



TORRENT POWER LIMITED

Invitation for Expression of Interest for Supply of Surplus Power from installed Captive Generating Capacity

Torrent Power Ltd. (TPL) is one of the largest private electricity utilities in India. TPL has generating capacities of 1647.5 MW and distributes over 10 billion units per annum in the cities of Ahmedabad, Bhiwandi, Gandhinagar, Surat and Agra.

There is huge installed capacity of Captive Power Plants in the country. Usage of these CPPs varies season to season, time block to time block etc depending on the requirement of energy for industrial activity. In order to promote effective utilization of Captive Generating capacity, TPL intends to utilise surplus power generated from such sources during the period 1st March, 2011 to 1st February, 2012 on mutually agreed terms and conditions on any one or more of the following options:

1. Variable Cost plus margin as mutually agreed

In this arrangement, TPL shall purchase the surplus power at the price of variable cost + margin per unit of energy as mutually agreed between both the parties. The variable cost shall be worked out using type of fuel and the generator will have to provide all necessary supporting documents evidencing the actual variable cost incurred on monthly basis. The power shall be purchased based on Merit order protocol only on requirement basis and the CPP may not get full dispatch on RTC basis.

2. Power Swapping Arrangement

a. Time Block swapping

Owing to higher demand of its customers, TPL's requirement of power is higher in few time blocks during the day. TPL needs to procure shortfall in energy requirement during this period. On the other hand, during time blocks of lower demand, TPL has surplus energy available. In order to maximize utilization of available generation in the state, TPL proposes to take energy in the time blocks when there is a shortfall and supply back the energy in the time blocks when it has surplus energy, at mutually agreed terms & conditions under this mechanism.

b. Seasonal/Periodic Swapping

Owing to effect of seasonality and Industrial consumption cycle, TPL's demand requirement varies on month to month basis. As a distribution licensee, TPL is obliged to cater this varied demand of its customers. On account of this variation, TPL requires arranging additional energy during peak period of the year. At the same time, TPL has surplus energy available during slack period of the year which TPL can sell/supply. In order to maximize utilization of available generation in the state, TPL proposes to take energy in the days/ periods when

there is a shortfall and supply back the energy in the days/ periods when it has surplus energy, at mutually agreed terms & conditions under this mechanism.

3. Variable Rate Option

TPL is also open to purchase the surplus energy available from CPP at the rate linked with Power Exchange subject to other adjustments as agreed. Under the mechanism, CPP has an advantage of getting market linked rate without actually participating in the market. TPL invites interested CPPs to enter into PPA on mutually agreed terms and conditions.

4. Purchase Agreement with Take or Pay

Under this mechanism, TPL shall enter into agreement for monthly firm capacity based on demand. TPL shall off take firm capacity on round the clock basis as per the mutually agreed terms & conditions. Penalty shall be on either side based on minimum % off take on monthly basis on mutually agreed terms & conditions. CPP shall remain out of Merit Order Protocol.

Other Conditions

- Energy shall be delivered by CPP/TPL on GETCO Periphery (delivery point).
- The arrangement shall be subject to compliance of relevant regulations relating to open access, scheduling & UI and other rules, regulations and prevailing practices etc. All the applicable charges and Losses would be borne/shared as mutually agreed upon. Any deviation from scheduled generation by CPP shall be settled by CPP directly with SLDC through UI pool account.

TPL invites interested CPP to submit their Expression of Interest (EoI) specifying selected option & offer capacity (MW) alongwith other terms & conditions. The offer document shall also include following details pertaining to the Captive Generating Plant:

Information regarding the Plant

- (1) Location
- (2) Technical Details of the plant
- (3) Fuel Type
- (4) Installed Capacity, Captive Usage and Surplus Capacity available (in MW)
- (5) Last 12 month's Generation, total consumption (including import from Grid) and Captive consumption (in M kWh)
- (6) Details of approvals / permissions

The EoI and the supporting documents in duplicate may be submitted by 31st October, 2010 at the following address:

**Vice President (Finance)
Torrent Power Ltd**

Torrent House, Station Road, Surat - 395 003, Gujarat
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NOTE: TPL reserves the right to reject the bids received without assigning any reasons whatsoever and without any liability.