

**NTPC Ltd.**

(A Government of India Enterprise)



Invites

***Expression of Interest***

***(EoI)***

For Partnership with

**Global Companies**

*for*

***jointly exploring business opportunities in Electricity  
Distribution sector in India***

# Documents of EoI

This EOI document comprises the following Sections:

- (i) Section 1 : Detailed Notice Inviting Expression of Interest (EoI)
- (ii) Section 2 : Introduction & Intent
- (iii) Section 3 : Guidelines to the Respondents
- (iv) Section 4 : Format for Covering Letter

# **SECTION -1**

## **DETAILED NOTICE INVITING EXPRESSION OF INTEREST** **(EoI)**

# **DETAILED NOTICE INVITING EXPRESSION OF INTEREST** **(EoI)**

**EoI No.: NTPC/BD/EoI-01/2022-23**

**Date: 23.05.2022**

NTPC Ltd. is inviting an “Expression of Interest (EoI) from Global Company for jointly exploring the Power Distribution business opportunities in India (hereinafter called RESPONDENT).

## **1.1. Timelines for submission of EoI**

1.1.1. Last date for submission of EoI	30.06.2022
1.1.2. Last date for queries/seeking clarifications	15.06.2022
1.1.3. Date of opening of EoI response	01.07.2022
1.1.4. Response Validity	12 months from Last Date of EoI submission

## **1.2. Submission of the Response to EoI:**

- a. **Interested RESPONDENTs are requested to download the EoI document free of cost from [www.ntpetender.com](http://www.ntpetender.com) & <https://eprocurmentpc.nic.in> .**
- b. For EoI submission, the RESPONDENTs are requested to download online copy of the EoI document from e-portal. All future Information viz. corrigendum/addendum/amendments etc. for this EoI shall be posted on the e-Tendering portal of NTPC. Printed copy of EoI document will not be sold /made available from NTPC Ltd office.
- c. The RESPONDENT shall bear all costs associated with the preparation, submission/participation of EoI. NTPC in no way will be responsible or liable for these costs regardless of the conduct or outcome of this process.
- d. NTPC encourages submission of EoI in soft copy. RESPONDENTs are requested to mail the softcopy of EoI, complete in all aspect, to e-mail-Ids mentioned hereunder. If RESPONDENT also wishes to submit hard copy, the same can be submitted either in person or by registered/speed post on or before the last date of submission of EoI to the following address:

To: [neerajbansal@ntpc.co.in](mailto:neerajbansal@ntpc.co.in)

Additional General Manager (Business Development)

NTPC Ltd.

Room No.: 305

EoC, Annexe Building, Sector - 24, Noida, Uttar Pradesh, India

CC to: [akchaturvedi01@ntpc.co.in](mailto:akchaturvedi01@ntpc.co.in)

General Manager (Business Development)

NTPC Ltd.

Room No.: 204

EoC, Annexe Building, Sector - 24, Noida, Uttar Pradesh, India

- e. NTPC reserves the right to reject or accept any or all applications, cancel/withdraw the EoI process without assigning any reason whatsoever and in such case, RESPONDENT shall not have any claim arising out of such actions.
- f. NTPC bears no responsibility or liability of any kind in reference to the EoI.

## **SECTION -2**

### **INTRODUCTION & INTENT**

## **2.0 INTRODUCTION & INTENT**

### **2.1 Introduction**

- i. India's power sector is one of the world's largest and most complex. A paradigm shift is taking place in the power sector with the country's commitments to Net Zero by 2070. The way we create, use, and manage electricity is changing and the implications are going to impact the entire value chain. Distribution Business is also at a strategic inflection point. In particular, energy efficiency, distributed energy resources and energy storage, encouraged by transformational policies, are now opening unexplored opportunities in the traditional distribution utility business model. However, all Revenue flows to the sector are from the revenue realization from distribution sector. Distribution reforms have not yet yielded results across the sector.
- ii. Government of India is working on various initiatives and there is huge policy thrust & momentum in distribution sector reforms to improve the Quality, Reliability and Affordability of Power Supply to the consumers. To facilitate the same, Ministry of Power has issued the Standard Bidding Documents (SBD) for encouraging and supporting the acceleration of Private Sector Participation (PSP) in power distribution utilities across the country. Following that privatization of UT (Union Territory) Discoms was announced by the Central Sector and Privatization process of electricity department of Chandigarh and DD-DNH is underway.
- iii. Recently Government of India (GoI) has also launched performance linked RDSS (Revamped Distribution Sector Scheme) with the objective to improve the overall performance of State Discoms.
- iv. Ministry of Power is also proposing role for CPSEs (Central Public Sector Enterprises) to support state discoms in improving their operational efficiency. In this endeavor, NTPC is working with Ministry of Power in framing the standard guidelines for formation of SPVs/JV between Indian CPSEs and State Discoms.
- v. NTPC is looking at an opportunity to provide sectoral leadership (as done in the case of generation and transmission) in Distribution Sector when it is at this point of critical shift and create benchmark for themselves. NTPC, through its wholly owned subsidiary, NTPC Electric Supply Company Ltd (NESCL) is continuously looking into these opportunities for making a footprint in electricity distribution business. It had also participated in the bid process for privatization of UT Discoms through NESCL.
- vi. NTPC Ltd. ([www.ntpc.co.in](http://www.ntpc.co.in)) is a leading power utility of India. NTPC Ltd. produces more than 350 billion units of electricity annually through its cluster of gas, coal, hydro and RE based power stations of more than 68 GW capacity spanning across almost all states of the country. Further NTPC plans target capacity of 130 GW by 2032.
- vii. It has been ranked No#2 Independent Power Producer (IPP) in the world as per Platts (2019). NTPC Ltd has also been adjudged 14<sup>th</sup> in Fortune's 2020 rankings for Top 500 Corporations in India. The Company is listed in Indian stock exchange with a market capitalization of INR 1560 billion.

- viii. NTPC Ltd. has revenues from operations INR 992.07 billion (13.23 billion USD) through its net worth of INR 1189.95 billion (15.87 billion USD). NTPC achieved a net profit of INR 137.69 billion (1.83 billion USD) in the financial year 2021 and has been consistently paying dividends.
- ix. Power Distribution is a big market in India with growing power demand (booked revenue of INR 7.3L Cr+ in FY20 with a CAGR of ~10% from FY18-20) with stable underlying model giving regulated ROE of 14-16%.
- x. To give impetus to its effort to tap value from downstream business, NTPC is looking for partnership with global companies with NESCL, to jointly explore upcoming opportunities in UT & State discoms including participation in the Bid process, if any.

## 2.2 Intent and Objective

- i. On studying various examples of the successful Discoms, it emerges that the ability and success of transformation in any Discom has emanated from their operational and managerial/management practices. The two key ingredients for meeting specific on ground challenges are:
  - Integrating evolving technology and business model innovation within the system which can help unlock performance quickly e.g., smart metering, network automation and communication, demand forecasting tool
  - Improved customer engagement process as the primary customer facing utility, in order to prevent losses from theft, pilferage & non-payment of bills.

However, these solutions require consensus, coordination and cooperation amongst the various stakeholders and Government willingness, support & complimentary efforts in improving the political, economic and regulatory atmosphere enveloping the sector in the state.

- ii. NTPC intends to participate in potential opportunities created by series of reforms announced by Government of India to turn around the performance of UT/State Discoms through collaboration with prospective global partner by supplementing each other's capabilities with respective domain expertise in electricity distribution sector.
- iii. NTPC Ltd. through this EOI is looking to partner with the global companies, who can bring with them technical expertise & acclaimed best practices as a Distribution Utility
  - To develop a centralized, common & scalable architecture for achieving operational efficiency.
  - To ensure quality & reliable power supply to highest level of consumers satisfaction.
- iv. As brought out above, enabling these solutions on the ground, will also require de-support from the state Government and NTPC with its vast experience in Power



Generation Sector with power plants in almost all states is well equipped to fulfil this role and provide easy market access.

### **2.3 NTPC as a Partner of Choice:**

- i. India's Largest Power utility with 23% of Market share in Electricity Generation.
- ii. Government of India's Maharatna Public Sector Enterprise leading India's energy transition with Plan to have 60 GW Renewable Capacity by 2032.
- iii. Pan India Presence with strong business relationship with stake holders,- Ministry of Power, State Governments, Regulatory agencies and all State Discoms as they are beneficiaries of NTPC's power generation.
- iv. Robust financial performance with strong Balance Sheet and reliable choice for Investors.
- v. Professional and Performance Management Capabilities
  - o Strong technical workforce with deep understanding of Indian Power Sector
  - o Proven excellence in O&M with PLF of power plants higher than all India Average.
  - o Domain Expertise in Policy Management, Regulation, Large Work Force Management and Business Environment Scanning.
- vi. Experience in turnaround of Capex oriented heavy assets
- vii. NTPC capabilities and strengths in Distribution sector
  - o NESCL, a wholly owned subsidiary of NTPC incorporated for undertaking development, operations, and maintenance of distribution sector
  - o Inhouse due diligence capability
  - o Financial muscle to finance capex addition through Lower-Cost funds
  - o Field Survey
  - o Network Design, Planning & Engineering
  - o Project Execution & Monitoring
  - o Inspection & Quality Assurance
  - o Procurement & Contract Management
  - o Vendor Development
  - o Load Estimation & Equipment Sizing
  - o Land acquisition if any for Right of Way etc
  - o PSU background, mutually beneficial partnership possible with state governments vis a vis private company
  - o Extensive experience in managing Government Distribution Sector support programmes i.e. DDUGJY (Deen Dayal Upadhyaya Gram Jyoti Yojna) and SAUBHAGYA (Pradhan Mantri Sahaj Bijli Har Ghar Yojana).

## **2.4 Expectations from Partners:**

- i. Willingness to enter Indian market
- ii. Experience of power distribution sector across developed and emerging markets
- iii. Technical Expertise: To turnaround the underperforming state discoms and develop centralized scalable architecture using best practices for achieving Operational Efficiency in following:
  - Digital transformation of Utility Business through creation of Integrated Digital Platform and Business Process Automation for managing of assets, their preventive maintenance and operations, to improve Techno-Economic Performance of Utility.
  - Creation of Smart Network through Rapid deployment of technology (using latest technologies & IT tools e.g. SCADA, ADMS, OMS, unmanned grids, smart meters, IoT sensors) to enhance network performance, Reliability improvement and enhancing outcomes of O&M practice.
  - Experience of deploying artificial intelligence in data analytics on load forecasting, RE forecasting and scheduling.
  - Mobility in Operation through ubiquitous platform for rapid delivery of service and operation.
- iv B2C capabilities- to create a world class Customer Experience, integration of CRM with operations, creation of transformational billing & revenue collection platform etc
- iv. Employee Engagement and management- Management of disbursed workforce and enhancing employee experience. Capability building and driving cultural synergies through knowledge sharing, employee exchange program and Training.
- vi RE integration into distribution network with establishment of microgrids wherever required, for handling decentralized small-scale generation from locally available RE sources to provide reliable power to remote and sparsely populated areas.
- vii Experience of expansion in non-regulated revenue streams and services e.g., smart home automation, EV charging etc
- viii Financial Capabilities: Having strong balance sheet and sound financial performance.

## **2.5 Mode of Collaboration:**

- i. NTPC is open to different models of collaboration like strategic, technical, etc.
- ii. NTPC & Prospective partner may jointly participate in bidding process of privatization UT/State Discoms or jointly explore opportunities for collaborating with States for demonstration of performance improvement in their distribution circles/discoms.
- iii. Detailed terms of reference of partnership can be framed on case-to-case basis through a “Definitive Agreement”.

- iv. NTPC is also open to take up other business opportunities suggested by its partner in distribution sector to achieve shared values.

## **2.6 Eligibility criteria:**

- i. Net Worth: RESPONDENT's average Net Worth during the last three (3) Years. (as per the annual audited financial statements) shall be at least Indian Rupees Ten Thousand Crore (INR 10,000,00,00,000.00) or equivalent US\$ (calculated as per the rate of INR 75= \$1).
- ii. Technical: RESPONDENT should be a power Distribution Licensee or Distribution Franchisee serving at least five lakhs (5,00,000) consumers in its designated supply area, either on its own or through an Affiliate or Parent

## **2.7 Preparation & Submission of Expression of Interest:**

- i. Companies with demonstrated capabilities as brought out above are invited to express their interest.
- ii. RESPONDENT is requested to submit its interest on Company's letter head. The RESPONDENT should be a single entity and no consortium is allowed.
- iii. RESPONDENT shall provide brief information about the company with organizational structure, key personnel, capital equipment base and its presence/support base in India.
- iv. RESPONDENT shall provide necessary documents in support of its technical and financial eligibility criteria.
- v. **Distribution Utility and Transformation Experience:** Submission of Case(s) study or Project Report of distribution business/transformation done with details of initiatives taken up in various phases of i.e. diagnosis, design/conceptualization, build, implementation and refinement. In case, any project qualifies for more than one capability, please clearly indicate the same. The Case study shall touch the following major points:
  - Project Details – Location, Business/Client, Start& Finish.
  - Core Business Problem(s) Diagnosis.
  - Options for problem solving finalization of solution and its merit with setting up Business/ Process KPI.
  - Outcome and results reflected through improvement in business/Process KPI.
  - Treatment of Legacy system and seamless Migration.
  - Major Technology deployment through In-house development / OEM/Licenser/Partners.
  - Role & responsibilities in the project with key human resource (Technical/Managerial) deployment.
  - Customer Management.
  - Capital Deployment with demonstrated returns/savings in different area through performance improvement.

- Demonstration video /Presentation /photograph showing qualitative improvement before/after.
  - Any audio-visual presentation on case.
- vi. Expectation from NTPC to forge the long-term relationship.
- vii. Mode of collaboration.
- viii. Working experience in emerging economies and demographic condition like India.
- ix. The RESPONDENT should not be blacklisted by any Government Company/Government organization/Government Agencies etc. in India or abroad
- x. To evaluate the possible synergies and develop more understanding on subject initiatives, prospective RESPONDENTS of EoI may be invited for follow up discussions and presentation with NTPC management team, where they can present in detail about their company, operations, financials, achievements, and plan of action for the proposed partnership.

## **SECTION -3**

### **GUIDELINES TO THE RESPONDENTS**

### **3.0 Guidelines to RESPONDENTS:**

#### **3.1 The RESPONDENTS should note that:**

- i. Language of the responses to EoI or any query/clarifications/correspondences shall be in English only.
- ii. All documents related to expression of Interest shall be sent to NTPC by the RESPONDENT in soft copy.
- iii. RESPONDENTS should go through Section-1 and Section-2 thoroughly before submitting the EoI.
- iv. RESPONDENTS shall mention the name and contact details of two persons, with complete address, phone number and email ids who can be contacted for further correspondence.
- v. NTPC may, at its discretion, extend the date for the submission of application, which will be published/notified on NTPC tender portal, in which case all rights and obligations of NTPC and RESPONDENTS whose applications have already been submitted before the extension of this date shall remain unaltered.
- vi. Acceptance of the application(s) constitutes no form of commitment on the part of NTPC. Furthermore, this acceptance of the application confers neither the right nor an expectation on any RESPONDENT to participate in the proposed partnership.

#### **3.2 Enquiries and Clarifications:**

RESPONDENT requiring any clarification on the EOI documents shall notify the NTPC in writing through email at following address:

To: [neerajbansal@ntpc.co.in](mailto:neerajbansal@ntpc.co.in)

CC to: [akchaturvedi01@ntpc.co.in](mailto:akchaturvedi01@ntpc.co.in)

#### **3.3 Corrigendum:**

At any time before the last date of submission of EoI, NTPC may, for any reason, whether at its own initiative or in response to a clarification requested by the RESPONDENT, modify the EoI document. The amendment will be posted on the website and will be binding on the RESPONDENTS and the RESPONDENT should give due consideration to the same, while they submit their EoI, and would invariably enclose documents/information, as required, on account of the amendment, as a part of the EoI. NTPC may, at its discretion, extend the deadline for the submission of EoI.

### **3.4 Validity of the Responses**

- a) The RESPONDENT shall submit the responses which shall remain valid up to twelve (12) months after the response Deadline (“Response Validity”).
- b) NTPC may solicit the RESPONDENT’s consent for an extension of the period of validity of the response. The request and the response in this regard shall be in writing.

### **3.5 Submission of the Response to EoI:**

The responses to the EoI are to be submitted in soft copy via e-mail

to: [neerajbansal@ntpc.co.in](mailto:neerajbansal@ntpc.co.in) with

copy to: [akchaturvedi01@ntpc.co.in](mailto:akchaturvedi01@ntpc.co.in)

**3.6 Seeking Clarifications:** To have better understanding for examination, evaluation, and comparison of applications, NTPC may, at its discretion ask the RESPONDENT(s) for clarification on its application. The request for the clarification and the response shall be in writing.

**3.7 Costs and Expenses towards Response to EoI:** The RESPONDENTs shall be responsible for all the costs associated with the preparation of the response and participation in discussions and finalization & execution of the documents related with this EoI, NTPC shall not be responsible in any way for such costs, regardless of the conduct or outcome of this short-listing/ selection process.

**3.8 Confidentiality:** The RESPONDENTs undertake to hold in confidence any document related or pursuant to this EoI and not to disclose the terms and conditions of the transaction contemplated hereby to third parties, except their professional advisors.

**SECTION 4**  
**FORMAT OF COVERING LETTER**



## **FORMAT OF COVERING LETTER**

(On the Letter Head of Prospective Partner)

Partner's name:

Full Address:

Telephone No.:

E-mail address:

**To,**

General Manager (BD)  
NTPC Ltd.  
Room No. 204  
EoC, Annexe Building, Sector - 24, Noida.

**Sub: EOI for Global Companies to Partner with NESCL (NTPC Electric supply company Ltd.), a wholly owned subsidiary of NTPC Ltd. for jointly exploring business opportunities in Electricity Distribution sector in India**

**Ref: No.:**

We are submitting our application along with required information as sought in the above referred notice for participating in the proposed partnership with NESCL. We confirm that neither we nor any of our Parent/Affiliate/Ultimate Parent has submitted application other than this, directly or indirectly in response to the aforesaid notice of NTPC.

We hereby undertake that we are not blacklisted by any Government Companies/Government organization/Government Agencies etc. in India or abroad.

### **CONTACT PERSON**

Details of contact person are furnished as under:

Name

Designation

Company Address, Phone Nos, E-mail Id

We are enclosing therewith the Application with duly signed formats in original as required in the notice.

Thanking you,

Yours faithfully

(Signature, Name, Designation)

Dated the..... day of 2022

Business Address:

*Remarks:*

*To be signed by Managing Director/Chief Executive Officer who should also be full time director on the Board of the Company or a person authorized by them, for submitting the Eol.*