

DRAFT

**POWER PURCHASE AGREEMENT
FOR
PROCUREMENT OF [*insert*] MW SOLAR POWER
ON LONG TERM BASIS**

Between

[Insert Name of Solar Power Developer]

And

CESC Limited

[Insert month and year]

This Power Purchase Agreement is made on the[Insert date] day of[Insert month] of [Insert year] at [Insert place]

Between

..... [Insert name of the Solar Power Developer] (CIN-_____), a Company incorporated under the Companies Act 1956 or Companies Act 2013, having its registered office at [Insert address of the registered office of Solar Power Developer] (hereinafter referred to as “**Solar Power Developer or SPD**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) as a Party of the **First Part**;

And

CESC Limited (CIN-_____), a Company incorporated under the Companies Act 2013, having its registered office at CESC House, Chowringhee Square, Kolkata-700001 (hereinafter referred to as “**CESC**”, or “**Buyer**” which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assignees) as a Party of the **Second Part**;

The SPD and CESC are individually referred to as ‘Party’ and collectively referred to as ‘Parties’.

WHEREAS:

- A. The Ministry of Power has issued Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects” vide Gazette Resolution dated 28.07.2023 and its subsequent amendments thereto (“**Guidelines**”).
- B. Pursuant to the Guidelines CESC has initiated a Tariff-Based Competitive Bid Process for procurement of 150 MW with Greenshoe Option up to 150 MW of the power generated from the ISTS connected Solar Power Projects on the terms and conditions contained in the Request for Selection (herein after referred to as ‘**RfS**’ issued by CESC vide RfS No..... dated..... including its subsequent amendments and clarifications, if any.
- C.[Insert name of the Bidding Company] has been selected in the Competitive Bidding Process, {in case Bidding Company is executing the Project through SPV} has constituted a Special Purpose Vehicle,..... [Insert the name of SPV, if applicable] (hereinafter referred to as ‘**SPD**’) for development, generation and supply of electricity from theMW Solar Power Project to be established by SPD anywhere in India and for supply of such electricity to CESC.
- D. CESC has issued the Letter of Award No..... dated.....in favour of the[Insert the name of Bidding Company] for development and establishment of theMW Solar Power Project in the State ofas per the terms and conditions contained in the RfS, and draft of this Power Purchase Agreement, including amendments and clarifications thereto circulated at the time of the bidding and other bidding documents as well as the conditions contained in the aforementioned Letter of Award.

- E. CESC has agreed to purchase such Solar Power from the SPD and to sign a Power Purchase Agreement as per the provisions of the above said Guidelines.
- F. In terms of the RfS and the Bidding Documents, the SPD has furnished the Performance Bank Guarantee/ Payment on Order Instrument in the sum of Rs.....in favour of CESC as per the format provided as a part of the Bidding Documents and a copy of the Bank Guarantee/ Payment on Order Instrument provided in Schedule – 1/ 2 to this Agreement.
- G. The SPD has fulfilled the terms of the bidding and the terms of the Letter of Award for signing this Power Purchase Agreement as a definitive agreement for establishing the Solar Power Project of.....MW at, [Insert Project location] for generation and sale of electricity by the SPD to CESC to enable CESC to fulfill a part of its Renewable Purchase Obligation (RPO) and to meet a part of its area demand.
- H. The parties have agreed to execute this Power Purchase Agreement in terms of the provisions of the RfS, the bidding documents and the Letter of Award in regard to the terms and conditions for establishment of the Solar Power Project at, [Insert name of state] and for generation and supply of electricity by the SPD to CESC .

Now therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the Parties as follows:

ARTICLE 1: DEFINITIONS AND INTERPRETATION

1.1 *Definitions*

The terms used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them by the Electricity Act, 2003 and the rules or regulations framed there under, including those issued / framed by the Appropriate Commission (as defined hereunder), as amended or re-enacted from time to time.

“Act” or “Electricity Act, 2003”	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time;
Affiliate	shall have the same meaning as contained in the RfS document;
“Agreement” or “Power Purchase Agreement” or “PPA”	shall mean this Power Purchase Agreement including its recitals and Schedules, Appendices amended or modified from time to time in accordance with the terms hereof;
"Appropriate Commission"	Unless otherwise stated or the context requires, Appropriate Commission shall mean Central Electricity Regulatory Commission (CERC) or West Bengal Electricity Regulatory Commission (WBERC) as applicable;
“Awarded capacity”	Shall mean MW [enter the capacity as awarded by CESC as per the LoA]
“Backdown”	shall mean part of Contracted capacity available for scheduling but not scheduled based on instructions from Buying Utility/SLDC/ RLDC /RLDC, as the case may be;
"Bill Dispute Notice"	shall mean the notice issued by a Party raising a Dispute regarding a Monthly Bill or a Supplementary Bill issued by the other Party;
“Business Day”	shall mean with respect to SPD and CESC, a day other than Sunday or a statutory holiday, on which the banks remain open for business in Kolkata;

“Capacity Utilization Factor” or “CUF”	<p>shall have the same meaning as provided in CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024 as amended from time to time.</p> <p>For illustration, CUF shall be calculated based on the annual energy injected and metered at the Delivery Point. In any Contract Year, if ‘X’ MWh of energy has been metered out at the Delivery Point for ‘Y’ MW Project Capacity, $CUF = (X \text{ MWh} / (Y \text{ MW} * 8766)) * 100\%$.</p> <p>It may be noted that in the above illustration, the capacity ‘Y’ MW shall refer to the Contracted Capacity in terms of the PPA.</p>
“CERC”	shall mean the Central Electricity Regulatory Commission of India, constituted under sub – section (1) of Section 76 of the Electricity Act, 2003, or its successors;
“CTU” or “Central Transmission Utility”	shall mean the Government Company notified by the Central Government under Sub-Section (1) of Section 38 of the Electricity Act, 2003;
“Change in Law”	shall have the meaning ascribed thereto in Article 12 of this Agreement;
“Commencement of Power Supply” or “Commencement of Supply of Power”	The date of commencement of power supply shall mean the date of onset of commercial offtake of power supply under the PPA. Prior to declaration of commencement of power supply, the SPD shall submit COD certificate upon receipt of successful completion of trial run certificate by the respective RLDC for the corresponding Installed Capacity to CESC as part of the requisite documents;
“Commissioning”	The Project shall be commissioned in line with the provisions of the Grid Code;
“Commercial Operation Date (COD)”	shall mean the date as defined in “Commissioning” or in line with the provisions of the Grid Code;
“Competent Court of Law”	shall mean any court or tribunal or any similar judicial or quasi- judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;

“Consents, Clearances and Permits”	shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided by any concerned authority for the purpose of setting up of the generation facilities and/ or supply of power;
“Consultation Period”	shall mean the period of 90 (ninety) days or such other longer period as the Parties may agree, commencing from the date of issuance of an SPD Preliminary Default Notice or CESC Preliminary Default Notice as provided in Article 13 of this Agreement, for consultation between the Parties to mitigate the consequence of the relevant event having regard to all the circumstances;
“Contract Year”	<p>shall mean the period beginning from the Effective Date and ending on the immediately succeeding March 31 and thereafter each period of 12 (twelve) months beginning on April 1 and ending on March 31 provided that:</p> <p>(i) in the financial year in which commissioning of the first part capacity of the Contracted Capacity would occur, the Contract Year shall commence from the date of commissioning of first capacity and end on the immediately succeeding March 31, and thereafter each period of 12 (twelve) months commencing on April 1 and ending on March 31, and</p> <p>(ii) provided further that the last Contract Year of this Agreement shall end on the last day of the Term of this Agreement;</p>
"Contracted Capacity"	shall mean [Insert capacity] MW, which is the AC capacity contracted with CESC for supply of power by the SPD to CESC at the Delivery Point from the Solar Power Project.
“Day”	shall mean a day, if not a Business Day, the immediately succeeding Business Day;

<p>“Delivery Point” / “Interconnection Point”</p>	<p>shall mean the point at the voltage level of 220 kV or above of the ISTS Sub-station including the transmission line connecting the Solar Power Project with the substation system as specified in the RfS document. Metering shall be done at this interconnection point where the power is injected into. For interconnection with grid and metering, the SPD shall abide by the relevant and applicable regulations, Grid Code notified by the CERC or and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended and revised from time to time, or orders passed thereunder by the appropriate commission or CEA.</p> <p>Pursuant to Article 4.2.6, all charges and losses related to Transmission of power from project up to Delivery Point (including but not limited to open access, transmission, wheeling, Unscheduled Interchange, Scheduling, Reactive power, RLDC/SLDC charges etc.) as notified by the competent authority / regulator shall be borne by the SPD and beyond the Delivery Point all charges and losses as notified by the competent authority / regulator from time to time shall be borne by the CESC.</p>
<p>“Dispute”</p>	<p>shall mean any dispute or difference of any kind between CESC and the SPD, in connection with or arising out of this Agreement including but not limited to any issue on the interpretation and scope of the terms of this Agreement as provided in Article 16 of this Agreement;</p>
<p>"Due Date"</p>	<p>shall mean the 45th (forty-fifth) day after a Monthly Bill (including all the relevant documents) or a Supplementary Bill is received in hard copy and duly acknowledged by the CESC or, if such day is not a Business Day, the immediately succeeding Business Day, by which date such Monthly Bill or a Supplementary Bill is payable by the CESC;</p>
<p>“Effective Date”</p>	<p>shall have the meaning ascribed thereto in Article 2.1 of this Agreement;</p>
<p>“Electricity Laws”</p>	<p>shall mean the Electricity Act, 2003 and the rules and regulations made there under from time to time along with amendments thereto and replacements thereof and any other Law pertaining to electricity including regulations framed by the Appropriate Commission;</p>

"Energy Accounts"	shall mean the regional energy accounts/state energy accounts as specified in the Grid Code issued by the appropriate agency for each Month (as per their prescribed methodology), including the revisions and amendments thereof or where such regional energy accounts/ state energy accounts are not issued, Joint Meter Reading (JMR) will be considered; CESC reserves the right to choose from any of the above, i.e. JMR/SEA/REA;
"Event of Default"	shall mean the events as defined in Article 13 of this Agreement;
"Expiry Date"	shall mean the date occurring 25 (twenty-five) years from the Scheduled Commencement-of-Supply Date (SCSD) or from the rescheduled date of commencement of supply to the extent of extension given by CESC.
"Force Majeure" or "Force Majeure Event"	shall have the meaning ascribed thereto in Article 11 of this Agreement;
"GNA Regulations"	shall mean the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 notified on 07.06.2022, including subsequent amendments and clarifications issued thereof. Any reference to the terms "connectivity" or "network access" or "general network access" in this Agreement shall be interpreted in terms of the provisions of these Regulations.
"Guidelines: "Scheme" or	shall mean the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects issued by the Ministry of Power vide Gazette Notification dated 28 th July 2023, including subsequent amendments and clarifications notified thereof until the last date of bid submission of the RfS;
"Grid"	shall mean as per the definition contained in the Act;

"Grid Code" or "Indian Electricity Grid Code" or "IEGC" or "State Grid Code"	shall mean the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as specified by the CERC under Clause (h) of Sub-section (1) of Section 79 of the Electricity Act, as amended from time to time, and/or the State Grid Code as specified by the concerned State Commission, referred under Clause (h) of Sub- section (1) of Section 86 of the Electricity Act 2003, as applicable;
"Indian Governmental Instrumentality"	shall mean the Government of India, Governments of State(s) of West Bengal, [Insert the name(s) of the State(s) in India, where the Power Project, and SPD are located] and any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or the above state Government(s) or both, any political sub-division of any of them; including any court or Appropriate Commission(s) or tribunal or judicial or quasi-judicial body in India;
"Installed Capacity" or "Project Capacity"	shall mean the rated AC capacity of the Project to be installed by the SPD, in line with Article 3.1 of this Agreement. The above configuration shall be identical to the "installed capacity" for which connectivity has been granted to the SPD under the GNA Regulations;
"Insurances"	shall mean the insurance cover to be obtained and maintained by the SPD in accordance with Article 8 of this Agreement;
"Interconnection Facilities"	shall mean the facilities on SPD's side of the Delivery Point for scheduling, transmitting and metering the electrical output in accordance with this Agreement and which shall include, without limitation, all other transmission lines and associated equipment, transformers, relay and switching equipment and protective devices, safety equipment and RTU, Data Transfer and Acquisition facilities for transmitting data subject to Article 7, the Metering System required for supply of power as per the terms of this Agreement;
"Invoice" or "Bill"	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by any of the Parties;
"Joint Control"	shall have same meaning as defined in RfS Document;

“Late Payment Surcharge”	shall have the meaning ascribed thereto in Article 10.3.3 of this Agreement;
"Law"	shall mean in relation to this Agreement, all laws including Electricity Laws in force in India and any statute, ordinance, regulation, notification or code, rule, or any interpretation of any of them by an Indian Governmental Instrumentality and having force of law and shall further include without limitation all applicable rules, regulations, orders, notifications by an Indian Governmental Instrumentality pursuant to or under any of them and shall include without limitation all rules, regulations, decisions and orders of the Appropriate Commissions;
“Letter of Credit” or “L/C”	shall have the meaning ascribed thereto in Article 10.4 of this Agreement;
“MNRE”	shall mean the Ministry of New and Renewable Energy, Government of India;
"Month"	shall mean a period of 30 (thirty) days from (and excluding) the date of the event, where applicable, else a calendar month;
"Party" and "Parties"	shall have the meaning ascribed thereto in the recital to this Agreement;
“Payment on Order Instrument”	shall mean the irrevocable unconditional letter of undertaking issued by either of the three institutions, viz., (i) Indian Renewable Development Agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited, as an alternative to submission of Performance Bank Guarantee by the SPD, issued in the form attached hereto as Schedule 2;
“Payment Security Mechanism”	shall have the meaning ascribed thereto in Article 10.4 of this Agreement;
“Performance Bank Guarantee”	shall mean the irrevocable unconditional bank guarantee, submitted by the SPD to CESC in the form attached hereto as Schedule 1;

<p>“Pooling Substation/ Pooling Point”</p>	<p>means a point where more than one Solar Power Project may connect to a common transmission system. Multiple Projects can be connected to a pooling substation from where common transmission system shall be constructed and maintained by the SPD(s) to get connected to the Delivery Point. The voltage level for such common line shall be as per the voltage level specified in “Interconnection Point”. Further, the metering of the pooled power shall be done at the injection point, i.e. the ISTS substation. However, the voltage level of transmission system of individual projects up to the pooling substation may be at 33 kV and above. Sub-meters shall be installed at the pooling substation for metering and forecasting and scheduling of individual projects. The losses in the common transmission system up to the injection point shall be apportioned to the individual Projects for the purpose of billing. In such case, it shall be responsibility of the SPD to obtain and furnish the meter reading jointly by the SPD and any competent authority (State Government or Central Government) (if applicable).</p>
<p>“Solar Power Project” or “Power Project” or “Project”</p>	<p>shall mean the Solar Power generation facility of Contracted Capacity of[Insert capacity] MW, located at [Insert name of the place] in [Insert name of the District and State] having a separate control system, metering and a single point of injection into the grid at Delivery/Interconnection/Metering point at ISTS substation or in case of sharing of transmission lines, by separate injection at pooling point.</p> <p>The project shall include all units and auxiliaries such as water supply, treatment or storage facilities; bay/s for transmission system in the switchyard, transmission line up to the Delivery Point and all the other assets, buildings/structures, equipment, plant and machinery, facilities and related assets required for the efficient and economic operation of the power generation facility; whether completed or at any stage of development and construction or intended to be developed and constructed for the purpose of supply of power as per this Agreement;</p>
<p>“Preliminary Default Notice”</p>	<p>shall have the meaning ascribed thereto in Article 13 of this Agreement;</p>

"Prudent Utility Practices"	shall mean the practices, methods and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation and maintenance of power generation equipment and which practices, methods and standards shall be adjusted as necessary, to take account of: a) operation and maintenance guidelines recommended by the manufacturers of the plant and equipment to be incorporated in the Power Project; b) the requirements of Indian Law; and c) the physical conditions at the site of the Power Project;
"RBI"	shall mean the Reserve Bank of India;
"Rebate"	shall have the same meaning as ascribed thereto in Article 10.3.5 of this Agreement;
"Request for Selection / RfS/Bidding Documents"	shall mean Request for Selection Documents issued by CESC vide RfS No. <u> [Insert] </u> dated <u> </u> including subsequent clarifications, amendments and addenda thereof.
"RLDC"	shall mean the relevant Regional Load Dispatch Centre established under Sub-section (1) of Section 27 of the Electricity Act, 2003;
"RPC"	shall mean the relevant Regional Power Committee established by the Government of India for a specific region in accordance with the Electricity Act, 2003 for facilitating integrated operation of the power system in that region;
"Rupees", "Rs.",	shall mean Indian rupees, the lawful currency of India;
"Scheduled Commencement of Power Supply Date" or "SCSD"	shall mean [Insert Date as per applicable provisions of the RfS];

“SERC”	shall mean the Electricity Regulatory Commission of any State in India constituted under Section-82 of the Electricity Act, 2003 or its successors, and includes a Joint Commission constituted under Subsection (1) of Section 83 of the Electricity Act 2003. For the purpose of this Agreement SERC shall be the WBERC;
“SLDC”	shall mean the centre established under Sub-section (1) of Section 31 of the Electricity Act 2003, relevant for the State(s) where the Delivery Point is located;
“SLDC Charges”	shall mean the charges levied by the SLDC of the state wherein the Solar Power Project is located;
“Solar Power”	shall mean power generated from the Solar Photovoltaic Power Project;
“Solar Power Project”	shall mean the solar photovoltaic power project that uses sunlight for conversion into electricity and that is being set up by the SPD to provide Solar Power to CESC as per the terms and conditions of this Agreement;
“State Transmission Utility” or “STU”	shall mean the Board or the Government company notified by the respective State Government under Sub-section (1) of Section 39 of the Act;
"Tariff" or “Applicable Tariff”	Shall have the same meaning as provided for in Article 9 of this Agreement;
"Tariff Payment"	shall mean the payments to be made under Monthly Bills as referred to in Article 10 and the relevant Supplementary Bills;
“Termination Notice”	shall mean the notice given by either Parties for termination of this Agreement in accordance with Article 13 of this Agreement;
"Term of Agreement"	shall have the meaning ascribed thereto in Article 2 of this Agreement;
“Unit/ Commencement Power Supply” Part of	shall mean the part Contracted Capacity (AC MW) not less than 50 MW (with the last part being the balance Contracted Capacity) from which commencement of power supply is recorded;

“Unit Commercial Operation Date (UCOD)”	shall mean the COD declared for the respective unit/part of the Project in line with the provisions of the Grid Code;
WBERC	shall mean the West Bengal Electricity Regulatory Commission; and
"Week"	shall mean a calendar week commencing from 00:00 hours of Monday, and ending at 24:00 hours of the following Sunday.

1.2 ***Interpretation***

Save where the contrary is indicated, any reference in this Agreement to:

- 1.2.1 “Agreement” shall be construed as including a reference to its Schedules and/or Appendices and/or Annexures;
- 1.2.2 An "Article", a "Recital", a "Schedule” and a “paragraph / clause" shall be construed as a reference to an Article, a Recital, a Schedule and a paragraph/clause respectively of this Agreement;
- 1.2.3 A “crore” means a reference to ten million (10,000,000) and a “lakh” means a reference to one tenth of a million (1,00,000);
- 1.2.4 An "encumbrance" shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;
- 1.2.5 “Indebtedness” shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.6 A "person" shall be construed as a reference to any person, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests;
- 1.2.7 "Rupee", "Rupees”, “Rs” or new rupee symbol “₹” shall denote Indian Rupees, the lawful currency of India;
- 1.2.8 The "Winding-up", "dissolution", "insolvency", or "reorganization" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation,

Winding-up, reorganization, dissolution, arrangement, protection or relief of debtors;

- 1.2.9 Words importing the singular shall include the plural and vice versa;
- 1.2.10 This Agreement itself or any other agreement or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented;
- 1.2.11 A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time;
- 1.2.12 A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time;
- 1.2.13 Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part;
- 1.2.14 The tables of contents and any headings or sub-headings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement;
- 1.2.15 All interest, if applicable and payable under this Agreement, shall accrue from day to day and be calculated on the basis of a year of 365 (three hundred and sixty-five) days;
- 1.2.16 The words “hereof” or “herein”, if and when used in this Agreement shall mean a reference to this Agreement;
- 1.2.17 The terms “including” or “including without limitation” shall mean that any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;
- 1.2.18 This Agreement and other documents such as Request for Selection Documents, Letter of Award, Guidelines including subsequent clarifications, addenda, amendments and further clarifications in regard to the tender shall be read in conjunction with each other and interpreted in harmonious manner. However, in case of any mismatch/contradiction between provisions of different documents, following shall be the order of precedence:
 - (i) Power Purchase Agreement; and
 - (ii) RfS Document.

ARTICLE 2: TERM OF AGREEMENT

2.1 *Effective Date*

- 2.1.1 This Agreement shall come into effect from..... and such date shall be referred to as the Effective Date.
- 2.1.2 The Parties agree that decisions pertaining to adoption of the Tariff and approval of the same, for procurement of Contracted Capacity, shall be binding on all Parties concerned, as contained in the Electricity Act, 2003 and any amendments thereof.
- 2.1.3 Notwithstanding the Effective Date, the condition precedent for the enforcement of the obligations of either party against the other under this Agreement shall be that, within 60 (sixty) days of submission of application/petition for tariff adoption in Appropriate Commission, CESC shall obtain adoption of tariff from CERC/SERC (as applicable), entered into between CESC and the SPD. The Parties agree that in the event, the order of adoption of tariff as mentioned above is not issued by the CERC/SERC (as applicable) within the time specified above, the provisions of Article 2.1.4 shall apply.
- 2.1.4 Pursuant to Article 4.6.2, if parties have not mutually extended the time period as stipulated under Article 2.1.3 and the order from the Appropriate Commission is issued within the timeline as per Article 2.1.3, no extension for SCSD shall be given. However, if the requisite Appropriate Commission's order is issued after the timeline as per Article 2.1.3, this shall entail a corresponding extension in SCSD for equal number of days for which the order has been delayed beyond such period as specified in Article 2.1.3.

Provided further that in case, the order of adoption of Tariff by the Appropriate Commission as required under Article 2.1.3 above is not received or delayed, either Party shall not be liable for payment of any compensation to other Party for any loss or damage on account of such delay in approval of the Appropriate Commission.

2.2 *Term of Agreement*

- 2.2.1 Subject to Article 2.3 and 2.4 of this Agreement, this Agreement shall be valid for a term from the Effective Date until the Expiry Date. This Agreement may be extended for a further period at least 180 (one hundred eighty) days prior to the Expiry Date, on mutually agreed terms and conditions.
- 2.2.2 The SPD is free to operate their plants beyond the Expiry Date if other conditions like land lease / Right to Use of Land (as applicable), permits, approvals and clearances etc. allow. However, any extension of the PPA period beyond 25 (twenty five) years shall be through mutual agreements between the SPD and Buyer, as approved by the Appropriate Commission, provided that the arrangements with the land and infrastructure owning agencies, the relevant transmission utilities and system operators permit operation of the Project beyond the initial period of 25 (twenty five) years In such case unless otherwise agreed

by the Buyer, Buyer shall not be obligated to procure power beyond the Expiry Date.

2.3 ***Early Termination***

2.3.1 This Agreement shall terminate before the Expiry Date if either CESC or SPD terminates the Agreement, pursuant to Article 13 of this Agreement.

2.4 ***Survival***

2.4.1 The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive penalty as per the terms of this Agreement, nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination including those under Article 11 (Force Majeure), Article 13 (Events of Default and Termination), Article 14 (Liability and Indemnification), Article 16 (Governing Law and Dispute Resolution), Article 17 (Miscellaneous Provisions), and other Articles and Schedules of this Agreement which expressly or by their nature survive the Term or termination of this Agreement shall continue and survive any expiry or termination of this Agreement.

ARTICLE 3: INSTALLED CAPACITY AND PERFORMANCE SECURITY

3.1 Installed Capacity

- 3.1.1 The SPD shall configure the project with the objective of supplying solar power to the Buyer. Accordingly, the Project Capacity, i.e. the Installed Capacity shall mean the rated capacity of the Solar Power Project.
- 3.1.2 The above configuration shall be identical to the “installed capacity” for which connectivity has been granted to the SPD under the GNA Regulations. Also, any change in Delivery Point is allowed up to the deadline for Financial Closure as per Article 3.4 of the PPA. The above change in Delivery Point shall be allowed by CESC only in case the scheduled commissioning date of the ISTS-substation of the proposed revised Delivery Point is on or before the scheduled commissioning date of the existing Delivery Point of the Project, at the time of seeking approval of such change in Delivery Points by the SPD from CESC.

3.2 Performance Bank Guarantee/ Payment on Order Instrument

- 3.2.1 The Performance Bank Guarantee (PBG)/ Payment on Order Instrument (POI) having validity from the date of submission of PBG/POI until(insert validity period as per RfS conditions), submitted for a value of Rs. _____(in words) under this Agreement, shall be for guaranteeing the commencement of the supply of power up to the Contracted Capacity within the time specified in this Agreement as per format provided in Schedule 1/2.
- 3.2.2 The failure on the part of the SPD to furnish and maintain the Performance Bank Guarantee/ POI shall be a material breach of the term of this Agreement on the part of the SPD.
- 3.2.3 If the SPD fails to commence supply of power from SCSD specified in this Agreement or any further extension thereof granted by CESC, subject to conditions mentioned in Article 4.5, CESC shall encash the Performance Bank Guarantee/ POI equivalent to the amount calculated as per penalties applicable under Article 4.6 as on the date of encashment without prejudice to the other rights of CESC under this Agreement. It is to be noted that the damages/dues recovered by CESC by encashing the PBG/ POI, shall be upon the default of the SPD under the PPA.

3.3 Return of Performance Bank Guarantee/ Payment on Order Instrument

- 3.3.1 Subject to Article 3.2, CESC shall return / release the Performance Bank Guarantee/ Payment on Order Instrument within 45 (forty-five) days after the successful commencement of Power supply from the Project after taking into account any liquidated damages / penalties due to delays in commencement of power supply beyond SCSD as per provisions stipulated in this Agreement. PBG may be returned on pro-rata basis subsequent to commencement of supply from part-capacity of the Project, based on the request by the SPD.

3.3.2 The return / release of the Performance Bank Guarantee/ Payment on Order Instrument shall be without prejudice to other rights of CESC under this Agreement.

3.4 Achievement of Financial Closure

The SPD agrees and undertakes to duly perform and complete all of the following activities to achieve Financial Closure, at the SPD's own cost and risk, by the date as on 6 (six) months prior to the SCSD/ extended SCSD:

- (i) The SPD shall make Project financing arrangements and shall provide necessary certificates to CESC in this regard;
- (ii) The SPD shall submit the details of all planned/proposed solar panels, and inverters and produce documentary evidence of the same.

3.5 Consequences of non-achievement of Financial Closure

3.5.1 In case of a failure to submit the documents as above, CESC shall encash the Performance Bank Guarantee/Payment on Order Instrument submitted by the SPD and may terminate this Agreement by giving a notice to the SPD in writing of at least 7 (seven) days. Unless extended as per provisions of Article 3.5.2 of this Agreement in writing, CESC may terminate this Agreement upon the expiry of the 7th day of the above notice.

3.5.2 An extension, without any impact on the Scheduled Commencement of Supply Date, may however be considered, on the sole request of SPD, on payment of Rs. 1000/- (Indian Rupees One Thousand) per day per MW + applicable GST to CESC. Such extension charges are required to be paid to CESC in advance, for the period of extension required. In case of any delay in depositing this extension charge, SPD shall pay an interest on this extension charge for the days lapsed beyond due date of Financial Closure @ prevailing SBI-MCLR 1 (one) year. In case such delay in making payment of the extension charges to CESC is more than 7 (seven) days, CESC may terminate this Agreement upon the expiry of such 7th day. In case of the SPD meeting the requirements of Financial Closure before the last date of such proposed delay period (for which extension charges have been paid), the remaining amount deposited by the SPD shall be returned by CESC without interest. This extension will not have any impact on the Scheduled Commencement of Supply Date. Any extension charges paid so by the SPD, shall be returned to the SPD without any GST amount and interest on achievement of successful commencement of power supply within the Scheduled Commencement of Supply Date, on pro-rata basis, based on the Contracted Capacity that has commenced supply of power as on Scheduled Commencement of Supply Date. However, in case the SPD fails to start commencement of power supply from the Contracted Capacity by Scheduled Commencement of Supply Date, the extension charges deposited by the SPD shall not be refunded by CESC. For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.

ARTICLE 4: CONSTRUCTION & DEVELOPMENT OF THE PROJECT

4.1 *SPD's Obligations*

4.1.1 The SPD undertakes to be responsible, at SPD's own cost and risk, for the following:

- (i) Make arrangements for land & associated infrastructure for development of the Project and for Connectivity with the ISTS System for confirming the availability of power system required for supply of power by the SCSD and all clearances related thereto.
- (ii) Obtaining all Consents, Clearances and Permits as required and maintaining all Consents, Clearances and Permits in full force and effect during the Term of this Agreement. CESC shall have no obligation to recommend to any department/agency or the Govt. for the grant/permission for the Solar Power project. The Solar Power Developer shall, on his own, obtain permissions/ sanctions from Government authorities, if any required for establishing the Project. Any steps that may be taken by CESC in regard to grant of such consents and permits or any other approval to be taken by the SPD shall only be a voluntary facilitating endeavour on the part of CESC with no intention of being bound by any legal or binding obligation.
- (iii) Designing, constructing, erecting, commissioning, completing and testing the Power Project in accordance with the applicable Law, the Grid Code, the terms and conditions of this Agreement and Prudent Utility Practices.
- (iv) Make adequate arrangements to connect the Power Project switchyard with the Interconnection Facilities at Interconnection / Metering / Delivery Point to connect the Power project switchyard with the Interconnection facilities at the Delivery Point.
- (v) Obtaining Connectivity and executing connectivity agreement as per provision of GNA regulation issued by CERC, for evacuation of the Contracted Capacity and maintaining it throughout the term of the Agreement. It is further clarified that the Entities (SPD and Buyer) as indicated in the detailed procedure issued subsequently under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, will be responsible for their respective obligation as notified in the detailed procedure irrespective of the provisions of the RfS and PPA.
- (vi) The commencement of supply of power up to the Contracted Capacity to CESC no later than the SCSD and continuance of the supply of power in line with Article 4.4 of this Agreement throughout the term of the Agreement.
- (vii) Owning the Project throughout the Term of Agreement free and clear of encumbrances, except creating any charge, hypothecation, mortgage,

pledge, security interest or any similar interest in favour of the Project Lenders or Lender's Representative and those expressly permitted under Article 15.

- (viii) Maintaining minimum 51% (fifty one percent) shareholding of the SPD prevalent at the time of signing of PPA up to a period of 1 (one) year after the SCSD in line with Clause 20 of the RfS;
- (ix) Fulfilling all obligations undertaken by the SPD under this Agreement and also as per the terms of the RfS.
- (x) Directly coordinating and dealing with the CESC, Load Dispatch Centres, Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of Solar Power and due compliance with deviation and settlement mechanism and the applicable Grid code/State/Central Regulations, acknowledging that the SPD and the CESC are the Grid connected entities in respect of the Solar Power contracted under this Agreement.
- (xi) Fulfil the technical requirements according to criteria mentioned under Annexure B of the RfS – Technical requirement for Grid Connected Solar PV Power Projects. The modules used in the Project shall be sourced only from the models and manufacturers included in List-I under the “Approved List of Models and Manufacturers” as published by MNRE and valid as on the date of invoicing of such modules.
- (xii) Ensure that the Project being implemented under this Agreement shall fulfil the criteria as per Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, and subsequent amendments and clarifications thereof.
- (xiii) As part of scheduling of power from the Project, to punch-in its respective schedules along with subsequent revisions in such schedules under the allotted GNA quantum of the Buyer, by itself, at the interfaces of all the RLDCs concerned for the corridor of power flow, including the RLDC of the Buyer, as per the Regulations in force, under intimation to CESC.
- (xiv) For the Project being implemented under this Agreement, to submit the status of Project to CESC at regular intervals on monthly basis. Further, on 5th day of every calendar month, the SPD shall be required to submit the Project status as per Annexure-D of the RfS or any modified format as desired by CESC.

4.2 Information regarding Interconnection Facilities

- 4.2.1 The SPD shall be required to obtain all information from the STU/CTU/concerned authority with regard to the Interconnection Facilities as is reasonably necessary to enable it to design, install and operate all interconnection plant and apparatus on the SPD's side of the Delivery Point to enable delivery of electricity at the Delivery Point. The transmission of power

up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the SPD at his own cost.

- 4.2.2 Penalties, fines and charges, etc. imposed by the CTU/ STU under any statute or guidelines in relation to delay in commissioning of the Project shall be entirely dealt by the SPD and any such amounts claimed by such agency(ies) shall be payable by the SPD.
- 4.2.3 The responsibility of getting connectivity with the transmission system up to the Interconnection Point, will lie with the SPD. The transmission of power up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the SPD at his own cost. The maintenance of Transmission system up to the designated point (Delivery Point and/or Interconnection Point) as per the applicable terms and conditions shall be the responsibility of the SPD to be obtained at his own cost. All costs and charges including but not limited to the wheeling charges and losses up to and including at the Interconnection Point associated with this arrangement will also be borne by the SPD.
- 4.2.4 In case of Pooling substation, losses in the transmission line shall be apportioned among the SPDs who share such a Pooling arrangement and duly signed by all SPDs, based on their monthly generation.
- 4.2.5 The arrangement of connectivity shall be made by the SPD through a transmission line. The entire cost of transmission including cost of construction of line, any other charges, losses etc. from the Project up to the Interconnection Point will be borne by the SPD. In case of non-availability of Grid and Transmission System during Term of this Agreement, for reasons not attributable to the SPD, provisions of Article 4.10 shall be applicable.
- 4.2.6 ISTS charges and losses on transmission of power, including waiver for solar power, shall be applicable as per extant regulations. Government of India/CERC at its sole discretion, from time to time, issues order for waiver of inter-state transmission system (ISTS) charges and losses on transmission of solar power till a certain date. In case commencement of power supply from the Project gets delayed beyond the applicable date of ISTS waiver, arising out of any reasons whatsoever, CESC shall bear no liability with respect to transmission charges and losses levied, if any. Delay in Project commissioning beyond the deadline as stipulated by the Government of India, and treatment of ISTS charges and losses thereof, shall be dealt in line with the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 dated 07.02.2023, and subsequent amendments and clarifications thereto, as applicable.

However, in case the SCSD is on or before the above deadline for ISTS waiver and commencement of power supply from the Project gets delayed beyond the applicable date of ISTS waiver and losses due to reasons solely attributable to the SPD, the liability of applicable transmission charges and losses would be to the account of the SPD. In case of delay in commencement of power supply by the SPD even after the operationalization of GNA obtained by the Buyer, SPD shall be liable to pay the applicable CTU/STU transmission charges.

Subject to the above, it is however, clarified that ISTS charges and losses beyond the Delivery Point(s) shall be borne by CESC upon the execution of the PPA.

4.3 Purchase and sale of Power within the Contracted Capacity

- 4.3.1 Subject to the terms and conditions of this Agreement, the SPD undertakes to sell solar power to CESC and CESC undertakes to purchase such power and pay Tariff for all the energy supplied at the Delivery Point corresponding to the Contracted Capacity.

4.4 Right to Contracted Capacity & Energy

- 4.4.1 The CUF declared by the SPD is [insert the amount as per CESC's LoA]. The SPD will be allowed to revise the CUF of the Project once within the first 3 (three) years after SCSD. The revised CUF shall be greater than the CUF initially quoted by the Bidder. Thereafter, the CUF for the Project shall remain unchanged for the entire term of the PPA. Calculation of CUF will be on yearly basis from 1st April of the year to 31st March of next year. The declared annual CUF shall in no case be less than 19% for any of the year during the term of the PPA. The SPD shall maintain generation so as to achieve annual CUF not less than 90% (ninety percent) of the declared value (i.e. Minimum CUF) and not more than 120% (one hundred and twenty percent) of the declared CUF value (i.e. Maximum CUF), during the Term.

For the first year of operation of the Project, the above limits shall be considered for the complete year after the date of commencement of power from the Project. Subsequently, the annual CUF will be calculated every year from 1st April of the year to 31st March next year. Similarly, for the last year of operation of the Project, these limits shall be considered for the complete year before the expiry of the PPA.

The lower limit will, however, be relaxable by CESC to the extent of non-supply on account of Force Majeure. For the first year of operation of the Project, the annual CUF shall be calculated for the complete calendar year after SCSD of the Project. Subsequently, the annual CUF will be calculated every year from 1st April of the year to 31st March next year. Similarly, for the last year of operation of the Project, the annual CUF shall be calculated for the complete year before the expiry of the PPA. The lower limit will, however, be relaxable by Buyer to the extent of Generation Compensation due to grid non-availability to the Project for evacuation which is beyond the control of the SPD as determined under provisions of Article 4.10.1. The amount of such penalty will be equal to 1.5 times the Applicable Tariff for the shortfall in energy terms, which in turn, shall be remitted to the Buying Entity. The penalty as per above shall be applied on the amount of shortfall in generation from the Project during any Contract Year. This penalty shall not be applicable in events of Force Majeure identified under this Agreement, affecting supply of Solar Power by SPD.

- 4.4.2 Any excess generation over and above as per Article 4.4.1, may be purchased by the Buyer at the tariff as per Article 9, provided the Buyer consents to purchase such power at the Applicable Tariff as per this Agreement. While the SPD would be free to install the DC solar field as per its design of required output,

including its requirement of auxiliary consumption and to repower the Project from time to time during the term of the PPA, it will not be allowed to sell any excess power to any other entity other than CESC (unless refused by CESC). The SPD shall be required to intimate CESC about the proposed excess quantum of energy likely to be generated from the Project within any Contract Year, at least 60 (sixty) days prior to the proposed date of commencement of excess generation in that Contract Year. CESC shall be required to intimate its approval/refusal to the SPD, for buying such excess generation not later than 15 (fifteen) days of receiving the above offer from the SPD. In the event the offer of the SPD is not accepted by CESC within the said period of 15 (fifteen) deviation days, such right shall cease to exist and the SPD shall, at its sole discretion, may sell such excess power to any third party.

However, in case at any point of time, the peak of capacity reached is higher than the Contract Capacity and causes disturbance in the system at the point where power is injected, the SPD will have to forego the excess generation and reduce the output to the rated capacity and shall also have to pay the penalty/charges (if applicable) as per applicable regulations / requirements / guidelines of CERC / SERC /SLDC or any other competent agency.

4.5 *Extensions of Time*

4.5.1 In the event that the SPD is prevented from performing its obligations under Article 4.1 by the SCSD due to:

- (i) any Buyer Event of Default; or
- (ii) Force Majeure Events affecting / Buyer, or
- (iii) Force Majeure Events affecting the SPD,

the SCSD and the Expiry Date shall be deferred, for a reasonable period but not less than 'day for day' basis, to permit the SPD or Buyer through the use of due diligence, to overcome the effects of the Force Majeure Events affecting the SPD or CESC, or till such time such Event of Default is rectified by CESC.

4.5.2 Subsequent to grant of connectivity, in case there is a delay in operationalization of GNA by the CTU and/or there is a delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network until SCSD of the Project, and it is established that:

- (i) The SPD has complied with the complete application formalities as per RfS,
- (ii) The SPD has adhered to the applicable Procedure in this regard as notified by the CERC/CTU, and
- (iii) The delay in operationalization of GNA and/or delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network, is solely

attributable to the CTU/transmission licensee and is beyond the control of the SPD;

The above shall be treated as delays beyond the control of the SPD and SCSD for such Projects shall be revised as the date as on 60 (sixty) days subsequent to the readiness of the Delivery Point and power evacuation infrastructure and/or grant/operationalization of GNA. Decision on requisite extension on account of the above factor shall be taken by the Buyer. In case of change in Project location(s) by the SPD, extension requests under this Article shall be dealt by the Buyer on case-to-case basis. For avoidance of ambiguity, it is clarified that for decisions made under this Article, the phrase “change in Project location” or its similar connotations, shall refer solely to change in Delivery Point(s) of the Project.

- 4.5.3 In case of extension due to reasons specified in Article 4.5.1(ii) and (iii), and if such Force Majeure Event continues even after a maximum period of 9 (nine) months from the date of the Force Majeure Notice, termination of this Agreement shall be caused solely at the discretion of the Buyer, as per the provisions of Article 13.5.
- 4.5.4 If the Parties have not agreed, within 30 (thirty) days after the affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by which the SCSD or the Expiry Date should be deferred, either Party may raise the Dispute to be resolved in accordance with Article 16.
- 4.5.5 As a result of such extension on account of Article 4.5.1 or Article 4.5.2, the newly determined SCSD and newly determined Expiry Date shall be deemed to be the SCSD and the Expiry Date for the purposes of this Agreement.
- 4.5.6 Further, any delay in adoption of tariff by the Appropriate Commission, beyond 60 (sixty) days of submission of petition for adoption of tariff before the Appropriate Commission, shall entail a corresponding extension in the SCSD, in line with provisions of Article 2.1.4 of this Agreement.
- 4.5.7 Delay in commencement of power supply from the project beyond the SCSD for reasons other than those specified in Article 4.5.1 and Article 4.5.2 shall be an event of default on part of the SPD and shall be subject to the consequences specified in the Article 4.6.

4.6 *Penalty for delay in Commencement of Power Supply*

- 4.6.1 The SPD shall commence supply of power from the full Project Capacity within SCSD as defined in this Agreement. If the SPD is unable to commence power supply from the Project by the SCSD for the reasons other than those specified in Article 4.5.1 and 4.5.2, the SPD shall pay to the Buyer, penalty for the delay in such commencement of power supply and making the Contracted Capacity available for dispatch by the SCSD as per the following:
 - (i) Delay beyond the SCSD upto (& including) the date as on 6 (six) months after the SCSD or the extended SCSD, if applicable: The total PBG/POI amount shall be encashed on per-day basis and proportionate to the

Project capacity that has not commenced supply of power. For example, in case of a Project of 240 MW capacity, if supply of power has commenced of 100 MW capacity is delayed by 18 (eighteen) days beyond the SCSD, then the penalty shall be: PBG amount X (100/240) X (18/180). For the purpose of calculation of penalty, a 'month' shall comprise of 30 (thirty) days.

- (ii) For avoidance of doubt it is clarified that provisions of Article 4.6.1 will be applicable even in cases where no capacity (**i.e., 0 MW**) has commenced power supply.

- 4.6.2 The maximum time period allowed for commencement of power supply from the full Project Capacity with encashment of Performance Bank Guarantee/ Payment on Order Instrument shall be limited to 6 (six) months after the SCSD/extended SCSD of the Project. In case, the commencement of power supply from the Project is delayed beyond 6 (six) months after the SCSD, following shall be applicable:

The Contracted Capacity shall stand reduced / amended to the capacity corresponding to the Project Capacity that has commenced power supply until the date as on 6 (six) months after the SCSD and the PPA for the balance capacity will stand terminated and shall be reduced from the Contracted Capacity.

However, CESC has the full right to give extension to SPDs beyond the timeline as mentioned above in case reason for delay is beyond the reasonable control of SPD.

- 4.6.3 The SPD acknowledges and accepts that the methodology specified herein above for calculation of penalty payable by the SPD is a genuine and accurate pre-estimation of the actual loss that will be suffered by CESC. SPD further acknowledges that a breach of any of the obligations contained herein result in injuries and that the amount of the penalty or the method of calculating the penalty specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the CESC in each case specified under this Agreement.
- 4.6.4 In case of part-commencement of power supply subsequent to the SCSD, encashment of PBG shall take place upon commencement of power supply from each part capacity, in case of no request for time extension of such part capacity pending with CESC.

4.7 *Acceptance/Performance Test*

- 4.7.1 Prior to synchronization of the Power Project, the SPD shall be required to get the Project certified for the requisite acceptance/performance test as may be laid down by Central Electricity Authority or an agency identified by the central government to carry out testing and certification for the Solar Power projects.

4.8 *Third Party Verification*

- 4.8.1 The SPD shall be further required to provide entry to the site of the Power

Project (from which power under this Agreement is being made available) free of all encumbrances at all times during the Term of the Agreement to CESC and a third Party nominated by CESC for inspection and verification of the works being carried out by the SPD at the site of the Power Project. The SPD shall provide full support to CESC and/or the third party in this regard.

- 4.8.2 The third party may verify the construction works/operation of the Project being carried out by the SPD and if it is found that the construction works/operation of the Power Project is not as per the Prudent Utility Practices, it may seek clarifications from SPD or require the works to be stopped or to comply with the instructions of such third party.

4.9 Breach of Obligations

- 4.9.1 The Parties herein agree that during the subsistence of this Agreement, subject to CESC being in compliance of its obligations & undertakings under this Agreement, the SPD would have no right to negotiate or enter into any dialogue with any third party for the sale of Contracted Capacity of power which is the subject matter of this Agreement. It is the specific understanding between the Parties that such bar will apply throughout the entire term of this Agreement.

4.10 Generation compensation for Off-take constraints

- 4.10.1 Generation Compensation in offtake constraints due to Grid Unavailability: During the operation of the plant, there can be some periods where the Project can generate power but due to temporary transmission unavailability, the power is not evacuated, for reasons not attributable to the Solar Power Developer. In such cases, subject to the submission of documentary evidences from the competent authority, the generation compensation shall be restricted and payable by CESC as under:

Duration of Grid	Provision for Generation
Grid unavailability beyond 175 hours in a Contract Year (as defined in Article 1)	<p><i>Generation Compensation=</i></p> <p><i>((Tariff X Solar Power (MW) offered but not scheduled by the Buyer)) X 1000 X No. of hours of grid unavailability.</i></p> <p>However, in the case of third-party sale or sale in the power exchange, as price taker, the 95% (ninety five percent) of the amount realized, after deducting expenses, shall be adjusted against the Generation compensation payable, on monthly basis in terms of the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021.</p>

Compensation (if any) calculated as per above provision, will be paid to the SPD on an annual basis.

- 4.10.2 Payment in case of reduced off take: The SPD and the Buyer shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. In case the plant is available to supply power but the off take of power is not done by the Buyer, including non-dispatch of power due to non-compliance with “Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 notified by the Ministry of Power vide Gazette notification dated 3rd June 2022” and any clarifications or amendment thereto, considering the principle of “must run” status for RE Power, the SPD shall be eligible for payment from the Buyer, corresponding to the reduced off take, in terms of following manner:

Reduced Off-take	Provision for Generation Compensation
Reduced off-take beyond 175 hours in a Contract Year (as defined in Article 1)	<p><i>Generation Compensation=</i></p> <p><i>(Applicable Tariff X Solar PV Power (MW) offered but not scheduled by the Buyer) X 1000 X no. of hours of Reduced Off take.</i></p> <p>However, in the case of third-party sale or sale in the power exchange, as price taker, the 95% (ninety five percent) of the amount realized, after deducting expenses, shall be adjusted against the Generation compensation payable, on monthly basis in terms of the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021.</p>

- 4.10.3 For claiming compensation, the SPD must sell their power in the power exchange as a price taker. Thus, the compensation would be limited to the difference of the actual generation up to declared capacity subject to a maximum of up to the Contracted Capacity and the quantum of power scheduled by the Buyer.
- 4.10.4 The SPD shall be eligible for payment from the Buyer, corresponding to the reduced offtake of power as per above mentioned methodology. The Payment is to be done as part of the energy bill for the successive month after receipt of Energy Accounts (REA)/SEA/JMR. It is hereby clarified that for the purpose of Article 4.10, “generation” shall mean scheduled energy based on Energy Accounts. The SPD shall not be eligible for any compensation in case the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions or Force Majeure.

**ARTICLE 5: SYNCHRONIZATION, COMMERCIAL OPERATION AND
COMMENCEMENT OF SUPPLY OF POWER**

- 5.1 The SPD shall give the concerned RLDC/SLDC and to the Buying Entity at least 60 (sixty) days' advanced preliminary written notice and at least 30 (thirty) days' advanced final written notice of the date on which it intends to synchronize the Solar Power Project to the Grid System.
- 5.2 Subject to Article 5.1, the Project may be synchronized by the SPD to the Grid System when it meets all the connection conditions prescribed in applicable Grid Code then in effect and otherwise meets all other Indian legal requirements for synchronization to the Grid System.
- 5.3 The synchronization equipment and all necessary arrangements / equipment including RTU for scheduling of power generated from the Solar Project and transmission of data to the concerned authority as per applicable regulations shall be installed by the SPD at its generation facility at its own cost. The SPD shall synchronize its system with the Grid System only after the approval of synchronization scheme is granted by the head of the concerned substation/Grid System and checking/verification is made by the concerned authorities of the Grid System and RLDC, in line with the provisions of the Grid Code.
- 5.4 The SPD shall immediately after each synchronization/tripping of generator, inform the sub-station of the Grid System to which the generation facility including Solar Project(s) is electrically connected and also to the RLDC in accordance with applicable Grid Code under intimation to the Buyer.
- 5.5 The SPD shall commission the Project in line with provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as amended from time to time. In line with this regulation, the SPD proposing the Project, or its part, for commissioning shall give to the Buyer, a preliminary notice not later than 90 (ninety) days prior and advance notice not later than 30 (thirty) days prior to the proposed commissioning date. Further, the SPD shall also give a notice of not less than 7 (seven) days, for trial run or repeat of trial run, to the concerned RLDC and Buyer. However, in case the repeat trial run is to take place within 48 (forty eight) hours of the failed trial run, fresh notice shall not be required.
- 5.6 The SPD shall submit requisite documents as mentioned below, at least 30 (thirty) days prior to trial run of the Project –
- (i) Intimation regarding the timeline for commencement of supply of power from the Project.
 - (ii) Copy of CON-4 report submitted to CTU.
 - (iii) Installation report duly signed by the authorized signatory as per Annexure-C of the RfS. The SPD is advised to take due care in furnishing such Installation Report.
 - (iv) CEI/CEIG (as applicable) report containing approval for all the components, including Solar PV modules, inverters, transformers, transmission system and

protection system, along with all annexures/attachments. It would be the responsibility of the SPD to obtain the certificate.

- (v) Approval of Metering arrangement/scheme from CTU/GRID-INDIA/ any other concerned authority as applicable.
- (vi) Plant Layout, Plant (AC & DC) SLD.
- (vii) Affidavit certifying that the SPD has obtained all the necessary approvals for commencement of power supply from the Project and indemnifying the Buyer against any discrepancies in the above details.
- (viii) Affidavit from the SPD certifying possession of land identified for the Project, bearing the details of such land parcels where Project is located, and indemnifying the Buyer against any discrepancies in the above details.
- (ix) Documents to establish the compliance of technical requirement as per PPA/RfS.
- (x) Invoices against purchase of the Solar PV modules, Inverters/PCUs, WMS, SCADA and DC cables along with the summary sheet containing the list of all the invoices, inverters including details and number of items. Lorry Receipts for delivery of Project components at site along with certified summary sheet by the authorized signatory.
- (xi) In addition to the above, the SPD shall provide KML files for the Solar PV component (specifying each block), ALMM certificates, insurance documents of Project, online monitoring facility as per the RfS.

It is clarified that CESC shall bear no responsibility in declaration of commissioning/COD of the Project. However, on the basis of above documents, the SPD shall be required to obtain No-objection certificate (NOC) from CESC prior to declaration of commissioning/COD of the Project.

CESSC's scope will be limited to verifying the installation of rated capacity(ies) of the Project, as per the COD certificate submitted by the SPD. This verification will be at CESC's discretion and shall not constitute any certification/confirmation of commissioning/COD of the Project by CESC. Prior to declaration of commencement of power supply, the SPD shall submit COD certificate for the corresponding Installed Capacity as part of the requisite documents.

The date of onset of commercial offtake of power by the Buyer shall be determined as the date of commencement of power supply under the RfS/PPA.

- 5.7 The SPD shall be permitted for commencement of power supply from full as well as part Contracted Capacity even prior to the SCSD subject to availability of transmission connectivity and General Network Access (GNA). Even in case of early part/full commencement of power supply, the PPA will remain in force for a period of 25 (twenty-five) years from the SCSD/extended SCSD.
- 5.8 There can be part commencement of power supply from the Contracted Capacity. Part

commencement of supply of power from the Project shall be accepted by Buyer subject to the condition that the minimum capacity for acceptance of first and subsequent part(s) shall be 50 MW (with the last part being the balance Contracted Capacity), without prejudice to the imposition of penalty, in terms of the PPA on the part which has not yet commenced supply of power.

- 5.9 The Buyer & SPD agree that for the purpose of commencement of the supply of power by SPD to the Buyer, penalty for delay etc., the SCSD/extended SCSD as defined in this Agreement shall be the relevant date.
- 5.10 The SPDs will be free to reconfigure and repower various components of the Project configuration from time to time during the PPA duration at its own risk and cost, pursuant to Articles 3.1 and 4.4 of this Agreement. However, the Buyer will be obliged to buy power only upto the Contracted Capacity as per this Agreement.
- 5.11 In additions to the requirements mentioned above, SPD shall also comply with all the requirements as mentioned in the Indian Electricity Grid Code.

ARTICLE 6: DISPATCH AND SCHEDULING

6.1 *Dispatch and Scheduling*

- 6.1.1 The SPD shall be entirely responsible to schedule its power as per the applicable regulations / requirements / guidelines of CERC / SERC /SLDC / RLDC or any other competent agency and same being recognized by the RLDC/SLDC or any other competent authority / agency as per applicable regulation/ law / direction and maintain compliance to the applicable Codes/ Grid Code requirements and directions, if any, as specified by concerned SLDC/RLDC from time to time. Any deviation from the schedule will attract the provisions of applicable regulation / guidelines / directions and any financial implication on account of this shall be on the account of the SPD.
- 6.1.2 The SPD shall be responsible for directly coordinating and dealing with the Buyer, State Load Dispatch Centres, Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of power and due compliance with deviation and settlement mechanism and the applicable Grid code Regulations, acknowledging that the SPD and Buyer are the Grid connected entities.
- 6.1.3 The SPD shall be responsible for any deviation from scheduling and for any resultant liabilities on account of charges for deviation as per applicable regulations. DSM charges on this account shall be directly paid by the SPD.
- 6.1.4 Auxiliary power consumption will be treated as per the concerned Central/State regulations.

ARTICLE 7: METERING

7.1 *Meters*

- 7.1.1 For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the SPD and the Buyer shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, the Grid Code, as amended and revised from time to time.
- 7.1.2 The SPD shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at SPD's side of Delivery Point.
- 7.1.3 In addition to ensuring compliance of the applicable codes, the SPD shall install Main & Check meters at the Delivery Point, along with Stand-by meter(s) as per the applicable Central/State regulations.
- 7.1.4 In case of pooling of multiple Projects, power from multiple Projects can be pooled at a Pooling Substation prior to the Delivery point and the combined power can be fed at Delivery point through a common transmission line from the Pooling Substation. In such cases, ABT compliant sub-meters as per relevant regulation/approval are also to be set up at pooling substation for individual projects in addition to the meters at Delivery Point as described in clause 7.1.3.

7.2 *Reporting of Metered Data and Parameters*

- 7.2.1 The grid-connected Solar PV Power Projects will install necessary equipment for regular monitoring of solar irradiance (including GHI, DHI, and solar radiation in the module plane), ambient air temperature, wind speed and other weather parameters and simultaneously for monitoring of the electric power (both DC and AC) generated from the Project.
- 7.2.2 Online arrangement would have to be made by the SPD for submission of above data regularly for the entire period of this Power Purchase Agreement to the appropriate SLDC, the Buyer and the concerned Ministry or concerned agency as per applicable regulation / directions.
- 7.2.3 Reports on above parameters on monthly basis (or as required by regulation / guidelines) shall be submitted by the SPD to Ministry of New and Renewable Energy/ CESC / National Institute of Solar Energy / any other competent authority for entire Term of this Agreement.

ARTICLE 8: INSURANCES

8.1 *Insurance*

8.1.1 The SPD shall effect and maintain or cause to be effected and maintained, at its own cost and expense, throughout the Term of PPA, Insurances against such risks to keep the Project in good condition and shall take Industrial All Risk insurance policy covering risks against any loss or damage, with such deductibles and with such endorsements and co-insured(s), which the Prudent Utility Practices would ordinarily merit maintenance of and as required under the Financing Agreements, Implementation and Support Agreement (if applicable) and under the applicable laws.

8.2 *Application of Insurance Proceeds*

8.2.1 In case of the Project not being implemented through Financing Agreement(s), save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Power Project or any part of the Power Project shall be first applied to reinstatement, replacement or renewal of such loss or damage.

In case of the Project being financed through Financing Agreement(s), save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Power Project, or any part of the Power Project shall be applied as per such Financing Agreements.

8.2.2 If a Force Majeure Event renders the Project no longer economically and technically viable and the insurers under the Insurances make payment on a “total loss” or equivalent basis, the Buyer shall have claim on such proceeds of such Insurance limited to outstanding dues of the Buyer against SPD.

8.3 *Effect on liability of the Buyer*

8.3.1 Notwithstanding any liability or obligation that may arise under this Agreement, any loss, damage, liability, payment, obligation or expense which is insured or not or for which the SPD can claim compensation, under any Insurance shall not be charged to or payable by Buyer. It is for the SPD to ensure that appropriate insurance coverage is taken for payment by the insurer for the entire loss and there is no under insurance or short adjustment etc.

ARTICLE 9: APPLICABLE TARIFF

- 9.1 Subsequent to commencement of power supply by the SPD on the terms contained in this Agreement, the SPD shall be entitled to receive the Tariff of Rs. / kWh [Insert the Tariff discovered through the bidding process conducted by CESC], fixed for the entire term of this Agreement.
- 9.2 In case of early part/full commencement of power supply from the project, till SCSD, the SPD will be free to sell the electricity generated, to any entity other than the Buyer, only after giving the first right of refusal to the Buyer. The Buyer shall provide refusal within 15 (fifteen) days from the receipt of the request for early part/full commencement of power supply from the Project, beyond which it would be considered as deemed refusal. In case Buyer agree to purchase power from a date prior to the SCSD, such power shall be purchased at the Applicable Tariff. Any energy produced and flowing into the grid before SCSD shall not be at the cost of the Buyer.
- 9.3 Any excess generation over and above energy specified in Article 4.4.1, will be purchased by the Buyer at the Applicable Tariff, provided the Buyer consents for purchase of such excess generation.
- However, the SPD will not be allowed to sell energy generated prior to SCSD or excess energy during any Contract Year to any other entity other than the Buyer (unless refused by the Buyer).
- 9.4 The SPD may also sell the power which was offered on day ahead basis to the Buyer (within maximum CUF) but not scheduled by the Buyer to any third party or power exchange without requiring NOC from the Buyer.

ARTICLE 10: BILLING AND PAYMENT

10.1 General

- 10.1.1 From the commencement of supply of power, the Buyer shall pay to the SPD the monthly Tariff Payments subject to the adjustments as per provisions of this Agreement including Article 6, in accordance with Article 9. All Tariff Payments by the Buyer shall be in Indian Rupees.
- 10.1.2 The SPD shall be required to make arrangements and payments for import of energy and other charges (if any) required for supply/offer of the contracted capacity under this agreement as per applicable regulations.

10.2 Delivery and Content of Monthly Bills/Supplementary Bills

- 10.2.1 The SPD shall issue to the Buyer hard copy of a signed Monthly Bill/Supplementary Bill for the immediately preceding Month/relevant period based on the issuance of Energy Accounts along with all relevant documents (payments made by SPD for drawal of power, payment of reactive energy charges, Metering charges or any other charges as per guidelines of SERC/CERC, if applicable).
- 10.2.2 SPD may raise Monthly bill based on the provisional REA published at RPC of the Buyer, the final adjustments in bill, if any, may be done on the basis of the final REA along with Debit/Credit Note. The Monthly Bill amount shall be the product of the energy as per Energy Accounts and the Applicable Tariff.
- 10.2.3 The SPD shall issue the monthly Bill by deducting all applicable charges as per this Agreement for the energy supplied for the relevant Month based on Energy Accounts issued by RPC or any other competent authority which shall be binding on both the Parties. Energy drawn from the grid will be regulated as per the applicable Central/State regulations and other relevant document as desired.
- 10.2.4 As per applicable regulation(s) of the Appropriate Commission(s)/respective SERC(s), all charges pertaining to obtaining open access and scheduling of power, if any, upto the Delivery Point(s), shall be borne by the SPD.

10.3 Payment of Monthly Bills

- 10.3.1 The Buyer shall pay the amount payable under the Monthly Bill/Supplementary Bill by the Due Date to such account of the SPD, as shall have been previously notified by the SPD as below.
- 10.3.2 All payments required to be made under this Agreement shall also include any deduction or set off for:
- (i) deductions required by the Law; and
 - (ii) amount claimed by the Buyer, if any, from the SPD, will be adjusted from the monthly energy payment. In case of any excess payment

adjustment, the interest applicable will be same as rate of Late Payment surcharge will be applicable on day to day basis.

The SPD shall open a bank account (the “**SPD’s Designated Account**”) for all Tariff Payments (including Supplementary Bills) to be made by the Buyer to the SPD, and notify the Buyer of the details of such account at least 90 (ninety) Days before the dispatch of the first Monthly Bill. The Buyer shall also designate a bank account at Kolkata (“**Buyer’s Designated Account**”) for payments to be made by the SPD to the Buyer, if any, and notify the SPD of the details of such account 90 (ninety) Days before the SCSD. The Buyer and the SPD shall instruct their respective bankers to make all payments under this Agreement to the SPD’s Designated Account or the Buyer’s Designated Account, as the case may be, and shall notify either Party of such instructions on the same day.

10.3.3 Late Payment Surcharge

In the event of delay in payment of a Monthly Bill by the Buyer beyond the Due Date, a Late Payment Surcharge shall be payable by the Buyer to the SPD on the outstanding payment, at the base rate of Late Payment Surcharge applicable for the period for the first month of default. “Base rate of Late Payment Surcharge” means the marginal cost of funds based lending rate for one year of the State Bank of India, as applicable on the 1st April of the financial year in which the period lies, plus five percent (500 bps) and in the absence of marginal cost of funds based lending rate, any other arrangement that substitutes it, which the Central Government may, by notification, in the Official Gazette, specify.

The Late Payment Surcharge shall be claimed by the SPD through the Supplementary Bill. Late Payment Surcharge shall be payable on the outstanding payment at the base rate of Late Payment Surcharge applicable for the period for the first month of default. The rate of Late Payment Surcharge for the successive months of default shall increase by 0.5% (zero point five percent) (50 bps) for every month of delay provided that the Late Payment Surcharge shall not be more than 3% (three percent) higher than the base rate at any time.

If the period of default lies in two or more financial years, the base rate of Late Payment Surcharge shall be calculated separately for the periods falling in different years.

- 10.3.4 Subject to the Article 9 of this Agreement, in the event of early commencement of power supply from the Project and subject to acceptance by CESC, the payment for the power fed to the grid may be accounted from the date of commencement of such power supply, and SPD would be allowed to raise Bills against such power as per Article 10.2.1. However, payment against the 1st such bill raised by the SPD, will be made subject to acceptance of the bill by the Buyer.

10.3.5 Rebate

For payment of any Bill including Supplementary Bill on or before Due Date,

the following Rebate shall be paid by the SPD to the Buyer in the following manner.

- (i) A Rebate of 1.5% (one point five percent) shall be payable to the Buyer for the payments made within a period of 10 (ten) days of the presentation of hard copy of Bill.
- (ii) Any payments made after 10 (ten) days up to and including the 30th Day from the date of presentation of Bill through hard copy, shall be allowed a rebate of 1% (one percent).

For the above purpose, the date of presentation of Bill shall be the next Business Day of delivery of the physical copy of the Bill to the Buyer.

10.4 ***Payment Security Mechanism - Letter of Credit (LC):***

10.4.1 The Buyer shall provide to the SPD, in respect of payment of its Monthly Bills and/or Supplementary Bills, a monthly standby letter of credit ("Letter of Credit"), opened and maintained which may be drawn upon by the SPD in accordance with this Article.

10.4.2 Before the start of supply, the Buyer shall, through a scheduled bank, open a Letter of Credit in favour of the SPD, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of 12 (twelve) Months and shall be renewed annually, for an amount equal to:

- (i) for the first Contract Year, equal to 110% (one hundred and ten percent) of the estimated average monthly billing;
- (ii) for each subsequent Contract Year, equal to 110% (one hundred and ten percent) of the average of the monthly billing of the previous Contract Year.

10.4.3 Provided that the SPD shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill, and shall not make more than one drawal in a Month.

10.4.4 Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 10.4.2 due to any reason whatsoever, the Buyer shall restore such shortfall before next drawl.

10.4.5 The Buyer shall cause the scheduled bank issuing the Letter of Credit to intimate the SPD, in writing regarding establishing of such irrevocable Letter of Credit.

10.4.6 The Buyer shall ensure that the Letter of Credit shall be renewed not later than its current expiry date.

10.4.7 All costs relating to the opening and maintenance of the Letter of Credit shall be borne by the Buyer.

10.4.8 If the Buyer fails to pay undisputed Monthly Bill or Supplementary Bill or a

part thereof within and including the Due Date, then, subject to Article 10.4.6 & 10.5.2, the SPD may draw upon the Letter of Credit, and accordingly the bank shall pay, an amount equal to such Monthly Bill or Supplementary Bill or part thereof, in accordance with Article 10.4.3 above, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- (i) a copy of the Monthly Bill or Supplementary Bill (only for energy related bills) which has remained unpaid to SPD and;
- (ii) a certificate from the SPD to the effect that the bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date;

10.5 ***Disputed Bill***

10.5.1 If the Buyer does not dispute a Monthly Bill or a Supplementary Bill raised by the SPD within 30 (thirty) days of receiving such Bill shall be taken as conclusive.

10.5.2 If the Buyer disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, it shall pay undisputed amount or 50% (fifty percent) of the invoice amount, whichever is higher, and it shall within 30 (thirty) days of receiving such Bill, issue a notice (the "Bill Dispute Notice") to the invoicing Party setting out:

- (i) the details of the disputed amount;
- (ii) its estimate of what the correct amount should be; and
- (iii) all written material in support of its claim.

10.5.3 If the SPD agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.2, the SPD shall revise such Bill and present along with the next Monthly Bill. In such a case, excess amount shall be refunded along with interest at the same rate as Late Payment Surcharge, which shall be applied from the date on which such excess payment was made by the disputing Party to the invoicing Party and up to and including the date on which such payment has been received as refund.

10.5.4 If the SPD does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.2, it shall, within 15 (fifteen) days of receiving the Bill Dispute Notice, furnish a notice (Bill Disagreement Notice) to the Buyer providing:

- (i) reasons for its disagreement;
- (ii) its estimate of what the correct amount should be; and
- (iii) all written material in support of its counter-claim.

10.5.5 Upon receipt of the Bill Disagreement Notice by the Buyer under Article 10.5.4, authorized representative(s) or a director of the board of directors/

member of board of the Buyer and SPD shall meet and make best endeavours to amicably resolve such dispute within 15 (fifteen) days of receipt of the Bill Disagreement Notice.

10.5.6 If the Parties do not amicably resolve the Dispute within 15 (fifteen) days of receipt of Bill Disagreement Notice pursuant to Article 10.5.4, the matter shall be referred to Dispute resolution in accordance with Article 16.

10.5.7 For the avoidance of doubt, it is clarified that, despite a Dispute regarding an invoice, the Buyer shall, without prejudice to its right to Dispute, be under an obligation to make payment of undisputed amount or 50% (fifty percent) of the invoice amount, whichever is higher, in the Monthly Bill.

10.6 Quarterly and Annual Reconciliation

10.6.1 The Parties acknowledge that all payments made against Monthly Bills and Supplementary Bills shall be subject to quarterly reconciliation within 30 (thirty) days of the end of the quarter at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year within 30 (thirty) days to take into account the Energy Accounts, Tariff adjustment payments, Tariff Rebate, Late Payment Surcharge, or any other reasonable circumstance provided under this Agreement.

10.6.2 The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year as the case may be, has been finally verified and adjusted, the SPD and the Buyer shall jointly sign such reconciliation statement. Within 15 (fifteen) days of signing of a reconciliation statement, the SPD shall make appropriate adjustments in the next Monthly Bill. Late Payment Surcharge/ interest shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable. Any Dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of Article 16.

10.7 Payment of Supplementary Bill

10.7.1 SPD may raise a ("Supplementary Bill") for payment on account of:

- (i) Adjustments required by the Energy Accounts (if applicable); or
- (ii) Change in Law as provided in Article 12, or
- (iii) Payment under Article 4.10,

And such Supplementary Bill shall be paid by the other Party.

10.7.2 The Buyer shall remit all amounts due under a Supplementary Bill raised by the SPD to the SPD's Designated Account by the Due Date, except open access charges, RLDC or scheduling charges and transmission charges (if applicable).. No Late Payment Surcharge will be applicable other than that on the monthly energy payment and associated debit and credit note.

ARTICLE 11: FORCE MAJEURE

11.1 *Definitions*

11.1.1 In this Article, the following terms shall have the following meanings:

11.2 *Affected Party*

11.2.1 An affected Party means the Buyer or the SPD whose performance has been affected by an event of Force Majeure.

11.3 *Force Majeure*

11.3.1 A 'Force Majeure' means any event or circumstance or combination of events those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:

- (i) Act of God, including, but not limited to lightning, drought, fire and explosion (to the extent originating from a source external to the site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon or tornado if and only if it is declared / notified by the competent state / central authority / agency (as applicable);
- (ii) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action if and only if it is declared / notified by the competent state / central authority / agency (as applicable); or
- (iii) radioactive contamination or ionising radiation originating from a source in India or resulting from another Force Majeure Event mentioned above excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Power Project by the Affected Party or those employed or engaged by the Affected Party.
- (iv) An event of Force Majeure identified under Buyer-Buyer(ies) PSA, thereby affecting delivery of power from SPD to Buyer(ies).

11.4 *Force Majeure Exclusions*

11.4.1 Force Majeure shall not include (i) any event or circumstance which is within the reasonable control of the Parties and (ii) the following conditions, except to the extent that they are consequences of an event of Force Majeure:

- (i) Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts or consumables for the Power Project;

- (ii) Delay in the performance of any contractor, sub-contractor or their agents;
- (iii) Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
- (iv) Strikes at the facilities of the Affected Party;
- (v) Insufficiency of finances or funds or the agreement becoming onerous to perform; and
- (vi) Non-performance caused by, or connected with, the Affected Party's:
 - (a) Negligent or intentional acts, errors or omissions;
 - (b) Failure to comply with an Indian Law; or
 - (c) Breach of, or default under this Agreement.

11.5 *Notification of Force Majeure Event*

- 11.5.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than 15 (fifteen) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than 1 (one) day after such reinstatement. The other Party shall respond on the claim of the Affected Party within 15 (fifteen) days of receipt of the said intimation of Force Majeure.
- 11.5.2 Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the Force Majeure Event.
- 11.5.3 The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.

11.6 *Duty to Perform and Duty to Mitigate*

- 11.6.1 To the extent not prevented by a Force Majeure Event pursuant to Article 11.3, the Affected Party shall continue to perform its obligations pursuant to this Agreement. The Affected Party shall use its reasonable efforts to mitigate the effect of any Force Majeure Event as soon as practicable.

11.7 *Available Relief for a Force Majeure Event*

11.7.1 Subject to this Article 11:

- (i) no Party shall be in breach of its obligations pursuant to this Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event;
- (ii) every Party shall be entitled to claim relief in relation to a Force Majeure Event in regard to its obligations, including but not limited to those specified under Article 4.5;
- (iii) For avoidance of doubt, neither Party's obligation to make payments of money due and payable prior to occurrence of Force Majeure events under this Agreement shall be suspended or excused due to the occurrence of a Force Majeure Event in respect of such Party.
- (iv) Provided that no payments shall be made by either Party affected by a Force Majeure Event for the period of such event on account of its inability to perform its obligations due to such Force Majeure Event.

ARTICLE 12: CHANGE IN LAW

12.1 Definitions

In these rules, unless the context otherwise requires, -

12.1.1 In this Article 12, the term “Change in Law” shall refer to the occurrence of any of the following events pertaining to this project only after [Enter the date of bid submission], including any enactment or amendment or repeal of any law, leading to corresponding changes in the cost requiring change in tariff, and includes-

- (i) a change in interpretation of any law by a competent court; or
- (ii) a change in any domestic tax, including duty, levy, cess, charge or surcharge by the Central Government, State Government or Union territory administration leading to corresponding changes in the cost; or
- (iii) a change in any condition of an approval or license obtained or to be obtained for purchase, supply or transmission of electricity, unless specifically excluded in the agreement for the purchase, supply or transmission of electricity, which results in any change in the cost, but does not include-
 - (a) Any change in any withholding tax on income or dividends distributed to the shareholders of the generating company or transmission licensee; or
 - (b) change in respect of deviation settlement charges or frequency intervals by an Appropriate Commission.

12.1.2 The term “law” in this Article includes any Act, Ordinance, order, bye-law, rule, regulation, and notification, for the time being in force, in the territory of India.

12.2 Adjustment in tariff on account of Change in Law

12.2.1 On the occurrence of a change in law, the monthly tariff or charges shall be adjusted and be recovered in accordance with the Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021 notified by the Ministry of Power on 22.10.2021 (and subsequent amendments, if any) to compensate the affected party so as to restore such affected party to the same economic position as if such change in law had not occurred.

12.2.2 For the purposes of 12.2.1 above, the affected party, which intends to adjust and recover the costs due to change in law, shall give a 21 (twenty one) days’ prior notice to the other party about the proposed impact in the tariff or charges, positive or negative, to be recovered from such other party.

12.2.3 The affected party shall furnish to the other party, the computation of impact in tariff or charges to be adjusted and recovered, within thirty days of the

occurrence of the change in law or on the expiry of 21 (twenty one) days from the date of the notice referred to in above, whichever is later, and the recovery of the proposed impact in tariff or charges shall start from the next billing cycle of the tariff.

- 12.2.4 The impact of change in law to be adjusted and recovered may be computed as one time or monthly charges or per unit basis or a combination thereof and shall be recovered in the monthly bill as the part of tariff.
- 12.2.5 The amount of the impact of change in law to be adjusted and recovered, shall be calculated in accordance with the formula given here under to calculate adjustment in the monthly tariff due to impact of change in law, which is non-recurring in nature. Let financial impact of change in law = P

Then the modification in the monthly tariff (MT) for compensating the financial impact is given by $MT = (Y/X)$

Where X= estimated monthly electricity generation in kWh = $(1/12) \times [\text{Contracted Capacity of the power plant as per the Agreement (in MW)} \times \text{CUF in \%} \times 8760 \text{ hours} \times 10]$ &

$$Y = \frac{(P \times Mr)(1 + Mr)^n}{(1 + Mr)^n - 1}$$

Where, -

n=No. of months over which the financial impact has to be paid (subject to maximum of 180 (one hundred and eighty) months in case of the non-recurring fixed amount but in case of recurring impact it will be till the impact persists);

M_r =monthly rate of interest= $R/(12 \times 100)$ and

CUF = declared or revised CUF as indicated in the Agreement;

R = annual rate of interest on loan component (in %) as considered by the CERC in its order for Tariff Determination from Conventional or Renewable Energy Sources (whichever is applicable) for the year in which the Project is commissioned. In absence of relevant orders of CERC for the concerned year, the interest rate shall be average interest rate plus 200 basis points above the average State Bank of India marginal cost of funds based leading rate, of one-year tenor, prevalent during the last available 6 (six) months for such period.

Further, generating company shall true up the MT annually based on actual generation of the year so as to ensure that the payment to the affected party is capped at the yearly annuity amount.

Any such change, shall be considered upto three digits after the decimal point, and remaining digits, if any, shall be ignored.

For e.g. in case the change in tariff payable is calculated as Rs. 0.14678/kWh, it shall be modified as Rs. 0.146/kWh

12.2.6 The recovery of the impacted amount, in case of the fixed amount shall be,

- (i) In case of generation project, within a period of 180 (one-hundred eighty) months; or
- (ii) In case of recurring impact, until the impact persists.

12.2.7 The SPD shall, within 30 (thirty) days of the coming into effect of the recovery of impact of change in law, furnish all relevant documents along with the details of calculation to the Appropriate Commission for adjustment of the amount of the impact in the monthly tariff or charges.

12.2.8 The Appropriate Commission shall verify the calculation and adjust the amount of the impact in the monthly tariff or charges within 60 (sixty) days from the date of receipt of the relevant documents under clause 12.2.7.

12.2.9 After the adjustment of the amount of the impact in the monthly tariff or charges under clause 12.2.8, the SPD, shall adjust the monthly tariff or charges annually based on actual amount recovered, to ensure that the payment to the affected party is not more than the yearly annuity amount.

12.2.10 In the event of any decrease in the project cost by the SPD or any income to the SPD on account of any of the events as indicated above, SPD shall pass on the benefit of such reduction at a rate as provided in Article 12.2 to the Buyer. In the event of the SPD failing to comply with the above requirement, the Buyer shall make such deductions in the monthly tariff payments on immediate basis. Further, at the time of raising of 1st Monthly Tariff Payment Bill, SPD shall be required to provide a statutory auditor certificate supported by Board Resolution in regard to implications (loss/ gain) arising out of Article 12.

12.2.11 Any notice service pursuant to Article 12.2.7, shall provide, amongst other things, precise details of the Change in Law and its effect on the Project Cost, supported by documentary evidences including Statutory Auditor Certificate to this effect so as to establish one to one correlation and its impact on the Project Cost.

12.2.12 “Project Cost” wherever applicable under this Article, shall mean the cost incurred by the SPD towards supply and services only for the Project concerned, upto the actual date of commencement of power supply from the last part capacity or upto the SCSD/extended SCSD, whichever is earlier. For example, in case the date of actual Commencement of power supply from the last part capacity is 15.04.2026, SCSD is 15.03.2026 and extended SCSD is 01.04.2026, the Project Cost shall be determined as the cost incurred by the SPD upto 01.04.2026.

ARTICLE 13: EVENTS OF DEFAULT AND TERMINATION

13.1 *SPD Event of Default*

13.1.1 The occurrence and/or continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by Buyer of its obligations under this Agreement, shall constitute an SPD Event of Default:

- (i) the failure to commence supply of power to the Buyer up to the Contracted Capacity, by the end of the period specified in Article 4, or failure to continue supply of annual energy corresponding to the minimum CUF power to the Buyer after the commencement of supply of power, for any Contract Year (except for the first and final Contract Years), throughout the term of this Agreement, or if
 - (a) the SPD assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Power Project in contravention of the provisions of this Agreement; or
 - (b) the SPD transfers or novates any of its rights and/ or obligations under this agreement, in a manner contrary to the provisions of this Agreement; except where such transfer:
 - is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement or
 - is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee;
- (ii) if (a) the SPD becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of 30 (thirty) days, or (b) any winding up or bankruptcy or insolvency order is passed against the SPD, or (c) the SPD goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, provided that a dissolution or liquidation of the SPD will not be a SPD Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to the SPD and expressly assumes all obligations of the SPD under this Agreement and is in a position to perform them; or
- (iii) the SPD repudiates this Agreement and does not rectify such breach within a period of 30 (thirty) days from a notice from the Buyer in this regard; or

- (iv) except where due to any the Buyer's failure to comply with its material obligations, the SPD is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the SPD within 30 (thirty) days of receipt of first notice in this regard given by the Buyer; or
- (v) change in shareholding of the SPD before the specified time frame as mentioned in Article 4.1.1(viii) of this Agreement, without prior consent of the Buyer; or
- (vi) occurrence of any other event which is specified in this Agreement to be a material breach/ default of the SPD; or
- (vii) except where due to any the Buyer's failure to comply with its material obligations, the SPD is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the SPD within 30 (thirty) days of receipt of first notice in this regard given by the Buyer.
- (viii) Revoking of connectivity of the SPD on account of non-compliance by the SPD.

13.2 Buyer Event of Default

13.2.1 The occurrence and the continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by the SPD of its obligations under this Agreement, shall constitute the Event of Default on the part of defaulting Buyer:

- (i) The Buyer fails to pay (with respect to a Monthly Bill or a Supplementary Bill), subject to Article 10.5, for a period of 90 (ninety) days after the Due Date and the SPD is unable to recover the amount outstanding to the SPD through the Letter of Credit,
- (ii) The Buyer repudiates this Agreement and does not rectify such breach even within a period of 60 (sixty) days from a notice from the SPD in this regard; or
- (iii) except where due to any SPD's failure to comply with its obligations, the Buyer is in material breach of any of its obligations pursuant to this Agreement, and such material breach is not rectified by the Buyer within 60 (sixty) days of receipt of notice in this regard from the SPD to the Buyer; or
- (iv) if
 - (a) the Buyer becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of 60 (sixty) days, or
 - (b) any winding up or bankruptcy or insolvency order is passed

against the Buyer, or

- (c) the Buyer goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, provided that it shall not constitute a Buyer Event of Default, where such dissolution or liquidation of the Buyer is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and has creditworthiness similar to the Buyer and expressly assumes all obligations of the Buyer and is in a position to perform them; or;
- (v) Occurrence of any other event which is specified in this Agreement to be a material breach or default of the Buyer.

13.3 Procedure for cases of SPD Event of Default

- 13.3.1 Upon the occurrence and continuation of any SPD Event of Default under Article 13.1, the Buyer shall have the right to deliver to the SPD, with a copy to the representative of the lenders to the SPD with whom the SPD has executed the Financing Agreements, a notice stating its intention to terminate this Agreement (Buyer Preliminary Default Notice), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- 13.3.2 Following the issue of a Buyer Preliminary Default Notice, the Consultation Period of 90 (ninety) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- 13.3.3 During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.
- 13.3.4 Within a period of 7 (seven) days following the expiry of the Consultation Period unless the Parties shall have otherwise agreed to the contrary or the SPD Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, the Buyer may terminate this Agreement by giving a written Termination Notice of 60 (sixty) days to the SPD.
- 13.3.5 Subject to the terms of this Agreement, upon occurrence of an SPD Event of Default under this Agreement, the SPD shall be liable to pay to the Buyer, penalty, as provided in Article 4.6 of the PPA for failure to commence supply of power within the stipulated time and Article 4.4.1 for failure to supply power in terms of the PPA. For other cases, the SPD shall be liable to pay to Buyer, damages, equivalent to 24 (twenty-four) months, or balance PPA period, whichever is less, of tariff for its Contracted Capacity, corresponding to the committed annual CUF.

The Buyer shall have the right to recover the said damages by way of forfeiture

of bank guarantee/Payment on Order Instrument, if any, without prejudice to resorting to any other legal course or remedy.

In addition to the levy of damages as aforesaid, the lenders in concurrence with the Buyer, may exercise their rights, if any, under Financing Agreements, to seek substitution of the SPD by a selectee for the residual period of the Agreement, for the purpose of securing the payments of the total debt amount from the SPD and performing the obligations of the SPD. However, in the event the lenders are unable to substitute the defaulting SPD within the stipulated period, the Buyer may terminate the PPA. Provided that any substitution under this Agreement can only be made with the prior consent of the Buyer including the condition that the selectee meets the eligibility requirements of RfS issued by the Buyer and accepts the terms and conditions of this Agreement.

13.3.6 The lenders in concurrence with the CESC, may seek to exercise right of substitution under Article 13.3.5 by an amendment or novation of the PPA in favour of the selectee. The SPD shall cooperate with the Buyer to carry out such substitution and shall have the duty and obligation to continue to operate the Power Project in accordance with this PPA till such time as the substitution is finalized. In the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions leading to signing of fresh PPA with a new entity, an amount of Rs. 10 Lakh per Project+ applicable taxes per transaction as facilitation fee (non- refundable) shall be deposited by the SPD to the Buyer.

13.3.7 In the event of termination of PPA, on account of Event of Default by the SPD, any damages or charges payable to the STU/ CTU, for the connectivity of the plant, shall be borne by SPD.

13.4 Procedure for cases of Buyer Event of Default

13.4.1 Upon the occurrence and continuation of any Buyer Event of Default specified in Article 13.2, the SPD shall have the right to deliver to the Buyer, an SPD Preliminary Default Notice, which notice shall specify in reasonable detail the circumstances giving rise to its issue.

13.4.2 Following the issue of a SPD Preliminary Default Notice, the Consultation Period of 90 (ninety) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.

13.4.3 During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.

13.4.4 After a period of 210 (two hundred ten) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed to the contrary or Buyer Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, the SPD may terminate the PPA and at its discretion require the Buyer to pay to the SPD, damages, equivalent to 24 (twenty-four) months, or balance PPA period, whichever is less, of

charges of its Contracted Capacity corresponding to the committed annual CUF.

13.5 Termination due to Force Majeure

If the Force Majeure Event or its effects continue to be present beyond the period as specified in Article 4.5.3, termination of this Agreement shall be caused solely at the discretion of the Buyer . In such an event, this Agreement shall terminate on the date of such Termination Notice as issued by the Buyer without any further liability to either Party from the date of such termination.

ARTICLE 14: LIABILITY AND INDEMNIFICATION

14.1 *Indemnity*

14.1.1 The SPD shall indemnify, defend and hold the Buyer harmless against:

- (i) any and all third party claims against the Buyer for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the SPD of any of its obligations under this Agreement or due to the SPD's willful misconduct, gross negligence or fraudulent behaviour or violations of Applicable Law; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by the Buyer from third party claims arising by reason of a breach by the SPD of any of its obligations under this Agreement, (provided that this Article 14 shall not apply to such breaches by the SPD, for which specific remedies have been provided for under this Agreement).

14.1.2 The Buyer shall indemnify, defend and hold the SPD harmless against:

- (i) any and all third party claims against the SPD, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by Buyer of any of its obligations under this Agreement; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest ('Indemnifiable Losses') actually suffered or incurred by the SPD from third party claims arising by reason of a breach by Buyer of any of its obligations.

14.2 *Procedure for claiming Indemnity*

14.2.1 *Third party claims*

- (i) Where the Indemnified Party is entitled to indemnification from the Indemnifying Party pursuant to Article 14.1.1(i) or 14.1.2(i), the Indemnified Party shall promptly notify the Indemnifying Party of such claim referred to in Article 14.1.1(i) or 14.1.2(i) in respect of which it is entitled to be indemnified.

Such notice shall be given as soon as reasonably practicable after the Indemnified Party becomes aware of such claim. The Indemnifying Party shall be liable to settle the indemnification claim within 30 (thirty) days of receipt of the above notice. Provided however that, if:

- (a) the Parties choose to refer the dispute in accordance with Article 16.3.2; and
- (b) the claim amount is not required to be paid/ deposited to such third party pending the resolution of the Dispute,

The Indemnifying Party shall become liable to pay the claim amount to the Indemnified Party or to the third party, as the case may be, promptly following the resolution of the Dispute, if such Dispute is not settled in favour of the Indemnified Party.

- (ii) The Indemnified Party may contest the claim by referring to the Appropriate Commission for which it is entitled to be Indemnified under Article 14.1.1(i) or 14.1.2(i) and the Indemnifying Party shall reimburse to the Indemnified Party all reasonable costs and expenses incurred by the Indemnified party. However, such Indemnified Party shall not settle or compromise such claim without first getting the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

An Indemnifying Party may, at its own expense, assume control of the defence of any proceedings brought against the Indemnified Party if it acknowledges its obligation to indemnify such Indemnified Party, gives such Indemnified Party prompt notice of its intention to assume control of the defence, and employs an independent legal counsel at its own cost that is reasonably satisfactory to the Indemnified Party.

14.3 *Indemnifiable Losses*

- 14.3.1 Where an Indemnified Party is entitled to Indemnifiable Losses from the Indemnifying Party pursuant to Article 14.1.1(ii) or 14.1.2(ii), the Indemnified Party shall promptly notify the Indemnifying Party of the Indemnifiable Losses actually incurred by the Indemnified Party. The Indemnifiable Losses shall be reimbursed by the Indemnifying Party within 30 (thirty) days of receipt of the notice seeking Indemnifiable Losses by the Indemnified Party. In case of nonpayment of such losses after a valid notice under this Article 14.3, such event shall constitute a payment default under Article 13.

14.4 *Limitation on Liability*

- 14.4.1 Except as expressly provided in this Agreement, neither the SPD nor Buyer nor its/ their respective officers, directors, agents, employees or affiliates (or their officers, directors, agents or employees), shall be liable or responsible to the other Party or its affiliates, officers, directors, agents, employees, successors or permitted assigns or their respective insurers for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of power generation or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of Buyer(ies) , the SPD or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.
- 14.4.2 The Buyer shall have no recourse against any officer, director or shareholder of the SPD or any Affiliate of the SPD or any of its officers, directors or shareholders

for such claims excluded under this Article. The SPD shall have no recourse against any officer, director or shareholder of Buyer or Buyer(ies), or any affiliate of Buyer or any of its officers, directors or shareholders for such claims excluded under this Article.

14.5 *Duty to Mitigate*

- 14.5.1 The Parties shall endeavour to take all reasonable steps so as to mitigate any loss or damage which has occurred under this Article 14.

ARTICLE 15: ASSIGNMENTS AND CHARGES

15.1 *Assignments*

This Agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any Party, except to the Project Lenders or Lender's Representative as security for their debt under the Financing Agreements, other than by mutual consent between the Parties to be evidenced in writing. Such assignment shall be agreed to by CESC subject to the compliance of provisions contained in this Agreement and more specifically to the provisions of Article 4.1.1 of this Agreement.

Provided that, CESC shall permit assignment of any of SPD's rights and obligations under this Agreement in favour of the lenders to the SPD, if required under the Financing Agreements.

Provided that, such consent shall not be withheld if CESC seeks to transfer to any transferee all of its rights and obligations under this Agreement.

The enforcement of the rights and obligation between the SPD and C E S C provided in this Agreement shall not be treated as an assignment but an enforcement of the terms agreed under this Agreement.

Provided further that any successor(s) or permitted assign(s) identified after mutual agreement between the Parties may be required to execute a new agreement on the same terms and conditions as are included in this Agreement. An amount of Rs. 5 Lakh + applicable taxes per Transaction as Facilitation Fee (non-refundable) shall be deposited by the SPD to CESC. Provided further that, such consent shall not be withheld by the SPD if CESC seeks to transfer to any affiliate all of its rights and obligations under this Agreement.

In the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions leading to signing of fresh PPA with a New Entity, an amount of Rs. 10 Lakh per Project+ applicable taxes per transaction as Facilitation Fee (non-refundable) shall be deposited by the SPD to CESC.

15.2 *Permitted Charges*

15.2.1 SPD shall not create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement, other than as set forth in Article 15.1 and the Guidelines.

ARTICLE 16: GOVERNING LAW AND DISPUTE RESOLUTION

16.1 *Governing Law*

16.1.1 This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in Kolkata .

16.2 *Amicable Settlement and Dispute Resolution*

16.2.1 *Amicable Settlement*

- (i) Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement (“Dispute”) by giving a written notice (Dispute Notice) to the other Party, which shall contain:
 - (a) a description of the Dispute;
 - (b) the grounds for such Dispute; and
 - (c) all written material in support of its claim.
- (ii) The other Party shall, within 30 (thirty) days of issue of Dispute Notice issued under Article 16.2.1(i), furnish:
 - (a) counter-claim and defences, if any, regarding the Dispute; and
 - (b) all written material in support of its defences and counter-claim.
- (iii) Within 30 (thirty) days of issue of Dispute Notice by any Party pursuant to Article 16
 - (a) if the other Party does not furnish any counter claim or defence under Article 16.
 - (b) or 30 (thirty) days from the date of furnishing counter claims or defence by the other Party, both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within 30 (thirty) days from the later of the dates mentioned in this Article 16.2.1.
 - (c) the Dispute shall be referred for dispute resolution in accordance with Article 16.3.

16.3 *Dispute Resolution*

16.3.1 In the event CERC is the Appropriate Commission, any dispute that arises claiming any change in or regarding determination of the tariff or any tariff related matters, or which partly or wholly could result in change in tariff, such dispute shall be adjudicated by the CERC. If the mechanism of Dispute

Resolution Committee set up by the Government is applicable, all other disputes shall be resolved by the Dispute Resolution Committee set up by the Government, failing which by arbitration under the Indian Arbitration and Conciliation Act, 1996. In the event, the mechanism of Dispute Resolution Committee set up by Government is not applicable, all other disputes shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996. In the event WBERC is the Appropriate Commission for the matters stated hereinabove, then all disputes shall be adjudicated by the WBERC or shall be referred for arbitration by WBERC.

16.3.2 CESC shall be entitled to co-opt the lenders (if any) as a supporting party in such proceedings before the Appropriate Commission.

16.4 *Parties to Perform Obligations*

16.4.1 Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission and save as the Appropriate Commission may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.

ARTICLE 17: MISCELLANEOUS PROVISIONS

17.1 *Amendment*

17.1.1 This Agreement may only be amended or supplemented by a written agreement between the Parties.

17.2 *Third Party Beneficiaries*

17.2.1 Subject to provisions contained in this agreement, this Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns and shall not be construed as creating any duty, standard of care or any liability to, any person not a party to this Agreement.

17.3 *Waiver*

17.3.1 No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorised representative of such Party.

17.3.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement nor time or other indulgence granted by one Party to the other Parties shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement, which shall remain in full force and effect.

17.4 *Confidentiality*

17.4.1 The Parties undertake to hold in confidence this Agreement and not to disclose the terms and conditions of the transaction contemplated hereby to third parties, except:

- (i) to their professional advisors;
- (ii) to their officers, contractors, employees, agents or representatives, financiers, who need to have access to such information for the proper performance of their activities; or
- (iii) disclosures required under Law, without the prior written consent of the other Party.

17.5 *Severability*

17.5.1 The invalidity or unenforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.

17.6 *Notices*

17.6.1 All notices or other communications which are required to be given under

this Agreement shall be in writing and in the English language.

- 17.6.2 If to the SPD, all notices or other communications which are required must be delivered personally or by registered post or facsimile or any other method duly acknowledged to the addresses below:

Address:

Attention:

Email :

Fax. No. :

Telephone No. :

- 17.6.3 If to CESC , all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the address(es) below:

(i) Address :

Attention:

Email :

Fax. No. :

Telephone No. :

- 17.6.4 All notices or communications given by facsimile shall be confirmed by sending a copy of the same via post office in an envelope properly addressed to the appropriate Party for delivery by registered mail. All notices shall be deemed validly delivered upon receipt evidenced by an acknowledgement of the recipient, unless the Party delivering the notice can prove in case of delivery through the registered post that the recipient refused to acknowledge the receipt of the notice despite efforts of the postal authorities.

- 17.6.5 Any Party may by notice of at least 15 (fifteen) days to the other Party change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

17.7 Language

- 17.7.1 All agreements, correspondence and communications between the Parties relating to this Agreement and all other documentation to be prepared and supplied under the Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with English language.

- 17.7.2 If any of the agreements, correspondence, communications or documents are prepared in any language other than English, the English translation of such agreements, correspondence, communications or documents shall prevail in

matters of interpretation.

17.8 *Restriction of Shareholders / Owners' Liability*

17.8.1 Parties expressly agree and acknowledge that none of the shareholders of the Parties hereto shall be liable to the other Parties for any of the contractual obligations of the concerned Party under this Agreement. Further, the financial liabilities of the shareholder/s of each Party to this Agreement, shall be restricted to the extent provided in the Indian Companies Act, 2013.

17.9 *Taxes and Duties*

17.9.1 The SPD shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the SPD, contractors or their employees that are required to be paid by the SPD as per the Law in relation to the execution of the Agreement and for supplying power as per the terms of this Agreement.

17.9.2 CESC shall be indemnified and held harmless by the SPD against any claims that may be made against CESC in relation to the matters set out in Article 17.9.1.

17.9.3 CESC shall not be liable for any payment of, taxes, duties, levies, cess whatsoever for discharging any obligation of the SPD by CESC on behalf of SPD.

17.10 *Independent Entity*

17.10.1 The SPD shall be an independent entity performing its obligations pursuant to the Agreement.

17.10.2 Subject to the provisions of the Agreement, the SPD shall be solely responsible for the manner in which its obligations under this Agreement are to be performed. All employees and representatives of the SPD or contractors engaged by the SPD in connection with the performance of the Agreement shall be under the complete control of the SPD and shall not be deemed to be employees, representatives, contractors of CESC and nothing contained in the Agreement or in any agreement or contract awarded by the SPD shall be construed to create any contractual relationship between any such employees, representatives or contractors and CESC .

17.11 *Compliance with Law*

Despite anything contained in this Agreement but without prejudice to this Article, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, or any rules and regulations made there under, such provision of this Agreement shall be deemed to be amended to the extent required to bring it into compliance with the aforesaid relevant provisions as amended from time to time.

17.12 *Breach of Obligations*

The Parties acknowledge that a breach of any of the obligations contained herein would result in injuries. The Parties further acknowledge that the amount of the liquidated damages or the method of calculating the liquidated damages specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the non-defaulting party in each case specified under this Agreement.

17.13 *Order of priority in application*

In case of inconsistencies between the agreement(s) executed between the Parties, applicable Law including rules and regulations framed thereunder, the order of priority as between them shall be the order in which they are placed below:

- (i) applicable Law, rules and regulations framed thereunder;
- (ii) the Grid Code; and
- (iii) the terms and conditions of this Agreement;

IN WITNESS WHEREOF the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above.

For and on behalf of [SPD]

For and on behalf of [CESC]

Name, Designation and Address

Name, Designation and Address

Signature with seal

Signature with seal

Witness: 1.

Witness: 2.

SCHEDULE 1:
FORMAT FOR PERFORMANCE BANK GUARANTEE (PBG)
(to be submitted separately for each Project)



**(To be stamped in accordance with Stamp Act, the Non-Judicial Stamp Paper of
Appropriate Value)**

Reference:

Bank Guarantee No.:

Date:

In consideration of the ---- [Insert name of the Bidder] (hereinafter referred to as 'selected Solar Power Developer') submitting the response to RfS inter alia for [Insert name of the RfS] of the capacity of MW, at[Insert name of the place], for supply of power there from on long term basis, in response to the RfS dated..... and addendums thereto issued by CESC Ltd (hereinafter referred to as CESC) and CESC considering such response to the RfS of[insert the name of the selected Solar Power Developer] (which expression shall unless repugnant to the context or meaning thereof include its executors, administrators, successors and assignees) and selecting the Solar Power Project of the Solar Power Developer and issuing Letter of Award No ----- to (Insert Name of selected Solar Power Developer) as per terms of RfS and the same having been accepted by the selected SPD resulting in a Power Purchase Agreement (PPA) to be entered into, for purchase of Power [from selected Solar Power Developer or a Project Company, M/s ----- {a Special Purpose Vehicle (SPV) formed for this purpose}, if applicable].

As per the terms of the RfS, the_____ [insert name & address of bank] hereby agrees unequivocally, irrevocably and unconditionally to pay to CESC at [Insert Name of the Place from the address of the CESC] forthwith on demand in writing from CESC or any Officer authorized by it in this behalf, any amount up to and not exceeding Indian Rupees----- [Total Value] only, on behalf of M/s_[Insert name of the selected Solar Power Developer / Project Company].

This guarantee shall be valid and binding on this Bank up to and including..... and shall not be terminable by notice or any change in the constitution of the Bank or the term of contract or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to INR_____(Indian Rupees _____only).

Our Guarantee shall remain in force until..... CESC shall be entitled to invoke this Guarantee till

The Guarantor Bank hereby agrees and acknowledges that CESC shall have a right to invoke this BANK GUARANTEE in part or in full, as it may deem fit.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand by CESC , made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to CESC.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by -----[Insert name of the selected Solar Power Developer / Project Company as applicable] and/or any other person. The Guarantor Bank shall not require CESC to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against CESC in respect of any payment made hereunder.

This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Kolkata shall have exclusive jurisdiction.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly CESC shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the selected Solar Power Developer / Project Company , to make any claim against or any demand on the selected Solar Power Developer / Project Company or to give any notice to the selected Solar Power Developer / Project Company or to enforce any security held by CESC or to exercise, levy or enforce any distress, diligence or other process against the selected Solar Power Developer / Project Company.

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to CESC and may be assigned, in whole or in part, (whether absolutely or by way of security) by CESC to any entity to whom CESC is entitled to assign its rights and obligations under the PPA.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to INR____(Indian Rupees ____only) and it shall remain in force until (Provide for two additional months after the period of guarantee for invoking the process of encashment). We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if CESC serves upon us a written claim or demand.

Signature _____

Name_____

Power of Attorney No._____

For

_____[Insert Name and Address of the Bank]_____

Contact Details of the Bank: E-mail ID of the bank:

Banker's Stamp and Full Address. Dated this day of_, 20__

Witness:

1.

Signature

Name and Address

2.

Signature

Name and Address

Notes:

1. The Stamp Paper should be in the name of the Executing Bank and of appropriate value.
2. The Performance Bank Guarantee shall be executed by any of the Scheduled Commercial Banks as listed on the website of Reserve Bank of India (RBI) and amended as on the date of issuance of Bank Guarantee.

SCHEDULE 2:

FORMAT OF PAYMENT ON ORDER INSTRUMENT TO BE ISSUED BY IREDA/REC/PFC (IN LIEU OF PBG)

(to be submitted separately for each Project)

No. Date

CESC, Registered

Reg: M/s____(insert name of the PPA signing entity) (Project No. ____ (insert project ID issued by CESC) – Issuance of Payment on Order Instrument for an amount of Rs.____

Dear Sir,

1. It is to be noted that M/s._____(insert name of the POI issuing Agency)(‘IREDA/REC/PFC’) has sanctioned a non-fund based limit loan of Rs. _ (Rupees_____only) to M/s____under the Loan Agreement executed on_____to execute Renewable Energy Projects.
2. At the request of M/s_____, on behalf of____(insert name of the SPV), this Payment on Order Instrument (POI) for an amount of Rs. _____(Rupees _ (in words)). This Payment on Order Instrument comes into force immediately.
3. In consideration of the ----- [Insert name of the Bidder] (hereinafter referred to as selected Solar Power Developer) submitting the response to RfS inter alia for selection of Contracted Capacity of MW, at[Insert name of the place] under RfS for [Insert name of the RfS], for supply of power there from on long term basis, in response to the RfS dated..... issued by Solar Energy Corporation of India Ltd (hereinafter referred to as CESC) and CESC considering such response to the RfS of[insert the name of the selected Solar Power Developer] (which expression shall unless repugnant to the context or meaning thereof include its executors, administrators, successors and assignees) and selecting the Solar Power Project of the Solar Power Developer and issuing Letter of Award No - ----- to (Insert Name of selected Solar Power Developer) as per terms of RfS and the same having been accepted by the selected SPD resulting in a Power Purchase Agreement (PPA) to be entered into, for purchase of Power [from selected Solar Power

Developer or a Project Company, M/s ----- {a Special Purpose Vehicle (SPV) formed for this purpose}, if applicable]. As per the terms of the RfS, the_[insert name & address of IREDA/PFC/REC] hereby agrees unequivocally, irrevocably and unconditionally to pay to CESC at [Insert Name of the Place from the address of the CESC] forthwith on demand in writing from CESC or any Officer authorized by it in this behalf, any amount up to and not exceeding Rupees----- [Total Value] only, on behalf of M/s _____ [Insert name of the selected Solar Power Developer /

Project Company].

4. In consideration of the above facts, IREDA/REC/PFC, having its registered office at _____, agrees to make payment for the sum of Rs. _____ lakhs (in words.....) to CESC on the following conditions:-
- (a) IREDA/REC/PFC agrees to make payment of the said amount unconditionally, without demur and without protest upon receipt of request from CESC within the validity period of this letter as specified herein;
 - (b) The commitment of IREDA/REC/PFC, under this Payment of Order Instrument will have the same effect as that of the commitment under the Bank Guarantee issued by any Public Sector Bank and shall be enforceable in the same manner as in the case of a Bank Guarantee issued by a Bank and the same shall be irrevocable and shall be honored irrespective of any agreement or its breach between IREDA/REC/PFC or its constituents notwithstanding any dispute that may be raised by them against CESC;
 - (c) The liability of IREDA/REC/PFC continues to be valid and binding on IREDA/REC/PFC and shall not be terminated, impaired and discharged, by virtue of change in its constitution and specific liability under letter of undertaking shall be binding on its successors or assignors;
 - (d) The liability of IREDA/REC/PFC shall continue to be valid and binding on IREDA/REC/PFC and shall not be terminated/ impaired/ discharged by any extension of time or variation and alternation made given or agreed with or without knowledge or consent of the parties (CESC and Bidding Party), subject to the however to the maximum extent of amount stated herein and IREDA/REC/PFC is not liable to any interest or costs etc.;
 - (e) This Payment of Order Instrument can be invoked either partially or fully, till the date of validity;
 - (f) IREDA/REC/PFC agrees that it shall not require any proof in addition to the written demand by CESC made in any format within the validity period. IREDA/REC/PFC shall not require CESC to justify the invocation of the POI against the SPV/SPD, to make any claim against or any demand against the SPV/SPD or to give any notice to the SPV/SPD;
 - (g) The POI shall be the primary obligation of IREDA/REC/PFC and CESC shall not be obliged before enforcing the POI to take any action in any court or arbitral proceedings against the SPV/SPD;
 - (h) Neither CESC is required to justify the invocation of this POI nor shall IREDA/REC/PFC have any recourse against CESC in respect of the payment made under letter of undertaking;
5. Notwithstanding anything contrary contained anywhere in this POI or in any other documents, this POI is and shall remain valid upto _____ and IREDA/REC/PFC shall make payment thereunder only if a written demand or request is raised within the said date and to the maximum extent of

Rs.....and IREDA/REC/PFC shall in no case, be liable for any interest, costs, charges and expenses and IREDA's/REC's/PFC's liability in no case will exceed more than the above amount stipulated.

Thanking you,

Yours faithfully

For and on behalf of

M/s. __ (name of the POI issuing agency).

()

Copy to:-

M/s. PP_____

General Manager (TS)

As per their request

General Manager (TS)