p>	<p>RfS & JNNSM guideline conditions will prevail.</p>
	<p>Kindly consider modifying the clause Commissioning (3.22) / PPA (4.6) to the following:</p> <p>NVVN shall encash the Bank Guarantee on pro rata basis for non commissioned capacity of the project in the following manner :</p> <p>a) Delay up to one month – NVVN will encash upto 20% of the total Performance bank Guarantee proportionate to the number of days of delay on the Capacity not commissioned</p> <p>b) Delay of more than one month and up to two months - NVVN will encash upto 40% of the total Performance Bank Guarantee proportionate to the number of days of delay on the Capacity not commissioned.</p>	<p>Guidelines / RfS conditions will prevail.</p>

	<p>c) Delay of more than two months and up to three months - NVVN will encash remaining Performance Bank Guarantee proportionate to the number of days of delay on the Capacity not commissioned.</p> <p>Also, there is a risk with the developer that the tariff for the delayed capacity gets changed. This would be a double penalty on the developer</p>	
	<p>There is conflicting information on submission of Performance BG. As per 3.14, the performance guarantee is to be submitted at the time of signing of PPA while as per 6.0, performance BG needs to be submitted along with RfS? Kindly clarify.</p>	<p>BG at the time of submission of RfS is towards EMD. BG at the time of RfP is towards Bid Bond. BG submitted at the time of PPA is towards Performance Bank Guarantee.</p>

Clarifications to queries raised on JNNSM Phase I Batch II

General

Sl. No.	Query	NVVN Reply
	Rs.1.00 Lac processing fee is to be sent for either 1 project or 3 projects	The Processing fee is @ Rs. 1.00 Lakh per project..
	Can 3 different bidding companies belonging to the same group/parent company bid for a total of 50MW (ex. 20,20,10) at the same location?	The company , including its parent Affiliate or Ultimate parent or any Group Company may submit application for a maximum of three projects at different locations subject to a maximum of 50 MW capacity
	In eventuality of a tie up in the bidding process, kindly allow for the selection of the bidder with a higher Net worth.	Provisions of Guidelines/ RfS document will prevail.
	Please provide copy of PSA executed with Discoms by NVVN	PSA document will be signed with the Discoms separately (probably simultaneously with PPA) and a copy would be made available for the Project Developer in due course.
	Is formation of SPV for project execution the must, or can a company execute the project by itself. Kindly confirm. Can share holding of SPV be changed from the Bidding Company / Consortium	Formation of SPV is not must. However if SPV is planned it is to be formed before signing PPA. No, shareholding of Bidding Company /Consortium shall be maintained in the SPV
	Can we bid under 3 different consortiums. Ex: We are company A and form the consortium with Company B to bid for 20MW, form another consortium with Company C to bid for 20MW, & form third consortium with Company D to bid for another 10MW.	Yes. This is however subject to total capacity bid by company A including its parent, affiliate or Ultimate Parent or any Group Company shall be limited to 50 MW
	Can we apply in combination of Consortium and single entity separately for multiple projects.	Yes. This is however subject to total capacity bid by company A including its parent, affiliate or Ultimate Parent or any Group Company shall be limited to 50 MW
	In case of part commissioning of the project, would there be any change in tariff for the parts of the capacity which are commissioned later?	Refer Clause 3.24 c of RfS
	Can we change the capacity of the proposed project-.e.g. last year one of our company submitted bid for 5MW, can we change the capacity to 10 or	Yes it can be done as this scheme of Batch II is independent of Batch I. However all documents as per requirement are to be submitted

	20 MW this year?	afresh.
	Whether the projects qualified last time automatically qualifies this time or they have to submit the QR again.	Every request for selection will be scrutinized on the basis of Qualification criteria of Batch II
	Please confirm that RfS is dated 24.08.2011	Yes RfS is dated 24 th August,2011
	In a group there are three (3) companies i.e one parent and two subsidiary companies. One of the subsidiary companies will bid for 20 MW in one project and another subsidiary company will bid for 2 Nos of 15 MW. Both the companies will draw Financial support for qualification from parent company. Now will there be a single application for the group company or there can be two applications from two subsidiaries with suitable disclosures.	There can be two separate applications from two subsidiaries along with suitable disclosures mentioning about the other application from the group company.