

# **Haryana Regulatory Commission's Guidelines for Load Forecasts, Resource Plans, and Power Procurement Process**

HARYANA

India

## **Haryana Regulatory Commission's Guidelines for Load Forecasts, Resource Plans, and Power Procurement Process**

### **Rule**

### **HARYANA-REGULATORY-COMMISSION-S-GUIDELINES-FOR-LOAD-FORECASTS-AND-POWER-PROCUREMENT-PROCESS-1999**

- Published on 12 July 1999
- Commenced on 12 July 1999
- [This is the version of this document from 12 July 1999.]
- [Note: The original publication document is not available and this content could not be verified.]

Haryana Regulatory Commission's Guidelines for Load Forecasts, Resource Plans, and Power Procurement Process Published vide Haryana Notification No. 31/99, Dated 12.7.1999. Haryana Electricity Regulatory Commission No. 31/99. - In exercise of the powers conferred on it by the Haryana Electricity Reform Act, 1997 (Act 10 of 1998), the Haryana Electricity Regulatory Commission hereby issues the HERC Guidelines for Load Forecasts, Resource Plans, and Power Procurement Process for compliance by the licensees as provided in Transmission and Bulk Supply Licence (Licence No. 1 of 1999) and Distribution and Retail Supply Licence (Licence No. 2 of 1999) issued on February 5, 1999. Guidelines for Load Forecasts, Resource Plans, and Power Procurement Process Explanatory Note

### **1. The Haryana Electricity Reform Act (Section 15(4)(j)) requires, through licence conditions, that power should be purchased in an economical manner and under a transparent power purchase procurement process.**

HVPN's Transmission and Bulk Supply licence accordingly requires it to purchase power (including Ancillary Services) in an economical and efficient manner (Condition 15.1) and, except for short term contracts or as otherwise permitted by the Commission, only through contracts awarded pursuant to a transparent and competitive process acceptable to the Commission (Condition 15.2). Further, Sections 21 (4)(b) and 21 (5) of the Act provide that HVPN may only purchase electricity from any person or Generating Company (other than the holder of a supply licence) with the

consent of the Commission, and that any purchase agreement is void unless made with or subject to the Commission's consent.

**2. The Act clearly envisages a change of approach to procurement as compared with past practice. In addition, the reduction in the role of central evaluation of generation projects previously carried out by the CEA places an additional responsibility on HVPN. It is the Commission's duty to ensure that HVPN develops its power procurement policies and procedures to reflect these new circumstances, drawing as appropriate on international best practice, and it is against this background that these Procurement Practice Guidelines have been developed, as envisaged under Condition 15.2 of the Licence. Their Purpose is to guide HVPN in developing its procurement processes and to establish a routine process of communication of information from Licensees to the Commission in respect of load forecasts, resource plans and procurement which will enable the Commission to monitor on an arms-length basis compliance with the Act and Licence in respect of procurement without the need for it to become involved in the details of specific commercial negotiations or transactions which remain the proper responsibility of licensees, provided that HVPN's procurement policies and procedures are themselves acceptable to the Commission.**

**3. The draft Guidelines include in Sections 2 and 3 provisions for the production and supply to the Commission of annual 10 year load forecasts by Licensees, and biannual 10 years resources for power procurement, transmission and distribution. These are intended to provide the basis for sound power procurement strategies which will reflect the properly assessed need for new bulk power and the evaluation of options against the requirement to obtain the most economical and reliable supplies.**

**4. Section 4 of the draft Guidelines deals with procurement itself. Structured Competitive Procurement is set out as the model to be followed by HVPN in all possible cases. It is recognised that in some cases, notably at present the procurement of power from Central Plant, competition may be impractical, and the Guidelines provide for this.**

**5. The Guidelines are issued following a public consultation process, and in finalising them the Commission have taken into account all comments received. The Commission reserves the right in future to amend the Guidelines in the light of experience, or to issue supplementary Guidelines as appropriate.**

## **1. General.**

- These guidelines are to be followed by Licensees as provided in their respective licenses; currently by HVPN as provided in its Transmission and Bulk Supply Licence and Distribution and Retail Supply Licence issued 5th February, 1999.(a)While forecasting the demand for power within their Area of Supply pursuant to Condition 19.10 of the HVPN Transmission and Bulk Supply Licence and Condition 20.2 of the Distribution and Retail Supply Licence;(b)While formulating resource plans and schemes to meet their obligations under Condition 19.1 of the HVPN Transmission and Bulk Supply Licence and Condition 17.1 of the Distribution and Supply Licence; and(c)In the case of HVPN, While formulating proposal to purchase power pursuant to Condition 15 of the HVPN Transmission and Bulk Supply Licence.

## **2. Load Forecasts.**

- 2.1 Each demand forecast to be submitted to the Commission pursuant to Condition 19.10 of the HVPN Transmission and Bulk Supply Licence or Condition 20.2 of the Distribution and Retail Supply Licence (a "Load Forecast") shall contain a forecast of future demand in the respective areas of supply of each Licensee for a period of 10 years, together with details of the data, and assumptions on which it is based, and the Licensee's justification for its choice of forecasting methodology.2.2For purposes of the Load Forecasts, the year shall begin on April 1st and end on 31st March. Each Licensee shall submit its Load Forecast to the Commission in the month of April of each year, and/or at such other times as the Commission may require.2.3The Commission may from time to time specify particular matters which should be dealt with in the Load Forecasts. These shall include, inter alia, the following :(a)[Demand Side Management (DSM)] [Demand Side Management Programs. These are programs introduced and administered by electricity supply companies with the object of encouraging more economical and efficient use of power, as an alternative to increasing supply. While the programs may include any action which reduces demand, including more efficient use of energy by the utility itself, DSM usually emphasises involvement of the end user. The programs may utilise rates, for example, time of day tariffs that encourage customers to shift their consumption to the lower cost part of the load curve or tariffs linked to metering that discourage excessive power consumption.] programmes and anticipated increases in end use efficiency. HVPN and Distribution and Retail Supply Licensees shall co-ordinate the planning and implementation of their respective DSM programmes.(b)Forecasts for each category of load as per existing tariff classification except that industrial loads should be separated into two categories, namely LT industries and HT industries.(c)Forecast losses for each year. Licensees shall describe their plans for reduction of losses, technical and non-technical, so as to justify projected loss reductions contained in the forecasts.(d)Forecast seasonal and time of day changes in load

shape through the Forecast period.(e)Comparison of projected load growth against actual load growth for the preceding 5 years, or since the Licence was issued, if shorter.(f)Ranges, to take account of uncertainty in forecasting, together with identification of principal uncertainties and major variables."2.4Commission's Review. - 2.4.1 In reviewing each Load Forecast submitted to it, the Commission may call for clarification, additional information and data as necessary. A Licensee shall furnish any additional information within fifteen days or within such longer period as the Commission may allow which shall in no case be more than two months from the date of first submission.2.4.2The Commission may communicate its views on a Load Forecast to the Licensee concerned within three months from the date it was first submitted to the Commission, or within three months of its receipt of additional information requested under paragraph 2.4.1, to the satisfaction of Commission.2.4.3Within this time scale, the Commission may, at its discretion, serve notice for hearing or examination to determine any issue arising out of a Load Forecast.2.4.4When steps taken by the Commission under paragraphs 2.4.2 or 2.4.3 have been completed to its satisfaction, or if the Commission takes no such action within the time scale, the Licensee may adopt the Load Forecast for any appropriate purpose.

### **3. Resource Plans.**

- 3.1 Each Licensee shall formulate resource plans and schemes in coordination with others for the promotion of generation, transmission, distribution and supply of electricity which shall generally conform to the following provisions.3.2Standard. - 3.2.1 Each Licensee must be able to demonstrate to the Commission that its resource planning will ensure, to the maximum extent of its own control and influence, that all Consumers connected to its transmission or distribution system will receive an adequate, safe, and economical supply of electricity, having regard to quality, continuity and reliability of service.3.2.2Each Licensee must be able to demonstrate that it has examined the economic, technical, system, and environmental aspects of all available reasonable options to satisfy the energy service needs of its Consumers in its Area of Supply, and that such examination has been carried out in accordance with these guidelines.3.2.3Each resource plan prepared by a Licensee shall be. - (i) Reviewable, that is, it shall contain enough information and sufficient documentation to allow the Commission to understand fully the method Of evaluation used by the Licensee to prepare the plan;(ii)Appropriate, that is, it shall use a method of forecasting energy and/or capacity requirements that is technically suitable for the Licensee preparing it;(iii)Robust, that is, firstly it shall identify key uncertainties, the plan's exposure to those uncertainties, and the manner in which those risks are to be managed; and secondly it shall identify sources of finance such that the plan may be judged realistic in those terms.(iv)Uniform, that it it shall present the information and data in the plan in a standard format which contains clear definitions of the terms used.3.2.4. Power Procurement Plans, Transmission Plans and Distribution Plans as described below shall be prepared by Licensees every second year, or at such other frequency as the Commission may from time to time require. In any event, Licensees will notify the Commission immediately of any external event or internal development which requires a significant modification to the most recently submitted Plan, for example, revised load forecasts.3.3Power Procurement Plans. - 3.3.1 HVPN shall formulate a resource plan for the State in co-ordination with the Distribution and Generating Companies, State Government, the Commission, the Regional Electricity Board and the Central Electricity Authority which shall take into account all the available generation resources and shall spell out the

additional of power required to meet the future energy demand of the State as assessed by the Licensees (a "Power Procurement Plan"). The plan period shall be at least ten years from the year of commencement, beginning from 1st April and ending on 31st March. HVPN will submit a Power Procurement Plan in 1999 and every second year thereafter to the Commission.3.3.2. The Power Procurement Plan shall be a least cost plan (least financial cost to the Licensee), the ultimate objective being to make available a secure and reliable power supply at economically viable rates to all Consumers while satisfying power supply planning and security standards. In determining whether its proposed plan represents the least cost plan, HVPN shall take into account the combined costs of power purchase and transmission and appropriate DSM measures. In identifying the plan that is least cost, HVPN may consider sensitivity studies and risks, including risks arising from environmental factors, and may justify the selection of the least cost plan on these bases.3.3.3. The Power Procurement Plan shall use planning criteria consistent with, and shall be designed to meet, the Power Supply Security Planning Standards adopted pursuant to Condition 19 of the Transmission and Bulk Supply Licence.3.3.4. The parameters used by HVPN in its economic evaluation of the plan shall be specified in the Power Procurement Plan. The Commission may require HVPN to justify the adoption of particular parameters.3.3.5. HVPN shall utilise appropriate computer programmes for working out the least cost plan since many variables and complex situations may have to be dealt with while evaluating alternative resources. These may include Hydro, Coal Fired, Naphtha/Gas based stations, the expansion of transmission capacity and DSM. Appropriate programmes shall also be used to evaluate the various reliability criteria, total plan cost and long run marginal cost of energy appropriate for the alternative sets of resources in the plan period in the context of the Load Forecast for the period.3.3.6. Each Power Procurement Plan shall consist of. - (i) A report covering existing resources including generating plant exclusively contracted to HVPN under PPAs, allocation from central sector plants (CSPs), surplus capacity from CSPs, need for additional capacity, basis for choice of the least cost plan, proposal for additional capacity accounting for correction/modification of proposals submitted in the previous filing necessitated by slippage or advancements of loads as the case may be or any other reason duly substantiated.(ii)Energy utilisation, peak load and power factor data and annual load factors for the previous 5 years period.(iii)Data for each existing generating station indicating energy and peaking capacity during plan period (as collected from Generating Companies) with due regard to hydrology and peak period discharge capacities of Hydro Electrical Plants.(iv)Annual capacity and energy balance statements for the plan period, showing available net capacity from existing resources, station by station. Additional net generation capacity to be added indicating year of commission, and total capacity against planning criteria indices as achieved after each addition.(v)Recommended plan for additional power procurement indicating unit sizes, type, gross capacity, year of commissioning, long run marginal cost along with annual details of incremental cost of generation and incremental net energy generated. It is recognised that insofar as HVPN will use competitive procurement to purchase new capacity from IPPs, the plan for additional power procurement need not identify specific generating units, specific sites or exact MW sizes, but shall identify plants and general location that are reasonably expected to be available from IPPs. Nevertheless HVPN shall include in the plan the results of its evaluation of alternative resources and justify, in terms of economic advantage, its preferred options for meeting new capacity requirements.(vi)HVPN shall submit a two year implementation plan, consistent with and specifying the detail of the first two years of the Power Procurement Plan. The Licensee shall make explicit the steps it intends to take in

the first two years that will enable the acquisition of the supply and demand side resources as anticipated in the remaining years of the Power Procurement Plan.

**3.4 Transmission Planning.**

**3.4.1.** HVPN shall plan the Transmission System in accordance with Condition 19 of the Transmission and Bulk Supply License. The plan period shall be at least ten years.

**3.4.2.** The objective of the plan shall be to install sufficient capacity to evacuate power from generating stations to Grid substations (having regard to the Load Forecast) while maintaining voltage within the required limits, containing transmission losses at levels consistent with its Local Forecast and providing for the economic exchange of power with contiguous states. For this purpose, HVPN shall carry out a power system analysis covering load flow, short circuit and transient stability studies.

**3.4.3.** The Transmission Plan shall use planning criteria consistent with, and shall be designated to meet, the Transmission Planning Standards adopted pursuant to Condition 19 of the Transmission and Bulk Supply Licence. It shall also be consistent with the Power Procurement Plan filed pursuant to Section 3.3., and shall take account of the potential for transmission investment to contribute to meeting new demand.

**3.4.4.** The planning study shall include interconnections at which power is exported/imported to other entities, including NREB, NTPC, PGCIL, NHPC, and neighbouring states.

**3.4.5.** The planning study shall take account of any demand on HVPN's existing or planned transmission capacity arising from projected wheeling transactions, that is, the transport of power through HVPN's transmission system for delivery to customers outside the State of Haryana.

**3.4.6** The Transmission Plan complete with report, list of proposed new lines, substations, reactive compensation, with years of commissioning, and investment proposals, including a scheme due of environmental investments proposed, shall be submitted to the Commission in accordance with provisions laid down in technical conditions of Transmission and Bulk Supply License.

**3.4.7.** The Transmission Plan, suitably updated, shall be submitted to the Commission every second year in the month of April.

**3.5 Distribution Planning.**

**3.5.1.** Each holder of a Distribution and Retail Supply License shall plan and develop its Distribution System in accordance with Condition 17 of the Distribution and Retail Supply Licence so as to ensure that, subject to the availability of adequate generating and transmission capacity, the system is capable of providing consumer within its Area of Supply with an adequate, safe and economical supply of electricity, having regard to quality, continuity and reliability of service.

**3.5.2.** Each Licensee shall formulate a plan for its Distribution System covering a period of 10 years (a "Distribution Plan"). Each plan shall indicate any modifications or alterations made to the previous plan. The Distribution Plan shall be submitted to the Commission in the month of April every second year in the month of April and shall adopt planning criteria consistent with, and be designated to meet, the planning and security standards adopted pursuant to Condition 17 of the Distribution and Retail Supply Licence.

**3.5.3.** The Distribution Plan shall be in accordance with the Load Forecast for the plan period and shall highlight major investments in any area (as defined in Condition 18.4. of the Distribution License), including a schedule of environmental investments proposed, and the details of any DSM programmes planned and to be implemented by the Licensee.

**3.5.4.** The planning study shall take account of any demand on the Licensee's existing or planned distribution capacity arising from projected wheeling transactions, that is, the transport of power through HVPN's distribution system for delivery to customers outside its service area.

**3.5.5.** Each licensee shall co-ordinate the planning and implementation of its DSM programmes with the DSM programmes contained in HVPN's Generation Resource Plan.

**3.6 Commission's Review.**

**3.6.1.** In reviewing each Resource Plan submitted to it, the Commission may call for clarification, additional information and data as

necessary. A licensee shall furnish any additional information within fifteen days or within such longer period as the Commission may allow which shall in no case be more than two months from the date of first submission.3.6.2. The Commission may communicate its views on a Resource Plan to the Licensee concerned within three months from the date it was first submitted to the Commission, or within three months of its receipt of additional information requested under paragraph 3.6.1 to the satisfaction of the Commission.3.6.3. Within this time scale, the Commission may at its discretion, serve notice for hearing or examination to determine any issue arising out of a Resource Plan.3.6.4. When steps taken by the Commission under paragraphs 3.6.2 or 3.6.3 have been completed to the Commission's satisfaction, or if the Commission takes no such action within the time-scale, the Licensee may adopt the Resource Plan for appropriate purposes.

## 4. Power Procurement.

4.1 Procedure. - 4.1.1. Except as otherwise permitted by paragraphs 4.1.2., 4.1.3. and 4.1.4 the Licensee shall not enter into a power purchase agreement as purchaser or solicit offers to supply it with power unit 60 days after it has notified the Commission of its proposed purchase and complied with paragraphs 4.2. and 4.3.4.1.2. HVPN may make short-term purchases of power as defined in Condition 15.2 of its Transmission and Bulk Supply Licence for emergency support and to realise short-term operating cost savings without being required first to notify the and provide the information required by paragraphs 4.3 and 4.4.2. However, HVPN should specifically identify to the Commission in advance the possibility and nature of potential short-term purchase, in the context of :-(a) contingency plans notified to the Commission in support of the Power Procurement Planning Standards;(b) general power purchase agreements with suppliers which allow for call-off purchases of short-term power;(c) generation options identified in the power procurement Resources Plan.4.1.3. In the case of short-term purchases for emergency support, HVPN shall use its best endeavours to minimise the cost to the consumer. HVPN shall also comply with any special guidelines relating to short-term purchases that the Commission may issue from time to time.4.1.4. The Commission may exceptionally permit HVPN to make purchases of power, other than for purposes set out in paragraph 4.1.2, without requiring that such purchases be subject to Competitive Procurement Process. HVPN shall not thereby be exempt from demonstrating the need for power, the reason for departure from a competitive process together with the economic justification for the purchase, the means whereby, in the absence of competition, HVPN proposes to secure the best possible terms from the supplier, and such other matters as the Commission may require. All of the matters must be covered in the Filing required under paragraph 4.3.2.4.2 Need for Additional Power. - 4.2.1. HVPN shall demonstrate to the Commission's satisfaction that there is a need for the additional power for which it intends to contract. It may do this by referring to its most recent Power Purchase Plan submitted to the Commission.4.2.2. HVPN shall specify any areas in which its current proposal departs from its most recent Power Purchase Plan and shall justify the departure.4.2.3. The information required by this paragraph 4.3 shall be submitted to the Commission in accordance with Condition 15 of Transmission and Bulk Supply Licence.4.3 Competitive Procurement Process for Power.4.3.1. Standard. - HVPN shall demonstrate to the Commission's satisfaction that its proposed procurement process complies with the principles set out in paragraph 4.4.3 and that it has developed a Request for Proposal (RFP), evaluation criteria and a Purchaser Power Agreement (PPA) that can be reasonably expected to identify the

best bid and not expose HVPN and its Consumers and Customers to undue risk.4.3.2. Filing. - Whenever the Licensee intends to procure power, it must submit to the Commission a detailed description of the proposed procurement process at least 3 months before it intends to enter into a PPA for the power. In respect of a Competitive Procurement Process, it shall include in its submission the following :-(i)An explanation of how HVPN intends to notify potential bidders so as to attract the maximum number of technically qualified bidders to provide the required power;(ii)An advertisement for the proposed competition together with a list of the publications in which it is to be placed and the number of times it is to appear in each;(iii)If applicable, a Request for Qualifications (RFQ) setting out the technical grounds on which HVPN proposes to select companies that are deemed qualified to bid to provide the required power;(iv)The RFP describing HVPN's requirement for power and the process to be employed by HVPN to select the company to provide it;(v)A draft PPA setting out the terms on which HVPN proposes to purchase the required power;(vi)Information on costs per megawatt or prices per unit obtained by purchasers of similar plant in the recent past;(vii)A risk allocation and management plan, which summarises the allocation of major project risks between the parties and describes how the Licensee intends to manage the risks to be allocated to it under the PPA and any other risks associated with the project;(viii)The procedures and criteria to be used by HVPN to evaluate bids and select the winner;(ix)The proposed timetable for conducting the competition, including the dates and locations for bid submissions, bidders conference, bid envelope opening, final decision, and notification of outcome; and(x)If post-bid negotiations are permitted, a description of the expected post-bid negotiation process, including the scope of issues open to negotiations.4.3.3. Principles of Competitive Procurement. - HVPN's procurement process shall-(i)conform to the technical, economic, or other criteria laid down by the Commission in accordance with the Act, Regulations, and/or applicable licence;(ii)provide for the RFP to be advertised so as to come to the notice of a sufficient number of qualified potential bidders;(iii)allow bidders a reasonable time to prepare their bids;(iv)provide for information made available by HVPN to any one bidder for purposes of preparing a proposal or clarification of any aspect of the proposal process to be made available to all bidders;(v)assure bidders that the proposed procedures for responding to questions from bidders and for evaluation do not favour or disadvantage any bidder unfairly;(vi)provide bidders with adequate information to identify HVPN's requirement for power and the terms on which it wishes to purchase it;(vii)be designed to elicit from bidders proposals that can be evaluated by HVPN in accordance with its proposed criteria;(viii)adopt a bid evaluation or scoring system that is sufficiently comprehensive and transparent to permit a competitive result which identifies the least cost proposal;(ix)contain specifications of the tender that are sufficiently open to allow a maximum range of proposals to be submitted, while ensuring that the evaluation criteria for evaluating the proposals are sufficiently well-defined to allow for a comparability across all submitted proposals;(x)use criteria for proposals that are designed to measure objective and quantifiable price, reliability, environmental impact, and operational performance data as well as other factors that directly relate to the impact of the project on the cost and reliability of electricity supply;(xi)establish a procedure for notifying the public and other bidders of the outcome of the tender that is transparent and public;(xii)ensure that the procedures for post-bid negotiations will not produce a contract that deviates materially from the original terms of the selected bid;(xiii)outline procedures that, should post-bid negotiations be unsuccessful, will enable HVPN to negotiate with the next best bidder, or abandon or resort the procurement process;(xiv)pay due



regard to the requirements of funding agencies in relation to the design and implementation of power projects (including requirements in relation to environmental standards) that may affect the availability of finance for such projects.

**4.3.4. Commission Review of Proposed Procurement Process.** - (i) The Commission may, at any time during the review process, require the Licensee to provide additional information, explanations or justifications relevant to the Commission's valuation of whether HVPN's proposals satisfy its obligations in relation to power procurement under the Act and its Bulk Supply Licence. The Commission may order the Licensee not to proceed with the proposed procurement until further order or for a specified period after the Licensee has supplied the required additional information. Any such order not to proceed shall be made subject to Condition 13.2 of the Transmission and Bulk Supply Licence. (ii) The Licensee may, with Commission approval, modify the proposed Competitive Procurement Process during the Commission's review process. (iii) The Commission may require the Licensee to provide additional information with regard to the proposed use of land and natural resources, and the environmental safety and health impacts of the planned procurement, to verify that necessary consents or license required by Statute or Regulation have been or will be obtained. (iv) The Commission may also consult, as it judges appropriate, with other bodies or organisations with an interest in the project and/or outside experts, and consultants. (v) HVPN may proceed to implement its proposed procurement process in accordance with the proposals submitted to the Commission when authorised to do so by the Commission; or if the Commission has not taken any action in relation to the proposal for 60 days after HVPN has provided all of the information required by the Commission pursuant to these guidelines. (vi) HVPN's authority to implement its proposed procurement process shall be without prejudice to the Commission's later exercise of its regulatory powers in relation to the procurement. (vii) The Commission may at any time during the implementation of procurement process consult with HVPN to assure itself that the procurement process is being conducted in accordance with HVPN's proposals. (viii) HVPN shall provide the commission on demand with a copy of application materials; proposals and other documents relevant to a procurement of power (whether received or issued by HVPN) including documents reflecting HVPN's review and evaluation of the bids received by it. The Commission shall keep such documents confidential until the procurement process has been completed. (ix) After reviewing HVPN's submission, the Commission, at its discretion, may issue a notice of inquiry to consider any issue relating to the proposed procurement.

**4.3.5. Licensee Notification of Outcome of Procurement Process.** - (i) HVPN shall notify the public, all bidders and the Commission of the winning bidder not more than seven days after making any binding commitment to the winning bidder to procure power in accordance with that bid. This notification shall include, at minimum, the following information :- (a) Name and address of the signatories to the PPA; (b) General information on the terms and conditions of the PPA; (c) A brief description of the project including the nature of the technologies employed; (d) "Nameplate" capacity; (e) Location and other physical characteristics; (f) Fuel type; and (g) Anticipated operational date. (ii) The Licensee shall retain, in clean and legible form, all application materials, proposals, and other ancillary materials relevant to the Procurement Process and outcome received by the Licensee as well as all Licensee records on its review and evaluation, for a period not less than 5 years on the Licensee's office premises.

**4.3.6. Intervention in the Procurement Process** - (i) Once the Licensee has begun to implement a procurement process in accordance with these guidelines, the Commission shall only issue an order interrupting the process prior to the declaration of the winning bidder : (a) on grounds of improper

conduct; or (b) on grounds that the manner in which HVPN is conducting the procurement process differs materially from its proposal as reviewed by the Commission. (ii) The Commission may investigate any procurement of power following completion of the procurement process but before HVPN commits itself to procuring power from the winning bidder : (a) if the winning bid is unreasonably high; (b) in response to a complaint lodged with the Commission from a bidder or other interested party on grounds of improper conduct in the procurement process; (c) if the Commission has reason to believe that the procurement process was not conducted by HVPN in accordance with its proposal as reviewed by the Commission. (iii) Any investigation of a procurement process will be initiated by a notice of inquiry and conducted in accordance with Chapter II of the Commission's Conduct of Business Regulations. HVPN shall not enter into any commitment to procure power pending the outcome of the investigation. (iv) If the Commission determines that the procurement process was either not followed or misapplied and that as a consequence the process was not transparent or was not competitive, the Commission may order HVPN to take necessary corrective steps, including requiring it temporarily to suspend the procurement process, or to cancel it and declare the results null and void. (v) If the results of the Procurement Process are declared null and void, HVPN shall so notify the public and bidders. 4.3.7. Continuing Commission Role. - Nothing in this Section 4 shall prevent the Commission from investigating or taking such other action as it deems appropriate with respect to a completed power purchase agreement in the exercise of its responsibilities under the Act.