No.23/17/2013-R&R(Vol-III)
Government of India
Ministry of Power

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Shram Shakti Bhawan, Rafi Marg,
New Delhi, the 20th February, 2014

To,

1. The Chairperson, Central Electricity Authority, Sewa Bhavan, R.K. Puram, New Delhi
2. The Secretary, Central Electricity Regulatory Commission (CERC)/FOR, Chanderlok Building, Janpath New Delhi
3. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs
4. Secretaries of All State Electricity Regulatory Commissions/JERCs.
5. Chairman/CMDs of all PSUs under administrative control of Ministry of Power
6. CEO, POSOCO, New Delhi
7. DG, Bureau of Energy Efficiency, New Delhi
8. CMDs/MDs of Discoms of all State Governments
9. Chairman, State Electricity Boards

Subject: Model Bidding Documents (MBDs) for procurement of peaking power for medium term - reg.

Sir,

I am directed to state that the Ministry of Power had issued Model Bidding Documents for procurement of electricity for medium-term from Power Generating Stations set up and/or operated on Finance, Own and Operate (FOO) basis on January 29, 2014.

2. In the Inter-Ministerial Group (IMG) meeting held on 11.10.2013 under the chairmanship of Secretary (Power), it was decided that in line with the decisions taken for revision of Standard Bidding Documents for procurement of power for medium-term, similar exercise may also be undertaken for preparation of separate documents for procurement of peaking power for medium term by Ministry of Power. Accordingly, the draft Model Agreement for Procurement of Power (MAPP), including peaking power, for medium term procurement was prepared and circulated on 18.11.2013 for seeking comments of stakeholders and experts. Thereafter, to seek comments on the MAPP and to discuss the same, a meeting was held under the chairmanship of Secretary (Power) on 13.12.2013 with State Govts/Discoms, lenders, traders, APPs, CII, FICCI etc.
3. As an outcome of this process, the Inter-Ministerial Group (IMG) constituted under the chairmanship of Secretary (Power) in its meeting held on 3.1.2014 finalised the draft Model Agreement for Procurement of Power (MAPP), the draft Model Agreement for Procurement of Peaking Power (MAPPP), the draft Model Request for Qualifications (Model RFQ) and the draft Model Request for Proposals (Model RFP), collectively the “Model Bidding Documents” (MBDs) for procurement of peaking power for medium term from Power Generating Stations set up and/or operated on Finance, Own and Operate (FOO) basis.

4. The aforesaid MBDs have been approved by Minister of State for Power (I/C) on 22nd January, 2014. Following the approval of the competent authority, it was decided to circulate the aforesaid MBDs comprising the Model RFQ, Model RFP and the Model APP for procurement of peaking power for medium term from Power Generating Stations set up and/or operated on Finance, Own and Operate (FOO) basis. Accordingly, a copy each of the aforesaid Model RFQ and Model RFP were circulated vide OM of even number dated January 29, 2014. The said Model RFQ and Model RFP shall apply, *mutatis mutandis*, for procurement of peaking power for medium term and shall be titled as the Model RFQ for Agreement for Procurement of Peaking Power and Model RFP for Agreement for Peaking Power respectively.

5. The Model Agreement for Procurement of Power (MAPP) issued vide OM of even number dated January 29, 2014 shall also apply, *mutatis mutandis*, for procurement of peaking power, but with the modifications contained in the Annexure hereto. Accordingly, the MAPP as modified in accordance with the said Annexure shall be the Model Agreement for Procurement of Peaking Power (MAPPP).

6. It has also been decided to issue guidelines under Section 63 of the Electricity Act 2003 to enable the utilities to use the aforesaid Model Bidding Documents for inviting tariff based bids for procurement of peaking power for medium term from Power Generating Stations set up and/or operated on Finance, Own and Operate (FOO) basis for supply of peaking power to such utilities. These guidelines are proposed to be issued shortly.
7. In view of the above, I am directed to state that upon issue of the guidelines referred to above, all power utilities intending to invite power producers to construct and/or operate Power Generating Stations set up on Finance, Own and Operate (FOO) basis for supply of peaking power for medium term may adopt the aforesaid Model Bidding Documents for inviting bids henceforth.

Yours faithfully,

(Pranay Kumar)
Director
Tel No.2371 5250

Encl: As Above

Copy to:

i) Adviser to Dy. Chairman, Planning Commission, New Delhi.
ii) Secretary, Department of Economic Affairs, New Delhi.
iii) Secretary, Ministry of Corporate Affairs, New Delhi.
iv) Secretary, Ministry of Coal, New Delhi.
v) Secretary, Department of Environment & Forest, New Delhi
vi) Secretary, Ministry of New and Renewable Energy, New Delhi
vii) Secretary, Deptt. of Legal Affairs, Ministry of Law & Justice, New Delhi
viii) Secretary, Central Vigilance Commission, ‘A’ Block, CPO Complex, INA, New Delhi
ix) Principal Director of Audit, Economic & Service Ministries, AGCR Building, IP Estate, New Delhi
x) President, Confederation of Indian Industry (CII), Mantosh Sondhi Centre 23, Institutional Area, Lodi Road, New Delhi – 110 003
xi) President, Federation of Indian Chambers of Commerce & Industry (FICCI), Federation House 1, Tansen Marg New Delhi -110001
xii) President, ASSOCHAM, ASSOCHAM Corporate Office, S, Sardar Patel Marg, Chankyapuri, New Delhi – 110 021
xiii) Director General, Association of Power Producers, New Delhi
xiv) Member, Prayas Energy Group, Pune, Maharahsta

Copy to:

1. All JSs of Ministry of Power/JS&FA & Economic Adviser, Ministry of Power
2. All Directors/DSs of Ministry of Power

Copy also to:

Members of Advisory Group of Ministry of power
Copy also to:

1. Private Developers (*as per list*)
2. Financial Institutions (*as per list*)
3. Power Traders (*as per list*)

*Copy for information to:* PS to MoSP(I/C), PPS to Secy.(P), PPS to AS(AE), PPS to AS(DC),
PPS to JS(RR), PPS to Dir(RR)

*Copy to:* In-charge, NIC Cell for uploading on MOP's website under 'what's new'.
List of Private Developers, Financial Institutions & Power Traders Private Developers

1. Adani Power Ltd
2. AES(India) Pvt.Ltd.
3. CLP Power India Pvt. Ltd
4. Essar Power Ltd
5. GMR Energy Ltd.
6. GVK Gautami Power Ltd
7. Indiabulls Power Ltd.
8. Lanco Infratech Ltd.
9. Reliance Power Ltd.
10. Jindal Power Ltd
11. Tata Power Company Ltd
12. JSW Energy Ltd.
13. CESC Ltd.
14. Torrent Power Ltd.
15. R.K.M.Powergen Pvt. Ltd.
17. Diligent Power Pvt. Ltd.
18. Athena Energy Ventures Private Ltd.
19. Adhunik Power & Natural Resources Limited
20. Hinduja National Power Coporation Ltd. (HNPCL)
21. Moser Baer Power ProjectsLtd.
22. Monnet Power Company Ltd.
23. Sterlite Energy Limited
24. Welspun Energy Limited
25. SKS Power Generation(Chhatisgarh) Ltd.
26. Thermal Powertech Corporation India Ltd.
27. Today Energy (M.P.) Private Limited
28. Pioneer Gas Power Ltd.
29. Shree Cément Power Ltd.

Financial Institutions

1. Chairman, State Bank of India
2. MD & CEO, ICICI Bank Ltd.
3. CMD, IDBI Bank Ltd.
4. CMD, India Infrastructure Finance Company Ltd. (IIFCL)
5. MD & CEO, IDFC Ltd.
6. Director, South Asia International Finance Corporation
7. Country Director, Asian Development Bank
8. CMD, Punjab National Bank
9. Country Director, World Bank, South Asia,
Power Traders

1. CEO, Tata Power Trading Company Ltd.
2. Chairman & MD, PTC India Ltd.
3. Chairman, Reliance Energy Trading Ltd.
4. CEO, NTPC Vidyut Vyapar Nigam Ltd.
5. Chairman, MMTC Ltd.
6. Chairman Jindal Steel & Power Ltd.
7. Chairman JSW Power Trading Company Ltd.
8. Chairman Indiabulls Power Trading Ltd.
MODEL AGREEMENT FOR PROCUREMENT OF PEAKING POWER

Government of India
New Delhi
Procurement of Peaking Power for Medium-term

1. In the event that the Utility wishes to procure peaking power for medium-term, it may modify the Model Agreement for Procurement of Power (the “MAPP”) issued by the Ministry of Power vide OM No. 23/17/2013-R&R (Vol-II) dated January 29, 2014 in accordance with the following:

(a) Substitution of Clause 5.1.4

Clause 5.1.4 of the MAPP may be substituted by the following Clause:

The Supplier shall install, operate and maintain the Power Station in accordance with the Specifications and Standards such that the Availability of the Contracted Capacity of the Power Station is at least 85% (eighty five per cent) thereof during Peak Hours of each year of the Contract Period (the “Normative Availability”).

(b) Substitution of Clause 10.1

Clause 10.1 of the MAPP may be substituted by the following Clause:

Pursuant to the provisions of this Agreement, the Supplier shall dedicate a generating capacity of *** MW to the Utility as the capacity contracted hereunder for and in respect of Peak Hours (the “Contracted Capacity”) and the Contracted Capacity shall at all times be operated and utilised in accordance with the provisions of this Agreement.

(c) Substitution of Clause 10.4

Clause 10.4 of the MAPP may be substituted by the following Clause:

10.4 Supply during Peak Hours

The Supplier shall procure the Availability of the Power Station during peak hours of the day comprising [2 (two) hours upto or before 10:00 (ten hundred) hours] in the morning and [4 (four) hours from or after 17:00 (seventeen hundred) hours] in the evening, at the timings to be specified by the Utility with a notice of 30 (thirty) days to the Supplier (the “Peak Hours”), and shall be entitled to payment of Fixed Charge for such Availability. Provided, however, that in the event the Utility does not Despatch the full capacity comprising the Availability during any hour or part thereof and the whole or part thereof is sold to Buyers, the provisions of Clause 10.2 shall apply.
(d) **Omission of Clause 10.5**

Clause 10.5 of the MAPP may be omitted.

(e) **Substitution of Clause 11.2**

Clause 11.2 of the MAPP may be substituted by the following Clause:

The Parties agree that the fixed charge payable for Availability during Peak Hours shall, in accordance with the offer of the Supplier for the Base Year, be Rs. ........... (Rupees .................)\(^5\) per kWh (the “Base Fixed Charge”), which shall be revised annually in accordance with the provisions of Clause 11.3 to determine the Fixed Charge for the relevant Accounting Year.

(f) **Substitution of Clause 11.4.2**

Clause 11.4.2 of the MAPP may be substituted by the following Clause:

11.4.2 The obligations of the Utility to pay Fixed Charges in any Accounting Year shall in no case exceed an amount equal to the Fixed Charge due and payable for and in respect of the Normative Availability of 85% (eighty five per cent) during Peak Hours computed with reference to the Contracted Capacity (the “Capacity Charge”). Provided, however, that in the event of Despatch of the Power Station beyond such 85% (eighty five per cent) during Peak Hours, Incentive shall be payable in accordance with the provisions of Clause 11.6.1.

(g) **Substitution of Clause 11.4.3**

Clause 11.4.3 of the MAPP may be substituted by the following Clause:

11.4.3 Pursuant to the provisions of Clause 11.4.4, the Supplier shall not, for and in respect of any day, be entitled to receive payment of Fixed Charge for Availability exceeding 85% (eighty five per cent) thereof during Peak Hours, and in the event it supplies electricity to the Utility in excess of such 85% (eighty five per cent), such excess supply shall be eligible only for payment of Variable Charge, save and except the payment of Incentive due under the provisions of Clause 11.4.2.

2. The MAPP, as modified in accordance with paragraph 1 above, shall be the Model Agreement for Procurement of Peaking Power (the “MAPP”) and shall be adopted by the Utilities for procurement of peaking power for medium-term.

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\(^5\) This amount shall be the amount specified in the Bid, which shall not be less than Re. 1 (Rupee one) per kWh in any case or such minimum amount as may be specified in the RFP.