

STANDARD

PUMPED STORAGE PURCHASE AGREEMENT FOR

**PROCUREMENT OF _____MW/_____MWh OF PUMPED
STORAGE CAPACITY**

ON LONG TERM BASIS

Between

..... **[Insert Name of Pumped Storage Plant Developer]**

And

Solar Energy Corporation of India Limited

..... **[Insert month and year]**

SECI-PSPD PPA

This Pumped Storage Purchase Agreement (hereinafter called as “PPA”) is made on the[Insert date] day of[Insert month] of [Insert year] at [Insert place]

Between

..... [Insert name of the Pumped Storage Plant 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 Pumped Storage Plant Developer] (hereinafter referred to as “**Pumped Storage Plant Developer or PSPD**”, 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 PSPD and SECI are individually referred to as ‘Party’ and collectively referred to as ‘Parties’.

WHEREAS:

- A. The Ministry of Power, Government of India vide Gazette Notification dated 06.02.2025 has issued the “Tariff Based Competitive Bidding Guidelines for Procurement of Storage Capacity/ Stored Energy From Pumped Storage Plants”, including subsequent amendments and clarifications thereof, if any, issued until ____ [Enter the last date of bid submission of the RfS];
- B. SECI had initiated a Tariff-Based Competitive Bid Process development of 1200 MW/9600 MWh Grid-Connected Pumped Storage Plants (PSP) 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.

- C.[Insert name of the Bidding Company] has been selected in the Competitive Bidding Process, {in case Bidding Company is executing the Project through SPV} has constituted a Special Purpose Vehicle, [Insert the name of SPV, if applicable] (hereinafter referred to as ‘PSPD’) for development, and supply of storage Capacity from the __ MW/ __ MWh of the Project/PSP to be established by PSPD anywhere in India and for making available of such Pumped Storage Capacity by SECI as an Intermediary Agency to the Buying Entity(ies) (as defined) under a Pumped Storage Sale Agreement (PSA) to be entered into between SECI and such Buying Entity(ies).
- D. SECI has issued the Letter of Award No..... dated.....in favour of the[Insert the name of Bidding Company] for development and establishment of the MW/..... MWh “Project” or “PSP” in the State of as per the terms and conditions contained in the RfS, and draft of this Pumped Storage Purchase Agreement (PPA), including amendments and clarifications thereto circulated at the time of the bidding and other bidding documents as well as the conditions contained in the aforementioned Letter of Award.
- E. SECI has agreed to purchase such Pumped Storage Capacity from the PSPD 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 Pumped Storage Sale Agreement (PSA) with the Buying Entity to sell such Pumped Storage Capacity as per the provisions of the above-mentioned scheme.
- F. In terms of the RfS and the Bidding Documents, the PSPD has furnished the Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond in the sum of INR 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.
- G. The PSPD has fulfilled the terms of the bidding and the terms of the Letter of Award for signing this Pumped Storage Purchase Agreement as a definitive agreement for developing the “Project” (or “PSP”) of MW/ MWh at, [Insert Project location] for making available Pumped Storage Capacity by the PSPD to SECI to enable SECI to make available such Pumped Storage Capacity to the Buying Entity(ies),

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as SECI may consider appropriate, under a Pumped Storage Sale Agreement and on a back-to-back basis to the Pumped Storage Purchase Agreement to be entered into with the PSPD.

- H. SECI has signed the Pumped Storage Sale Agreement with the Buying Entity(ies) of States in India.
- I. The parties have agreed to execute this Pumped Storage 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 development of the Project at, [Insert name of state] and for generation and supply of electricity by the PSPD 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;
Actual Commencement Supply Date (ACSD)	In relation to the contracted storage capacity shall mean the date corresponding to the actual date of commencement of storage capacity for pumping or generation of energy.
“Agreement” or “Pumped Storage Purchase Agreement” or “PPA”	shall mean this Pumped Storage Purchase Agreement including its recitals and Schedules, Appendixes amended or modified from time to time in accordance with the terms hereof;
“Annual Availability”	For a particular Contract Year, “Annual Availability” shall be the average availability of the Contracted Pumped Storage Capacity during that particular Contract Year, calculated as per this agreement;
“Appropriate Commission”	Unless otherwise stated or the context requires, Appropriate Commission shall mean Central Electricity Regulatory Commission;
“Awarded capacity”	Shall mean MW/ MWh [enter the capacity as awarded by SECI as per the LoA]
“Backdown”	shall mean part of Contracted capacity available for scheduling but not scheduled based on instructions from Buying Entity/SLDC /RLDC, as the case may be;
“Bill Dispute Notice”	shall mean the notice issued by a Party raising a Dispute regarding a Monthly Bill or a Supplementary Bill issued by the other Party;

“Business Day”	shall mean with respect to PSPD 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 who has agreed to purchase the Pumped Storage Capacity from SECI and has signed/will sign the Pumped Storage Sale Agreement with SECI. It is clarified that all obligations of SECI under this Agreement shall be deemed to be the obligations of Buying Entities with which SECI has signed/will sign Pumped Storage Sale Agreement.
“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;
“Conversion Loss/ Cycle Loss”	shall mean the efficiency loss borne by the Project on account of conversion of energy from one form to another during each cycle.
“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 Supply of Storage Capacity”	The date of commencement of storage capacity shall mean the date of onset of commercial offtake of storage capacity under the PPA. Prior to declaration of commencement supply of storage capacity, the PSPD shall submit COD certificate upon receipt of successful completion of trial run certificate by the respective RLDC for the corresponding Installed Capacity to SECI as part of the requisite documents.
“Commissioning”	The Project shall be commissioned in line with the provisions of the Grid Code.
“Commercial Operation Date (COD)”	shall mean the date as defined in “Commissioning” or in line with the provisions of the Grid Code.

“Competent Court of Law”	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
“Consents, Clearances and Permits”	shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided by any concerned authority for the purpose of setting up of the Project and providing energy storage facility under this Agreement;
“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 an PSPD 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”	<p>shall mean the period beginning from the Effective Date and ending on the immediately succeeding March 31st and thereafter each period of 12 months beginning on April 1st and ending on March 31st provided that:</p> <p>(i) in the financial year in which the Scheduled Commissioning Date would occur, the Contract Year shall end on the date immediately before the Scheduled Commissioning Date and a new Contract Year shall commence once again from the Scheduled Commissioning Date and end on the immediately succeeding 31st March, and thereafter each period of 12 (Twelve) Months commencing on 1st April and ending on 31st March, 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 MW/ MWh, which is Pumped Storage capacity contracted with SECI as Intermediary Procurer for providing Energy storage facility to the End Procurer/Buying Entity for charging and discharging the system on “on-demand” basis, based on which the PPA is executed with Intermediary Procurer.

“Day”	shall mean a day, if not a Business Day, the immediately succeeding Business Day.
“Delivery Point” / “Interconnection Point”	shall mean a single point at 220 kV or above, where power from the Project(s) is injected into and drawn from the identified ISTS Substation (including the transmission line connecting the Projects with the substation system) as specified in the RfS document. Metering shall be done at this interconnection point where the power is injected into or drawn from. For interconnection with grid and metering, the PSPDs shall abide by the relevant CERC/ SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended and revised from time to time.
“Dispute”	shall mean any dispute or difference of any kind between SECI and the PSPD, 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. In case the PSPD has tied up for the PSP component through a third-party, it is clarified and confirmed by the Parties that in all such disputes, PSPD shall have the absolute authority to represent such third party in so far as SECI is concerned and SECI will not be required to or otherwise will have to deal with such third party, notwithstanding, any difference or dispute between the PSPD and/or the such third party.
“Due Date”	shall mean the forty-fifth (45 th) 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 40 (forty) years from the Scheduled Commencement of Supply Date (SCSD) or from the rescheduled date of commencement of supply to the extent of extension given by SECI.
“Force Majeure” or “Force Majeure Event”	shall have the meaning ascribed thereto in Article 11 of this Agreement;
“GNA Regulations”	shall mean the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 notified on 07.06.2022, including subsequent amendments and clarifications issued thereof. Any reference to the terms “connectivity” or “network access” or “general network access” in this Agreement shall be interpreted in terms of the provisions of these Regulations.
“Guidelines” or “Scheme”	shall mean the Tariff Based Competitive Bidding Guidelines for Procurement of Storage Capacity/ Stored Energy From Pumped Storage Plants, issued by Ministry of Power vide Gazette Notification dated 06.02.2025 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 Project, SECI and PSPD 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 PSPD, 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 PSPD under the GNA Regulations.
“Insurances”	shall mean the insurance cover to be obtained and maintained by the PSPD 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 PSPD to SECI, issued in the form attached hereto as Schedule 3;

“Interconnection Facilities”	shall mean the facilities on PSPD’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 storage capacity as per the terms of this Agreement;
“Intermediary agency” or “Intermediary nodal agency” or “Intermediary Procurer” or “REIA”	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 PSPD, 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 PSPD to SECI in the form attached hereto as Schedule 1;
“Pooling Substation/ Pooling Point”	shall mean a point where more than one Project may connect to a common Transmission System. Multiple Projects can be connected to a pooling substation from where common transmission system shall be constructed and maintained by the PSPD(s) to get connected to the ISTS substation. The voltage level for such common lines shall be 400 kV or above. Further, the metering of the pooled power shall be done at the injection point, i.e. the ISTS substation. However, the voltage level of transmission system of individual projects up to the pooling substation may be at 33 kV and above. Sub-meters shall be installed at the pooling substation for metering and forecasting and scheduling of individual Projects. The losses in the common transmission system up to the injection point shall be apportioned to the individual Projects for the purpose of billing.
“Pumped Storage Plant/ Project” or “Storage Plant/ Project” or “Project”	shall mean the Hydro Power Plant of Contracted Capacity of MW/ MWh, either on-stream or off stream, that stores energy by pumping water from a lower stream/ reservoir to an upper reservoir and generates electricity by releasing it back through a turbine-generator, located at [Insert name of the place] in [Insert name of the District and State], having a separate control system, metering and a single or multiple point(s)

	<p>of injection into the grid at Delivery /Interconnection/Metering point at ISTS substation or in case of sharing of transmission lines, by separate injection at pooling point.</p> <p>The project shall include all units and auxiliaries such as water supply, treatment or storage facilities; bay/s for transmission system in the switchyard, transmission line up to the Delivery Point and all the other assets, buildings/structures, equipment, plant and machinery, facilities and related assets required for the efficient and economic operation of the Project facility; whether completed or at any stage of development and construction or intended to be developed and constructed for the purpose of supply of storage capacity as per this Agreement;</p>
“Pumped Storage Sale Agreement” or “PSA”	shall mean the storage capacity sell agreement entered between the Buying Entity and SECI (Buyer- Buying Entity(ies) PSA) for onward sale of pumped storage capacity being procured under this Agreement as per the provisions of Guidelines and forms Schedule-4 of this Agreement;
“Preliminary Default Notice”	shall have the meaning ascribed thereto in Article 13 of this Agreement;
“Prudent Utility Practices”	<p>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 Pumped Storage Plant equipment and which practices, methods and standards shall be adjusted as necessary, to take account of:</p> <p>a) operation and maintenance guidelines recommended by the manufacturers of the plant and equipment to be incorporated in the Pumped Storage Plant;</p> <p>b) the requirements of Indian Law; and the physical conditions at the site of the Project</p>
“RBI”	shall mean the Reserve Bank of India;
“Rebate”	shall have the same meaning as ascribed thereto in Article 10.3.4 of this Agreement;

“Request for Selection/ Bidding Documents”	for RfS/ RfS No. SECI/C&P/IPP/..... dated2025 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.”, “INR”, “₹”	shall mean Indian rupees, the lawful currency of India;
“Scheduled Commencement of Supply Date” or “SCSD”	shall mean [Insert Date as per applicable provisions of the RfS];
“SERC”	shall mean the Electricity Regulatory Commission of any State in India constituted under Section-82 of the Electricity Act, 2003 or its successors, and includes a Joint Commission constituted under Subsection (1) of Section 83 of the Electricity Act 2003;
“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 Pumped Storage Project is located;
“SECI”	shall mean Solar Energy Corporation of India Limited;
“State Transmission Utility” or “STU”	shall mean the Board or the Government company notified by the respective State Government under Sub-section (1) of Section 39 of the Act;
“Tariff” or “Applicable Tariff”	Shall have the same meaning as provided for in Article 9 of this Agreement;
“Tariff Payment”	shall mean the payments to be made under Monthly Bills as referred to in Article 10 and the relevant Supplementary Bills;

“Termination Notice”		shall mean the notice given by either Parties for termination of this Agreement in accordance with Article 13 of this Agreement;
“Term of Agreement”		shall have the meaning ascribed thereto in Article 2 of this Agreement;
“Unit/ Commencement of Supply”	Part of	shall mean the part Contracted Capacity (MW/MWh) not less than 50 MW (with the last part being the balance Contracted Capacity) from which commencement of storage capacity for pumping or generation is recorded;
“Unit Commercial Operation Date (UCOD)”		shall mean the COD declared for the respective unit/part of the Project in line with the provisions of the Grid Code.
“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", "INR" 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 Pumped Storage 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

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documents, following shall be the order of precedence:

1. Pumped Storage Purchase Agreement read with Pumped Storage 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 Pumped Storage Sale Agreement (PSA), whichever is more, SECI/Buying Entity (as the case may be) shall obtain adoption of tariff from Appropriate Commission and/or Contracted Capacity approval from CERC/SERC (as applicable), on the terms and conditions contained in this Agreement read with the terms and conditions contained in the Pumped Storage Sale Agreement entered into between SECI and the Buying Entity(ies). The Parties agree that in the event, the order of adoption of tariff/ Contracted Capacity approval as mentioned above is not issued by the CERC/SERC (as applicable) within the time specified above, the provisions of Article 2.1.4 shall apply.

2.1.4 Pursuant to Article 4.6.2, if parties have not mutually extended the time period as stipulated under Article 2.1.3 and the order from the Appropriate Commission/SERC is issued within the timeline as per Article 2.1.3, no extension for Scheduled Commencement of Supply Date (SCSD) 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 SCSD 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 and the Effective Date of the PPA, which is attributable to the PSPD, 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 PSPD 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 storage capacity from the PSP beyond the Expiry Date.

2.3 *Early Termination*

2.3.1 This Agreement shall terminate before the Expiry Date if either SECI or PSPD 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 PSPD, 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 PSPD shall configure the project with the objective of making available Pumped Storage Capacity to the Buying Entity. Accordingly, the Project Capacity, i.e. the Installed Capacity shall mean Pumped Storage Plant of ____ MW/____ MWh

3.1.2 The above configuration shall be identical to the “installed capacity” for which connectivity has been granted to the PSPD under the GNA Regulations. Also, any change in Delivery Point is allowed up to the deadline for Financial Closure as per Article 3.4 of 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 ISTS-substation of the proposed revised Delivery Point is on or before the scheduled commissioning date of the existing Delivery Point of the Project, at the time of seeking approval from SECI by the PSPD.

In this case, the PSPD 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 PSPD 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 PSPD will not be eligible for corresponding extension in the timelines for meeting the Project milestones.

3.2 *Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond*

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 storage capacity 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 PSPD 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 PSPD.

3.2.3 If the PSPD fails to commence storage capacity for pumping or generation of energy from the Project from SCSD 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/Surety Bond 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/Surety Bond, upon the default of the PSPD under the PPA, shall be credited to the payment security fund maintained by SECI under the PPA.

3.3 *Return of Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond*

3.3.1 Subject to Article 3.2, SECI shall return/release the Performance Bank Guarantee/ Payment on Order Instrument/ Surety Bond within 45 days after the successful commencement of supply of Storage Capacity from the Project after taking into account any liquidated damages / penalties due to delays in commencement of supply of Storage Capacity beyond SCSD as per provisions stipulated in this Agreement. In case of part-commencement of supply Storage Capacity, PBG corresponding to such capacity shall be released within 45 days of the actual commencement of supply of storage capacity from 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.

3.4 Achievement of Financial Closure

The PSPD agrees and undertakes to duly perform and complete all of the following

activities to achieve Financial Closure, at the PSPD's own cost and risk, by the date as on 12 months after the Effective Date of this Agreement:

- a. The PSPD shall make Project financing arrangements and shall provide necessary certificates to SECI in this regard;
- b. The PSPD shall submit the details of all planned/proposed construction activities and produce documentary evidence of the same.

3.5 Consequences of non-achievement of Financial Closure

3.5.1 In case of a failure to submit the documents as above, SECI shall encash the Performance Bank Guarantee/Payment on Order Instrument/ Insurance Surety Bond submitted by the PSPD and may terminate this Agreement and remove the Project from the list of the selected Projects by giving a notice to the PSPD in writing of at least seven (7) days, unless the delay is on account of factors not owing to any action or inaction on the part of the PSPD, caused by Government (not attributed to the Developer) or caused due to a Force Majeure as per PPA. 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, without any impact on the Scheduled Commencement of Supply Date, may however be considered till SCSD/revised SCSD of the Project, on the sole request of PSPD, on payment of Rs. 1000/- per day per MW + applicable GST to SECI. Such extension charges are required to be paid to SECI in advance, for the period of extension required. In case of any delay in depositing this extension charge, PSPD shall pay an interest on these extension charges for the days that have lapsed beyond due date of Financial Closure @ SBI-MCLR (1 Year). In case such delay in making payment of the extension charges to SECI is more than 7 days, SECI may terminate this Agreement upon the expiry of such 7th day. In case of the PSPD meeting the requirements of Financial Closure before the last date of such proposed delay period (for which extension charges have been paid), the remaining amount deposited by the PSPD shall be returned by SECI without interest. This extension will not have any impact on the Scheduled Commencement of Supply Date. Any extension charges paid so by the PSPD, shall be returned to the PSPD without any GST amount and interest on achievement of successful commencement of supply of storage capacity within the

Scheduled Commencement of Supply Date, on pro-rata basis, based on the Contracted Capacity that has commenced supply of storage capacity as on Scheduled Commencement of Supply Date. However, if the PSPD fails to start commencement of supply of storage capacity from the Contracted Capacity by Scheduled Commencement of Supply Date, the extension charges deposited by the PSPD 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 *PSPD's Obligations*

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

- a) The PSPD shall be solely responsible and make arrangements for land & associated infrastructure for development of the Project and for Connectivity with the ISTS System (connectivity can be taken by PSPD, up to the Contracted Capacity, at different Interconnection Points) for confirming the availability of power system required for supply of storage capacity by the SCSD and all clearances related thereto.
- b) Obtaining all Consents, Clearances and Permits as required and maintaining all Consents, Clearances and Permits in full force and effect during the Term of this Agreement. SECI shall have no obligation to recommend to any department/agency or the Govt. for the grant/permission for the Pumped Storage Plant/Project. The Pumped Storage Plant 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 consent and permits or any other approval to be taken by the PSPD 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 Project in accordance with the applicable Law, the Grid Code, the terms and conditions of this Agreement and Prudent Utility Practices.
- d) The PSPD shall make adequate arrangements to connect the Project switchyard with the Interconnection Facilities at Interconnection/ Metering/ Delivery Point to connect the Project switchyard with the Interconnection facilities at the Delivery Point.
- e) Obtaining Connectivity and executing connectivity agreement as per provision of GNA regulation issued by CERC, for evacuation of the Contracted Capacity and maintaining it throughout the term of the Agreement. It is further clarified that the Entities (PSPD and Buying Entity) as indicated in the detailed procedure issued subsequently under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, will be responsible for their respective obligation as notified in the detailed procedure irrespective of the provisions

of the RfS, PPA and PSA. No extension in the SCSD or the extended SCSD shall be granted on account of any delay in obtaining such GNA or connectivity by the PSPD.

- f) The commencement of supply of storage capacity up to the Contracted Capacity to SECI no later than the SCSD and continuance of the supply of storage capacity 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 its shareholding pattern as per provisions of the RfS Document;
- i) Fulfilling all obligations undertaken by the PSPD under this Agreement for development of Project in Build, Own, Operate basis and supply of PSP Capacity during Term of this Agreement and as per provisions of this Agreement, RfS and LOA.
- j) The PSPD shall be responsible to for directly coordinating and dealing with the corresponding Buying Entity(ies), Load Dispatch Centres, Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of Stored Energy Capacity and due compliance with deviation and settlement mechanism and the applicable Grid code/State/Central Regulations, acknowledging that the PSPD and the corresponding Buying Entity(ies) are the Grid connected entities and SECI as an Intermediary Procurer/ trading licensee is not a Grid connected entity in respect of the Pumped Energy Storage Capacity contracted under this Agreement.
- k) The PSPD shall fulfil the technical requirements according to criteria mentioned under Annexure-A and Annexure-D of the RfS.
- l) The PSPD shall be solely responsible for and obligated to ensure that the Project being implemented under this Agreement shall fulfil the criteria as per Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, and subsequent amendments and clarifications thereof.
- m) As part of scheduling of power/energy from/to the Project, the PSPD will be required to punch-in its respective schedules along with subsequent revisions in such schedules, by itself, at the interfaces of all the RLDCs concerned for the corridor of power/energy flow, including the RLDC of the Buying Entity(ies), as per the Regulations in force, under

intimation to SECI. The PSPD 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 PSPD shall be solely responsible for discrepancy identification and its rectification to avoid any rejection/less payment of invoices.

- n) In case of bilateral tie-up with DISCOM, the PSPD shall apply for drawl NOC(s) from the respective STU(s) of the State/SLDC as per the power mapping provided by Buying Entity.
- o) PSPD will have to comply with the Charging and Discharging Schedule as intimated by Buying Entity. Frequent deviations from schedule by PSPD on account of commercial gain shall be considered under material breach of this agreement.
- p) The PSPD is required to design the Pumped Storage Plant (PSP) under the PPA, ensuring that the PSP is available for maximum 2 operational cycles per day, and Buying Entity, at its discretion, may utilise the PSP up to 2 Operational cycles.
- q) For the Project being implemented under this Agreement, the PSPD 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 PSPD 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 other information as required by SECI. The PSPD 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 PSPD shall be required to submit the Project progress status as per 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 SCSD extension request of the PSPD.
- r) PSP systems shall comply with applicable regulations, standards and codes issued by the CEA regarding safety.
- s) The Application Software of the Energy Management System (EMS) of the PSP shall be developed indigenously within India.

- t) Cyber security measures and communication protocols shall comply with the guidelines, advisories, and standards issued by the Ministry of Electronics and Information Technology (MeitY), the Central Electricity Authority (CEA), and the Ministry of Power (MoP), as amended from time to time.

4.2 ***Information regarding Interconnection Facilities***

- 4.2.1 The PSPD shall be required to obtain all information from the STU/CTU/concerned authority with regard to the Interconnection Facilities as is reasonably necessary to enable it to design, install and operate all interconnection plant and apparatus on the PSPD's side of the Delivery Point to enable delivery of electricity at the Delivery Point. The transmission of power/energy to/from up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the PSPD at his own cost.
- 4.2.2 Penalties, fines and charges, etc. imposed by the CTU/ STU under any statute or guidelines in relation to delay in commissioning of the Project shall be entirely dealt by the PSPD and any such amounts claimed by such agency(ies) shall be payable by the PSPD.
- 4.2.3 The responsibility of getting connectivity with the transmission system up to the Interconnection Point, will lie with the PSPD. The transmission of power/energy up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the PSPD at its 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 PSPD to be obtained at its 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 PSPD.
- 4.2.4 In case of Pooling substation, losses in the transmission line shall be apportioned among the PSPDs who share such a Pooling arrangement and duly signed by all PSPDs, based on their monthly generation.
- 4.2.5 The arrangement of connectivity shall be made by the PSPD 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

PSPD. In case of non-availability of Grid and Transmission System during Term of this Agreement, for reasons not attributable to the PSPD, provisions of Article 4.10 shall be applicable.

4.2.6 ISTS charges and losses on transmission of power/energy from/to PSP shall be applicable as per extant regulations. Government of India/CERC at its sole discretion, from time to time, issues order for waiver of inter-state transmission system (ISTS) charges and losses on transmission of power/energy from/to Pumped Storage Plants till a certain date. In case commencement of supply of storage capacity from the Project gets delayed beyond the applicable date of ISTS waiver, arising out of any reasons whatsoever, SECI shall bear no liability with respect to transmission charges and losses levied, if any. Delay in Project commissioning beyond the deadline as stipulated by the Government of India, and treatment of ISTS charges and losses thereof, shall be dealt in line with the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 dated 07.02.2023, and subsequent amendments and clarifications thereto, as applicable.

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

It is also clarified that the PSPD shall take necessary steps to fulfill all the conditions as specified in Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 and subsequent amendments and clarifications thereto, as applicable, so as to make the Buying Entity(ies) eligible for the waiver of ISTS charges in accordance with the prevailing regulations. In case any liability arises to the Buying Entity(ies) towards ISTS charges due to reasons solely attributable to the PSPD, the same shall be to the account of the PSPD.

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

PSA.

4.3 Purchase and sale of the Contracted Capacity

4.3.1 Subject to the terms and conditions of this Agreement, the PSPD undertakes to sell Pumped Storage Capacity to SECI and SECI undertakes to purchase such storage capacity and pay Tariff for the Pumped Storage Plant capacity up to the Contracted Capacity at the Delivery Point.

4.3.2 Pumped Storage Plant capacity procured from the Project awarded under this RfS shall be allocated on back-to-back basis to the Buying Entities at the discretion of SECI, in consultation with Buying Entities. *(to be deleted in case of a single Buying Entity for the entire awarded capacity under the RfS)*

4.4 Right to Contracted Capacity & Energy

4.4.1 Scheduling and offtake of energy:

- i. The PSPD shall make the PSP available for maximum 02 operational cycles per day, and Buying Entity, at its discretion, may utilise the PSP up to 2 Operational cycles. For the purpose of this Agreement, Cycle shall mean charging of the PSP up to the Contracted capacity followed by discharge of such stored energy including any intervening resting period as specified in the RfS Document.
- ii. For the Contracted Capacity of 250 MW, the PPA shall entitle the off taker to schedule discharge up to 2000 MWh of energy from the PSP, subject to the following:
- iii. The SLDC/RLDC/NLDC in consultation with Buying Entity will schedule charging of the PSP with equal amount of energy plus energy expected to be lost as conversion losses (determined from the guaranteed Cycle Loss (%) of the system declared by the PSPD)
- iv. Illustration: For a Contracted Capacity of 250 MW/2000 MWh, assuming a Cycle Loss of 15%, Buying Entity/SECI shall supply charging power to the PSP to expect a discharge of 2000 MWh at delivery point as per the desired schedule. In this case, the PSPD shall also maintain the PSP capacity to absorb the supplied charging power.
- v. Contracted Capacity shall be the Project Capacity at the Delivery Point. Buying Entity shall provide the charging energy factoring the Cycle Loss (as declared by the PSPD), as per PPA.

- vi. The discharge of energy/power from the Pumped Storage Project (PSP) capacity shall be carried out on a daily basis, subject to a maximum of two (2) discharge cycles per day, with each continuous discharge cycle having a maximum duration of 6 hours.
A sufficient time gap shall be maintained between successive discharge cycles to facilitate charging of the PSP capacity. Further, it is mandated that, on an annual basis, a minimum 51% of the power/energy used for the charging of the PSP capacity shall be sourced from Renewable Energy sources.
- vii. The discharge of energy during the day shall be governed by the demand pattern of the corresponding Buying Entity(ies), as per the Buying Entity's schedule. Buying Entity shall be required to intimate its choice of Hours (which shall be 8 hours during a day) and Power/Energy requirement in the selected Hours to SECI and PSPD, on a day ahead basis, which will be deemed to have been accepted by the PSPD for supply of Power/Energy.
- viii. The Buying Entity shall schedule and provide the Charging power (in MW) considering the rated Pump rating/capacity of the PSP and shall be requisitioned in discrete steps corresponding to the Pump rating/capacity of each PSP unit.
- ix. The PSPD shall ensure that each unit of the PSP has the capability to operate in discharge mode within a range of fifty percent (50%) (Technical Minimum) to one hundred percent (100%) of its rated MW capacity.
- x. The Buying Entity shall intimate the hours (which shall be 8 hours during a day) during which it intends to draw the energy from the PSP on daily basis. These 8 hours chosen by Buying Entity for a day shall be the "Peak Hours" for that day. The PSPD is mandated to deliver 8000 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 each 100 MW of project capacity, PSPD shall supply up to 800,000 kWh of energy during Peak Hours). Modifications in the metering arrangement on account of the same, if any, shall be under the scope of the PSPD, at its own risk and cost.
- xi. The discharge of energy during Peak Hours shall be governed by the demand pattern of the corresponding Buying Entity (ies), as per the Buying Entity's schedule. In case of non-receipt of peak hours schedule from the Buying Entity on a day ahead basis, PSPD shall supply the power/energy as per its own discretion to the Buying Entity, 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.

4.4.2 **Performance Parameters:**

Subsequent to commissioning of the Project, for any Contract Year, the PSPD shall be required to maintain and demonstrate the following performance parameters:

- a) **Annual Availability:** During any Contract Year for the Contracted Capacity, PSPD shall be required to maintain minimum annual system availability of 90%.

Annual PSP/System Availability = Average of daily availability of the Pumped Storage Capacity over the year.

“Availability (MW)” is the capability of the Project to operate in both pumping and generation mode and will be declared by the Developer on day-ahead basis, for each 15-minute time block for the next day.

Annual System Availability shall be calculated as per the above methodology, which has also been provided in the RfS.

In case of shortfall in meeting the above criteria, the PSPD shall be levied penalty for such shortfall and shall duly pay such damages to SECI to enable SECI to remit such penalty to Buying Entity(ies).

- b) **Cycle Loss:** The PSPD shall maintain AC to AC roundtrip efficiency (RtE) of system on an annual basis. Based on the declared Annual Cycle Loss (%) by the PSPD, the calculated AC to AC roundtrip efficiency (RtE) of the system shall be more than 75% on annual basis. The PSPD shall be liable for penalty to the off taker, if any, on account of excess conversion losses.
- c) Performance criteria to be demonstrated by the Project have been detailed out in Clause 8.1 of the RfS.
- d) The nameplate ratings shall be achievable during discharge for the full range of environmental conditions at the Project site when the PSP is fully charged. In any case, the PSP shall be capable of being discharged at reduced power levels from that specified above. However, the energy discharged from the PSP shall not require to be greater than the nameplate watt-hour rating specified herein.
- e) The Buying Entity shall, in accordance with Applicable Laws and Regulations

thereunder, issue instructions to the PSPD through SECI for dispatch of electricity to the Grid during such period and in such volume as it may specify in its instructions. The PSPD shall clearly specify the maximum recovery times required to restore the PSP for functional availability between duty cycles. However, in no case, the same shall be more than 1 hour.

f) Operational Window: Operational Window shall mean the expected hours/duration of system (capacity) availability on each day during the term of the Contract, excluding:

i. Maximum PSP recovery time as specified in this document.

ii. Grid Outages (duly certified to this effect by the Grid Operator)

iii. Planned Maintenance Outage duly informed by the PSPD to the off-taker/Buying Entity(ies) with at least one month's prior notice, subject to meeting the minimum annual system Availability criteria as specified in the PPA.

PSPD will have to comply with the Charging and Discharging Schedule as intimated by Buying Entity. It is clarified that discharge of PSP shall take place subject to availability of real time margin at the ISTS substation.

g) Pursuant to the provisions as above, the PSPD shall plan the dispatch of electricity and convey its availability for scheduling thereof by the SLDC or RLDC, as the case may be, and shall supply electricity in accordance with the provisions of the Grid Code and the Electricity Act, 2003. The PSPD shall adhere to all the technical requirements as brought out in Annexure-A of the RfS. The PSP shall conform to all the applicable CEA and CERC Standards for connectivity, metering, communication with the grid operators, etc.

h) In case of improvement of Cycle Loss leading to higher energy availability than the maximum annual contracted stored energy as per the PPA, the PSPD shall be free to sell the surplus power to any other entity without providing the first right of refusal to the SECI/End Procurer(s). In case the PSPD sells such excess power/energy to a 3rd party, the PSPD shall forego the option of availing incentive as per Article 4.4.4.b) below and the gains accrued to PSPD on such sale shall be equally shared between PSPD & End Procurer(s).

- i) The PSPD may also sell un-requisitioned capacity to any third party or power exchange without requiring NOC from SECI/Buying Entity(ies).

4.4.3 Shortfall in meeting Performance Criteria

Following provisions shall be applicable on the Contracted Capacity:

- a) Shortfall in demonstrating minimum annual Availability:

Subsequent to ACSD/COD of full Project Capacity or the capacity finally accepted by SECI, in case the annual Availability demonstrated by the PSPD is less than the minimum Availability as specified in Article 4.4.2.a) above, such shortfall in performance shall make the PSPD liable to pay penalty to SECI to enable SECI to remit the amount to Buying Entity(ies).

Penalty on account of shortfall in meeting the minimum system Availability criteria will be computed as follows:

$$\text{Penalty (annual Availability)} = 1.5 * A * [(B - C) / 100] * D$$

Where,

A	Annual Fixed Charges (INR/MW/Annum) as per Article 9.1
B	Minimum System Availability (%) criteria i.e. 90%
C	Actual System Availability (%) of the PSPD, calculated as per Article 4.4.2.a)
D	Pumped Storage Plant Power Capacity (MW)

The penalty for shortfall of annual system Availability shall be applicable at the end of each year and shall be deducted from the invoices raised by the PSPD.

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 storage capacity from the Project. 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.

Planned outage will be scheduled by the PSPD to ensure that the annual system Availability requirement is complied with by the Project. Thus, the annual Availability calculation will include all the hours of the year, including the hours declared as outage hours. This penalty shall not be applicable in events of Force Majeure identified under

the PPA, affecting the Availability of the system.

b) Shortfall in demonstrating Declared Cycle Loss:

Subsequent to ACSD/COD of full Project Capacity or the capacity finally accepted by SECI, the PSPD shall be liable for penalty to the off taker, if any, on account of excess conversion losses, on annual basis. Annual penalty on account of excess conversion losses in line with Clause 8.1.d.iv will be computed as follows:

System Roundtrip Efficiency (RtE) =

$$\frac{\text{Sum Total of Actual Injection/Discharging MUs in a year (C)}}{\text{Sum Total of Actual Drawal/Charging MUs in a year (D)}}$$

Where,

C and D shall be as per the DSM/UI Reports published by the Regional RPCs or measurement at the Main ABT Meter at the Point of Interconnection.

Penalty (RtE) = (A – B)*C

Where,

A refers to the Input Energy at Actual RtE (kWh/MWh)

B refers to the Input Energy at RtE calculated based on declared Cycle Loss (kWh/MWh)

C refers to the Additional Input Energy Charges (INR/kWh) for calculation of penalty are as follows-

RtE Deviation below RtE calculated based on declared Cycle Loss	Excess Input Energy to be billed at
≤10%	1.5 x simple average of Unconstrained Market Clearing Price (UMCP) of the Day Ahead Market (DAM) or any equivalent power market of the respective year, discovered on all the power exchanges operating in India in that particular year

> 10%	2 x simple average of Unconstrained Market Clearing Price (UMCP) of the Day Ahead Market (DAM) or any equivalent power market of the respective year, discovered on all the power exchanges operating in India in that particular year
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Where,

RtE deviation (%) =

$$\frac{\text{RtE based on declared Cycle Loss (\%)} - \text{Actual RtE (\%)}}{\text{RtE based on declared Cycle Loss (\%)}}$$

Note:

- The Scheduled capacity shall be subject to the System Power Rating.
- The PSPD shall take separate, metered connection for the Auxiliary Power load of PSP.

OR

- The PSPD can draw auxiliary power from Interconnection point. Arrangement of power for auxiliary consumption is under scope of the PSPD.

- c) For avoidance of any doubt, Penalties as specified above are mutually exclusive and independent, therefore, in case of levying of Penalty against Annual Average Availability and Round-Trip Efficiency, both penalties shall be payable by the PSPD.

4.4.4 **Incentive in meeting the Performance Criteria:**

Following provisions shall be applicable on the Contracted Capacity in case of exceeding the stipulated performance criteria:

- a) Demonstration of enhanced Availability:

Subsequent to ACSD of full Project Capacity or the capacity finally accepted by SECI, in case the annual Availability demonstrated by the PSPD is equal to or more than 95%, such improvement in performance shall make the PSPD eligible to receive incentive from SECI/Buying Entity(ies).

The incentive amount will be computed as follows:

$$\text{Incentive (Availability)} = 1.5 * A * [(B - C) / 100] * D$$

Where,

A	Annual Fixed Charges (INR/MW/Annum) as per Article 9.1
B	Actual System Availability (%) of the PSPD, calculated as per Article 4.4.2.a)
C	Minimum System Availability (%) criteria i.e. 90%
D	Pumped Storage Plant Power Capacity (MW)

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 storage capacity from the Project. 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.

b) Demonstration of reduction in declared Cycle Loss:

Subsequent to ACSD/COD of full Project Capacity or the capacity finally accepted by SECI, the PSPD shall be eligible to receive incentive from the off taker/Buying Entity, if any, on account of reduction of the declared Cycle Loss (%). The incentive payable, where admissible, shall be computed in accordance with the methodology specified below:

System Roundtrip Efficiency (RtE) =

$$\frac{\text{Sum Total of Actual Injection/Discharging MUs in a year (C)}}{\text{Sum Total of Actual Drawal/Charging MUs in a year (D)}}$$

Where,

C and D shall be as per the DSM/UI Reports published by the Regional RPCs or measurement at the Main ABT Meter at the Point of Interconnection.

Incentive (RtE) = (A – B)*C

Where,

A refers to the Input Energy at RtE calculated based on declared Cycle Loss (kWh/MWh)

B refers to the Input Energy at Actual RtE (kWh/MWh)

C refers to Less Input Energy Charges (INR/kWh) for calculation of incentive are as follows-

RtE Deviation above RtE calculated based on declared Cycle Loss	Less Input Energy to be billed at
> 10%	1.5 x simple average of Unconstrained Market Clearing Price (UMCP) of the Day Ahead Market (DAM) or any equivalent power market of the respective year, discovered on all the power exchanges operating in India in that particular year

Where,

RtE deviation (%) =

$$\frac{\text{Actual RtE (\%)} - \text{RtE based on declared Cycle Loss (\%)}}{\text{RtE based on declared Cycle Loss (\%)}}$$

- c) The incentive amount computed as per Article 4.4.4.a) and 4.4.4.b) above shall be exclusive of GST.

4.4.5 The detailed list of documents required for verification of energy supply and performance of the Projects will be intimated to the PSPD subsequent to commissioning:

For each Contract Year, the above data will be required to be submitted by the respective PSPD to SECI within 15 days after expiry of the previous Contract Year, for verification of the performance parameters for calculating applicable penalty on account of shortfall.

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/energy is injected, the PSPD will have to forego the excess energy and reduce the output to the rated capacity and shall also have to pay the penalty/charges (if applicable) as per applicable regulations / requirements / guidelines of CERC / SERC /SLDC or any other competent agency.

4.4.5 The PSPD agrees that the methodology specified hereinabove for calculation of compensation in the form of penalties payable by the PSPD as indicated above is a genuine and accurate pre-estimation of the actual loss that will be suffered by SECI/

Buying Entities. PSPD 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 Entities in each case specified under this Agreement.

4.4.6 The parties agree that penalties shall not be applicable in events of Force Majeure identified under the PPA, affecting supply of power/energy from the Pumped Storage Plant by the PSPD.

4.5 Extensions of Time

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

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

the SCSD and the Expiry Date shall be deferred, for a reasonable period but not less than 'day for day' basis, to permit the PSPD or SECI/ Buying Entity(ies) through the use of due diligence, to overcome the effects of the Force Majeure Events affecting the PSPD or SECI/Buying Entity(ies), 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 CTU and/or there is a delay in readiness of the ISTS substation at the Delivery Point, including readiness of the power evacuation and transmission infrastructure of the ISTS network until SCSD of the Project, and it is established that:

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

The above shall be treated as delays beyond the control of the PSPD and SCSD for such Projects shall be revised as the date as on 30 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(s) by the PSPD, 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(s) 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 SCSD or the Expiry Date should be deferred, either Party may raise the Dispute to be resolved in accordance with Article 16.
- 4.5.5 As a result of such extension on account of Article 4.5.1 or Article 4.5.2, the newly determined SCSD and newly determined Expiry Date shall be deemed to be the SCSD and the Expiry Date for the purposes of this Agreement.
- 4.5.6 Further, any delay in adoption of tariff by the Appropriate Commission 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 SCSD, in line with provisions of Article 2.1.4 of this Agreement.
- 4.5.7 Delay in commencement of supply of storage capacity from the project beyond the SCSD 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 PSPD and shall be subject to the consequences specified in Article 4.6.

4.6 Penalty for delay in Commencement of Supply of Pumped Storage Capacity

4.6.1 The PSPD shall commence supply of storage capacity from the full Project Capacity within SCSD as defined in this Agreement. If the PSPD is unable to commence supply of storage capacity from the Project by the SCSD for reasons other than those specified in Article 4.5.1 and 4.5.2, the PSPD shall pay to SECI, penalty for the delay in such commencement of supply of storage capacity and making the Contracted Capacity available for charging/discharging by the SCSD as per the following:

- (a) Delay beyond the SCSD up to (& including) the date as on 6 months after the SCSD or the extended SCSD, if applicable: The total PBG/POI/Surety Bond amount shall be encashed on pro-rata basis and proportionate to the Project capacity that has not commenced supply of storage capacity.
- (b) If the PSPD agrees to Supply all or part of the Contracted Capacity of the SECI/Buying Entity from an alternate source during the period between the SCSD and ACSD, and on the terms specified in the PPA, the penalty/damages payable under this Clause will be proportionally reduced based on the extent of such Supply vis-à-vis the Contracted Capacity. If the Project is not completed and the ACSD does not occur within 180 days from the SCSD, and unless the delay is on account of Force Majeure or attributable to the SECI/Buying Entity, the SECI may terminate the PPA at its discretion.
- (c) In lieu of encashment of the PBG, the PSPD may furnish the requisite amount by Demand Draft or electronic transfer, and upon receipt thereof, the relevant PBG shall be released without encashment.
- (d) For avoidance of doubt, it is clarified that provisions of Article 4.6.1 will be applicable even in cases where no capacity (**i.e. 0 MW**) has commenced supply of storage capacity.

4.6.2 The maximum time period allowed for commencement of supply of storage capacity from the full Project Capacity with encashment of Performance Bank Guarantee/ Payment on Order Instrument/ Insurance Surety Bond shall be limited to 6 months after the SCSD/extended SCSD of the Project. In case, the commencement of supply storage capacity from the Project is delayed beyond 6 months after the SCSD/ extended SCSD, the Contracted Capacity shall stand reduced / amended to the capacity corresponding to the Project Capacity that has commenced supply of storage capacity until the date as on

6 months after the SCSD/ extended SCSD and the PPA for the balance capacity will stand terminated and shall be reduced from the Contracted Capacity.

- 4.6.3 The PSPD acknowledges and accepts that the methodology specified herein above for calculation of penalty payable by the PSPD is a genuine and accurate pre-estimation of the actual loss that will be suffered by SECI. PSPD 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.
- 4.6.4 In case of part-commencement of supply of storage capacity subsequent to the SCSD, encashment of PBG shall take place upon commencement of supply of storage capacity from each part capacity, in case of no request for time extension of such part capacity pending with SECI.

4.7 *Acceptance/Performance Test*

Prior to synchronization of the Project, the PSPD shall be required to get the Project certified for the requisite acceptance/performance test as may be laid down by Central Electricity Authority or an agency identified by the central government to carry out testing and certification for the Pumped Storage Projects. Further, PSPD shall ensure that all technical, acceptance and performance criteria as specified in RfS Documents and Guidelines are also complied and maintained.

4.8 *Third Party Verification*

- 4.8.1 The PSPD shall be further required to provide entry to the site of the Project 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 PSPD at the site of the Project. The PSPD 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 PSPD and if it is found that the construction works/operation of the Project is not as per the Prudent Utility Practices, it may seek clarifications from PSPD or require the works to be stopped or to comply with the instructions of such third party.

4.9 Breach of Obligations

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 PSPD would have no right to negotiate or enter into any dialogue with any third party for the sale of Contracted Capacity 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 Compensation for Off-take constraints

The period of reduced offtake to be considered as deemed available for payment to PSPD if the annual availability is less than normative annual availability specified in RfS. The total availability after such adjustment shall not be higher than normative availability.

ARTICLE 5: SYNCHRONIZATION, COMMERCIAL OPERATION AND COMMENCEMENT OF SUPPLY OF STORAGE CAPACITY

- 5.1 The PSPD shall give the concerned RLDC/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 Project to the Grid System.
- 5.2 Subject to Article 5.1, the Project may be synchronized by the PSPD 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/ any other equipment for charge and discharge of power from the Project and transmission of data to the concerned authority as per applicable regulations shall be installed by the PSPD at its Project facility at its own cost. The PSPD shall synchronize its system with the Grid System only after the approval of synchronization scheme is granted by the head of the concerned substation/Grid System and checking/verification is made by the concerned authorities of the Grid System and RLDC, in line with the provisions of the Grid Code.
- 5.4 The PSPD shall immediately after each synchronization/tripping of generator, inform the sub-station of the Grid System to which the Project(s) is electrically connected and also to the RLDC in accordance with applicable Grid Code under intimation to SECI. In addition, the PSPD at its own risk and cost, will be required to arrange for the charging and discharging of power for carrying to carry out operational/ functional test prior to commercial operation as well as for commissioning of the Project. For avoidance of doubt, it is clarified that Synchronization/ Connectivity of the Project with the grid shall not to be considered as Commissioning of the Project.
- 5.5 The PSPD shall commission the Project in line with provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as amended from time to time. In line with this regulation, the PSPD proposing the Project, or its part, for commissioning shall give to 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. Further, the PSPD shall also give a notice of not less than seven (7) days, for trial run or repeat of trial run, to the concerned RLDC, Buying Entity(ies), and SECI. However, in case the repeat trial run is to take place within 48 hours of the failed trial run, fresh notice shall not be required.

The PSPD shall submit requisite documents as mentioned below, at least 30 days prior to trial run of the Project –

- i. Installation report duly signed by the authorized signatory as per Annexure-C of the RfS indicating rating and quantity of inverters and details of other component (as applicable).
- ii. Submission of details of payment security deposit amount as per RfS/ PPA (if applicable).
- iii. Synchronization declaration by the PSPD for the capacity proposed for commissioning, including details of the synchronized blocks, as per Annexure-H of the RfS.
- iv. Board resolution for authorized signatory for signing the documents related to commissioning of the Project.
- v. Undertaking from the PSPD stating that
 - a. all necessary approvals and clearances required to establish and operate the project have been obtained.
 - b. all the equipment including but not limited to inverters/PCU, power transformers, and cables have been installed in compliance with the technical requirements specified under the RfS/PPA.
 - c. The Company has taken the Industrial All Risk Insurance policy as per the provisions of RfS/PPA.
 - d. the PSPD 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.

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- vi. Plant layout along with the Single Line Diagram (SLD), inverters/ICR Blocks, inverter transformers, power transformers, and energy meters.
- vii. Energization approval from CEI/CEIG/CEA (as applicable), covering all components, inverters, transformers, transmission system, and protection system, along with all annexures and attachments.
- viii. Final grant of connectivity letter issued by CTUIL for the Project in the name of either the PSPD or the Bidding Company. If the PSPD or the Bidding Company has not obtained connectivity, the PSPD 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 PSPD intends to commission the project before the operationalization of connectivity, it must submit an undertaking indemnifying SECI, as per the format in Annexure-I of the RfS.

- ix. Trial run certificate issued by appropriate authority in accordance with IEGC.
- x. Certificate issued by SECI confirming compliance with the Land Arrangement milestone.

If the RfS/PPA does not include a provision for the Land Arrangement milestone, an affidavit from the PSPD 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.

- xi. 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 PSPD 15 days before the proposed date of the commissioning of the Project.

It is clarified that SECI shall bear no responsibility in declaration of

commissioning/COD of the Project. However, on the basis of above documents, the PSPD shall be required to obtain No-objection certificate (NOC)/ PPA Compliance Certificate from SECI prior to declaration of commissioning/COD of the Project.

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

The date of onset of commercial offtake of power/energy by SECI/Buying Entity shall be determined as the date of commencement of supply of storage capacity under the RfS/PPA.

- 5.6 The PSPD shall be permitted for commencement of supply of storage capacity from full as well as part Contracted Capacity even prior to the SCSD subject to availability of transmission connectivity and General Network Access (GNA). Even in case of early part/full commencement of supply of storage capacity, the PPA will remain in force for a period of 40 (forty) years from the SCSD/extended SCSD.
- 5.7 There can be part commencement of supply of storage capacity from the Contracted Capacity. Part commencement of supply of storage capacity from the Project shall be accepted by SECI/Buying Entity(ies) subject to the condition that the minimum capacity for acceptance of first and subsequent part(s) shall be 50 MW, with the last part being the balance Contracted Capacity, without prejudice to the imposition of penalty, in terms of the PPA on the part which has not yet commenced supply of storage capacity. For example, in case the Contracted Capacity is 250 MW, then the minimum capacity for acceptance of the first part commencement of supply of storage capacity shall be 50 MW.
- 5.8 The SECI & PSPD agree that for the purpose of commencement of the supply of storage capacity by PSPD to SECI, penalty for delay etc., the SCSD/extended SCSD as defined in this Agreement shall be the relevant date.

- 5.9 In additions to the requirements mentioned above, PSPD shall also comply with all the requirements as mentioned in the Indian Electricity Grid Code.

ARTICLE 6: DISPATCH AND SCHEDULING

6.1 *Dispatch and Scheduling*

- 6.1.1 The PSPD in consultation with Buying Entity(ies)/ SERC, shall be required to charge/ discharge the Pumped Storage Plant (PSP) as per the applicable regulations/ requirements/ guidelines of CERC/ SERC/ SLDC/ RLDC or any other competent agency and same being recognized by the RLDC/ SLDC or any other competent authority/ agency as per applicable regulation/ law/ direction and maintain compliance to the applicable Codes/ Grid Code requirements and directions, if any, as specified by concerned SLDC/ RLDC from time to time. Any deviation from the schedule will attract the provisions of applicable regulation/ guidelines/ directions and any financial implication on account of this shall be on the account of the PSPD.
- 6.1.2 The PSPD shall be responsible for directly coordinating and dealing with the Buying Entity, State Load Dispatch Centres, Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of charging and discharging power and due compliance with deviation and settlement mechanism and the applicable Grid code Regulations, acknowledging that the PSPD 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 pumped storage capacity contracted under this Agreement.
- 6.1.3 The PSPD 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 PSPD.
- 6.1.4 Auxiliary power consumption will be treated as per the Central/State regulations concerned.

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

7.2 *Reporting of Metered Data and Parameters*

- 7.2.1 Online arrangement would have to be made by the PSPD for submission of metering data regularly for the entire period of this Agreement to the SLDC, SECI and the concerned Ministry or concerned agency as per applicable regulation/ directions.
- 7.2.3 Reports on metering parameters on monthly basis and/or as required by regulation/ guidelines, shall be submitted by the PSPD to Ministry of New and Renewable Energy/ SECI or authorized agency of SECI/ MNRE for entire Term of this Agreement.

ARTICLE 8: INSURANCES

8.1 *Insurance*

The PSPD 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 PSP/Project or any part of the Project shall be first applied to reinstatement, replacement or renewal of such loss or damage to the Contracted Capacity followed by the outstanding claims of Buying Entity(ies) against PSPD, if any.

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 Project or any part of the PSP/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(ies) as per PSA entered into and any other dues of the Buying Entity(ies) against PSPD.

8.3 *Effect on liability of SECI*

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 PSPD can claim compensation, under any Insurance shall not be charged to

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or payable by SECI or Buying Entity(ies). It is for the PSPD 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 supply of storage capacity by the PSPD on the terms contained in this Agreement, the PSPD shall be entitled to receive the Tariff of INR _____ MW/Annum [Insert the Tariff discovered through the bidding process conducted by SECI], fixed for the entire term of this Agreement. Further, for monthly billing and payments tariff of INR _____ MW/Month i.e. Monthly Fixed Charges [(Insert the Tariff discovered through the bidding process conducted by SECI)/12] shall be considered.
- 9.2 In case of early part/full commencement of supply of storage capacity from the project, till SCSD, the PSPD will be free to utilize such capacity for market or sale of capacity to any entity other than the SECI/ Buying Entity(ies), only after giving the first right of refusal to the SECI/Buying Entity(ies) by giving 15 days advance notice to both SECI and Buying Entity. SECI/Buying Entity shall provide refusal within 15 (fifteen) days of receipt of the request for early part/full commencement of supply of storage capacity 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 storage capacity, the Buying Entity will be accorded priority in availing such pumped storage capacity. In case the designated Buying Entity does not give its acceptance, then SECI can purchase such storage capacity directly or designate another potential buyer/entity to purchase such capacity at the Applicable Tariff (as per Article 9.1). In case SECI/Buying Entity agrees to purchase storage capacity from a date prior to the SCSD, such capacity shall be purchased at the Applicable Tariff (as per Article 9.1). Any energy flowing from the Pumped Storage Plant capacity into the grid before SCSD shall not be at the cost of SECI.

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 Pumped Storage Plant/Projects in order to ensure timely payment. The fund will be created as per the Guidelines and Payment Security Mechanism (PSM) guidelines, if any.

10.1.2 From the commencement of supply of storage capacity, SECI shall pay to the PSPD 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 Subject to the provision of this Agreement, PSPD shall be required to make arrangement of auxiliary power at its own risk and cost.

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 PSPD, 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 PSPD shall issue to SECI, a hard copy of a signed Monthly Bill/Supplementary Bill for the immediately preceding Month/relevant period, along with all relevant documents. The PSPD shall also submit calculations of System Availability, Cycle Loss and/or Round-trip Efficiency in line with provisions of this Agreement, as part of the Monthly Bill/Supplementary Bill.
- 10.2.2 As per applicable regulation(s) of the Appropriate Commission(s)/respective SERC(s), all charges pertaining to obtaining open access and scheduling of power from/to the Pumped Storage Plant, if any, up to the Delivery Point(s), shall be borne by the PSPD.
- 10.2.3 PSPD shall submit the export/import energy JMR at delivery point signed by Buying Entity(ies) and PSPD authorized signatory with the capacity charges monthly invoice.

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 PSPD, as shall have been previously notified by the PSPD 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 PSPD, 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 PSPD shall open a bank account (the "PSPD's Designated Account") for all Tariff Payments (including Supplementary Bills) to be made by SECI to the PSPD 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 PSPD to SECI, if any, and notify the PSPD of the details of such account ninety (90) Days before the SCSD. SECI and the PSPD shall instruct their respective bankers to make all payments under this Agreement to the PSPD'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 PSPD 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 PSPD 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(ies).

10.3.4 Subject to Article 9 of this Agreement, in the event of early commencement of supply of storage capacity from the Project and subject to acceptance by SECI, the payment for the capacity charges may be accounted from the date of commencement of such supply of capacity, and PSPD would be allowed to raise Bills against such capacity as per Article 10.2.1. However, payment against the 1st such bill raised by the PSPD 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 PSPD to SECI in the following manner.

- i. 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.
- ii. 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.

No Rebate shall be payable on the Bills raised on account of Change in Law (except in case of annuity tariff model being implemented, where rebate will be applicable) relating to taxes, duties, cess etc. and on Supplementary Bill. For this purpose, the date of presentation of bill shall be the same day of delivery in hard copy. However, for consideration of rebate, next business day shall be considered.

10.4 **Payment Security Mechanism**

Letter of Credit (LC):

10.4.1 SECI shall provide to the PSPD, 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 PSPD 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 PSPD 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

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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 PSPD, 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 PSPD 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 PSPD and;
- ii. a certificate from the PSPD 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;

In case of wrongful drawal of the Letter of Credit, the PSPD would be liable to further interest equivalent to late payment surcharge considered from the date of drawal of letter of credit.

10.5 Disputed Bill

10.5.1 If the SECI does not dispute a Monthly Bill or a Supplementary Bill raised by the PSPD 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 PSPD agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.2, the PSPD 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 PSPD 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 counterclaim.

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 PSPD 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 PSPD and SECI shall jointly sign such reconciliation statement. Within fifteen (15) days of signing a reconciliation statement, the PSPD 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 PSPD 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 PSPD to the PSPD's Designated Account by the Due Date, except open access charges, RLDC 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 Pumped Storage Sale Agreement (PSA). 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 PSPD 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 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(ies) PSA, thereby affecting delivery/offtake of power/contracted capacity from PSPD to Buying Entity(ies).
- 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 Project;
- b. Delay in the performance of any contractor, sub-contractor or their agents;
- c. Non-performance resulting from normal wear and tears typically experienced in materials and equipment of Pumped Storage Plants;
- 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 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 SCSD/extended SCSD, which would not have affected the Project had the Project been commissioned before the SCSD/extended SCSD.

12.1.2 The term “law” in this Article includes any Act, Ordinance, order, byelaw, 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 21 days' prior notice to the other party about the proposed impact on 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 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= Contracted Capacity (MW) / (Average Availability during Year⁻¹) &

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

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

R = annual rate of interest on loan components (%) 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, PSPD or intermediary procurer or 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/MW, it shall be modified as Rs. 0.146/MW

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

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

12.2.7 The PSPD 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 on 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 PSPD, 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 PSPD or any income to the PSPD on account of any of the events as indicated above, PSPD 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 PSPD 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, PSPD 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 evidence 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 PSPD towards supply and services only for the Project concerned, up to the actual date of commencement of supply of storage capacity from the last part capacity or up to the SCSD/extended SCSD, whichever is earlier. For example, in case the date of actual Commencement of supply of storage from the last part capacity is 15.04.2026, SCSD is 15.03.2026 and extended SCSD is 01.04.2026, the Project Cost shall be determined as the cost incurred by the PSPD up to 01.04.2026.

ARTICLE 13: EVENTS OF DEFAULT AND TERMINATION

13.1 *PSPD 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(ies) of its obligations under this Agreement, shall constitute an PSPD Event of Default:

- i. the failure to commence availability of PSP for providing Energy Storage capacity to Buying Entity(ies)/SECI up to the Contracted Capacity, by the end of the period specified in Article 4, or failure to demonstrate 50% of the guaranteed availability of such energy storage capacity to Buying Entity, for 2 (two) consecutive Contract Years, excluding the first Contract Year ending on 31st March immediately after commencement of supply of storage capacity, throughout the term of this Agreement, or in case the Project's monthly cycle loss exceeds 30% for more than 3 months in any Contract Year, or if
 - a) the PSPD assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Project in contravention of the provisions of this Agreement; or
 - b) the PSPD 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 PSPD 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 PSPD, or (c) the PSPD 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 PSPD will not be a PSPD 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 PSPD and expressly assumes all obligations of the PSPD under this Agreement and is in a position to perform them; or

- iii. the PSPD 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 PSPD is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the PSPD within thirty (30) days of receipt of first notice in this regard given by SECI; or
- v. change in shareholding of the PSPD 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] prior to ACSD/COD, 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 PSPD; 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 PSPD on account of non-compliance by the PSPD.

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 PSPD 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 PSPD is unable to recover the amount outstanding to the PSPD 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 PSPD in this regard; or
- iii. except where due to any PSPD'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 PSPD 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 storage capacity.
- 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 PSPD Event of Default

13.3.1 Upon the occurrence and continuation of any PSPD Event of Default under Article 13.1, SECI shall have the right to deliver to the PSPD, with a copy to the representative of the lenders to the PSPD with whom the PSPD 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 PSPD 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 PSPD.

13.3.5 Subject to the terms of this Agreement, upon occurrence of an PSPD Event of Default under this Agreement, the PSPD shall be liable to pay to SECI, penalty, as provided in Article 4.6 of the PPA for failure to commence supply of storage capacity within the stipulated time and Article 4.4.1 for failure to supply storage capacity in terms of the PPA. In the event of termination of PPA and for other cases, the PSPD shall be liable to pay to Buying Entity(ies), damages, equivalent to 24 (twenty-four) months, or balance PPA period, whichever is less, of tariff/charges for its Contracted Capacity.

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.

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 PSPD by a selectee for the residual period of the Agreement, for the purpose of securing the payments of the total debt amount from the PSPD and performing the obligations of the PSPD. However, in the event the lenders are unable to substitute the defaulting PSPD 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 PSPD shall cooperate with SECI to carry out such substitution and shall have the duty and obligation to continue to operate the 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 GST per transaction as facilitation fee (non-refundable) shall be deposited by the PSPD to SECI.

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

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 PSPD shall have the right to deliver to SECI, an PSPD 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 PSPD 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 PSPD 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 PSPD, or if no offer of novation is made by SECI within the stipulated period, then the PSPD may terminate the PPA and at its discretion require SECI to pay to the PSPD, damages, equivalent to 24 (twenty-four) months, or balance PPA period, whichever is less, of charges of its Contracted. 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/ CTU, 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 PSPD 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 PSPD of any of its obligations under this Agreement or due to the PSPD'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 PSPD of any of its obligations under this Agreement, (provided that this Article 14 shall not apply to such breaches by the PSPD, for which specific remedies have been provided for under this Agreement).

14.1.2 SECI shall cause the Buying Entity(ies) to indemnify, defend and hold the PSPD harmless against:

- a) any and all third-party claims against the PSPD, 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(ies) 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 PSPD from third party claims arising by reason of a breach by Buying Entity(ies) of any of its obligations. SECI shall incorporate appropriate covenants in the PSA for the above obligations of Buying Entity(ies). In so far as indemnity to PSPD is concerned, Buying Entity(ies) 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 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 PSPD nor SECI nor Buying Entity(ies) 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(ies), the PSPD 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 PSPD or any Affiliate of the PSPD or any of its officers, directors or shareholders for such claims excluded under this Article. The PSPD shall have no recourse against any officer, director or shareholder of Buyer or Buying Entity(ies), 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(ies) to enable them to fulfill the Energy Storage Obligation (ESO), 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(ies) on re-sale under the Pumped Storage Sale Agreement to be entered into by the Buying Entity(ies) with SECI. It is however, specifically agreed that the payment of money becoming due from the SECI to the PSPD under this Agreement for supply of storage capacity 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 PSPD 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 PSPD 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(ies) under the Pumped Storage Sale Agreement to be entered into between the SECI and the Buying Entity(ies) 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 supply of storage capacity under this Agreement.

Provided that, SECI shall permit assignment of any of PSPD's rights and obligations under this Agreement in favour of the lenders to the PSPD, 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 PSPD and the Buying Entity(ies) 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 INR 5 Lakh per Project + applicable taxes per transaction as Facilitation Fee (non-refundable) shall be deposited by the PSPD to SECI. Provided further that, such consent shall not be withheld by the PSPD 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 INR 10 Lakh per Project + applicable taxes per transaction as Facilitation Fee (non-refundable) shall be deposited by the PSPD to SECI.

15.2 Permitted Charges

PSPD 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*

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) 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
 - a) if the other Party does not furnish any counter claim or defence under Article 16
 - b) 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.
 - c) the Dispute shall be referred for dispute resolution in accordance with Article 16.3.

16.2.2 *Dispute Resolution*

In the event CERC is the Appropriate Commission, any dispute that arises claiming any

change in or regarding determination of the tariff or any tariff related matters, or which partly or wholly could result in change in tariff, such dispute shall be adjudicated by the CERC. All other disputes shall be resolved by the Dispute Resolution Committee set up by the Government, failing which by arbitration under the Indian Arbitration and Conciliation Act, 1996. In the event SERC/JERC is the Appropriate Commission, then all disputes shall be adjudicated by the SERC/JERC or shall be referred for arbitration by the SERC/JERC.

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

16.3 *Parties to Perform Obligations*

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*

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

17.2 *Third Party Beneficiaries*

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*

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*

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 PSPD, 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 :

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:

Address :

Attention :

Email :

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

17.9.2 SECI shall be indemnified and held harmless by the PSPD 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 PSPD by SECI on behalf of PSPD.

17.10 *Independent Entity*

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

17.10.2 Subject to the provisions of the Agreement, the PSPD shall be solely responsible for the manner in which its obligations under this Agreement are to be performed. All employees and representatives of the PSPD or contractors engaged by the PSPD in connection with the performance of the Agreement shall be under the complete control of the PSPD 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 PSPD 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 Pumped Storage Sale Agreement (PSA) 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 supply of storage capacity from the Pumped Storage Plant/Project to the Buying entity(s), particularly, to fulfill the Energy Storage 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 damage 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]

[PSPD]

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 Pumped Storage Plant Developer or PSPD') submitting the response to RfS inter alia for[insert title of the RfS] of the capacity of MWh, at[Insert name of the place], in response to the RfS dated..... issued by Solar Energy Corporation of India Limited (hereinafter referred to as SECI) and SECI considering such response to the RfS of[Insert name of the Bidder] (which expression shall unless repugnant to the context or meaning thereof include its executors, administrators, successors and assignees) and selecting the Project of the Pumped Storage Plant Developer (PSPD) and issuing Letter of Award No. _____ to _____ (Insert the name of PSPD) as per terms of RfS and the same having been accepted by the selected PSPD resulting in a Pumped Storage Purchase Agreement (PPA) to be entered into, for procurement of capacity [from Successful Bidder/PSPD 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 Delhi forthwith on demand in writing from SECI or any Officer authorised 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 Pumped Storage System Developer/ Project Company]

SECI-PSPD PPA

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

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

Our Guarantee shall remain in force until..... [Insert a date of the validity period on the basis of Clause No. 19 of this RfS] and 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. 19 of this RfS].

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 Pumped Storage System 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 New 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.

SECI-PSPD PPA

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 Pumped Storage System Developer/ Project Company, to make any claim against or any demand on the Pumped Storage System Developer/ Project Company or to give any notice to the Pumped Storage System 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 Pumped Storage System 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 _____ 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.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to INR _____ (Indian Rupees _____ Only) and it shall remain in force until [Insert a date of the validity period on the basis of Clause No. 19 of this RfS] and PSPCL 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. 19 of this RfS].

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.

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.

SECI-PSPD PPA

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 PSPD), this Payment on Order Instrument (POI) for an amount of Rs. _____ (Indian 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 'Pumped Storage System Developer or PSPD') submitting the response to RfS inter alia for selection of Contracted Capacity of MW/ MWh, at [Insert name of the place] under RfS for _____ (insert name of the RfS), in response to the RfS dated..... issued by SECI and SECI considering such response to the RfS of [insert the name of the Pumped Storage System Developer] (which expression shall unless repugnant to the context or meaning thereof include its executors, administrators, successors and assignees) and selecting the Project of the Pumped Storage System Developer (PSPD) and issuing Letter of Award No ----- to (Insert Name of Pumped Storage System Developer) as per terms of RfS and the same having been accepted by the selected PSPD resulting in a Pumped Storage Purchase Agreement (PPA) to be entered into with SECI, for providing energy storage facility [from Pumped Storage System 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 PFC/REC] hereby agrees unequivocally, irrevocably and unconditionally to pay to SECI at Delhi forthwith on demand in writing from SECI or any Officer authorized by it in this behalf, any amount up to and not exceeding INR [Total Value] only, on behalf of M/s _____ [Insert name of the selected Pumped Storage System 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 the 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 Company), 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/PSPD, to

make any claim against or any demand against the SPV/PSPD or to give any notice to the SPV/PSPD;

(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/PSPD;

(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 up to _____ 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. 19 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 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

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 PSPD]..... with its Registered/Head Office at..... (Hereinafter referred to as the 'Pumped Storage System Developer' or 'PSPD', which expression shall unless repugnant to the context or meaning thereof, include its successors administrators, executors and assigns), the Project of capacity of MW/ MWh for supply of storage capacity there from on long term basis, in response to the RfS dated..... issued by Solar Energy Corporation of India Limited (hereinafter referred to as SECI) by issuing Letter of Award No.dated..... and the same having been unequivocally accepted by the PSPD, resulting into a Pumped Storage Purchase Agreement (PPA) to be entered, for purchase/procurement of capacity [from selected PSPD or a Project Company, M/s {a Special Purpose Vehicle (SPV) formed for this purpose}, if applicable] and the PSPD 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 payable by the PSPD to the extent of amount up to and not exceeding Indian Rupees _____ [Total Value] on behalf of M/s _____ [Insert name of the PSPD] as aforesaid at any time up to [days/month/year] without any condition, demur, reservation, contest, recourse or protest and/or without any reference to the PSPD. Any such demand made by SECI on the Insurer shall be conclusive and binding notwithstanding any difference between the SECI and the PSPD 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.

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 PSPD 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 PSPD, 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 PPA between SECI and PSPD 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 PSPD and notwithstanding any security or other guarantee that SECI may have in relation to the PSPD'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.

SECI-PSPD PPA

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 PSPD] 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 [Insert a date which is at least of the validity period on the basis of Clause No. 19 of this RfS] and shall be extended from time to time for such period (not exceeding one year), as may be desired by M/s[PSPD's Name] on whose behalf this Insurance Surety Bond has been given. SECI shall be entitled to invoke this Surety Bond till _____ [Insert a date which is at least 30 days beyond the expiry of the validity period on the basis of Clause No. 19 of this RfS].

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

.....

(Signature)

.....

SECI-PSPD PPA

(Name)

.....

(Designation with Insurer stamp)

Email id of the Branch for confirmation of this Bond:

Authorized Vide 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 PSPD 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 PSPD /Insurer issuing the Insurance Surety Bond.

**SCHEDULE 4: SECI-BUYING ENTITY(IES) PUMPAED STORAGE SALE
AGREEMENT(S)**