

PRE BID MEETING

3rd February 2014
CMPDI, RANCHI

UCG in India: Background

- UCG offers a potential mean of extracting energy from deep-seated coal deposits which could not be mined at present due to techno-economic reasons
- Indian coal resources are dominated by low rank coals (about 80%) and therefore, UCG may be more relevant to India, provided technology is perfected
- In India, UCG was taken up in mid 80's by CMPDI through a S&T project at Merta Road Lignite deposit with technical support from USSR
- Data were generated and the area was found suitable for pilot scale studies
- The project could not be pursued further on apprehension of contamination of ground water
- Advancement on technological front and recent global experiences have generated technical confidence in UCG with adherence to environmental requirement

Regulatory Issues: Notifications of MoC

- Gazette notification dt. 13.7.07 specifies production of syn gas obtained through coal gasification (underground and surface) and coal liquefaction to be end uses for the purposes of Coal Mines (Nationalization) Act, 1973
- This notification has paved way for taking up UCG by public/private entrepreneurs
- MoC on 13/7/09 has issued guidelines for carrying out commercial exploitation of UCG which includes
 - ✓ Guidelines for allocation of captive blocks
 - ✓ Guidelines for carrying out UCG

BLOCKS FOR UCG DEVELOPMENT

- CMPDI after examination of several blocks identified 2 suitable blocks for UCG development within CIL command area
- The blocks were cleared by a duly constituted Standing Committee functioning in CMPDI and also from the respective coal producing companies
- ***Blocks on offer:***
 - **Kaitha Block:** Ramgarh Coalfield, CCL command area Dist. Ramgarh State: Jharkhand, India.
 - **Thesgora' C' Block:** PENCH-KANHAN Coalfield, WCL command area, Dist. Chindwara State: Madhya Pradesh, India.
- **CMPDI/CIL floated a e-Tender for selection of suitable developer for commercial development of UCG**

Salient Features of the Tender

- The work experience, work programme and revenue sharing offers have been considered as biddable
- The selection to be made on quality cum revenue sharing basis
- The offers to be evaluated on the basis of bid evaluation criteria furnished in the TSD.
- The development of UCG operation has been divided into 3 phases:
 - **Exploration Phase (Phase-I)** : **2 years**
 - **Pilot Assessment Phase (Phase-II)** : **3 years**
 - **Commercial production Phase (Phase-III)** : **20 years**
- The developer to get the area examined for suitability of the block through slimhole/pilot well drilling in Phase-I and II and if found feasible Phase-III would be taken up.
- There will be exit option after completing committed work of Phase-I and Phase-II without any financial liability to CIL/Coal company.

Salient Features of the Tender...

- The Developer to be selected under Quality and Revenue Sharing Based Selection procedure. Distribution of marks will be as follows:

Part-I			
A	Financial Strength (Rs 200 Cr)	:	Qualifying
B	Technical competence of the Bidder	:	20 points(Min:8)
C	Feasibility Assessment Approach	:	40 points
	Total		60 points(Min:30)
Part-II			
D	Fiscal offer to CIL/Coal company	:	40 points

- Bidders has to qualify in Part- I by scoring minimum of 30 marks, of which minimum 8 marks must be scored in the Technical competence .
- The final selection to be made on the basis of addition of points scored in Part-I and Part-II.

Salient Features of the Tender...

Role of Selected Developer

- Expected date of commencement: Within 90 days from the Date of Contract / Effective date
- Has to deposit a CPG for Rs 25 Crore(INR 250 million)
- CPG to be applicable up to Exploration and Pilot stage.
- In case the developer is not able to complete the committed work programme, the cost of unfulfilled MWP will be realized from the CPG.
- Contract period: Twenty five years

Responsibility of the Successful Bidder (Developer)

- To get the area examined on their own for suitability of the block for UCG Operation and to generate additional data (Expl. Phase).
- If the block is found suitable for UCG, the Developer will take up Pilot scale studies in accordance with the *Feasibility Assessment Approach*
- To take up commercial activity, if the block is found techno-economically viable by the Developer.
- Physical acquisition of land shall be Developer's responsibility. Company shall facilitate its good offices in this matter.

Responsibility of the Successful Bidder (Developer)..

- The sale and marketing of the produced syn-gas will be Developer's responsibility.
- The invoice of the sale proceeds will be raised in the name of the company (WCL/CCL) and deposited in separate account.
- The company (WCL/CCL) will make payments to the Developer as per the agreed share of Net Revenue.
- Developer will ensure safe UCG operation with adequate monitoring stations to check any contamination in underground water regime, safe transportation of the produced syn-gas or during its captive use.
- Developer will indemnify the Company against all third party claims arising out of operation of UCG in the referred blocks.

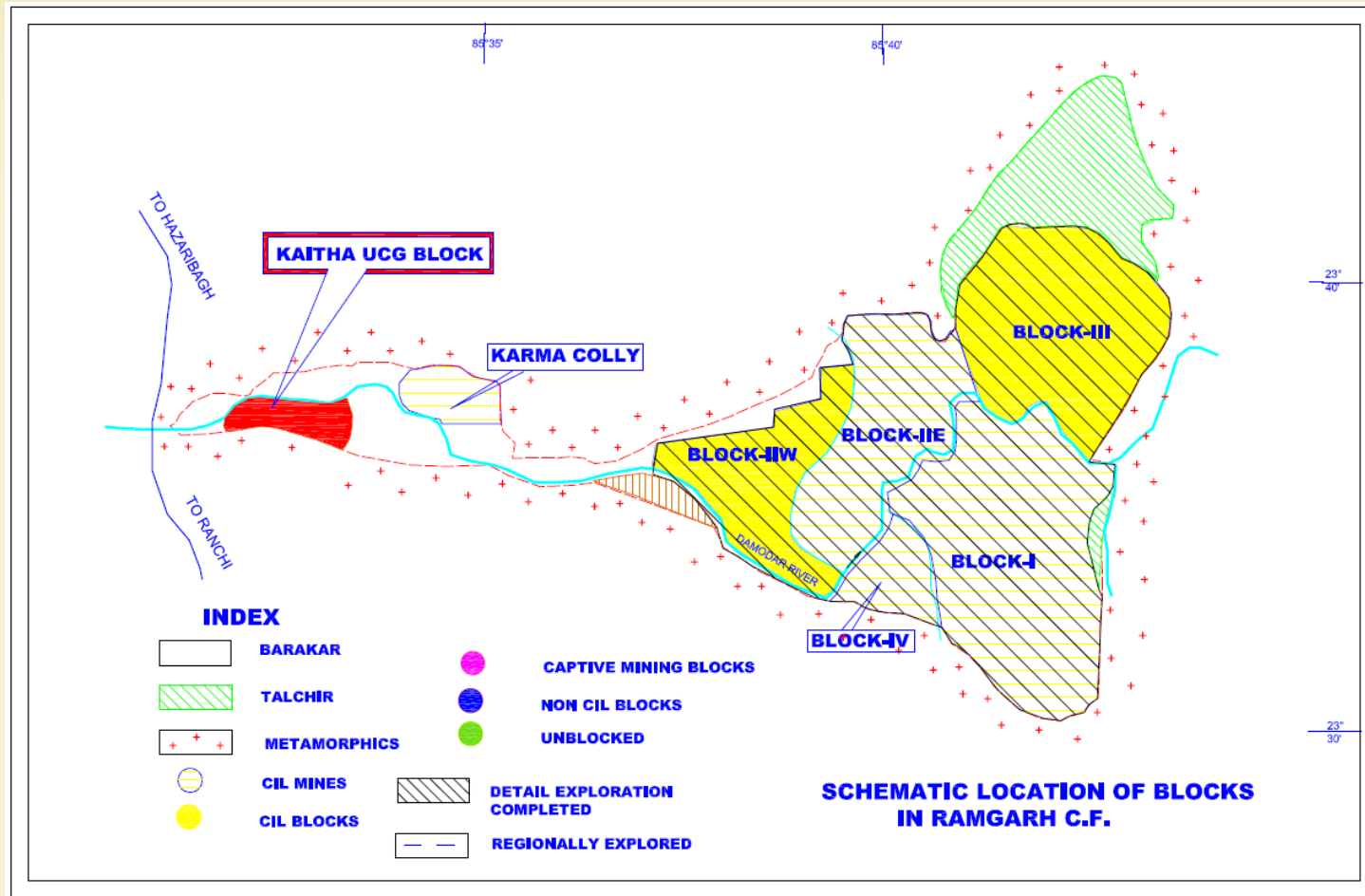
Entire work right from exploration to commercial development will be carried out by the identified service provider at their cost.

UCG Development : Responsibility of the Company

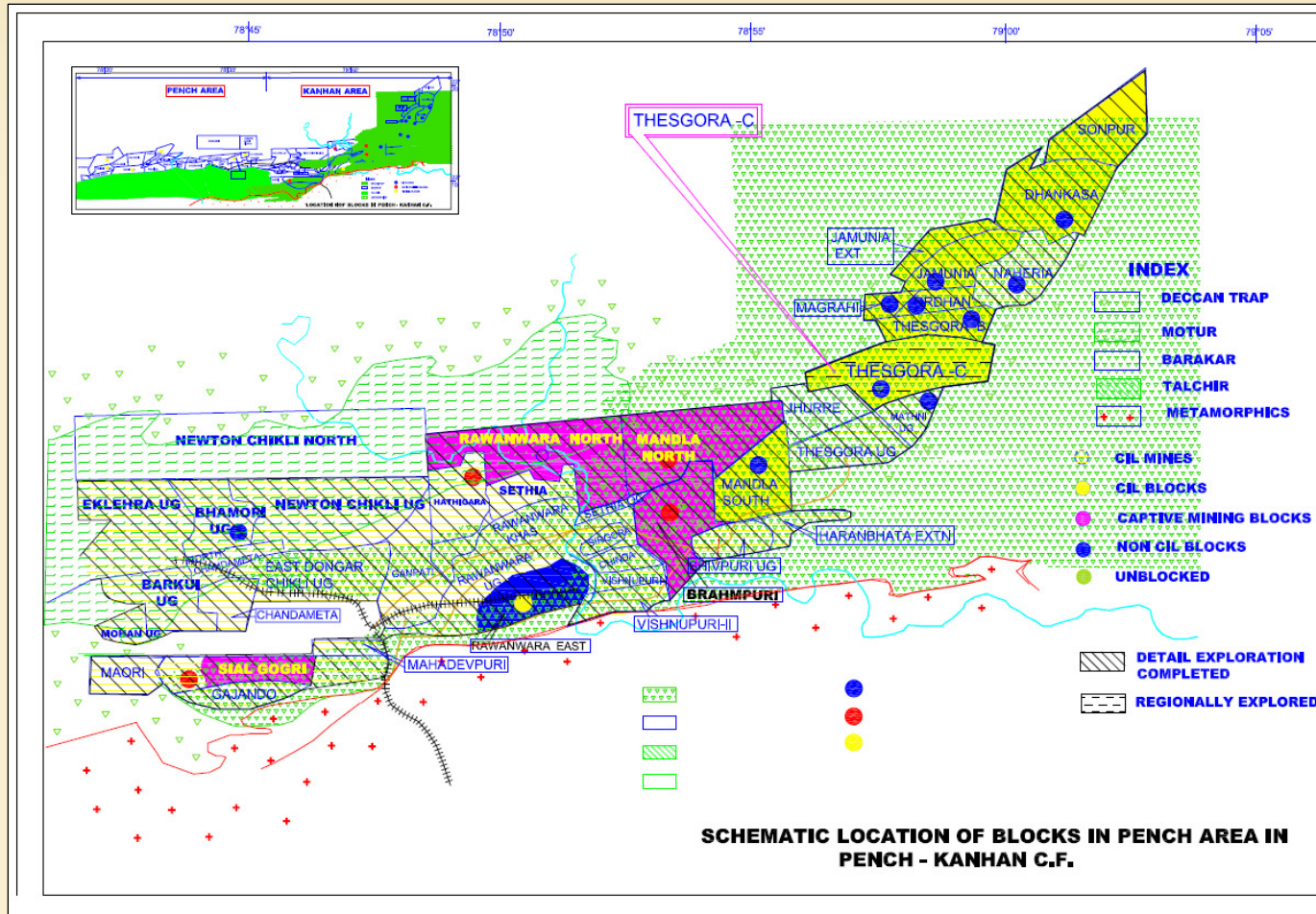
- The Company will take necessary steps to acquire land under existing acts to facilitate exploration, Mining Lease etc for further development of UCG
- The Company shall obtain necessary Environment and Forest Clearances etc. from the Govt. for the UCG Block. However, the Developer shall extend possible assistance to the Company in this matter.
- The Company will provide existing infrastructure facilities, geological data/ information etc available to the Developer but will not create any additional infrastructure for the purpose.

The Company will not bear or share any financial liability whatsoever incurred during the entire tenancy of the Contract.

KAITHA BLOCK



THESGORA 'C' BLOCK



UCG Development : BLOCK DETAILS

Features	Kaitha Block	Thesgora 'C' Block
Approx. Area (Sq. Km)	4	7.5
Total no. of seams(Considered for UCG)	12(3)	5(4)
Thickness range	4-16	2-7
Depth of occurrence	>300m	>300m
Status of block	Unexplored	Regionally Explored This Block is entirely covered by Deccan Trap Formation
Prognosticated Geological Reserves	166 MT	187 MT

Salient Features of the e-Tender

Important dates for tender:

- Published Date 18th Jan 2014
- Pre-Bid Meeting Date 3rd Feb 2014
- Document Download / Sale Start Date 20th Jan 2014
- Document Download / Sale End Date 10th March 2014
- Clarification Start Date 21st Jan 2014
- Clarification End Date 3rd March 2014
- Bid Submission Start Date 3rd Feb 2014
- Bid Submission End Date 10th March 2014
- Bid Opening Date 12th March 2014

E-Tender Requirement :UCG Development

- e-tendering portal <https://coalindiatenders.gov.in>
- **Clarification of Bid:** The bidder may seek clarification on-line within the specified period. To assist in the examination, evaluation and comparison of Bids, CMPDI may ask for clarification of the Bidder's Tender, including additional documents/break-ups of unit rates
- Bidders are required to submit offers online in two parts
- **Part I (Technical Proposal)** of the bid
 1. Letter of the bidder
 2. Information as indicated in bid document and documents
 3. Technical qualifications: TECHNICAL DATA SHEET (TDS) will be in Excel format
- **Part II (Revenue sharing / Fiscal offer)** of the bid, only in the **Excel format**

E-Tender Requirement:UCG Development...

For Submission of Bid

- Bidders have to get themselves registered online on the e-Procurement portal (<https://coalindiaticenders.gov.in>) with valid Digital Signature Certificate (DSC) issued from any agency authorized by Controller of Certifying Authority (CCA), Govt. of India
- The registration should be in the name of bidder, whereas DSC holder may be either bidder himself or his duly authorized person.

No bid shall be accepted off-line

E-Tender Requirement:UCG Development...

- The part I will be opened on-line, on the scheduled date and time
- After evaluation of Part I, all the bidders will get the information regarding their eligibility on website.
- Thereafter, a system generated e-mail confirmation will be sent to all successful bidders communicating the date and time of opening of Commercial bid (Part II)

E-Tender Requirement:UCG Development...

- The Commercial-bid of the successful bidders (qualified in Technical-bid) will be opened on-line, on the scheduled date and time
- The bidders will get the information regarding the status of their financial bid and ranking of bidders on website after evaluation of Part-I and Part-II

E-Tender Requirement :UCG Development...

- The Company will award the contract to the qualified Bidder who has scored highest marks as per the BEC
- *Selected Developer will have to enter into a Contract with the Company based on Model Contract (MC)*