



RESPONSE TO INVESTOR QUERIES

Request for Qualification (RFQ) for allotment of SHP Projects
in Kerala under BOOT – Tender Notice no. SHPC/RFQ/1/16

Sl. No.	Written Queries / Issues raised during pre-bid meeting held on 21 June 2016 at EMC, Trivandrum	Response from EMC (pages 1 to 5)
1.	The extended submission date of RFQ is 30th June 2016. Any further extension is possible?	The tender submission date for the prequalification bid (RFQ) is 30th June 2016 (30.6.2016)
2.	Always Life time of the projects of 30 years is taken from COD instead of date of allotment. PI clarify?	SHP Policy 2012 specifies BOOT period as 30 years from the date of allotment of the scheme, irrespective of Commercial Date of Operation. This is for encouraging investors to complete the project ahead of the time targets specified.
3.	When will the draft PPA be released?	During RFP stage.
4.	What is the prequalification evaluation criteria	An average capital cost of SHP Power plant of Rs. 6.2 Cr/MW is taken for evaluation (Basis – “A power plant capital cost of Rs. 5.926 Cr per MW and Rs. 6.465 Cr per MW for SHP projects having installed capacity of and above 5MW and having installed capacity below 5 MW respectively will be taken for financial evaluation based on the project cost/MW taken by the KSERC in their latest notification No. 442/CT/2015/KSERC dated 11.11.2015)”. If the proposed prequalification bidder has a net worth of Rs. 0.93 Cr, the bidder is eligible to bid for projects up to 1 MW capacity or less. If the bidder gets 4 such projects during the next stage of bid (RFP), the bidder will have to opt for projects totaling up to 1MW as per bidder’s preference and drop out from the other projects.



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5.	Request to allocate the projects for a period of 30 years from Commercial Date of Operation	The BOOT period of 30 years as per SHP Policy 2012 is for 30 years from the date of allotment.
6.	Whether the Projects will be considered for MNRE subsidies & CDM benefits	Yes, as per the prevailing norms, the investor has to avail these benefits directly.
7.	What if a company doesn't have the audited financials for last 3 years?	Authentic financial data certified by Chartered accountant may also be accepted for new companies where audited financials are not available for last three years.
8.	Is it essential to form a SPV to implement the project if the applicant is a company incorporated under the Company's Act 1957	Yes. This is to separate the liabilities of the allotted project if in case of any disputes.
9.	If a project is allotted as IPP, at later date whether the power can be used for captive use.	No, since this may lead to breach of agreement with KSEB.
10.	In the case of IPP whether it can sell power to a third party other than KSEBL. (Open access)	Refer cl. 12 of SHP Policy. Since these are the resources of the state, the first right of purchase is for KSEBL at a rate fixed by the KSERC (Ref: KSERC notification No. 442/CT/2015/KSERC dated 11.11.2015) If not, the allottee is free to sell power to a third party.
11.	Whether the benefit of accelerated depreciation is applicable to these SHP projects	At present, there is no accelerated depreciation benefit for IPP category. MNRE, Govt. of India is exploring ways of bringing in more investments in SHP sector since other RE sectors (Wind & Solar) have already overtaken SHP sector in terms of installed capacities.
12	In the tender notice (page 1), the cost of tender document is given as Rs 5000/- whereas in page 18 (Cl. 2.17.2 (1) it is mentioned as additional Rs 3000/- towards cost of RFQ application	The cost of RFQ tender (application) is Rs.5000/- The typographical error is regretted.



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13	As per clause 2.16.4, bidder should submit one original and two copies of the bid documents, kindly confirm.	The original bid plus one copy need only be submitted in line with clause 2.16.4. (1 ORIGINAL + 1 COPY)
14	Cl 2.2.7 - Any entity which is barred by the Govt. of Kerala/KSEB from participating in power projects or who have not completed any projects allotted to them in the earlier allotment by Govt. of Kerala/KSEB would not be eligible to participate in bid, either individually or as a member of any consortium.	Cl 2.2.7 - Any entity which is barred by the Govt. of Kerala/KSEB from participating in allotment of power projects or those earlier allottees who have been served with show cause notice for undue delay in completing the earlier allotted SHP projects are not eligible to participate in this bid, either individually or as a member of any consortium.
15	As per FC Act/ MO&EF guide lines, the investor to apply for forest clearance after the approval of the TEFRR by the Govt. In order to obtain NOC from Forest, Land, Revenue & Local Administrations, can a single window mode be made available by EMC comprising with one authenticated representative of the Forest dept. for smooth progress of work.	A High Level Empowered Committee under the Chairmanship of Chief Secretary, Govt. of Kerala has been formed exclusively for expediting issues related to Power sector. As per GO (Rt) No. 267/2013/PD dtd. 30.9.2013. EMC as a facilitator will extend all possible help as far as bottlenecks related to different Kerala State Govt. Departments/Agencies are concerned. However, the primary responsibility for land acquisition would still remain with the developer.
16	In case any of the proposed SHP site listed in Appendix I to GO (MS) No. 2/2016/PD dtd. 9.2.2016, if found problematic by means of huge encroachments and restriction from local, can we suggest a suitable proposal in same river basin at a different location	It is permitted in and around of the location specified with suitable modifications in the component structure & location to avoid problematic land area to save implementation time. If additional capacity can be generated, it is permitted as per SHP Policy so as to maximize the utilisation of natural resources. Further, the proposed area belongs to the proponent, the project could be allotted without coming through the bidding route as detailed in SHP Policy 2012 – Cl. 7.3



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17	Can individuals apply for qualification	<p>Individuals can also apply in the RFQ form giving details called for including the net worth details.</p> <p>Net worth details supported by auditor's certificate, Income tax and wealth tax returns for the last three years as well as details of fixed deposits currently held by him continuously for the last six months, with letters from the bank/NBFCs confirming duration of deposits and that these deposits are unencumbered. In case of NBFCs a copy of the certificates of RBI registration of the NBFC also shall be submitted. In case of foreign holdings, only bank fixed deposits would be considered.</p> <p>The qualification will be based on</p> <ul style="list-style-type: none">a) Net worth of the individual defined as (Total Assets – Total borrowings of the individual) and needs to be certified by their auditor and accompanied by the auditor's registration details. Net worth of the individual should be at least 25% of the project cost.b) Unencumbered fixed deposits held by the individual in banks/NBFCs. Value of such deposits need to be at least 10% of the project cost. <p>It may be noted that other forms of individual savings such as Mutual Fund units, shares, etc. would not be considered for the above evaluation.</p> <p>Further, after the allotment, they have to form separate SPV company for</p>
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		<p>entering in to contracts, implementing & running the plant as specified for others.</p> <p>Group of individuals also can apply provided they give authentic undertaking regarding the % contributions from each member while applying & forming the company for entering in to contracts, implementing and running the plant.</p>
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Sd/-

Director
Energy Management Centre

24.6.2016