GREEN PPAS · STEP 03 · COMPETITIVE PROCESS · MEMO

Negotiation and recommendation memo

Concise memo for client leadership summarising the shortlisted bidders, negotiated concessions achieved, key contract risk items and a recommended preferred bidder.

Worked example (anonymised): Group-captive solar-wind hybrid RFP · 80 MW hybrid (60 MW solar + 20 MW wind, ~30% CUF blended) · Karnataka, group-captive structure. A manufacturing group targeting 25% open-access renewable coverage ran a competitive RFP across nine developers to benchmark hybrid tariffs before committing to a 15-year PPA.

Sample excerpt · Recommendation memo — key negotiated points

Item	Initial bid position	Negotiated position
Tariff (Yr1, Rs/kWh)	3.55	3.45
Termination payment cap	Uncapped	Capped at 24 months' billing
Change-in-law pass-through	Developer discretion	Mutually agreed formula
Commissioning delay LDs	Not specified	0.5%/week, capped 10%

Notes

• Memo is designed for board/investment-committee level sign-off
• Includes a sensitivity table showing tariff impact of +/-5% CUF variance

What happens in this step

1. Draft and issue a structured RFP to a shortlist of 8-12 pre-qualified developers with standardised technical, commercial and legal submission templates
2. Host a bidder query window and pre-bid clarification call to align assumptions on connectivity, land, evacuation timelines and payment security
3. Receive sealed bids and normalise them onto a common basis (capacity utilisation factor, degradation, escalation, banking charges) to enable true tariff comparability
4. Run tariff benchmarking against recent DISCOM tenders, IEX/GTAM trends and captive/group-captive precedents in the same state
5. Score bids on a weighted matrix covering tariff, developer track record, financial strength, land/connectivity readiness and contract flexibility
6. Shortlist top 2-3 bidders for a negotiation round on tariff, change-in-law pass-through and termination payments
7. Present a recommendation memo with sensitivity analysis to support final developer selection

Outcomes

• A transparent, defensible record of how the preferred developer and tariff were selected
• Tariff outcomes tested against real market benchmarks, avoiding overpayment or unfavourable long-term escalation terms
• Key risk items (termination liability, change-in-law, delay LDs) improved through structured negotiation before contract drafting
• A shortlisted, credit-checked developer ready to proceed directly into contracting and connection

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