To,

The Secretary,
Central Electricity Regulatory Commission,
New Delhi

Sir,

The Government of India has approved certain changes in the SBDs to be used for all future UMPPs. These are as indicated in the Annex.

The above changes have been posted on the website of the Ministry of Power.

End: Annex

Yours faithfully,

(Pranay Kumar)
Director
Addendum to SBDs to be used for UMPPs issued on 24th February 2010

Following will be incorporated in SBDs for all future UMPPs:

Ceiling of number of UMPPs to one developer

At any point of time the bidding company, bidding consortium – including its Parent, Affiliate or Ultimate Parent – or any Group Company of all or any of the above will not have more than three UMPPs at pre-commissioning stage. Accordingly, the developer could bid for the next UMPP only after all the units of one of the three UMPPs have achieved COD. This condition would need to be met thirty days prior to the RFP bid submission date as originally stipulated at the time of issuance of the RFP, irrespective of whether the RFP bid submission date is subsequently extended.

Safeguards in award of UMPPs be incorporated in respect of UMPPs:

(a) A company (including its Parent, Affiliate or Ultimate Parent) or a consortium would be required to submit a Performance Bank Guarantee (PBG) according to a graded scale, by enhancement of 50% of the present requirement for a project, for every subsequent UMPP awarded to it. Thus for example the requirement of PBG would be as follows:

i) Rs. 7.5 lakh per MW – for one UMPP (i.e. the existing provision)
ii) Rs. 11.25 lakh per MW – for the second UMPP
iii) Rs. 15.0 lakh per MW – for the third UMPP

Simultaneously, the requirements for additional performance guarantee and limits on liquidated damages in various articles of the PPA would also be enhanced by 50% for each subsequent UMPP.

(b) the condition at (a) above would not apply if the company (including its Parent, Affiliate or Ultimate Parent) which has earlier been awarded any UMPP, itself, or as a part of consortium of which it was a Lead Member, subsequently bids as a part of consortium in which this company (including its Parent, Affiliate or Ultimate Parent) is not the Lead Member, and the share of such company (including its Parent, Affiliate or Ultimate Parent) in the consortium is less than 26%.