

SOLAR ENERGY CORPORATION OF INDIA LTD.			
NEW DELHI			
<u>SECI/C&P/HPD/RfS/T3/Amendment-01</u>			dated 19.03.2020
Amendment to the RfS for 1200 MW ISTS Connected Wind-Solar Hybrid Power Projects (Tranche-III)			
RfS No. SECI/C&P/HPD/T3/1200MW/RfS/012020 dated 14.01.2020			
Sr. No.	Clause No.	Existing Clause	Amended Clause
Amendments in the RfS document			
1.	1.3.2	SECI shall enter into PPA with the HPDs for a period of 25 years from the date as per the provisions of PPA. The maximum tariff payable to each HPD is fixed at Rs. 2.88/kWh for the entire term of 25 years. The bidders will be free to avail fiscal incentives like Accelerated Depreciation, Concessional Custom Duties, Tax Holidays, etc. available for such projects as per prevailing conditions.....	SECI shall enter into PPA with the HPDs for a period of 25 years from the date as per the provisions of PPA. The bidders will be free to avail fiscal incentives like Accelerated Depreciation, Concessional Custom Duties, Tax Holidays, etc. available for such projects as per prevailing conditions.....
2.	3.2 However, the selection of Projects would be technology agnostic. Bay construction at ISTS substation shall not be under the scope of the HPD, as per the existing provisions of CERC. For setting up the Hybrid Power Projects, the HPD shall strictly adhere to the specific Wind-Solar Hybrid Power Policy of the State (wherever applicable) where the Project is located.However, the selection of Projects would be technology agnostic. Bay construction at ISTS substation shall not be under the scope of the HPD, as per the existing provisions of CERC.
3.	Section 2 Definitions	“Project” is defined by separate points of injection into the grid at interconnection/ metering point at ISTS substation or in case of sharing of transmission lines, by separate injection at pooling point. Each project must also have a separate control system and metering.	“Power Project” or “Project” shall mean the Hybrid Power Project, comprising Solar PV and Wind Power generation facilities having a single point or separate points of injection into the grid at Interconnection/ Delivery/ Metering Point, or in case of sharing of transmission lines, by separate injection at Pooling Point and having control systems and metering. The Project shall include all units/ modules and auxiliaries and associated facilities, bay(s) for transmission system in the switchyard, dedicated 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 to SECI;
4.	Section 2 Definitions	“Inter-connection/Injection/Delivery/ Metering point” shall mean the point at 220 kV or above, where the power from the Project(s) is injected into the identified ISTS substation (including the dedicated transmission line connecting the Projects with the substation system) as specified in the RfS document.....	“Inter-connection/Injection/Delivery/ Metering point” shall mean a single point or multiple points at 220 kV or above, where the power from the Project(s) is injected into the identified ISTS substation (including the dedicated transmission line connecting the Projects/individual components with the substation system) as specified in the RfS document.....
5.	Section 2 Definitions	“Scheduled Commissioning Date” shall be the date as on 18 months from the Effective Date of the PPA or Effective Date of the PSA, whichever is later.	“Scheduled Commissioning Date” shall be the date as on 24 months from the Effective Date of the PPA or Effective Date of the PSA, whichever is later.
6.	3.7.3	Bidders shall have to follow only the following configuration for interconnection with the Grid, based on the prevailing provisions in the respective States:	Some of the suggested configurations of the Project for interconnection with the Grid, subject to the prevailing provisions in the respective States, are provide as follows: <u>Note:</u> Options 1 and 2 provided below are applicable only for Projects were the individual project components (Solar PV modules and wind turbines) are co-located.
7.	3.7.3The Hybrid Project Developers shall strictly follow the configurations only from the options provided above. Configurations deviating from the above may be liable to be rejected by SECI/respective SLDC at the time of commissioning.....	It is to be noted that notwithstanding the Project configuration and location of individual Project components (either co-located or multi-located), waiver of ISTS-charges and losses shall be applicable for the power being injected into the grid only upto the Contracted Capacity. <u>For project components injecting power at multiply points in the grid, at any given instance of power injection in the grid, the waiver of ISTS charges and losses shall be limited upto the Contracted Capacity as per the PPA, after adding up the power being injected at individual points under a single Project.</u>
8.	3.11.	EARNEST MONEY DEPOSIT (EMD) AND PERFORMANCE BANK GUARANTEES (PBG)	EARNEST MONEY DEPOSIT (EMD) AND PERFORMANCE BANK GUARANTEES (PBG) / PAYMENT ON ORDER INSTRUMENT (POI)

9.	3.11.xi.	New Clause	Payment on Order Instrument (POI): As an alternative to submission of PBG as above, the HPD also has an option to submit a letter of undertaking issued by either of the following three organizations, viz. (i) Indian Renewable Development agency Limited (IREDA) or (ii) Power Finance Corporation Limited or (iii) REC Limited. This Letter of Undertaking shall be issued as “Payment on Order Instrument” (POI), wherein the POI issuing organization undertakes to pay in all scenarios under which the PBG would be liable to be encashed by SECI within the provisions of RfS/PPA. This instrument would have to be furnished as per Format 6.3 C of the RfS, within the timelines as per Sl. B. above, for the amount and validity period as per those in Sl. B above. In case the WPD chooses to submit POI, delay in submission of the POI beyond the timeline stipulated at Sl. B above, will be applicable in this case too. The term “PBG” in Clauses anywhere in the RfS, PPA and PSA shall be read as “PBG/POI”
10.	3.17.B.a.	The Project shall be fully commissioned within 18 months from the Effective Date of the PPA or PSA, whichever is later, which shall be termed as the Scheduled Commissioning Date (SCD) (for e.g. if the Effective Date of the PPA is 07.04.2020 and Effective Date of PSA is 07.03.2020, then Scheduled Commissioning date shall be 07.10.2021).	The Project shall be fully commissioned within 24 months from the Effective Date of the PPA or PSA, whichever is later, which shall be termed as the Scheduled Commissioning Date (SCD) (for e.g. if the Effective Date of the PPA is 07.04.2020 and Effective Date of PSA is 07.03.2020, then Scheduled Commissioning date shall be 07.04.2022).
11.	3.17.B.b.	The maximum deadline allowed for commissioning of the full Project Capacity shall be limited to the date as on 270 days from the SCD.	The maximum deadline allowed for commissioning of the full Project Capacity shall be limited to the date as on 180 days after the SCD.
12.	3.17.B.c. For example, in case of a Project of 240 MW capacity, if commissioning of 100 MW capacity is delayed by 18 days beyond the SCD, then the liquidated damages shall be: PBG amount X (100/240) X (18/270). For example, in case of a Project of 240 MW capacity, if commissioning of 100 MW capacity is delayed by 18 days beyond the SCD, then the liquidated damages shall be: PBG amount X (100/240) X (18/180).
13.	3.17.D.	Early Commissioning The HPD shall be permitted for full	Early Commissioning The HPD shall be permitted for full commissioning

		commissioning as well as part commissioning of the Project even prior to the Scheduled Commissioning Date, subject to availability of transmission connectivity and Long-Term Access (LTA). In cases of early part-commissioning, SECI shall purchase the generation at the PPA tariff. Early part/full commissioning of the Project and subsequent energy procurement from the same shall be allowed only in case where the Discom agrees to purchase power from the Project at an earlier date and at 100% PPA tariff plus trading margin.	as well as part commissioning of the Project even prior to the Scheduled Commissioning Date, subject to availability of transmission connectivity and Long-Term Access (LTA). Early commissioning of the Project will be allowed solely at the risk and cost of the HPD, and SECI shall purchase the energy from such early commissioned Project at the PPA tariff, only in case the Discom agrees to purchase power from the Project at an earlier date, and at the PPA tariff plus trading margin. In case SECI does not agree to purchase such energy, early part/full commissioning of the Project shall still be allowed and the HPD will be free to sell such energy to a third party; subject to operationalization of LTA, until SCD or the date of commencement of procurement of power from the Project as notified by SECI, whichever is earlier. COD of the Project under the PPA will be declared from the date of commencement of procurement of energy from the Project by SECI.
14.	4.2.B.iii.	In this step, evaluation will be carried out based on tariff quoted by the Bidders. Tariff has to be less than or equal to Rs.2.88/kWh. Bids where the tariff quoted is more than Rs. 2.88/kWh, shall be summarily rejected.	In this step, evaluation will be carried out based on tariff quoted by the Bidders in INR/kWh.
Amendment in the PPA document			
1.	General	The phrase “Performance Bank Guarantee (PBG)” in the document shall be read as “Performance Bank Guarantee (PBG) / Payment on Order Instrument (POI)”. Format of POI is enclosed as Schedule-3 to the document.	
2.	1.1 Definitions	“Delivery Point” shall mean the point at the voltage level of 220 kV or above of the CTU Sub-station including the dedicated transmission line connecting the Projects with the substation system as specified in the RfS document.....	“Delivery Point” shall mean a <u>single point or multiple points</u> at the voltage level of 220 kV or above of the CTU Sub-station(s) including the dedicated transmission lines connecting the Project/individual component with the substation system as specified in the RfS document.....

3.	1.1 Definitions	<p>“Power Project” or “Project” shall mean the Wind-Solar hybrid 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 separate points 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. This includes.....</p>	<p>“Power Project” or “Project” shall mean the Wind-Solar hybrid power generation facility of Contracted Capacity of[Insert capacity] MW, located at [Insert name(s) of the village(s)] in [Insert name(s) of the District(s) and State(s)] having a separate control system, metering and a <u>single point or separate points of injection</u> into the grid at Delivery/Interconnection/Metering point(s) at ISTS substation or in case of sharing of transmission lines, by separate injection at pooling point. The rated capacities of the various Project components are as follows: Solar PV component: _____MW Wind power component: _____MW (to be filled as per project configuration). This includes.....</p>
4.	1.1 Definitions	<p>“Scheduled Commissioning Date” or “SCD” of the Project shall mean [Insert Date that is eighteen (18) months from the Effective Date of this Agreement as applicable];</p>	<p>“Scheduled Commissioning Date” or “SCD” of the Project shall mean;</p>
5.	2.1.2	<p>The Parties agree that decisions pertaining to adoption of the Tariff and SECI’s trading margin, 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.</p>	<p>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.</p>
6.	3.2.4	<p>.....Further, it is presumed that in terms of Clause 10.4 of the Guidelines, the tariff will be adopted by the Appropriate Commission within 60 days of such submission. However, notwithstanding anything contained in the Guidelines, any delay in adoption of tariff by the Appropriate Commission, beyond 60 (sixty) days, shall entail a corresponding extension in the deadline as stipulated in Article 3.1.</p>	<p>.....Further, in terms of <u>Clause 13.4 of the Guidelines</u>, in case, the Appropriate Commission does not decide upon the same within sixty days, the tariffs shall be deemed to be have been adopted by the Appropriate Commission.</p>

7.	3.3.3	If the HPD fails to commence supply of power from the Scheduled Commissioning Date specified in this Agreement or any further extension thereof granted by SECI, subject to conditions mentioned in Article 4.5, SECI shall encash the Performance Bank Guarantee without prejudice to the other rights of SECI under this Agreement....	If the HPD fails to commence supply of power from the Scheduled Commissioning Date specified in this Agreement or any further extension thereof granted by SECI, subject to conditions mentioned in Article 4.5, SECI shall encash the Performance Bank Guarantee <u>equivalent to the amount calculated as per liquidated damages applicable under Article 4.6</u> as on the date of encashment without prejudice to the other rights of SECI under this Agreement....
8.	4.1.1(g)	maintaining its controlling shareholding (controlling shareholding shall mean more than 50% of the voting rights and paid-up share capital) prevalent at the time of signing of PPA up to a period of one (1) year after Commercial Operation Date of the Project in line with the provisions of the RfS;....	maintaining its controlling shareholding (controlling shareholding shall mean more than 50% of the voting rights and paid-up share capital) prevalent at the time of signing of PPA up to a period of one (1) year after Commercial Operation Date of the Project in line <u>with Clause 3.20</u> of the RfS;....
9.	4.4.2While the HPD would be free to install the DC solar field as per its design of required output, including its requirement of auxiliary consumption and to reconfigure and 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 SECI (unless refused by SECI).....While the HPD 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 in line with applicable MNRE guidelines, it will not be allowed to sell any excess power to any other entity other than SECI (unless refused by SECI).....
10.	4.6.1(a)	Delay beyond the Scheduled Commissioning Date upto (& including) the date as on 270 months after the Scheduled Commissioning Date: The total PBG amount shall be encashed on per day basis and proportionate to the balance capacity not commissioned. In case of calculation of liquidated damages, a 'month' shall comprise 30 days.	Delay beyond the Scheduled Commissioning Date upto (& including) the date as on 180 days after the Scheduled Commissioning Date: The total PBG amount shall be encashed on per day basis and proportionate to the balance capacity not commissioned. For example, in case of a Project of 240 MW capacity, if commissioning of 100 MW capacity is delayed by 18 days beyond the SCD, then the liquidated damages shall be: PBG amount X (100/240) X (18/180).
11.	4.6.2	The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Bank Guarantee shall be limited to the date as on	The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Bank Guarantee shall be limited to the date as on 180 days after the SCD

		270 days after the SCD of the Project. In case, the Commissioning of the Project is delayed beyond 270 days after the SCD, it shall be considered as an HPD Event of Default and provisions of Article 13 shall apply and the Contracted Capacity shall stand reduced / amended to the Project Capacity Commissioned within 270 days after the SCD and the PPA for the balance Capacity will stand terminated and shall be reduced from the project capacity.	of the Project. In case, the Commissioning of the Project is delayed beyond 180 days after the SCD, it shall be considered as an HPD Event of Default and provisions of Article 13 shall apply and the Contracted Capacity shall stand reduced / amended to the Project Capacity Commissioned within 180 days after the SCD and the PPA for the balance Capacity will stand terminated and shall be reduced from the project capacity.
12.	5.1.5	The HPD shall commission the Project as detailed in "Schedule 2: Commissioning Procedure" within eighteen (18) Months of the Effective Date.....	The HPD shall commission the Project as detailed in "Schedule 2: Commissioning Procedure" within the SCD as per this Agreement.....
13.	5.1.8	New Clause	<p>Early Commissioning</p> <p>The HPD shall be permitted for full commissioning as well as part commissioning of the Project even prior to the Scheduled Commissioning Date, subject to availability of transmission connectivity and Long-Term Access (LTA).</p> <p>Early commissioning of the Project will be allowed solely at the risk and cost of the HPD, and SECI shall purchase the energy from such early commissioned Project at the PPA tariff, only in case the Discom agrees to purchase power from the Project at an earlier date, and at the PPA tariff plus trading margin.</p> <p>In case SECI does not agree to purchase such energy, early part/full commissioning of the Project shall still be allowed and the HPD will be free to sell such energy to a third party; subject to operationalization of LTA, until SCD or the date of commencement of procurement of power from the Project as notified by SECI, whichever is earlier. COD of the Project under the PPA will be declared from the date of commencement of procurement of energy from the Project by SECI.</p>

14.	10.3.3	In the event of delay in payment of a Monthly Bill by SECI beyond thirty (30) days of its Due Date, a Late Payment Surcharge shall be payable to the HPD at the rate of 1.25% per month on the outstanding amount calculated on a day to day basis subject to such late payment being duly received by SECI under the PSA from the Buying Entity(ies)....	In the event of delay in payment of a Monthly Bill by SECI beyond thirty (30) days of its Due Date, a Late Payment Surcharge shall be payable to the HPD at the rate of 1.25% per month on the outstanding amount calculated on a day to day basis subject to such late payment <u>surcharge</u> being duly received by SECI under the PSA from the Buying Entity(ies)....
15.	10.3.4	Subject to the Article 9 of this Agreement, in the event of early Commissioning of the Project and subject to acceptance by SECI, the payment for the power fed to the grid may be accounted from the date of UCOD, but HPD would be allowed to raise Bills against such power only from the Scheduled Commissioning Date or UCOD whichever is later subject to the conditions as stipulated in Article 9.	Subject to the Article 9 of this Agreement, in the event of early Commissioning of the Project and subject to acceptance by SECI, the payment for the power fed to the grid may be accounted from the date of UCOD, and HPD would be allowed to raise Bills against such power as per Article 10.2.1, subject to the conditions as stipulated in Article 9. However, payment against the 1 st such bill raised by the HPD, will be made subject to acceptance of the bill by the Discom.
16.	14.5.1	<p>.....</p> <p>(i) the recourse under the Payment Security Mechanism provided in the PSA, as follows:</p> <p>a) Letter of Credit opened by the Buying Entity;</p> <p>(b) State Government Guarantee/ Tri-Partite Agreement (TPA) signed between Reserve Bank of India, Central Government and State Government of the Buying Entity, covering security for payment of energy charges, as applicable</p> <p>(c) Payment Security Fund provided by the Buying Entity, and</p> <p>.....</p>	<p>.....</p> <p>(i) the recourse under the Payment Security Mechanism provided in the PPA and PSA, as follows:</p> <p>(a) Letter of Credit;</p> <p>(b) State Government Guarantee/ Tri-Partite Agreement (TPA) signed between Reserve Bank of India, Central Government and State Government of the Buying Entity, covering security for payment of energy charges, as applicable</p> <p>(c) Payment Security Fund provided by the Buying Entity, and</p> <p>.....</p>
Amendment in the PSA document			
1.	1.1	“Delivery Point” shall mean the point at 220kV or above, where power from the Project is injected into the identified ISTS Substation (including the dedicated transmission line connecting the Projects	“Delivery Point” shall mean a <u>single point or multiple points</u> at 220kV or above, where power from the Project is injected into the identified ISTS Substation (including the dedicated transmission

		with the substation system) as specified in the RfS document.....	line connecting the Projects with the substation system) as specified in the RfS document.....
2.	1.1	“Project” or “Power Project” shall mean the Hybrid Power generation facility as per Schedule-I having separate points of injection into the grid at interconnection/metering point at ISTS substation or in case of sharing of transmission lines, by separate injection at pooling point. Each project must also have separate control systems and metering.	“Project” or “Power Project” shall mean the Hybrid Power generation facility as per Schedule-I having a <u>single point or separate points of injection</u> into the grid at interconnection/metering point(s) at ISTS substation or in case of sharing of transmission lines, by separate injection at pooling point. Each Project must also have separate control systems and metering. The rated capacities of the various Project components are as follows: Solar PV component: _____MW Wind power component: _____MW (to be filled as per project configuration).
3.	1.1	“Scheduled Commissioning Date” or “SCD” Shall mean the Date that is eighteen (18) months from the Effective Date of the SECI-HPD PPA or Effective Date of this Agreement, whichever is later;	“Scheduled Commissioning Date” or “SCD” shall mean(Enter the date that is as on (24) months from the Effective Date of the SECI-HPD PPA or Effective Date of this Agreement, whichever is later;
4.	4.2.6	New Clause	As part of scheduling of power from the Project, the HPD will be required to punch-in their respective schedules and subsequent revisions, by themselves, at the interfaces of all the RLDCs concerned for the corridor of power flow, including the RLDC of the Buying Entity/Discom, as per the Regulations in force, under intimation to SECI. SECI may facilitate in identification of any discrepancy and assist the SPD for its early rectification without any liability on SECI. The HPD shall be solely responsible for discrepancy identification and its rectification to avoid any rejection/less payment of invoices.
5.	9.3.6	New Clause	In the event of occurrence of an HPD Event of Default under the SECI-HPD PPA, the lenders in concurrence with the Buying Entity and SECI, may exercise their rights, if any, under Financing Agreements, to seek substitution of the HPD by a selectee for the residual period of the Agreement, for the purpose of securing the payments of the

			<p>total debt amount from the HPD and performing the obligations of the HPD. However, in the event the lenders are unable to substitute the defaulting HPD within the stipulated period, SECI may terminate the PPA and the Buying Entity may acquire the Project assets for an amount equivalent to 90% of the debt due or less as mutually agreed, failing which, the lenders may exercise their mortgage rights and liquidate the Project assets. Provided that any substitution under this Agreement can only be made with the prior consent of SECI including the condition that the selectee meets the eligibility requirements of Request for Selection (RfS) issued by SECI and accepts the terms and conditions of this Agreement.</p>
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FORMAT-6.3 C of the RfS and SCHEDULE 3 of the PPA document

Format of Payment on Order Instrument to be issued by IREDA/REC/PFC

(to be submitted separately for each Project)

No.

Date

SECI,

Registered

Reg: M/s _____ (insert name of the PPA signing entity) (Project No. _____ (insert project ID issued by SECI) – Issuance of Letter of Undertaking/ Payment on Order instrument in lieu of Performance Bank Guarantee (PBG) No. _____ issued by _____ (insert name of the Bank) dated _____ 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), it is now intended and proposed to issue this Payment on Order Instrument (POI) for an amount of Rs. _____ (Rupees _____ (in words)).
3. In consideration of the ----- [Insert name of the Bidder] (hereinafter referred to as selected Wind Power Developer') submitting the response to RfS inter alia for selection of the Project of the capacity of MW, at [Insert name of the place] under RfS for _____ (enter title 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 SECI) and SECI considering such response to the RfS of [insert the name of the selected Hybrid Power Developer] (which expression shall unless repugnant to the context or meaning thereof include its executors, administrators, successors and assignees) and selecting the Hybrid Power Project of the Hybrid Power Developer and issuing Letter of Award No ----- to (Insert Name of selected Hybrid Power Developer) as per terms of RfS and the same having been accepted by the selected HPD resulting in a Power Purchase Agreement (PPA) to be entered into, for purchase of Power [from selected Hybrid 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 SECI at [Insert Name of the Place from the address of the SECI] forthwith on demand in writing from SECI 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 Hybrid Power Developer / Project Company]

4. The Ministry of New and Renewable Energy, Government of India vide its letter dated 12th March 2020 has decided that to facilitate the promotion of solar and wind power development and implementation of the project by the Wind Power Developers who have entered into financing and funding agreements with IREDA/REC/PFC, the security by way of PBG in the form of Performance Bank Guarantee given by the Developers be allowed to be substituted by Letter of Undertaking/ Payment on Order Instrument issued by Non-Banking Finance Companies under the control of the Ministry of New and Renewable Energy and Ministry of Power. SECI and other nodal agencies appointed by the Government of India with whom the power developers have entered into Power Purchase Agreement may accept the same in place of PBG. The Ministry of New and Renewable Energy vide letter dated 12.03.2020 has, inter-alia, decided as under:

6. After carefully examining the matter, the Ministry have decided as follows:

- b) (i) SECT or NTPC or any other implementing agency on behalf of MNRE (henceforth called implementing agencies) may release the Performance Bank Guarantee (PBG) of any project if RE developers are able to replace the same with Letter(s) of Undertaking to pay in case situation of default of RE developer in terms of Power Purchase Agreement (PPA) arises, from Indian Renewable Energy Development Agency Limited (IREDA) or Power Finance Corporation Limited (PFC) or REC Limited (REC), the three non-banking financial institutions under Ministry of New & Renewable Energy (MNRE)/ Ministry of Power (MoP). These three financial institutions - IREDA or PFC or REC may issue such Letter(s) of Undertaking to pay only after securing their financial interests taking into account the security(ies) available with them as per their policy and after due diligence. These non-banking financial institutions would ensure that the security(ies) available with them are enough to cover full risk/ or exposure, which may arise on account of issue of such Letter(s) of Undertaking. Such Letter(s) may be termed as "Payment on Order instrument" and will have same effect as that of a Bank Guarantee issued by any public sector bank. This "Payment on Order instrument" would have terms and conditions similar to that of any Bank Guarantee given by any public sector bank and would promise to pay the implementing agencies on demand within stipulated time.*
- (ii) RE developers can seek such Letters(s) by offering due security to the above mentioned three non-banking financial institutions mentioned above (IREDA, PFC & REC) for seeking replacement of their Bank Guarantees already pledged with the implementing agencies.*
- (iii) For future projects, RE developers would be at liberty to either pledge Bank Guarantee(s) or Letter(s) of Undertaking as stated above towards Performance Bank Guarantee.*

(iv) The above decisions may be treated as amendments to the respective Standard Bidding Guidelines (SBG) (solar/wind) and notified accordingly.

(v) Implementing agencies shall not accept the instrument of 'Letter of Undertaking' as described above or in any other form, from any other non- banking financial institutions or bank, except IREDA, PFC & REC

5. 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 SECI on the following conditions:-

- (a) IREDA/REC/PFC agrees to make payment of the above said amount unconditionally, without demur and without protest within a period of _____ days of receipt of request from SECI 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 the against SECI;
- (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 (SECI 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 SECI made in any format within the validity period. IREDA/REC/PFC shall not require SECI to justify the invocation of the POI against the SPV/HPD, to make any claim against or any demand against the SPV/HPD or to give any notice to the SPV/HPD;

- (g) The POI shall be the primary obligation of IREDA/REC/PFC and SECI shall not be obliged before enforcing the POI to take any action in any court or arbitral proceedings against the SPV/HPD;
- (h) Neither SECI is required to justify the invocation of this POI nor shall IREDA/REC/PFC have any recourse against SECI in respect of the payment made under letter of undertaking;
6. 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.
7. In pursuance of the above, IREDA/REC/PFC and SECI have signed an Umbrella Agreement dated ____ setting out the terms and conditions for issue of letter of undertaking by IREDA/REC/PFC to SECI and the said terms and conditions shall be read as a part of this letter of undertaking issued for the project of the project of PP mentioned above.

Thanking you,

Yours faithfully

For and on behalf of

M/s. _____

(name of the POI issuing agency).

()

General Manager (TS)

Copy to:-

M/s. __PP_____

_____ As per their request

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General Manager (TS)