

# TARIFF BASED COMPETITIVE BIDDING GUIDELINES FOR INTRA-STATE TRANSMISSION SYSTEM OF TANTRANSKO

Tariff based Competitive Bidding Guidelines for Intra-State Transmission System of Tantransko have been framed in line with the Guidelines on Tariff Based Competitive Bidding and Guidelines for encouraging competition in development of Transmission Projects issued by Ministry of Power, Government of India.

## **Background**

1. The National Electricity Policy notified on 12<sup>th</sup> February 2005 inter alia states that –

*“5.3.1 The Transmission System requires adequate and timely investment and so efficient and coordinated action to develop a robust and integrated power system for the country.*

*5.3.2 Keeping in view the massive increase planned in generation and also for development of power market, there is need for adequately augmenting transmission capacity.*

*5.3.10 Special mechanisms would be created to encourage private investment in transmission sector so that sufficient investments are made for achieving the objective of demand to be fully met by 2012.*

*5.8.1 Considering the magnitude of the expansion of the sector required, a sizeable part of the investments will also need to be brought in from the private sector. The Act creates a conducive environment for investments in all segments of the industry, both for public sector and private sector, by removing barrier to entry in different segments section 63 of the Act provides for participation of suppliers on competitive basis in different segments which will further encourage private sector investment.”*

2. The Tariff Policy notified on 28<sup>th</sup> January 2016 inter alia states that –

*“5.3 The tariff of all new generation and transmission projects of company owned or controlled by the Central Government shall continue to be determined on the basis of competitive bidding as per the Tariff Policy notified on 6<sup>th</sup> January 2006 unless otherwise specified by the Central Government on case-to-case basis.*

*Further, intra-state transmission projects shall be developed by State Government through competitive bidding process for projects costing above a threshold limit which shall be decided by the SERCs.”*

3. The Guidelines for Encouraging Competition in Development of Transmission Projects, issued on 10<sup>th</sup> August 2021 by Ministry of Power, Govt. of India, state that-

*“4. In order to facilitate the smooth and rapid development of transmission capacity in the country as envisaged in the National Electricity Policy, inter State /intra State transmission projects, other than those exempted by the Central Government, shall be implemented through tariff based competitive bidding.”*

4. The Tariff Based Competitive-bidding Guidelines for Transmission Service, issued on 10<sup>th</sup> August 2021 by Ministry of Power, Govt. of India, state that-

*“2.2 The guidelines shall apply for procurement of transmission services for transmission of*

*electricity through tariff based competitive bidding, through the mechanisms described in this notification and to select the bidder who will acquire SPV for a new intra state transmission system and to build, own, operate and transfer the specified transmission system elements.”*

5. In order to facilitate the smooth and rapid development of transmission capacity in the State as envisaged in the National Electricity Policy and subsequent Guidelines on Encouraging Competition in Development of Transmission Projects and the Tariff Based Competitive Bidding Guidelines, Intra State transmission projects, other than those exempted by the State Empowered committee on Transmission and in line with the directives of the Tamil Nadu State Electricity Regulatory Commission, shall be implemented through tariff based competitive bidding.
6. With a view to evolve common framework and approach for Tariff Based Competitive Bidding (TBCB) projects, these guidelines are being formed and these guidelines will be reviewed from time to time with the ultimate aim of developing all transmission projects in an efficient and economical manner.
7. **Definitions** – In these guiding principles, unless the context otherwise requires
  - 7.1. **“BPC** –shall mean Bid Process Coordinator would be responsible for conducting the bid process for procurement of required transmission services for each intra-state transmission project to be implemented under tariff-based competitive bidding in accordance with these guidelines.
  - 7.2. **“Nodal Agency”** -shall mean STU, which shall execute and implement the Transmission Service Agreement (TSA).
  - 7.3. **“STU”** - In terms of Section 39(2) of the Electricity Act, for intra-state transmission projects, STU shall act as Nodal Agency and shall fulfill its function as per the regulations.
  - 7.4. **“Transmission Service Agreement” or “TSA”** shall mean the agreement entered into between Nodal Agency and the TSP, pursuant to which the TSP shall build, own, operate and transfer the Project and make available the assets of the Project on a commercial basis.
  - 7.5. **“Transmission Service Provider (TSP)”** shall mean the selected bidder which shall acquire the SPV consequent of signing of the Transfer Agreement and has executed the Transmission Service Agreement.

#### **PERSPECTIVE, SHORT TERM AND NETWORK PLANS**

8. State Transmission Utility (STU) has to discharge all functions of planning and coordination relating to intra-State transmission system according to section 39(2) (b) of the Electricity Act 2003.  
According to section 39(2) (c) of the Act, the STU has to ensure the development of an efficient, coordinated and economical system of Intra-State transmission lines for smooth flow of electricity from generating stations to load centers.
9. According to the National Electricity Policy “the Central Transmission Utility (CTU) and State Transmission Utility (STU) have the key responsibility of network planning and development based on the National Electricity Plan in coordination with all concerned agencies as provided in the Act.” Section 39 (2) of the Electricity Act, inter alia, provides the following:  
“The functions of the State Transmission Utility shall be –

- a. To undertake transmission of electricity through intra-State transmission system.
- b. To discharge all functions of planning and co-ordination relating to intra-state transmission system with –
  - i. Central transmission Utility
  - ii. State Governments
  - iii. Generating Companies
  - iv. Regional Power Committees
  - v. Authority
  - vi. Licensees
  - vii. Any other person notified by the Central Government in this behalf.”

In view of the above, the network Plan, Short Term Plan and the Perspective Plan for the State will be prepared by the STU.

10. The State Network plan will be reviewed and updated as and when required but not later than once a year. The Network Plan would include the projects for new lines and substations and strengthening and up gradation of the existing lines. The Network Plan will clearly identify the scope of the project, broad parameters such as design specifications including Voltage level, line configuration, and functional specifications of conductor etc., length of transmission line and probable location of substation or converter station of HVDC transmission lines.

#### 11. Specific objectives of these guidelines,

- Promote competitive procurement of transmission services;
- Encourage private investment in transmission system;
- Facilitate transparency and fairness in procurement processes;
- Facilitate reduction of information asymmetries for various bidders;
- Protect consumer interests by facilitating competitive conditions in procurement of transmission services of electricity;
- Enhance standardization and reduce ambiguity and hence time for materialization of projects;
- Ensure compliance with standards, norms and codes for transmission systems while allowing flexibility in operation to the transmission service providers.

#### 12. Scope of the Guidelines

- 12.1 These guidelines are being issued under the provisions of Suo-Motu Order No 2 of 2024, dated 13-02-2024 for procurement of transmission services for transmission of electricity issued by Tamil Nadu Electricity Regulatory Commission..
- 12.2 The Suo-Motu Order No 2 of 2024, dated 13-02-2024 issued by Tamil Nadu Electricity Regulatory Commission states that:

*“The Tamil Nadu Electricity Regulatory Commission hereby decides a threshold limit and accordingly all new and augmentation of Intra-State transmission projection of Rs. 200 Crores (Two hundred Crores only) and above shall be executed through Tariff Based Competitive Bidding (TBCB) process in accordance with the guidelines to be issued by the State Transmission Utility, viz. TANTRANSCO.*

*Provided that the mode of execution of transmission projects (TBCB or cost plus basic) of 400 kV and above voltage level may be decided by the STU in consultation with the Government if Tamil Nadu on case-to-case basis.”*

**(The order has been included in Annexure I)**

- 12.3 The guidelines shall apply for procurement of transmission services for transmission of

electricity through tariff based competitive bidding, through the mechanisms described in this notification and to select the bidder who will acquire SPV for a new Intra-State transmission system and to build, own, operate and transfer the specified transmission system elements. Standard Bidding Documents, issued by the Government of India, may be adopted for the Intra-State transmission projects. The final bid document would require prior approval from the Tamil Nadu Infrastructure and Investment Development Board (TNIDB), Government of Tamil Nadu.

- 12.4** The transmission services would include all activities related to survey, detailed project report formulation, arranging finance, project management, obtaining transmission license in case of extension beyond Contract period, obtaining right of way, forest clearance, environment clearance, statutory and other necessary clearances, site identification, land acquisition and payment of compensation, design, engineering, quality control, procurement of equipment, material, construction, erection, testing and commissioning, maintenance and operation of transmission lines and/or substations and/or switching stations and/or HVDC links including terminal stations and HVDC transmission line. It will be in such a manner that the required transmission services as specified in the bid document are provided from execution of the project up to completion and commissioning and its subsequent maintenance and operation so that the facilities are available as per the target for recovery of full transmission charges as quoted by the selected bidder during the e-reverse bidding and adopted by the Tamil Nadu Electricity Regulatory Commission.

#### **State Empowered Committee on Transmission**

- 13.** A State Committee on Transmission is constituted in the State of Tamil Nadu. Following is the structure of the State committee –

1. Chief Secretary, GoTN - Chairman
2. Secretary, Energy, GoTN - Member
3. Secretary, Finance, GoTN - Member
4. Secretary, Industries, GoTN - Member
5. Secretary, Revenue, GoTN, - Member
6. Chairman, TANTRANSCO - Member
7. MD, TANTRANSCO – Convenor
8. MD, TNGECL - Member
9. MD, TNPGL – Member
10. MD, TNPDL – Member
11. CEO, TNIDB
12. Director Operations, TANTRANSCO
13. CE in-charge of Network Planning, TANTRANSCO

- 14.** The State Committee on Transmission existing/newly formed shall have the following functions –

- Evaluate the functioning of the State Transmission grid, congestion, and network issues.
- Discuss the Resource Adequacy Plan (RAP) and review projects implementation status.

The composition, & Terms of Reference of the State committees shall be as notified by the Energy Department, Govt. of Tamil Nadu from time to time.

#### **PROJECT FORMULATION**

15. The State Committee on Transmission shall decide which projects are to be taken up under these Guidelines, and which ones under RTM method in line with Regulations/Orders of the TNERC.
16. In order to attract private investment in the transmission sector, it is very important to be able to make available all the information to the stakeholders, regarding new projects and their technical and other specifications. These projects would then need to be formulated with adequate details to enable competitive bidding to take place. Project Profile (PP) for these projects shall be prepared by STU. The Project Profile (PP) must contain relevant data regarding the line i.e. Voltage level, line configuration i.e. S/C or D/C, functional specifications of conductor etc and functional specifications of the substations or converter stations (in case of HVDC line) .In addition, a survey report containing suggested route with approximate route length, type of terrain, max. altitude, wind zones, forest/wildlife infringement, habitat, vicinity to civil and defense Airports, major river/sea crossings & coal/ mineral mine areas likely to be encountered and location of substations or converter stations shall be prepared for these projects.
17. BPC, will incur the expenditure for the preparatory activities of the projects including survey report for the projects to be bid out. BPC will recover this amount from the agency that finally undertakes the implementation of the project.
18. **Bid Process Coordinator (BPC)**
  - 18.1. Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO) shall be the Bid Process Coordinator, herein after referred to as BPC. It would be responsible for conducting the bid process for procurement of required transmission services for each intra-state transmission project to be implemented under tariff-based competitive bidding in accordance with these guidelines.
  - 18.2. BPC shall be responsible for intimating the Commission about initiation of the bidding process, coordination for the bid process for procurement of required transmission services.
  - 18.3. All the expenditure incurred by the BPC in the process of selection of the developer in accordance with the provisions of these guidelines shall be recovered from the developer who is finally identified and assigned the task of developing that project. The amount to be recovered shall be indicated in the RfP document so that bidders can take that amount into consideration in the tariff to be quoted by them. Further, there should not be a variation of more than 5% in the amount indicated in the RFP document and amount to be finally paid at the end of bidding process by selected bidder. Also, in case the bidding process for a transmission scheme is cancelled/ de-notified, the expenditure incurred by BPC on that scheme may be recovered when the scheme is re-bid. In case the scheme is no longer required or given on regulated tariff mechanism, the expenditure incurred by BPC on that scheme may be allocated to upcoming schemes.
19. **Transmission Service Provider (TSP)**
  - 19.1. The Special Purpose Vehicle (SPV) incorporated by BPC shall be designated as the Transmission Service Provider (TSP), hereinafter referred to as the TSP, after submitting a contract performance guarantee and acquiring the SPV by the successful bidder.

**19.2. TSP shall perform the following functions –**

- i. TSP is responsible to set up Project on build, own, maintain and operate the specified transmission system elements.
- ii. Survey and formulation of detailed project report, arranging finance and project management, obtaining necessary consents, clearances and permits (way leave, environment & forest, civil aviation, railway road river/ canal / power crossing / PTCC, etc.), land acquisition and providing compensation, design, engineering, equipment, material, construction, erection, testing & commissioning.
- iii. The TSP would take-up execution of the Transmission Project so as to complete commissioning and operationalization of the transmission system as per the specified schedule in the TSA.

**20. Recovery of Transmission Charges**

- 20.1. Total charges for the transmission system provided by the TSP(s) selected through the e-reverse bidding process as per these guidelines, payable to the TSP, shall be determined as specified in paras 21.1, 21.2, 21.3, 21.4 and 21.5 of these guidelines.
- 20.2. Recovery of transmission charges from all the applicable consumers using transmission system such as State supply utilities, distribution companies, generation companies, traders, bulk consumers, etc., shall be done as provided in these guidelines, applicable TNERC tariff regulations and other relevant regulations as amended from time to time.
- 20.3. For availability of transmission system below the target, subject to para 20.2 below, transmission tariff payable to the TSP will be in accordance with the provisions of Transmission Service Agreement (TSA).
- 20.4. If the availability of the transmission system is below the norms prescribed in the Transmission Service Agreement (TSA), for six consecutive months, the Nodal Agency may terminate the TSA. If the procurer of transmission service or Nodal Agency is of the opinion that the transmission system is of critical importance, it may carry out or cause to carry the operation and maintenance of transmission system at the risk and cost of TSP as a time gap arrangement and approach the Tamil Nadu Electricity Regulatory Commission for suitable action as per the procedure laid down under the Electricity Act 2003.

**21. Transmission Charge Structure**

- 21.1. For procurement of transmission services under these guidelines: Transmission charges and other applicable charges shall be paid and settled for each payment period as per applicable TNERC tariff regulations and other relevant regulations as amended from time to time. Levelized annual transmission charges which shall remain fixed for the entire period of contract from COD of the project, shall form the basis for bidding and evaluation.
- 21.2. The BPC shall specify scheduled month of commercial operation for the transmission system required for the transmission service.
- 21.3. The monthly tariff payable shall be annual tariff multiplied by no. of days in that month and divided by no. of days in the year.
- 21.4. Tariff shall be designated in Indian Rupees only. Foreign exchange risks, if any, shall be borne by the TSP.
- 21.5. The bidder with the lowest levelized annual transmission charges discovered after the e-reverse bidding procedure will be considered for the award. The Evaluation Committee shall have the right to reject all price bids if the rates quoted are not aligned to the

prevailing prices.

## **DEVELOPMENT, OPERATION AND MAINTENANCE OF THE PROJECT AND PAYMENT OF TRANSMISSION CHARGES FOR INTRA-STATE TRANSMISSION SYSTEM**

- 22.** Transmission Service Agreement (TSA) will be signed between the Transmission Service Provider (TSP) and the Nodal Agency. The Transmission charges shall be paid by the Nodal Agency and recovered from the users of the Transmission system in accordance with relevant regulations of TNERC.
- 23.** In case there is any default in payment of transmission charges by any applicable consumers using transmission system, the same shall be regulated as per the applicable regulations as amended from time to time and other related regulations as notified by TNERC.
- 24. Payment Security Mechanism**
  - 24.1.** Payment security shall be made available to the TSP by the user of transmission services being provided by the TSP. The payment security may include:
    - Irrevocable revolving Letter of Credit (LC)
    - Other measures, including regulation of power of the defaulting user(s) of the transmission services.

## **SELECTION OF DEVELOPER**

- 25.** The selection of developer for identified projects would be through tariff based competitive bidding through e-reverse bidding for transmission services according to the guidelines issued by the TNERC. The projects shall be awarded on Build, Own, Operate and Transfer mode.
- 26.** BPC shall adopt procedure as per the Tamil Nadu Transparency in Tenders Act, 1998, Tamil Nadu Transparency in Tenders (PPP) Rules, 2012. The bid document shall be approved by TNERC. The entire bidding process shall be conducted online through electronic medium under e-reverse bidding framework.
  - 26.1.** Standard documentation to be provided in the RFP shall include,
    - 26.1.1.** Definition of requirements, including:
      - Brief description of the Project;
      - Commissioning milestones to be achieved by the bidders;
      - Qualification requirements to be met by bidders with necessary proof of the same, as outlined in the bid documents;
    - 26.1.2.** Specified target dates/months for commissioning and commercial operations.
    - 26.1.3.** The TSP on the date of acquisition of SPV from the BPC will enter into a Transmission Service Agreement (TSA) with the Nodal Agency.
    - 26.1.4.** STU shall act as Nodal Agency and shall fulfil its function as defined in the Suo-Motu Order No 2 of 2024, dated 13-02-2024 issued by Tamil Nadu

### Electricity Regulatory Commission.

STU shall execute the Transmission Service Agreement and any other agreement(s), if required, under applicable tariff regulations and any relevant regulation as amended from time to time by TNERC for providing the intra State transmission services, including sharing of transmission charges and losses amongst all the applicable consumers of transmission system, collecting the transmission charges from all the applicable consumers of transmission system and disbursing it to the respective Transmission Service Providers, as per applicable TNERC tariff regulations and other relevant regulations as amended from time to time.

- 26.1.5.** The project assets along with substation land with rights, right of way and clearances shall compulsorily be transferred to STU or its successors or an agency as decided by the State Government after expiry of contract period of project, at zero cost and free from any encumbrance and liability. The contract period for the projects may be as per the applicable tariff regulation and any other relevant regulations as amended from time to time by TNERC. The STU (being the planning agency), in the year which is three (3) years prior to the expiry of the project, will examine the need of upgradation of the system or renovation and modernization of the existing system depending on technological options and system studies at that time. The project may then be awarded to successor bidder selected through a competitive bidding process for renovation and modernization, if required, and operation and maintenance after contract period of project. In case, any cost is incurred by STU towards examining the need of upgradation or renovation and modernization of the existing system and transfer of assets, the same may be recovered from successor selected bidder.
- 26.1.6.** If the useful life of the asset extends beyond the contract period as per the applicable tariff regulation as amended from time to time, the existing licensee i.e. the Transmission Service Provider may make an application, to the TNERC in concurrence with the STU, two years before the expiry of the initial period of license for grant of license for further extended life of the assets as per the relevant regulation/guidelines prevailing at that time.
- 26.1.7.** The Nodal Agency shall be entitled to recover its expenses from the all the consumers of transmission system towards fulfilment of its roles and any other claims and/ or liability(ies) including that for termination payment, indemnification under TSA.

Any payment or damages received by the Nodal Agency from the TSP, after deducting compensation payable as per applicable TNERC tariff regulations and other relevant regulations as amended from time to time, for delay in achieving commissioning of Project shall be utilised to adjust the transmission charges to be paid by all the applicable consumers of transmission system. Further, all consumers of transmission shall undertake following responsibilities to facilitate STU in discharging its responsibilities:

- To coordinate the availability of the interconnection facilities to enable the TSP to connect the project; and
- For providing all assistance to the Nodal Agency as they may require for the performance of their duties and responsibilities.

**26.1.8. Agreements under applicable tariff regulations as amended from time to time.**

The TSP shall enter into agreement(s) required, if any, under applicable TNERC tariff regulations and other relevant regulations as amended from time to time within fifteen (15) days from the date of signing of Transmission Service Agreement.

**26.1.9. TSA proposed to be entered with the SPV.**

The TSA proposed at the RfP stage may be amended based on the project specific inputs received from bidders during the pre-bid conference and it will be made available to all bidders. No further amendments shall be carried out in the TSA;

**27. Preparation for inviting bids**

- 27.1 The BPC shall prepare the bid documents in accordance with these guidelines and obtain approval of TNIDB, Government of Tamil Nadu.
- 27.2 Intimation shall be sent by the BPC to the Tamil Nadu State Electricity Commission about initiation of the bidding process.
- 27.3 The bid documents shall also include Project Profile and Survey report as mentioned above in Clause 18 of the guidelines.
- 27.4 For location specific substations, switching stations or HVDC terminal or inverter stations, the BPC should initiate the process of acquisition of land. The BPC will also initiate the process of seeking forest clearance, if required.

**28. Bid evaluation methodology to be adopted by the BPC.**

- 28.1. The tender process to be followed should be as per Tamil Nadu Transparency in Tenders (PPP) Rules, 2012. An indicative evaluation methodology is shared below.
- 28.2. The initial price offer submitted online with the RfP shall be evaluated based on levelized annual transmission charges for all components covered under the package as quoted by the bidder. The transmission charges of initial offer shall be ranked on the basis of ascending order for determination of the qualified bidders. Bidders in the first 50% of the ranking (with any fraction rounded off to higher integer) in RFP stage or 4 (four) bidders, whichever is more shall qualify to participate in the e-reverse bidding. In case the number of responsive bidders in RFP stage is between 2 (two) to 4 (four), all will qualify to participate in the e-reverse bidding. In case only one Bidder remains after the responsiveness check, the initial offer of such Bidder shall not be opened and the matter shall be referred to the State Committee on Transmission. In the event of identical transmission charges discovered from the initial offer having been submitted by one or more bidders, all such bidders shall be assigned the same rank for the purpose of determination of qualified bidders. In such cases, all the bidders who share the same rank till 50% of the ranks determined above, shall qualify to participate in the e-reverse bidding. In case, 50% of the ranks (with any fraction rounded off to higher integer) is having less than 4 (four) bidders and the rank of the fourth bidder is shared by more than 1 (one) bidder, then all such bidders who share the rank of the fourth bidder shall qualify to participate in the e-reverse bidding. The lowest transmission charges discovered from the initial offers will be the ceiling price for the next round i.e. e-reverse bidding stage. During the e-reverse bidding stage, the qualified bidders in the RfP stage would be required to place their bids at least 0.25% lower than the prevailing lowest bid, as long as they wish to continue in the reverse auction. The initial period for conducting the e-reverse bidding should be 2 hours which will be extended by 30 minutes from the last

received bid time, if the bid is received during the last 30 minutes of the scheduled or extended bid time. Subsequently, it will be extended again by 30 minutes from the latest received bid time.

### **Illustration**

- i. If there are 10 bidders who are holding ranks as L1, L2, L3, L4, L5, L6, L7, L8, L9, L10 in such a case the 50% of the ranks i.e. 5 is having 5 bidders. Accordingly, total 5 bidders i.e. L1, L2, L3, L4, L5 will be qualified to participate in reverse auction.
  - ii. If there are 8 bidders who are holding ranks as L1, L1, L2, L2, L2, L3, L4, L5, in such a case the 50% of the ranks (rounded off to next higher integer) i.e. 3 is having 6 bidders. Accordingly, now total 6 bidders i.e. L1, L1, L2, L2, L2, L3 will be qualified to participate in reverse auction.
  - iii. If there are 8 bidders who are holding ranks as L1, L2, L3, L4, L4, L5, L5, L6, in such a case the 50% of the ranks i.e. 3 is having only 3 bidders and the rank of the fourth bidder is shared between 2 bidders. Accordingly, now total 5 bidders i.e. L1, L2, L3, L4, L4 will be qualified to participate in reverse auction.
- 28.3. The RfP will also specify the bid security as well as the Contract Performance Guarantee that the bidders will have to furnish.
  - 28.4. The proposed indemnification arrangement between the TSP and the utilities (in case of intra state projects) will also be provided in the TSA. This indemnification will be applicable to both the TSP and the Nodal Agency/utilities from the effective date of the TSA.
  - 28.5. The TSA shall also specify the liquidated damages that shall apply in event of delay in start of providing the transmission services.
  - 28.6. The TSA shall also specify the technical, operational and safety criteria to be met by bidder/TSP.
29. BPC may call a pre bid conference with all prospective bidders, who have sought documents for RFP stage. In case the bidders seek any project specific deviations and BPC finds that those deviations are reasonable, the BPC may agree to such deviations, with reasoning for acceptance of such deviations. The clarification/revised-bidding document shall be given to all who had sought the RfP document informing about the deviations and clarifications. Wherever revised bidding documents are issued, the BPC shall provide bidders at least fifteen (15) days after issue of such documents for submission of bids.
30. **Tender Scrutiny and Evaluation committee**  
The STU shall form a Tender Scrutiny and Evaluation Committee for opening the bid and to evaluate the Responses received as part of the Tender Proceedings as per the provisions of Tamil Nadu Transparency in Tenders (Public Private Partnership Procurement) Rules, 2012.
  31. The technical bids shall be examined to ensure that the bids submitted meet minimum eligibility criteria set out in the bid documents on all technical evaluation parameters. Only the bids that meet all elements of the minimum technical criteria set out in the bid documents shall be considered for further evaluation on the transmission charges bids.
  32. The online initial price bids shall be electronically opened by the Tender Scrutiny and Evaluation committee. Only the lowest initial offer (s) shall be communicated to all the Qualified Bidders to participate in the e-reverse bidding process. During the e-reverse bidding process only the lowest prevailing bid should be visible to all the qualified bidders on the

electronic platform.

33. The transmission charge bid shall be rejected if it contains any deviation from the bid documents for submission of the same.
34. The lowest transmission charges discovered from the quoted levelized annual transmission charges during the e-reverse bidding process will be considered for the award. In case, no bid is received during the e-reverse bidding stage then the lowest initial offer shall be deemed to be the final offer.
35. **Arbitration**  
In case of any dispute regarding TSA or tariff, the same will be subject to jurisdiction of the Tamil Nadu State Electricity Commission under the provisions of the Electricity Act, 2003.
36. **Time-table for Bid Process**  
In case of any dispute regarding TSA or tariff, the same will be subject to jurisdiction of the Tamil Nadu State Electricity Commission under the provisions of the Electricity Act, 2003.

A suggested time-table for the Single stage bid process is indicated below. The procurer may give extended time-frame indicated herein based on the prevailing circumstances and such alterations shall not be construed to be deviation from these guidelines.

| Event                                                 | Elapsed Time from zero date                    |
|-------------------------------------------------------|------------------------------------------------|
| Publication of RFP                                    | Zero date                                      |
| Bid Clarification, conferences etc. & revision of RFP | 40 days                                        |
| Technical and initial offer submission                | 65 days                                        |
| e-reverse bidding after opening of the initial offer  | 75 days                                        |
| Short-listing of bidder and issue of LOI              | 8 days post close of e-reverse bidding process |
| Signing of Agreements                                 | 10 days post issuance of LOI                   |

#### **Contract award and Conclusion**

37. The contract shall be awarded by the STU. After selection and issue of the Letter of Intent (LOI) from the STU, the selected bidder shall execute the share purchase agreement to acquire the SPV created for the Project to become TSP in accordance with the terms and conditions as finalized in the bid document and execute the TSA. In addition, the TSP shall also execute the agreement(s) required, if any, under applicable TNERC tariff regulations and other relevant regulations as amended from time to time, within fifteen (15) days from the date of signing of Transmission Service Agreement.
38. The STU shall make the final result of evaluation of all bids public.
39. The final TSA, along with the certification by the Tender Scrutiny and Evaluation committee, shall be forwarded to the Tamil Nadu Electricity Regulatory Commission, for adoption of tariff discovered from the quoted Levelized annual transmission charges during the e-reverse bidding process in terms of section 63 of the Act.

#### **LICENSE FOR TRANSMISSION**

40. The wholly owned SPV shall have to apply to TNERC for grant of a separate transmission license to operate and maintain the identified assets before signing of TSA in accordance with relevant TNERC Regulations.
41. Along with the recommendation of selection by the Tender Scrutiny and Evaluation committee, the SPV after being acquired by the selected developer shall, approach the Tamil Nadu Electricity Regulatory Commission, with in a period of five (5) working days from the

date of the acquisition of entire equity of the said SPV, for adoption of transmission charges and other applicable charges as per applicable regulations as notified by TNERC from time to time.

#### **MONITORING OF THE PROJECT**

42. For monitoring of the project as well as for performing roles & responsibilities as identified in the Transmission Service Agreement, Nodal Agency shall appoint independent engineer during construction phase. The Independent Engineer will be selected as per framework provided in these Guidelines at Annexure II.
43. The TSP shall provide to the Nodal Agency and independent engineer, on a monthly basis, progress reports along with likely completion date of each Element with regard to the Project and its execution. The State Committee on Transmission shall monitor the development to the Project for its timely completion for improving and augmenting the electricity system
44. **Termination of Transmission Service Agreement**
  - 44.1. The Transmission Service Agreement may be terminated by Nodal Agency upon occurrence of any event, as detailed in Transmission Service Agreement.
  - 44.2. Upon termination of Transmission Service Agreement, the Nodal Agency may take steps to bid out the Project again.