

No. 117/44/2018-Wind-Part(1)
Ministry of New and Renewable Energy
Wind Energy Division
Atal Akshaya Urja Bhawan, Lodi Road, New Delhi – 110003

Dated: 09th January, 2023

To,

- i. MD, SECI
- ii. CMD, NTPC
- iii. CMD, NHPC

Subject: Review of competitive bidding mechanism for procurement of power from wind power projects – Reg.

The Ministry of New and Renewable Energy had constituted a committee to examine proposals for ensuring faster capacity addition in the wind sector. The committee has submitted its report and the recommendations have been examined. After carefully considering the report, Government have decided as follows:

- i. Bids for a cumulative capacity of about 08 GW will be issued each year from 1st January, 2023 onwards up to 2030.
- ii. In order to ensure that wind energy capacity comes up in all the 8 windy states; every bid will be a composite bid-comprising of state specific sub-bids for each of the 8 windy states. The power generated from capacity established in each of the state sub-bids will be pooled and offered at pooled tariff to all procurers. The pooling of tariff will be as per the notified Electricity (Amendment) Rules, 2022.
- iii. The bids will be on a single stage two envelope closed bid basis. One envelope will contain the technical bid, and the other envelope will contain the financial bid. The envelope containing the technical bid will be opened first and the financial bid of only those bidders who qualify in the technical bid will be opened.
- iv. The bids will specify the capacity to be installed. One sub-bid will be specific to one state. The cumulative size cap in any one of the 8 States in one year will not be more than 2 GW every year. SECI / Implementing Agency may determine the minimum and maximum bid size based on Wind RPO targets of states. The Bid process, Bid mechanism, Technical pre-qualification process, Preparatory phase, Methodology for tariff pooling across all state bids, are annexed.
- v. SECI will issue bids of cumulative capacity of about 8 GW in calendar year 2023 up to 2030. A detailed breakup of this capacity shall be issued by SECI.
- vi. Necessary amendment(s) in the 'Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Power Projects' for above purpose would be notified separately.

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2. This issues with the approval of Hon'ble Minister for Power and New & Renewable Energy.

Yours Sincerely

DDJ

(Dinesh Dayanand Jagdale)

Joint Secretary

Ministry of New and Renewable Energy

Copy to:

- i. All concerned

Copy for information to:

- i. PS to Hon'ble Minister for Power & NRE
- ii. PS to Hon'ble Minister of State for NRE
- iii. Sr. PPS to Secretary, MNRE
- iv. PPS to JS(DDJ)

Annexure

Pooled Bids for ensuring capacity addition across all 8 windy States

- i. Every bid will be a composite bid – with 8 sub-bids for 8 windy states. The bidder shall bid for the capacities in one or more states as per his choice. The L1 for each state shall be decided separately.
- ii. Single stage two envelope closed bidding is to be followed. Separate sub-bids specific to one state shall be given.
- iii. SECI may determine the minimum and maximum bid size based on Wind RPO targets of states. However, the maximum capacity to be established in one year in one State shall not be more than 2 GW.

Bid process: SECI and other implementing agencies should plan an advanced bidding trajectory starting from the calendar year 2023 onward until 2030. Based on the prevailing market conditions, SECI / The concerned implementing agencies may take up an exercise to review the declared trajectory every two/three years & then revise/realign its forward bidding trajectory for the next three years.

The orders will go to the lowest bidder in the closed bid. If there is only one bidder or if, no bid is received in a sub-bid, then the capacity may be added to the next tender.

Technical Bid: The requirements for qualifying in the technical bid will be laid down in a bidding document. The bidders must have adequate financial capacity and technical manpower to set up the project.

The financial bids of only technically qualified bidders shall be opened. The penalties for non-execution of the awarded project shall be as follows:

- In case the project commissioning is delayed by one year or more from SCD, the performance bank guarantee (PBG) shall be encashed. The PBG shall be 5% or as per the upper limit stipulated by Ministry of Finance from time to time, whichever is lower.
- Where the project is not executed by the bidder even after 18 months of the SCD the bidder will be debarred for 5 years.

Preparatory phase:

- National Institute of Wind Energy (NIWE) develops, updates and publishes wind resource maps on a periodic basis. It also publishes the site quality parameters, estimated annual average CUF for a given site. NIWE will also prepare and publish

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important land-related details such as ownership, distance to other types of required infrastructure etc.

- SECI / Implementing Agency, in collaboration with PGCIL and state Transco's, will provide dynamic information on sub-station capacities and augmentation activity/plans for the future.
- SECI / Implementing Agency will undertake consultation with all the State DISCOM for off take of RE power for a given year.
- SECI / Implementing Agency shall give a rebate of 2 ps per Unit on the applicable trading margin (presently the applicable trading margin is 7 paise per Unit of energy sold) to those states who submit their off-take requirement within a specific window of time ahead of each auction round. To be eligible for the rebate, the state must honor the requirement that was submitted during the said window.

Tariff pooling across all state bids: All the tariffs discovered in the state sub components shall be pooled as per the notified Electricity (Amendments) Rules, 2022 and shall be offered to distribution companies on a single tariff under the power sale agreements (PSAs).

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