

STANDARD

POWER PURCHASE AGREEMENT FOR

PROCUREMENT OF MW SOLAR POWER

ON LONG TERM BASIS

Between

..... [Insert Name of Solar Power Developer]

And

Solar Energy Corporation of India Limited

..... [Insert month and year]

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

Between

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

And

Solar Energy Corporation of India Limited (CIN-_____), a Company incorporated under the Companies Act 2013, 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”, or “Procurer” or “Buyer” which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assignees) as a Party of the **Second Part**;

The SPD and SECI 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-based project installation 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. Ministry of New and Renewable Energy (MNRE) has issued a Scheme for 100% Solarization of Konark Sun-temple & Konark town, Odisha vide F.No.322/8/2019-NSM dated 19.05.2020. Under this Scheme, a 10 MW grid connected Solar Project has been sanctioned with maximum VGF support of INR 1 (One) Crore per MW. This Scheme has been sanctioned under the “Guidelines of the Scheme for implementation of setting up of over 5000 MW Grid-Connected Solar PV Power Projects with Viability Gap Funding (VGF) under Batch-IV of Phase-II” of the National Solar Mission issued vide OM no. 32/3/2014-15/GSP dated 14.03.2016,

including subsequent amendments and clarifications thereof, if any, issued until _____ [Enter the last date of bid submission of the RfS];

- C. SECI has been designated as Implementing Agency for developing and facilitating the establishment of the Grid connected Solar Power capacity in India in terms of the above Guidelines of the Government of India.
- D. SECI had initiated a VGF-Based Competitive Bid Process for procurement of 10 MW of the power generated from the Grid connected Solar Power Project along with 10 MW/20 MWh Battery Energy Storage System on the terms and conditions contained in the Request for Selection (herein after referred to as '**RfS**' issued by SECI vide RfS No..... dated..... including its subsequent amendments and clarifications, if any.
- E.[Insert name of the Bidding Company] has been selected in the Competitive Bidding Process, {in case Bidding Company is executing the Project through SPV} has constituted a Special Purpose Vehicle,..... [Insert the name of SPV, if applicable] (hereinafter referred to as '**SPD**') for development, generation and supply of electricity from theMW Solar Power Project to be established by SPD anywhere in Odisha and for supply of such electricity by SECI as an Intermediary Agency to the Buying Entity (as defined) under a Power Sale Agreement to be entered into between SECI and such Buying Entity.
- F. SECI has issued the Letter of Award No..... dated.....in favour of the[Insert the name of Bidding Company] for development and establishment of theMW Solar Power Project in the State ofas per the terms and conditions contained in the RfS, and draft of this Power Purchase Agreement, including amendments and clarifications thereto circulated at the time of the bidding and other bidding documents as well as the conditions contained in the aforementioned Letter of Award.
- G. Pursuant to the issuance of LoA, signing of PPA and upon successful declaration of COD for the Project, the SPD would be eligible to receive VGF support amounting to maximum INR.....(Insert VGF amount in figures and words), which will be released by SECI, provided that the SPD fulfils other terms and conditions as indicated in LoA and PPA.
- H. SECI has agreed to purchase such Solar Power from the SPD as an Intermediary Procurer and sell it to Buying Entity on back-to-back basis as per the provisions of the RfS. Accordingly, SECI has agreed to sign/has signed a Power Sale Agreement

with the Buying Entity to sell such power as per the provisions of the above-mentioned scheme.

- I. In terms of the RfS and the Bidding Documents, the SPD has furnished the Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond in the sum of Rs.....in favour of SECI as per the format provided as a part of the Bidding Documents and a copy of the Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond provided is in Schedule – 1/ Schedule – 2/ Schedule – 3 to this Agreement.
- J. The SPD has fulfilled the terms of the bidding and the terms of the Letter of Award for signing this Power Purchase Agreement as a definitive agreement for establishing the Solar Power Project of.....MW at, [Insert Project location] for generation and sale of electricity by the SPD to SECI to enable SECI to make available such Solar Power to the Buying Entity, as SECI may consider appropriate, under a Power Sale Agreement and on a back-to-back basis to the Power Purchase Agreement to be entered into with the SPD.
- K. The parties have agreed to execute this Power Purchase Agreement in terms of the provisions of the RfS, the bidding documents and the Letter of Award in regard to the terms and conditions for establishment of the Solar Power Project at, [Insert name of state] and for generation and supply of electricity by the SPD to SECI.

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

ARTICLE 1: DEFINITIONS AND INTERPRETATION**1.1 Definitions**

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

“Act” or “Electricity Act, 2003”	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time;
Affiliate	shall have the same meaning as contained in the RfS document;
“Agreement” or “Power Purchase Agreement” or “PPA”	shall mean this Power Purchase Agreement including its recitals and Schedules, Appendixes amended or modified from time to time in accordance with the terms hereof;
"Appropriate Commission"	Unless otherwise stated or the context requires, Appropriate Commission shall mean State Electricity Regulatory Commission;
“Awarded capacity”	Shall mean 10 MW Grid connected Solar PV Project along with 10 MW/20 MWh Battery Energy Storage System in Odisha;
“Backdown”	shall mean part of Contracted capacity available for scheduling but not scheduled based on instructions from Buying Entity/SLDC, as the case may be;
“Battery Energy Storage System” or “BESS”	shall mean the system utilizing methods and technologies such as electrochemical batteries (Lead Acid, Li-ion, solid state batteries, flow batteries, etc.), providing a facility that can store chemical energy and deliver the stored energy in the form of electricity, including but not limited to ancillary facilities (grid support, for example);
"Bill Dispute Notice"	shall mean the notice issued by a Party raising a Dispute regarding a Monthly Bill or a Supplementary Bill issued by the other Party;
“Business Day”	shall mean with respect to SPD and SECI, a day other than Sunday or a statutory holiday, on which the banks remain open for business in Delhi;
“Buying Entity” or “Buying Utility”	shall mean an End Procurer as defined in the Guidelines i.e GRIDCO who has agreed to purchase the Solar Power from SECI and has signed/will sign the Power Sale Agreement with SECI. It is clarified that all obligations of SECI under this Agreement shall be deemed to be the obligations of Buying Entity with which SECI has signed/will sign Power Sale Agreement.
“Capacity Utilization Factor” or “CUF”	shall have the same meaning as provided in CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009 as amended from time to time;

	<p>However, for avoidance of any doubt, it is clarified that the CUF shall be calculated on the Contracted Capacity;</p> <p>In any Contract Year, if 'X' MWh of energy has been metered out at the Delivery Point for 'Y' MW Project capacity, $CUF = (X \text{ MWh} / (Y \text{ MW} * 8766)) * 100\%$;</p> <p>For hours other than Peak Hours, declared CUF for this Project shall be ____ % (to be revised as applicable).</p>
"CERC"	shall mean the Central Electricity Regulatory Commission of India, constituted under sub – section (1) of Section 76 of the Electricity Act, 2003, or its successors;
"CTU" or "Central Transmission Utility"	shall mean the Government Company notified by the Central Government under Sub-Section (1) of Section 38 of the Electricity Act, 2003.
"Change in Law"	shall have the meaning ascribed thereto in Article 12 of this Agreement;
"Commencement of Power Supply" or "Commencement of Supply of Power"	The date of commencement of power supply shall mean the date of onset of commercial offtake of power supply under the PPA.
"Commissioning"	The Project shall be commissioned in line with the provisions of the Grid Code or State Regulations, as applicable.
"Commercial Operation Date (COD)"	shall mean the date as defined in "Commissioning" or in line with the provisions of the Grid Code.
"Competent Court of Law"	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
"Consents, Clearances and Permits"	shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided by any concerned authority for the purpose of setting up of the generation facilities and/ or supply of power;
"Consultation Period"	shall mean the period of ninety (90) days or such other longer period as the Parties may agree, commencing from the date of issuance of a SPD Preliminary Default Notice or SECI Preliminary Default Notice as provided in Article 13 of this Agreement, for consultation between the Parties to mitigate the consequence of the relevant event having regard to all the circumstances;
"Contract Year"	shall mean the period beginning from the Effective Date and ending on the immediately succeeding March 31 and thereafter each period of 12 months beginning on April 1 and ending on March 31 provided that:

	<p>(i) in the financial year in which commissioning of the first part capacity of the Contracted Capacity would occur, the Contract Year shall commence from the date of commissioning of first capacity and end on the immediately succeeding March 31, and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31, and</p> <p>(ii) provided further that the last Contract Year of this Agreement shall end on the last day of the Term of this Agreement</p>
"Contracted Capacity"	shall mean 10 MW, which is the AC capacity contracted with SECI for supply of power by the SPD to SECI at the Delivery Point from the Solar Power Project.
"Day"	shall mean a day, if not a Business Day, the immediately succeeding Business Day.
"Delivery Point" / "Interconnection Point"	<p>shall mean a single point at the STU substation (at voltage level as applicable by State Regulations) including the transmission line connecting the Solar Power Project with the substation system as specified in the RfS document. Metering shall be done at this interconnection point where the power is injected into. For interconnection with grid and metering, the SPD shall abide by the relevant and applicable regulations, Grid Code notified by the SERC or and State Regulations as amended and revised from time to time, or orders passed thereunder by the appropriate commission or CEA or State Authority.</p> <p>Pursuant to Article 4.2.5, all charges and losses related to Transmission of power from project up to Delivery Point (including but not limited to open access, transmission, wheeling, Unscheduled Interchange, Scheduling, Reactive power, SLDC charges etc.) as notified by the competent authority / regulator shall be borne by the SPD and beyond the Delivery Point all charges and losses as notified by the competent authority / regulator from time to time shall be borne by the Buying Entity.</p>
"Dispute"	shall mean any dispute or difference of any kind between SECI and the SPD, in connection with or arising out of this Agreement including but not limited to any issue on the interpretation and scope of the terms of this Agreement as provided in Article 16 of this Agreement.
"Due Date"	shall mean the forty-fifth (45th) day after a Monthly Bill (including all the relevant documents) or a Supplementary Bill is received in hard copy and duly acknowledged by the SECI or, if such day is not a Business Day, the immediately succeeding Business Day, by which date such Monthly Bill or a Supplementary Bill is payable by the SECI.
"Effective Date"	shall have the meaning ascribed thereto in Article 2.1 of this Agreement;

“Electricity Laws”	shall mean the Electricity Act, 2003 and the rules and regulations made there under from time to time along with amendments thereto and replacements thereof and any other Law pertaining to electricity including regulations framed by the Appropriate Commission;
"Energy Accounts"	shall mean the regional energy accounts/state energy accounts as specified in the Grid Code issued by the appropriate agency for each Month (as per their prescribed methodology), including the revisions and amendments thereof or where such regional energy accounts/ state energy accounts are not issued, Joint Meter Reading (JMR) will be considered; SECI reserves the right to choose from any of the above, i.e. JMR/SEA/REA, based on the acceptance of the same by the Buying Entity;
“Event of Default”	shall mean the events as defined in Article 13 of this Agreement;
“Expiry Date”	shall mean the date occurring as on twenty-five (25) years from the Scheduled Commissioning Date (SCD) or from the rescheduled SCD to the extent of extension given by SECI.
"Force Majeure" or “Force Majeure Event”	shall have the meaning ascribed thereto in Article 11 of this Agreement;
“Guidelines” or “Scheme”	shall mean the “Guidelines for Implementation of Scheme for Setting up of over 5000 MW Grid-connected Solar PV Power Projects under Batch-IV” issued by the Ministry of New and Renewable Energy (MNRE) dated 14.03.2016 including subsequent amendments and clarifications thereto, if any, issued until the last date of bid submission of this RfS read along with Scheme sanctioned by MNRE for “Installation of grid connected solar project & various off-grid applications for 100% Solarization of Konark Sun temple & Konark temple” issued vide F.no.322/8/2019-NSM dated 19.05.2020 including subsequent amendments and clarifications issued / notified thereof until the last date of Bid submission against the referred RfS;
“Grid”	shall mean as per the definition contained in the Act.
"Grid Code" or “Indian Electricity Grid Code” or “IEGC” or “State Grid Code”	shall mean the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as specified by the CERC under Clause (h) of Sub-section (1) of Section 79 of the Electricity Act, as amended from time to time, and/or the State Grid Code as specified by the concerned State Commission, referred under Clause (h) of Sub- section (1) of Section 86 of the Electricity Act 2003, as applicable.;

“Indian Governmental Instrumentality”	shall mean the Government of India, Governments of State(s)..... [Insert the name(s) of the State(s) in India, where the Power Project, SECI and SPD are located] and any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or the above state Government(s) or both, any political sub-division of any of them; including any court or Appropriate Commission(s) or tribunal or judicial or quasi-judicial body in India;
“Installed Capacity” or “Project Capacity”	shall mean the rated AC capacity of the Project to be installed by the SPD, in line with Article 3.1 of this Agreement. The above configuration shall be identical to the “installed capacity” for which connectivity has been granted to the SPD.
“Insurances”	shall mean the insurance cover to be obtained and maintained by the SPD in accordance with Article 8 of this Agreement;
“Insurance Surety Bond” or “Surety Bond”	shall mean the irrevocable surety bond from and Insurer as per the guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI), as an alternative to submission of Performance Bank Guarantee by the WPD to SECI, issued in the form attached hereto as Schedule 3;
"Interconnection Facilities"	shall mean the facilities on SPD’s side of the Delivery Point for scheduling, transmitting and metering the electrical output in accordance with this Agreement and which shall include, without limitation, all other transmission lines and associated equipment, transformers, relay and switching equipment and protective devices, safety equipment and RTU, Data Transfer and Acquisition facilities for transmitting data subject to Article 7, the Metering System required for supply of power as per the terms of this Agreement;
“Intermediary agency” or “Intermediary nodal agency” or “Intermediary Procurer”	shall mean Solar Energy Corporation of India Limited (SECI);
“Invoice” or “Bill”	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by any of the Parties;
“Joint Control”	shall have same meaning as defined in RfS Document.
“Late Payment Surcharge”	shall have the meaning ascribed thereto in Article 10.3.3 of this Agreement;
"Law"	shall mean in relation to this Agreement, all laws including Electricity Laws in force in India and any statute, ordinance, regulation, notification or code, rule, or any interpretation of any of them by an Indian Governmental Instrumentality and having force of law and shall further include without limitation all applicable rules, regulations, orders, notifications by an Indian Governmental

	Instrumentality pursuant to or under any of them and shall include without limitation all rules, regulations, decisions and orders of the Appropriate Commissions;
“Letter of Credit” or “L/C”	shall have the meaning ascribed thereto in Article 10.4 of this Agreement;
“MNRE”	shall mean the Ministry of New and Renewable Energy, Government of India;
"Month"	shall mean a period of thirty (30) days from (and excluding) the date of the event, where applicable, else a calendar month;
"Party" and "Parties"	shall have the meaning ascribed thereto in the recital to this Agreement;
“Payment on Order Instrument” or “POI”	shall mean the irrevocable unconditional letter of undertaking issued by either of the two institutions, viz., (i) Power Finance Corporation Limited or (ii) REC Limited., as an alternative to submission of Performance Bank Guarantee by the SPD, issued in the form attached hereto as Schedule 2;
“Payment Security Mechanism”	shall have the meaning ascribed thereto in Article 10.4 of this Agreement;
“Performance Bank Guarantee”	shall mean the irrevocable unconditional bank guarantee, submitted by the SPD to SECI in the form attached hereto as Schedule 1;
“Peak Hours”	<p>shall mean the energy scheduling hours in a day as chosen by the Buying Entity for supply of peak power from the Project. For the purpose of scheduling, a ‘day’ shall commence from 00:00 hrs. and end at 24:00 hrs.</p> <p>“Peak Hours” in this case shall be 2 hours, to be chose by the Buying Entity, between 18:00 Hrs. in the evening of a day and 09:00 Hrs. in the morning of the subsequent day.</p> <p>During these hours, the Buying Entity shall choose any 2 hours for off-take of power up to 20,000 kWh for 10 MW of Contracted Capacity, on a daily basis. However, with respect to requisition of drawl Schedule, Buying Entity shall comply with SERC/Indian Electricity Grid Code (as and when implemented), regulations on Forecasting, Scheduling and Deviation Settlement, as applicable.</p>
“Peak Power”	shall mean the power supplied from the Project during Peak Hours;
“Solar Power Project” or “Power Project” or “Project”	<p>shall mean the Solar Power generation facility of Contracted Capacity of[Insert capacity] MW, located at [Insert name of the place] in [Insert name of the District and State] having a separate control system, metering and a single point of injection into the grid at Delivery /Interconnection/Metering point at STU substation.</p> <p>The project shall include all units and auxiliaries such as water supply, treatment or storage facilities; bay/s for transmission system in the switchyard, transmission line up to the Delivery Point and all</p>

	the other assets, buildings/structures, equipment, plant and machinery, facilities and related assets required for the efficient and economic operation of the power generation facility; whether completed or at any stage of development and construction or intended to be developed and constructed for the purpose of supply of power as per this Agreement;
“Power Sale Agreement” or “PSA”	shall mean the power sale agreement entered between the Buying Entity and SECI (Buyer- Buying Entity PSA) for onward sale of power being procured under this Agreement as per the provisions of Guidelines and forms Schedule-__ of this Agreement;
“Preliminary Default Notice”	shall have the meaning ascribed thereto in Article 13 of this Agreement;
"Prudent Utility Practices"	shall mean the practices, methods and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation and maintenance of power generation equipment and which practices, methods and standards shall be adjusted as necessary, to take account of: a) operation and maintenance guidelines recommended by the manufacturers of the plant and equipment to be incorporated in the Power Project; b) the requirements of Indian Law; and the physical conditions at the site of the Power Project
“RBI”	shall mean the Reserve Bank of India;
“RE Power” or “Renewable Energy Power”	shall refer to power from Solar Power Generating Systems, Wind Power Generating Systems, Wind Solar hybrid or any other renewable energy resource based Generating System or a combination thereof, with or without Energy Storage System (ESS). It is clarified that ESS charged using a source other than RE power would not qualify as RE Power. Further, in the case of charging the ESS from sources other than RE, any financial implications, including but not limited to ISTS charges, shall be borne by the SPD.
“Rebate”	shall have the same meaning as ascribed thereto in Article 10.3.4 of this Agreement;
“Request for Selection / RfS/Bidding Documents”	shall mean Request for Selection Documents issued by SECI vide RfS No. SECI/C&P/IPP/..... dated2024 including subsequent clarifications, amendments and addenda thereof.
"RLDC"	shall mean the relevant Regional Load Dispatch Centre established under Sub-section (1) of Section 27 of the Electricity Act, 2003;
“RPC”	shall mean the relevant Regional Power Committee established by the Government of India for a specific region in accordance with the Electricity Act, 2003 for facilitating integrated operation of the power system in that region;

"Rupees", "Rs.", “₹”	shall mean Indian rupees, the lawful currency of India;
“Scheduled Commissioning Date” or “SCD”	shall mean [Insert Date as per applicable provisions of the RfS];
“SERC”	shall mean the Electricity Regulatory Commission of any State in India constituted under Section-82 of the Electricity Act, 2003 or its successors, and includes a Joint Commission constituted under Subsection (1) of Section 83 of the Electricity Act 2003;
“SLDC”	shall mean the centre established under Sub-section (1) of Section 31 of the Electricity Act 2003, relevant for the State(s) where the Delivery Point is located;
“SLDC Charges”	shall mean the charges levied by the SLDC of the state wherein the Solar Power Project is located;
“SECI”	shall mean Solar Energy Corporation of India Limited;
“Solar Power”	shall mean power generated from the Solar Photovoltaic Power Project;
“Solar Power Project”	shall mean the solar photovoltaic power project that uses sunlight for conversion into electricity and that is being set up by the SPD to provide Solar Power to SECI as per the terms and conditions of this Agreement;
“State Transmission Utility” or “STU”	shall mean the Board or the Government company notified by the respective State Government under Sub-section (1) of Section 39 of the Act;
"Tariff" or “Applicable Tariff”	Shall have the same meaning as provided for in Article 9 of this Agreement;
"Tariff Payment"	shall mean the payments to be made under Monthly Bills as referred to in Article 10 and the relevant Supplementary Bills;
“Termination Notice”	shall mean the notice given by either Parties for termination of this Agreement in accordance with Article 13 of this Agreement;
"Term of Agreement"	shall have the meaning ascribed thereto in Article 2 of this Agreement;
"Week"	shall mean a calendar week commencing from 00:00 hours of Monday, and ending at 24:00 hours of the following Sunday;

1.2 Interpretation

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

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

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

ARTICLE 2: TERM OF AGREEMENT

2.1 *Effective Date*

2.1.1 This Agreement shall come into effect from..... and such date shall be referred to as the Effective Date.

2.1.2 The Parties agree that decisions pertaining to adoption of the Tariff and approval of the same, for procurement of Contracted Capacity, shall be binding on all Parties concerned, as contained in the Electricity Act, 2003 and any amendments thereof.

2.1.3 Notwithstanding the Effective Date, the condition precedent for the enforcement of the obligations of either party against the other under this Agreement shall be that, within 60 days of submission of application/petition for tariff adoption/ Contracted Capacity approval as applicable under Section 63/ 86(1)(b) of the Electricity Act, 2003 in Appropriate Commission/SERC or within 120 days from the date of signing of Power Sale Agreement (PSA), whichever is more, Buying Entity shall obtain adoption of tariff from Appropriate Commission and/or Contracted Capacity approval from SERC, on the terms and conditions contained in this Agreement read with the terms and conditions contained in the Power Sale Agreement entered into between SECI and the Buying Entity. The Parties agree that in the event, the order of adoption of tariff/ Contracted Capacity approval as mentioned above is not issued by the SERC within the time specified above, the provisions of Article 2.1.4 shall apply.

2.1.4 Pursuant to Article 4.6.1.c, if parties have not mutually extended the time period as stipulated under Article 2.1.3 and the order from the Appropriate Commission/SERC is issued within the timeline as per Article 2.1.3, no extension for Scheduled Commissioning Date (SCD) shall be given. However, if the requisite Appropriate Commission's/SERC's order is issued after the timeline as per Article 2.1.3, this shall entail a corresponding extension in SCD for equal number of days for which the order has been delayed beyond such period as specified in Article 2.1.3.

In case of any difference between the date of signing of PPA (beyond the Effective date of PPA) and the Effective Date of the PPA, which is attributable to the SPD, such duration between the two dates (in terms of days), will be deducted from the above extension in the corresponding milestone.

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

2.2 *Term of Agreement*

- 2.2.1 Subject to Article 2.3 and 2.4 of this Agreement, this Agreement shall be valid for a term from the Effective Date until the Expiry Date. This Agreement may be extended for a further period at least one hundred eighty (180) days prior to the Expiry Date, on mutually agreed terms and conditions.
- 2.2.2 The SPD is free to operate their plants beyond the Expiry Date if other conditions like land lease / Right to Use of Land (as applicable), permits, approvals and clearances etc. allow. In such case unless otherwise agreed by the SECI/Buying Entity, SECI/Buying Entity (as the case may be) shall not be obligated to procure power beyond the Expiry Date.

2.3 *Early Termination*

- 2.3.1 This Agreement shall terminate before the Expiry Date if either SECI or SPD terminates the Agreement, pursuant to Article 13 of this Agreement.
- 2.3.2 In case the SECI-Buying Entity PSA corresponding to the Contracted Capacity is terminated or modified for a reduced capacity during the Term of this Agreement the event may result in Termination of this Agreement or pro-rata reduction in Contracted Capacity of this Agreement, as the case may be, at the discretion of SECI. In such scenario, any termination compensation payable by the respective Buying Entity, will be passed on to the SPD, after deducting SECI's costs, if any.

2.4 *Survival*

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

ARTICLE 3: INSTALLED CAPACITY AND PERFORMANCE SECURITY

3.1 Installed Capacity

3.1.1 The SPD shall configure the project with the objective of supplying solar power to the Buying Entity. Accordingly, the Project Capacity, i.e. the Installed Capacity shall mean the rated capacities of the Solar Power Project and BESS in the following configuration:

Solar: 10 MW

BESS: 10 MW/ 20 MWh

3.1.2 The above configuration shall be identical to the “installed capacity” for which connectivity has been granted to the SPD. Also, any change in Delivery Point is allowed up to the deadline for Financial Closure as per Article 3.4 of this Agreement.

a. In this regard, any change in Delivery Point from the one mentioned in the Covering Letter at the time of bid submission shall be allowed till the deadline to apply for connectivity, without any condition.

b. Subsequent to deadline to apply for connectivity, any change in Delivery Point shall be allowed by SECI only in case the scheduled commissioning date of the STU-substation of the proposed revised Delivery Point is on or before the scheduled commissioning date of the existing Delivery Point of the Project, at the time of seeking approval from SECI by the SPD.

In this case, the SPD will be required to apply for connectivity at the proposed substation within 7 working days of intimation of approval for the same by SECI.

In case the SPD fails to obtain connectivity on account of reasons attributable to it, including but not limited to failure to apply for connectivity within the above deadline, the SPD will not be eligible for corresponding extension in the timelines for meeting the Project milestones.

3.1.3. It is clarified that ESS charged using a source other than solar power would not qualify as solar power.

3.2 Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond and Bank Guarantee towards VGF

3.2.1 The Performance Bank Guarantee (PBG)/ Payment on Order Instrument (POI)/ Insurance Surety Bond having validity from the date of submission of PBG/POI/ Surety Bond until(insert validity period as per RfS conditions), submitted

for a value of Rs. _____ (in words) under this Agreement, shall be for guaranteeing the commencement of the supply of power up to the Contracted Capacity within the time specified in this Agreement as per format provided in Schedule 1/2/3.

- 3.2.2 The failure on the part of the SPD to furnish and maintain the Performance Bank Guarantee/ POI/ Surety Bond shall be a material breach of the term of this Agreement on the part of the SPD.
- 3.2.3 If the SPD fails to commissioning the Project on or before SCD specified in this Agreement or any further extension thereof granted by SECI, subject to conditions mentioned in Article 4.5, SECI shall encash the Performance Bank Guarantee/ POI equivalent to the amount calculated as per penalties applicable under Article 4.6 as on the date of encashment without prejudice to the other rights of SECI under this Agreement. It is to be noted that the damages/dues recovered by SECI by encashing the PBG/ POI, upon the default of the SPD under the PPA, shall be credited to the payment security fund maintained by SECI under the PPA.
- 3.2.4 Subsequent to the commencement of supply of power from the full project capacity and prior to disbursement of VGF to the SPD, the SPD shall submit a Bank Guarantee (BG) of the value equivalent to 20% of the total VGF amount. SECI will have the right to encash the BG, if the developer fails to operate the plant or produce power or the plant is left idle for any reason for over one year and the project doesn't meet the generation criteria as per Article 4.4 below.

3.3 Return of Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond and Bank Guarantee towards VGF

- 3.3.1 Subject to Article 3.2, SECI shall return / release the Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond within 45 days after the successful commissioning of the Project after taking into account any liquidated damages / penalties due to delays in commissioning of the Project beyond SCD as per provisions stipulated in this Agreement. In case of part- commissioning, PBG corresponding to such capacity shall be released within 45 days of the actual date of commissioning of such part-capacity.
- 3.3.2 The return / release of the Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond shall be without prejudice to other rights of SECI under this Agreement.

- 3.3.3 BG towards VGF will be reduced by 5% each year and fully returned in four years after taking into account any liquidated damages, penalties due to non-performance, etc. as per article 3.2.4 above.

3.4 Achievement of Financial Closure

The SPD agrees and undertakes to duly perform and complete all of the following activities to achieve Financial Closure, at the SPD's own cost and risk, by the date as on 6 months from the effective date of PPA:

- a) At the stage of Financial Closure, the SPD shall report 100% tie-up of Financing Arrangements for the Project. In this regard, the SPD shall submit a certificate/ necessary documents from all financing agencies regarding the tie-up of 100% of the funds indicated for the Project, including arrangements of funds in the form of Equity. The SPD shall also submit details of all planned/ proposed solar panels, inverters, BESS, along with necessary purchase order/agreements for the Project.
- b) At this stage, the Project Developer would also furnish within the aforesaid period the necessary documents to establish that the required land for project development is in clear possession of the Project Developer (minimum 1.5 ha per MW) and the requisite technical criteria have been fulfilled. In addition to the above, the SPD shall be required to submit the transmission/connectivity agreement with the STU/DISCOM.

The SPD will have to submit the required documents to SECI at least 14 days prior to the scheduled Financial Closure date. In case of delay in submission of documents mentioned above, SECI shall not be liable for delay in verification of documents and subsequent delay in Financial Closure.

3.5 Consequences of non-achievement of Financial Closure

- 3.5.1 In case of a failure to submit the documents as above, SECI shall encash the Performance Bank Guarantee/Payment on Order Instrument/ Surety Bond submitted by the SPD, and may terminate this Agreement by giving a notice to the SPD in writing of at least seven (7) days. Unless extended as per provisions of Article 3.5.2 of this Agreement in writing, SECI may terminate this Agreement upon the expiry of the 7th day of the above notice.
- 3.5.2 An extension may however be considered, on the sole request of SPD, on advance payment of extension charges of INR 10,000/- per day per MW (of Contracted (Insert Project ID)

Capacity) + applicable GST. This extension will not have an impact on the obligation of SPD to commence supply of power by the Scheduled Commissioning Date of the Project. Subsequent to the completion of deadline for achieving financial closure, SECI shall issue notice to the SPD for not meeting the requirements of Financial Closure as per the RfS deadlines. The notice shall provide a period of 7 business days to the SPD to either furnish the necessary documents or make the above-mentioned payment of Rs. 10,000/MW/day + GST. In case of non-submission of either-the requisite documents or the necessary amount upon expiry of the above-mentioned notice period of 7 days-SECI shall encash the PBG/POI/Surety Bond of the SPD and may terminate the PPA for the Project. The amount of Rs. 10,000/MW/day + GST shall be paid by the SPD in advance prior to the commencement of the said delay period and shall be calculated based on the period of delay as estimated by the SPD. In case of the SPD meeting the requirements of Financial Closure before the last date of such proposed delay period (for which extension charges have been paid), the remaining amount out of the deposited amount by the SPD shall be returned by SECI. Interest on account of delay in deposition of the above-mentioned charges or on any subsequent extension sought, shall be levied @ one-year SBI MCLR rate/annum on pro-rata basis. This amount will go into the Payment Security Fund. This extension will not have any impact on the Scheduled Commissioning Date. However, in case the SPD fails to start commencement of power supply from the Contracted Capacity by Scheduled Commissioning Date, the extension charges deposited by the SPD shall not be refunded by SECI. For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.

ARTICLE 4: CONSTRUCTION & DEVELOPMENT OF THE PROJECT

4.1 *SPD's Obligations*

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

- a) The SPD shall be solely responsible and make arrangements for land & associated infrastructure for development of the Project and for Connectivity with the STU System (connectivity can be taken by SPD, up to the Contracted Capacity, at different Interconnection Points) for confirming the availability of power system required for supply of power by the SCD and all clearances related thereto.
- b) Obtaining all Consents, Clearances (including Environmental clearance, if applicable) and Permits as required and maintaining all Consents, Clearances and Permits in full force and effect during the Term of this Agreement. SECI shall have no obligation to recommend to any department/agency or the Govt. for the grant/permission for the Solar Power project. The Solar Power Developer shall, on his own, obtain permissions/ sanctions from Government authorities, if any required for establishing the Project. Any steps that may be taken by SECI in regard to grant of such consents and permits or any other approval to be taken by the SPD shall only be a voluntary facilitating endeavour on the part of SECI with no intention of being bound by any legal or binding obligation.
- c) Designing, constructing, erecting, commissioning, completing and testing the Power Project in accordance with the applicable Law, the Grid Code, the terms and conditions of this Agreement and Prudent Utility Practices.
- d) The SPD shall make adequate arrangements to connect the Power Project switchyard with the Interconnection Facilities at Interconnection / Metering / Delivery Point to connect the Power project switchyard with the Interconnection facilities at the Delivery Point.
- e) Obtaining Connectivity and executing connectivity agreement as per regulations issued by SERC, for evacuation of the Contracted Capacity and maintaining it throughout the term of the Agreement. It is further clarified that the Entities (SPD and Buying Entity) as indicated in the detailed procedure issued subsequently by State Electricity Regulatory Commission, will be responsible for their respective obligation as notified in the detailed procedure irrespective of the provisions of the RfS, PPA and PSA.
- f) The commencement of supply of power up to the Contracted Capacity to SECI no later than the SCD and continuance of the supply of power in line with Article 4.4 of this Agreement throughout the term of the Agreement.

- g) Owning the Project throughout the Term of Agreement free and clear of encumbrances, except those expressly permitted under Article 15.
- h) Maintaining minimum 51% shareholding prevalent at the time of signing of PPA up to a period of one (1) year after the COD in line with Clause 21 of the RfS;
- i) Fulfilling all obligations undertaken by the SPD under this Agreement and also as per the terms of the RfS.
- j) The SPD shall be responsible to for directly coordinating and dealing with the corresponding Buying Entity, Load Dispatch Centres, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of Solar Power and due compliance with deviation and settlement mechanism and the applicable Grid code/State/Central Regulations, acknowledging that the SPD and the corresponding Buying Entity are the Grid connected entities and SECI as an Intermediary Procurer/ trading licensee is not a Grid connected entity in respect of the Solar Power contracted under this Agreement.
- k) For the Solar PV and BESS components, the SPD shall fulfil the technical requirements according to criteria mentioned under Annexure-B and Annexure-B1 of the RfS. Solar PV modules and solar PV cells used in the Project shall be sourced only from the models and manufacturers included in the List-I (for solar PV modules) and List-II (for solar PV cells) under the “Approved List of Models and Manufacturers” as published by MNRE and valid as on the date of invoicing of such modules.
- l) The SPD shall be solely responsible for and obligated to ensure that the Project being implemented under this Agreement shall fulfil the criteria as per regulations issued by State Authorities (as applicable), and subsequent amendments and clarifications thereof.
- m) As part of scheduling of power from the Project, the SPD will be required to punch-in its respective schedules along with subsequent revisions in such schedules, by itself, at the interface of the SLDC concerned for the corridor of power flow, including the SLDC of the Buying Entity, as per the Regulations in force, under intimation to SECI. The SPD must intimate SECI in advance (preferably in the first week of the month), the energy transacted in previous month so that it will help to comply statutory obligations of SECI as a trading licensee. The SPD shall be solely responsible for discrepancy identification and its rectification to avoid any rejection/less payment of invoices.

- n) For the Project being implemented under this Agreement, the SPD shall submit a detailed completion Schedule for the Project prior to the signing of PPA. Broad details to be captured in the Schedule are the land procurement, grid connectivity; order, supply and erection status of various Project components; financial arrangement/ tie up etc. The SPD shall also submit the progress report to SECI in a form acceptable to SECI and shall contain percentage completion achieved compared with the planned percentage completion for each activity, and any such other information as required by SECI. The SPD shall be required to submit the progress status of Project to SECI as and when requested by SECI, strictly within the timelines provided by SECI. Further, on 5th day of every calendar month, the SPD shall be required to submit the Project progress status as per Annexure-D of the RfS or the format as desired by Buying Entity. In case of failure to comply with the same, SECI at its discretion, may or may not consider the SCD extension request of the SPD.
- o) SPD shall comply with applicable cyber security regulations, directives, and guidelines issued by the Central Government Authorities dealing with cyber security.

4.2 *Information regarding Interconnection Facilities*

- 4.2.1 The SPD shall be required to obtain all information from the STU/concerned authority with regard to the Interconnection Facilities as is reasonably necessary to enable it to design, install and operate all interconnection plant and apparatus on the SPD's side of the Delivery Point to enable delivery of electricity at the Delivery Point. The transmission of power up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the SPD at his own cost.
- 4.2.2 Penalties, fines and charges, etc. imposed by the STU under any statute or guidelines in relation to delay in commissioning of the Project shall be entirely dealt by the SPD and any such amounts claimed by such agency shall be payable by the SPD.
- 4.2.3 The responsibility of getting connectivity with the transmission system up to the Interconnection Point, will lie with the SPD. The transmission of power up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the SPD at his own cost. The maintenance of Transmission system up to the designated point as per the applicable terms and conditions shall be the responsibility of the SPD to be obtained at his own cost. All costs and charges

including but not limited to the wheeling charges and losses up to and including at the Interconnection Point associated with this arrangement will also be borne by the SPD.

4.2.4 The arrangement of connectivity shall be made by the SPD through a transmission line. The entire cost of transmission including cost of construction of line, any other charges, losses etc. from the Project up to the Interconnection Point will be borne by the SPD. In case of non-availability of Grid and Transmission System during Term of this Agreement, for reasons not attributable to the SPD, provisions of Article 4.10 shall be applicable.

4.2.5 Any charges and losses on transmission of power, including waiver for solar power, shall be applicable as per extant regulations.

In case of delay in commencement of power supply by the SPD even after the operationalization of open access obtained by the Buying Entity, SPD shall be liable to pay the applicable STU transmission charges.

Subject to the above, it is, however, clarified that any charges and losses beyond the Delivery Point shall be borne by the Buying Entity upon the execution of the relevant PSA.

4.3 Purchase and sale of Power within the Contracted Capacity

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

4.4 *Right to Contracted Capacity & Energy*

4.4.1 For supply of power in other than Peak Hours, the CUF declared by the SPD is _____ (insert the amount as per SECI's LoA). The SPD will be allowed to revise the CUF of the Project once within first year after the date of commencement of power supply from full Project Capacity. In case of revision in CUF, the revised CUF shall, in no case, be lower than the originally committed value. Subsequent to commencement of power supply from the Project, SECI, in any Contract Year, except for the Contract Year ending on 31st March immediately after the date of commencement of power from the Project, shall not be obliged to purchase any additional energy from the SPD beyond Million kWh (MU) [Insert value of energy corresponding to CUF of 110% of the declared CUF for the Project or the modified CUF]. If for any Contract Year, except for the Contract Year ending on 31st March immediately after the date of commencement of power from the Project, it is found that the SPD has not been able to supply minimum energy amounting to

.....Million kWh (MU) [Insert values corresponding to a CUF of 85% of the declared CUF for the project or the modified CUF] till the end of 10 years from the SCD andMillion kWh (MU) [Insert values corresponding to a CUF of 80% of the declared CUF for the project or the modified CUF] for the rest of the Term of the Agreement, save and except in case of Force Majeure, the SPD shall be liable to pay penalty to SECI to enable SECI to remit such penalty to the Buying Entity .

For the first year of operation of the Project, the above limits shall be considered for the complete year after the date of commencement of power from the Project. Subsequently, the annual CUF will be calculated every year from 1st April of the year to 31st March next year. Similarly, for the last year of operation of the Project, these limits shall be considered for the complete year before the expiry of the PPA. For example, if a Project starts commencement of power supply on 24.07.2027, the annual CUF for first year shall be calculated for the period from 24.07.2027 to 23.07.2028.

The lower limit will, however, be relaxable by Buyer to the extent of Generation Compensation due to grid non-availability to the Project for evacuation which is beyond the control of the SPD as determined under provisions of Article 4.10.1. The amount of such penalty will be equal to 1.5 times the Applicable Tariff for the shortfall in energy terms, which in turn, shall be remitted to the Buying Entity. The penalty as per above shall be applied on the amount of shortfall in generation from the Project during any Contract Year. This penalty shall not be applicable in events of Force Majeure identified under this Agreement, affecting supply of Solar Power by SPD.

However, for the purpose of release of BG submitted for claim of VGF, CUF will be calculated every year from the date of commissioning up to completion of 1 year from the date of commissioning and should not go beyond the lower limit of the declared CUF. The upper limit will not be applicable for the purpose of payment of VGF.

4.4.1 (a) Scheduling and offtake of energy during Peak Hours

- i. The Buying Entity shall intimate the hours (which shall be 2 hours during a day) during which it intends to draw the energy from the BESS on daily basis. Buying Entity shall choose the 2 hours such that there is a continuous discharge from the BESS at least for 1 hour. The SPD is mandated to deliver 2000 kWh of energy per MW rated Project capacity of the project in AC terms, during Peak Hours as per the schedule given by the Buying Entity (i.e., For 10 MW of project capacity, SPD shall supply up to 20,000 kWh of energy during Peak Hours), on a daily basis. Reconciliation of the same shall be carried out on a monthly basis. Modifications in

the metering arrangement on account of the same, if any, shall be under the scope of the SPD, at its own risk and cost.

- ii. The SPD may supply the required energy during Peak Hours either from the stored energy in the BESS or from any Solar PV generation available during the Peak Hours.
- iii. “Peak Hours” in this case, shall be as defined in this Agreement. For 10 MW of Contracted Capacity, as per the PSA, the Buying Entity shall specify off take of amount of power during any 2 hours out of the Peak Hours for off-take of 20,000 kWh (with 10,000 kWh energy for each hour) of energy, on a daily basis.
- iv. It is clarified that the Buying Entity is mandated to off-take the stored energy on a daily basis, and may choose to schedule peak power supply as per its requirement. The discharge of energy during Peak Hours shall be governed by the demand pattern of the corresponding Buying Entity, as per the Buying Entity’s schedule. In case of non-receipt of peak hours schedule from the Buying Entity by 6:00 AM in the morning on a particular day, SPD shall supply the peak power as per its own discretion during the Peak Hours of that day. The requirement of electricity supply during Peak Hours is to be mandatorily met on a day-to-day basis, and shall be monitored on a monthly basis.
- v. Any shortfall in supply of Peak Power below the requirement of Buying Entity as per this clause, shall be dealt as per Article 4.4.1(b) below.
- vi. The Buying Entity shall be required to intimate its choice of Peak Hours (which shall be 2 hours during a day) and Power requirement in the selected Peak Hours to SECI and SPD on daily basis latest by 06:00 AM of that day, which will be deemed to have been accepted by the SPD for supply of Peak Power. In this regard, it is hereby clarified that the Buying Entity shall choose the 2 hours such that there is a continuous supply at least for 1 hour. It is further clarified that the Buying Entity are mandated to off-take energy during Peak Hours @ 2 MWh for every 1 MW Contracted Capacity from the Project. Declaration of Peak Hours will be governed by the rules brought out in the definition of “Peak Hours” in this Agreement.
- vii. Grid charging of the ESS will not be allowed under this PPA.

4.4.1 (b) Shortfall in supply of energy during Peak Hours

In case of any shortfall in supply of Power during the Peak Hours as notified by the Buying Entity, from the mandated supply of energy (i.e. up to 20 MWh for 10 MW capacity), the SPD shall pay a penalty corresponding to the energy shortfall, calculated as 1.5 x PPA Tariff. For the purpose of calculation of shortfall in energy

supplied during Peak Hours, a 'month' shall be the billing month as defined in the PPA. This shortfall shall be calculated against the energy that is required to be supplied by the SPD during that month, which shall be based on sum of Peak Hours of that month.

This penalty will be levied over and above the penalty for shortfall in meeting the minimum annual CUF requirement as per this Article.

Such shortfall shall be permissible up to 30% below the energy requirement by the Buying Entity during Peak Hours, on a monthly basis, and up to 15% below the energy requirement on an annual basis. The monthly shortfall will be calculated such that penalty will be levied on the average monthly shortfall beyond 30%. For the annual shortfall beyond 15%, penalty will be calculated on annual basis. In a Contract Year, the higher of these two penalties (monthly shortfall and annual shortfall) shall be applicable, and the remaining penalty amount (based on difference of applicable penalty for that Contract Year and penalty levied for the 11 months in that Contract Year) shall be levied in the last month of the Contract Year.

For e.g. If for a Contract Year, the sum of penalties for all the 12 months comes out to be Rs. 2 Lakhs and the penalty for shortfall in annual shortfall comes out to be Rs. 2.2 Lakhs, the applicable penalty for that Contract Year shall be Rs. 2.2 Lakhs. And if the penalty levied on the SPD till 11 months of that Contract Year is Rs. 1.7 Lakhs, the penalty imposed in the last month will be Rs. 0.5 Lakhs.

The SPD shall offer power such that 100% of the annual energy offered corresponds to Solar power. The SPD can, however, source up to 5% RE power (in energy terms), on annual basis, from the green market sources/bilateral agreements, towards meeting the supply conditions stipulated in this Agreement.

It is hereby clarified that for supply of power in hours other than Peak Hours, the penalty on account of shortfall in meeting the minimum energy requirement as per Article 4.4.1 shall be levied annually and for supply of power during the Peak Hours, the penalty on account of shortfall in supply of energy during the Peak Hours shall be calculated on a monthly basis.

For example, considering energy supply during Peak Hours for the month of April, the SPD was required to supply 3 MUs during Peak Hours and the SPD supplies 2 MUs during this month, then the applicable penalty for shortfall in supply during Peak Hours for this month will be Rs. 4.05 Lakhs $[= (0.70 \times 3 - 2) \times 2.7 \times 1.5]$ (considering the tariff of Rs. 2.7/kWh). This penalty will be separate from the penalty for shortfall

in meeting the minimum annual CUF requirement, which is applicable for supply of power in hours other than Peak Hours.

4.4.1 (c) The detailed list of documents required for verification of energy supply and performance of the Project will be intimated to the SPD subsequent to commissioning

(i) For each Month, the above data will be required to be submitted by the SPD to SECI within 7 days after expiry of the previous Month, for verification of the performance parameters for calculating applicable penalty on account of shortfall.

(ii) For each Contract Year, the above data will be required to be submitted by the SPD to SECI within 30 days after expiry of the previous Contract Year, for verification of the performance parameters for calculating applicable penalty on account of shortfall.

4.4.2 Any excess generation over and above as per Article 4.4.1, may be purchased by SECI at the tariff as per Article 9, provided the Buying Entity consents to purchase such power at the Applicable Tariff as per PSA. While the SPD would be free to install the DC solar field as per its design of required output, including its requirement of auxiliary consumption and to repower the Project from time to time during the term of the PPA, it will not be allowed to sell any excess power to any other entity other than SECI (unless refused by SECI). The SPD shall be required to intimate SECI about the proposed excess quantum of energy likely to be generated from the Project within any Contract Year, at least 60 days prior to the proposed date of commencement of excess generation in that Contract Year. SECI shall be required to intimate its approval/refusal to the SPD, for buying such excess generation not later than 15 days of receiving the above offer from the SPD. In the event the offer of the SPD is not accepted by SECI within the said period of 15 days, such right shall cease to exist and the SPD shall, at its sole discretion, may sell such excess power to any third party.

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

4.4.3 The SPD agrees that the methodology specified hereinabove for calculation of compensation in the form of penalties payable by the SPD as indicated above is a genuine and accurate pre-estimation of the actual loss that will be suffered by SECI / Buying Entities. SPD shall further acknowledge that a breach of any of the obligations

contained herein result in injuries and that the amount of the penalty or the method of calculating the penalty specified in this document is a genuine and reasonable pre-estimate of the penalty that may be suffered by the SECI / Buying Entity in each case specified under this Agreement.

- 4.4.4 The parties agree that penalties shall not be applicable in events of Force Majeure identified under the PPA, affecting supply of power by the SPD. SPD shall not be liable to pay any penalty whatsoever including consequential damages for any shortfall in generation in excess of what becomes payable under Article 4.4.1.
- 4.4.5 Grid charging of the BESS will not be allowed under this PPA.

4.5 *Extensions of Time*

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

- a) any SECI Event of Default; or
- b) Force Majeure Events affecting SECI/ Buying Entity , or
- c) Force Majeure Events affecting the SPD,

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

- 4.5.2 Subsequent to grant of connectivity, in case there is a delay in Start Date of Connectivity by the STU and/or there is a delay in readiness of the STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the STU network until SCD of the Project, and it is established that:

- (i) The SPD has complied with the complete application formalities as per RfS,
- (ii) The SPD has adhered to the applicable Procedure in this regard as notified by the SERC/STU, and
- (iii) The delay in Start Date of Connectivity and/or delay in readiness of the STU substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the STU network, is solely attributable to the STU/transmission licensee and is beyond the control of the SPD;

The above shall be treated as delays beyond the control of the SPD and SCD for such Projects shall be revised as the date as on 60 days subsequent to the readiness of the Delivery Point and power evacuation infrastructure and/or Start Date of Connectivity.

Decision on requisite extension on account of the above factor shall be taken by SECI. In case of change in Project location by the SPD, extension requests under this Article shall be dealt by SECI on case-to-case basis. For avoidance of ambiguity, it is clarified that for decisions made under this Article, the phrase “change in Project location” or its similar connotations, shall refer solely to change in Delivery Point of the Project.

- 4.5.3 In case of extension due to reasons specified in Article 4.5.1(b) and (c), and if such Force Majeure Event continues even after a maximum period of nine (9) months from the date of the Force Majeure Notice, termination of this Agreement shall be caused solely at the discretion of SECI, as per the provisions of Article 13.5.
- 4.5.4 If the Parties have not agreed, within thirty (30) days after the affected Party’s performance has ceased to be affected by the relevant circumstance, on the time period by which the SCD or the Expiry Date should be deferred, either Party may raise the Dispute to be resolved in accordance with Article 16.
- 4.5.5 As a result of such extension on account of Article 4.5.1 or Article 4.5.2, the newly determined SCD and newly determined Expiry Date shall be deemed to be the SCD and the Expiry Date for the purposes of this Agreement.
- 4.5.6 Further, any delay in adoption of tariff by the Appropriate Commission and/or Contracted Capacity approval from SERC, beyond 60 days of submission of petition for adoption of tariff/Contracted Capacity approval before the Appropriate Commission/SERC or 120 days from the date of signing of PSA, whichever is more, shall entail a corresponding extension in the SCD, in line with provisions of Article 2.1.4 of this Agreement.
- 4.5.7 Delay in commencement of power supply from the project beyond the SCD for reasons other than those specified in Article 4.5.1 & Article 4.5.2 shall be an event of default on part of the SPD and shall be subject to the consequences specified in the Article 4.6.

4.6 *Penalty for delay in commissioning of the Project*

- 4.6.1 The SPD shall commence supply of power from the full Project Capacity within SCD as defined in this Agreement. If the SPD is unable to commence power supply from the Project by the SCD for the reasons other than those specified in Article 4.5.1 and 4.5.2, the SPD shall pay to SECI, penalty for the delay in such commencement of power supply and making the Contracted Capacity available for dispatch by the SCD as per the following:
- (a) Delay up to one month: 20% of the total PBG on per day basis and proportionate to the Contracted Capacity not commissioned.

- (b) Delay of more than one month and up to three months: Remaining PBG on per day basis and proportionate to the Contracted Capacity that has not been commissioned.
 - (c) In case the delay in commissioning of full Contracted Capacity is over three (3) months, the tariff fixed for project shall be reduced at the rate of 0.50 paise/kWh per day of delay for the delay in such remaining capacity which is not commenced supply of power. The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Bank Guarantee and reduction in the fixed tariff shall be limited to 24 months from the effective date of PPA. In case, the commissioning of the full Contracted Capacity is delayed beyond 24 months from the effective date of PPA, the PPA capacity shall stand reduced / amended to the Project Capacity which has commenced supply and the PPA for the balance Capacity will stand terminated and shall be reduced from the selected Project Capacity.
- 4.6.2 The SPD acknowledges and accepts that the methodology specified herein above for calculation of penalty payable by the SPD is a genuine and accurate pre-estimation of the actual loss that will be suffered by SECI. SPD further acknowledges that a breach of any of the obligations contained herein result in injuries and that the amount of the penalty or the method of calculating the penalty specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the SECI in each case specified under this Agreement.
- 4.6.3 In case of part-commencement of power supply subsequent to the SCD, encashment of PBG shall take place upon commencement of power supply from each part capacity, in case of no request for time extension of such part capacity pending with SECI.

4.7 Acceptance/Performance Test

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

4.8 Third Party Verification

- 4.8.1 The SPD shall be further required to provide entry to the site of the Power Project (from which power under this Agreement is being made available) free of all encumbrances at all times during the Term of the Agreement to SECI and a third Party

nominated by any Indian Governmental Instrumentality for inspection and verification of the works being carried out by the SPD at the site of the Power Project. The SPD shall provide full support to SECI and/or the third party in this regard.

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

4.8.3 Project installed should meet technical specification and construction standards as specified by BIS and MNRE from time to time. Non-compliance will be taken seriously to the extent of blacklisting of the firm, in the manner defined below, apart from taking action under any other law in force.

4.8.4 MNRE or SECI or any other third-party agency authorized by MNRE/SECI may inspect the ongoing installation or installed project. In case of the installed systems are not as per standards, non-functional on account of poor quality of installation, non-compliance of AMC, MNRE/SECI reserves the right to blacklist the vendor. Blacklisting may inter-alia include the following:

- The vendor/firm will not be eligible to participate in tenders for Government supported projects.
- In case, the concerned Director(s) of the firm/company joins another existing or starts/joins a new firm/company, the firm/company will automatically be blacklisted.

4.9 Breach of Obligations

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

4.10 Generation compensation for Off-take constraints

4.10.1 Generation Compensation in offtake constraints due to Grid Unavailability: During the operation of the plant, there can be some periods where the Project can generate power but due to temporary transmission unavailability, the power is not evacuated, for reasons not attributable to the Solar Power Developer. In such cases, subject to the

submission of documentary evidences from the competent authority, the generation compensation shall be restricted and payable by the Buying Entity 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 Article 1)	<p><i>Generation Compensation=</i> <i>((Tariff X Solar Power (MW) offered but not scheduled by the Buying Entity)) X 1000 X No. of hours of grid unavailability.</i></p> <p>However, in the case of third-party sale or sale in the power exchange, as price taker, the 95% of the amount realized, after deducting expenses, shall be adjusted against the Generation compensation payable, on monthly basis.</p>

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

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

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

4.10.3 For claiming compensation, the SPD must sell their power in the power exchange as a price taker. Thus, the compensation would be limited to the difference of the actual

generation up to declared capacity subject to a maximum of up to the Contracted Capacity and the quantum of power scheduled by the Buying Entity.

- 4.10.4 The SPD 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 Energy Accounts (SEA/JMR). No Trading Margin shall be applicable on this Payment. It is hereby clarified that for the purpose of Article 4.10, “generation” shall mean scheduled energy based on Energy Accounts. The SPD shall not be eligible for any compensation in case the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions or Force Majeure.

ARTICLE 5: SYNCHRONIZATION, COMMERCIAL OPERATION, COMMISSIONING OF THE PROJECT AND VIABILITY GAP FUNDING

- 5.1 The SPD shall give the concerned SLDC and SECI and also to the Buying Entity at least sixty (60) days' advanced preliminary written notice and at least thirty (30) days' advanced final written notice, of the date on which it intends to synchronize the Solar Power Project to the Grid System.
- 5.2 Subject to Article 5.1, the Project may be synchronized by the SPD to the Grid System when it meets all the connection conditions prescribed in applicable Grid Code then in effect and otherwise meets all other Indian legal requirements for synchronization to the Grid System.
- 5.3 The synchronization equipment and all necessary arrangements / equipment including RTU for scheduling of power generated from the Solar Project and transmission of data to the concerned authority as per applicable regulations shall be installed by the SPD at its generation facility at its own cost. The SPD shall synchronize its system with the Grid System only after the approval of synchronization scheme is granted by the head of the concerned substation/Grid System and checking/verification is made by the concerned authorities of the Grid System and SLDC, in line with the provisions of the Grid Code.
- 5.4 The SPD shall immediately after each synchronization/tripping of generator, inform the sub-station of the Grid System to which the generation facility including Solar Project(s) is electrically connected and also to the SLDC in accordance with applicable Grid Code under intimation to SECI.
- 5.5 The SPD shall commission the Project in line with provisions of the State Electricity Regulatory Commission's regulations, as amended from time to time. In line with this regulation, the SPD proposing the Project, or its part, for commissioning, shall give to SLDC, State Nodal Agency, SECI and the Buying Entity, a preliminary notice not later than 60 days prior and advance notice not later than 30 days prior to the proposed commissioning date. The SPD shall be solely responsible for any delay or non-receipt of the notice by the concerned agencies, which may in turn affect the commissioning schedule of the project. In order to facilitate this, SPD shall inform the concerned SLDC and SECI well in advance the date on which it intends to synchronize the Power Project to the Grid.

Subsequently, the SPD shall submit a final written notice to SECI/SNA/SLDC/Buying Entity at least 15 days prior to the proposed date of commissioning of the Project. At this

stage, the SPD shall be required to submit the following documents to SECI, duly stamped and signed by the Authorized Signatory:

- i. Board Resolution for authorized signatory for signing the documents related to commissioning of the Project and witnessing the commissioning.
- ii. Invoices against purchase of the solar modules, Inverters/PCUs, BESS, WMS, SCADA and DC cables along with the summary sheet containing the list of all the invoice numbers, including details and number of items. Lorry Receipts for delivery of Project components at site along with certified summary sheet by the authorized signatory.
- iii. All supporting documents towards meeting the technical compliance along with datasheet/ warranty certificates/ contract agreement etc. as mentioned in Annexure-A)
- iv. Installation report duly signed by the authorized signatory as per Annexure-C of the RfS indicating rating and quantity of inverters and Solar PV modules of each type for the capacity proposed for commissioning only.
- v. Synchronization declaration by the SPD for the capacity proposed for commissioning, including details of the synchronized blocks, as per Annexure-F of the RfS.
- vi. Undertaking from the SPD stating that
 - a. the solar cells and modules have been procured from a manufacturer listed in the ALMM by MNRE (as applicable).
 - b. all necessary approvals and clearances required to establish and operate the project have been obtained.
 - c. all the equipment including but not limited to solar PV modules, inverters/PCU, power transformer and cables has been installed in compliance with the technical requirements specified under the RfS/PPA.
 - d. the SPD is in compliance with all the applicable laws and regulations for commissioning of the Project.
 - e. indemnifying SECI against any discrepancies in the above details.
- vii. Plant layout along with the Single Line Diagram (SLD), clearly indicating the inverters/ICR Blocks, inverter transformers, power transformers, and energy meters. In addition to the above, the SPD shall provide KML files for the Solar PV component (specifying each block), ALMM certificates, insurance documents of Project, online monitoring facility as per the RfS.
- viii. Snap shots of the plant, including but not limited to, solar PV modules, inverters, switchyards\switchgears, weather monitoring systems/stations, Power Transformers, SCADA (screenshots with time stamped WMS data, Energy generation data and inverter data etc.), metering (Main, Check and

Standby Meters as applicable at delivery point etc.) from various angles shall be submitted along with the Installation Report.

- ix. Energization approval from CEI/CEIG/CEA (as applicable), covering all components, including solar PV modules, inverters, BESS, transformers, transmission system, and protection system, along with all annexures and attachments.
- x. Final grant of connectivity letter issued by STU for the Project in the name of either the SPD or the Bidding Company. If the SPD or the Bidding Company has not obtained connectivity, the SPD must submit documentary evidence confirming the utilization of connectivity for the project, obtained by the third party for the duration of the PPA.

Documents related to the operationalization of connectivity.

If the SPD intends to commission the project before the operationalization of connectivity, it must submit an undertaking indemnifying SECI, as per the format in Annexure-G of the RfS.

- xi. Certificate issued by SECI confirming compliance of the Land Arrangement milestone.

If the RfS/PPA does not include a provision for the Land Arrangement milestone, an affidavit from the SPD shall be submitted, certifying possession of the land identified for the project for the PPA period. The affidavit must include details of the land parcels where the project is located and indemnify SECI against any discrepancies in the provided details.

- xii. Readings of all the inverters (instantaneous and total generation of a particular date) along with their serial numbers.
- xiii. Relevant documents from SLDC acknowledging successful data communication between plant end and SLDC.
- xiv. Certificate of compliance of Financial Closure milestone.
- xv. Intimation regarding commissioning, specifying the proposed capacity and commissioning date, is required to be submitted at least 30 days prior to the proposed commissioning date.

A Complete set of documents must be submitted by SPD 15 days before the proposed date of the commissioning of the Project.

Prior to Project site-visit, SECI shall verify compliance of technical parameter of the Project as per Annexure A of the RFS document. Based on the successful verification of the documents as required above, SECI shall intimate to the SPD about its readiness to visit the project site to witness the commissioning.

Based on the above, the Commissioning Order, indicating the proposed date of site-visit and the members of the Committee visiting the site, shall be issued by the SNA/SECI. It shall be responsibility of the SPD to ensure the issuance of such Commissioning

Order, in the absence of which, SECI shall not be liable to visit the project site. Any delay in this regard shall not be attributable to SECI.

After the proposed commissioning date along with commissioning order is submitted to SECI, the commissioning committee formed as per MNRE guidelines shall visit the site within 07 working days to verify the technical compliance on site as per the information submitted by the SPD and to witness the commissioning. In case the committee finds discrepancy/deviation from the information submitted by the SPD during on site verification, the committee shall schedule its next visit only on the next available date as per the availability of all the committee members.

The SPD shall ensure the presence of all the members of the Committee constituted to witness the commissioning, on the said date as per the Commissioning Order. Any delay in witnessing the project commissioning due to absence of any member of the Committee (excluding those from SECI), shall not be attributable to SECI.

On the date of site-visit, the SPD shall be required to demonstrate that equipment of rated capacity has been installed, all the inverters of rated capacity are operating and energy from the project has flown into the grid.

SPD shall have to push the required plant related data to SECI designated server in xml/json formats. Additionally, SPD shall also provide the login details/ SCADA login to SECI for online real time data monitoring at the time of commissioning.

Joint Meter Reading (JMR) shall be taken at Delivery Point and Pooling Substation (if applicable)/plant premise on the date of site visit by the commissioning committee. This shall include information of respective meters installed at delivery/ interconnection point and pooling substation/plant premises.

SPD is permitted to schedule the Commissioning of the Project in full or part as per the commissioning procedure elaborated above.

Based on the Minutes of Meeting of the Commissioning Committee, SECI may issue a provisional commissioning certificate to the SPD for the corresponding Project, which shall be solely for the purpose of enabling commencement of scheduling of power by the SPD. The final commissioning certificate shall be issued as per the provisions of the PPA.

- 5.6 The SPD shall be permitted for commencement of power supply from full as well as part Contracted Capacity even prior to the SCD subject to availability of transmission connectivity. Even in case of early part/full commencement of power supply, the PPA will remain in force for a period of 25 (twenty-five) years from the SCD/extended SCD.
- 5.7 The SECI & SPD agree that for the purpose of commencement of the supply of power by SPD to SECI, penalty for delay etc., the SCD/extended SCD as defined in this Agreement shall be the relevant date.

5.8 The SPD will be free to reconfigure and repower various components of the Project configuration from time to time during the PPA duration at its own risk and cost, pursuant to Articles 3.1 and 4.4 of this Agreement. However, SECI will be obliged to buy power only upto the Contracted Capacity as per this Agreement.

5.9 In addition to the requirements mentioned above, SPD shall also comply with all the requirements as mentioned in the Grid Code.

5.10 **Details of Viability Gap Funding (VGF)**

a. The SPD is eligible to receive VGF support amounting to maximum of INR..... (in figures and words) subject to the compliance of terms and conditions as detailed below.

b. 100% of the above indicated VGF amount will be released subsequent to the Commercial Operation Date (COD) of the full project capacity and on submission of Bank Guarantee of the amount equivalent to 20% of the maximum VGF amount as per Article 5.10.a above and having validity of 51 months from the Commercial Operation Date of the project or of the amount and validity as detailed below and meeting other terms and conditions contained in this Agreement:

Particular	BG amount	Validity
BG No.-1	5% of the maximum VGF amount as per Article 5.10.a above.	COD + 15 months
BG No.-2	5% of the maximum VGF amount as per Article 5.10.a above.	COD + 27 months
BG No.-3	5% of the maximum VGF amount as per Article 5.10.a above.	COD + 39 months
BG No.-4	5% of the maximum VGF amount as per Article 5.10.a above.	COD + 51 months

c. For release of BG towards VGF, annual CUF will be calculated every year from COD up to completion of 1 year from the COD. The upper limit will not be applicable for the purpose of release of BG towards VGF. The lower limit will, however, be relaxable by SECI in case of non-availability of grid for evacuation which is beyond the control of the SPD and in case of occurrence of Force Majeure events.

d. The SPD shall furnish self-declaration every year till four years from the COD, towards meeting the Plant Performance as per Article 4.4 along with consolidated audited annual energy account.

e. SECI will have right to encash the BG for that year, if the developer fails to operate the plant or produce power or the plant is left idle for any reason for over one year and

the project fails to meet requirements of the Project Performance in line with Article 4.4.

For example- In case the plant fails to meet the annual CUF requirement in the 3rd year from COD then the BG No.-3 will be encashed completely.

- f. The SPD cannot transfer or sell the Project to a third party or dismantle the Project during the complete tenure of PPA without the approval of SECI.
- g. Further, it is clarified that the SPD will not be allowed to claim both Accelerated Depreciation (AD) and VGF. If at any stage after COD, it is found that the SPD is claiming Accelerated Rate of Depreciation as per the Income Tax Act 1961, and also a beneficiary of VGF then the entire VGF amount along with interest calculated at annual rate of 15% has to be repaid by the SPD to SECI within 60 days. The interest shall be calculated from the date of disbursement of VGF. If such amount is not paid by the SPD, same shall be adjusted from the dues of the power sale revenues to be paid by SECI to the SPD.

ARTICLE 6: DISPATCH AND SCHEDULING

6.1 *Dispatch and Scheduling*

- 6.1.1 The SPD shall be entirely responsible to schedule its power as per the applicable regulations / requirements / guidelines of SERC /SLDC or any other competent agency and same being recognized by the SLDC or any other competent authority / agency as per applicable regulation/ law / direction and maintain compliance to the applicable Codes/ Grid Code requirements and directions, if any, as specified by concerned SLDC from time to time. Any deviation from the schedule will attract the provisions of applicable regulation / guidelines / directions and any financial implication on account of this shall be on the account of the SPD.
- 6.1.2 The SPD shall be responsible for directly coordinating and dealing with the Buying Entity, State Load Dispatch Centres, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of power and due compliance with deviation and settlement mechanism and the applicable Grid code Regulations, acknowledging that the SPD and Buying Entity are the Grid connected entities and SECI as an Intermediary Procurer/ trading licensee is not a Grid connected entity in respect of the power contracted under this Agreement.
- 6.1.3 The SPD shall be responsible for any deviation from scheduling and for any resultant liabilities on account of charges for deviation as per applicable regulations. UI charges on this account shall be directly paid by the SPD.
- 6.1.4 Auxiliary power consumption will be treated as per the concerned State regulations.
- 6.1.5 Further, in case of any difference in scheduled energy at the interfaces of all the SLDCs concerned for the corridor of the power flow, including the SLDC of the Buying Entity, SECI will make payments corresponding to the lowest of the individual energy values to the SPD, until rectification of the above error.

ARTICLE 7: METERING

7.1 *Meters*

- 7.1.1 For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the SPD and SECI shall follow and be bound by the SERC's regulations and the Grid Code, as amended and revised from time to time.
- 7.1.2 The SPD shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at SPD's side of Delivery Point.
- 7.1.3 In addition to ensuring compliance of the applicable codes, the SPD shall install Main & Check meters at the Delivery Point, along with Stand-by meter(s) as per the applicable State regulations.

7.2 *Reporting of Metered Data and Parameters*

- 7.2.1 The grid-connected Solar PV Power Project will install necessary equipment for regular monitoring of solar irradiance (including GHI, DHI, and solar radiation in the module plane), ambient air temperature, wind speed and other weather parameters and simultaneously for monitoring of the electric power (both DC and AC) generated from the Project.

SPD shall also install and maintain GPS enabled Automatic Weather Station (AWS) as per the technical specifications and standards specified by relevant Central Government Agency. Availability of the data from such AWS shall be ensured as specified by the appropriate Load Dispatch Centre and other Central Government agencies in accordance with the provisions of Indian Electricity Grid Code and instructions from the appropriate Load Dispatch Centre from time to time.
- 7.2.2 Online arrangement would have to be made by the SPD for submission of above data regularly for the entire period of this Power Purchase Agreement to the SLDC, SECI and the concerned Ministry or concerned agency as per applicable regulation / directions.
- 7.2.3 Reports on above parameters on monthly basis (or as required by regulation / guidelines) shall be submitted by the SPD to Ministry of New and Renewable Energy/ SECI/ National Institute of Solar Energy /or authorized agency of SECI/ MNRE for entire Term of this Agreement.

ARTICLE 8: INSURANCES

8.1 *Insurance*

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

8.2 *Application of Insurance Proceeds*

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

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

8.2.2 If a Force Majeure Event renders the Project no longer economically and technically viable and the insurers under the Insurances make payment on a “total loss” or equivalent basis, SECI shall have claim on such proceeds of such Insurance limited to outstanding dues of SECI against the Buying Entity as per PSA entered into and any other dues of the Buying Entity against SPD.

8.3 *Effect on liability of SECI*

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

ARTICLE 9: APPLICABLE TARIFF

- 9.1 Subsequent to commencement of power supply by the SPD on the terms contained in this Agreement, the SPD shall be entitled to receive the Tariff of Rs. / kWh [Insert the Tariff discovered through the bidding process conducted by SECI], fixed for the entire term of this Agreement. However, in case of delay beyond 3 months from the Schedule Commissioning Date, the Applicable Tariff given above shall be reduced at the rate of half paisa (0.50 paisa) per unit per day of such delay up to a maximum period of twenty-four months from the Effective Date of this Agreement.
- 9.2 In case of early part/full commencement of power supply from the project, till SCD, the SPD will be free to sell the electricity generated, to any entity other than the SECI/Buying Entity, only after giving the first right of refusal to the SECI/Buying Entity by giving 15 days advance notice to both SECI and Buying Entity. SECI/Buying Entity shall provide refusal within 15 (fifteen) days from the receipt of the request for early part/full commencement of power supply from the Project, beyond which it would be considered as deemed refusal. Provided that in case both the Buying Entity and SECI give their acceptance to purchase of power, the Buying Entity will be accorded priority in availing such power. In case the designated Buying Entity does not give its acceptance, then SECI can purchase such power directly or designate another potential buyer/entity to purchase such power at the Applicable Tariff (as per Article 9.1). In case SECI/Buying Entity agree to purchase power from a date prior to the SCD, such power shall be purchased at the Applicable Tariff (as per Article 9.1). Any energy produced and flowing into the grid before SCD shall not be at the cost of SECI.
- 9.3 Any excess generation over and above energy specified in Article 4.4.1, will be purchased by SECI at the Applicable Tariff (as per Article 9.1), and provided the Buying Entity consents for purchase of such excess generation.
However, the SPD will not be allowed to sell energy generated prior to SCD or excess energy during any Contract Year to any other entity other than SECI (unless refused by SECI).
- 9.4 Not used
- 9.5 In case solar PV component is ready for injection of power into the grid, but the BESS component is unable to commence supply of power, the SPD will be allowed to commence power supply from solar PV component which is ready, outside the ambit of this Agreement. Following should be noted under this scenario:

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- a. First right of refusal for such power shall vest with the Buying Entity. Subsequent to refusal of such power by the Buying Entity, the right of refusal shall vest with SECI.
- b. In case SECI/Buying Entity decides to buy such discrete component's power outside the PPA, such power shall be purchased at 50% of the Applicable Tariff. In case the same is procured through SECI, trading margin of Rs. 0.07/kWh will be applicable on such power procurement.
- c. The above scenario will be applicable until the SPD commences supply of power to the Buying Entity under the provisions of this Agreement.

ARTICLE 10: BILLING AND PAYMENT

10.1 *General*

- 10.1.1 Pursuant to Article 4.1.1 (i), SECI may set up a payment security fund for Solar Power Projects in order to ensure timely payment. The fund will be created as per the Guidelines and Payment Security Mechanism (PSM) guidelines, if any. This fund will have a corpus realized from encashment of Performance Bank Guarantee/POI, if any, under the referred RfS.
- 10.1.2 From the commencement of supply of power, SECI shall pay to the SPD the monthly Tariff Payments subject to the adjustments as per provisions of this Agreement including Article 6, in accordance with Article 9. All Tariff Payments by SECI shall be in Indian Rupees.
- 10.1.3 The SPD shall be required to make arrangements and payments for import of energy and other charges (if any) required for supply/offer of the contracted capacity under this agreement as per applicable regulations.
- 10.1.4 The parties acknowledge and accept that the Electricity (Late Payment Surcharge and related matters) Rules, 2022 [hereinafter referred to as '**Rules**'] as notified vide G.S.R 416(E) on 03.06.2022 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 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 SPD, power not requisitioned by the Buying Entity, the order of payment and adjustment towards late payment surcharge and indemnification. In case of any inconsistency in the Guidelines and/or the provisions of this Agreement, with the provisions of the above Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 will supersede and be applicable and govern the terms and conditions of this Agreement. The above shall apply both in regard to the present agreement as well as on mutatis mutandi and back to back basis to the PSA. The Rules referred to hereinabove being statutory shall, to the extent applicable, supersede any provisions in this PPA and the PSA which are inconsistent or contrary to the provisions of the Rules.

10.2 *Delivery and Content of Monthly Bills/Supplementary Bills*

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

10.3 *Payment of Monthly Bills*

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

The SPD shall open a bank account (the “SPD’s Designated Account”) for all Tariff Payments (including Supplementary Bills) to be made by SECI to the SPD, and notify SECI of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. SECI shall also designate a bank account at New Delhi (“SECI Designated Account”) for payments to be made by the SPD to SECI, if any, and notify

the SPD of the details of such account ninety (90) Days before the SCD. SECI and the SPD shall instruct their respective bankers to make all payments under this Agreement to the SPD'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.

10.3.3 Late Payment Surcharge

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

The Late Payment Surcharge shall be claimed by the SPD through the Supplementary Bill. Late Payment Surcharge shall be payable on the outstanding payment at the base rate of Late Payment Surcharge applicable for the period for the first month of default. The rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 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.

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.

The above payment will be made by SECI subject to such late payment surcharge being duly received by SECI under the PSA from the Buying Entity.

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

10.3.5 Rebate

For payment of any Bill including Supplementary Bill on or before Due Date, the following Rebate shall be paid by the SPD to SECI in the following manner.

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

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

10.4 Payment Security Mechanism

Letter of Credit (LC):

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

10.4.2 Before the start of supply, SECI shall, through a scheduled bank, open a Letter of Credit in favour of the SPD, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of 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.

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

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

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

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

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

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

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

10.5 Disputed Bill

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

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

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

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

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

- i) reasons for its disagreement;
- ii) its estimate of what the correct amount should be; and

iii) all written material in support of its counter-claim.

10.5.5 Upon receipt of the Bill Disagreement Notice by the SECI under Article 10.5.4, authorized representative(s) or a director of the board of directors/ member of board of the SECI and SPD shall meet and make best endeavours to amicably resolve such dispute within fifteen (15) days of receipt of the Bill Disagreement Notice.

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

10.5.7 For the avoidance of doubt, it is clarified the despite a Dispute regarding an invoice, SECI 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.

10.6 Quarterly and Annual Reconciliation

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

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

10.7 Payment of Supplementary Bill

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

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

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

10.7.2 SECI shall remit all amounts due under a Supplementary Bill raised by the SPD to the SPD's Designated Account by the Due Date, except open access charges, SLDC or scheduling charges and transmission charges (if applicable). Except for payment under Article 10.7.1 (i), payment of Supplementary Bills will be made after realization of the same from the Buying Entity under the Power Sale Agreement. No Late Payment Surcharge will be applicable other than that on the monthly energy payment and associated debit and credit note.

ARTICLE 11: FORCE MAJEURE

11.1 *Definitions*

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

11.2 *Affected Party*

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

11.3 *Force Majeure*

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

- a) Act of God, including, but not limited to lightning, drought, fire and explosion (to the extent originating from a source external to the site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon or tornado if and only if it is declared / notified by the competent state / central authority / agency (as applicable);
- b) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action if and only if it is declared / notified by the competent state / central authority / agency (as applicable); or
- c) radioactive contamination or ionising radiation originating from a source in India or resulting from another Force Majeure Event mentioned above excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Power Project by the Affected Party or those employed or engaged by the Affected Party.
- d) An event of Force Majeure identified under Buyer-Buying Entity PSA, thereby affecting delivery of power from SPD to Buying Entity.
- e) any event or circumstances having impact analogous to that on account of any of the events as specified under Article 11.3.1.(a), 11.3.1.(b), 11.3.1.(c), and 11.3.1.(d).

11.4 *Force Majeure Exclusions*

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

- a. Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts or consumables for the Power Project;
- b. Delay in the performance of any contractor, sub-contractor or their agents;
- c. Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
- d. Strikes at the facilities of the Affected Party;
- e. Insufficiency of finances or funds or the agreement becoming onerous to perform; and
- f. Non-performance caused by, or connected with, the Affected Party's:
 - i. Negligent or intentional acts, errors or omissions;
 - ii. Failure to comply with an Indian Law; or
 - iii. Breach of, or default under this Agreement.

11.5 *Notification of Force Majeure Event*

11.5.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than fifteen (15) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement. The other Party shall respond on the claim of the Affected Party within 15 days of receipt of the said intimation of Force Majeure.

11.5.2 Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the Force Majeure Event.

11.5.3 The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of

Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.

11.6 *Duty to Perform and Duty to Mitigate*

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

11.7 *Available Relief for a Force Majeure Event*

11.7.1 Subject to this Article 11:

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

ARTICLE 12: CHANGE IN LAW

12.1 Definitions

In these rules, unless the context otherwise requires, -

12.1.1 In this Article 12, the term “Change in Law” shall refer to the occurrence of any of the following events pertaining to this Project only after _____ [Enter the date as on 7 days prior to the last date of bid submission of the referred RfS], including any enactment or amendment or repeal of any law, leading to corresponding changes in the cost requiring change in tariff, and includes-

- i. a change in interpretation of any law by a competent court; or
- ii. a change in any domestic tax, including duty, levy, cess, charge or surcharge by the Central Government, State Government or Union territory administration leading to corresponding changes in the cost; or
- iii. a change in any condition of an approval or license obtained or to be obtained for purchase, supply or transmission of electricity, unless specifically excluded in the agreement for the purchase, supply or transmission of electricity, which results in any change in the cost,

but does not include-

- a. Any change in any withholding tax on income or dividends distributed to the shareholders of the generating company or transmission licensee; or
- b. change in respect of deviation settlement charges or frequency intervals by an Appropriate Commission.
- c. Any Change in Law event occurring after the SCD/extended SCD, which would not have affected the Project had the Project been commissioned before the SCD/extended SCD.

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

12.2 Adjustment in tariff on account of Change in Law

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

12.2.2 For the purposes of 12.2.1 above, the affected party, which intends to adjust and recover the costs due to change in law, shall give a 21 days’ prior notice to the other

(Insert Project ID)

party about the proposed impact in the tariff or charges, positive or negative, to be recovered from such other party.

12.2.3 The affected party shall furnish to the other party, the computation of impact in tariff or charges to be adjusted and recovered, within thirty days of the occurrence of the change in law or on the expiry of 21 days from the date of the notice referred to in 12.2.2 above, whichever is later, and the recovery of the proposed impact in tariff or charges shall start from the next billing cycle of the tariff.

12.2.4 The impact of change in law to be adjusted and recovered may be computed as one time or monthly charges or per unit basis or a combination thereof and shall be recovered in the monthly bill as the part of tariff.

12.2.5 The amount of the impact of change in law to be adjusted and recovered, shall be calculated in accordance with the formula given here under to calculate adjustment in the monthly tariff due to impact of change in law, which is non-recurring in nature.

Let financial impact of change in law=P

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

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

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

Where, -

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

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

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

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

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

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

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

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

- a. In case of generation project, within a period of one-hundred eighty months; or
- b. In case of recurring impact, until the impact persists.

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

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

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

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

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

12.2.12 “Project Cost” wherever applicable under this Article, shall mean the cost incurred by the SPD towards supply and services only for the Project concerned, upto the actual date of commencement of power supply from the last part capacity or upto the SCD/extended SCD, whichever is earlier. For example, in case the date of actual Commencement of power supply from the last part capacity is 15.04.2027, SCD is 15.03.2027 and extended SCD is 01.04.2027, the Project Cost shall be determined as the cost incurred by the SPD upto 01.04.2027.

ARTICLE 13: EVENTS OF DEFAULT AND TERMINATION

13.1 *SPD Event of Default*

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

- (i) the failure to commence supply of power to SECI up to the Contract Capacity, by the end of the period specified in Article 4, or failure to continue supply of annual energy corresponding to the sum of minimum annual CUF (for hours other than Peak Hours) and min. annual energy during Peak Hours to SECI after the commencement of supply of power, for 2 (two) consecutive Contract Years, excluding the first Contract Year ending on 31st March immediately after commencement of power supply, throughout the term of this Agreement, or if
 - a) the SPD assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Power Project in contravention of the provisions of this Agreement; or
 - b) the SPD transfers or novates any of its rights and/ or obligations under this agreement, in a manner contrary to the provisions of this Agreement; except where such transfer
 - is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement or
 - is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee;
- (ii) if (a) the SPD becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or (b) any winding up or bankruptcy or insolvency order is passed against the SPD, or (c) the SPD goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, provided that a dissolution or liquidation of the SPD will not be a SPD Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to the SPD and expressly

- assumes all obligations of the SPD under this Agreement and is in a position to perform them; or
- (iii) the SPD repudiates this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from SECI in this regard; or
 - (iv) except where due to any SECI's failure to comply with its material obligations, the SPD is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the SPD within thirty (30) days of receipt of first notice in this regard given by SECI; or
 - (v) change in shareholding of the SPD before the specified time frame as mentioned in Article 4.1.1 of this Agreement, without prior consent of SECI; or ceding of control by the promoters of M/s [Insert name of the bidding company which was issued LoA by SECI under the RfS] within 1 year of SCD, without prior consent of SECI; or
 - (vi) occurrence of any other event which is specified in this Agreement to be a material breach/ default of the SPD; or
 - (vii) concealment of material information or making a wrong statement or misrepresentation of facts, etc. as per Clauses 24.3 and 24.4 of the RfS.
 - (viii) Revoking of connectivity of the SPD on account of non-compliance by the SPD.

13.2 *SECI Event of Default*

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

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

- (iv) if
- SECI becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of sixty (60) days, or
 - any winding up or bankruptcy or insolvency order is passed against SECI, or
 - SECI goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, provided that it shall not constitute a SECI Event of Default, where such dissolution or liquidation of Buyer or SECI is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and has creditworthiness similar to SECI and expressly assumes all obligations of SECI and is in a position to perform them; or;
- (v) If Buying Entities are subject to any of the above defaults and SECI does not designate another or other Buying Entities for purchase of power.
- (vi) Occurrence of any other event which is specified in this Agreement to be a material breach or default of SECI.

13.3 *Procedure for cases of SPD Event of Default*

- 13.3.1 Upon the occurrence and continuation of any SPD Event of Default under Article 13.1, SECI shall have the right to deliver to the SPD, with a copy to the representative of the lenders to the SPD with whom the SPD has executed the Financing Agreements, a notice stating its intention to terminate this Agreement (SECI Preliminary Default Notice), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- 13.3.2 Following the issue of a SECI Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- 13.3.3 During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.
- 13.3.4 Within a period of seven (7) days following the expiry of the Consultation Period unless the Parties shall have otherwise agreed to the contrary or the SPD Event of

Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, SECI may terminate this Agreement by giving a written Termination Notice of sixty (60) days to the SPD.

13.3.5 Subject to the terms of this Agreement, upon occurrence of a SPD Event of Default under this Agreement, the SPD shall be liable to pay to SECI, penalty, as provided in Article 4.6 of the PPA for failure to commence supply of power within the stipulated time and Article 4.4.1 for failure to supply power in terms of the PPA. SPD's min. annual CUF obligation (for hours other than Peak Hours) shall be reduced to the average of actual CUF (for hours other than Peak Hours) for the 2 default Contract Years and SPD's min. annual energy supply obligation for Peak Hours shall be reduced to the average of actual energy supplied during Peak Hours for the 2 default Contract Years, and the SPD shall be liable to pay to Buying Entity, lump-sum damages, equivalent to 24 (twenty-four) months or balance PPA period, whichever is less, of the tariff, for the reduction in sum of min. annual CUF obligation (for hours other than Peak Hours) and min. annual energy supply obligation during Peak Hours. 70% monthly requirement of energy supply during Peak Hours shall also be reduced in proportion to reduction in 85% annual energy supply obligation. Provided that in this case if the SPD fails to pay the lump-sum damages, then such failure of the SPD shall be treated as an event of default of SPD and the PPA shall be terminated. In the event of termination of PPA in such cases and for other cases, the SPD shall be liable to pay to Buying Entity, damages, equivalent to 24 (twenty four) months, or balance PPA period, whichever is less, of tariff for its Contracted Capacity, corresponding to the sum of committed min. annual CUF (for hours other than Peak Hours) and min. annual energy supply obligation during Peak Hours.

SECI shall have the right to recover the said damages by way of forfeiture of bank guarantee/Payment on Order Instrument, if any, without prejudice to resorting to any other legal course or remedy.

Further, SECI shall have right to recover the VGF from the SPD and if not paid by the SPD, then a claim on the Project assets (irrespective of the book value of the Project assets available in the SPD's book of accounts) equal to the value of VGF released on pro rata basis as specified hereunder:

- i. Up to end of 5th year from the COD- amount equal to the full value of VGF disbursed shall be recovered.

- ii. From 6th year and up to 25th year from the COD- amount equal to the following percentage of full VGF disbursed shall be recovered (any BG encashed under Article 5.10 will be treated as VGF already recovered):

Year of default (From COD)	SECI's right on VGF (% of VGF paid)
5-6 years	90%
6-7 years	80%
7-8 years	70%
8-9 years	60%
9-10 years	50%
10-11 years	40%
11-12 years	30%
12-13 years	25%
13-14 years	23%
14-15 years	21%
15-16 years	19%
16-17 years	17%
17-18 years	15%
18-19 years	13%
19-20 years	11%
20-21 years	9%
21-22 years	7%
22-23 years	5%
23-24 years	3%
24-25 years	1%

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

13.3.6 The lenders in concurrence with the Buying Entity and SECI, may seek to exercise right of substitution under Article 13.3.5 by an amendment or novation of the PPA in favour of the selectee. The SPD shall cooperate with SECI to carry out such substitution and shall have the duty and obligation to continue to operate the Power Project in accordance with this PPA till such time as the substitution is finalized. In

the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions leading to signing of fresh PPA with a new entity, an amount of Rs. 10 Lakh per Project+ applicable taxes per transaction as facilitation fee (non-refundable) shall be deposited by the SPD to SECI.

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

13.4 *Procedure for cases of SECI Event of Default*

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

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

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

13.4.4 After a period of two hundred ten (210) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed to the contrary or SECI Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, SECI under intimation to the Buying Entity and the SPD shall, subject to the prior consent of the SPD, novate its part of the PPA to any third party, including its Affiliates within the stipulated period. In the event the aforesaid novation is not acceptable to the SPD, or if no offer of novation is made by SECI within the stipulated period, then the SPD may terminate the PPA and at its discretion require SECI to pay to the SPD, damages, equivalent to 24 (twenty-four) months, or balance PPA period, whichever is less, of charges of its Contracted Capacity corresponding to the committed annual CUF. In case SECI's Event of Default is triggered by a default on the part of the Buying Entity, the above amount will be recovered by SECI from the Buying Entity.

In the event of termination of PPA/PSA, on account of Event of Default by the SECI/Buying Entity, any damages or charges payable to the STU, for the connectivity of the plant, shall be borne by SECI/Buying Entity.

13.5 Termination due to Force Majeure

If the Force Majeure Event or its effects continue to be present beyond the period as specified in Article 4.5.3, termination of this Agreement shall be caused solely at the discretion of SECI after obtaining consent of Buying Entity and there shall not be any liability (to SECI/Buying Entity) arising out of such termination. In such an event, this Agreement shall terminate on the date of such Termination Notice issued by SECI without any further liability to either Party from the date of such termination.

ARTICLE 14: LIABILITY AND INDEMNIFICATION

14.1 *Indemnity*

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

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

14.1.2 SECI shall cause the Buying Entity to indemnify, defend and hold the SPD harmless against:

- a) any and all third party claims against the SPD, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by Buying Entity 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 the SPD from third party claims arising by reason of a breach by Buying Entity of any of its obligations. SECI shall incorporate appropriate covenants in the PSA for the above obligations of Buying Entity. In so far as indemnity to SPD is concerned, Buying Entity shall be the indemnifying party and not SECI.

14.2 *Procedure for claiming Indemnity*

14.2.1 *Third party claims*

- a. Where the Indemnified Party is entitled to indemnification from the Indemnifying Party pursuant to Article 14.1.1(a) or 14.1.2(a), the Indemnified Party shall promptly notify the Indemnifying Party of such claim referred to in Article 14.1.1(a) or 14.1.2(a) in respect of which it is entitled to be indemnified. Such notice shall be given as soon as reasonably practicable after the Indemnified Party becomes aware of such claim. The Indemnifying Party shall be liable to settle

the indemnification claim within thirty (30) days of receipt of the above notice. Provided however that, if:

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

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

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

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

14.3 *Indemnifiable Losses*

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

14.4 *Limitation on Liability*

- 14.4.1 Except as expressly provided in this Agreement, neither the SPD nor SECI nor Buying Entity nor its/ their respective officers, directors, agents, employees or affiliates (or their officers, directors, agents or employees), shall be liable or responsible to the

other Party or its affiliates, officers, directors, agents, employees, successors or permitted assigns or their respective insurers for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of power generation or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of Buying Entity, the SPD or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.

14.4.2 SECI shall have no recourse against any officer, director or shareholder of the SPD or any Affiliate of the SPD or any of its officers, directors or shareholders for such claims excluded under this Article. The SPD shall have no recourse against any officer, director or shareholder of Buyer or Buying Entity, or any affiliate of Buyer or any of its officers, directors or shareholders for such claims excluded under this Article.

14.5 SECI's Liability

14.5.1 Notwithstanding anything to the contrary contained in this Agreement, the Parties acknowledge and accept that the SECI is an Intermediary Company to purchase and resell the electricity to the Buying Entity to enable them to fulfill the Renewable Purchase Obligations (RPO) and power demand, therefore, the performance of the obligations of the SECI under this Agreement shall be subject to the ability of the SECI to enforce the corresponding obligations assumed by the Buying Entity on re-sale under the Power Sale Agreement to be entered into by the Buying Entity with SECI. It is however, specifically agreed that the payment of money becoming due from the SECI to the SPD under this Agreement for supply of Solar Power to the extent of the Contracted Capacity shall not be on a back to back basis and will be as per the recourse under the Payment Security Mechanism provided in the PPA and PSA. SECI shall discharge the tariff payment obligation in terms of the provisions of this Agreement.

14.5.2 The parties agree that in respect of the obligations other than the tariff payment obligation specifically mentioned herein above, in the event the SPD has any claim against the SECI in regard to the performance of any obligation of the SECI under this Agreement or enforcement of any right of the SPD against the SECI under this Agreement, the same shall be subject to the ability of the SECI to enforce the corresponding obligations assumed by the Buying Entity under the Power Sale

Agreement to be entered into between the SECI and the Buying Entity on resale on mutatis mutandis basis and not otherwise.

14.6 Duty to Mitigate

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

ARTICLE 15: ASSIGNMENTS AND CHARGES

15.1 *Assignments*

This Agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any Party, except to the Project Lenders or Lender's Representative as security for their debt under the Financing Agreements, other than by mutual consent between the Parties to be evidenced in writing. Such assignment shall be agreed to by SECI subject to the compliance of provisions contained in this Agreement and more specifically to the provisions of Article 4.1.1 of this Agreement. In no case, such assignment shall be permissible prior to commencement of power supply under this Agreement.

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

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

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

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

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

15.2 *Permitted Charges*

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

ARTICLE 16: GOVERNING LAW AND DISPUTE RESOLUTION

16.1 *Governing Law*

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

16.2 *Amicable Settlement and Dispute Resolution*

16.2.1 *Amicable Settlement*

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

16.3 *Dispute Resolution*

16.3.1 In the event SERC is the Appropriate Commission, then all disputes shall be adjudicated by the SERC or shall be referred for arbitration by the SERC.

16.3.2 SECI shall be entitled to co-opt the Buying Entity and/or the lenders (if any) as a supporting party in such proceedings before the Appropriate Commission.

16.4 *Parties to Perform Obligations*

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

ARTICLE 17: MISCELLANEOUS PROVISIONS

17.1 *Amendment*

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

17.2 *Third Party Beneficiaries*

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

17.3 *Waiver*

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

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

17.4 *Confidentiality*

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

- 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.

17.5 *Severability*

17.5.1 The invalidity or unenforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this

Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.

17.6 Notices

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

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

Address :

Attention :

Email :

Fax. No. :

Telephone No. :

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

(i) Address :

Attention

Email :

Fax. No. :

Telephone No. :

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

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

17.7 *Language*

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

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

17.8 *Restriction of Shareholders / Owners' Liability*

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

17.9 *Taxes and Duties*

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

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

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

17.10 *Independent Entity*

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

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

contract awarded by the SPD shall be construed to create any contractual relationship between any such employees, representatives or contractors and SECI.

17.11 *Compliance with Law*

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

17.12. The duly executed Power Sale Agreement between SECI and Buying entity(s) as attached to this Agreement shall be read along with this Agreement as a composite back to back agreement for Generation and supply of electricity to the Buying entity(s), particularly, to fulfill the Renewable Purchase Obligations under the provisions of the Electricity Act, 2003 and the Regulations notified thereunder.

17.13 *Breach of Obligations*

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

17.14 *Order of priority in application*

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

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

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

For and on behalf of

For and on behalf of

[SECI]

[SPD]

Name, Designation and Address

Name, Designation and Address

Signature with seal

Signature with seal

Witness:

Witness:

1.

1.

2.

2.

SCHEDULE 1: FORMAT FOR PERFORMANCE BANK GUARANTEE (PBG)

(to be submitted separately for each Project)

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

Reference:

Bank Guarantee No.:

Date:

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

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

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

Our liability under this Guarantee is restricted to INR _____ (Indian Rupees _____ only).

SECI-SPD PPA

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

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

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

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

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

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

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

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

This BANK GUARANTEE shall be effective only when the Bank Guarantee issuance message is transmitted by the issuing Bank through SFMS to IDFC First Bank and a confirmation in this regard is received by SECI.

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

SECI-SPD PPA

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to INR _____ (Indian Rupees _____ only) and it shall remain in force until We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if SECI serves upon us a written claim or demand. SECI shall be entitled to invoke this Guarantee till _____ [*Insert a date which is at least 30 days beyond the expiry of the validity period on the basis of Clause No. 17 of this RfS*].

Signature _____

Name _____

Power of Attorney No. _____

For

_____ [*Insert Name and Address of the Bank*]_____

Contact Details of the Bank:

E-mail ID of the bank:

Banker's Stamp and Full Address.

Dated this ____ day of ____, 20__

Witness:

1.

Signature

Name and Address

2.

Signature

Name and Address

Notes:

1. The Stamp Paper should be in the name of the Executing Bank and of appropriate value.
2. The Performance Bank Guarantee shall be executed by an Indian branch of a Scheduled Commercial Bank listed on the website of Reserve Bank of India (RBI), as applicable on the date of issuance of Bank Guarantee.

**SCHEDULE 2: FORMAT OF PAYMENT ON ORDER INSTRUMENT TO BE ISSUED
BY REC/PFC (IN LIEU OF PBG)**

(to be submitted separately for each Project)

No.

Date

SECI,

Registered

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

Dear Sir,

1. It is to be noted that M/s. _____(insert name of the POI issuing Agency)(‘**REC/PFC**’) has sanctioned a non-fund based limit loan of Rs. _____ (Rupees _____ only) to M/s _____ under the Loan Agreement executed on _____ to execute Renewable Energy Projects.

2. At the request of M/s _____, on behalf of _____ (insert name of the SPV), this Payment on Order Instrument (POI) for an amount of Rs. _____ (Rupees _____ (in words)). This Payment on Order Instrument comes into force immediately.

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

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

4. In consideration of the above facts, REC/PFC, having its registered office at _____, agrees to make payment for the sum of Rs. _____ lakhs (in words.....) to SECI on the following conditions:-

- (a) REC/PFC agrees to make payment of the said amount unconditionally, without demur and without protest upon receipt of request from SECI within the validity period of this letter as specified herein;
- (b) The commitment of REC/PFC, under this Payment of Order Instrument will have the same effect as that of the commitment under the Bank Guarantee issued by any Public Sector Bank and shall be enforceable in the same manner as in the case of a Bank Guarantee issued by a Bank and the same shall be irrevocable and shall be honored irrespective of any agreement or its breach between REC/PFC or its constituents notwithstanding any dispute that may be raised by them against SECI;
- (c) The liability of REC/PFC continues to be valid and binding on REC/PFC and shall not be terminated, impaired and discharged, by virtue of change in its constitution and specific liability under letter of undertaking shall be binding on its successors or assignors;
- (d) The liability of REC/PFC shall continue to be valid and binding on REC/PFC and shall not be terminated/ impaired/ discharged by any extension of time or variation and alternation made given or agreed with or without knowledge or consent of the parties (SECI and Bidding Party), subject to the however to the maximum extent of amount stated herein and REC/PFC is not liable to any interest or costs etc;
- (e) This Payment of Order Instrument can be invoked either partially or fully, till the date of validity;
- (f) REC/PFC agrees that it shall not require any proof in addition to the written demand by SECI made in any format within the validity period. REC/PFC shall not require SECI to justify the invocation of the POI against the SPV/SPD, to make any claim against or any demand against the SPV/SPD or to give any notice to the SPV/SPD;

(g) The POI shall be the primary obligation of REC/PFC and SECI shall not be obliged before enforcing the POI to take any action in any court or arbitral proceedings against the SPV/SPD;

(h) Neither SECI is required to justify the invocation of this POI nor shall REC/PFC have any recourse against SECI in respect of the payment made under letter of undertaking;

5. Notwithstanding anything contrary contained anywhere in this POI or in any other documents, this POI is and shall remain valid upto _____ and REC/PFC shall make payment thereunder only if a written demand or request is raised within the said date and to the maximum extent of Rs.....and REC/PFC shall in no case, be liable for any interest, costs, charges and expenses and REC's/PFC's liability in no case will exceed more than the above amount stipulated. SECI shall be entitled to invoke this POI till _____ [Insert a date which is at least 30 days beyond the expiry of the validity period on the basis of Clause No. 17 of this RfS].

6. In pursuance of the above, REC/PFC and SECI have signed an Umbrella Agreement dated ____ setting out the terms and conditions for issue of letter of undertaking by REC/PFC to SECI and the said terms and conditions shall be read as a part of this letter of undertaking issued for the project of the project of PP mentioned above.

Thanking you,

Yours faithfully

For and on behalf of

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

()

General Manager (TS)

Copy to:-

M/s. __PP_____

_____ As per their request

()

General Manager (TS)

SCHEDULE 3: FORMAT OF INSURANCE SURETY BOND TOWARDS PERFORMANCE SECURITY

(to be stamped in accordance with Stamp Act of India)

Insurance Surety Bond No.:

Date:

To

Solar Energy Corporation of India Limited,
6th Floor, Plate-B, NBCC Office Block Tower-2,
East Kidwai Nagar, New Delhi - 110 023

Dear Sir,

In consideration of Solar Energy Corporation of India Limited (hereinafter referred to as 'SECI' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and assigns) having awarded to M/s..... [*Insert name of Solar Power Developer*]..... with its Registered/Head Office at..... (Hereinafter referred to as the 'Solar Power Developer' or 'SPD', which expression shall unless repugnant to the context or meaning thereof, include its successors administrators, executors and assigns), the Project of capacity of MW for supply of power there from on long term basis, in response to the RfS No. dated....., issued by SECI by issuing Letter of Award No.dated..... and the same having been unequivocally accepted by the SPD, resulting into a Power Purchase Agreement (PPA) to be entered, for purchase of Power [from selected Solar Power Developer or a Project Company, M/s {a Special Purpose Vehicle (SPV) formed for this purpose}, if applicable] and the SPD having agreed to provide a Performance Guarantee of the amount up to and not exceeding Indian Rupees[*Total Value*] only.

We [*Name & Address of the Insurer*] having its Head Office at (hereinafter referred to as the 'Insurer', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay SECI unequivocally, irrevocably and unconditionally, on demand any and all amount to the extent of amount up to and not exceeding Indian Rupees [*Total Value*] on behalf of M/s [*Insert name of the selected SPD*] at any time up to [*days/month/year*] without any condition, demur, reservation, contest, recourse or protest and/or without any reference to the SPD. Any such demand made by SECI on the Insurer shall be conclusive and binding notwithstanding any difference between the SECI and the SPD or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Insurer undertakes not to revoke this Insurance Surety Bond during its currency and or any period extended under the contract, without prior consent of SECI and further agrees that the guarantee herein contained shall be enforceable till SECI discharges this guarantee.

(Insert Project ID)

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SECI shall have the fullest liberty, without affecting in any way the liability of the Insurer under this Insurance Surety Bond, from time to time to extend the performance of the Contract by the SPD for the purpose of which, the Insurer shall be liable to extend the validity of the present Insurance Surety Bond without any demur, condition, protest and the Insurer shall at no point in time have an option of revoking the same, SECI shall have the fullest liberty, without affecting this Insurance Surety Bond, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the SPD, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Power Purchase Agreement between SECI and SPD or any other course or remedy or security available to SECI.

The Insurer shall not be released of its obligations under these presents by any exercise by SECI of its liberty with reference to the aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of SECI or any other indulgence shown by SECI or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Insurer.

The Insurer also agrees and undertakes that SECI at its option shall be entitled to enforce this Insurance Surety Bond against the Insurer as a Surety, in the first instance without proceeding against the SPD and notwithstanding any security or other guarantee that SECI may have in relation to the SPD's liabilities.

The Insurer hereby agrees and acknowledges that the SECI shall have a right to invoke this Insurance Surety Bond in part or in full, as it may deem fit.

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

The Insurer shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by _____ *[Insert name of the SPD]* and/ or any other person. The Insurer shall not require SECI to justify the invocation of this Insurance Surety Bond, nor shall the Insurer have any recourse against SECI in respect of any payment made hereunder.

This Insurance Surety Bond shall not be affected in any manner by reason of merger, amalgamation, restructuring or any other change in the constitution of the Insurer.

The Insurer acknowledges that this Insurance Surety Bond is not personal to SECI and may be assigned, in whole or in part, (whether absolutely or by way of security) by SECI to any entity to whom SECI is entitled to assign its rights and obligations under the RfS.

Notwithstanding anything contained hereinabove our liability under this Insurance Surety Bond is restricted to INR (Indian Rupees only) and it shall remain in force up to and including and shall be extended from time to time for such period, as may be desired by M/s[SPD's Name] on whose (Insert Project ID)

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behalf this Insurance Surety Bond has been given. SECI shall be entitled to invoke this Bond till _____ [Insert a date which is at least 30 days beyond the expiry of the validity period on the basis of Clause No. 17 of this RfS].

Dated this day of 20..... at.....

.....
(Signature)

.....
(Name)

.....
(Designation with Insurer stamp)

Email id of the Branch for confirmation of this Bond:

Power of Attorney No.

Date.....

WITNESS :

1.....
(Signature)

.....
(Name)

.....
(Official Address)

2.
(Signature)

.....
(Name)

.....
(Official Address)

Notes :

1. The Insurance Surety Bond shall be from an Insurer as per guidelines issued by Insurance Regulatory and Development Authority of India (IRDAI).
2. SECI shall be the Creditor, the SPD shall be the Principal debtor and the Insurance company/Insurer shall be the Surety in respect of the Insurance Surety Bond to be issued by the Insurer.
3. The Insurance Surety Bond should be on Non-Judicial stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the state(s) where the Insurance Surety Bond is submitted or is to be acted upon or the rate prevailing in State where the Insurance Surety Bond is executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of SPD/Insurer issuing the Insurance Surety Bond.

SCHEDULE 4: SECI-BUYING ENTITY POWER SALE AGREEMENT