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POWER PURCHASE AGREEMENT BETWEEN
..... POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
(AP...PDCL)

AND

[Insert WtE developer Name]

This Power Purchase Agreement (“Agreement”) entered into this day of December 2025 between **POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED** (hereinafter called the AP....PDCL), incorporated by the Government of Andhra Pradesh in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956, having its office at AP....PDCL Corporate Office,, Andhra Pradesh, 'India, hereinafter referred to as the “DISCOM” (which expression shall, unless

repugnant to the context or meaning thereof, include its successors and assigns) as first party, and **[Insert WtE developer Name]** having its registered office at India herein after referred to as the "WtE Developer" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as second party.

1. WHEREAS, the WtE Developer has been selected as the successful Bidder through an open competitive bidding process conducted by NREDCAP, the Authorized Representative and is setting up the WtE Project at **[Insert Project Location]** Andhra Pradesh (hereafter called the "Project") with a proposal of 13.5 MW for Sale to DISCOM with an Installed Capacity of 15 MW and Auxiliary Consumption of 1.5 MW(10% of Installed Capacity) as detailed in **Schedule 1** attached herewith and the LoA issued by NREDCAP, the Authorized Representative.
2. WHEREAS, APTRANSCO/DISCOM has no obligation to recommend to any department for the grant of permissions/sanctions for the WtE Project. The WtE Developer shall on its own obtain permissions/ sanctions from Govt. authorities, if any required for establishing the project.
3. Whereas the WtE Developer has entered into a concession agreement on **[Insert the date of CA]** with Swachha Andhra Corporation (SAC) , Lead Urban Local Bodies (ULB) and participating Urban Local bodies(ULBs) for Construction and operation of MSW processing facilities and Waste to Energy Processing Facility for the Obligated Quantity of MSW during the Concession Period of 20 years from COD. The same is enclosed as **Annexure 3**.
4. WHEREAS, the WtE Developer shall achieve Commercial Operation Date as per the timelines Stipulated in this Power Purchase and terms of Agreement, in the default of which, the WtE Developer's Construction Performance Bank Guarantee will be liable for forfeiture by the APDISCOM as per Clause 10.5 of this agreement.
5. The PPA will continue to be in force for a period of 20 years from the Commercial Operation Date (COD).
6. WHEREAS, it has been agreed that the Project will be designed, engineered and constructed and operated by or on behalf of the WtE Developer or its successors with reasonable diligence subject to all applicable Indian laws, rules, regulations and orders having the force of law from time to time.
7. WHEREAS, the Project proposed at **[Insert Project Location]** Andhra Pradesh will be connected at the voltage level of 33kV at **[Insert EHT substation]** for power evacuation. The injection of power from the Project to the grid is to be limited to the already technically approved capacity.

8. The terms and conditions of this Agreement are subject to the provisions of the Electricity Act/Rules and also subject to relevant Regulations, if any, issued by the APERC from time to time.
9. The WtE Developer shall only deploy commercially established technologies for generation of Waste to Energy.
10. The WtE Developer shall not be eligible for obtaining RECs for energy generated from this Project and supplied to DISCOM under this PPA.
11. This Agreement shall come into force subject to approval of APERC.
12. This Agreement is valid subject to the consent/ approval of the Commission (APERC) under Section 21(4)(b) of AP Electricity Reform Act, 1998 and under Section 86(1)(b) of Electricity Act, 2003.
13. WHEREAS, GOAP has nominated the NREDCAP as nodal agency for conducting the bidding process for establishment of waste to energy Projects so as to enable DISCOM to procure power for which DISCOM issued concurrence to NREDCAP subject to approval of APERC. Accordingly, RFP was floated by NREDCAP proposing to bear the evacuation cost by DISCOM.
14. Whereas after evaluation of bidding, NREDCAP has issued LoA to **[Insert the name of the successful bidder]** for development of 15 MW Waste to Energy Plant at **[Insert Location of Cluster]**. The same is enclosed as **Annexure 2**.
15. The terms and condition of the PPA along with tariff is subject to approval of APERC.
16. NOW THEREFORE, in consideration of the foregoing premises and their mutual covenants herein, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound hereby agree as follows:

Article 1

1 DEFINITIONS

Unless the context otherwise expressed in this Agreement, the following terms shall have the meanings set forth here in below. Defined terms of singular number shall include the plural and vice-versa. In absence of availability of definitions in the foregoing references, the capitalized terms shall be interpreted in accordance with the Electricity Act 2003, the APERC/ CERC (Terms and Conditions of Tariff Regulations), Grid Code or any other relevant electricity law, rule or regulation prevalent in India, as amended or re- enacted from time to time, in that order.

“Act” shall mean the Electricity Act, 2003 and include any modifications, amendments, and substitutions from time to time.

“Agreement” shall mean this Power Purchase Agreement including the articles, schedules, amendments, modifications and supplements made in writing by the parties from time to time.

“APERC” shall mean Andhra Pradesh Electricity Regulatory Commission.

“APDISCOMs” shall mean the Power Distribution Companies of Andhra Pradesh namely Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL), Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL) and Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL).

“APTRANSCO” shall mean Transmission Corporation of Andhra Pradesh Limited incorporated under the Companies Act 1956.

“Authorized Representative” shall mean New and Renewable Energy Development Corporation of Andhra Pradesh Limited (NREDCAP), representing DISCOM and the Participating ULBs to carry out the bidding process for the selection of the successful Bidder(s).

“Auxiliary Consumption” shall mean in relation to a period in case of a generating station the quantum of energy consumed by auxiliary equipment of the generating station and the transformer losses within the generating station, expressed as a percentage of the sum of the gross energy generated at the generator terminals of all the units of the generating station i.e. 1.5 MW for this project.

“Bidder” shall mean Bidding Company or a Bidding Consortium submitting the Bid. Any reference to the Bidder includes Bidding Company /Bidding Consortium/Consortium, Member of a Bidding Consortium including its successors, executors and permitted assigns and Lead Member of the Bidding Consortium jointly and severally, as the context may require.

“Billing Date” shall mean the fifth (5th) Working day after the Meter Reading Date.

“Billing Month” shall mean the period commencing from 1st day of the calendar month and ending on last day of such calendar month. Provided that the period from Commercial Operation Date (COD) till the last day of such calendar month (occurred in COD month) shall be construed as a Billing Month.

“CERC” shall mean Central Electricity Regulatory Commission formed under Section 76 of the Electricity Act 2003.

“Change in Law” shall mean the same as provided in Article 13 of this Agreement.

“Commercial Operation Date”/ “Date of Commercial Operation” (“COD”) shall mean, the date on which the Project is declared by the WtE Developer to be operational (which means Project is able to inject contracted capacity to Grid), provided that the WtE Developer shall not declare a Generating unit to be operational until such Generating unit has met the conditions of the Clause 3.9 of this PPA

“Concession Agreement” shall mean the binding agreement entered in between the Concessionaire and Participating ULBs for delivery and processing of Municipal Solid Waste as part of the bid documents.

“Conciliation Period” shall mean the period of ninety (90) days or such other longer period as the parties may agree, commencing from the date of issuance of a WtE Developer Preliminary Default Notice or DISCOM Preliminary Default Notice as provided in Article 10 of this Agreement, for conciliation between the parties to mitigate the consequence of the relevant event having regard to all the circumstances.

“Controlling Shareholding” shall mean not less than 51% of the voting rights and paid up share capital (including fully, compulsorily and mandatorily convertible Preference shares/ Debentures) in the Company/Consortium.

“Contracted Capacity” shall mean 13.5 MW contracted with DISCOM for supply by the WtE Developer to DISCOM at the Interconnection Point from the Project.

“Delivered Energy” shall mean, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the DISCOM at the Inter connection Point, as measured by both energy meters at the Interconnection Point during that Billing Month at the designated substation of APTRANSCO/ DISCOM.

Explanation 1: For the purpose of clarification, Delivered Energy, excludes all energy consumed in the Project, by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by energy meter at Interconnection Point.

Explanation 2: The Delivered Energy in a Billing Month shall be limited to the energy calculated based on the Contracted Capacity in KW multiplied with number of hours and fraction there of the Project is in operation during that Billing Month. However, no payment shall be made for any excess energy delivered beyond the quantum of energy calculated at 100 % PLF on monthly basis of Contracted Capacity.

Explanation 3: The Delivered Energy will be procured as per Article 2 of this Agreement.

“Delivery Point” shall be the Inter connection Point at which the WtE Developer shall deliver power to the DISCOM.

“Delivery Voltage” shall mean the voltage of 33 KV at the Inter connection Point for the Delivered Energy.

“Due Date of Payment” shall mean the date on which the amount payable by the DISCOM to the WtE Developer hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Meter Reading Date provided the bill is received by DISCOM within 5 working days from Meter Reading Date, and in case of bill submitted after 5th working day after the meter date or any supplemental or other bill or claim or claim pertaining to disputed bill, if any, the Due Date of Payment shall be thirty (30)days from the date of the presentation of such bill or claim to the designated officer of the DISCOM. If the last date of payment falls on a holiday, the next working day shall be considered as last date.

“Effective Date” shall mean the date of signing of this Power Purchase Agreement (PPA) by DISCOM & the WtE Developer, the Concession Agreement by the Participating ULBs, Confirming Party and the WtE Developer (Concessionaire), after receiving APERC approval for tariff and handover of land to the Concessionaire, whichever is later;

“Financial Year” shall mean, with respect to the initial Financial Year, the period beginning on the Commercial Operation Date and ending at 12:00 midnight on the following March 31. Each successive Financial Year shall begin on April 1 and end on the following March 31, except that the final Financial Year shall end on the date of expiry of the term or on termination

of this Agreement as per the provisions of Clauses 9.2, 10.4.4 and 10.5 whichever is earlier.

“Financing Agreement” shall mean the agreement pursuant to which the WtE Developer has sought financing for the Project including the loan agreements, security documents, notes, indentures, security agreements, letters of credit and other documents, as may be amended, modified, or replaced from time to time, but without in anyway increasing the liabilities of APTRANSCO/ DISCOM.

“Financial Bid” shall mean the information provided by the WtE Developer as per the Annex 11 of RFP as a part of its Bid and enclosed in **Annexure 1** of this agreement.

“Financial Closure” shall mean arrangement of necessary funds by the WtE Developer either by way of commitment of funds by the Company from its internal resources and/or tie up of funds through a bank / financial institution by way of sanction of a loan;

“Grid Code” shall mean the Indian Electricity Grid Code issued by CERC vide Notification No. L - 1/ 265/ 2022 - CERC, New Delhi, 29-05-2023 including any amendments and modifications thereto and/or AP Grid Code, as amended from time to time. In case of conflict between Indian Electricity Grid Code and APERC Grid Code, the provisions of APERC Grid Code shall prevail.

“Installed Capacity” shall mean the sum total of name plate capacity of all the Units of the Project. i.e., 15 MW for this project.

“Interconnection Facilities” shall mean all the equipment and facilities, including, but not limited to, all metering facilities, switchgear, substation facilities, transmission lines and related infrastructure and required land for bay (if required), to be installed at the Voltage of Delivery at the DISCOM’s expense from time to time throughout the Term of the Agreement, necessary to enable the DISCOM to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement.

“Interconnection Point” shall mean the point or points where the Project and the grid system of APTRANSCO/ DISCOMs are interconnected at the grid substation of APTRANSCO/DISCOM. The metering for the Project will be provided at the interconnection point as per Clause 4.1

“Interconnection Substation” shall mean the substation where the Project and the APTRANSCO/DISCOM grid system are interconnected i.e. [Insert name of EHT SS]

“Lead Member of the Bidding Consortium” or **“Lead Member”** There shall be only one Lead Member, having the largest shareholding of not less than

51% in the Bidding Consortium and cannot be changed till 5 years after the Commercial Operation Date (COD) of the Project

“Lead ULB” shall mean the representative, appointed and authorized by all the Participating ULBs to represent all the Participating ULBs for discharging the rights and obligations under the Concession Agreement, which are required to be undertaken by all the Participating ULBs

“Metering Code” shall mean Central Electricity Authority (“CEA”) (Installation and Operation of Meters) Regulations, 2006, as amended from time to time.

“Meter Reading Date” shall mean the 1st (first) day of each calendar month, at 12:00 hours, at the Interconnection Point.

“Metering Point” shall mean points where metering shall be provided for Project and shall be as follows: Both meters (main & check) shall be provided at the Interconnection Point for purposes of recording Delivered Energy of the Project; and a stand by meter shall be provided at the same point.

Metering point shall have three separate sets of 0.2s class accuracy ABT meters as specified in Clause 4.1, main meter, check and stand by meter installed by the WtE Developer and all meters sealed by the DISCOM having facilities to record both export and import of electricity to / from the grid.

“NREDCAP” shall mean New and Renewable Energy Development Corporation of Andhra Pradesh Limited incorporated under the Companies Act 1956;

“Participating ULB” shall mean the identified beneficiary Urban Local Bodies (municipal corporations/ councils) which are expected to deliver municipal solid waste (MSW) to the Waste to Energy (WtE) Processing Facility in Andhra Pradesh and have signed the Concession Agreement with the WtE Developer;

“Performance Bank Guarantee (PBG)” shall mean any Bank Guarantee (BG) furnished the WtE Power Developer to DISCOM before signing of the PPA as per the terms of the RfP and as per format specified in Schedule 2 of this PPA, to assure timely and satisfactory completion of a Project by a developer.

Project” shall mean the WtE power generation facility of Installed Capacity of 15 MW, located at **[Insert Location of the project]** Andhra Pradesh and for supply of 13.5 MW to DISCOM; which includes all units and auxiliaries such as water supply, treatment or storage facilities; bay/s for transmission system in the switchyard, and all the other assets, buildings/ structures, equipment, plant and machinery, facilities and related assets required for the efficient and economic operation of the power generation facility; whether completed

or at any stage of development and construction or intended to be developed and constructed for the purpose of supply of power as per this Agreement;

“Plant Load Factor (PLF)” shall mean ratio of total kWh (units) of power generated by WtE Plant for a particular time period and Contracted Capacity in kW multiplied with number of hours in the same time period.

“Project Company” shall mean the Company incorporated by the Bidder as per Indian Laws for the implementation of Project selected based on the RFP.

“Prudent Utility Practices” shall mean those practices, methods, techniques and standards, that are generally accepted for use in electric utility industries taking into account conditions in India, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to power stations of the size, service and type of the Project, and that generally conform to the manufacturers' operation and maintenance guidelines;

“Quoted Capacity” shall have the meaning as Contracted Capacity.

“Quoted Tariff” shall have the meaning as per RFP.

“RFP” or “RFP document” shall mean the Request for Proposal for selection of Development Partners for Municipal Solid Waste (MSW) to Energy Processing Facility in Andhra Pradesh and all attachments vide RFP issued by NREDCAP on [.....]

“Scheduled COD” shall mean within Twenty-Four (24) months from the Effective Date where Delivery Voltage is at 33 kV level.

“Scientific Land filling” land filling of Residual Inert Matter and process remnants in accordance to the Specification and Standards contained in the Background Documents and SWM Rules, 2016 and any amendments/ revision thereto till date.

“SLDC” shall mean the State Load Dispatch Center as notified by the State Government under the provisions of the Electricity Act 2003.

“System Emergency” means a condition affecting the APTRANSCO/DISCOM electrical system including grid which threatens the safe and reliable operation of such system or which is likely to result in the disruption of safe, adequate and continuous electric supply by the APTRANSCO/DISCOM, or which endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.

“Tariff” means as quoted by the bidder, payable by the DISCOM which will be inclusive of all taxes, duties, levies and insurance premiums to be borne by the WtE Developer and is updated annually as per the terms and conditions of the PPA.

“Term of the Agreement” shall have the same meaning as provided for in Article 7 of this Agreement. i.e., 20 years from COD.

“Total Project Cost” means the lower of the total capital cost of the proposed WtE Project: (a) normative capital cost of INR 2,200 Lakhs/MW as per Central Electricity Regulatory Commission (CERC) (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024; (b) as quoted by the Bidder in its bid; and (c) as actual expenditure as certified by Auditor.

“Voltage of Delivery” shall mean 33 kV being the voltage at which the electrical energy generated by the Project is required to be delivered to the [Insert EHT substation] at the Interconnection Point.

“WtE Power” shall mean power generated from the Waste to Energy Project.

“WtEP roject” shall mean a Waste to Energy Project.

“WtE Developer/ Concessionaire” shall mean the Special Purpose Vehicle incorporated by the Bidder who has been selected based on the RFP for setting up the WtE Project.

All other words and expressions used herein and not defined here in but defined in AP Electricity Reform Act, 1998 and the Electricity Act, 2003 and rules and Regulations made there under shall have the meanings respectively assigned to them in the said laws, as amended from time to time.

Article 2

2 PURCHASE OF DELIVERED ENERGY AND TARIFF

- 2.1 All the Delivered Energy as mentioned in Schedule 1, at Interconnection Point for sale to DISCOM will be purchased at the Tariff provided as per this Article limited to contracted capacity of the Project only, after the Date of Commercial Operation of the Project and title to Delivered Energy purchased shall pass from the WtE Developer to the DISCOM at the Interconnection Point. All WtE plants shall be treated as 'Must-Run' subject to APERC/CERC regulations/ orders issued from time to time and All WtE plants shall follow the provision for scheduling in accordance with the Regulations/ Codes orders issued by the Commission from time to time. The WtE Plant shall not be subjected to merit order dispatch.
- 2.2 The DISCOM shall pay Tariff of Rs.7.50 per unit for Vijayawada cluster to the WtE Developer during the entire tenure of the PPA subject to approval of APERC.
- 2.3 The Tariff payable by the DISCOM will be inclusive of all taxes, duties, levies and insurance premiums to be borne by the WtE Developer.
- 2.4 The WtE Developer at any time during validity of this Agreement, shall endeavor to add to enhance the generation capacity of the WtE Project over and above the installed capacity defined in the PPA subject to approval of DISCOM and ULBs. The tariff applicable for such enhanced generation capacity shall be determined by the Commission (APERC) upon filing of the petition by either of the parties. The Commission while determining the tariff will take into account any additional investment made towards enhancement of the generation capacity. Notwithstanding anything contained herein above, any generation over and above 100% of Contracted Capacity on monthly basis shall not be paid.
- 2.5 For Delivered Energy, the applicable Tariff shall be as per Article 2.2 of this Agreement.
- 2.6 Any incentives (excluding VGF component) announced by Central/State Government for WtE projects and applicable for the Project shall be passed onto APDSCOMs.
- 2.7 The energy drawn by the WtE developer for meeting their Auxiliaries shall be billed by DISCOM under START UP category in pursuant to Regulation 3 of 2017 at the tariff as may be determined by APERC from time to time.
- 2.8 If, the WtE developer to avail power to their colony consumption, the WtE developer shall pay the tariff as decided by the APERC from time to time in its RSTO under the category of colony consumption.

Article 3

3 INTERCONNECTION FACILITIES, SYNCHRONIZATION, COMMISSIONING AND COMMERCIAL OPERATIONS

- 3.1 Upon receipt of a requisition from the WtE Developer, APTRANSCO/ DISCOM will prepare an estimate for arranging Interconnection Facilities for power evacuation at the Delivery Voltage. The concerned Lead ULB have to bear the entire cost of the power evacuation line as per the sanctioned estimate.
- 3.2 The DISCOM shall own, operate and maintain Interconnection Facilities from Project to grid sub-station from time to time and necessary expenditure shall have to be borne by the concerned Lead ULB.
- 3.3 Any modifications or procedures or changes in arranging Interconnection Facilities for power evacuations rests with APTRANSCO and DISCOM.
- 3.4 DISCOM reserves the right to add any additional loads on the feeder without detriment to the existing generator/other plants on the same feeder.
- 3.5 The WtE Developer shall be responsible to operate the Project as envisaged under this Agreement & to provide appropriate facility/ instrumentation/ metering arrangement as per Clause 4.1.
- 3.6 Every electrical installation of WtE project should be approved by CEIG and the same shall be as per the prevailing regulations/orders of CEA/APERC/ APTRANSCO/DISCOM.
- 3.7 Acceptance/ Performance Test

Prior to synchronization of the Project as per Clause 3.9, the WtE Developer shall be required to get the Project certified for the requisite Acceptance/ Performance test as may be laid down by CEA/ APERC/ APTRANSCO/ DISCOM or an agency identified by APTRANSCO/ DISCOM to carry out testing and certification for the WtE Projects.

3.8 Verification by APTRANSCO/ DISCOM

- 3.8.1 The WtE Developer 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 APTRANSCO/ DISCOM for inspection and verification of the works being carried out by the WtE Developer at the site of the Project.
- 3.8.2 Prior and post synchronization of the WtE Project, any modification either from road side or source side, the WtE developer shall take prior approval from APTRANSCO/DISCOM.

3.9 Synchronization, Commissioning and Commercial Operation

- 3.9.1 The WtE Developer shall give a written notice to the concerned SLDC and DISCOM, at least sixty (60) days in advance to the date on which it intends to synchronize the Project to the grid system.
- 3.9.2 The Project may be synchronized by the WtE Developer 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.
- 3.9.3 The synchronization procedure shall be done by the WtE Developer at its own cost. The WtE Developer shall synchronize its system with the Grid System only after the approval of synchronization scheme is granted by the head of the concerned sub-station/ grid system and checking/ verification is made by the concerned authorities of the grid system.
- 3.9.4 The WtE Developer shall immediately after synchronization/ tripping of generator, inform the sub-station of the grid system to which the Project is electrically connected in accordance with applicable Grid Code as amended from time to time.
- 3.9.5 The WtE Developer shall commission the Project within timelines defined for Scheduled COD as per this Agreement, and any delay of the same is subject to the penalties stated in Clause 10.5 of this Agreement. Officials from DISCOM & APTRANSCO shall undertake inspection of project for declaration of COD. The declaration COD is based on the recommendation of DISCOM & APTRANSCO officials.
- 3.9.6 The WtE Developer shall be permitted for commencement of power supply from Contracted Capacity even prior to the COD subject to availability of transmission connectivity and subject to approval of APDISCOM. Even in case of early commencement of power supply, the PPA will remain in force for a period of 20 (twenty) years from the COD. In case DISCOM agree to purchase power from a date prior to the COD, such power shall be purchased at 50% of the Quoted Tariff.

Article 4

4 METERING AND PROTECTION

- 4.1 The WtE Developer shall install main meter, check meter of static type 0.2s class accuracy of ABT Meters at the Interconnection Point. Also, WtE Developer shall install stand by meter of same accuracy as per norms fixed by CEA/ APERC/ APTRANSCO/ DISCOM. The main meter, check meter and stand by meter will each consist of a pair of export and import parameters with facility for recording meter readings using meter recording instrument. For the purpose of uniformity, the WtE Developer shall follow metering specifications as prescribed in the CEA (Installation and Operation of Meters) Regulations, 2006 and its subsequent amendments from time to time. The WtE Developer shall be responsible to install remote monitoring system of generation (providing of AMR system to the billing meters by WtE Developer) and shall follow the instruction issued by APERC/APTRANSCO/ DISCOM from time to time.
- 4.2 All of the meters required to be installed pursuant to Clause 4.1 above, shall be inspected and tested as per the prevailing regulations/ procedures in vogue. Provided further that such inspection/testing shall be carried out jointly by all the parties as per the procedures in vogue.
- 4.3 The meter readings for the purpose of billing shall be carried out as per the prevailing procedures of APTRANSCO/DISCOM in vogue.
- 4.4 The testing of the energy meters and its periodicity shall be carried out as per the prevailing regulations of CEA/APERC/APTRANSCO/DISCOM in vogue. If any of the main, check and standby meter found defective, the same shall be replaced with correct meter and energy settlement shall also be done in accordance with the prevailing regulations/orders of CEA /APERC/APTRANSCO/DISCOM and its subsequent amendments as may be issued from time to time.

4.5 Errors in Meters

Where the monthly meter reading indicates errors in the main meter beyond the permissible limit, but no error is noticed in the check meter, billing for the month will be done on the basis of the check meter. If during the monthly meter reading both the Main meter and the corresponding Check meter are found to be beyond permissible limits of error, but no error is noticed in the Standby meter, billing for the month will be done on the basis of the Standby meter.

- 4.6 If all the main, check and standby meters fail to record or if all/ any of the PT fuses are blown out, then the energy will be as per the computed consumption suggested by the concerned testing engineer of APTRANSCO/DISCOM.
- 4.7 On the Meter Reading Date of each month, meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of concerned parties.
- 4.8 During any stage of WtE project (Prior and post synchronization of the WtE Project), any installation/modification either from load side or source side, the WtE developer shall take prior approval from APTRANSCO/DISCOM.
- 4.9 The WtE Developer shall ensure standard of the installation and operation equipment WtE project as per the Central Electricity Authority (CEA) Connectivity standards and its amendments there to are adhered to.
- 4.10 The WtE Developer shall operate the WtE plant in such a way that the power factor, frequency fluctuations and voltage regulation is maintained as per the CEA/APERC/APTRANSCO/DISCOM norms from time to time.
- 4.11 Any change in rupturing capacity of switchgear, settings of the relays, etc., shall be subject to approval of the APTRANSCO/DISCOM.
- 4.12 As the WtE Project's plant may carry fault currents that may occur on the grid, the WtE Developer shall provide adequate switchgear protection against such faults. The APTRANSCO/DISCOM is not responsible for damage, if any, caused to the Project's plant and allied equipment during parallel operation of the plant with the grid.
- 4.13 The WtE Developer shall make bonafide effort to operate the Project in such a manner so as to avoid fluctuations and disturbances to operation with the network. If any damage caused to the APTRANSCO/DISCOM network due to the effect of the parallel operation of the WtE developer that is attributable to WtE developer, the cost of restoration shall be borne by the WtE developer.
- 4.14 SLDC may instruct the WtE Developer to back down the WtE project on account of the grid safety and security and/or any other circumstances, for such Generation, payments is as per the prevailing regulations/orders of APERC.
- 4.15 The WtE Developer shall provide Data Acquisition System ("DAS") facility compatible to SLDC Supervisory Control and Data Acquisition ("SCADA") system in consultation with SLDC for transfer of online information to concerned SLDC as per the prevailing regulations/orders of CEA/APERC/APTRANSCO/DISCOM.

- 4.16 The WtE Developer shall ensure the connectivity standards applicable to the WtE generating stations as per the Central Electricity Authority (CEA) Regulations and its amendments thereto are adhered to.
- 4.17 The WtE Developer will install necessary current limiting devices such as thyristors etc., if required. The WtE Developer shall provide protection system in compliance to grid code requirement for short circuit level, neutral grounding, current unbalance, limiting of harmonics, fault-clearing time etc. A generating unit may be synchronized to the state grid system, when the WtE Developer has obtained permission for synchronization after meeting system requirements and such generating unit complies with as per the prevailing regulations/orders of CEA/APERC/APTRANSCO/DISCOM.
- 4.18 Harmonics: The generator shall ensure that the harmonics injected into the grid shall conform to the grid specifications as specified by APERC/CERC from time to time.

Article 5

5 BILLING AND PAYMENT

- 5.1 For the Delivered Energy purchased, WtE Developer shall furnish a bill to the DISCOM calculated at the Tariff provided for in Article 2, in such form as may be mutually agreed between the DISCOM and the WtE Developer, for the billing month on or before the 5th working day following the Meter Reading Date.
- 5.2 The DISCOM shall be entitled to get a rebate of 2% of the total amount billed in any billing month for payments made before the Due Date of Payment. Any payment made beyond the Due Date of Payment, DISCOM shall pay interest @9% simple interest or at prevailing SBI MCLR for one year tenor (if MCLR is not available, then such rate equivalent to MCLR of SBI shall be considered) whichever is less.
- 5.3 **Payment for bills raised:** WtE developer shall submit bills for the energy delivered during the billing period as per the provisions of this PPA and there upon DISCOM shall make payment for the eligible bill amount by the due date of payment.
- 5.4 **Billing disputes:** The DISCOM shall pay the bills of WtE Developer promptly subject to the Clauses 5.1 and 5.2.

The DISCOM shall notify WtE Developer in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. WtE Developer shall immediately take up issue with all relevant information with DISCOM which shall be rectified by the DISCOM, if found satisfactory. Otherwise notify its (DISCOM's) rejection of the disputed claim within reasonable time with reasons there - for. The dispute may also be decided by mutual agreement. If the resolution of any dispute requires the DISCOM to reimburse WtE Developer, the amount to be reimbursed shall bear interest @9% simple interest or at prevailing SBI MCLR for one year tenor (if MCLR is not available, then such rate equivalent to MCLR of SBI shall be considered) whichever is less

- 5.5 All payments by the DISCOM to WtE Developer hereunder shall be made to such address as may be designated by WtE Developer to the DISCOM in writing from time to time.

Address: [Insert WtE developer Name] having its registered office at
.....

Mobile Number :
Mail ID :
Telephone :

- 5.6 Notwithstanding anything stated in this PPA, the dispute of correctness or otherwise of the applicable Tariff, shall not be considered as billing dispute.
- 5.7 Further in the event, at any time, DISCOM find that amount is due from WtE Developer either under this agreement or under any other transaction, the DISCOM is entitled to recover the said due amount by adjusting from the bill amount payable to the WtE Developer.

Article 6

6 UNDERTAKING

6.1 The WtE Developer shall be responsible:

- (i). for proper maintenance of the Project in accordance with established Prudent Utility Practices.
- (ii). for operation, maintenance, overhaul of the plant, equipment, works, switch yard and transmission lines and equipment up to the Interconnection Point of the Project in coordination with the APTRANSCO/DISCOM officials.
- (iii). to furnish the generation and maintenance schedules every year, during peak and non- peak season.
- (iv). for making all payments on account of any taxes, cess, duties or levies imposed by any government or competent statutory authority on the land, equipment, material or works of the Project or on the energy generated or consumed by the Project or the WtE Developer or on the income or assets of the WtE Developer.
- (v). For obtaining necessary approvals, permits or licenses for operation of the Project and sale of energy to DISCOM there from under the provision of the relevant laws.
- (vi). To comply with the provisions of the Grid Code, Notwithstanding any provisions in this Agreement, the WtE Developer shall comply with the state Grid Code, dispatch practices, performance standard, protection & safety as required as per the rules & regulations in force as applicable from time to time in the State of AP.
- (vii). For achieving Financial Closure within 6 (six) months from the date of signing of Concession Agreement as defined in Article 22 of Concession Agreement
- (viii). For achieving Commercial Operation Date of the Project as per the Project Milestones as per Clause 3.9 of this PPA.
- (ix). For seeking approval of APTRANSCO and DISCOM in respect of Interconnection Facilities with grid substation and synchronization of the Project with grid and also for COD of project.
- (x). To install new machinery in the plant.
- (xi). The WtE Developer shall not dismantle and take away Project machinery and Interconnection Facilities during the Term of the Agreement.

- (xii). To share Clean Development Mechanism ("CDM") or any other financial benefits with DISCOM as indicated below:
- a) 100% of the gross proceeds to be retained by the WtE Developer in the first year after the date of commercial operation of the generating station.
 - b) In the second year, the share of the DISCOM shall be 10% which shall be progressively increased by 10% every year till it reaches 50%, there after the proceeds shall be shared in equal proportion, by the WtE Developer and the DISCOM.
 - c) Anyone-time proceeds shall be shared equally between WtE Developer and DISCOM.
- (xiii). The WtE Developer shall abide by the minimum equity requirements as follows.
1. After execution of PPA, the percentage of controlling shareholding of the Bidding Company or Lead Member in the Project Company setting up the Project shall be maintained for a period of five (5) years after COD. Thereafter, any change can be undertaken under intimation to the DISCOM and Lead ULB.
 2. Lead Member in the Consortium shall have the Controlling Shareholding in the Company having more than 51% of voting rights in the Company.
- (xiv). Any other obligation related to ownership imposed on the WtE Developer as per the provisions of the RFP and the Concession Agreement.
- (xv). Satisfaction of conditions subsequent by the WtE Developer**
- The WtE Developer agrees and undertakes to duly perform and complete all of the following activities at the WtE Developer's own cost and risk within eight (8) months from the date of signing of this Agreement, unless such completion is affected by any Force Majeure event, or if any of the activities is specifically waived in writing by DISCOM.
- (1) For obtaining all Consents, Clearances and Permits required for supply of power to DISCOM as per the terms of this Agreement;
 - (2) For making project financing agreements and completing financial closure and shall provide necessary documents to DISCOM in this regard;

- (3) For making adequate arrangements to connect the Power Project switchyard with the Interconnection Facilities at the Delivery Point;
- (4) For producing the documentary evidence of the clear title and possession of the acquired land in the name of WtE Developer. In this regard the WtE Developer shall be required to furnish the following documentary evidences -
 - a. Ownership or lease hold rights (for at least 20 years) in the name of the WtE Developer and possession of 100% of the area of land required for the Project.
 - b. Certificate by the concerned and competent revenue/ registration authority for the acquisition/ownership/vesting of the land in the name of the WtE Developer.
 - c. Sworn affidavit from the Authorized person of the WtE Developer listing the details of the land and certifying total and required for the Project under clear possession of the WtE Developer.
 - d. A certified English translation from an approved translator in case above land documents are in languages other than English and Hindi.

6.2 The DISCOM agrees:

- (i). To make all reasonable efforts for making arrangements for evacuation of power from the Project to be completed prior to COD of the Project subject to Article 3.
- (ii). For purchase of Delivered Energy from the Project as per Article 2.
- (iii). To co-ordinate with APTRANSCO/DISCOM and guide the WtE Developer in obtaining approval for the interconnection facilities for synchronization, commercial operation, regular operation etc., as required by the WtE Developer.

6.3 WtE Developer shall take insurance for the project assets against losses due to natural calamities, fire, riot, strike and equipment and machinery breakdown etc for replacement value.

6.4 Performance Bank Guarantee

(i)The performance bank guarantee of INR 25 lakh/MW to be furnished under this Agreement and before signing of this PPA shall be for guaranteeing the commencement of the supply of power up to the Contracted Capacity within the time specified in this Agreement as per format provided in Schedule 2. The

Performance Bank Guarantee of INR 25 lakh/MW shall be submitted in three (3) Nos. of Bank Guarantee in the ratio of 20%, 40% & 40% value. Performance Bank Guarantee will have a validity period of six months from the Scheduled COD as per this agreement.

The failure on the part of the WtE developer to furnish the Performance Bank Guarantee before signing of this PPA or to maintain the Performance Bank Guarantee till the validity period of the Performance Bank Guarantee as stated in Clause 6.4 (i) of this Agreement, shall be a material breach of the terms of this Agreement on the part of the WtE developer.

(iii) If the WtE developer fails to commence supply of power from the Scheduled Commissioning Date specified in this Agreement, subject to conditions mentioned in Article 9.2, DISCOM shall have the right to encash the Performance Bank Guarantee without prejudice to the other rights of DISCOM under this Agreement.

(iv) Subject to Article 6.5, DISCOM shall return release the Performance Bank Guarantee three (3) months after the Commercial Operation Date.

(v) The return/release of the Performance Bank Guarantee shall be without prejudice to other rights of DISCOM under this Agreement.

6.5 Consequences of non-fulfillment of conditions subsequent specified in Clause 6.1

- (i). In case of a failure to submit the documents as above, DISCOM shall have the right to terminate this Agreement by giving a Termination Notice to the WtE Developer in writing of at least seven (7) days with intimation to the Participating ULBs. The termination of the Agreement shall take effect upon the expiry of the 7th day of the Notice.
- (ii). DISCOMS shall be entitled to encash all the Performance Bank Guarantees submitted by the WtE developer
- (iii). For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.
- (iv). In case of inability of the WtE Developer to fulfill any one or more of the conditions specified in Article 6.1 (xv) due to any Force Majeure event, the time period for fulfillment of the conditions subsequent as mentioned in Article 6.1 (xv), shall be extended for the period of such Force Majeure event.
- (v). Provided that due to the provisions of this Article 6.4, any increase in the time period for completion of conditions subsequent mentioned under Article 6.1 (xv), shall also lead to an equal extension in the Scheduled Commercial Operation Date

6.6 WtE Developer shall not encumber, assign or mortgage project assets except for getting finance for execution of the project.

However the developer can transfer, sell, assign or mortgage the project assets in line with the provisions of Article 10.1.1 (i) (b).

Article 7

7 DURATION OF AGREEMENT

This Agreement is subject to para (4) of the Preamble and shall be effective upon its execution and delivery thereof between parties here to and shall continue in force from the Commercial Operation Date (COD) and until the anniversary that is for a period of twenty years from the Commercial Operation Date (COD). However, the PPA shall cease to exist when the Concession Agreement is terminated.

Any one or all incentives/ conditions envisaged in the Articles of this Agreement are subject to modifications from time to time as per the directions of APERC. WtE developer shall adhere the enactments/regulations /orders issued by APERC from time to time

Article 8

8 NOTICES

8.1 Except as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by registered post or faxed or emailed to address as follows:

If to the WtE Developer:

Attention :
Address : [Insert WtE developer Name] having its registered office at
Telephone/Mobile :
Mail ID :
Telephone :
If to the DISCOM : CGM/...../AP....PDCL
Attention : AP....PDCL Corporate Office,
Telephone No. :
Email :

8.2 All notices or communications given by fax or email shall be confirmed by depositing a copy of the same in the post office in an envelope properly addressed to the appropriate party for delivery by registered post. All notices shall be deemed delivered upon receipt, including notices given by fax or mail regardless of the date of the confirmation of such notice is received.

8.3 Any party, may by written notice, change the address and/ or addresses to which such notices and communications to it are to be delivered or mailed.

Article 9

9 FORCE MAJEURE

9.1 Definition of Force Majeure:

- (a) "Force Majeure" shall mean any event or circumstance or combination of events or circumstances that materially and adversely affects the performance by either party (the "Affected Party") of its obligations pursuant to the terms of this Agreement (including by preventing, hindering or delaying such performance), but only if and to the extent that such events and circumstances are not within the Affected Party's reasonable control and were not reasonably foreseeable and the effects of which the Affected Party could not have prevented by Prudent Utility Practices. Any events or circumstances meeting the description of Force Majeure which have the same effect upon the performance of any of the WtE Project and which therefore materially and adversely affect the ability of the Project or, as the case may be, the DISCOM to perform its obligations hereunder shall constitute Force Majeure with respect to the WtE Developer or the DISCOM, respectively.
- (b) Force Majeure circumstances and events shall include the following events to the extent, that they or their consequences satisfy the above requirements.
 - (i). Non Political Events such as acts of GOD including but not limited to any storm, flood, drought, lightning, earth quake or other natural calamities, fire, accident, explosion, strikes, labour difficulties, epidemic, plague or quarantine, air crash, shipwreck, train wrecks or failure ("Non Political Events").
 - (ii). Indirect Political Events such as acts of war sabotage, terrorism or act of public enemy, blockades, embargoes, civil disturbance, revolution or radioactive contamination ("Indirect Political Events").
 - (iii). Direct Political Events such as any Government Agencies' or the DISCOM's unlawful or discriminatory delay, modification, denial or refusal to grant or renew, or any revocation of any required permit ("Direct Political Events").

9.2 In the event of a delay in COD due to:

- (a) Force Majeure Events affecting the WtE Developer; or
- (b) DISCOM Event of Default as defined in 10.2,

The COD shall be deferred, for a reasonable period but not less than 'day-for-day' basis subject to a maximum period of 120 days from the Scheduled COD as per this agreement, to permit the WtE Developer or DISCOM through the use of due diligence, to overcome the effects of the Force Majeure events affecting the WtE Developer or DISCOM, or till such time such event of default is rectified by WtE Developer or DISCOM, whichever is earlier.

Article 10

10 EVENTS OF DEFAULT AND TERMINATION

10.1 WtE Developer Event of Default:

10.1.1 The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure event or a breach by DISCOM of its obligations under this Agreement, shall constitute a WtE Developer Event of Default (“WtE Developer Event of Default”):

- (i). If
 - (a) The WtE Developer 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 WtE Developer 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 WtE Developer 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 WtE Developer, or
 - (c) the WtE Developer 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,
 - (d) Provided that a dissolution or liquidation of the WtE Developer will not be a WtE Developer Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company retains credit

worthiness similar to the WtE Developer and expressly assumes all obligations of the WtE Developer under this Agreement and is in a position to perform them; or

- (iii). The WtE Developer repudiate this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from DISCOM in this regard; or
- (iv). Except where due to any DISCOM's failure to comply with its material obligations, the WtE Developer is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the WtE Developer within thirty (30) days of receipt of first notice in this regard given by DISCOM; or
- (v). the WtE Developer delays the commissioning of the Project by more than 120 days from the Scheduled COD, in which case the procedures of Clause 10.5 shall be followed; or
- (vi). Occurrence of any other event which is specified in this Agreement to be a material breach/default of the WtE Developer.

10.2 DISCOM Event of Default

10.2.1 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 WtE Developer of its obligations under this Agreement, shall constitute the Event of Default on the part of defaulting DISCOM ("DISCOM Event of Default"):

- (i) DISCOM fails to fulfil its obligations as laid out in Clause 6.2(ii)&(iii)
 - (ii) DISCOM fails to pay (with respect to payments due to the WtE Developer according to Article 5), for a period of ninety (90) days after the Due Date of Payment
- or
- (iii) DISCOM repudiates this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the WtE Developer in this regard; or
 - (iv) Except where due to any WtE Developer's failure to comply with its obligations, DISCOM is in material breach of any of its obligations pursuant to this Agreement, and such material breach is not rectified by DISCOM within thirty (30) days of receipt of notice in this regard from the WtE Developer to DISCOM; or
 - (v) if:-

- DISCOM 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 any winding up or bankruptcy or insolvency order is passed against DISCOM, or
 - DISCOM goes into liquidation or dissolution or a receiver or any similar officer is appointed overall 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 DISCOM Event of Default, where such Dissolution or liquidation of DISCOM or DISCOM 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 credit worthiness similar to DISCOM and expressly assumes all obligations of DISCOM and is in a position to perform them; or
- (vi) If DISCOM is subject to any of the above defaults and DISCOM does not designate another DISCOM for purchase of WtE; or
- (vii) Occurrence of any other event which is specified in this Agreement to be a material breach or default of DISCOM.

10.3 Procedure for cases of WtE Developer Event of Default

- 10.3.1 Upon the occurrence and continuation of any WtE Developer Event of Default under Clause 10.1, DISCOM shall have the right to deliver to the WtE Developer, a notice stating its intention to terminate this Agreement ("DISCOM Preliminary Default Notice"), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- 10.3.2 Following the issue of a DISCOM Preliminary Default Notice, the Conciliation 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 WtE Developer Event of Default having regard to all the circumstances.
- 10.3.3 During the Conciliation Period, the parties shall continue to perform their respective obligations under this Agreement.
- 10.3.4 After a period of seven (7) days following the expiry of the Conciliation Period unless the parties shall have otherwise agreed to the contrary or the WtE Developer Event of Default giving rise to the Conciliation Period shall have ceased to exist or shall have been remedied, DISCOM may terminate this Agreement by giving a written Termination Notice of thirty (30) days to the WtE Developer provided the Concession Agreement also cease to exist.

Subject to the terms of this Agreement, upon occurrence of a WtE Developer Event of Default under this Agreement, the lenders may exercise their rights, if any, under Financing Agreements, to seek substitution of the WtE Developer by a selectee for the residual period of the Agreement, for the purpose of securing the payments of the total debt amount from the WtE Developer and performing the obligations of the WtE Developer provided that any substitution under this Agreement can only be made with the condition requirements of that the selectee meets the eligibility RFP issued by NREDCAP.

10.3.5 The lenders may seek to exercise right of substitution under Clause 10.3.5 by an amendment or novation of the Agreement in favor of the selectee. The WtE Developer shall cooperate with the lenders to carry out such substitution and shall have the duty and obligation to continue to operate the Project in accordance with this Agreement till such time as the substitution is finalized.

10.4 Procedure for cases of DISCOM Event of Default

10.4.1 Upon the occurrence and continuation of any DISCOM Event of Default specified in Clause 10.2 the WtE Developer shall have the right to deliver to DISCOM, a WtE Developer Preliminary Default Notice, which notice shall specify in reasonable detail the circumstances giving rise to its issue.

10.4.2 Following the issue of a WtE Developer Preliminary Default Notice, the Conciliation 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 DISCOM Event of Default having regard to all the circumstances.

10.4.3 During the Conciliation Period, the parties shall continue to perform their respective obligations under this Agreement.

10.4.4 After a period of seven (7) days following the expiry of the Conciliation Period and unless the parties otherwise agreed to the contrary or DISCOM Event of Default giving rise to the Conciliation Period shall have ceased to exist or shall have been remedied, the WtE Developer shall be free to sell the Contracted Capacity to any third party of the WtE Developer's choice. Provided further that at the end of three (3) months period from the period mentioned in this Clause 10.4.4, this Agreement may be terminated by the WtE Developer subject to approval of APERC.

10.5 Penalties in case of Delayed Commissioning

Under normal circumstances the Project has to be commissioned within 24 months from the Effective Date. In case of failing to achieve this milestone,

DISCOM shall encash the Performance Bank Guarantee which was submitted by WtE Developer to the DISCOM before signing of the PPA, in the following manner:

Contracted Capacity commissioned but with delay:

- (a) Delay upto one (1) month DISCOM will encash 20% of Performance Bank Guarantee (INR 5 lakh/MW) on per day basis proportionate to the Capacity not commissioned.
- (b) Delay of more than one (1) month and upto two months - DISCOM will encash 40% of the Performance Bank Guarantee (INR 10 lakh/MW) on per day basis proportionate to the Capacity not commissioned.
- (c) Delay of more than two and upto three months - DISCOM will encash the remaining 40% of the Performance Bank Guarantee on per day basis proportionate to the Capacity not commissioned.
- (d) In case the commissioning of Power Project is delayed beyond three (3) months from the Scheduled Commissioning Date, the WtE developer shall pay to DISCOM, the Liquidated Damages at rate of Rs 1,00,000/- per MW per day of delay for the delay in such remaining Capacity which is not commissioned. The amount of liquidated damages would be recovered from the WtE developer from the payments due on account of sale of power to DISCOM.
- (e) The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Bank Guarantee and payment of Liquidated Damages shall be limited to four (4) months from the Scheduled COD as per this Agreement. In case, the commissioning of the Power Project is delayed beyond four (4) months from the Scheduled COD as per this Agreement, it shall be considered as an WtE developer Event of Default and provisions of Article 10 shall apply.
- (f) For all other cases of WtE developer Event of Default, procedure as provided in Clause 10.3 shall be applicable.

Article 11

11 DISPUTE RESOLUTION

- 11.1 The parties here to agree to use their best efforts to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith and further agree to provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such dispute.
- 11.2 Failing resolution of the dispute in terms of the above provisions or even otherwise, any party may approach the APERC to resolve the dispute in terms of Section 86 (1) (f) of Electricity Act, 2003.
- 11.3 In the event of any conflict of interpretation in terms and conditions between RFP document and the clarifications issued under RFP or in case of any ambiguity, the provisions of PPA would prevail.

Article 12

12 SPECIAL PROVISIONS

- 12.1 The waiver of any breach or failure to enforce any of the terms, covenants or conditions of this Agreement shall not in any way affect, limit, modify or waive the future enforcement of such terms, covenants or conditions.
- 12.2 No oral or written modification of this Agreement either before or after its execution shall be of any force or effect unless such modification is in writing and signed by the duly authorized representatives of the WtE Developer and the APTRANSCO/DISCOM, subject to the condition that any further modification of the Agreement shall come into force only with the prior approval of APERC. However, the amendments to the Agreement as per the respective orders of APERC from time to time shall be carried out. All the conditions mentioned in the Agreement are with the consent of APERC.
- 12.3 However, in respect of power evacuation, the voltage levels for interfacing with grid will be as per Voltage of Delivery. The cost of Interconnection Facilities has to be borne by the DISCOM as per Article 3 subject to approval of APERC.
- 12.4 The invalidity or unenforceability for any reason of any provision of this Agreement shall not prejudice or affect the validity or enforceability of any other provision of this Agreement.
- 12.5 The failure of any party to insist in one or more instances upon the strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights but the same shall continue in full force and effect.
- 12.6 Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under any of the provisions of this Agreement, required to be mutually agreed upon between the parties, shall be concluded by a written Agreement between the parties not later than the date specified in the concerned clause of this Agreement, subject to the consent of the APERC.
- 12.7 This Agreement, including Schedules attached here to, constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no oral or written understandings, representations or commitments of any kind, express or implied, not set forth herein.

- 12.8 The headings contained herein are included solely for the convenience of the parties and are not to be used as a basis for interpreting the various sections of this Agreement.
- 12.9 The parties each agree to act in good faith in implementing the terms and conditions of this Agreement and in carrying out their respective obligations hereunder.
- 12.10 In the event of the merger or re-organization of DISCOM, if the resulting entity is able to perform DISCOM's obligations hereunder in no less a manner than DISCOM, the resulting entity shall take the right and responsibility for performance of DISCOM's obligations.
- 12.11 In the event of the merger or re-organization of WtE Developer if the resulting entity is able to perform WtE Developer's obligations here under in no less a manner than WtE Developer, the resulting Entity shall take the right and responsibility for performance of WtE Developer's obligations.
- 12.12 Assignment and Financing: Neither party shall assign this Agreement or any portion thereof to any third party without the prior written consent of the other party which consent shall not be unreasonably withheld. DISCOM shall not be liable for any damage or loss due to loss of Grid connectivity or any other event related to Grid for what so ever reasons.

Article 13

13 CHANGE IN LAW

13.1 Definitions

In this Article 13, the following terms shall have the following meanings:

"Change in Law" means the occurrence of any of the following events after the Effective Date resulting into any additional recurring/ non-recurring expenditure by the WtE Developer or any income to the WtE Developer:

- The enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law;
- A change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;

13.2 Relief for Change in Law

13.2.1 The aggrieved Party shall be required to approach APERC for seeking approval of Change in Law

Provided that WtE developer shall establish that an additional financial burden has been incurred by it due to the enactment of the new law, by submitting all relevant details and documentary evidence demonstrating the impact on the financial bid, tariff, capital cost, or any other related financial parameter".

13.2.2 The decision of the APERC to acknowledge a Change in Law and the date from which it will become effective, provide relief for the same, shall be final and governing on both the Parties.

IN WITNESS WHERE OF, the WtE Developer and the DISCOM have caused this Agreement to be executed as on the date and the year first set forth above.

Article- 14

14.1 Indemnity by the WtE Developer

14.1.1 The WtE Developer shall indemnify, defend and hold harmless DISCOM, its directors, officers, employees and agents from and against:

- a) any breach by WtE of its obligations under this Agreement
- b) any and all third-party claims, actions, suits or proceedings instituted against DISCOM for loss of or damage to property of such third party, or injury to or death of any person, arising out of or in connection with any breach by the WtE Developer of its obligations under this Agreement
- c) any and all losses, damages, costs and expenses, including legal costs, fines, penalties and interest, actually suffered or incurred by DISCOM arising from third-party claims by reason of any breach by the WtE Developer of its obligations under this Agreement.

14.2 Indemnity by DISCOM:

14.2.1 DISCOM shall indemnify and hold harmless the WtE Developer from and against any direct losses, damages or claims, arising solely due to the wilful misconduct or gross negligence of DISCOM in the performance of its obligations under this Agreement.

ARTICLE-15

Miscellaneous:

- 15.1 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.
- 15.2 Independent Entity: The WtE shall be an independent entity performing its obligations pursuant to the Agreement. Nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or employment relationship between Parties.
- 15.3 Survival: Notwithstanding the expiry of the Term or termination of this Agreement for any reason whatsoever, Article 10 (Events of Default and Termination), Article 11 (Dispute Resolution), Article 14 (Indemnity) and Article 15 (Miscellaneous Provisions), the provisions of the aforesaid Articles, together with all other Articles and Schedules of this Agreement which expressly or by their nature are intended to survive, shall continue in full force and effect notwithstanding such expiry or termination.

For and behalf of

..... Power Distribution Company of
Andhra Pradesh Limited

WITNESS

1.

By:

For and behalf of

[Insert WtE developer Name]

1.

By:

Schedule 1

Particulars of the Project

(Referred to in the Preamble to the Agreement)

NAMEOF THE PROJECT AND ADDRESS	LOCATION	INJECTION VOLTAGE (kV)	INTER CONNECTION POINT	TYPE OF PROJECT	CAPACITY OF THE PROJECT (MW)
[Insert Name of the developer]	[Insert project location]	33 KV	[Insert Name of EHT SS]	WtE	15 MW

- * 15 MW is the Installed Capacity of the WtE Plant.
- * 10 %is the Auxiliary Consumption of the WtE Plant i.e 1.5 MW.
- * 13.5 MW is for export to grid for sale to DISCOM.

Schedule 2

Format for Performance Bank Guarantee for WtE Developer

(To be submitted separately for each Project finalised with the Authorised Representative)

(Note: - Performance Guarantee calculated at Rs.25Lakh/MW of the Project Capacity is to be submitted in 3 Nos. of Bank Guarantee in the ratio of 20%, 20% &40% Value.).

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution.)

In consideration of the ----- [*Insert name of the Bidder*] (hereinafter referred to as selected WtE Developer') submitting the response to RfP inter alia for selection of the Project of the capacity of MW, at[*Insert name of the place*] , for supply of power there from on long term basis, in response to the RfP dated..... issued by NREDCAP (hereinafter referred to as Authorised Representative)having its Registered Office at considering such response to the RfP of[*insert the name of the selected WtE Developer*] (which expression shall unless repugnant to the context or meaning thereof include its executers, administrators, successors and assignees) and selecting the WtE Power Project of the WtE Developer' and issuing Letter of Intent No ----- to (*Insert Name of selected WtE Developer*) as per terms of RfP and the same having been accepted by the selected WtE Developer resulting in a Power Purchase Agreement (PPA) to be entered into, for purchase of Power [from selected WtE Developer or a Project Company, M/s ----- {a Special Purpose Vehicle (SPV) formed for this purpose}, if applicable]. As per the terms of the RfP, the _____ [*insert name & address of bank*] hereby agrees unequivocally, irrevocably and unconditionally to pay to the DISCOM [*Insert name of the DISCOM with which PPA will be signed*] at [*Insert Name of the Place from the address of the DISCOM with which PPA will be signed*] forthwith on demand in writing from [*Insert name of the DISCOM with which PPA will be signed*] or any Officer authorised by it in this behalf, any amount upto and not exceeding Rupees ----- [*Total Value*] only, on behalf of M/s _____ [*Insert name of the selected WtE developer / Project Company*]

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

Our liability under this Guarantee is restricted to Rs. _____ (Rs.only). i) Nos ----- dated -----, Value -----; ii) Nos----- dated ----, Value ---) iii) Nos----- dated ----,

Value ---).

Our Guarantee shall remain in force until..... *[Insert date corresponding to Clause 3.7.3 of the RfS]* shall be entitled to invoke this Guarantee till *[Insert date corresponding to thirty (30) days after the validity of the Performance Bank Guarantee as per Clause 3.7.3 of the RfS]*

The Guarantor Bank hereby agrees and acknowledges that*[Insert name of the DISCOM with which PPA will be signed]* 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 *[Insert name of the DISCOM with which PPA will be signed]*, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to*[Insert name of the DISCOM with which PPA will be signed]*.

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

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

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

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

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly *[Insert name of the DISCOM with which PPA will be signed]* shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the selected WtE Developer/ Project Company , to make any claim against or any demand on the selected WtE Developer/ Project Company or to give any notice to the selected WtE Developer/ Project Company or to enforce any security held by*[Insert name of the DISCOM with which PPA will be signed]* or to exercise, levy or enforce any distress, diligence or other process against the selected WtEr Developer/Project Company.

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to

.....[Insert name of the DISCOM with which PPA will be signed] and may be assigned, in whole or in part, (whether absolutely or by way of security) by[Insert name of the DISCOM with which PPA will be signed] to any entity to whom[Insert name of the DISCOM with which PPA will be signed] is entitled to assign its rights and obligations under the PPA.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. _____ (Rs. _____ only) and it shall remain in force until six months from the scheduled COD. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if [Insert name of the DISCOM with which PPA will be signed] serves upon us a written claim or demand.

Signature _____

Name _____

Power of Attorney No. _____

For

_____ [Insert Name of the Bank] _____

Banker's Stamp and Full Address.

Dated this ____ day of _____, 20__

Witness:

1.

Signature

Name and Address

2.

Signature

Name and Address

Notes:

1. The Stamp Paper should be in the name of the Executing Bank and of appropriate value.
2. The Performance Bank Guarantee shall be executed by any of the Bank from the List of Banks enclosed.