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 31/5/19

ABSTRACT

Procurement of 200 MW solar power through tariff based competitive bidding – cancelling tender dated 2nd March 2019 – retender for procurement from anywhere in India – approved – orders issued.

Corporate Office (Planning)

B.O. (FTD) No. 431/2019 (CE(C&P)/Solar/200 MW Bid/2017-18) dated, Thiruvananthapuram, 28-05-2019

- Read: 1. B. O. D(F) No. 968/2018(CE(C&P)/Tender/2018-19 dated 17-04-2018.
 2. DEEP portal reference no. KSEBL/Short/19-20/ET/2 dated 02-03-2019.
 3. B.O. No. 272/2019 (CE(C&P)/Solar/200 MW Bid/2017-18) dated 20-03-2019.
 4. Note No. CE(C&P)/Solar/200 MW Bid/2017-18/141 dated 16th May 2019 of the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer submitted to Full Time Directors. (Agenda No. 50/5/19)

ORDER

KSEBL had retendered the procurement of 200 MW solar power from grid connected solar PV power projects within the State of Kerala on long term basis (25 years) through tariff based competitive bidding in the DEEP portal of MSTC based on the revised bidding documents approved by KSERC on 02-03-2019 vide order read as 2nd paper above. The last date for online submission of non financial and price bids by the prospective bidders was 17th April 2019. The opening of non financial bids was scheduled on 24-04-2019 and the price bids of technically qualified bidders are to be opened on 15-05-2019.

The prospective bidders had to submit documents like Bank Guarantee towards EMD in original as per prescribed format, signed original of bid agreement at least one hour before time of opening of non financial bid and hard copies of other essential documents offline. It was seen that only CIAL Infrastructures Ltd., Kochi had submitted hard copies of the required original documents within the prescribed time. The non financial bids were opened online on 25th April 2019 and was observed that it was a single bid with CIAL Infrastructures Ltd., being the lone bidder with a bid quantity of 10 MW.

As per Clause 8.6 of the guidelines issued by MoP for Tariff Based Competitive bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects dated 3rd August 2017, "To ensure competitiveness, the minimum number of qualified Bidders should be two. If the number of qualified bidders is less than two, even after three attempts of bidding, and the Procurer still wants to continue with the bidding process, the same may be done with the consent of the Appropriate Commission." Also Clause 1.13.2 of the RFS states that there should be minimum two numbers of qualified bidders. If the number of qualified bidders is less than two, even after three attempts of bidding, KSEBL can continue with the bidding process only with the consent of KSERC. Hence Deputy Chief Engineer

(Commercial & Planning) with full powers of Chief Engineer in note read as 4th paper above has reported that KSEBL was not in a position to proceed with the bid process.

The Committee constituted by the Board for finalising the bid documents and invitation of bid, met on 26-04-2019 and observed the following.

The bid was proposed for procurement of 200 MW solar power from ground mounted grid connected solar PV plants within the state at a price below Rs. 3.50 per kWh to be discovered through reverse auction and bucket filing. However only 10 MW participation from a single bidder was discovered, that too at a price above the ceiling rate fixed by KSEBL. The 200 MW solar bid is part of the Soura project envisaged by the State Government to ensure 1000 MW solar power by the year 2021. The other schemes for procuring power through roof top panels and floating solar panels are expected to bring desired results. The NTPC has proposed 92 MW floating solar project at Kayamkulam at a rate of Rs. 3.16 per kWh. Another proposal for 15 MW ground mounted solar project of NTPC at Kayamkulam with ceiling rate of Rs. 3.00 per kWh as per MoU is also before KSERC for approval. Proposals for setting up floating solar projects in the reservoirs of KSEBL like Banasurasagar, Idukki etc. are being explored. KSEBL will have to meet the non solar RPO obligation of 771 MW by 2021 through all these projects.

The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer in note read as 4th paper above has reported the following suggestions of the Committee.

- i. To cancel the subject tender and to intimate the matter to KSERC, in view of the poor response from bidders.
- ii. not to go for retendering the subject bid for power procurement from power plants situated within Kerala, since the scope of better participation is meager.
- iii. To float a revised tender for procurement of 200 MW solar power from ground mounted grid connected solar PV plants within India so as to ensure more participation and competition.
- iv. To offer special preference in terms of minimum contracted capacity to bidders who supply power from power plants located within Kerala, if they match the L1 price discovered through competitive bidding, which is to be done manually since e-bidding portals do not offer such flexibility and
- v. to obtain prior approval of KSERC in this regard.

Having considered the matter in detail, the Full Time Directors, in the meeting held on 24th May 2019,

1. Resolved to accord sanction to cancel the tender floated on 2nd March 2019 for procurement of 200 MW solar power from grid connected ground mounted solar PV power projects within the State of Kerala on long term basis (25 years) through tariff based competitive bidding in the DEEP portal of MSTC as per the revised bidding documents approved by KSERC.

2. Further resolved to accord sanction to return the Bank Guarantee submitted by CIAL Infrastructures Ltd., Kochi, the single bidder.
3. Further resolved to accord sanction to initiate processing to procure 200 MW solar power from Ground Mounted Power Plants situated anywhere in India with preference to plants to be set up in Kerala in case price matching with L1 bidder is agreed by Kerala plants.
4. Further resolved to authorize the Committee constituted vide B. O. read (1) above dated 17th April 2018 to modify the bid documents accordingly so as to seek approval of KSERC.

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-

LEKHA G.

COMPANY SECRETARY IN CHARGE

To

The Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer

Copy to:

The Chief Engineer (Tr.- SO) / The Chief Engineer (REES)

The Financial Advisor / Chief Internal Auditor / LA & DEO

The Deputy Chief Engineer (TRAC)

TA to the Chairman & Managing Director / TA to Director (Trans. & System Operation)

TA to Director (Corporate Planning, Gen (E), SCM & Safety)

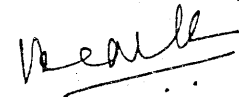
TA to Director (Distribution & IT), TA to Director (Generation (Civil) & HRM)

The Deputy Chief Engineer (TRAC), PA to Director (Finance)

Senior CA to Secretary / The Fair Copy Superintendent

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Forwarded / By Order



Assistant Executive Engineer