

Annexure "A"

to the Petition for approval of Request for Proposal issued by Sangam Power Generation Company Limited for 2X660 MW Sangam Thermal Power Project proposed to be located at Karchhana , District Allahabad, Uttar Pradesh

**LIST OF DEVIATIONS FROM RFP EARLIER APPROVED BY HONOURABLE COMMISSION VIDE ORDER NO. UPERC/D(G)/SECY/
Karchhana/2008–284 DATED 24/1/2008**

Sr. No.	Ref	SPGCL Documents (Revised RfP)	Old RfP	Rationale
1.	SPGCL RFP Clause 1.4	Updated information on Karchhana project and related activities are provided.	Best available information was provided at the time of issuance of old RfP	To provide bidders, latest available information on the project.
2.	SPGCL RFP Clause 1.5	The Procurer will transfer the Project site (details along with the site map enclosed in Annexure 5) to the Seller after signing the Share Purchase Agreement, at a price to be intimated 15 days prior to submission of bids. It shall also include the financial impact of change in law during construction period as per Article 13.2(a) of PPA. <i>Any change subsequently shall be shared by procurers in proportion to their share in installed capacity.</i>	The Procurer will transfer the Project site (details along with the site map enclosed in Annexure 5) to the Seller after signing the Share Purchase Agreement, at a price to be intimated 15 days prior to submission of bids. It shall also include the financial impact of change in law during construction period as per Article 13.2(a) of PPA	Insertion is in line with the order issued by Honourable Commission.
3.	SPGCL RFP Clause 1.7	In order to ensure that power is available for the State of Uttar Pradesh, at most competitive tariff, the Government of Uttar Pradesh has decided to permit the selected developer to establish one additional generation unit at the selected plant location. It is proposed that the State of Uttar Pradesh or its assignee shall have first right of refusal to purchase power upto	Clause Not existed	In order to achieve the competitive tariff in the bidding, the Government of UP has decided to allow the prospective bidder to establish additional one unit and State of Uttar Pradesh shall have first right of refusal to

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		20% / 30% of the aggregated addition capacity as per provision under "Thermal Power Generation Development Policy 2008" issued by Government of Uttar Pradesh. To expedite the process, the Government of Uttar Pradesh shall facilitate only the Land Acquisition and Water allocation for such additional unit. The Seller shall supply power at the Delivery Point as defined in the PPA and the responsibility for evacuation of power beyond the Delivery Point will be of the Procurer as per the terms of the PPA.		purchase power upto 20% / 30% of the aggregated addition capacity as per provision under Thermal Power Generation Development Policy 2008 of Uttar Pradesh.
4.	SPGCL RFP Clause 1.8	Once the Successful Bidder is selected, the details and documents as may be obtained by the Authorised Representative in relation to the Project, shall be handed over to the Successful Bidder on as is where basis, so that it may take further actions to obtain all necessary Consents, Clearances and Permits and the Selected Bidder shall not be entitled for any extensions in the Scheduled COD of the Project.	Clause not existed	The clause is incorporated to provide more clarity on procedural aspects for handing over project to the selected bidder.
5.	SPGCL RFP Clause 2.4.4	The bidders shall be required to quote a tariff net-off Income Tax as provided in schedule 7 of PPA.	Clause not existed	Income Tax pass through to be given to the Developer as per order of Government of Uttar Pradesh
6.	SPGCL RFP Clause 2.8.2	Important deadlines of Bidding Process reduced to total period of 63 days as detailed in the RFP		SPGCL believes that since the process is of rebid, bidders will

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		submitted herewith.		require less time for preparation. Thus for speedy implementation of process, 63 days seems to be sufficient.
7.	SPGCL RFP Clause 3.3.1.3	Annual escalation charges and discount rate are changed as per prevailing rates	Annual escalation charges and discount rate used as per rate prevailing at the time of issuance of old RfP	Revised rates are incorporated in the RfP document which is in line with CERC notification dated 31 st March 2008.
8.	SPGCL RFP Clause 3.3.1.4	The Financial Bids submitted by Bidders shall be initially scrutinized to establish "Responsiveness". Subject to Clause 2.15.3, any conditional changes in Financial Bid may cause the Bid to be considered "Non-responsive", at the sole discretion of the Procurers/Authorised Representative	Clause not existed	To safeguard against any conditional changes in financial bid submitted by bidders, this clause is incorporated.
9.	PPA Article 1.1 (Definition of Contracted Capacity)	means (i) for the first Unit, [] MW; (ii) for the second Unit, [] MW, (iii) for the third Unit, [] MW, rated net capacity at the Interconnection Point, and in relation to the Power Station as a whole means [] MW rated net capacity at the Interconnection Point, or such rated capacities as may be determined in accordance with Article 6.3.4 or Article 8.2 of this Agreement; Provided that the "Contracted Capacity" of the Power Station shall not be less than 1188 MW at the Interconnection Point of the Power	means (i) for the first Unit, [] MW; (ii) for the second Unit, [] MW, (iii) for the third Unit, [] MW, rated net capacity at the Interconnection Point, and in relation to the Power Station as a whole means [] MW rated net capacity at the Interconnection Point, or such rated capacities as may be determined in accordance with Article 6.3.4 or Article 8.2 of this Agreement; Provided that the "Contracted Capacity" of the Power Station shall not be less than 1188 MW at the Interconnection Point of the Power Station.	The definition is redrafted to give clarity to the meaning of contracted capacity in the case of additional unit commissioned by developer as per provision of Thermal Power Generation Development Policy 2008 issued by Govt of Uttar Pradesh.

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		<p>Station.</p> <p><i>In case of commissioning of the additional unit the Contract capacity of such unit shall not be less than 20% / 30% of the aggregated additional capacity as per provision under "Thermal Power Generation Development Policy 2008" issued by Government of Uttar Pradesh.</i></p>		
10.	PPA Article 14 Clause 14.3.5 (Seller event of default)	<p>In case of continuance of Seller Event of default beyond the stipulated period as above, the procurer(s) at its discretion may issue a termination notice to the seller and proceed with termination of this agreement. In such a case the Seller shall pay as compensation to the Procurer(s), an amount equivalent to eighteen (18) months of the billing at a Tariff equal to sum of Quoted Capacity Charge and Quoted Energy Charge considering Availability equal to Normative Availability and scheduled energy equal to energy generated at 80% load factor of the Contracted Capacity, as liquidated damages.</p>	Clause not existed	This clause is incorporated to ensure enhanced protection to the procurer(s).
11.	PPA Schedule 7 (Tariff) Clause 1.1	<p>(v) The bidders shall be required to quote a tariff net-off Income Tax. The Income tax shall be reimbursed to Sangam power Generation company Ltd on actual basis on annual basis on furnishing documentary evidence of payment of Income Tax to Income Tax authorities.</p>	Clause not existed	As per order of Government of Uttar Pradesh, Income Tax pass through is to be given to the Developer. This clause is inserted to incorporate the same.

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		<p>Documentary evidence shall be the Income Tax returns filled with Income Tax Authorities of India.</p> <p>Provided that the reimbursement shall be maximum calculated based on Income tax rate applicable (including Surcharge and Education cess, if any) to the Company on the 14% Return on Equity as defined in Capital Structure Schedule provided under Power Purchase Agreement (PPA).</p> <p>Provided further Sangam Power Generation Company Ltd shall not undertake any other activity/business/operations other than the execution of the Project under PPA.</p>		