

POWER PURCHASE AGREEMENT FOR SUPPLY OF 14.4 MUs PER ANNUM OF SOLAR POWER THROUGH OPEN ACCESS BETWEEN VIJAYAWADA MUNICIPAL CORPORATION AND M/s.

1. This Power Purchase Agreement (“Agreement”) entered into this day of _____ between Vijayawada Municipal Corporation (VMC), hereinafter referred to as the “Solar Power Procurer” as first party, and M/s _____, having registered office at _____, India, hereinafter referred to as the “Solar Power Developer” (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as second party;
2. WHEREAS, the Solar Power Developer has been selected as the Successful Bidder through an open competitive bidding process conducted by the authorized representative of Vijayawada Municipal Corporation and is setting up the Solar Power Units of –
 - a. _____ MW capacity at _____ Village, _____ District, Andhra Pradesh
 - b. _____ MW capacity at _____ Village, _____ District, Andhra Pradesh(hereafter collectively called the Project) with a proposal of _____ MUs per month for Sale to VMC as detailed in Schedule 1 attached herewith and the LoI issued by Vijayawada Municipal Corporation is enclosed as Schedule 2.
3. WHEREAS, VMC has no obligation to recommend to any department for the grant of permissions/ sanctions for the Solar Power Project. The Solar Power Developer shall on his own obtain permissions/ sanctions from Govt. authorities, if any required for establishing the project.
4. WHEREAS, Solar Power Developer desires to sell entire solar energy from the Contracted Capacity to Vijayawada Municipal Corporation.
5. WHEREAS, the Solar Power Developer shall achieve Commercial Operation Date as per the timelines stipulated in this Agreement, in the default of which, the Solar Power Developer’s Performance Bank Guarantee will be liable for forfeiture and agreement will also be liable for termination as per provisions of the agreement.

The PPA will continue to be in force for a period of 25 years from the Date of Commercial Operation (COD).

6. WHEREAS, it has been agreed that the Project will be designed, engineered and constructed and operated by or on behalf of the Solar Power 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 Unit proposed at Village, District will be connected to kV [*insert name of the location*] grid substation for easy power evacuation within the time frame stipulated in this Agreement. The injection of power from the Unit to the grid is to be limited to the already technically approved capacity. (insert duplicate clauses if more than one unit is proposed to be developed)
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 Solar Power Developer shall deploy commercially established technologies for generation of Solar Power.
10. This Agreement shall come into force subject to the parties meeting the following pre-conditions –
 - a. Receipt of NoC or signing of open access agreement with SLDC/Discom
 - b. The Solar Power Developer shall have achieved CoD for its full capacity and executed wheeling and banking agreement with transmission/ distribution licensee for transmission or/and wheeling of power from the injection point to the drawal point.
 - c. VMC shall have installed the ABT compliant Metering System as per the requirements of DISCOM at the Delivery Point for accurately recording the receipt of electricity at the drawl point.
 - d. Opening of suitable agreed Payment Security Cover in the form of legitimate financial instrument by VMC as mentioned in Article 5.4
11. 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:

That Solar Power Developer is in a position to set-up solar power units and offer 14.4 MUs of solar power energy per annum at a tariff specified in this agreement for a period of 25 (Twenty Five) years from the Commercial Operation Date (COD), which can be extended further at mutually agreed terms & conditions in writing.

SOLAR RFS DOCUMENT

That Solar Power Developer is desirous to generate and supply solar power and the Solar Power Procurer is desirous to consume energy as may be mutually agreed, on a long-term open access agreement basis.

That Solar Power Developer is willing to set-up additional solar power projects to offer additional solar power energy required by the Solar Power Procurer at a tariff mutually agreed by both the parties in writing at a later date.

That both parties agree to execute this Power Purchase Agreement setting out the terms and conditions for the sale and supply of power by Solar Power Developer and Solar Power Procurer.

ARTICLE 1: DEFINITIONS

Unless the context otherwise expressed in this Agreement, the following terms shall have the meanings set forth herein 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 2004, 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 substitution 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

“APTRANSCO” shall mean Transmission Corporation of Andhra Pradesh incorporated under the Company Act 1956

“Authorized Representative” shall mean the body corporate, NREDCAP, authorized by the Vijayawada Municipal Corporation

“Bidding Company” shall refer to such single company that has submitted the bid in accordance with the provisions of the RFS

“Bidding Consortium” or “Consortium” shall refer to a group of companies that have collectively submitted the bid in accordance with the provisions of the RFS

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

“Billing Month” shall mean the period commencing from 25th of the calendar month and ending on the 24th of the next calendar month

“Capacity Utilization factor” (“CUF”) shall mean ratio of total Kwh (units) of power generated by Solar Plant in a year and Contracted Capacity in kW multiplied with number of hours in the same Tariff Year

“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, as per clause 3.10 of this Agreement.

“Conciliation Period” shall mean the period of sixty (60) days or such other longer period as the parties may agree, commencing from the date of issuance of a Solar Power Developer Preliminary Default Notice or Solar Power Procurer 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 the capacity in MW contracted with Solar Power Procurer designed to deliver Contracted Units at Delivery Point from the Solar Power Project;

"Contracted Units" shall mean 1.2 MUs/Month or 14.4 MUs/ Annum contracted with Solar Power Procurer for supply by the SPD at the Delivery Point from the Solar Power Project;

“Delivered Energy” shall mean, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy metered at the Interconnection Point after deducting the losses beyond the Interconnection Point till Drawl Point for supply of Contracted Units at Delivery Point, as measured by both energy meters available at the Interconnection Point during that Billing Month at a designated substation

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 after deducting the losses beyond the Interconnection Point till Drawl Point

Explanation 2: The Delivered Energy in a Billing Month shall be limited to the energy calculated based on the contracted project capacity in kW multiplied with number of hours and fraction thereof the Project is in operation during that Billing Month.

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

“Delivery/Drawl Point” shall be the Point at which the Solar Power Developer shall deliver Contracted Units of electricity to VMC, However the metering for billing will be done at the Interconnection Point for units after deducting the losses beyond the Interconnection Point till Drawl Point as measured by both energy meters available at the Interconnection Point during that Billing Month as per clause 4.1;

“Delivery Voltage” shall mean the voltage 11KV at the Delivery Point

“Due Date of Payment” shall mean the date on which the amount payable by VMC to the Solar Power 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 VMC within 5 working days from Meter Reading Date, and in the case of any supplemental or other bill or claim, 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 VMC. 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 execution of this Power Purchase Agreement (PPA) by both the parties;

“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 Article 9 and Article 10 whichever is earlier;

“Financing Agreement” shall mean the agreement pursuant to which the Solar Power 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 Solar Power Procurer;

“Financial Bid” shall mean the information provided by the SPD as per the Format 6.10 prescribed in RFS as a part of its Bid

“Financial Closure” shall mean arrangement of necessary funds by the Solar Power 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-1/18/2010-CERC, New Delhi, 28-04-2010 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 AP 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 designed to deliver Contracted Units at Delivery Point.

“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 Interconnection at the Solar Power Developer's expense from time to time throughout the Term of the Agreement, necessary to enable the VMC to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement. The Solar Power Developer has to bear entire expenditure of Interconnection Facilities for power evacuation.

“Interconnection Point” shall mean the point or points where the Project and the grid system of DISCOM are interconnected at the grid substation of DISCOM.

“Interconnection Substation” shall mean the substation where the project and the DISCOM grid system are interconnected.

“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 1 year after the Commercial Operation Date (COD) of the Project

“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 25th (twenty fifth) 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 of Delivered Energy of the Project; and

A standby meter shall be provided at the same point as per CEA norms.

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

“Performance Bank Guarantee (PBG)” shall mean any Bank Guarantee (BG) furnished by the Solar Power Developer to VMC before signing of the PPA as per the terms of the RFS and as per format specified in the RFS, to assure timely and satisfactory completion of a Project by a developer;

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“Project” shall mean the solar power generation facility of Installed Capacity of _____MW, designed to deliver Contracted Units at Delivery Point, located in _____ District, Andhra Pradesh; 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;

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

“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.

“RFS document” shall mean the bidding document issued by Authorized Representative including the PPA and all attachments vide RFS no. NREDCAP/OSD/VJA-SC/144/2018 for grid connected Solar Photo Voltaic projects in the state of Andhra Pradesh and/ or modified/ amended/ revised thereafter;

“Scheduled COD” shall mean 9 months from the Effective Date.

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

“Solar Power” shall mean power generated from the SPV or STP.

“Solar Power Project” shall mean either an SPV or STP Project.

“Solar Photovoltaic Project” or “Solar PV” or “SPV” shall mean the solar photovoltaic power project that uses sunlight for conversion into electricity and that is being set up by the Solar Power Developer to provide Solar Power to Solar Power Procurer as per the terms and conditions of this Agreement.

“System Emergency” means a condition affecting the 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 DISCOM, or which

SOLAR RFS DOCUMENT

endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.

“Solar Power Developer or SPD” shall mean the Bidder who has been selected based on the RFS

“Solar Power Procurer” shall mean Vijayawada Municipal Corporation who is purchasing electricity from the SPD

“Tariff” shall have the same meaning as provided for in Article 2 of this Agreement.

“Tariff Year” shall mean each period of 12 months commencing from the Commercial Operations Date of the Project. The last Tariff Year of this PPA shall end on the date of expiry of this Agreement

“Term of the Agreement” shall have the same meaning as provided for in Article 7 of this Agreement.

“Unit” when used in relation to the solar generating equipment, shall mean the set of solar panels multiplied by their name plate capacity in MW in case of Solar PV Project and when used in relation to electrical energy, means Kilo Watt Hour (kWh).

“VMC” shall mean Vijayawada Municipal Corporation

“Voltage of Interconnection” shall mean **XX** kV being the voltage at which the electrical energy generated by the Project is required to be connected to the DISCOM grid substation at the Interconnection Point.

All other words and expressions used herein and not defined herein 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: PURCHASE OF DELIVERED ENERGY AND TARIFF

- 2.1 All the Delivered Energy, as mentioned in Schedule 1, at the Delivery Point for sale to VMC will be purchased at the Tariff provided for in Clause 2.2 limited to capacity of the Project only, after the Date of Commercial Operation of the Project and title to Delivered Energy purchased shall pass from the Solar Power Developer to the Solar Power Procurer at the Delivery Point.
- 2.2 The Solar Power Procurer shall pay Tariff to the Solar Power Developer equal to the Tariff which is agreed by both parties in pursuance of conclusion of bid.
- 2.3 The tariff shall include all statutory/ regulatory/scheduling and system operating charges and losses, except the following which shall be borne by VMC;
- i. Electricity Duty
 - ii. Cross-subsidy Charges
 - iii. Additional Surcharges

These charges are exempt under the Solar Power Policy, 2015 (dt. 12.02.2015) for the initial few years. All future levy/increase in these charges will have to be borne by the Solar Power Procurer.

- 2.4 Any new charges/ levies introduced by changes in regulations and charged on energy at a stage after the injection of energy into the grid, will be borne by the Solar Power Procurer.
- 2.5 The Solar Power Developer, at any time during validity of this Agreement, shall not add any extra solar modules/equipment more than the Contracted Capacity without the written consent from the Solar Power Procurer to be provided solely for the purpose of providing additional units over and above the contracted units at a tariff mutually agreed by both the parties
- 2.6 For Delivered Energy less than or more than the Contracted Units in a tariff year, the tariff shall be calculated as follows –
- 1 In any month during the PPA term, maximum deviation allowed in the Contracted Units of energy is 5%
 - 2 At the end of a Tariff Year, the units generated by the SPD will be consolidated and additional charges/ penalties levied would be as follows;
 - If the generation is less than 13.68 MUs in a year, the SPD will pay VMC for the entire cost of procuring the defaulted power units from the DISCOM

SOLAR RFS DOCUMENT

- If the generation is between 13.68 MUs and 14.4 MUs, the SPD will pay for the additional cost only.

For example, if 14 MUs are produced by the SPD in a Tariff Year, it will be liable to pay difference between its quoted tariff and the tariff charged by DISCOM for defaulted 0.4 MUs, If only 13.5 MUs are produced, the SPD will be liable to pay the entire tariff charged by DISCOM for 0.9 i.e., (14.4-13.5) MUs

- Entire proceedings/income that shall accrue to SPD from Discom related to banked energy owing to deemed sale to Utility, if any, shall be transferred to VMC.
- VMC will ensure guaranteed offtake of Contracted Units of solar power generated from the plant for initial 15 years from CoD. From 16th year onwards, at any point of time during the tenure of the PPA, the net landed tariff including all regulatory charges payable by VMC becomes equal to or greater than the prevailing tariff (applicable category) of Discom, the Procurer (VMC) shall have right to negotiate on the tariff with SPD and VMC shall agree on the terms related to tariff with SPD.

If both the parties are unable to mutually agree upon a tariff, then VMC shall have the right to terminate the agreement. In such a scenario, VMC shall also explore ways to purchase the asset and shall have the first right of refusal to purchase the plant. The value of asset shall be arrived based on assessment carried out by an independent agency. The appointment of such agency and scope of assessment would be based on mutually agreed terms.

- 2.7 The SPD shall be liable to pay deviation charges as per the APERC's Regulation 4 of 2017. Such charges are payable for an absolute error of more than 15% between the forecasted production and the actual output in every 15 minute time block. Kindly refer to the notification issued by APERC for further details.
- 2.8 The Solar Power Developer shall purchase power directly from the DISCOM for its auxiliary consumption or it may utilize the power generated by the project before it reaches the injection point for auxiliary consumption

ARTICLE 3: INTERCONNECTION FACILITIES, SYNCHRONIZATION, COMMISSIONING AND COMMERCIAL OPERATIONS

- 3.1 The Solar Power Developer has to bear the entire cost of the Interconnection Facilities as per the sanctioned DISCOM estimate for arranging Interconnection Facilities for power evacuation at the Voltage of Interconnection.
- 3.2 The Solar Power Developer shall also be responsible for obtaining any permits/ consents required for interconnection at a sub-station and will be solely responsible for liaising at its own cost with any government body/ department for obtaining such a consent/ permit
- 3.3 The interconnection line from Project switchyard to the location has to be constructed and maintained by the SPD at his cost. The entire cost of transmission including cost of procurement of land for bay (if any), construction of lines, metering equipment, losses, supervision charges etc., from the Project up to the Interconnection Point shall be borne by the SPD and shall not be reimbursed.
- 3.4 The Solar Power Developer 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 Solar Power Developer. The maintenance work at the grid sub-station and connected bay and equipment has to be done in coordination with the DISCOM authorities.
- 3.5 The Solar Power 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 The Solar Power Developer shall deploy components/equipment for the STP/SPV complying with approved/minimum technical standards as per International Electro technical Commission (“IEC”) & Bureau of Indian Standards (“BIS”) or technical standards that are as specified by Ministry of New and Renewable Energy (“MNRE”) as amended from time to time at the cost of the Solar Power Developer.
- 3.7 **Acceptance/Performance Test**
- Prior to synchronization of the Power Project, Solar Power Developer shall be required to get the Project certified for the requisite acceptance/performance test as may be laid down by Central Electricity Authority/AP Transco/APERC/DISCOM or an agency identified by the State/Central government to carry out testing and certification for the solar power projects.
- 3.8 **Verification by APTRANSCO/DISCOM/VMC**
- 3.8.1 The Solar Power 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/VMC officials / representatives for inspection and verification of the works being carried out by the Solar Power Developer at the site of the Project.

- 3.8.2 The APTRANSCO/DISCOM/VMC may verify the construction works/operation of the Project being carried out by the Solar Power Developer 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 Solar Power Developer or require the works to be stopped or to comply with the instructions of such third party.

3.9 Synchronization, Commissioning and Commercial Operation

- 3.9.1 The Power Project may be synchronized by Solar Power 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.
- 3.9.2 The synchronization equipment shall be installed by Solar Power Developer at its generation facility of the Power Project at its own cost. Solar Power Developer 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.
- 3.9.3 Solar Power Developer shall immediately after each synchronization/ tripping of generator, inform the substation of the Grid System to which the Power Project is electrically connected in accordance with applicable Grid Code.
- 3.9.4 The Commercial Operation Date (“COD”) shall be considered as the actual date of commissioning of the project as certified by the DISCOM based on the performance during this period.

Commissioning of Project shall be the date, when the project meets the criteria and specification defined for the Project Commissioning i.e. the Project will be considered as commissioned if all equipment as per rated project capacity has been installed and energy has flown into grid, in line with the Commissioning procedures defined in the Guidelines/RFS/PPA. The energy accounting shall start from the date of COD.

VMC shall pay tariff at the rate mentioned in article 2 only for the electricity flowing into the grid after the date of commissioning.

- 3.9.5 Solar Power Developer shall commission and commence the supply of power from the Project on or before the Scheduled Commission Date which shall in no event extend beyond 4 months from COD as mentioned in clause 10.5.1 (5). Early commissioning is allowed and however without NoC for Open Access and Banking Wheeling Agreement in place, VMC won't be able to procure the power from SPD. Energy injected into the grid from date of synchronization to Commercial Operation Date (COD) will be considered as deemed energy banking.

ARTICLE 4: METERING AND PROTECTION

- 4.1 For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, Solar Power Procurer and Solar Power Developer 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.
- 4.2 Solar Power Developer shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at Injection Point and Solar Power Procurer shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at delivery sites.
- 4.3 The grid connected solar PV power plants will install necessary equipment for regular monitoring of solar irradiance, ambient air temperature, wind speed and other weather parameters and simultaneously for monitoring of the electric power generated from the plant.
- 4.4 Online/ offline arrangement would have to be made by for submission of above data regularly for the entire period of this Power Purchase Agreement to the concerned officials.
- 4.5 Reports on above parameters on monthly basis along with the estimated quantum of energy generated per month shall be submitted by SPD to Solar Power Procurer for entire period of PPA
- 4.6 The energy accounting and settlement will be governed as per the regulation issued by the Andhra Pradesh Electricity Regulatory Commission towards balancing & settlement code for Open Access Transactions regulation No. 2 of 2006 or amendments issued in future.
- 4.7 Billing shall be done for the energy injected at the injection point after deducting the losses beyond the Interconnection Point till Drawl Pointas per the guidelines laid down in article 2

ARTICLE 5: BILLING AND PAYMENT

- 5.1 For the Delivered Energy purchased, Solar Power Developer shall furnish a bill to the Solar Power Procurer calculated at the Tariff provided for in Article 2, in such form as may be mutually agreed between the VMC and the Solar Power Developer, for the billing month on or before the 5th working day following the Meter Reading Date.
- 5.2 The Solar Power Procurer shall be entitled to get a rebate of 1% 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, Solar Power Procurer shall pay interest at prevailing SBI bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction.
- 5.3 The Solar Power Procurer shall pay the bill on monthly basis as per clause 5.5, by opening a one month revolving Letter of Credit in favor of Solar Power Developer.
- 5.4 **Letter of Credit:** Not later than 30 days prior to the Scheduled COD of the Generating Unit, VMC shall cause to put in place an irrevocable revolving Letter of Credit issued in favor of Solar Power Developer by a Scheduled Bank (the "Letter of Credit") for one month's billing value.
- i. However Letter of Credit shall not be invoked for any disputed bill amount.
 - ii. Further LC can be invoked only when Solar Power Procurer fail to pay bill amount by due date of bill payment.
- 5.5 **Payment for bills raised:** Solar developer shall submit bills for the energy delivered during the billing period as per the provision of this PPA and there upon Solar Power Procurer shall make payment for the eligible bill amount by the due date of payment.
- 5.6 **Billing disputes:** The Solar Power Procurer shall pay the bills of Solar Power Developer promptly subject to the Clauses 5.1 and 5.2. The VMC shall notify Solar Power Developer in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. Solar Power Developer shall immediately take up issue with all relevant information with Solar Power Procurer which shall be rectified by the Solar Power Procurer, if found satisfactory. Otherwise notify its (Solar Power Procurer'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 Solar Power Procurer to reimburse Solar Power Developer, the amount to be reimbursed shall bear interest at prevailing SBI bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction from the date of disallowance to the date of reimbursement.
- 5.7 Notwithstanding anything stated in this PPA, the dispute of correctness or otherwise of the applicable Tariff, shall not be considered as billing dispute.
- 5.8 Further in the event, at any time, Solar Power Procurer find that amount is due from Solar Power Developer either under this agreement or under any other transaction, VMC is entitled to recover the said due amount by adjusting from the bill amount payable to the Solar Power Developer.

SOLAR RFS DOCUMENT

5.9 All payments by the Solar Power Procurer to Solar Power Developer hereunder shall be made to such address as may be designated by Solar Power Developer to the Solar Power Procurer in writing from time to time.

Address: M/s _____ ,

Telephone: + 91 _____

Fax: + 91 _____

E-Mail ID: _____

ARTICLE 6: UNDERTAKING

6.1 The Solar Power Developer shall be responsible:

- i. for proper maintenance of the Project in accordance with established Prudent Utility Practices
- ii. 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 Solar Power Procurer / 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 Solar Power Developer or on the income or assets of the Solar Power Developer except those mentioned in clauses 2.3 and 2.4.
- v. for obtaining necessary approvals, permits or licenses for operation of the Project and sale of energy to Solar Power Procurer there from under the provision of the relevant laws.
- vi. to comply with the provisions of the Grid Code. Notwithstanding any provision in this Agreement, the Solar Power 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 180 days from the date of signing of PPA.
- viii. for achieving Commercial Operation Date within the timelines stipulated for Scheduled COD as per this Agreement.
- ix. for seeking approval of DISCOM in respect of Interconnection Facilities with grid substation and synchronization of the Project with grid.
- x. to install new machinery/modules in the plant.
- xi. The Solar Power Developer shall not dismantle and take away Project machinery and Interconnection Facilities during the Term of the Agreement.
- xii. The Solar Power Developer shall abide by the minimum equity requirements as follows –
 - a. 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 one (1) year after COD. Thereafter, any change can be undertaken under intimation to the VMC
 - b. Lead Member in the Consortium shall have the Controlling Shareholding in the Company having more than 50% of voting rights in the Company
 - c. Whether or not financial resources of Parents and / or Affiliate(s) are relied upon to achieve the required net worth, the required net worth equivalent to 30% of the minimum equity contribution of Rs. 0.3 Crore/MW of the Contracted Capacity has to be infused in the Project Company before signing of PPA and another Rs.

0.7 Crore/MW of the Contracted Capacity on or before the date of Financial Closure.

xiii. Any other obligation related to ownership imposed on the SPD as per the provisions of the RFS

xiv. **Satisfaction of conditions subsequent by the SPD**

The SPD agrees and undertakes to duly perform and complete all of the following activities at the SPD's own cost and risk within one hundred eighty (180) days 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 Solar Power Procurer

- a. For obtaining all Consents, Clearances and Permits required for supply of power to Solar Power Procurer as per the terms of this Agreement;
- b. For making project financing agreements and completing financial closure and shall provide necessary documents to Solar Power Procurer in this regard;
- c. For making adequate arrangements to connect the Power Project switchyard with the Interconnection Facilities at the Interconnection Point;
- d. For producing the documentary evidence of the clear title and possession of the acquired land @ minimum 1.5 hectare /MW in the name of SPD. In this regard the SPD shall be required to furnish the following documentary evidences –
 - Ownership or lease hold rights (for at least 30 years) in the name of the SPD and possession of 100% of the area of land required for the Project.
 - Certificate by the concerned and competent revenue/registration authority for the acquisition/ownership/vesting of the land in the name of the SPD.
 - Sworn affidavit from the Authorized person of the SPD listing the details of the land and certifying total land required for the Project under clear possession of the SPD.
 - A certified English translation from an approved translator in case above land documents are in languages other than English and Hindi.
 - The SPD shall submit line diagram of undertaking solar power project.

6.2 The Solar Power Procurer agrees:

- i. to make all reasonable efforts for making arrangements for evacuation of power from the Project to be completed prior to the COD of the Project subject to Article 3.
- ii. for purchase of Delivered Energy from the Project as per Article 2.
- iii. to guide the Solar Power Developer in obtaining approval for the interconnection facilities for synchronization, commercial operation, regular operation etc., as required by the Solar Power Developer.

6.3 Solar Power Developer shall take insurance for the project assets against losses due to natural calamities, fire, riot and strike for replacement value.

6.4 Performance Bank Guarantee

- i. The Performance Bank Guarantee of INR 30 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 3. The Performance Bank Guarantee of INR 30 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 (6) months from the Scheduled COD.
- ii. The failure on the part of the SPD 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 SPD.
- iii. If the SPD fails to commence supply of power from the Scheduled Commissioning Date specified in this Agreement, subject to conditions mentioned in Article 9, Solar Power Procurer shall have the right to encash the Performance Bank Guarantee without prejudice to the other rights of Solar Power Procurer under this Agreement.
- iv. Subject to Article 6.5, Solar Power Procurer 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 Solar Power Procurer 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, Solar Power Procurer shall have the right to terminate this Agreement by giving a Termination Notice to the SPD in writing of at least seven (7) days. The termination of the Agreement shall take effect upon the expiry of the 7th day of the Notice.
- ii. Solar Power Procurer shall be entitled to encash all the Performance Bank Guarantees submitted by the SPD.
- iii. For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.

In case of inability of the SPD 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.

SOLAR RFS DOCUMENT

- iv. Provided that due to the provisions of this Article 6.5, 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 Commissioning Date.

6.6 Solar Power 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 10.1.1 (i) (b).

ARTICLE 7: DURATION OF AGREEMENT

This Agreement is subject to para (5) of the Preamble and shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) and until the 25th anniversary that is for a period of twenty five years from the Commercial Operation Date (COD). This Agreement may be renewed for such further period of time, with or without modification and on such terms and conditions as may be mutually agreed upon by the parties, 90 days prior to the expiry of the said period, subject to the any regulatory approvals that may be required. In such a case, the first right of refusal shall lie with the Solar Power Procurer. Any one or all incentives/conditions envisaged in the Articles of this Agreement are subject to modification from time to time due to a change in government regulations.

ARTICLE 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 Solar Power Developer:

Attention: Mr.

M/s ____

Telephone: +91

Fax: +91

Email ID:

If to VMC:

Attention: Mr.

Telephone: +91

Fax: +91

Email ID:

- 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: FORCE MAJEURE

9.1 Definition of Force Majeure:

1. “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 or, in the case of construction activities, by the exercise of reasonable skill and care. Any events or circumstances meeting the description of Force Majeure which have the same effect upon the performance of any of the Solar Power Project and which therefore materially and adversely affect the ability of the Project or, as the case may be, the Solar Power Procurer to perform its obligations hereunder shall constitute Force Majeure with respect to the Solar Power Developer or the Solar Power Procurer, respectively.
2. 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, Earthquake 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’ unlawful or discriminatory delay, modification, denial or refusal to grant or renew, or any revocation of any required permit or Change in Law (Direct Political Events).

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

- i. Force Majeure Events affecting the Solar Power Developer; or
 - ii. Solar Power Procurer Event of Default as defined in 10.2,
- the scheduled COD shall be deferred, for a reasonable period but not less than ‘day-for day’ basis subject to a maximum period of six (6) months from the Scheduled COD as per this agreement, to permit the Solar Power Developer or Solar Power Procurer through the use of due diligence, to overcome the effects of the Force Majeure events affecting the Solar Power Developer or Solar Power Procurer, or till such time such event of default is rectified by Solar Power Developer or Solar Power Procurer, whichever is earlier.

ARTICLE 10: EVENTS OF DEFAULT AND TERMINATION

10.1 Solar Power 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 VMC of its obligations under this Agreement, shall constitute a Solar Power Developer Event of Default (“Solar Power Developer Event of Default”):
- i. if –
 - a. the Solar Power 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 Solar Power 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 Solar Power 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 any winding up or bankruptcy or insolvency order is passed against the Solar Power Developer, or
 - b. the Solar Power 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, provided that a dissolution or liquidation of the Solar Power Developer will not be a Solar Power 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 creditworthiness similar to the Solar Power Developer and expressly assumes all obligations of the Solar Power Developer under this Agreement and is in a position to perform them; or
 - iii. the Solar Power Developer repudiates this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from Solar Power Procurer in this regard; or
 - iv. except where due to any Solar Power Procurer’s failure to comply with its material obligations, the Solar Power Developer is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the Solar Power

- Developer within thirty (30) days of receipt of first notice in this regard given by Solar Power Procurer; or
- v. the Solar Power Developer delays the commissioning of the Project by more than 4 months 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 Solar Power Developer.

10.2 Solar Power Procurer 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 Solar Power Developer of its obligations under this Agreement, shall constitute the Event of Default on the part of defaulting Solar Power Procurer (“Solar Power Procurer Event of Default”):

- i. Solar Power Procurer fails to pay (with respect to payments due to the Solar Power Developer according to Article 5), for a period of ninety (90) days after the Due Date of Payment and the Solar Power Developer is unable to recover the amount outstanding to the Solar Power Developer through the Letter of Credit, or
- ii. VMC repudiates this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the Solar Power Developer in this regard; or
- iii. except where due to any Solar Power Developer’s failure to comply with its obligations, Solar Power Procurer is in material breach of any of its obligations pursuant to this Agreement, and such material breach is not rectified by Solar Power Procurer within thirty (30) days of receipt of notice in this regard from the Solar Power Developer to Solar Power Procurer; or
- iv. if:-
 - Solar Power Procurer 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 Solar Power Procurer, or
 - Solar Power Procurer 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 Solar Power Procurer Event of Default, where such dissolution or liquidation of Solar Power Procurer or Solar Power Procurer 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 Solar Power Procurer and expressly assumes all obligations of Solar Power Procurer and is in a position to perform them; or
- v. If Solar Power Procurer is subject to any of the above defaults and Solar Power Procurer does not designate another Solar Power Procurer for purchase of Solar Power; or

- vi. occurrence of any other event which is specified in this Agreement to be a material breach or default of Solar Power Procurer.

10.3 Procedure for cases of Solar Power Developer Event of Default

- 10.3.1 Upon the occurrence and continuation of any Solar Power Developer Event of Default under Clause 10.1, Solar Power Procurer shall have the right to deliver to the Solar Power Developer, with a copy to the representative of the lenders to the Solar Power Developer with whom the Solar Power Developer has executed the Financing Agreements, a notice stating its intention to terminate this Agreement (“Solar Power Procurer 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 Solar Power Procurer Preliminary Default Notice, the Conciliation Period of sixty (60) days or such longer period as the parties may agree, shall apply and it shall be the responsibility of the parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Solar Power 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 Solar Power Developer Event of Default giving rise to the Conciliation Period shall have ceased to exist or shall have been remedied, Solar Power Procurer may terminate this Agreement by giving a written Termination Notice of thirty (30) days to the Solar Power Developer.
- 10.3.5 Subject to the terms of this Agreement, upon occurrence of a Solar Power Developer Event of Default under this Agreement, the lenders may exercise their rights, if any, under Financing Agreements, to seek substitution of the Solar Power 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 Solar Power Developer and performing the obligations of the Solar Power Developer.

Provided that any substitution under this Agreement can only be made with the condition that the selectee meets the eligibility requirements of RFS issued by Solar Power Procurer.

- 10.3.6 The lenders may seek to exercise right of substitution under Clause 10.3.5 by an amendment or novation of the Agreement in favour of the selectee. The Solar Power 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 Solar Power Procurer Event of Default

- 10.4.1 Upon the occurrence and continuation of any Solar Power Procurer Event of Default specified in Clause 10.2 the Solar Power Developer shall have the right to deliver to Solar Power Procurer, a Solar Power 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 Solar Power Developer Preliminary Default Notice, the Conciliation Period of sixty (60) days or such longer period as the parties may agree, shall apply and it shall be the responsibility of the parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Solar Power Procurer 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 agree to the contrary or Solar Power Procurer Event of Default giving rise to the Conciliation Period shall have ceased to exist or shall have been remedied, the Solar Power Developer shall be free to sell the Contracted Capacity to any third party of the Solar Power 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 Solar Power Developer.

10.5 Penalties in case of Delayed Commissioning

- 10.5.1 Under normal circumstances the Project has to be commissioned within nine months from the date of signing of this Agreement. In case of failing to achieve this milestone, Solar Power Procurer shall encash the Performance Bank Guarantee which was submitted by Solar Developer to the Solar Power Procurer at time of entering the PPA, in the following manner:
1. Delay up to one (1) month – Solar Power Procurer will encash 20% of Performance Bank Guarantee (INR 6 lakh/MW) on per day basis proportionate to the capacity not commissioned.
 2. Delay of more than one (1) month and up to two months – Solar Power Procurer will encash 40% of the Performance Bank Guarantee (INR 12 lakh/MW) on per day basis proportionate to the capacity not commissioned.
 3. Delay of more than two and up to three months – Solar Power Procurer will encash the remaining Performance Bank Guarantee on per day basis proportionate to the capacity not commissioned.
 4. In case the commissioning of Power Project is delayed beyond three (03) months from the Scheduled Commissioning Date, the SPD shall pay to Solar Power Procurer, the Liquidated Damages at rate of INR 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 SPD from the payments due on account of sale of solar power to Solar Power Procurer.

SOLAR RFS DOCUMENT

5. 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 this Agreement. In case, the commissioning of the Power Project is delayed beyond four (4) months from Scheduled COD of this Agreement, it shall be considered as an SPD Event of Default and provisions of Article 10 shall apply and the Contracted Capacity shall stand reduced/amended to the Project Capacity Commissioned within 4 months of Scheduled COD and the PPA for the balance Capacity will stand terminated.
6. For all other cases of Solar Power Developer Event of Default, procedure as provided in Clause 10.3 shall be applicable.

ARTICLE 11: DISPUTE RESOLUTION

- 11.1 Each party shall designate in writing to the other party a representative who shall be authorized to resolve any dispute arising under this Agreement in an equitable manner.
- 11.2 Following notice by one party to the other setting out the particulars of the dispute, if the designated representatives are unable to resolve a dispute under this Agreement within 15 days, such dispute shall be referred by such representatives to a senior officer designated by the Solar Power Developer and a senior officer designated by the Solar Power Procurer, respectively, who shall attempt to resolve the dispute within a further period of 15 days.
- 11.3 The parties hereto 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.
- 11.4 The Parties shall in the first instance attempt to resolve all disputes arising out or relating to this PPA amicably. In the event the dispute cannot be resolved amicably within 30 (thirty) days of the commencement of the resolution process or such further period as may be mutually agreed upon between the Parties, then the dispute will be resolved by arbitration in accordance with the Arbitration and Conciliation Act, 1996. The seat of arbitration shall be at Vijayawada.
- 11.5 In the event of any conflict of interpretation in terms and conditions between RFS document and the clarifications issued under this RFS or in case of any ambiguity, the provisions of PPA would prevail.

ARTICLE 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 Solar Power Developer and the Solar Power Procurer, subject to the condition that any government approvals required for such a modification will be obtained by Solar Power Developer.
- 12.3 However, in respect of power evacuation, the voltage levels for interfacing with grid will be as per Voltage of Interconnection. The cost of Interconnection Facilities has to be borne by the Solar Power Developer as per Article 3.
- 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 procurement of any required regulatory approvals by the Solar Power Developer
- 12.7 This Agreement, including Schedules attached hereto, 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 Solar Power Procurer, if the resulting entity is able to perform Solar Power Procurer's obligations hereunder in no less a manner than Solar Power Procurer, the resulting entity shall take the right and responsibility for performance of Solar Power Procurer's obligations.

SOLAR RFS DOCUMENT

- 12.11 In the event of the merger or re-organization of Solar Power Developer if the resulting entity is able to perform Solar Power Developer's obligations hereunder in no less a manner than Solar Power Developer, the resulting entity shall take the right and responsibility for performance of Solar Power 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 whose consent shall not be unreasonably withheld. SPD can assign his rights under this PPA in favor of Financial Institute/ Bank/Lender subject to prior intimation and obtaining consent from VMC.
- 12.13 Solar Power Procurer 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: 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 SPD or any income to the SPD:

1. 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;
2. 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;
3. the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;
4. a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits; except due to any default of the SPD;

13.2 Relief for Change in Law

- 13.2.1 The aggrieved Party shall be required to approach Court located in Vijayawada, Andhra Pradesh for seeking approval of Change in Law. The decision of the Court 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.

SOLAR RFS DOCUMENT

WITNESS WHEREOF, the Solar Power Developer and the Solar Power Procurer have caused this Agreement to be executed as on the date and the year first set forth above.

For and behalf of _____ Solar Power Procurer WITNESS

- 1. By:**
- 2. Its:**

For and behalf of M/s. _____ WITNESS

- 1. By:**
- 2. Its:**

ARTICLE 14: PURCHASE OF ASSET AFTER PPA TENURE

At the end of the tenure of PPA, VMC shall explore the options to purchase the plant at a value arrived based on assessment carried out by an Independent Agency. The appointment of such agency and scope of assessment would be based on mutually agreed terms.

SCHEDULE 1: PARTICULARS OF THE PROJECT

(Referred to in the Preamble to the Agreement)

Name of the project and address	Designated location	XX kV Substation	Interconnection point	Capacity of the project (MW)	Contracted Units (kWh)
M/s.		--			144,00,000

Out of _MW, _MW is for Auxiliary Consumption and _MW is for export to grid for sale of Contracted Units to Solar Power Procurer at Delivery Point.

SCHEDULE 2: LETTER OF INTENT

Attached copy of Letter of Intent issued by Solar Power Procurer

SCHEDULE 3: PERFORMANCE BANK GUARANTEE

(**Note:** -Performance Guarantee @ Rs.30Lakh/MW of the Contracted Capacity is to be submitted in 3 Nos. of Bank Guarantee in the ratio of 20%, 40% & 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 'Solar Power Developer') submitting the response to RFS 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 RFS dated _____ issued by _____ (hereinafter referred to as "Authorized Representative") having its Registered Office at _____ and Authorized Representative considering such response to the RFS of [*insert the name of the selected Solar Power Developer*] (which expression shall unless repugnant to the context or meaning thereof include its executors, administrators, successors and assignees) and selecting the Solar Power Project of the Solar Power Developer and issuing Letter of Intent No Dated to [*Insert Name of selected Solar Power Developer*] as per terms of RFS and the same having been accepted by the selected Solar Power Developer resulting in a Power Purchase Agreement (PPA) to be entered into, for purchase of Power [from selected Solar Power Developer or a Project Company, {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 [*Insert name of the Solar Power Procurer with which PPA will be signed*] at [*Insert Name of the Place from the address of the Solar Power Procurer with which PPA will be signed*] forthwith on demand in writing from Solar Power Procurer or any Officer Authorized 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 Solar Power Developer / Project Company*]

This guarantee shall be valid and binding on this Bank up to and including _____ and

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

Our liability under this Guarantee is restricted to Rs. _____ (Rs. _____ only).

SOLAR RFS DOCUMENT

i) Nos ----- dated ----, Value -----; ii) Nos----- dated ----, Value ---; iii) Nos----- dated ----, Value ---).

Our Guarantee shall remain in force until _____[*Insert date corresponding to Article 6.4 (i) of this PPA*]. Solar Power Procurer shall be entitled to invoke this Guarantee till _____[*Insert date corresponding to thirty (30) days after the validity of Performance Bank Guarantee as per Article 6.4 (i) of the PPA*].

The Guarantor Bank hereby agrees and acknowledges that the [*Insert name of the Solar Power Procurer 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 Solar Power Procurer 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 Solar Power Procurer 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 Solar Power Developer / Project Company as applicable*] and/or any other person. The Guarantor Bank shall not require [*Insert name of the Solar Power Procurer with which PPA will be signed*] to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against Solar Power Procurer 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 Solar Power Procurer 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 Solar Power Developer / Project Company, to make any claim against or any demand on the selected

SOLAR RFS DOCUMENT

Solar Power Developer / Project Company or to give any notice to the selected Solar Power Developer

/ Project Company or to enforce any security held by Solar Power Procurer or to exercise, levy or enforce any distress, diligence or other process against the selected Solar Power Developer / Project Company .

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to [*Insert name of the Solar Power Procurer 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 Solar Power Procurer with which PPA will be signed*] to any entity to whom [*Insert name of the Solar Power Procurer 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 [*Insert date corresponding to*

Article 6.4 (i) of the PPA]. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if [*Insert name of the Solar Power Procurer 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

SOLAR RFS DOCUMENT

2.

Signature

Name and Address

Notes:

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

List of Banks for Insurance of Bank Guarantees against PBG

1. SCHEDULED COMMERCIAL BANKS	2. OTHER PUBLIC SECTOR BANKS
SBI AND ASSOCIATES	IDBI Bank Ltd.
1. State Bank of India	3. FOREIGN BANKS
2. State Bank of Bikaner & Jaipur	1. Bank of America
3. State Bank of Hyderabad	2, Bank of Tokyo Mitsubishi UFJ Ltd.
4. State Bank of Indore	3. BNP Paribas
5. State Bank of Mysore	4. Caylon Bank
6. State Bank of Patiala	5. Citibank N.A.
7. State Bank of Travancore	6. Deutsche Bank A.G
NATIONALISED BANKS	7. The HongKong and Shanghai Banking Corpn. Ltd.
1. Allahabad Bank	8. Standard Chartered Bank
2. Andhra Bank	9. Societe Generale

SOLAR RFS DOCUMENT

3. Bank of India	10. Barclays Bank
4. Bank of Maharashtra	11. Royal Bank of Scotland
5. Canara Bank	12. Bank of Nova Scotia
6. Central Bank of India	13. Development Bank of Singapore (DBS Bank Ltd.)
7. Corporation Bank	14. Credit Agricole Corporate and Investment Bank
8. Dena Bank	4. SCHEDULED PRIVATE BANKS
9. Indian Bank	1. Federal Bank Ltd.
10. Indian Overseas Bank	2. ING Vysya Bank Ltd.
11. Oriental Bank of Commerce	3. Axis Bank Ltd.
12. Punjab National Bank	4. ICICI Bank Ltd.
13. Punjab & Sind Bank	5. HDFC Bank Ltd.
14. Syndicate Bank	6. Yes Bank Ltd.
15. Union Bank of India	7. Kotak Mahindra Bank
16. United Bank of India	8. IndusInd Bank Ltd.
17. UCO Bank	9. Karur Vysya Bank
18. Vijaya Bank	
19. Bank of Baroda	

SCHEDULE 4

[SPD to insert the finalized Financial Bid]

SCHEDULE 5

[SPD to insert the photocopies of the PBG]