

1320 MW RAJPURA THERMAL POWER PROJECT

Near Village Nalash, Rajpura Tehsil, District Patiala, Punjab

On

**Build, Own & Operate (BOO) basis through
Tariff based competitive bidding process**



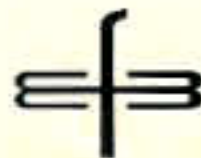
An initiative of Government of Punjab

Nodal Agency

NPL

Nabha Power Ltd.

Procurer of Power



Punjab State Electricity Board

Consultants



Power Finance Corporation Ltd
(A Govt. of India Undertaking)

PUNJAB STATE ELECTRICITY BOARD

Punjab State Electricity Board (PSEB) was constituted on the 1st February, 1959 under Section (5) (1) of the Electricity (Supply) Act, 1948. The Board is charged with the duty of promoting the coordinated development of generation, transmission and distribution of electricity within the State in the most efficient and economical manner.

Sallent features

Generation

- Present available capacity is 6,700 MW including own 3 Nos. thermal plants of 2,620 MW capacity, hydro plants of 999 MW capacity, shares from BBMB and various Central Sector projects. The thermal plants are running at more than 90% load factor and received many national awards. Maximum demand met is 7,340 MW. Connected load of 63.5 lac. consumers is more than 22,000 MW. There are 5.0 lac pending applications having load of 2,270 MW. The per capita consumption is 975 kWh.
- 2000 MW Talwandi Sabo Thermal Power Project is at Request for Proposal (RIP) stage and likely to be handed over during August, 2008 to the successful bidder to be developed on BOO basis. PSEB will procure entire power generated by this project at bus bar.

Transmission

- 47 Nos. 220 kV sub stations, 77 Nos. 132 kV sub stations, 537 Nos. 66/33 kV sub stations having transformation capacity of 10070 MVA and 4300

Ckt. Kms of 220 kV Transmission lines network. There are total 2,52,000 Nos. HT sub stations.

- 400 kV Ring main having 5-6 Nos. 400 kV sub stations will be built up for power evacuation. This 400 kV Ring main will be connected to Central Sector network.
- Strengthening, expansion, augmentation of 220 kV network and below is being carried out.



Revenue

Revenue from the sale of power during 2006-07 was Rs.8,455 cr.

Demand and Availability by end of 11th Plan

Total availability of peak power from all sources will be 8,000 MW against estimated unrestricted peak load demand of the order of 13,100 MW. Thus a deficit of 5,100 MW power will be in Punjab by the end of 11th Plan.

DEVELOPMENT OF 1320 MW COAL BASED RAJPURATHERMAL POWER PROJECT

Punjab Government has already started bidding process for 1320 MW coal based thermal power project. The project will be developed on Build, Own and Operate (BOO) basis through International Tariff based Competitive Bidding as per guidelines issued by Ministry of Power, Govt. of India (Case-2). PSEB will procure entire power generated from this project on long terms basis.



To enhance investors' confidence, reduce their risk perception and for good response to competitive bidding a Special Purpose Vehicle (SPV) named Nabha Power Ltd. (NPL) has been set up under the Companies Act, 1956 as wholly owned company of PSEB to develop Rajpura thermal power project. The NPL shall be transferred to the successful bidder at the end of the bidding process at a price to be indicated at the RFP stage including development costs incurred.

Section 63 of the Electricity Act, 2003 provides that Regulatory Commission shall adopt the tariff determined through competitive bidding in accordance with the guidelines issued by Central Government to encourage private sector investment. The Central Government Guidelines for competitive bidding for determination of tariff for procurement of power by Distribution Licensees were issued on January 19, 2005 and subsequent amendments dated 30.3.2006, 18.8.2006, 27.9.2007 and addendum dated 12.11.2007 have been issued. The policy stipulates that all future requirement of power needs to be procured competitively by Distribution Licensees except in cases of expansion of existing projects and where Regulators resort to tariff determination based on norms.

ROLE OF NABHA POWER LIMITED

- Appointment of Consultant to undertake all necessary Studies and preparation of bankable Project Report.
- Acquisition of land
- Tie-up of fuel linkages / fuel blocks.
- Tie-up of water.
- Preparation and evaluation of Competitive Bidding documents.
- Obtain various approvals and statutory clearances.
- Tie-up for off-take/sale of power.

PAYMENT SECURITY

Payment Security Mechanism for off-take of power from the project shall be as under:-

- Revolving Letter of Credit (LC) by Distribution Licensee (PSEB).
- Escrow account establishing irrevocable claims on receivables of PSEB.
- In case of default, third party sale to other procurers

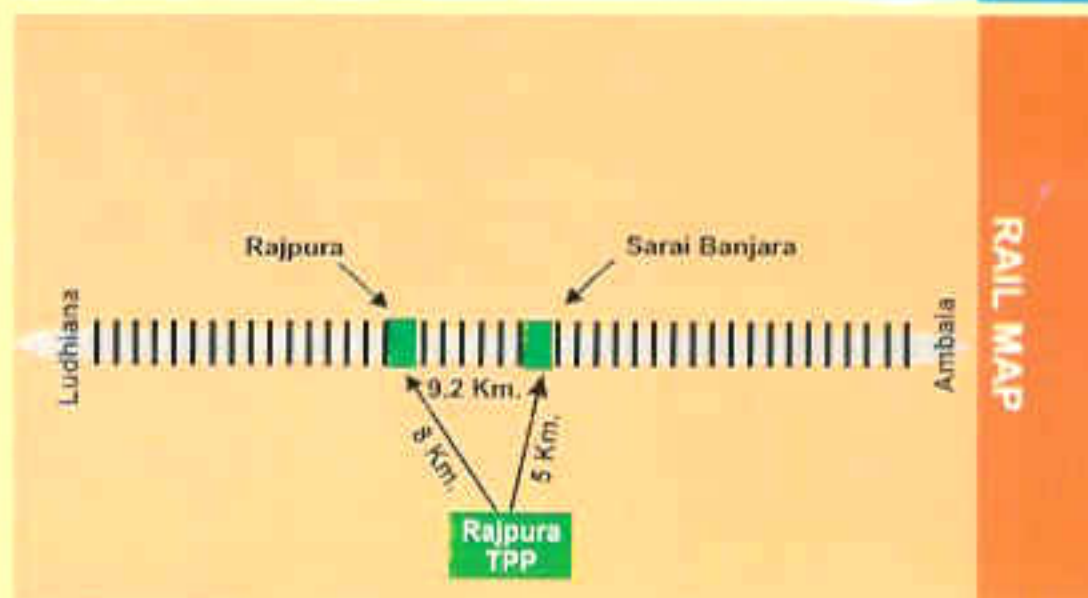
or interstate power trading or direct supply to HT consumers as per provision of the Electricity Act, 2003.

OFF-TAKE OF POWER

PSEB will off-take the entire power generated from this project on long term basis.

LOCATION AND APPROACH

The site is located at village Nalash near Rajpura Town in Patiala District of Punjab State. The nearest Railway station is "Sarai Banjara" on Rajpura – Sirhind Section of New Delhi – Ambala – Amritsar main line and nearest airport is Chandigarh at about 40 km. Nearest National Highways NH-1 (Delhi – Amritsar) & NH – 64 (Chandigarh – Sangrur) are away by about 5 km & 8 km respectively from project site.



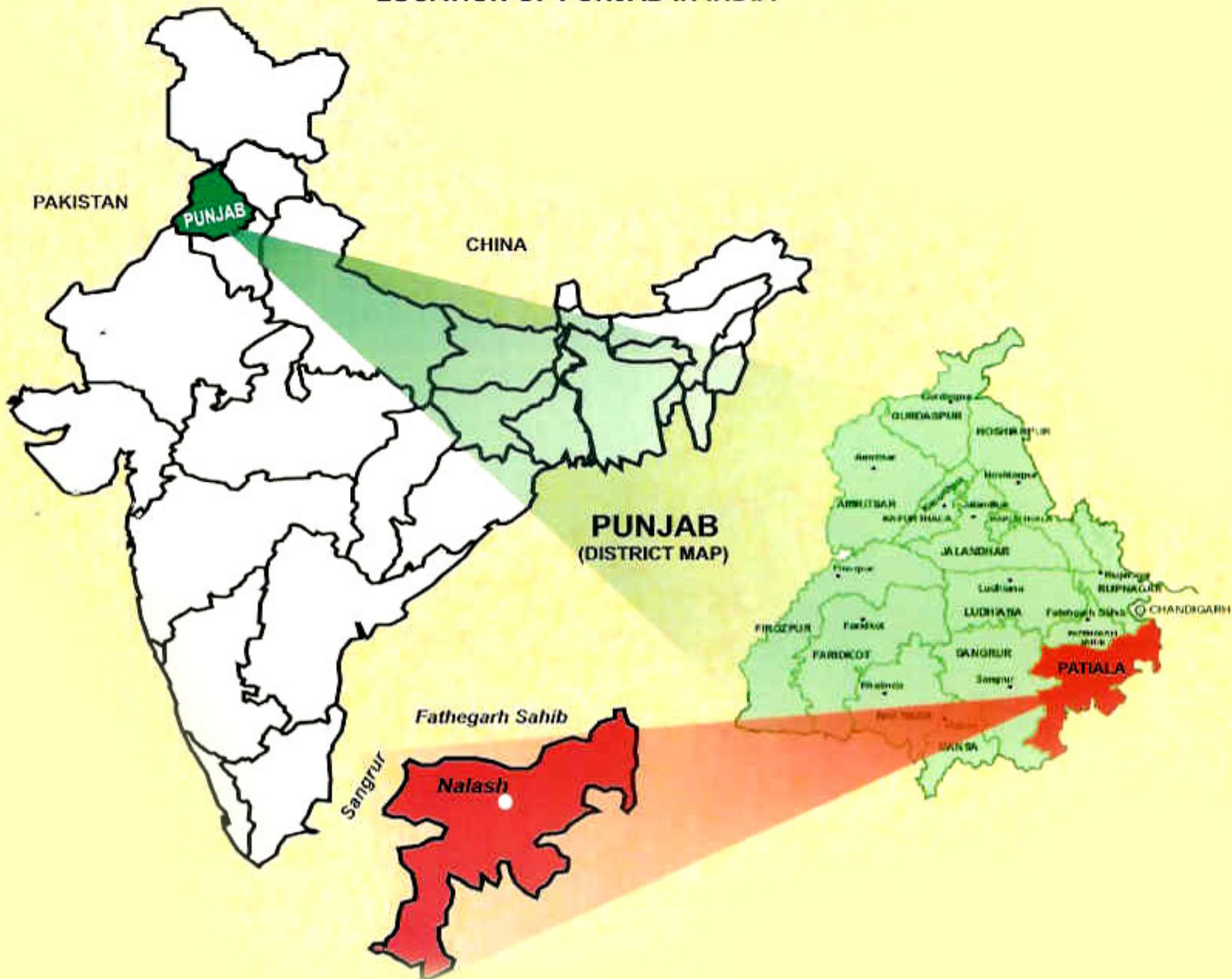
LAND AVAILABILITY

The site has been cleared by CEA. The land to the extent of 1085 acres has already been identified & land acquisition process is on.

WATER AVAILABILITY

Water is proposed to be drawn from Rajpura distributory of Bhakra Main Line.

LOCATION OF PUNJAB IN INDIA



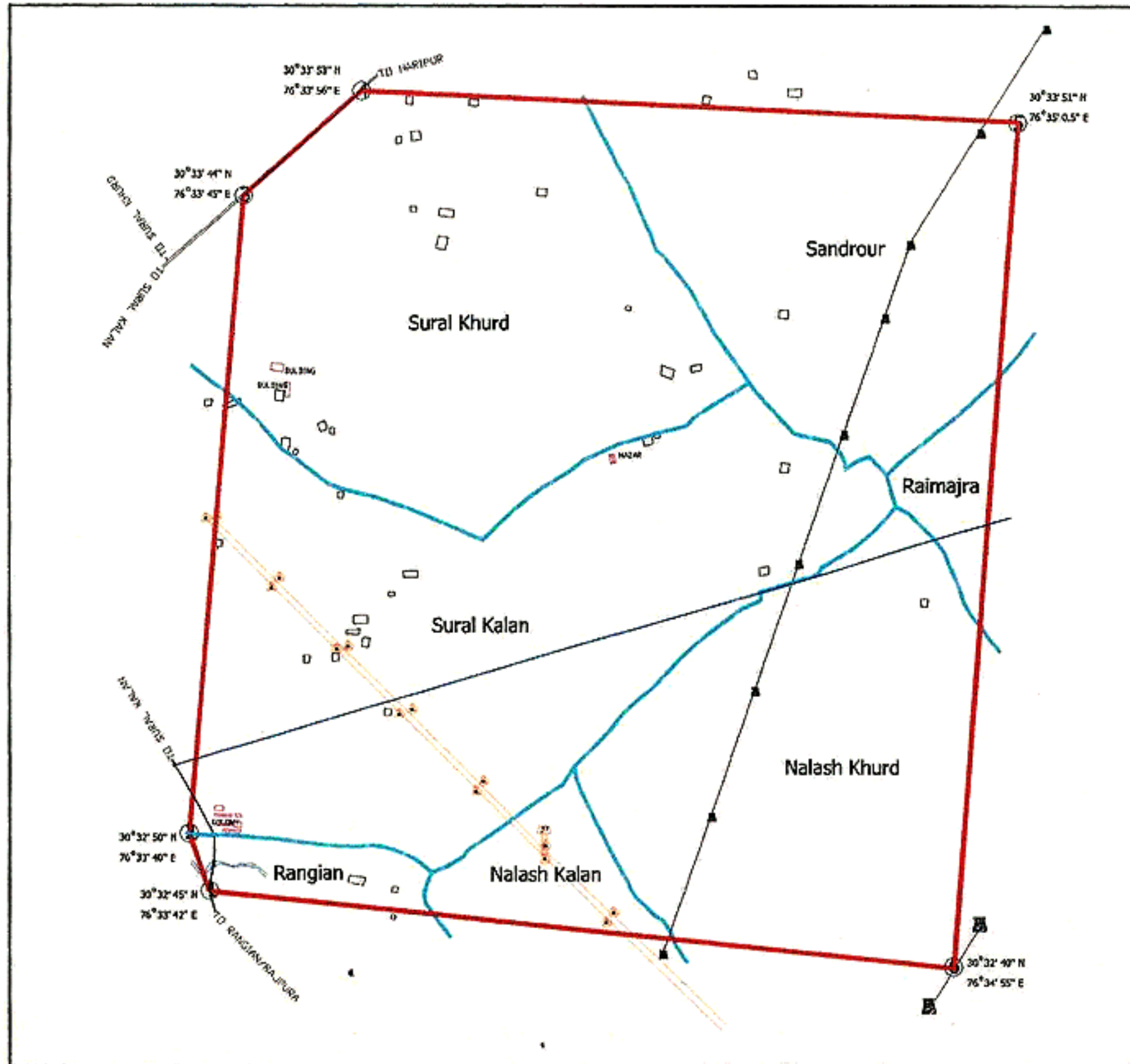
*Address for Communication for
Rajpura Thermal Power Project :*

**Director (Projects)
Nabha Power Ltd.**

Shed No. T-2, Punjab State Electricity Board, Near Railway Crossing No. 22, Patiala – 147 001, (Punjab)
Telephone: 91-175-2301171, Fax 91-175-2212867, E-mail: npl.pseb@gmail.com

Website :

**Punjab State Electricity Board : www.psebindia.org
Power Finance Corporation Ltd. : www.pfcindia.com**



LEGEND:-

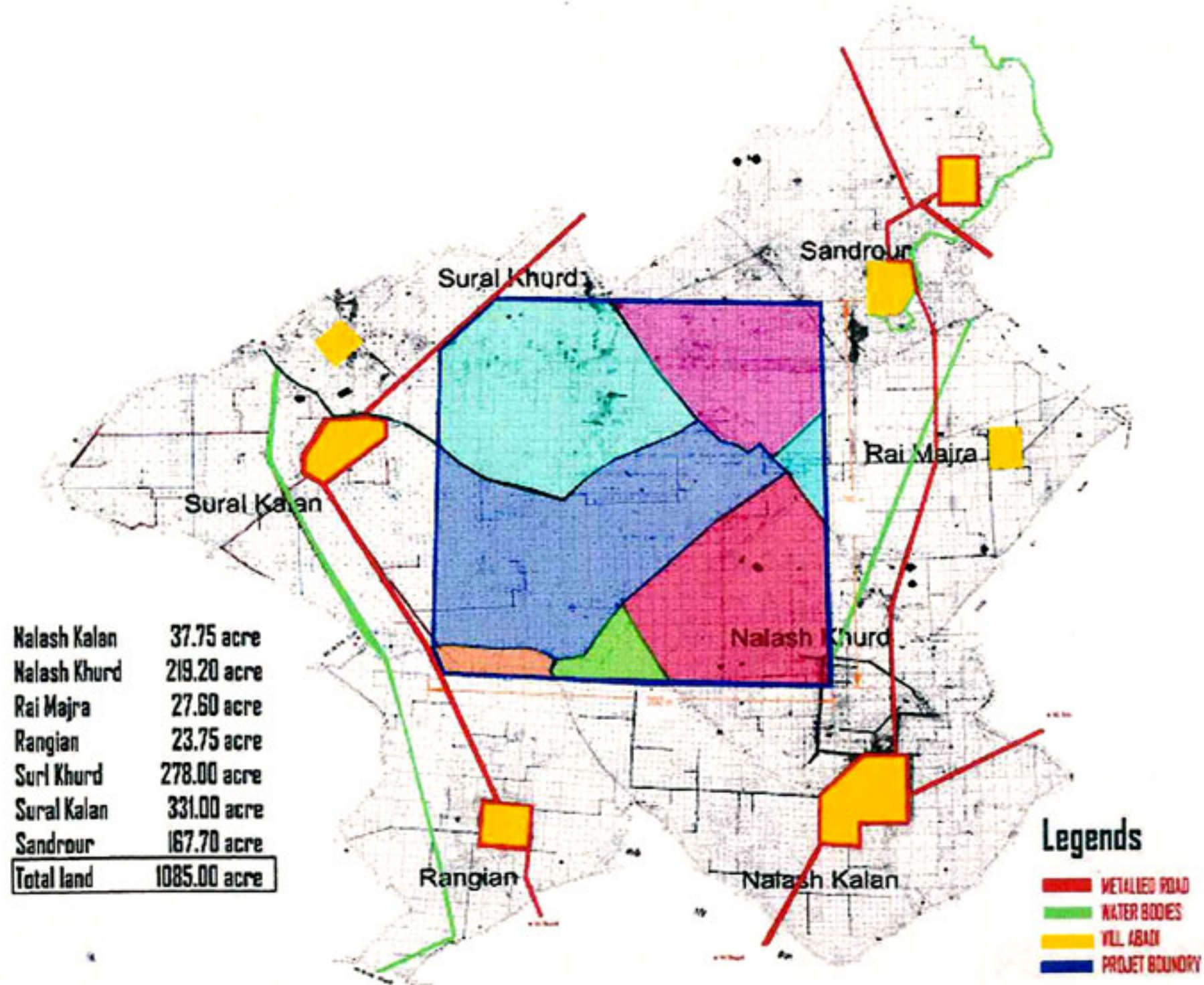
- ROAD
- HIGH TENTION TOWER
- NALA/DRAIN
- BUILDING
- PUMP HOUSE
- MAZAR
- PLANT BOUNDARY
- CULVERT
- VILLAGE BOUNDARY
- IOC PIPE LINE

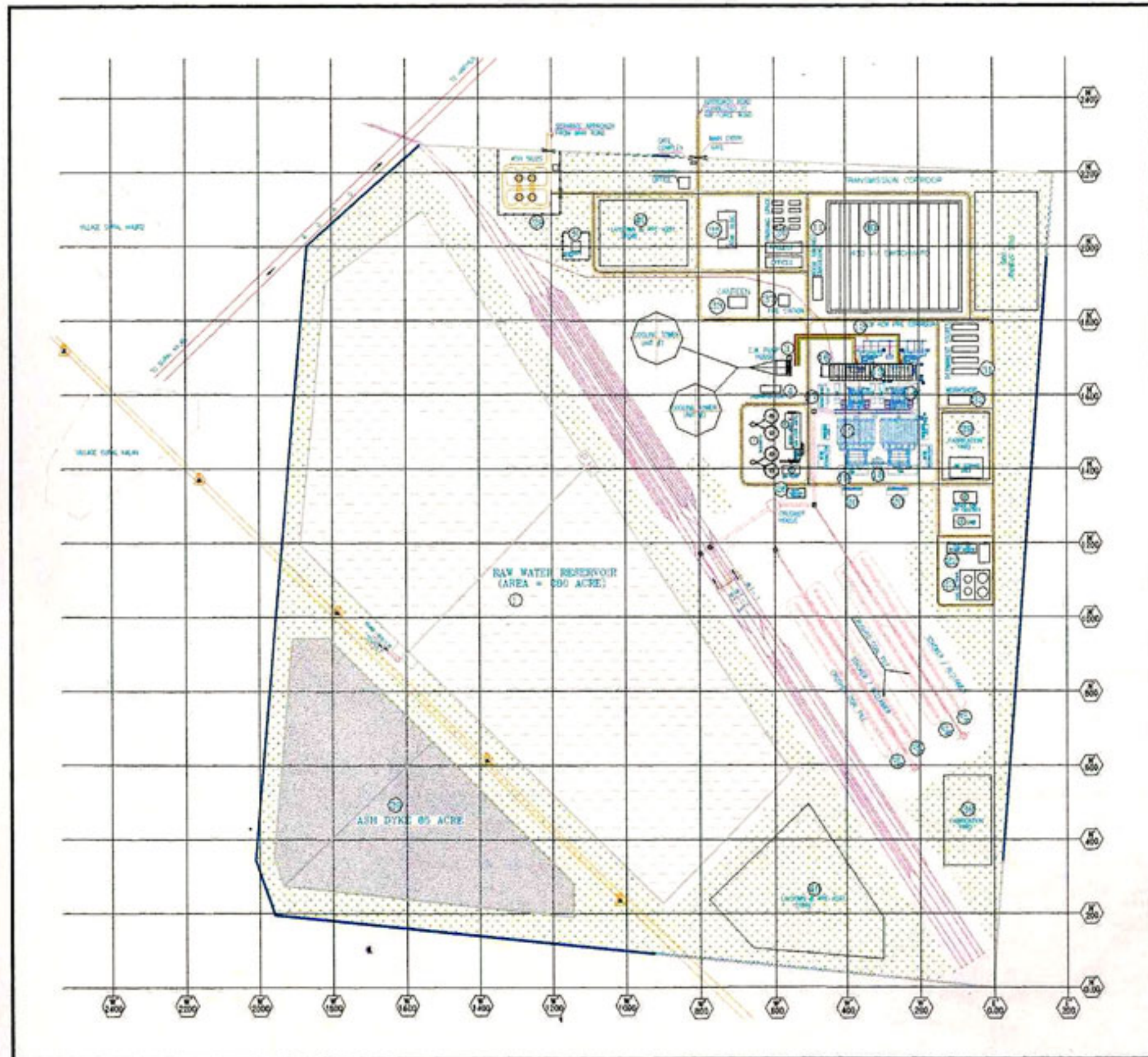
TOTAL AREA 1085 ACRES

TRAVERSE BOUNDARY



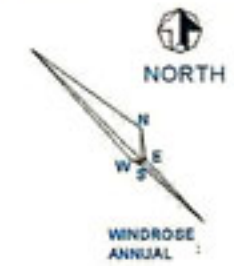
1320 MW RAJPURA THERMAL POWER PROJECT SITE





S.NO. LIST OF UNIT (POWER PLANT)

1. RAW WATER RESERVOIR
2. COOLING TOWER
3. CM PUMP HOUSE
4. CHLORINATION PLANT
5. DM. PLANT
6. FILTER WATER RES. & PUMP HOUSE
7. CLARIFIERS
8. SPACE FOR ETP FACILITIES
9. CMB
10. 400 KV SWITCH YARD
11. SWITCH YARD CONTROL ROOM
12. TRANSFORMER BAY
13. T.G. BUILDING
14. BOILER
15. ESP
16. SERVICE BUILDING
17. COMPRESSOR HOUSE
18. CHIMNEY
19. SPACE FOR F.G.D. UNIT
20. ASH HANDLING PLANT
21. ESP CONTROL ROOM
22. FUEL OIL PUMP HOUSE
23. FUEL OIL TANK
24. CRUSHED COAL STOCK PILE
25. TRUCK HOPPER COMPLEX
26. CHP CONTROL ROOM
27. COAL PILE RUN OFF POND
28. ASH SEALS
29. ASH DYKE AREA
30. HYDROGEN PLANT
31. PERMANENT STORES
32. WORKSHOP
33. CATEREN
34. ADMINISTRATION BUILDING
35. PARKING
36. FIRE STATION BUILDING
37. CONSTRUCTION STORE
38. FAB. & CONSTRUCTION AREA
39. LAYDOWN & PRE ASST AREA



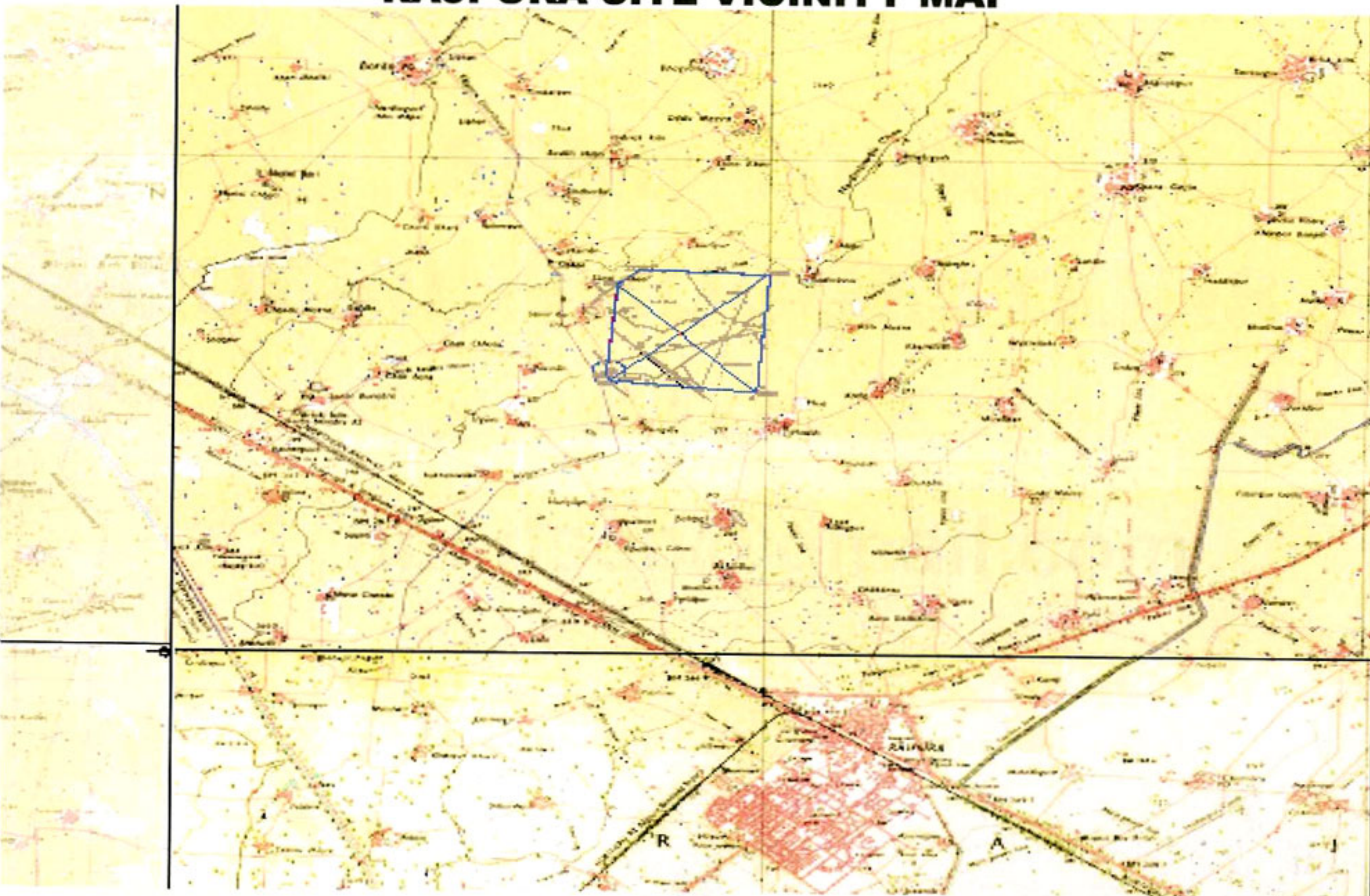
LEGEND:

- RAIL TRACK
- ASHDYKE AREA
- GREEN BELT AREA
- RAW WATER RESERVOIR
- ROAD
- HIGH TENSION TOWER
- HELICRANE
- NABAR
- PLANT BOUNDARY
- CABLE
- LOC. PIPE LINE

PLOT PLAN (INDICATIVE)



RAJPURA SITE VICINITY MAP



Nabha Power Limited – Reply to Queries by Bidders' on RfQ

Sl. No.	Reference	Query	Response/Clarification
JSW Energy Limited			
1. 1. 1. 11 11	Purchase of power Clause 2.2	It is noted that procurer plans to procure entire capacity of 1320 MW. It is suggested that for Mega Power Status Benefit, flexibility may be provided to sell some quantum say, 10 to 15% of power to the third parties outside the State of Punjab.	Suggestion Noted, change, if any, shall be intimated at RfP stage.
2.	Coal Arrangement	1) Kindly indicate the quantity of fuel linkages awarded by Ministry of coal for the project. 2) As the Procurer has initiated the process of arranging fuel, please clarify who bears the ultimate responsibility for fuel arrangement for the power plant and also for transportation of coal to the project site. 3) Kindly indicate the approximate distance between the project site and the coal mine from which the allocation is expected.	- 5.8 million MT coal linkage is approved by Ministry of Coal, GOI for the project to SPV / Nabha Power Ltd.(NPL). Ministry of Railways has agreed for transportation of coal. - The Letter Of Allocation from Coal India is yet to be received. - Ultimate responsibility of coal supply including transportation shall rest with NPL/Developer.
3.	Project Configuration	Kindly advice if the bidders have freedom to choose the unit size, technology (Sub-critical or/and Super-critical) and fix ultimate plant capacity with a provision for future expansion?	Bidder has freedom to choose configuration to meet the specified contracted capacity.

			The parameters for technology will be provided in the RfP document. Super-critical technology is preferred.
4.	Land	<p>Project Location:</p> <p>1) Kindly provide the site map indicating the exact location of the project site.</p> <p>2) Kindly indicate the current status of land acquisition.</p>	<p>1) Project location is Nalash Village, Rajpura Taluka, Distt. Patiala. The details of location is provided in the brochure and indicative plant layout given as handouts during the bidders conference. Further details will be provided at RfP stage.</p> <p>2) Section 4 notification under Land Acquisition Act is issued.</p>
5.	Water Arrangement	<p>1) Kindly indicate the current status on water allocation.</p> <p>2) Please indicate the quantity of water to be allocated for the project and the source for the same. Please confirm whether the allotted quantity would remain unaffected throughout the year and is not subjected to seasonal variations.</p>	<p>1) & 2) At present, the Project is allocated 60 cusecs of canal water by the Irrigation Deptt, Govt. of Punjab for nine months and 20 cusecs for three months. (Prospective developers to consider the same)</p>
6.	Environmental Clearance	Kindly indicate the current status of environmental clearances.	Agency for EIA studies fixed up & mobilized. TOR application submitted in Jan.08 to MoE&F and meeting for TOR approval expected very shortly.

7.	Power Evacuation	Kindly indicate the nearest Transmission facility, where the project would be connected for evacuation of power.	Power evacuation shall be at 400KV. PSEB, the Procurer has taken up the studies and is firming up the details.
8.	Regulatory Status	Kindly indicate whether necessary Regulatory approvals have been obtained for setting up of the proposed project.	Punjab SERC approval has been obtained.
Subhash Projects & Marketing Ltd.			
9.		<p>In order to implement our Thermal Power Projects in an effective manner, we have signed business co-operation with CWEME (China National Water Resources & Electric Power Materials & Equipment Co. Ltd.); a Beijing based Leading Bidding and Project management services company which is a subsidiary of the CDT (China Datang Corporation). CDT has got an annual sales figure of US \$ 12 Billion last FY and assets about US \$ 42 Billion whereas CWEME has registered annual sale of US \$ 385 million. We wish to participate in this project through consortium either with CWEME or their parent; CDT has by now about 60,000 MW of Generating assets in China and mainly in the business of Construction and Power Generation.</p> <p>Whether CWEME or their Parent CDT can play the role of Lead Member in the consortium if they satisfy the Technical requirement? They don't have any office in India till now</p>	<p>Please refer and follow RfQ bid document. (Please refer definition of Lead Member, under clause 1.2; and also refer sole or consortium bidding requirements, given in RfQ document)</p>

10.		<p>In the Technical requirement of your document , Clause 2.1.3 the bidder should have completed projects in last 10 years whose aggregate total cost should be Rs.9.9 billion and out of which at least one project should be more than Rs. 1.65 billion. Our company has completed a Integrated water management project in the year of 2003 in Bakreswar Power Project of WBPDCCL whose capital cost was Rs.135 Crores. We would stand to take the benefit of the Inflation index (which may be decided and mentioned to us) @ 10% which would take this present day Project capital cost more than the threshold limit. If this is agreed and accepted by your management, then we would like to be the lead Member in the consortium which would to a large extent make the fulfillment of other bid obligations easier.</p>	<p>Please refer and follow RfQ bid document.</p>
	<p>Bhilwara Energy Limited</p>		
11.		<p>It would also be required to know that the total land of 1100 Acres allocated for the project shall be able to take care of land requirement for construction of water storage facility in the event of non availability of water throughout the year.</p>	<p>Adequate size water reservoir is envisaged within 1100 acres, details shall be given at RfP stage.</p>
12.		<p>As per NIT, the contracted capacity as informed is 1200 MW \pm 10% hence we are of the opinion that the design capacity of the project to be kept at 1200 MW with permissible modification within the range of \pm 10% for the purpose of optimising of cost and configuration.</p>	<p>Refer & follow RfQ document. (Bidder shall choose station configuration considering Procurer's requirement of power at switchyard bus in the range of 1080 to 1320MW)</p>

13.		<p>Our specific query in this regard to seek clarification with respect to the eligibility criteria mentioned in the RFQ does not tally with the eligibility as required for 1200 MW Thermal Power Plant based on the norms given in the SBD. In case, if 1320 MW has been considered as the generation capacity for fixing the eligibility criteria within the whole purpose of notifying the project at 1200 MW gets defied and various prospective bidders who fall in the idle range of 1200 MW criteria shall automatically be expelled. It is therefore, requested to modify the criteria for 1200 MW to balance the minimum and maximum generation capacities due to optimization opted by the successful bidder.</p>	<p>Refer & follow RfQ document. (The qualifying Requirements are as per the Standard Bidding Documents issued by Ministry of Power, GoI).</p>
14.		<p>Parent Company – Parent company has been defined as company which holds at least 26% equity either directly or indirectly in the bidding company or any member in the bidding consortium.</p> <p>Our specific query in this regard is to seek the clarification with respect to the status of more than one company to be considered as parent companies in the event of their individual holding of more than 26% individual in the bidding company or a member in the bidding consortium.</p>	<p>Refer & follow RfQ document. Bidder shall select & designate only one parent company and present its financial credentials while responding to RfQ.</p>
15.		<p>The lead member of a bidding consortium has been defined as the only one lead member who commits at least 26% equity stake in the bidding consortium and himself the technical requirement pursuant to Clause No. 2.1.3 and cannot be changed till five year of the commercial operation on date.</p> <p>Our specific query in this regard is to seek the clarification in the</p>	<p>Refer & follow RfQ document.</p>

		event of two companies individually committing to hold at least 26% stake (equal stack over the above 26%) and together being able to fulfill the technical criteria mentioned in 2.1.3.	
16.		Pursuant to Clause 1.7, it has been stated that, Rapid EIA of Power Station shall be made available before issuance of RFP. Our specific query in this regard is to seek clarification with respect to the capacity of project being notified in the MOEF clearance. We would also like to know the status of environmental clearance of the said project.	Agency for EIA studies fixed up & mobilized; TOR application submitted in Jan.08 to MoE&F. Meeting for TOR approval expected very shortly.
17.		It seems that Ministry of Coal has been kind enough to communicate Coal India Limited for issuance of Letter of Assurance for the project. Our specific query in this regard is to seek clarification with respect to the coal belt from where the linkage is to be provided and the grade of coal to be supplied to the project.	The Letter of Assurance is yet to be received. Details will be provided at RfP stage.
18.		Pursuant to Clause 1.10, contracted power shall be sold to the procurer only as per the terms and conditions contained in the Power Purchase Agreement. Our specific query in this regard is to seek clarification for grant of permission to contract some portion of power inter-state to avail the benefit of mega Power Projects since this would reduce the cost of the project substantially and shall be in the interest of the procurer also.	Suggestion Noted, change if accepted shall be intimated at RfP stage.

19.		<p>▪ the task undertaken by SPV</p> <p>✕① The cost of land shall be known at the RFP stage for calculation of tariff, however, it is not clear that the entire land shall be acquired and transferred through SPV to successful bidder immediately and there shall not be any additional cost impact due to delay in acquisition/transfer of SPV.</p>	<p>Details will be provided at appropriate stage i.e RfP.</p>
		<p>✕✕① Subsequent to the issuance of letter of assurance by the Coal India Limited, the coal is not supplied due to availability issues, however, the plant is commissioned, what shall be the impact on deemed generation payable by the procurer.</p>	<p>Details will be provided at appropriate stage i.e RfP.</p>
		<p>✕✕✕① It is also clarified that the water linkage shall be made available within 45 days. However, the source of water availability is not known. In addition to this, it is also required to know whether the water is available throughout the year or not. Since, this would have an additional cost impact due to construction of extra storage facilities for water. Also we need to know the impact of deemed generation in the event of plant availability but non availability of water.</p>	<p>Details will be provided at appropriate stage i.e RfP. Refer details of water linkage under S.no.5 above.</p>
		<p>✕❖① The document does not fully clarify that the MOEF clearance shall be accorded prior to transfer of SPV to the successful bidder. This is required to know at this juncture since the MOEF clearance procedure itself takes approx one year from the date of submission of the case.</p>	<p>Details will be provided at appropriate stage i.e RfP.</p>

		❖① It does not clarify whether the project requires forest clearance or not.	No forest clearance applicable
20.		RFQ document is salient about the Railway Arrangement Our specific query in this regard is to seek clarification with respect to the railway approvals required for railway sliding and MGR system. We understand that all such approvals from railway including the design approval shall be made available to the successful bidder upfront at the time of transfer of SPV.	Details will be provided at appropriate stage i.e RfP.
21.		The RFQ document is salient about the status of DPR and CEA clearance required for the project. Our specific query in this regard is to seek the clarification on the status of DPR and techno economic concurrence from CEA. If any.	Details will be provided at appropriate stage i.e RfP.
22.		RFQ document is silent about the facility to be provided for construction power and start up power. Our specific query in this regard is to seek clarification for construction power is to be provided by the procurer. It would also be required to be clarified to know the capacity of construction power and start up power and what shall be the rate.	Details will be provided at appropriate stage i.e RfP.
23.		The RFQ document is silent about the Water Usage Charges. Our specific query in this regard is to know the water charges to be considered for the purpose of tariff calculation along with	Details will be provided at appropriate stage i.e RfP.

		escalation if any. We understand that all such charges shall be provided prior to issue of RFP to calculate the tariff.	
24.		RFQ document informs that Rapid EIA Report is being prepared and shall be made available before RFP Our specific query in this regard is to understand the R&R issues if any involved in the project implementation and cost impact on the project.	Details will be provided at appropriate stage i.e RfP.
25.		The RFQ document is silent about the 'emission fee to State Government'. Our specific query in this regard is to seek the clarification on the status of emission fee to State Government, If any.	Details will be provided at appropriate stage i.e RfP.
	D. S. Constructions Ltd.		
26.		1. During the Pre-bid Conference of RFQ, it was indicated that only super-critical parameters need to be considered for the Plant. This issue was discussed; however, PSEB maintained their stand for Super-critical parameters. Since the evaluation would be done on the Quoted Levelised Tariff, it is requested that the choice of Super-critical or Sub-critical parameters may be left to the Bidders in order not to restrict the choice of Unit Sizing & Equipment Suppliers. This may please be reviewed again and clarified.	Refer reply to s.no. 3. Suggestion noted. Change, if any, shall be communicated at RfP stage.
		2. Format for "Letter of Consent" was not found with RFQ documents. Please check and furnish.	Please refer clause 2.5.2.2 for details. Each Consortium member is required to consent to act as a member in pursuance to

			the Joint Deed Agreement and to abide by the terms of the RfQ.
		3. Bid Document No. is not indicated. Please check and furnish.	Bid document number is not required, as there are no other RfQs issued by Nabha Power Limited.
		4. PSEB Registered Office address required for filling the Joint Deed Agreement may be furnished.	PSEB address is: Punjab State Electricity Board PSEB Building, The Mall, Patiala, Punjab 147 001.
	EMCO India		
27.		1. In Clause No. 2.5.1.4 of the RFQ document, it is mentioned that " No change in composition of a Consortium or a change from Bidding Company to Consortium or a Change in Ownership shall be permitted on the period between thirty days prior to Bid Deadline and issuance of Letter of Intent" We understand that Bid Deadline implies RFP submission deadline. Please clarify.	Bid Deadline implies, RfP submission dead line.
		2. Secondly, after date of submission of RFQ, the Lead Member in our Bidding Consortium may desire to include another Member in the Consortium keeping in mind that the Lead Member, shall continue to commit at least 26% equity stake in the Bidding Consortium, and the Lead Member shall meet the technical requirement as per Clause 2.1.3 and Lead Member cannot be changed till 5 years of the Commercial Operation Date (COD) of	Please refer & follow Clause 2.5.1.4 of the RfQ.

		the Power Station (as per conditions specified in the RFQ). Considering that, the Bidding Consortium (after addition of new Member) will satisfy the minimum financial requirements as stipulated in Clause No. 2.1.2 of your RFQ document, please clarify whether this is permitted after date of submission of RFQ.	
		3. Thirdly, we have received your response to clarifications sought by bidders vide your email dated 19th February 2008. Could you kindly add the specific query against all the six replies mentioned in your email.	The E-mail of 19 th Feb. 2008 contains common clarifications/ confirmation sought from all the bidders based on our experience of RfQ bid evaluation of Talwandi Sabo power project, to improve quality of bid and facilitate speedy evaluation.
		4. Lastly, we have requested extension of RFQ submission date by six weeks vide our Letter Ref No. RTPP/001 dated 19th February 2008. Since we are seriously interested to bid for this project, we request you to consider our request for extension of RFQ submission date favorably and revert.	The RfQ Bid submission date is to be adhered to.
	Energy Infratech Pvt. Ltd.		

28.	Clause 2.5.1.4	Please advice the requirement relating to equity lock-in.	Details will be provided at appropriate stage i.e RfP.
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