POWER SALE AGREEMENT

FOR

SUPPLY OF ENERGY FROM __ MW/__ MWh OF BESS CAPACITY ON LONG TERM BASIS

Between

Solar Energy Corporation of India Limited

And

_____ [Enter name of the Buying Entity/Utility]

This Power Sale Agreement is made on the …….. day of …… of 20__ at ……,

Between

Solar Energy Corporation of India Limited, a company incorporated under the Companies Act 2013, having its registered office at …… (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

……..[Enter name of the Buying Entity/ Utility], a company incorporated under the Companies Act 1956/ 2013, having its registered office at ……. (hereinafter referred to as "**Buying Entity" or "Buying Utility**" 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 Ministry of Power, Government of India has issued the "Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution assets, along with Ancillary Services" vide Resolution dated 10th March 2022, including subsequent amendments and clarifications thereof, if any, issued until _____ [Enter the last date of bid submission of the RfS].

B. SECI has been designated as a Nodal Agency for developing and facilitating the establishment of the Grid connected Battery Energy Storage Capacity in India in terms of the Policy / Guidelines issued by the Government of India;

C. SECI had initiated a Tariff Based Competitive Bid Process for supply of energy from ____ MW/____ MWh of ISTS connected Standalone Battery Energy Storage System Project (Project) on the terms and conditions contained in the Request for Selection Documents (hereinafter referred to as 'RfS') issued by SECI vide RfS No…….. dated……., including its subsequent amendment(s) and clarification(s), if any;

D. SECI has signed/will sign Power Purchase Agreements (PPAs) with the Battery Energy Storage System Developers (BESSDs) selected under the RfS mentioned herein above (hereinafter referred to as "BESSDs") for procurement of energy from _____ MW/_____ MWh of BESS Capacity from the Project(s) selected under the provisions of Request for Selection No. _____ dated _____ and subsequent amendments and clarifications, if any, based on the above mentioned Guidelines, on a long-term basis, as indicated at Schedule-B of PSA;

E. Buying Entity has agreed to purchase energy discharged from the BESS Capacity from SECI under the above RfS and accordingly, SECI has agreed to sign Power Purchase Agreements (PPAs) with BESSD for procurement of energy from ____ MW/ _____ MWh BESS Capacity on a long-term basis, as indicated at Schedule-B of PSA. Copy of the PPA(s) shall be submitted to Buying Entity within thirty (30) days of the signing of the PPA(s) and such PPA(s) shall become integral part of this Agreement (SECI-Buying Entity PSA).

F. 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 energy from BESS Project(s) under above mentioned 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 discharged energy from BESS Capacity 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 Entity shall, upon signing of this Agreement, apply to the State Electricity Regulatory Commission within the jurisdiction of which the Buying Entity is operating as a licensee for approval of the power procurement in terms of Rule 8 of the Electricity Rules 2005 (if applicable).

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 120 days after the Effective Date of the PPA, SECI and/or the Buying Entity shall obtain adoption of tariff from its State Electricity Regulatory Commission and/or CERC (as applicable), on the terms and conditions contained in this Agreement read with the terms and conditions contained in the PPA entered into between SECI and the BESSD. The Parties agree that in the event the order of adoption of tariff as mentioned above is not issued by the SERC and/or CERC (as applicable) within the time specified above, this shall entail a corresponding extension in Scheduled Financial Closure and the Scheduled Commissioning Date of the Projects for equal number of days for which the CERC/SERC order has been delayed beyond the above deadline.

III The duration of this Agreement shall be co-extensive and co-terminus with the duration of the PPA to be entered into between the SECI and the BESSD for all intent and purposes.

IV Subject to the terms and conditions contained herein, SECI hereby agrees to sell and make available the energy from the BESS Capacity procured by SECI from the _____MW/_____MWh Project to be set up by the BESSD at _____ in _____ [Enter the location of the Projects] on the terms and conditions contained in the PPA to be entered into between SECI and the BESSD, as per the initialed PPA (Schedule "A") on a back to back basis, to Buying Entity.

V. Buying Entity hereby acknowledges and accepts that SECI is an Intermediary to facilitate the promotion of BESS Capacity and to purchase and re-sell the discharged energy from BESS Capacity to the Buying Entities to enable them to fulfill its requirements including but not limited to the Renewable Consumption Obligation/ Energy Storage Obligations/ energy demand and, therefore, the sale of discharged energy from BESS Capacity by SECI to Buying Entity under this Agreement shall be entirely on a back to back basis to the purchase of discharged energy from the BESS Capacity by SECI from the BESSDs under the SECI-BESSD PPA, with the intent that there shall be no residual liability on the SECI towards the BESSD which will not be fulfilled by the Buying Entity.

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

VII. Except as otherwise specifically provided in this agreement, Buying Entity acknowledges and accepts that the terms and conditions of the SECI-BESSD PPA shall mutatis mutandis 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 BESSD. Buying Entity further agrees, acknowledges and accepts that as an Intermediary, SECI is not assuming any obligation to Buying Entity over

and above the obligation which the BESSD shall duly perform under the SECI – BESSD PPA.

VIII. SECI has agreed with the BESSD in regard to the payment of money becoming due to BESSD under the SECI – BESSD PPA and SECI shall be liable to discharge the payment obligation in terms of the provisions of the SECI-BESSD PPA. Accordingly, Buying Entity agrees to effectively securitize the payment of money becoming due from Buying Entity to SECI as detailed in this Agreement.

IX. 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 BESSD to SECI under the SECI-BESSD 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-BESSD PPA is duly implemented by the BESSD and in case of monetary obligations the amount is received by SECI from the BESSD. 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 BESSD for enforcement of the corresponding obligation and all proceedings to be initiated by SECI against the BESSD for such enforcement shall be pursued by SECI in consultation with Buying Entity.

X. The parties hereby agree that the BESSD shall be liable to pay compensation under the SECI-BESSD PPA for any shortfall in performance requirement of BESS Capacity provided under Article 4.4.2 of the PPA from the Contracted Capacity. The amount of such compensation shall be as determined as per the manner and methodology specified in the PPA and such amount shall be passed on to the Buying Entity so that the Buying Entity is offset for all potential costs associated with shortfall in performance requirement under the PPA. In case the Buying Entity does not avail the remittance of such compensation within sixty (60) days of the end of corresponding Contract Year, the Buying Entity shall have a right to recover the same from the amount payable by Buying Entity against Monthly Invoices. The Parties agree that as an intermediary, SECI shall have no legal obligation to pay any amount towards this compensation, except when the amount of such compensation

has been recovered from the BESSD by SECI without any conditions and encumbrances and the amount is available for appropriation by SECI.

XI. The parties agree that the various terms contained in the SECI–BESSD 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 discharged energy from the BESS Capacity, Metering and Dispatch of energy from the BESS Capacity, Charging and Discharging of BESS, Billing, Accounting and payments, 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, etc. and all other Miscellaneous Terms provided in the SECI-BESSD PPA shall mutatis mutandis apply to this agreement between SECI and Buying Entity.

XII. The Buying Entity shall be responsible for directly coordinating and dealing with the BESSD, Regional Load Dispatch Centers, Regional Power Committees, and other authorities (as applicable) in all respects in regard to declaration of availability, scheduling and despatch of Discharging of Energy from the BESS Capacity and due compliance with deviation and settlement mechanism and the applicable Grid code Regulations, acknowledging that the BESSD and Buying Entity are the Grid connected entities and SECI as intermediary procurer/ trading licensee is not a Grid connected entity in respect of the discharged energy from the BESS Capacity contracted under this Agreement;

XIII. The Buying Entity undertakes to file petition before SERC seeking necessary approval for procurement of electricity and Contracted Capacity from SERC, under this PSA within one month from signing of PPA or PSA, whichever is later.

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, and its subsequent amendments, for obtaining any Grid Access/NOC/clearance from the respective State Transmission Utility (STU)/SLDC, at its own risk and cost. The Buying Entity is required to obtain the open access/grid access application as per extant regulations

for power evacuation from delivery point(s). The Buying Entity shall ensure that they obtain the GNA prior to Scheduled Commissioning Date or actual commencement of supply of power under the PSA, whichever is earlier. In case of failure to obtain the GNA by the above deadline, all the charges pertaining to supply of power (including but not limited to t-GNA charges, Power Curtailment Charges (Equivalent to deemed energy) due to merit order dispatch, DSM charges, etc.) shall be borne by Buying Entity.

Article 1. APPLICABLE TARIFF

1.1 The Tariff applicable for the sale of energy from the BESS by SECI to the Buying Entity under this Agreement shall be the Tariff as applicable for payment by SECI to BESSD under the terms of the PPA between SECI and the BESSD (Individual BESSDs tariff as per schedule B) fixed 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 BESSDs 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 energy from such early commissioned BESS Capacity at Applicable tariff as per the PPA, plus SECI's Trading Margin of Rs 0.07/ kWh, (Seven Paisa per kWh). Such intimation regarding consent to procure discharged energy from early commissioned BESS Project 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.

1.3 ISTS charges and losses on transmission of power, including waiver for BESS Projects, 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 power from BESS Projects till a certain date. In case commissioning of the Project gets delayed beyond the applicable date of ISTS waiver, arising out of any reasons whatsoever, SECI shall bear no liability with respect to transmission charges and losses levied, if any. However, in case the SCD is on or before the above deadline for ISTS waiver and commissioning of the Project gets delayed beyond the applicable date of ISTS waiver and losses due to reasons solely attributable to the BESSD, the liability of transmission charges and losses would be to the account of the BESSD.

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.

Subject to the above, it is, however, clarified that ISTS charges and losses beyond the Delivery Point(s) shall be borne by 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, including subsequent amendments and clarifications thereto, 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 BESSD, 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 discharged energy from BESS 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 prepared based on provisional energy discharged from the BESS of the preceding month (except for first month which shall be computed based on 85% of the energy discharged from the BESS, (considering min. system availability of 85%)). However, hard copy of the bill will also be sent by SECI afterwards. The monthly bill/ supplementary bill shall also include the following:

i) Adjustments bill against the Provisional Bills based on applicable energy account/ JMR for the power supplied from the BESS in the preceding months;

ii) Late Payment Surcharge if any;

iii) Taxes, duties Levies etc. as applicable;

iv) Change in Law (in case of adjustment in tariff, if any), as applicable;

v) Losses and Transmission Charges as applicable, in accordance with CERC notification and amendments.

2.2. **Payment of Monthly Bills**

2.2.1 The Buying Entity shall pay the amount payable under the Monthly Bill/ Supplementary Bill on or before the Due Date i.e., within 30 days of presentation of bill within official hours through e-mail or any other means, 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 _____ ("Buying Entity's Designated Account"). 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's 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 as per applicable LPS Rules notified by MoP or any subsequent amendments, 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) All payments by the Buying Entity to SECI for energy discharged from the BESS procured from it shall be first adjusted towards Late Payment Surcharge and thereafter, towards monthly charges, starting from the longest overdue bill.

(b) 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.

Supplementary bill for LPS will be issued by SECI based on adjustment of payment towards LPS already done as per LPS Rules 2022, including its subsequent amendments and clarifications.

2.4 Rebate

For payment of any Bill, including supplementary bill, on or before Due Date, the 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 five (5) days of presentation of bills through email.

b) Any payments made beyond a period of 5 days up to 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 Change in Law (except in case of monthly tariff model being implemented, where rebate will be applicable) relating to taxes, duties, cess etc.

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 and/or Supplementary 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 of energy from the BESS, the Buying Entity 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 reviewed after every 12 months 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 Tariff Payments of the previous Contract Year.

Provided that if Buying Entity is not covered under the "Implementation of the Electricity (Late Payment Surcharge and related matters) Rules, 2022" issued by Ministry of Power vide OM dated 12.08.2022, the above phrases "110% of the estimated average monthly billing" and "110% of average of the monthly tariff payments of the previous Contract year billing" shall be substituted with "210% of the estimated average monthly billing" and "210% of average of the monthly tariff payments of the previous Contract year" respectively.

Furthermore, provided that if the Buying Entity does not fall under any of the above category, the above phrases "110% of estimated average monthly billing" and "110% of average of the monthly tariff payments of the previous Contract year billing" shall be substituted with "210% of six times the estimated average monthly billing" and "210% of six times average of the monthly tariff payments of the previous Contract Year" respectively.

2.5.3 SECI 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 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 2.9.2, 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 Supplementary 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;

(B) 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]. The Intermediary Procurer shall ensure that upon invoking this guarantee, it shall at once, pass on the same to the BESSD, to the extent the payments to the BESSD in terms of the PPA are due.

Provided that, in cases where the Buying Entity is neither covered by Tri-Partite Agreement (TPA) nor is it able to provide the State Government Guarantee, in such cases, Buying Entity will provide Letter of Credit with respect to monthly billing, as per following:

a) For the 1st Contract Year, equal to 2.10 times the estimated average monthly billing.

b) For the subsequent years, equal to 2.10 times the average monthly bills of previous year.

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.

(C) Payment Security Fund

In addition to provisions contained in Article 2.6 above, the Buying Entity may 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. The parties agree that proceeds of encashment of PBGs upon default of the BESSD under the respective PPA shall be passed on to the Buying Entity subsequent to opening of the above Payment Security 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 as provided by Buying Entity.

(D) Corporate Guarantee

2.5.9 The Buying Entity (other than Distribution Licensee or Deemed Distribution Licensee) may be required to provide the Corporate Guarantee at the discretion of SECI, if required.

(E) Off-take Guarantee:

2.5.10. The Buying Entity (other than Distribution Licensee or Deemed Distribution Licensee) shall be required to submit an Off-take Guarantee to SECI before signing the PSA, as per the following terms:

a) Unconditional and irrevocable Bank Guarantee / Earnest Money Deposit (EMD) / Insurance Surety Bond equivalent to six (6) months of average billing, having validity till expiry of tenure of the PSA.

b) The Off-take Guarantee shall be released upon the expiry of the PSA tenure.

SECI shall have the right to forfeit the Off-take Guarantee in the event of default by the Buying Entity.

2.6 Not Used.

2.7 Not Used.

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 energy from the BESS to the Buying Entity in case of:

a. Default in making payment by the 30th day after the Due Date of the Buying Entity.

b. Non-maintenance of Payment Security Mechanism as per Article 2.5, provided that advance payment of at least one month shall constitute payment security if there are no outstanding dues.

SECI shall issue the Notice for Regulation of Power Supply from the BESS on the date above and shall give a notice of 15 days to start the regulation on the 16th day thereafter, in accordance with Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended and notified from time to time.

2.8.2 Regulation of power supply from the BESS 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 Entity's allocation of the power from the BESS to third parties to the extent of 40% (i.e. 10/25x100). SECI/BESSD shall have the right to divert the power from the BESS 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 from the BESS to third party shall not absolve Buying Entity from its obligation to pay in full to SECI for the obligation for the purchase of discharged energy from the BESS 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 from the BESS to the third party to whom the power from the BESS 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/ energy discharged from the BESS and duly discharge the payment obligation arising therefrom. {*applicable in case of STU connected Projects*}

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

2.8.4 The amount realized from the diversion and sale of power from the BESS 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 Entity. Deficit if any shall be made good by the Buying Entity.

2.8.5 Sales to any third party shall cease and regular supply of electricity from the BESS to the Buying Entity shall commence and be restored within two (02) days from the date of clearing all outstanding dues payable to SECI for the power from the BESS under this Agreement.

2.8.6 Further, the liability of the Buying Entity 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 BESSD for usage by the Buying Entity.

2.9 Disputed Bill

2.9.1 If the Buying Entity does not dispute a Monthly Bill or a Supplementary 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 or a Supplementary Bill it shall pay undisputed amount of the invoice amount or 50% of the invoice amount, whichever is higher, 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 Entity 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 undisputed amount or 50% of the invoice amount, whichever is higher, in the Monthly Bill.

2.10 **Quarterly and Annual Reconciliation**

2.10.1 The Parties acknowledge that all payments made against Monthly Bills and Supplementary 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 Entity 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. 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. Right to Contracted Capacity & Energy

2.11.1 The provisions of Article 4.4.1 and 4.4.2 of the PPA shall be applicable mutatis mutandis to this Agreement. BESSD, in any Contract Year except for the Contract Year ending on 31st March immediately after COD of the Project, shall not be obligated to supply / make available any BESS capacity beyond / over and above Contracted Capacity.

After the declaration of UCOD / COD, Charging power for charging of the BESS Capacity shall be arranged by the BESSD such that at least 51% of the energy used for charging the BESS is procured from Renewable Energy sources.

Schedule of Discharging will be as per extant regulations / provisions. The Buying Entity shall schedule the discharge from the BESS for any 4 hours starting from commencement of non-solar hours in the evening of a Day until the non-solar hours in the morning of the subsequent Day, as defined by GRID-INDIA for the respective State where the Project is located. In the absence of such notification, the non-solar hours (in the evening) shall be deemed to be the evening hours after sunset at the Project's location and non-solar hours (in the morning) shall be deemed to be the morning hours before sunrise at the Project's location. The Buying Entity shall intimate the hours during which it intends to draw the energy from the BESS on a day-ahead basis. Discharging of the BESS system will be under the scope of the Buying Entity. Further, during a Day, Buying Entity shall not ask for / schedule any BESS capacity / Energy in excess of 1 operational cycle per day, of charge and discharge of 4 hours each. For example, for discharge, there could be a single stretch of 4 hours or multiple stretches of not less than 1 hour having total cumulative time period of 4 hours. Buying Entity shall off-take 100% of total energy corresponding to the declared capacity from BESS except in circumstances arising due to grid unavailability, or any Force Majeure event

BESSD shall be liable to pay compensation under the SECI-BESSD PPA for any shortfall in performance requirement of BESS Capacity provided under Article 4.4.3 of the PPA from the Contracted Capacity. The amount of such compensation shall be as determined as per the manner and methodology specified in the PPA and such

amount shall be passed on to the Buying Entity to offset for all potential costs associated with shortfall in performance requirement under the PPA.

The lower limit i.e. min. monthly system availability of 85% of the BESS will, however, be relaxable to the extent of grid non-availability for evacuation which is beyond the control of the BESSD (as certified by the SLDC/RLDC). Further, no compensation shall be applicable in case of non-meeting of performance requirement as stipulated in PPA in events of Force Majeure identified under PPA with SECI, affecting scheduling of BESS capacity.

2.12 Payment of Supplementary Bill

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

i) Change in Law (other than adjustment in tariff) as provided in Article 12 of PPA, or

ii) Payment under Article 2.13 and other charges, if any, or

iii) Any subsequent revision in energy account by concerned RLDC/ SLDC, as applicable.

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 Grid Unavailability & Reduced Off-take

2.13.1. Not used.

2.13.2 Compensation due to reduced offtake by the Buying Entity: The BESSD shall be eligible to receive Applicable Tariff as per the provisions of PPA and Buying Entity shall make such payment as per provisions of this Agreement.

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 (with respect to a Monthly Bill or a Supplementary Bill) subject to Article 2.9 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; or

(ii) The Buying Entity fails to evacuate energy from the BESS 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) the Buying Entity terminates this Agreement before the expiry of tenure of the PSA; or

(vi) except where due to any BESSD'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.

(vii) 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.

i. 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,

ii. 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. In this case, the Procurer shall pay amount equivalent to 3

(three) months of energy billing based on the declared availability, or balance PPA, period, whichever is less, for its contracted capacity, with the Project assets being retained by the BESSD, and exit from the PPA/PSA.

3.2.5 Not Used.

3.2.6 Not Used.

3.2.7 In the event the aforesaid novation is not acceptable to SECI, 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 Project assets by making a payment of the termination compensation equivalent to the amount of the debt due and the 110% (one hundred and ten per cent) of the Adjusted Equity to BESSD less Insurance Cover, if any as per PPA, or

(ii) pay to the BESSD, 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 BESSD.

3.3 Termination due to Force Majeure

If the Force Majeure Event or its effects continue to be present beyond a period of 180 days; either Party shall have the right to cause termination of the Agreement. In case neither party terminates the Agreement under this clause, the Agreement shall stand terminated on the expiry of twelve (12) months of the continuation of the Force Majeure event without any further liability to either Party from the date of such termination unless the parties mutually agree to extend the Agreement for the further period.

***3*.4. Termination of back-to-back agreements**

In case of termination of SECI-BESSD PPA, this Agreement shall automatically terminate to the extent of relevant SECI-BESSD PPA(s). 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 Project, shall be borne by the entity due to whose failure, the termination was triggered.

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 keeping this Agreement as principal 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, BESSD 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:

Name :

Address :

Attention :

Email :

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, _____

Email:
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 PPA between SECI and BESSD shall be attached to this Agreement and shall be read along with Agreement as a composite back-to-back process for Supply of electricity to Buying Entity from the BESS to fulfill requirements of the Buying Entity including the Renewable Consumption Obligations or Energy Storage Obligations or demand under the provisions of the Electricity Act, 2003 and the Regulations notified thereunder.

4.9 Indemnity

4.9.1 Buying Entity shall indemnify, defend and hold SECI/BESSD harmless against:

a) any and all third party claims against SECI/BESSD 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 Buying Entity of any of its obligations under this Agreement; and

b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by SECI/BESSD from third party claims arising by reason of a breach by the Buying Entity of any of its obligations under this Agreement, (provided that this Article 4.9 shall not apply to such breaches by the Buying Entity, for which specific remedies have been provided for under this Agreement).

4.9.2 SECI shall cause the BESSD to indemnify, defend and hold Buying Entity harmless against:

a) any and all third party claims against Buying Entity, 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 BESSD of any of their obligations under this Agreement; and

b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest (‘Indemnifiable Losses’) actually suffered or incurred by Buying Entity from third party claims arising by reason of a breach by BESSD of any of its obligations. SECI shall incorporate appropriate covenants in the PPA for the above obligations of BESSD. In so far as indemnity to Buying Entity is concerned, BESSD shall be the indemnifying party and not SECI.

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	1. Witness

SCHEDULE A

1. PPA

SCHEDULE B: LIST OF BESS DEVELOPERS

Energy committed by the BESSDs- ____ MW Standalone BESS Projects			
BESSD	**Contracted Capacity (MW)**	**Daily Energy to be supplied during Peak Hours (MUs)**	**Rate (Rs./kWh)**
	Total (MUs)		

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

Ap = (Ep x Tp)

Where,

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

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

Tp = 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 supply from BESS for applicable month.