

POWER SALE AGREEMENT
FOR
SALE OF [_____MW] of RTC Power ON LONG TERM
BASIS
Between
Solar Energy Corporation of India Limited

And
[Insert the name of the Buying Entity/Utility]

This Power Sale Agreement is made on the day of of 2022 at,

Between

Solar Energy Corporation of India Limited, a company incorporated under the Companies Act 1956, having its registered office at 6th Floor, Plate-B, NBCC Office Block Tower-2, East Kidwai Nagar, New Delhi-110023 (hereinafter referred to as “SECI”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assignees) as a Party of the first part.

And

[Insert the name of the Buying Entity/Utility], a company incorporated under the Companies Act 1956, having its registered office at ____ (hereinafter referred to as “**Buying Entity**” or “**Buying Utility**” or “_____” 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 second part.

SECI and Buying Entity are individually referred to as ‘Party’ and collectively referred to as ‘Parties’

WHEREAS:

- A. The Government of India has announced the Policy for promotion of the renewable energy in the country and has set an ambitious target to achieve 500 GW of non-fossil-based installed energy capacity by the year 2030.
- B. The Ministry of Power, Government of India has issued the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Round-The-Clock Power from ISTS-connected Renewable (RE) Power Projects ('RE Projects'), complemented/balanced with power from any other source or storage ('Non-RE Projects'), vide Gazette Resolution dated 22.07.2020, including subsequent amendments and clarifications thereto, issued until ____ [Enter the last date of bid submission of the RfS].
- C. SECI has been designated as a Nodal Agency for developing and facilitating the establishment of the Grid connected RE Power capacity in India in terms of the above Policy of the Government of India;
- D. SECI had initiated a Tariff Based Competitive Bid Process for procurement of 2250 MW of the power generated from the ISTS-connected RE Power Projects complemented / balanced with power from any other source or storage (non-RE Projects) on the terms and conditions contained in the Request for Selection (hereinafter referred to as 'RfS') issued by SECI vide RfS No.....dated..... including its subsequent amendments and clarifications, if any;
- E. SECI has signed/will sign Power Purchase Agreements (PPAs) with the RE Power Developers (RPD) selected under the RfS mentioned herein below (hereinafter referred to as "RPDs") for procurement of _____ MW of contracted capacity of RE Power complemented / balanced with non-RE power, selected under the provisions of Request for Selection No. _____ dated _____ and subsequent amendment if any) based on the above Guidelines, if it is less than _____ MW, on a long-term basis, as indicated at Schedule-B of PSA;
- F. Buying Utility has agreed to purchase RE Power complemented / balanced with non-RE power from the SECI under the above RfS and accordingly, SECI has agreed to sign PPAs with RPDs for procurement of ____MW RE Power complemented / balanced with non-RE power ensuring RTC supply on a long-

term basis, as indicated at Schedule-B of PSA. Copy of the PPA(s) shall be submitted to Buying Utility within thirty (30) days of the signing of the PPA(s) and such PPA(s) shall become integral part of this Agreement (SECI-Buying Utility PSA).

- G. Pursuant to the aforesaid objective, the Parties are desirous of entering into a Power Sale Agreement (“PSA”) i.e. a definitive agreement, regarding purchase of Power under abovementioned RfS Documents. Pending execution of the necessary agreements and other relevant documents in relation to the transaction contemplated herein, the Parties wish to execute this PSA setting out the respective obligations of the Parties and the steps necessary to complete the transactions contemplated herein.

The Parties have accordingly agreed to enter into this PSA to record their understanding and agreement with regard to the purchase of power to be generated from the Project and in respect to the matters incidental or ancillary thereto, upon the terms and conditions set out herein below.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

- I This Agreement shall come into effect from signing of this Agreement by both the parties and such date shall be the Effective Date for the purpose of this Agreement.
- II The Buying Utility shall, upon signing of this Agreement, apply to the State Electricity Regulatory Commission within the jurisdiction of which the Buying Utility is operating as a licensee for approval of the power procurement in terms of Rule 8 of the Electricity Rules 2005.

Notwithstanding the Effective Date, the Condition Precedent for the enforcement of the obligations of either party against the other under this Agreement shall be the due adoption of the Tariff by the Central Electricity Regulatory Commission on the application/Petition filed for the said purpose. The parties acknowledge and agree that the Scheduled Commercial Operation Date for the RE Project has been agreed to in this agreement based on each of the Conditions Precedent contained above being duly accomplished not later than 60 days of submission of such petition by SECI/RPD or within 120 days from the date of signing of PSA,

whichever is more. In the event of delay beyond the deadline as above, of such fulfillment of Conditions Precedent, there shall be corresponding extension of Scheduled Commercial Operation date and extension of time for satisfaction of Conditions Subsequent, if the RPD has not started any work at site. Except for the above extensions of time there shall be no other financial implications on the weighted average levelized tariff applicable under this Agreement on account of such delay or extension in time.

The parties further acknowledge and accept that in case any of the Conditions Precedent remains to be fulfilled even after one (1) year from the Effective Date, unless the parties mutually agree otherwise, this Agreement shall stand terminated for all intent and purposes for non-satisfaction of Conditions Precedent with no obligation of any of the Parties to the other including to the non-RE power Generator.

- III The duration of this Agreement shall be coextensive and coterminous with the duration of the Power Purchase Agreement to be entered into between the SECI and the RPD for all intent and purposes.
- V Subject to the terms and conditions contained herein, SECI hereby agrees to sell and make available the electricity procured by SECI from the RPD on the terms and conditions contained in the PPA to be entered into between SECI and the RPD, as per the initialed PPA (Schedule "A") on a back to back basis, to Buying Entity.
- VI. Buying Entity hereby acknowledges and accepts that SECI is an Intermediary to facilitate the promotion of RE Power complemented / balanced with non-RE power ensuring RTC supply and to purchase and re-sell the electricity to the distribution licensees to enable them to fulfill the its requirements including but not limited to Renewable Purchase Obligation and, therefore, the sale of electricity by SECI to Buying Entity under this Agreement shall be entirely on a back to back basis to the purchase of electricity by SECI from the RPDs under the SECI-RPD PPA, with the intent that there shall be no residual liability on the SECI towards the RPD which will not be fulfilled by the Buying Entity. Further, the combined liability of SECI arising out of this Agreement and Power Purchase Agreement shall be limited to the Trading Margin (i.e. Rs 0.07/kWh) received under this Agreement.
- VII. In accordance with the above and except as otherwise specifically provided in this agreement, the rights and obligations of Buying Entity under this agreement shall be available and enforceable entirely and effectively on a back to back basis to the rights

and obligations of the SECI in the SECI-RPD PPA and in the event SECI is not in a position to enforce its rights against the RPD or is subject to any obligation to be performed towards RPD, Buying Entity shall be liable to perform such obligation or shall be entitled to such rights only on a mutatis mutandi basis, without any additional or independent exposure whatsoever to SECI.

- VIII. Except as otherwise specifically provided in this agreement, Buying Entity acknowledges and accepts that the terms and conditions of the SECI- RPD PPA shall mutatis mutandi apply to this Agreement between the parties. Buying Entity agrees to correspondingly fulfill, on back to back basis, all the obligations assumed by SECI towards RPD. Buying Entity further agree, acknowledge and accept that as an Intermediary, SECI is not assuming any obligation to Buying Entity over and above the obligation which the RPD shall duly performs under the SECI – RPD PPA.
- IX. SECI has agreed with the RPD in regard to the payment of money becoming due to RPD under the SECI – RPD PPA and SECI shall be liable to discharge the payment obligation in terms of the provisions of the SECI- RPD PPA. Accordingly, Buying Entity agrees to effectively securitize the payment of money becoming due from Buying Entity to SECI as detailed in this Agreement
- X. The parties agree that in respect of the obligations other than the payment obligation specifically mentioned herein above, in the event Buying Entity has any claim against SECI in regard to the performance of any obligation of SECI under this Agreement or enforcement of any right of Buying Entity against SECI under this Agreement, the same shall be subject to the ability of SECI to enforce the corresponding obligations assumed by RPD to SECI under the SECI-RPD PPA. SECI shall not be required to perform and implement the obligations of SECI or agree to the enforcement of the rights of Buying Entity under this Agreement till such time the corresponding obligations under SECI-RPD PPA is duly implemented by the RPD and in case of monetary obligations the amount is received by SECI from the RPD. In the event of any such claim arising at the instance of Buying Entity, the parties shall discuss on the course of action to be initiated by SECI against the RPD for enforcement of the corresponding obligation and all proceedings to be initiated by SECI against the RPD for such enforcement shall be pursued by SECI in consultation with Buying Entity.
- XI. The parties hereby agree that the Liquidated Damages are payable by RPD under the SECI-RPD PPA for the delay in the commissioning of the RE Projects and for short

supply of the RE capacity and availability of RE Power complemented / balanced with non-RE power ensuring RTC supply, shall be credited to the Payment Security Fund.

- XII. The parties agree that the various terms contained in the SECI–RPD PPA such as Scope of Project, Terms of the Agreement, Performance Guarantee, Conditions Subsequent, Obligations of the respective Parties, Construction of the Power Generation Capacity, Synchronization, Commissioning and Commercial Operation, Operation and Maintenance, Purchase and Sale of Power, Measuring and Metering, Scheduling and Dispatch of Power, Billing and Power Accounting, Liabilities, Force Majeure, Events of Default, Termination, Transfer, Change in Law, Indemnity, Insurance, Assignment and Changes, Financing and Bankability, Representations and Warranties, Governing Law, Notices and all other Miscellaneous Terms provided in the SECI- RPD PPA shall mutatis mutandi apply to this agreement between SECI and Buying Entity.
- XIII. The Buying Entity shall be responsible to for directly coordinating and dealing with the RPD, State Load Dispatch Centers, Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and despatch of RE Power complemented / balanced with non-RE power ensuring RTC supply and due compliance with deviation and settlement mechanism and the applicable Grid code Regulations, acknowledging that the RPD and Buying Entity are the Grid connected entities and SECI as intermediary procurers/ trading licensee is not a Grid connected entity in respect of the Power contracted under this Agreement;
- XIV. The Buying Entity shall be responsible for obtaining Grid Access as per the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, within 30 days of signing of PSA, at its own risk and cost.

Article 1. APPLICABLE TARIFF

- 1.1** The Tariff applicable for the sale of Solar Power by SECI to the Buying Entity under this Agreement shall be the Tariff as applicable for payment by SECI to RPD under the terms of the Power Purchase Agreement between SECI and the RPD (Individual RPDs tariff as per schedule B) for entire term of agreement at delivery point and in addition thereto a trading margin of Seven (7) paisa/kWh shall be payable by the Buying Entity to SECI which SECI shall be entitled to appropriate as its income.
- 1.2** As per provisions of the PPA, the RPDs are permitted for full as well as part commissioning of the Project even prior to the SCD. In case of early part/full commissioning of the Project(s) prior to SCD, Buying Entity may purchase the power at the Applicable tariff as per the PPA, plus SECI's Trading Margin of Rs 0.07/kWh, (Seven Paisa per kWh)]. Subsequent to SCD, Buying Entity shall purchase the power at the Applicable tariff as per the PPA, plus SECI's Trading Margin of Rs 0.07/kWh.

However, energy procurement from the Project upon early part/ full commissioning of the Project shall be subject to the approval of the Buying Entity. Such intimation regarding consent to procure energy from early commissioning shall be provided by the Buying Entity within 7 days of receipt of the request being made by SECI, beyond which, it would be considered as deemed refusal on part of the Buying Entity.

Article 2. BILLING AND PAYMENT

2.1 General

The parties acknowledge and accept that the Electricity (Late Payment Surcharge and related matters) Rules, 2022 [hereinafter referred to as '**Rules**'] notified by the Central Government in exercise of the power conferred by Sub-section (1) of Section 176 of the Electricity Act, 2003 shall apply and govern the terms and conditions of this Agreement (PSA) in regard to matters contained in the said Rules including but not limited to the Late Payment Surcharge, adjustment towards the Late Payment Surcharge, Payment Security mechanism-its operations and consequences, actions of Defaulting Entities, supply obligation of RPD, power not requisitioned by the Buying Entity, the order of payment and adjustment towards late payment surcharge and indemnification. The above shall apply both in regard to the present agreement as well

as on mutatis mutandi and back to back basis to the PPA. The Rules referred to hereinabove being statutory shall, to the extent applicable, supersede any provisions in this Agreement (PSA) and PPA which are inconsistent or contrary to the provisions of the Rules.

Subject to the above, from the commencement of supply of power by SECI, the Buying Entity shall pay to SECI the monthly Tariff Payments, on or before the Due Date, in accordance with Tariff as specified in Article 1. All Tariff Payments by the Buying Entity shall be in Indian Rupees.

SECI shall issue to the Buying Entity a signed Monthly Bill every month, either through e-mail or any other means on any business day of the month, prepared based on provisional energy of the preceding month (except for first month which shall be computed based on the quantum of power offered and energy supplied with minimum availability of 90% and RE energy of 51%). However, hard copy of the bill will also be sent by SECI to the Buying Entity, afterwards. The monthly bill shall also include the following:

- i) Adjustments bill against the Provisional Bills based on applicable energy account/JMR for the power supplied in the preceding months
- ii) Late Payment Surcharge if any
- iii) Taxes, duties Levies etc, as applicable

2.2. Payment of Monthly Bills

2.2.1 The Buying Entity shall pay the amount payable under the Monthly Bill on or before the Due Date i.e. within 30 days of presentation of bill within official hours, to such account of SECI, as shall have been previously notified to the Buying Entity in accordance with Article 2.2.2 below.

2.2.2. SECI shall open a bank account at New Delhi ("SECI's Designated Account") for all Tariff Payments to be made by the Buying Entity to SECI, and notify the Buying Entity of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. The Buying Entity shall also designate a bank account at _____. The Buying Entity shall inform SECI the details of such account ninety (90) Days before the dispatch of the first Monthly Bill. SECI and the Buying Entity shall instruct their respective bankers to make all payments under this

Agreement to the Buying Entity' Designated Account or SECI's Designated Account, as the case may be, and shall notify either Party of such instructions on the same day.

2.3 Late Payment Surcharge

In the event of payment of a Monthly Bill by the Buying Entity beyond the Due Date, a Late Payment Surcharge (LPS) shall be payable by the Buying Entity to SECI 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 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 SECI through the Supplementary Bill. Late Payment Surcharge shall be payable on the outstanding payment beyond the Due Date 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 percent (50 bps) for every month of delay provided that the Late Payment Surcharge shall not be more than 3 percent higher than the base rate at any time:

(a) **Regulation of access to defaulting entities-** In case of non-payment of dues by the Buying Entity even after two and half months from presentation of bill by SECI, or in case of default in the payment of instalments fixed under rule 5 of the Rules referred in Article 2.1, the power supply to the defaulting entity shall be regulated as follows: -

- (1) Short-term access, for sale and purchase of electricity including in the power exchange shall be regulated entirely: Provided that the same shall be also applicable on already approved short-term access: Provided further that the National Load Despatch Centre may, under exceptional circumstances for grid security, temporarily review the regulation of short-term access under this rule, and record the reasons for doing so, in writing.

- (2) If, even one month after the regulation of the short-term access or if the dues have remained unpaid for three and a half months, apart from the regulation of the short-term access in its entirety, the long and medium-term access shall be regulated by ten per cent (10%).
 - (3) Reduction or withdrawal of long-term access and medium-term open access shall be in such manner that the quantum of reduction in drawl schedule increases progressively by ten per cent (10%) for each month of default.
 - (4) On payment of outstanding dues, the regulation of access under this rule shall end and it shall be restored at the earliest, but not later than two days.
 - (5) National Load Despatch Centre shall issue detailed procedure to implement the regulation of access according to these rules.
 - (6) In case of such reduction of drawl schedule, the liability for payment of capacity charges for its original share in SECI as also the inter-state transmission charges shall remain with the regulated entity.
- (b) All payments by the Buying Entity to SECI for power procured from it shall be first adjusted towards Late Payment Surcharge and thereafter, towards monthly charges, starting from the longest overdue bill.

Order of payment and adjustment towards Late Payment Surcharge - All the bills payable by the Buying Entity to SECI for the energy procured from it, shall be time tagged with respect to the date and time of submission of the bill and the payment made by the Buying Entity shall be adjusted first against the oldest bill and then to the second oldest bill and so on, so as to ensure that payment against a bill is not adjusted unless and until all bills older than it have been paid for.

- (c) 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.

2.4 Rebate

For payment of any Bill on or before Due Date, the following Rebate shall be paid by the SECI to Buying Entity in the following manner

- a) A Rebate of 1.5% shall be payable to the Buying Entity for the payments made within a period of 5 days of the date of presentation of bills.
- b) Any payments made beyond a period of 5 days upto and including the 20th Day from the date of presentation of bills through email, shall be allowed a rebate of 1%.
- c) No Rebate shall be payable on the Bills raised on account of taxes, duties, cess etc. and Late Payment Surcharge.

2.5 Payment Security Mechanism

(A) Letter of Credit (LC):

- 2.5.1 The Buying Entity shall provide to SECI, in respect of payment of its Monthly Bills, a single, unconditional, revolving and irrevocable letter of credit (“Letter of Credit”), opened and maintained by the Buying Entity, which may be drawn upon by SECI in accordance with this Article. The Buying Entity shall provide SECI draft of the Letter of Credit proposed to be provided to SECI two (2) months before the Scheduled Commissioning Date.
- 2.5.2 Not later than one (1) Month before the Start of Supply, the Buying Utility shall through a scheduled bank at _____ open a Letter of Credit in favour of SECI, to be made operative at least 15 days prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of twelve (12) Months and shall be renewed annually for an amount equal to:
 - i) for the first Contract Year, equal to 110% of the estimated average monthly billing;
 - ii) for each subsequent Contract Year, equal to 110% of the average of the monthly billing of the previous Contract Year.
- 2.5.3 SECI shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill, and shall not make more than one drawl in a Month provided that there are no outstanding dues.
- 2.5.4 Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 2.5.2 due to any reason whatsoever, the Buying Entity shall restore such shortfall within seven (7) days.

- 2.5.5 The Buying Entity shall cause the scheduled bank issuing the Letter of Credit to intimate SECI, in writing regarding establishing of such irrevocable Letter of Credit and any of the changes therein.
- 2.5.6 The Buying Entity shall ensure that the Letter of Credit shall be renewed not later than its expiry.
- 2.5.7 All costs relating to opening, maintenance of the Letter of Credit shall be borne by the Buying Entity.
- 2.5.8 If the Buying Entity fails to pay a Monthly Bill or part thereof within and including the Due Date, then, subject to Article 2.5.3 and 2.9, SECI may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from the Buying Entity, an amount equal to such Monthly Bill or part thereof, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:
- i) a copy of the Monthly Bill which has remained unpaid by the Buying Entity;
 - ii) a certificate from SECI 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;

2.6 State Government Guarantee

The Buying Utility shall extend the State Government Guarantee, in a legally enforceable form, such that there is adequate security, both in terms of payment of energy charges and termination compensation if any [for the purpose of this clause, the Tri-Partite Agreement (TPA) signed between Reserve Bank of India, Central Government and State Government shall qualify as State Government Guarantee covering the security for payment of energy charges]. SECI shall ensure that upon invoking this guarantee, it shall at once, pass on the same to the RPD(s), to the extent the payments to the RPD(s) in terms of the PPA are due. Provided that in cases where the Buying Entity is neither covered by the TPA nor is able to provide the State Government Guarantee, the Buying Entity shall pay to SECI an additional risk premium of Rs. 0.10/kWh which shall be credited to the payment security fund maintained by the SECI, in addition to Letter of Credit to be maintained by the Buying Entity as per Article 2.5.2 above.

It is hereby clarified that the State Government guarantee shall be invoked only after SECI has been unable to recover its dues under the PSA by means of the Letter of Credit and the Payment Security Fund, if any.

2.7 Payment Security Fund

In addition to provisions contained in Article 2.6 above, the Buying Entity shall provide Payment Security Fund, which shall be suitable to support payment of at least 3 (three) months' billing, of all the Projects tied up with such fund.

It is hereby clarified that the State Government guarantee shall be invoked only after the SECI has been unable to recover its dues under the PSA by means of the Letter of Credit and the Payment Security Fund.

2.8 Third Party Sales by SECI

2.8.1 Notwithstanding anything to the contrary contained in this Agreement, SECI shall be entitled to but not obligated to regulate supply of Power of the Buying Utility in case of Default in making payment by the 15th day after the Due Date of the Buying Utility. SECI shall issue the Notice for Regulation of Power Supply on the date above and shall give a notice of 15 days to start the regulation on the 16th day thereafter.

2.8.2 Regulation of power supply would be on pro rata basis i.e., in the ratio of amount due and unpaid to total amount due against the relevant Monthly Bill.

2.8.3 In order to avoid any doubts, it is illustrated that:

In the event of a bill amounting to Rs. 25 Crore is unpaid to the extent of Rs. 10 Crore, SECI would have a right to regulate and sell Buying Utility's allocation of the power to third parties to the extent of 40% (i.e. $10/25 \times 100$). SECI/RPD shall have the right to divert the Power or part thereof and sell it to any third party namely;

- i) Any consumer, subject to applicable Law; or
- ii) Any licensee under the Act;

SECI shall request the concerned SLDC/RLDC to divert such power to third party as it may consider appropriate.

Provided that such sale of power to third party shall not absolve Buying Entity from its obligation to pay in full to SECI for the obligation for the purchase of Power as per Schedule-A & B of this Agreement and any other outstanding payment liability of Buying Entity as per this Agreement. Further, in such case, Buying Entity shall have the unconditional obligation to provide and facilitate all necessary clearances and

support for the evacuation of power to the third party to whom the power is diverted and further to bear any and all incremental charges and losses including but not limited to application fee, connectivity, open access, ISTS charges & Losses, transmission, wheeling, Unscheduled Interchange, Scheduling, Reactive power, RLDC. These obligations are assumed by the Buying Entity as being necessarily arising out of the failure to draw the power generated and duly discharge the payment obligation arising therefrom.

The rights of SECI under this clause is without prejudice to other rights provided under the Agreement.

- 2.8.5 The amount realized from the diversion and sale of power to third party over and above the Applicable Tariff, any charges including open access charges and other costs etc. shall be adjusted first against the pending liability of the Buying Utility. Deficit if any shall be made good by the Buying Utility.
- 2.8.6 Sales to any third party shall cease and regular supply of electricity to the Buying Utility shall commence and be restored within thirty (30) days from the date of clearing all outstanding dues payable to SECI for the Power under this Agreement.
- 2.8.7 Further, the liability of the Buying Utility to make the Tariff Payments to SECI as per Energy Accounts shall start from the day of such restoration of supply of power and shall continue for such periods wherein such power was made available by RPD for usage by the Buying Utility

2.9 Disputed Bill

- 2.9.1 If the Buying Entity does not dispute a Monthly Bill raised by the other Party within fifteen (15) days of receiving such Bill shall be taken as conclusive and binding.
- 2.9.2 If Buying Entity disputes the amount payable under a Monthly Bill it shall pay undisputed amount of the invoice amount and it shall within fifteen (15) 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.

- 2.9.3 If the SECI agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 2.9.2, the SECI shall make appropriate adjustment in 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 Buying Utility and up to and including the date on which such payment has been received as refund.
- 2.9.4 If the SECI does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 2.9.2 it shall, within fifteen (15) days of receiving the Bill Dispute Notice, furnish a notice (Bill Disagreement Notice) to the disputing Party 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.
- 2.9.5 Upon receipt of the Bill Disagreement Notice by the Buying entity under Article 2.9.4, authorized representative(s) or a director of the board of directors/ member of board of the Buying entity and SECI shall meet and make best endeavors to amicably resolve such dispute within fifteen (15) days of receipt of the Bill Disagreement Notice.
- 2.9.6 If the Parties do not amicably resolve the Dispute within fifteen (15) days of receipt of Bill Disagreement Notice pursuant to Article 2.9.4, the matter shall be referred to Dispute resolution in accordance with governing Laws and Dispute resolution in PPA.
- 2.9.7 For the avoidance of doubt, it is clarified that despite a Dispute regarding an Invoice, the Buying entity shall, without prejudice to its right to Dispute, be under an obligation to make payment of 50% of the invoice amount in the Monthly Bill.

2.10 Quarterly and Annual Reconciliation

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

2.10.2 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 Buying Utility and SECI shall jointly sign such reconciliation statement. After signing of a reconciliation statement, the SECI shall make appropriate adjustments in the following Monthly Bill, with Surcharge/Interest, as applicable. Except for the Tariff adjustment made during the period from commencement of supply to commissioning of the cumulative awarded capacity/accepted cumulative capacity by SECI, 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 of PPA.

2.11. Renewable Purchase Obligation

2.11.1 The Buying Utility may identify the energy procured from the RPD Delivery Point to meet its renewable purchase obligations (as mandated by the Appropriate Commission). Provided that the renewable purchase obligation of the Buying Utility shall be considered to be met by the Buying Utility only if there is no payment default for such energy procured by the Buying Utility and a certificate to such effect shall be provided by SECI to the Buying Utility.

2.11.2 SECI shall provide such certificate identifying the quantum of RE energy (Solar & Wind) supplied by SECI and being met by the Buying Utility for each Contract Year not later than 30 days of the reconciliation for such Contract Year.

2.11.3 The provisions of Article 4.4 of the PPA shall be applicable mutatis mutandi to this Agreement.

2.11.4 Notwithstanding Article 2.11.3, the RPD, at its own risk and cost, shall be allowed to supply power in excess of block-wise off-take by Buying Utility to any third party or power exchange without requiring any NOC from SECI/Buying Entity. However, in case at any point of time, the peak of capacity at the injection point reached is higher than the Contracted Capacity and causes disturbance in the system at the point where power is injected, the RPD will not undertake the excess generation and reduce the output to the rated capacity and shall further be liable to pay the penalty/charges (if

applicable) as per applicable regulations / requirements / guidelines of CERC / SERC /SLDC or any other competent agency. Any energy produced and flowing into the grid before Scheduled Commercial Operation Date shall not be to the account of or at the cost of SECI/ Buying Entity(ies). SECI may however agree to buy such power at a tariff as agreed to between SECI and the Buying Entity (including SECI's trading margin), provided the Buying Utility consents for purchase of such power.

2.11.5 The compensation as per Article 4.4.3 of the PPA shall be applied to the amount of shortfall in generation, annual availability along with monthly availability for at least 11 months in a Contract Year and annual peak hour availability during any Contract Year. However, this compensation shall not be applicable in events of Force Majeure identified under this Agreement affecting supply of power by SECI/RPD, Grid Non-Availability beyond control of the RPD and inability of the Buying Entity to offtake Scheduled Power/ Energy (as applicable).

2.12 Payment of Supplementary Bill

2.12.1 SECI may raise a "Supplementary Bill" for payment on account of:

- i) Change in Law as provided in Article 12 of PPA, or
- ii) Any subsequent revision in energy account by concerned RLDC/SLDC, as applicable, or
- iii) Payment under Article 2.13 and other charges, if any.

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

2.12.2 Buying Entity shall remit all amounts due under a Supplementary Bill raised by the SECI to the SECI's Designated Account by the Due Date.

2.12.3 In the event of delay in payment of a Supplementary Bill by either Party beyond its Due Date, a Late Payment Surcharge shall be payable at the same terms applicable to the Monthly Bill in Article 2.3.

2.13 Offtake constraints due to Transmission Infrastructure /Grid Unavailability & Backdown

2.13.1 Generation Compensation in offtake constraints due to Grid Unavailability: During the operation of the Project, 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 RPD. In such cases, subject to the submission of documentary evidences from the competent authority, the generation compensation shall be restricted and payable by the Buying Utility as under, and there shall be no other claim, directly or indirectly against SECI:

Duration of Grid unavailability	Provision for Generation Compensation
Grid unavailability beyond 175 hours in a Contract Year, as defined in SECI-RPD PPA	$\text{Generation Compensation} = ((\text{RE Tariff} \times \text{RE power (MW) offered but not scheduled by Procurer}) + (\text{Non-RE Fixed Charge} \times \text{power from other source (MW) offered but not scheduled by Procurer})) \times 1000 \times \text{No. of hours of grid unavailability}$

The above compensation will be paid to the RPD on an annual basis.

2.13.2 [Void].

2.13.3 Payment in case of reduced offtake: The RPD and the Buying Utility 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 offtake of power is not done by the Buying Utility, including non-dispatch of power due to non-compliance with “Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees” and any clarifications or amendment thereto, considering the principle of ‘must run’ status for RE Power, and the Fixed charges for non-RE power, if any, the RPD shall be eligible for payment from the Procurer, corresponding to the reduced offtake, in terms of following manner. For claiming compensation, the RPD 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 Procurer.

Reduced offtake	Provision for Generation Compensation
	<p>Generation Compensation = <i>((RE Tariff x RE power (MW) offered but not scheduled by Procurer) + (Non-RE Fixed Charge x power from other source (MW) offered but not scheduled by Buying Entity)) X 1000 X No. of hours of Reduced Offtake</i></p> <p>However, any amount realized by the RPD, by third party sale or sale in the power exchange as price taker for RE power or sale in the power exchange for non-RE power of such power which was offered but not scheduled, shall be shared with the Buying Entity in the following manner, after deducting expenses, if any, in such sale, and shall be adjusted against the Generation compensation payable, on monthly basis.</p> <p>(a) For RE Power: 95% of realization after deducting actual expenses, if any, in such sale</p> <p>(b) For Non-RE Power : 95% of realization above variable Charges of Non-RE Tariff after deducting actual expenses, if any, in such sale.</p>

Weighted average levelized Tariff shall be the Applicable Tariff as per Article 9 of PPA.

The RPD shall be eligible for payment from the Buying Entity, 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 Regional Energy Accounts (REA). No Trading Margin shall be applicable on this Payment.

The RPD 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. The Generation Compensation shall be paid as part of the energy bill for the successive month after receipt of Energy Accounts (REA)/SEA/JMR. No Trading Margin shall be applicable on the Generation Compensation as provided in Article 2.13.3 only.

It is hereby clarified that for the purpose of Article 2.13 “generation” shall mean scheduled/actual energy as applicable based on Energy Accounts.

Article 3: EVENTS OF DEFAULT AND TERMINATION

3.1 Buying Entity Event of Default

3.1.1 The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event, shall constitute a Buying Entity Event of Default:

- (i) Any amount subject to Article remains outstanding beyond a period of ninety (90) days after the Due Date and SECI is unable to recover the amount outstanding from the Buying Entity through the Letter of Credit, Payment Security Fund and; or
- (ii) The Buying Entity fails to evacuate power from the Delivery Points for a continuous period of one year.
- (iii) if (a) the Buying Entity becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or (b) any winding up or bankruptcy or insolvency order is passed against the Buying Entity, or (c) the Buying Entity 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 Buying Entity will not be a Buying Entity 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 Buying Entity and expressly assumes all obligations of the Buying Entity under this Agreement and is in a position to perform them; or

- (iv) the Buying Entity repudiates this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from SECI in this regard; or
- (v) except where due to any SECI's failure to comply with its material obligations, the Buying Entity is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the Buying Entity within thirty (30) days of receipt of first notice in this regard given by SECI.
- (vi) Occurrence of any other event which is specified in this Agreement to be a material breach/ default of the Buying Entity.

3.2 Procedure for cases of Buying Entity Event of Default

- 3.2.1 Upon the occurrence and continuation of any Buying Entity Event of Default under Article 3.1, SECI shall have the right to deliver to the Buying Entity a notice, stating its intention to terminate this Agreement (SECI Preliminary Default Notice), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- 3.2.2 Following the issue of SECI Preliminary Default Notice, the Consultation Period of sixty (60) 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 have to be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- 3.2.3 During the Consultation Period, the Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- 3.2.4 Within a period of seven (7) days following the expiry of the Consultation Period unless the Parties shall have otherwise agreed to the contrary or the Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, the SECI may terminate this Agreement by giving a written Termination Notice of thirty (30) days to the Buying Entity
- 3.2.5 Subject to the occurrence and continuation of default by as contained under Article 3.1 and before expiry of time period of 30 days as per Clause 3.2.4,
- 3.2.6 Subject to the prior consent of the SECI, the Buying Entity shall novate its part of the PSA to any third party, including its Affiliates within the period of 210 days beyond the period as per 3.2.4,
- 3.2.7 In the event the aforesaid novation is not acceptable to SECI / RPD, or if no offer of novation is made by the defaulting Buying Entity, then SECI on expiry of 30 days as provided in article 3.2.4 may terminate the PSA and at its discretion require the defaulting Buying Entity to either:
- (i) takeover the RE Project assets by making a payment of the termination compensation equivalent to the amount of the Debt Due (on the concerned RE

Project) and 110% (one hundred and ten per cent) of the Adjusted Equity (on the concerned RE Project) less Insurance Cover, if any, or

(ii) pay to the RPD, damages, amount equivalent to the last 6 (six) months average billing, or balance PPA period whichever is less, of charges for its contracted capacity, with the Project assets being retained by the RPD.

(iii) Further, in the event of termination of PPA, any damages or charges payable to the STU/ CTU, for the connectivity of the plant, shall be also borne by the Buying Entity

3.3 Termination due to Force Majeure

If the Force Majeure Event or its effects continue to be present beyond a period of as specified in the PPA; either Party shall have the right to cause termination of the Agreement. In such an event this Agreement shall terminate on the date of such Termination Notice without any further liability to either Party from the date of such termination.

3.4. Termination of back to back agreements

In case of termination of SECI-RPD PPA, this Agreement shall automatically terminate, to the extent of particular SECI-RPD PPA. Provided that in case of such termination as identified in this Article any pending monetary liabilities of either Party shall survive on the termination of this Agreement. In the event of termination of PPA/PSA, any damages or charges payable to the STU/ CTU, for the connectivity of the plant, shall be borne by the Buying Entity.

ARTICLE 4: MISCELLANEOUS PROVISIONS

4.1 Amendment

4.1.1 This Agreement may only be amended or supplemented by a written agreement between the Parties, with the approval of the Appropriate Commission, if necessary. Subject to the provisions of the RfS Document and keep this Agreement as principle Agreement, both Parties may execute further Agreement on similar terms and conditions.

4.2 Third Party Beneficiaries

4.2.1 This Agreement is solely for the benefit of the Parties, RPD 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.

4.3 Waiver

4.3.1 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 authorized representative of such Party:

4.3.2 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.

4.4 Confidentiality

4.4.1 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:

- a) to their professional advisors;
- b) 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
- c) disclosures required under Law without the prior written consent of the other Party.

4.5 Severability

4.5.1 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.

4.6 Notices

4.6.1 All notices or other communications which are required to be given under this Agreement shall be in writing and in the English language.

4.6.2 If to the Buying entity, 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.:

4.6.3 If to SECI, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the address below:

Name:

Designation:

Address: Solar Energy Corporation of
India Limited, 6th Floor, Plate-B,
NBCC Office Block Tower-2,
East Kidwai Nagar, New Delhi-
110023

Email:

Fax. No:

Telephone No

4.7 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.

4.8 The duly executed Power Purchase Agreement between SECI and RPD shall be attached to this Agreement and shall be read along with Agreement as a composite back to back process for Generation and supply of electricity to Buying Entity to fulfill requirements of the Buying Entity including the Renewable Purchase Obligations under the provisions of the Electricity Act, 2003 and the Regulations notified thereunder.

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
[SECI]

For and on behalf of
[_____]

Signature with seal

1. Witness

2. Witness

SCHEDULE A

PPA

SCHEDULE B

(List of RE Power Developers)

SCHEDULE C: Billing Methodology

AMOUNT REALISATION FOR SALE OF POWER

- (i) The billing to Buying Entity shall be done by SECI for realization of amount for Power.
- (ii) The payments to be made by Buying Entity to SECI for the Power in a Monthly Invoice shall comprise of amounts to be realized for Power.
- (iii) The Bills shall be raised by SECI to Buying Entity as mentioned under:

1. Provisional Billing for Power for the applicable month-

(a) Provisional Amount for power based on previous month invoice

$$A_p = (E_p \times T_p)$$

Where,

A_p = Provisional Billing amount (in Rs.) for Power for the applicable Month;

E_p = No. of units (kWh) as per the SEA/JMR

T_p = tariff (in Rs./kWh) of the respective Project as per Schedule B + Trading Margin of SECI @ Rs 0.07/kWh i.e Rupees Seven Paisa/kWh)

(b) Final billing will be computed through Credit/Debit note as applicable based on actual generation of plants for applicable month