

Clarification 1 (Dated 16.02.2018) to RfS (NVVN-RE-CM-2017-0010) for Purchase of 5 MW DG Power to Electricity Department at Chatham Power House, Andaman & Nicobar Islands.

Sr. No.	Page #	Clause No. of RFS	Provision of RFS	Query of bidder	Response
1		4	<p>Liquidated Damage</p> <p>The Project shall be commissioned to the rated capacity and COD shall be achieved in 45 days from the Effective date of PPA. The deduction under liquidated damage shall be regulated as under:</p> <p>(a) 1% per week or part thereof of delayed COD period of the contract subject to maximum of 10% of cost of supply of power for PPA duration (i.e. Tariff X minimum guaranteed Generation per year X PPA period in year). In case the bidder fails to achieve the COD (Commercial Operation Date) due to his own fault beyond 2 weeks after expiry of LD period. NVVN will be at the discretion to invoke termination clause.</p> <p>The LD shall be deducted from monthly Bills in ten (10) instalments. Any LD amount deducted from the successful bidder will be transferred to concerned Electricity Department, Andaman & Nicobar Administration</p> <p>(b) We NVVN shall forfeit the performance bank guarantee in proportion to the unexecuted portion of the contract @ Rs. 27,00,000/- per MW (Rs. 27 Lakh / MW only) submitted by the (name of the DG Set Generating Company) and shall be transferred to concerned Electricity Department, Andaman & Nicobar Administration.</p>	<p>We have a clarification regarding the sub-clause (b) of clause 4.0</p> <p>Kindly clarify whether</p> <p>(i) sub-clause (b) shall be simultaneously applicable along with the imposition of liquidated damages as provided under sub-clause (a) in the event of a delay by Company in achieving the COD</p> <p>or</p> <p>(ii) sub-clause (b) shall be applicable only if NVVN chooses to invoke the termination clause in the event the delay of COD continues beyond a period of 2 weeks from the date of exhaustion of the 10% limit for applicable liquidated damages</p>	<p>As per RfS document</p>

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2			General Clarification	<p>The PPA is currently silent on the overall limitation of liabilities arising under or in connection with the PPA. In light of Company's ("Company") internal risk management policies and procedures which recommend having a limit on overall liabilities arising under or in connection with any contract, we wanted to seek your views on whether it would be feasible to include a provision limiting Company's liability in the following terms:</p> <p>"It is hereby agreed that Company's (DG Set Generating Company) maximum liability towards any form of penalties payable and/or arising under or in connection with this contract / agreement shall at all times be limited to total value of the contract / agreement. Further, Company (DG Set Generating Company) shall in no event be liable whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of production, loss of revenue, financial loss or for any indirect or consequential loss in each case, however caused, even if foreseeable, arising under or in connection with this contract / agreement."</p>	As per RfS document
3		13(a)	Penalty at the rate of Rs. ----- (Double the per unit cost) will be paid by (name of the DG Set Generating company) to NVVN for the shortfall of average generation below 0.192 MU per day accounted on monthly basis after adjustment of deemed generation as per clause 13.0 (d)	We urge you to reduce the penalty at the rate-offered tariff rate for the shortfall in average generation below 0.192 MU per day accounted on monthly basis	As per RfS document

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4		13(d)	<p>Due to less power demand by Electricity Department, line fault or any other fault in the network of Electricity Department or line of electricity department under maintenance / not available for which the (name of the DG Set Generating company) is not responsible thereby not able to deliver the contracted power, then no penalty will be imposed for such period of non-supply. The energy that could have been generated during such period shall be termed as deemed generation and calculated based on 80% load and period of non-supply (e.g. 8000 KW x duration of non-supply in hours for 10 MW Set) such unit calculation for peak hours shall be 100% load and period of non-supply (e.g. 10000 KW x duration in hours for 10 MW Set). However, such period of non-delivery of power due to fault on the part of the Electricity Department shall be recorded in the log book and log sheets which shall be maintained by the contractor and shall be authenticated by obtaining counter sign of the representative of the Electricity Department. The data related to deemed generation shall be entered into JMR for billing purpose</p>	<p>Due to less power demand by Electricity Department, line fault or any other fault in the network of Electricity Department or line of electricity department under maintenance / not available for which the (name of the DG Set Generating company) is not responsible thereby not able to deliver the contracted power, then no penalty will be imposed for such period of non-supply. The energy that could have been generated during such period shall be termed as deemed generation and calculated based on 80% load and period of non-supply (e.g. 8000 KW x duration of non-supply in hours for 10 MW Set) such unit calculation for peak hours shall be 100% load and period of non-supply (e.g. 10000 KW x duration in hours for 10 MW Set). However, such period of non-delivery of power due to fault on the part of the Electricity Department shall be recorded in the log book and log sheets which shall be maintained by the contractor and shall be authenticated by obtaining counter sign of the representative of the Electricity Department. The data related to deemed generation shall be entered into JMR for billing purpose.</p> <p>It should be complimented by including the minimum capacity charge payable to the "Company" at the rate of 80% of the agreed tariff value for the deemed generation in the event Electricity Department is not able to draw power and the "Company" is at no fault</p>	<p align="center">As per RfS document</p>

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5		19	Amicable Settlement	<p>We would like to seek clarification on which Rules of Arbitration would be applicable in the event of a dispute arising in connection with the PPA.</p> <p>The provision presently mentions that a dispute shall ultimately be referred to arbitration for settlement. However, the provisions does not specify which rules of arbitration shall apply and which place would be the venue of arbitration</p>	As per RfS document
6		25	Termination of Contract	<p>In light of the service that Company shall be providing, we would like to ensure that payments due to us are made on time since our finance modelling for each project is based on receipt of timely payments. The PPA is currently silent on the termination rights that the DG Generating company might have in the event of continued non - payment for the services being provided. We would like to understand if we can address this concern by adding the following provision to clause 25 under the PPA:</p> <p>“d) Company (The DG Set Generating Company) shall have the right to terminate the contract / agreement in the event the payment due to Company under the contract / agreement remains due for a period of more than thirty (30) days from the scheduled due date.”</p>	As per RfS document

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7		5.1.17 of RFS	<p>Special design Requirement: The control and protection scheme shall be designed in such a manner so that the DG Sets should not trip and get isolated from the grid in the event of momentary grid disturbance i.e. voltage and frequency fluctuation resulting out of external feeder faults. The droop setting of the 10 MW DG Sets shall match with the existing DG Sets of the Department (4%) so that proper load sharing is achieved. The under / over voltage / frequency setting of the DG Sets shall be in such a manner so that the DG Set sustain the momentary grid fluctuation condition due to feeder fault. This is required to avoid grid failure due to cascading tripping of DG Sets.</p>	<p>With respect to this clause, please confirm the range of frequency and Voltage of the existing DG sets of the department to calculate droop setting so 10 MW DG Sets package shall match with the existing DG Sets of the Department (4%) so that proper load sharing is achieved.</p>	<p>As per RfS document</p>