

Guidelines for a competitive bidding process for procurement of round the clock power from mixed sources amended

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In News

- The Ministry of Power amended the guidelines for the tariff-based competitive bidding process for procurement of round-the-clock (RTC) power from renewable energy (RE) sources, complemented with power from any other power sources.

Guidelines for a competitive bidding process for procurement of round the clock power from mixed sources

- The guidelines were released in July 2020 to facilitate the bundling of renewable energy with other non-renewable sources of energy to address the intermittent nature of renewable energy.

Key features of the amendments

- **Threshold for sharing the amount realised from non-scheduled power**
 - The power generators and procurers are required to follow a forecasting and scheduling process for sale of power.
 - If the power is not procured by the procurer as per the schedule, the procurer must compensate the generators.
 - Also, the generators may sell the non-scheduled

power to a third-party and adjust the amount realised against the compensation.

- The power generators are required to share a certain part of the amount realised, from the third-party sale of non-scheduled powers (powers offered but not scheduled), with the procurer.
- For renewable power, the amendments increase the threshold of the shareable amount from 90% of the net realisation to 95% of the net realisation. For non-renewable power, the threshold has been increased from 50% of the net realisation (excluding variable charges) to 95% of the net realisation (excluding variable charges).
- **Period for decision on force majeure**
 - The amendments reduce the decision-making period of the procurer from 30 days to 15 days to decide on the force majeure claims of power generators.
 - Force majeure claims refer to the claims for relief (such as excuse from performance obligations) in wake of uncontrollable events such as earthquakes, and floods.