



SOLAR POWER DEVELOPERS ASSOCIATION

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SPDA/PG/2021/282

March 11, 2021

To,
Shri R K Singh
Hon'ble Minister of State (IC)
Ministry of Power and New and Renewable Energy
Shram Shakti Bhawan
New Delhi

Subject: Request to use your good office for issuance of LOA to successful bidders by NTPC regarding bids concluded in August, 2020.

Ref: RfS document for solar power developers for setting up 1200 MW ISTS connected Solar PV power projects anywhere in India with RfS No: RE-CS-0000-BOO-6 dated 18.02.2021.

Respected Sir,

Greetings from Solar Power Developers Association.

On behalf of the SPDA members, we wish to bring to your notice that Solar Power Developers have participated in a 1200 MW NTPC bid. The e-reverse auction of this bid was concluded on 6th August 2020. The tariff discovered in this bid was between Rs 2.43 per unit to Rs. 2.44 per unit, which was the second-lowest tariff discovered in any solar tender till then.

We would like to bring to your kind notice that the NTPC has called the above tender for the following purposes;

- (i) Sale to Distribution Licensees in the States to enable them to fulfill the Renewable Purchase Obligations (RPO) specified under Section 86(1) (e) of the Electricity Act, 2003, and/or
- (ii) For its use to meet the auxiliary consumption at its Generating Stations; or under the Flexible Operation scheme notified by the Ministry of Power, Government of India on 5th April 2018; or for the due fulfillment of its Renewable Generation Obligation in terms of the applicable law; or sale in the market or to others or for any other purposes as NTPC may, in its discretion, consider appropriate

Since NTPC is having supply options at its discretion, it was a natural expectation that it will conclude the procurement plan, but seven months have passed from the date of e-RA but successful bidders are yet to receive the Letter of Award (LoA) from NTPC.

During the period, NTPC has called similar bids for 190 MW Nokh Solar Park in February 2021, where a tariff of Rs 2.25 per unit was discovered. It is understood that NTPC has already issued LOA to the successful bidder in Nokh Solar Park under the flexible power supply.



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There is also a provision to procure power under the 'flexible power supply' in bid concluded on Aug 20, so LoA to successful bidders of that bid could have been issued under the same scheme. Such actions of bidding agencies is setting up a wrong precedence in the power market and the sanctity of the bidding process is under question. It becomes even more severe, when the tariff discovered at a later date is far different than the earlier concluded bid due to ongoing changes in market dynamics.

This has also created a peculiar situation, where two competitively discovered tariffs, discovered in a very different environment and different timeframe starts competing with each other. This creates dubiety at the discoms end as the context of the bids is somehow currently ignored creating uncertainty and shakes the confidence of Investors and lenders

Therefore, we request you to kindly use your good office and issue necessary directions to NTPC for expeditious issuance of LOA under the earlier concluded bid and put all efforts to execute the PPA/ PSA at the earliest. It is also expected that NTPC should first conclude the bids conducted in August'20 thereafter should sign PSAs for Nokh Solar Park.

We look forward to your favorable consideration in the matter.

Thanking you.

Yours Sincerely

Praveen Golash
Joint Secretary, SPDA

CC:

- To,**
Shri Indu Shekhar Chaturvedi
Secretary
Ministry of New and Renewable Energy
Government of India.