

**MODEL POWER PURCHASE
AGREEMENT BETWEEN**

**POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH
LIMITED**

AND

M/s. _____

NCE WtE PPA No. _____

1. This Power Purchase Agreement (“Agreement”) entered into this day of _____2025 between Power Distribution Company of Andhra Pradesh Limited (hereinafter called the Buyer/DISCOM/APXPDCL), 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 _____, 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 M/s _____, having registered office at _____, India, hereinafter 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.

2. 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 _____Village, _____District, Andhra Pradesh (hereafter called the “Project”) with a proposal of _____MW for Sale to DISCOM with an Installed Capacity of _ MW and Auxiliary Consumption of __% as detailed in Schedule 1 attached herewith and the LoA issued by NREDCAP, the Authorized Representative.

3. 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.
4. WHEREAS, the WtE Developer shall achieve Commercial Operation Date as per the timelines stipulated as per Clause 15.1 of the Concession Agreement and terms of this Power Purchase Agreement, in the default of which, the WtE Developer's Construction Performance Security will be liable for forfeiture by the Lead ULB as per Clause 9.2 of the Concession Agreement.
The PPA will continue to be in force for a period of 25 years from the Commercial Operation Date (COD).
5. 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.
6. WHEREAS, the Project proposed at _____ Village, _____ District will be connected at the voltage level 33kV at a 132/33 kV or 33/33 kV or 33/11 kV or 132 kV of 132/33 kV substation of [Insert name of the Location as per LOA] grid substation for power evacuation within the time frame stipulated in this Agreement. The injection of power from the Project to the grid is to be limited to the already technically approved capacity.
7. 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.
8. The WtE Developer shall only deploy commercially established technologies for generation of Waste to Energy.
9. The WtE Developer shall not be eligible for obtaining RECs for energy generated from this Project and supplied to DISCOM under this PPA.
10. This Agreement shall come into force subject to APERC's approval under Section 63 of Electricity Act, 2003.
11. 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.
12. 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:

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), 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.

“**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 APDISCOMs 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.

“**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 25th of the calendar month and ending on the

24th of the next calendar month. Provided that the period from Commercial Operation Date (COD) till the subsequent 24th of the calendar 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 and Clause 15.1 of the Concession Agreement.

“**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 [*insert capacity here*] 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 Interconnection 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 thereof 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 annualized basis of Contracted Capacity.

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

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

“Delivery Voltage” shall mean the voltage 33 kV or 132 kV at the Interconnection 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 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 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 APXPDCL & 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 Schedule 2 of this agreement.

“Financial Close” 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.

“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/ DISCOM 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.

“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 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 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 Company 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;

“Payable Tariff” shall have the meaning as per Clause 2.2.

“Performance Security” shall mean any Bank Guarantee furnished by the WtE Developer to Lead ULB as per Clause 9 of the Concession Agreement.

“Project” shall mean the WtE power generation facility of Installed Capacity of _____MW, located at _____Village, _____ district, Andhra Pradesh and for supply of _____ MW to APXPDCL; 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 17th March, 2025.

“Scheduled COD” shall mean within Twenty-Four (24) months from the Effective Date where Delivery Voltage is 33 kV or 132 kV as defined in Clause 15.1 of Concession Agreement.

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

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

“Voltage of Delivery” shall mean 33 kV or 132 kV being the voltage at which the electrical energy generated by the Project is required to be delivered to the APTRANSCO/DISCOM grid substation at the Interconnection Point.

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

“WtE Project” 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 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.

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 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' and shall follow the provision for scheduling in accordance with the Regulations/Codes 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 to the WtE Developer computed in the following manner:

First Financial Year Tariff:

“Financial Year One (1)” i.e., $T_1 = [Insert Quoted Tariff in Rs. per kWh that was submitted by the WtE Developer as part of the Financial Bid in response to the RFP]$

Quoted Tariff shall have 3 components calculated as mentioned below:

A: Tariff in INR/ kWh considering land lease rental at a nominal value of Re. 1/acre per annum and scope of work excluding Scientific Landfilling of the rejects

B: tariff in INR/ kWh required for Scientific Landfilling activities

C: tariff in INR/ kWh required for land lease rental computed as per the following formula:

$$C = 0.001522^1 * \text{Land requirement (in acres)} * \text{Basic Value of Land (in Rs. Lakhs/acre)} / \text{Quoted Capacity (in MW)}$$

Basic Value of Land shall be as per rates applicable for that Cluster indicated in the Background Documents and Land Lease rental shall be calculated based on the guidelines of G.O. Ms. No. 571. Revenue (Assignment. I) Department dated 14.09.2012

Therefore, **Quoted Tariff (INR/ kWh) $T = A + B + C$**

The Payable Tariff in the first Financial Year shall be computed as follows:

Payable Tariff_{FY1} = A + B + Minimum of (C, C')

¹ Where $0.001522 \text{ (INR/kWh/acre)} = 1,00,000 * 10\% / (1 \text{ MW} * 1000 * 75\% * 24 * 365)$,
Considering

- Rs.1,00,000 /acre (Rs. 1 Lakh/acre) as the market value of the land
- Land Lease rental calculated at the rate of 10% for the first year
- Quoted Capacity - 1 MW
- PLF - 75%

The value of C' shall be calculated assuming a normative value for land utilization and quoted capacity based on the tonnage for each Cluster as mentioned in the Background Documents.

Illustration:

Kakinada-Rajahmundry Cluster: For 957 TPD, assuming 12 MW with a land requirement of 11.98 acres.

Basic Value of Land = INR 10 lakhs/ acre

Land lease rental for the first Financial Year = 10% * INR 10 lakhs/acre = INR 1,00,000 per acre

$$\begin{aligned}
 C' &= 0.001522 * \text{Basic Value of Land in Rs. lakhs/acre} * \text{Normative Land requirement in acres} / (\text{Normative Capacity in MW}) \\
 &= 0.001522 * 10 * 11.98 / 12 \\
 &= 0.02
 \end{aligned}$$

Therefore, C' = Rs. 0.02/ kWh

However, the APDISCOMs on mutual agreement with the Participating ULBs can adjust the Payable Tariff in the first Financial Year before signing of the Power Purchase Agreement in the following ways:

Payable Tariff_{FY1} (T₁)	Scenario
A + B + Minimum of (C, C')	Scientific Landfilling included in the Developer's scope of work & Land leased out at a value calculated according to of G.O. Ms. No. 571. Revenue (Assignment. I) Department dated 14.09.2012
A + B	Scientific Landfilling included in the Developer's scope of work & Land leased out at a nominal rate of Re. 1/acre per annum
A + Minimum of (C, C')	Scientific Landfilling excluded from the Developer's scope of work and Land leased out at a value calculated according to of G.O. Ms. No. 571. Revenue (Assignment. I) Department dated 14.09.2012
A	Scientific Landfilling excluded from the Developer's scope of work & Land leased out at a nominal rate of Re. 1/acre per annum

Escalation of Tariff and Payable Tariff

Say T₁ be the Payable Tariff in INR/kWh for the first Financial Year. Escalation of Payable Tariff shall be calculated as follows:

- a. 60% of the Payable Tariff for the first Financial Year shall reduce at a rate of 2% every Financial Year for the term of the PPA
- b. 40% of the Payable Tariff for the first Financial Year shall be escalated annually as follows:

Financial Year	Payable indexed fixed tariff (T_{Fi}) in INR/kWh	Payable indexed variable tariff (T_{Vi}) in INR/kWh	Payable Tariff ($T_{Fi} + T_{Vi}$) in INR/kWh
1	$T_{F1} = T_1 * 0.6$	$T_{V1} = T_1 * 0.4$	$T_1 = T_{F1} + T_{V1}$
2	$T_{F2} = T_{F1} * (1 - (2\% * D/365))$	$T_{V2} = [T_{V1} * [1 + ((WPI_1 - WPI_0) / WPI_0) * D/365]]$	$T_2 = T_{F2} + T_{V2}$
i = 3 to 25	$T_{Fi} = T_{Fi-1} * (1 - 2\%)$	$T_{Vi} = [T_{Vi-1} * [1 + ((WPI_{i-1} - WPI_{i-2}) / WPI_{i-2})]]$	$T_i = T_{Fi} + T_{Vi}$

Where,

T_i is the Payable Tariff for the i^{th} Financial Year

D is the number of days in the period beginning on the Commercial Operation Date and ending at 12:00 midnight on the following March 31

²**WPI_i shall mean the Wholesale Price Index (WPI) for all commodities for the Financial Year i**, where $0 \leq i \leq 25$ and revision shall be done annually on the start of each Financial Year to reflect the variation in WPI.

- 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 the mutual agreement of Participating ULBs and DISCOM. 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 hereinabove, it is hereby agreed that any generation over and above 100% of Contracted Capacity on annualized basis shall not be paid if no associated/ additional investment is made.
- 2.5 For Delivered Energy, the applicable Tariff shall be as per Article 2.2 of this Agreement.
- 2.6 Any Generation Based Incentive (GBI) announced by Central/State Government for WtE projects and applicable for the Project shall be passed on 100% to APDISCOMs who shall be entitled to apply directly to Central Government or State Government as the case may be for such incentive in the event of the WtE Developer not applying for the same.

² As published by Office of the Economic Adviser (http://www.eaindustry.nic.in/display_data.asp)

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 Voltage of Delivery. The DISCOM has to bear the entire cost of the Interconnection Facilities 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 DISCOM.
- 3.3 Any modifications or procedures or changes in arranging Interconnection Facilities for power evacuations rest 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 The WtE Developer shall deploy components/equipment for the WtE Project 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”) / Ministry of Power (MoP) / Ministry of Housing and Urban Affairs (MoHUA) as amended from time to time at the cost of the WtE Developer.

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/APDISCOM 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 The APTRANSCO/DISCOM may verify the construction works/operation of the Project being carried out by the WtE 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 WtE 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 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 equipment shall be installed by the WtE Developer at its generation facility of the Project 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.

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/APDISCOM. 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 developed by the DISCOM from time to time and as per Metering Code. The WtE Developer shall be responsible to enable remote monitoring of generation (providing of AMR modules to the billing meters by WtE Developer).
- 4.2 All of the meters required to be installed pursuant to Clause 4.1 above, shall be jointly inspected and sealed on behalf of both parties and shall not be interfered with, tested or checked except in the presence of representatives of both parties and as per Metering Code.
- 4.3 The meter readings from the main meters will form the basis of billing. If any of the meters required to be installed pursuant to Clause 4.1 above are found to be registering inaccurately the affected meter will be immediately replaced.
- 4.4 Where the half yearly meter check indicates an error in one of the main meter/meters beyond the limits for such meter but no such error is indicated in the corresponding check meter/meters, billing for the month will be done on the basis of the reading on the check meter/meters and the main meter will be replaced immediately. If both the main and check meters indicate an error beyond the limits, billing for the month will be reconciled on the basis of the reading on the standby meter/meters, and the main and check meters will be replaced immediately.
- 4.5 If during the half yearly test checks, all the main meters and the corresponding check meters and standby meters are found to be beyond permissible limits of error, all the meters shall be immediately replaced and the correction applied to the consumption registered by the main meter to arrive at the correct Delivered Energy for billing purposes for the period of one month up to the time of such test check, computation of Delivered Energy for the period thereafter till the next monthly meter reading shall be as per the replaced main meter.
- 4.6 Corrections in Delivered Energy billing, whenever necessary, shall be applicable to the period between the previous monthly meter reading and the date and time of the test calibration in the current month when the error is observed and this correction shall be for the full value of the absolute error. For the purpose of determining the correction to be applied to any meter registering inaccurately, the meter shall be tested under conditions simulating 100, 50, 20 and 10 percent load at unity power factor and 0.5 power factor. Of these eight values, the error at the load and power factor nearest the average monthly load served at the Interconnection Point during the applicable period shall be taken as the error to be applied for correction.
- 4.7 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 computed on a mutually agreeable basis for that period of defect.

- 4.8 The main, check and standby meters shall be tested and calibrated once in a Financial Year utilizing a standard meter of 0.02 class accuracy testing meter (“Standard Meter”). The Standard Meter shall be calibrated once in every year at the approved Laboratory by Government of India / Government of Andhra Pradesh as per Terms and Conditions of supply. The testing of meters shall be carried out as per APERC/APTRANSCO/DISCOM rules and regulations.
- 4.9 All main, check and standby meter tests shall be jointly conducted by the authorized representatives of both the parties and the results and corrections so arrived at mutually will be applicable and binding on both the parties.
- 4.10 On the Meter Reading Date of each month, meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of both parties.
- 4.11 Within six (6) months, following the execution of this Agreement, the WtE Developer and the APTRANSCO/DISCOM shall mutually agree to technical and performance specifications (including, but not limited to, the metering configuration for the Project) concerning the design and operation of the facilities required to be installed by the WtE Developer in order for the WtE Developer to operate in parallel with the grid. Thereafter, any change in such specifications shall be subject to mutual agreement of the parties.
- 4.12 The Project shall be operated and maintained in accordance with good and generally accepted prudent utility standards with respect to synchronizing, voltage, frequency and reactive power control.
- 4.13 Voltage regulation shall be such as to enable continued paralleling and synchronization with the network voltage at the point of interconnection.
- 4.14 The equipment of the WtE Developer shall be designed for fluctuations in the frequency within limits of -5% and +3% of the standard frequency of 50 cycles per second.
- 4.15 The WtE Developer shall ensure that the power factor of the power delivered to the DISCOM is maintained as per the APERC/CEA norms from time to time.
- 4.16 Any change in rupturing capacity of switchgear, settings of the relays, etc., shall be subject to approval of the APTRANSCO/DISCOM.
- 4.17 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.
- 4.18 The WtE Developer shall make bona fide effort to operate the Project in such a manner so as to avoid fluctuations and disturbances to the APTRANSCO/DISCOM network due to parallel operation with the network.
- 4.19 The WtE Developer shall control and operate the Project as per Prudent Utility Practices. The APTRANSCO/DISCOM shall only be entitled to request the WtE Developer to reduce electric power and energy deliveries from the Project during a System Emergency, and then only to the extent that in the APTRANSCO/DISCOM's reasonable judgment such a reduction will alleviate the emergency. The DISCOM shall give the WtE Developer as much advance notice of such a

- reduction as is practicable under the circumstances and shall use all reasonable efforts to remedy the circumstance causing the reduction as soon as possible. Any reduction required of the WtE Developer hereunder shall be implemented in a manner consistent with safe operating procedures.
- 4.20 SLDC may instruct the WtE plant to back down generation on consideration of grid safety and security or safety of any equipment or personnel is endangered and WtE plant shall comply with the same. For this, 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 clause No. 5.2.U of APERC Grid Code and IEGC 2010 & APERC Grid Code.
- (i) SLDC may direct the WtE Developer to curtail its VAR / injection incase the security of grid or safety of any equipment or personnel is endangered.
- (ii) During the Project start-up, the WtE Developer shall ensure that the reactive power drawl (inrush currents in case of induction plants) shall not affect grid performance
- 4.21 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.
- 4.22 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 Prudent Utility Practices.
- 4.23 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.

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 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 DISCOM shall pay the bill on monthly basis as per Clause 5.5, by opening a one month revolving Letter of Credit in favour of WtE Developer.
- 5.4 **Letter of Credit:** Not later than 30 days prior to the Scheduled COD of the Generating Unit, DISCOM shall cause to put in place an irrevocable revolving Letter of Credit issued in favour of WtE Developer by a Scheduled Bank (the “Letter of Credit”) for one month’s billing value.
- a. However Letter of Credit shall not be invoked for any disputed bill amount.
 - b. Further Letter of Credit can be invoked only when DISCOMs fail to pay bill amount by due date of bill payment.
- 5.5 **Payment for bills raised:** WtE developer shall submit bills for the energy delivered during the billing period as per the provision of this PPA and there upon DISCOMs shall make payment for the eligible bill amount by the due date of payment.
- 5.6 **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 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 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: M/s,

Telephone: +91

Fax: +91

Mail ID:

- 5.8 Notwithstanding anything stated in this PPA, the dispute of correctness or otherwise of the applicable Tariff, shall not be considered as billing dispute.
- 5.9 Further in the event, at any time, DISCOMs 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.

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 provision 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 Close 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 15.1 of Concession Agreement and 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.
- (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:
 - (1) Such proceeds shall be shared between WtE Developer and DISCOM in the following manner, namely.
 - 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%, where after the proceeds shall be shared in equal proportion, by the WtE

Developer and the DISCOM.

- c) Any one-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 close 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 25 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 land 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 and strike for replacement value.
- 6.4 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) For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.
 - (iii) 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.
 - (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 Commercial Operation Date.
- 6.5 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).

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). 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 modification from time to time as per the directions of APERC.

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 : Mr. ,
M/s ,

Telephone : +91

Fax : +91

Email :

If to the DISCOM:

Attention :
.

Fax No. :

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.

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 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 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, 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’ 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.

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 creditworthiness 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 repudiates 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) 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 and the WtE Developer is unable to recover the amount outstanding to the WtE Developer through the Letter of Credit, 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 over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to lawProvided 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 creditworthiness 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, with a copy to the representative of the lenders to the WtE Developer with whom the WtE Developer has executed the Financing Agreements, 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 that the selectee meets the eligibility requirements of 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.

10.5 Penalties in case of Delayed Commissioning

Under normal circumstances the Project has to be commissioned within Twenty-Four (24) months from the Effective Date. In the possibility of any potential delay, the WtE Developer shall make such information available to the Lead ULB and APDISCOM at the earliest. In case of delay in commissioning of the WtE Project for reasons not attributable to DISCOMS, the Construction Performance Security shall be encashed by the Lead ULB as per the terms provided in Clauses 9.2 of the Concession Agreement. Provided that if COD is delayed beyond 120 days after the Scheduled COD, the Lead ULBs shall, subject to the provisions of Article 28 of the Concession Agreement, be entitled to terminate the Concession Agreement and to appropriate the Construction Performance Security.

In case of delay in commissioning of the WtE Project due to non-availability of evacuation

facilities, DISCOM shall be liable to pay the Developer payments as deemed generation computed at 75% PLF at the Payable Tariff for the first Financial Year, subject to a maximum of 50% of the total Construction Performance Security furnished by the Developer.

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 WtE Developer and a senior officer designated by the DISCOM, 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 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.
- 11.5 In the event of any conflict of interpretation in terms and conditions between RFP document and the clarifications issued under this RFP or in case of any ambiguity, the provisions of PPA would prevail.

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 be done 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.
- 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 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 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 hereunder 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.
- 12.13 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.

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;
- the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;
- 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 WtE Developer;

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.

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

For and behalf of

_____ **POWER DISTRIBUTION
COMPANY OF ANDHRA PRADESH
LIMITED**

WITNESS

1.

By:

For and behalf of M/s.

WITNESS

1.

By:

-

-

SCHEDULE

Schedule 1

Particulars of the Project

(Referred to in the Preamble to the Agreement)

NAME OF THE PROJECT AND ADDRESS	LOCATION	INJECTION VOLTAGE (kV)	33/11 kV SUBSTATION or 132 kV/33 kV SUBSTATION	INTERCONNECTION POINT	TYPE OF PROJECT	CAPACITY OF THE PROJECT (MW)
M/s.			--		WtE	

* _____ is the Installed Capacity of the WtE Plant.

* _____% is the Auxiliary Consumption of the WtE Plant.

* _____MW is for export to grid for sale to DISCOM.

Schedule 2

(Refer Section 22 of the RFP Document)

Letter Comprising the Financial Proposal

Dated:

To,

The Vice Chairman & Managing Director,

New and Renewable Energy Development Corporation of Andhra Pradesh Limited (NREDCAP)

Regd. Office: 12-464/5/1, River Oaks Apartment,

CSR Kalyana Mandapam Road, Tadepalli,

Guntur District, AP – 522501.

Tel.: 0863-2347650/51/52/53

Sub: Bid for the Project - Municipal Solid Waste (MSW) to Energy Processing Facility in Andhra Pradesh

Dear Sir,

1. With reference to your RFP document dated _____, I/we, having examined the Bidding Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.
2. I/ We acknowledge that the Authorized Representative will be relying on the information provided in the Bid and the documents accompanying the Bid for selection of the Concessionaire for the aforesaid Project, and we certify that all information provided therein is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying the Bid are true copies of their respective originals.
3. This statement is made for the express purpose of our selection as Concessionaire for the development of the aforesaid Project.
4. I/ We shall make available to the Authorized Representative any additional information it may find necessary or require to supplement or authenticate the Bid.

5. I/ We acknowledge the right of the Authorized Representative to reject our Bid without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever
6. I/ We certify that in the last three years, we/ any of the Consortium Members or our/ their Associates have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award, nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.
7. I/ We declare that:
 - a. I/ We have examined and have no reservations to the Bidding Documents, including any Addendum issued by the Authorized Representative;
 - b. I/ We do not have any conflict of interest in accordance with Clause 3.3 of the RFP document;
 - c. I/ We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 3.4 of the RFP document, in respect of any tender or request for proposal issued by or any agreement entered into with the Authorized Representative or any other public sector enterprise or any government, Central or State; and
 - d. I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Section 3.4 of the RFP, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
8. I/ We understand that you may cancel the Bidding Process at any time and that you are not bound to accept any Bid that you may receive for the Project, without incurring any liability to the Bidders, in accordance with Clause 8 of the RFP document.
9. I/ We believe that we/ our Consortium satisfy(s) the Net Worth criteria and meet(s) the requirements as specified in the RFP document.
10. I/ We declare that we/ any Member of the Consortium, or our/ its Associates are not a Member of a/ any other Consortium submitting a Bid for the Project.
11. I/ We certify that in regard to matters other than security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our

ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.

12. I/ We further certify that in regard to matters relating to security and integrity of the country, we/ any Member of the Consortium or any of our/ their Associates have not been charge-sheeted by any agency of the Government or convicted by a Court of Law.
13. I/ We further certify that no investigation by a regulatory authority is pending either against us or against our Associates or against our CEO or any of our directors/ managers/ employees.
14. I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the guidelines referred to above, we shall intimate the Authorized Representative of the same immediately.
15. I/ We acknowledge and agree that in the event of a change in control of an Associate whose Technical Capacity and/ or Financial Capacity was taken into consideration for the purposes of short-listing and qualification under and in accordance with the RFP, I/We shall inform the Authorized Representative forthwith along with all relevant particulars and the Authorized Representative may, in its sole discretion, disqualify our Consortium or withdraw the Letter of Award, as the case may be. I/We further acknowledge and agree that in the event such change in control occurs after signing of the Concession Agreement and the Power Purchase Agreement but prior to Financial Close of the Project, it would, notwithstanding anything to the contrary contained in the Agreement, be deemed a breach thereof, and the Concession Agreement and the Power Purchase Agreement shall be liable to be terminated without the Authorized Representative being liable to us in any manner whatsoever.
16. The power of attorney for signing of Bid and the power of attorney for Lead Member of consortium as per format provided at Annex 3A and Annex 3B respectively of the RFP, are also enclosed.
17. I/ We understand that the Selected Bidder shall either be an existing Company incorporated under the Companies Act 1956/2013 or shall incorporate as such prior to execution of the Concession Agreement and the Power Purchase Agreement.
18. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Authorized Representative in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above-mentioned Project and the terms and implementation thereof.
19. In the event of my/ our being declared as the Selected Bidder, I/we agree to enter into a Concession Agreement and the Power Purchase Agreement in accordance with the model documents that has been provided to me/ us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid documents and agree to abide by the same.

20. I/ We have studied all the Bidding Documents carefully and also surveyed the other project details. We understand that except to the extent as expressly set forth in the Concession Agreement and the Power Purchase Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the Authorized Representative or in respect of any matter arising out of or relating to the Bidding Process including the award of Concession.
21. I/ We offer a Earnest Money Deposit of INR..... (INR equivalent to INR 20,00,000 per MW of Contracted Capacity) to the Authorized Representative in accordance with the RFP Document.
22. The Earnest Money Deposit in the form of Bank Guarantee is attached.
23. I/ We agree and understand that the Bid is subject to the provisions of the Bidding Documents. In no case, I/we shall have any claim or right of whatsoever nature if the Project / Concession is not awarded to me/us or our Bid is not opened or rejected.
24. The Financial Proposal has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP, Model Concession Agreement, Model Power Purchase Agreement, our own estimates of costs and after a careful assessment of the site and all the conditions that may affect the project cost and implementation of the project.
25. I/ We agree and undertake to abide by all the terms and conditions of the RFP document.
26. {We, the Consortium Members agree and undertake to be jointly and severally liable for all the obligations of the Concessionaire under the Concession Agreement till occurrence of Financial Close in accordance with the Concession Agreement.}
27. I/ We shall keep this offer valid for 180 (one hundred and eighty) days from the Bid Due Date specified in the RFP.
28. I/ We hereby certify that our financial proposal is after considering the VGF of INR 30 crores which will be provided by the GoAP/ GoI as per the terms and conditions of RFP.
29. I/ We hereby submit our Bid and offer the following: Quoted Capacity at the Interconnection Point and the first year Quoted Tariff for the sale of energy for undertaking the aforesaid Project in accordance with the Bidding Documents, Concession Agreement and the Power Purchase Agreement.

Name of the Cluster: _____

Installed Capacity (in MW): _____

Auxiliary Consumption (in %): _____

Bid parameter	Unit	Value (in number)	Value (in words)
1. Quoted Capacity	MW		
2. Quoted Tariff (T)	INR/kWh		
a. Component A	INR/kWh		
b. Component B	INR/kWh		
c. Component C	INR/kWh		
3. Land Requirement (excluding Scientific Landfill area)	acres		

In witness thereof, I/we submit this Bid under and in accordance with the terms of the RFP document.

Yours faithfully,

Date: (Signature, name and designation of the Authorized signatory)

Place: Name and seal of Bidder/ Lead Member

Note: Paragraphs in curly parenthesis may be omitted by the Bidder, if not applicable to it, or modified as necessary to reflect Bidder-specific particulars.