

countries should mobilize jointly US\$100 billion per year by 2020 to address the needs of developing countries. As per the Accord, developed countries would provide approximately US\$ 30 billion in new and additional resources including for forestry and through international institutions for the period 2010-12, with balance allocation between adaptation & mitigation. The Accord has a provision for establishment of 'Copenhagen Green Climate Fund' as an operating entity of the financial mechanism of the Convention to support projects, programmes, policies and other activities in developing countries related to mitigation including REDD plus, adaptation, capacity building, technology development & transfer.

As on date, no agreement has been reached amongst the Parties and the individual countries regarding the financial mechanism of the Convention.

Supply of gas for power projects

* 159. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of POWER be pleased to state:

(a) whether NTPC had called for International Competitive Bids (ICBs) in 2002 for supply of natural gas or RLNG for expansion of Kawas and Gandhar power plants in Gujarat and Kayamkulam in Kerala;

(b) if so, whether the ICB terms were same for both the projects and if not, what were the differences;

(c) how many companies expressed their interest, project-wise;

(d) whether Government has enquired the reasons for failed ICBs for Kayamkulam and poor response for Kawas and Gandhar and, if not, the reasons therefor; and

(e) the total expenses of NTPC for conducting such bids?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) NTPC had invited the bids on ICB basis for procurement of fuel (LNG / Natural Gas) for Kawas and Gandhar Expansion Projects in Gujarat on 01.10.2002 and for Kayamkulam Project in Kerala on 09.04.2003.

(b) The terms of bidding documents in both the Projects were based on the same principle except some differences which were Project specific. Further in Kayamkulam an additional route for supply of Regasified Liquid Natural Gas (RLNG) at the Power Plant boundary on single point responsibility basis was also created which was not there in the bid for Kawas and Gandhar Expansion Projects. The major differences in the bidding documents of these two Projects are given in Statement (See below).

(c) (i) For Kawas and Gandhar Expansion Projects - Against the ICB, seven Bidders in all submitted their Techno Commercial proposals and three Bidders in all submitted final Price offer as per the details given below:

- **Techno-Commercial Bid Response**

LNG Supply at Indian port	Services (towards Re-gassification and transportation)	Supply of Natural Gas at Plant boundary
1. PETRONAS, Malaysia	1) Petronet LNG, New Delhi	RIL, New Delhi
2. YEMEN LNG, France	2) Shell Hazira, Ahmedabad	
3. SHELL EASTERN, Singapore	3) Hazira LNG, Ahmedabad	

- **Price Bid Response**

PETRONAS, Malaysia	Petronet LNG Ltd, (PLL) New Delhi	RIL, New Delhi
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(ii) For Kayamkulam Project – Against the ICB, three Bidders in all submitted their Techno Commercial proposals. However, only one Bidder for Services towards Regassification and transportation submitted final Price offer as per the details given below:

- **Techno- Commercial Bid Response**

GAIL, New Delhi	1) PLL CONSORTIUM, New delhi	No bid received
	2) GAIL, New Delhi	

- **Price Bid Response**

No bid received	1. PLLCONSORTIUM, New Delhi	No bid received
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(d) i) **Kawas and Gandhar Expansion Projects**

As informed by NTPC, the Techno Commercial proposal along with Financial proposal were submitted by seven bidders. Since all the bidders had sought number of deviations from the bid documents, NTPC had protracted discussions with the participating bidders to address various issues raised by them before finalizing the final draft agreements and amendments were issued. Thereafter three bidders submitted their final price. Accordingly, NTPC placed Letter of Intend (LOI) to the lowest bidder namely, Reliance Industries Limited (RIL) for supply of gas at US \$2.34 / Million Metric British Thermal Unit (MMBTU) for 17 years. RIL acknowledged and confirmed the LOI on 17.06.2004 resulting in concluded contract. Subsequently, RIL sought major changes in Gas Sale and Purchase Agreement (GSPA) and RIL did not sign GSPA. Therefore, NTPC filed a suit against M/s RIL in Bombay High Court on 20.12.2005 for specific performance of the contract. The matter is presently sub-judice.

ii) **Kayamkulam Project**

Two stage bid process was followed. In stage-I Bidders were required to submit the Techno-commercial bid and in Stage-II the financial bid.

In stage-I, one bid was received from GAIL for supply of LNG at Indian Port and two bids one from GAIL and another from PLL Consortium were received for Services towards Re-gasification and Transportation.

In stage-II, for Supply of LNG, GAIL did not submit the financial bid and sought unduly long extension which was not acceded to. The financial proposal was received only from one bidder (viz. PLL Consortium) for Services towards Re-gasification and Transportation. Since the offer for supply of LNG was not available, the supply chain was not complete. Accordingly, a decision was taken by NTPC to annul the bid process.

(e) NTPC appointed Commercial / Legal Consultant, Port Consultants and Gas Consultants during the bid process. The total value of Consultancy Contracts as awarded was approx. Rs.3,77,65,790/- + USD 4,50,725/-.

Statement

The Terms and Conditions of Kayamkulam documents are generally inline with Kawas & Gandhar document, except for project specific details. However in case of Kayamkulam, an option for supply of RLNG as a single contract has been created. Accordingly corresponding changes in the provisions and a draft RLNG Sale Purchase Agreement were incorporated in bid documents for Kayamkulam project.

Major changes are as under:

Sl.No.	Provision	Kawas and Gandhar	Kayamkulam
1	Supply of RLNG at NTPC's power plant boundaries	Route not available	Introduced in Kayamkulam
2	Capacity	1300 MW each.	1950 MW
3	Quantity	132 Trillion British Thermal Unit (Tbtu) per annum	116 Tbtu per annum
4	Maximum Offtake Rate (MOR)	9532 Million Metric British Thermal Unit (MMBtu)/hour	16432 MMBtu/hour
5	Equity Participation by NTPC in Regasification Terminal and Liquefied Terminal	Provision Dropped based on bidders request	Bidder is required to offer 26 % Equity Participation by NTPC in Regasification Terminal in case the Bidder decides to set up a separate legal entity / Special Purpose Vehicle (SPV). Bidder to indicate their willingness, terms & conditions for Equity Participation by NTPC in Liquefied Terminal.