

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452 website www.tssouthernpower.com

From
The Chief General Manager (IPC),
TSSPDCL, Corporate Office,
6-1-50, Ground Floor, Mint Compound,
Hyderabad – 500 063.

To
The Commission Secretary,
TSERC, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad.

Lr No.CGM (IPC)/SE(IPC)/F. NTPC CPSU /D. No 1366/21, dt: 12 -02-2022.

Sir,

Sub: - TSSPDCL –RE projects – Power Usage Agreement (PUA) entered by TS Discoms with NTPC Limited for purchase of 400 MW, 923 MW and 369 MW (total 1692 MW) Solar Power from NTPC ISTS Connected Solar Power Projects under CPSU Scheme – Consent – Requested –Regarding.

- Ref:- 1. Lr.No.TSERC/Secy/JE(TE)/F.No.E-250094&98/D.No.471/21, dated:23.09.2021.
2. Lr.No.CGM(IPC&RAC)/SE(IPC)/F.NTPC CPSUScheme/D.No.633/21 Dated 21.08.2021
3. Lr.No.TSERC/Secy/JE(TE)/F.No.E-250094&98/D.No.321/21, dated:25.06.2021.
4. . Lr.No.CGM(IPC)/SE(IPC)/F.NTPC CPSU/D.No.1250/21, Dated 21.01.2022

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In continuation to the letter under ref (4) cited, it is to submit that TSDiscoms entered supplemental Power Usage agreements with NTPC Limited duly amending the certain clauses in the Power Usage Agreements. The details of Supplemental Agreements are as follows:

Sl.No	Name of the seller	Capacity in MW	Date of signing of PUA	Date of Supplemental PUA	SCOD as Supplemental PUA
1	NTPC Solar PV Project, Bikaner, Rajasthan	250	30.12.2019	30.12.2020	28.02.2022
2	NTPC Solar PV Project, Jaisalmer, Rajasthan	150	30.12.2019	30.12.2020	28.02.2022
3	NTPC Solar PV Project, Shambuki, Bikaner, Rajasthan	300	13.03.2020	30.12.2020	27.04.2022
4	NTPC Solar PV Project, Nokhra, Bikaner, Rajasthan	300	13.03.2020	30.12.2020	28.02.2022
5	NTPC Solar PV Project, Fatehgarh, Rajasthan	296	13.03.2020	30.12.2020	27.04.2022
6	NTPC Solar PV Project, Devikot, Jaisalmer, Rajasthan	90	13.03.2020	30.12.2020	19.02.2022

In view of the above, the Hon'ble Commission is requested to accord consent to the Power Usage Agreements (PUAs) and above said Supplemental Agreements signed with NTPC for procurement of 1692 MW solar power from NTPC ISTS connected Solar Power Projects under CPSU Scheme.

Yours faithfully,



P.Krishnaiah
Chief General Manager (IPC)
seipctsspdcl@gmail.com
9490603671

Copy submitted to:

The Executive Director (Comml)/TSPCC/Vidyut Soudha/ Hyderabad.

Copy to

The Chief General Manger /IPC/TSNPDCL/Hanmakonda/Warangal.

SUPPLEMENTARY POWER USAGE AGREEMENT

(AMENDMENT NO. 1)

FOR

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited


For


Supply of 300 MW Solar Power

From

NTPC SOLAR PV STATION OF 300 MW

at Nokhra, Bikaner, Rajasthan


R. VENKATESH
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द से. यु. क्वार्टर, सिड्डीपी
NTPC Limited SRI-12 Kavalipada, Saurashtra


Chief Commercial Manager/IPC & RAC
NTPC Limited, Computer House
NTPC Limited, SRI-12 Kavalipada, Saurashtra



Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana

C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines **“Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)”** issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called **“CPSU Scheme”**

E. AND WHEREAS vide its letter dated 19th Dec 2020, Telangana State power Coordination committee has conveyed its request to modify the provision 3.5 of the signed PUA.

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[Signature]

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F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
2.2	Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021	Scheduled Date of Commencement for Supply of Power shall be 28.02.2022
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without


आर वेकटेश
R VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-50



	any liability on NTPC. Parties further agree that in case if full capacity part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power, parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.
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Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 13/03/2020 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above

For and on behalf of NTPC Ltd



Name and Designation

अर. वेंकटेश

R. Venkatesh


अर. म. (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी सी लिमिटेड, एन टी सी बिल्डिंग, सिन्दूरबाग, हैदराबाद-500 063.

NTPC Limited, SRHC Building, Secunderabad.

Witness

(1) 

K. Hema

SE/IPC/TSPEC

(2) 

Kalyani Kimidi, DGM (comm.)

SRHA, NTPC Ltd.

For and on behalf of Power User



Name and Designation
Chief General Manager/IPC & RAC

TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

T. MADHUSUDHAN

Chief General Manager
IPC & RAC TSNPDCL,
Warangal.

SUPPLEMENTARY POWER USAGE AGREEMENT

(AMENDMENT NO. 1)

FOR

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited


For


Supply of additional 63MW Solar Power

From

NTPC SOLAR PV STATION OF 90 MW

at Devikot Village, Jaisalmer- Rajasthan


आर. वेंकटेश
R VENKATESH
अवर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द से नु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited SRHO Kavadiguda, Secunderabad-50


NTPC Limited, Corporate Office,
Murl Compound, Hyderabad-500 063





తెలంగాణ తెలంగాణ TELANGANA
 SI.No. 1165 Date 18/12/2020 Rs. 100/-
 Sold to R. Venkatesh
 S/o. W/o. C. Komaragiah
 For whom NTPC Ltd

Reddy Y 722477
 P. J. ANJAN KANTH REDDY
 Licensed Stamp Vendor
 S.No. 16-08-082 of 2012
 Dt. 16-08-2018
 Hyderabad Tower,
 Hyderabad-500 003.
 Phone No. 9278371455

This Supplemental Agreement to the Power Usage Agreement signed between NTPC Ltd and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited having effective date of 13.03.2020 is signed on 30.12.2020 at Hyderabad.

Between

between NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first party;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which

R. VENKATESH
 అధికారి (వాణిజ్య) (Commercial)
 Addl General Manager (Commercial)
 ఎన్ టి పీ లిమిటెడ్, డి.ఎస్.ఎం. కాంప్లెక్స్, సికింద్రాబాద్ 500 003
 NTPC Limited SRH, Kavadiguda, Secunderabad-500 003

[Signature]

[Signature]

Chief Engineer


expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 90 MW Solar PV Power Station named as NTPC 90 MW Solar PV Station at Devikot Village, Distt: Jaisalmer, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 13.03.2020 for supply of 27 MW i.e. 30% of 90 MW power from NTPC SOLAR PV STATION OF 90 MW at Devikot Village, Jaisalmer- Rajasthan.
- E. AND WHEREAS vide its letter dated 19.12.2020 Telangana has conveyed its consent for


R VENKATESH
आवर महसुसधक (वाणिज्यक)
Addl. General Manager (Commercial)
न एं पी सी लिमिटेड, ८६ नु, कवडीमुग, सिकंदराबाद ५०
NTPC Limited, SRHC Kavadiguda Secunderabad 50


General Manager/IPC & RAC
TSDCL, Core and Office,
Mini Coalfields, Hyderabad-500 083.

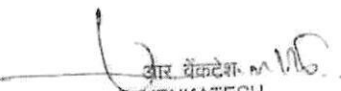



Usage of remaining 63 MW power from aforesaid NTPC Solar PV Station of 90 MW at Devikot Village, Jaisalmer- Rajasthan.

- F. AND WHEREAS parties agree that remaining 70% of 90 MW i.e. 63 MW of Solar PV Power from NTPC 90 MW Solar PV Station at Devikot Village, Distt: Jaisalmer, Rajasthan shall also be allocated to Telangana Discoms making 100% allocation i.e. full 90 MW to Telangana

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:


Article	Existing Provision	Revised Provision
2.1.	The Installed capacity of the Station is proposed to be 90 MW and 27 MW shall be the Contracted Capacity (i.e. 30 %) with Power User.	The Installed capacity of the Station is 90 MW and full capacity of the Station i.e. 90 MW shall be the Contracted Capacity (i.e. 100 %) with Power User.
2.2	Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021.	Scheduled Date of Commencement for Supply of Power from 90 MW solar PV station shall be 19 th Feb 2022.
3.5	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity for 90 MW capacity shall be paid @ Rs 2.74 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation



H. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, दक्षिण, कवाडीगुडा, सिकंदराबाद-50.
NTPC Limited, SRHQ, Kavadi guda, Secunderabad-50.


Chief General Manager
TSSPDCL, Corporate Office,
Mini Corporation, Hyderabad-500003


J. S. REDDY
4

		system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without any liability on NTPC. Parties further agree that in case if full capacity /part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power, parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.
3.7	The maximum Annual CUF against the contracted capacity (i.e. 27MW) is 27.02% (63.95 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.	The maximum Annual CUF against the contracted capacity (i.e. 90 MW) is 27.02% (213.17 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges
3.8	After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 44.97 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount,	After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 149.90 MU from 90 MW station on Annual basis (i.e. 19% Annual CUF),


 R. VENKATESH
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 एन टी पी सी लिमिटेड, द डी यू, कावाडीगुडा, सिकंदराबाद-50
 NTPC Limited SPHQ, Kawadiguda Secunderabad-50



 General Manager/IPC & RAC



	NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.	for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.
6.1	The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.86 /kWh. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.	The Usage Charges for the contracted capacity i.e. 90 MW shall be as per the Schedule 1. The Usage Charges for the contracted power i.e. 90 MW supplied from the Solar PV Station shall be payable by the Power User @ Rs 2.74/kWh. The Usage Charges for the full 90 MW contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.

Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 13.03.2020 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above


For and on behalf of NTPC Ltd

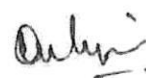


Name and Designation

आर. वेंकटेश
R. VENKATESH
अवर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द श्रेष्ठ, कवाडीगुडा, सिकंदराबाद-५०००८०.
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080

Witness

(1)  K. Hema
SE/IPC/TSPCC


(2)  Kalyani Kemidi
DGM (Comm.)
SRHQ, NTPC Ltd.

For and on behalf of Power User



Name and Designation

Chief General Manager, IPC & TSPCC
TSSPDCL, Compound, Hyderabad-500083
Mint Compound, Hyderabad-500083


T. MADHUSUDHAN
Chief General Manager,
IPC & TSPCC,
Warangal.

SCHEDULE -I

Project	PPA dated 13th March 20		Additional Capacity offered		Final Tariff for full 90 MW capacity	
capacity	27	MW	63	MW	90	MW
CUF	27.02	%	27.02	%	27.02	%
Generation	63.95	MU/year	149.22	MU/year	213.17	MU/year
Tariff	2.86	Rs/kWh	2.69	Rs/kWh	2.74	Rs/kWh



आर. वेन्कटेश
R VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द डी.एम. कवाडगुडा, सिकंदराबाद-50.
NTPC Limited, SRHQ Kavadiguda, Secunderabad-50



अपर महाप्रबंधक/IPC & RAC
TSSPDCL, Corporate Office,
Joint Compound, Hyderabad-500 063.



SUPPLEMENTARY POWER USAGE AGREEMENT

(AMENDMENT NO. 1)

FOR

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited


For


Supply of 300 MW Solar Power

From

NTPC SOLAR PV STATION OF 300 MW

at ShambukiBurj, Bikaner, Rajasthan


R. VENKATESH
अध्यक्ष (आवधिकार)
अधीक्षक (आवधिकार) (Commercial)
अधीक्षक (आवधिकार) (Commercial)
अधीक्षक (आवधिकार) (Commercial)
अधीक्षक (आवधिकार) (Commercial)
अधीक्षक (आवधिकार) (Commercial)


Chief General Manager NTPC & RAC
TSSPDCL Corporate Office,
Mint Complex, Bikaner Road-500 063.





S.No. 114 Date 24-11-2020 Rs. 100/-
Selling to R. Venkatesh
S/o D/o W/o Komarathiah
For Whom NTPC Ltd. R/O Secbad

AA 874756

[Signature]

P. SHYAMALA
LICENCED STAMP VENDOR
L.No 15-16-002/2020
H.No 10-40, Prem Vijay Nagar Colony
New Mirzapada, M.M. Dist.
Cell: 9700555751

This Supplemental Agreement to the Power Usage Agreement signed between Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited having effective date of 13/03/2020 is signed on 30/12/2020 at Hyderabad.

Between

NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which

[Signature]
R. VENKATESH
Chief General Manager (Commercial)
S/o D/o W/o Komarathiah
Secbad, New Mirzapada, Secunderabad

[Signature]
Chief General Manager (Commercial)
S/o D/o W/o Komarathiah
Secbad, New Mirzapada, Secunderabad

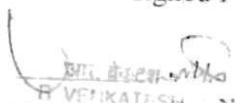



expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

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WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 300 MW Solar PV Power Station named as NTPC 300 MW ShambukiBurj Solar PV Station at Shambu ki Burj, Bikaner, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 13/03/2020 for supply of 300 MW from NTPC SOLAR PV STATION Of 300 MW at ShambukiBurj, Bikaner - Rajasthan.
- E. AND WHEREAS vide its letter dated 19th Dec 2020, Telangana State power Coordination committee has conveyed its request to modify the provision 3.5 of the signed PUA.


R. VENKATESH
General Manager (Operations)
Southern Power Distribution Company
of Telangana Limited
Hyderabad



Chief General Manager / IPC & RAC
15, ...
Mumbai




F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
2.2	Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e.12.08.2021	Scheduled Date of Commencement for Supply of Power shall be 27.04.2022
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without


R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द व्हे मु, कवाडीगुडा, सिकंदराबाद-50
N.T.C Limited, SRHQ, Kavadiguda, Secunderabad-50


Chief General Manager/IPC & RA
TSC, TCC, Corporate Office,
Mint Compound, Hyderabad-500 063



any liability on NTPC. Parties further agree that in case if full capacity part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power. parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.

Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 13/03/2020 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above

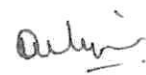
For and on behalf of NTPC Ltd




Name and Designation
आर वेकटेश
R. VENKATESH
अवर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन सी ई लिमिटेड, द डी यू, कल्याणीमिडि, तेलंगणा राज्य
Plot No. 1 SHHQ, Kalyanigudi, Secunderabad.


Witness

(1) 
SL/2PC/-19/02

(2) 
Kalyani Kimidi
DGM (Comm.)
SRHQ, NTPC Ltd.

For and on behalf of Power User


Chief General Manager/IPC & RAC
TSNPDCL District Office,
Mint Compound, Hyderabad-500 063.


Chief General Manager
IPC & RAC TSNPDCL,
Warangal.

SUPPLEMENTARY POWER USAGE AGREEMENT

(AMENDMENT NO. 1)

FOR

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited


For


Supply of 296 MW Solar Power

From

NTPC SOLAR PV STATION OF 296 MW

at Fatehgarh, Jaisalmer, Rajasthan


R. V. LAKSHMI
अध्यक्ष (महानिदेशक)
Gen. Mgr. (Commercial)
NTPC Limited, SPHQ, Kalyan Nagar, Secunderabad-500015


NTPC Limited, SPHQ, Kalyan Nagar, Secunderabad-500015





తెలంగాణ తేలంగానా TELANGANA
S.No. 1252 Date 24/12/2020

Sold to R VENKATESH, S/o. KOMARAIHAH,

FOR WHOM: NTPC Ltd, Hyderabad

AE 248057
CH. ARUNA

LICENSED STAMP VENDOR, LIC No. 15-10-039/18
H.No. 1-58/20, Flat No. G-4, Vamshi Residency
Sai, Nagar Colony, Madeenaguda, R.R. Dist,
Ph: 9948040896

This Supplemental Agreement to the Power Usage Agreement signed between NTPC Ltd and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited having effective date of 13/03/2020 is signed on 30/12/2020 at Hyderabad.

Between

NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which

అధికారి
R VENKATESH
అధికారి (వర్తమాన)
Additional General Manager (Commercial)
NTPC Limited SRHO, Kavaratti, Secunderabad

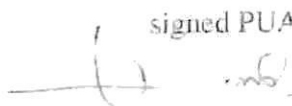


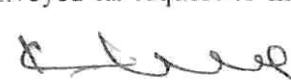
expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 296 MW Solar PV Power Station named as NTPC 296 MW Fatehgarh Solar PV Station at Jaisalmer, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 13/03/2020 for supply of 296 MW from NTPC SOLAR PV STATION Of 296 MW at Fatehgarh, Jaisalmer - Rajasthan.
- E. AND WHEREAS vide its letter dated 19th Dec 2020, Telangana State power Coordination committee has conveyed its request to modify the provision 3.5 of the signed PUA.


R. VENKATACHARI
Joint Secretary (Communication)
Department of Power
Government of Telangana
Hyderabad


Joint Secretary (PC & RAC)
Department of Power
Government of Telangana
Hyderabad



F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
2.2	Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021	Scheduled Date of Commencement for Supply of Power shall be 27.04.2022
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without

अर वेंकटेश
R. VENKATESH
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०८००१
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50



	any liability on NTPC. Parties further agree that in case if full capacity part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power. parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.
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Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 13/03/2020 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above


For and on behalf of NTPC Ltd

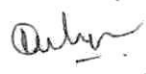


Name and Designation

आर वेकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SRHQ Kavadiaguda, Secunderabad-50

Witness


(1) 
K. Hema
SE/2PC/7SPCC

(2) 
Kalyani Kimidi
DGM (Comm.)
SRHQ, NTPC Ltd.

For and on behalf of Power User



Name and Designation


Chief General Manager
IPC & RAC TSNPDCL,
Warangal.

SUPPLEMENTARY POWER USAGE AGREEMENT

(AMENDMENT NO. 1)

FOR

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of 250 MW Solar Power

From

NTPC SOLAR PV STATION OF 250 MW

at Kolayat, Bikaner Rajasthan



आर वेकटेश

R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

नॉर्थ पावर डिस्ट्रिब्यूशन कंपनी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-500 063

NTPC Limited, SRHQ, Kavadiguda, Secunderabad-500



Chief General Manager/IPC & RAC

PDCL, Corporate Office,

PDCL Compound, Hyderabad-500 063





తెలంగాణ తెలంగాణ TELANGANA
S.No. 1393 Date 24/12/2020

AE 248073
CH. ARUNA

Sold to R/VENKATESH, S/o. KOMARAIHAH,

LICENSED STAMP VENDOR, LIC No. 15-10-039/18
H.No. 1-58/20, Flat No. G-4, Vamshi Residency
Sai, Nagar Colony, Madeenaguda, R.R. Dist,
Ph: 9948040896

FOR WHOM: NTPC Ltd, Hyderabad

This Supplemental Agreement to the Power Usage Agreement signed between NTPC Ltd and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited having effective date of 30/12/2019 is signed on 30/12/2020 at Hyderabad.

Between

NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

R. VENKATESH

అధ్యక్షుడు (నాటిక)

అధ్యక్షుడు (నాటిక)

అధ్యక్షుడు (నాటిక)

అధ్యక్షుడు (నాటిక)




2

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 250 MW Solar PV Power Station named as NTPC 250 MW, Kolayat Solar PV Station at Kolayat, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 30/12/2019 for supply of 250 MW from NTPC SOLAR PV STATION Of 250 MW at Kolayat- Rajasthan.
- E. AND WHEREAS vide its letter dated 19th Dec 2020, Telangana State power Coordination committee has conveyed its request to modify the provision 3.5 of the signed PUA.
- F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

आर वेण्कटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
अपर General Manager (Commercial)
नारायण गो विनिमय, दक्षिण, कलैया, राजस्थान
NTPC Limited, South, Kolayat, Rajasthan


अपर महाप्रबंधक/IPC & RA
अपर General Manager/IPC & RA
नारायण गो विनिमय, दक्षिण, कलैया, राजस्थान
NTPC Limited, South, Kolayat, Rajasthan



NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
2.2	Scheduled Date of Commencement for Supply of Power shall be 21 Months from signing of this agreement i.e.29.09.2021.	Scheduled Date of Commencement for Supply of Power shall be 28.02.2022
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without any liability on NTPC. Parties further agree that in case if full capacity /part capacity of transmission system is made available on any earlier date and NTPC station is also ready to

आर. वेण्कटेश
R. VENKATESH
अपर मैनेजर (वणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द वे नु, कवडीगुडा, सिकंदराबाद, तं.
NTPC Limited, SRHO, Kavaliiguda, Secunderabad-50

Chief General Manager
TSSPDCL



transfer power, parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.

Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 30/12/2019 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above

For and on behalf of NTPC Ltd



Name and Designation

R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

न टी पी सी लिमिटेड, द से मु. कवाडीगुडा, सिकंदराबाद-५०० ०६३
NTPC Limited, SRHQ, Kavadiguda, Secunderabad-500 063

For and on behalf of Power User



Name and Designation

Chief General Manager/IPC & RAC

TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063

Witness

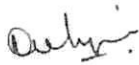
(1)



K. Hema

SE/IPC/TSPCC

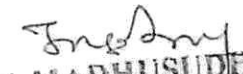
(2)



Kalyani Limidi

DAN (Commercial)

SRHQ, NTPC Ltd.


T. MADHUSUDHAN
Chief General Manager
IPC & RAC TSNPDCL,
Warangal.

SUPPLEMENTARY POWER USAGE AGREEMENT

(AMENDMENT NO. 1)

FOR

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of 150 MW Solar Power

From

NTPC SOLAR PV STATION OF 150 MW

at Devikoot, Jaisalmer, Rajasthan

[Handwritten signature]

आर. वेंकटेश

R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी पी सी लिमिटेड, द डी यू, कवाडीगुडा, सिकंदराबाद-५०

NTPC Limited, SRI-UG, Kavaniguda, Secunderabad-50

[Handwritten signature]





తెలంగాణ తేలంగానా TELANGANA

S.No. 1753 Date 24/12/2020

Sold to R VENKATESH, S/o. KOMARAIHAH,

FOR WHOM: NTPC Ltd, Hyderabad

AE 248053
CH. ARUNA

LICENSED STAMP VENDOR, LIC No. 15-10-039/18
H.No. 1-58/20, Flat No. G-4, Vamshi Residency
Sai, Nagar Colony, Madeenaguda, R.R. Dist,
Ph: 9948040896

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Between

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And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which

ఆర్ వెంకటేశ

R. VENKATESH

అధ్యక్షుడు (వాణిజ్య)

Addl General Manager (Commercial)

ఎన్ టీ సీ లిమిటెడ్, డి.కె.ఎం. కవాడగూడ, సికందరాబాద్-50
NTPC Limited, S.H.O. Kavadiguda, Secunderabad-50





F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
2.2	Scheduled Date of Commencement for Supply of Power shall be 21 Months from signing of this agreement i.e.29.09.2021.	Scheduled Date of Commencement for Supply of Power shall be 28.02.2022.
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without



	any liability on NTPC. Parties further agree that in case if full capacity part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power, parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.
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Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 30/12/2019 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above


For and on behalf of NTPC Ltd

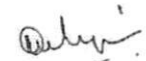


Name and Designation

आर. वेण्कटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द क्षे. मु. कवाडीगुडा, सिकंदराबाद-60.
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-60.

Witness

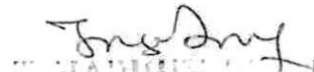
(1) 
K Hema
SE/2PC/7SPCC

(2) 
Kalyani Kimidi, DGM (comm.)
SRHQ, NTPC Ltd.

For and on behalf of Power User



Chief General Manager/IPC & RAC
Name and Designation
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.


Chief General Manager,
IPC & RAC TSNPDCL,
Warangal.



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452 website www.tssouthernpower.com

From
The Chief General Manager (IPC),
TSSPDCL, Corporate Office,
6-1-50, Ground Floor, Mint Compound,
Hyderabad – 500 063.

To
The Commission Secretary,
TSERC, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad.

Lr No.CGM (IPC)/SE(IPC)/F. NTPC CPSU /D. No 125021, dt: 21 -01-2022.

Sir,

Sub: - TSSPDCL –RE projects – Power Usage Agreement (PUA) entered by TS Discoms with NTPC Limited for purchase of 400 MW, 923 MW and 369 MW (Total 1692 MW) Solar Power from NTPC ISTS Connected Solar Power Projects under CPSU Scheme – Consent – Requested –Regarding.

- Ref:- 1. Lr.No.TSERC/Secy/JE(TE)/F.No.E-250094&98/D.No.471/21,
dated:23.09.2021.
2. Lr.No.CGM(IPC&RAC)/SE(IPC)/F.NTPC CPSUScheme/D.No.633/21
Dated 21.08.2021
3. Lr.No.TSERC/Secy/JE(TE)/F.No.E-250094&98/D.No.321/21,
dated:25.06.2021.

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In continuation to the letter under ref (2) cited, it is to submit that NTPC filed petition No.174/AT/2021 under section 63 of Electricity Act, 2003 before the Hon'ble CERC for adoption of usage charges for 1,692 MW Solar Photovoltaic (PV) Power Station (Tranche-I & II) connected to the Inter-State Transmission System and selected through competitive bidding process under Central Power Sector Undertaking (CPSU) Scheme Phase-II dated 5.3.2019 as per the Standard Bidding Guidelines of Ministry of Power dated 3.8.2017. A copy of order is here with submitted for ready reference.

In view of the above, the Hon'ble Commission is requested to accord consent to the Power Usage Agreement (PUA) signed with NTPC for procurement of 1692 MW solar power from NTPC ISTS connected Solar Power Projects under CPSU Scheme.



Yours faithfully,

P.Krishnaiah
Chief General Manager (IPC)
seipctsspdcl@gmail.com
9440813512

Copy submitted to:

The Executive Director (Comml)/TSPCC/Vidyut Soudha/ Hyderabad.

Copy to

The Chief General Manger /IPC/TSNPDCL/Hanmakonda/Warangal.

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 174/AT/2021

Coram:

Shri P. K. Pujari, Chairperson

Shri I. S. Jha, Member

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 13th December, 2021

In the matter of

Petition under Section 63 of the Electricity Act, 2003 for adoption of usage charges for 1,692 MW Solar Photovoltaic (PV) Power Station (Tranche-I & II) connected to the Inter-State Transmission System and selected through competitive bidding process under Central Power Sector Undertaking (CPSU) Scheme Phase-II dated 5.3.2019 as per the Standard Bidding Guidelines of Ministry of Power dated 3.8.2017.

And

In the matter of

NTPC Limited,
Institutional Area, Lodhi Road,
New Delhi – 110 003

... Petitioner

Vs

1. Solar Energy Corporation of India Limited,
1st Floor, Prius Platinum,
D-3 District Centre, Saket,
New Delhi – 110 017

2. Southern Power Distribution Company of Telangana Limited,
6-1-50, Mint Compound,
Hyderabad, Telangana – 500 063.

3. Northern Power Distribution Company of Telangana Limited,
Vidyuth Bhavan, Nakkalagutta,
Hanamkonda, Warangal,
Telangana – 506 001.

... Respondents

The following were present

Shri Venkatesh, Advocate, NTPC
Shri Suhael Buttan, Advocate, NTPC
Shri Jatin Ghuliani, Advocate, NTPC
Shri Anant Singh Ubeja, Advocate, NTPC
Shri Rishub Kapoor, Advocate, NTPC
Shri M. G. Ramachandran, Sr. Advocate, SECI
Ms. Tanya Sareen, Advocate, SECI
Ms. Poorva Saigal, Advocate, SECI
Shri Ishpaul Uppal, NTPC
Shri V V Sivakumar, NTPC
Ms. Neha Singh, SECI
Shri M. Karukkuvel, SECI

ORDER

The Petitioner, NTPC Limited ('NTPC'), has filed the present Petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for adoption of usage charges for 1692 MW solar photovoltaic power projects (Tranche-I & II) connected to inter-State Transmission System ('ISTS') and selected through competitive bidding process under the 'Central Public Sector Undertaking Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies' dated 5.3.2019 (hereinafter referred to as 'the CPSU Scheme Phase-II') as per the "Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects" (hereinafter referred to as 'the Standard Bidding Guidelines') dated 3.8.2017 issued by Ministry of Power, Government of India. The Petitioner has made the following prayers:

"(a) Admit the present petition;

(b) Adopt the Usage Charges for 1692 MW Solar Power Projects discovered through competitive bidding carried out by the Respondent No.1 in terms of CPSU Scheme;

(c) Pass such other further order/orders, as may be deemed fit and proper in the facts and circumstances of the case."

Submission of the Petitioner

2. The Petitioner, NTPC has submitted that on 5.3.2019, Ministry of New and Renewable Energy ('MNRE'), Government of India notified the CPSU Scheme Phase-II for setting-up 12,000 MW grid-connected solar PV power projects by the Government Producers with Viability Gap Funding ('VGF') for self-use or use by Government/ Government entities, either directly or through Distribution Companies ('Discoms'). The said scheme was issued under the provisions of Section 63 of the Act for long term procurement of electricity by the 'Procurers' from grid-connected solar PV power projects through competitive bidding. Under the CPSU Scheme Phase-II, the Respondent No.1, Solar Energy Corporation of India Limited ('SECI') issued Request for Selection ('RfS-1') for setting up of 2000 MW grid connected solar PV projects in India (Tranche-I) on 15.3.2019. Thereafter, SECI also issued Request for Selection ('RfS-2') for selection of Solar Power Developers for setting-up of 1500 MW grid connected solar PV project anywhere in India (Tranche-II) under the CPSU Scheme Phase-II. The result of the bidding process under Tranche-I was declared on 20.8.2019 and pursuant thereto, NTPC was allocated 769 MW out of 2000 MW and was issued the Letter of Award ('LoA') dated 28.9.2019 for the aforesaid capacity. The result of the bidding process under Tranche-II was declared on 8.11.2019 and pursuant thereto, NTPC was allocated 923 MW out of 1500 MW and was issued the LoA dated 25.11.2019 for the aforesaid capacity. Thus, the Petitioner, NTPC is required to set-up solar PV power projects having aggregate capacity of 1,692 MW

from both the tranches of bidding i.e. 769 MW from Tranche-I and 923 MW from Tranche-II. Pursuant to this, NTPC has entered into several Power Usage Agreements ('PUAs') with Telangana Discoms for supply of solar power to be generated by it through its solar PV power projects.

3. Subsequently, NTPC vide its letter dated 12.1.2021 requested SECI, the Bid Process Coordinator, to approach the Commission for approval and adoption of bids carried out by it under the CPSU Scheme Phase-II and the Standard Bidding Guidelines in view of the clause 10.4 of the Standard Bidding Guidelines, which requires the distribution licensee or Intermediary Procurers as the case may be to approach the Appropriate Commission for adoption of tariff by the Appropriate Commission in terms of Section 63 of the Act. However, SECI vide its letter dated 1.3.2021 refused to undertake the aforesaid course of action. Accordingly, the Petitioner has preferred the present Petition under Section 63 of the Act read with Section III Clause 21.15 of the RfS dated 15.3.2019 and 1.8.2019. In the present case, the solar PV projects have been established in the States of Rajasthan, Tamil Nadu and Gujarat and are supplying power to the State of Telangana. Therefore, it is a composite scheme for generation and sale of electricity in terms of Section 79(1)(b) of the Act and this Commission is the 'Appropriate Commission'. The Commission also exercises general regulatory power under Section 79(1)(a) of the Act in so far as the operation of the Petitioner, which is a generating company owned/ controlled by the Central Government, is concerned even if the Guidelines are silent on a particular aspect as settled by the Hon'ble Supreme Court in *Energy Watchdog v. CERC* [(2017) 14 SCC 80]. Therefore, adoption of Usage Charges by the Commission will be

consistent with the Scheme and provisions of Section 63 and Section 79(1)(a) of the Act.

Hearing dated 12.10.2021

4. The matter was called out for virtual hearing on 12.10.2021. During the course of hearing, the learned counsel for the Petitioner while detailing the provisions of the CPSU Scheme Phase-II and the bid process conducted thereunder, mainly submitted the following:

(a) NTPC has filed the instant Petition in its capacity as generator pursuant to selection as a successful bidder for setting up of 1,692 MW solar PV power projects in the competitive bid process conducted by SECI under the CPSU Scheme Phase-II.

(b) The CPSU Scheme Phase-II has been notified by MNRE, Government of India under Section 63 of the Act for setting up 12,000 MW grid-connected solar PV power projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through distribution companies.

(c) Government producer for the purpose of the CPSU Scheme Phase-II has been defined as an entity which is either directly controlled by the Central Government or State Government or is under the administrative control of Central Government or State Government or is a company in which Government is having more than 50% shareholding. A Government producer is eligible for assistance in setting-up solar PV power project. Thus, NTPC, being a Central PSU, qualified as the Government producer under the Scheme.

(d) Under the CPSU Scheme Phase-II, SECI was entrusted with the task of conducting the bidding amongst Government producers for allocation of solar PV power project capacity with VGF as a bid parameter to select the project proponent. While the maximum permissible VGF was kept at Rs. 0.70 crore/MW,

the actual VGF to be given to Government producer was to be decided through a competitive bid process with VGF as a bid parameter, with the ceiling usage charge of Rs.3.5/kWh specified in the Scheme.

(e) Pursuant to being selected as a successful bidder, the Petitioner has entered into several Power Usage Agreements with the Telangana Discoms for supply of solar power generated through its solar power PV project at mutually agreed usage charges of Rs. 2.86/kWh for 1323 MW capacity and of Rs. 2.69/kWh for 369 MW capacity, which are within the ceiling specified in the CPSU Scheme Phase-II.

(f) NTPC vide letter dated 24.3.2021 requested Telangana Discoms to approach TSERC for approval of power procurement. In response, Telangana Discoms vide their letter dated 15.4.2021 intimated the Petitioner to approach CERC for adoption of tariff and to communicate the order of CERC to Telangana Discoms for seeking consent of TSERC. Accordingly, the present Petition has been filed by the Petitioner seeking adoption of the usage charges.

5. After hearing the learned counsel for the Petitioner, the Commission enquired as to whether the usage charges can be termed as tariff determined through transparent process of bidding as specified under Section 63 of the Act. In response, the learned counsel submitted that in the present case, the competitive bid process has been conducted with VGF as the bid parameter specified in the CPSU Scheme Phase-II whereas the usage charges, the term that has been specified in the Scheme itself, are charges that have been mutually agreed between the Petitioner and the Telangana Discoms within the ceiling of Rs. 3.5/kWh specified in the Scheme.

6. The learned counsel also placed reliance on the Standard Bidding Guidelines dated 3.8.2017 and submitted that apart from tariff as a bid parameter, the Standard Bidding Guidelines also recognizes VGF as a bid parameter, wherein a pre-determined

tariff payable to Solar Power Developer and the maximum amount of VGF available to the Solar Power Developer are pre-specified and the selection of the developer/ bidder is to be done on the basis of VGF support quoted by the bidder.

7. The Commission observed that compared to the pre-specified tariff in VGF-based bid process, the usage charges in the present case are mutually agreed rates between the parties, within the ceiling rate specified in the Scheme. The Commission further observed that the issue in the present case is which and what is the usage charge discovered through the process of competitive bidding which is to be adopted by the Commission under Section 63 of the Act. The Commission also observed that the bid conducted in the present case was also limited/ restricted to the Government producers only and was not an open tender/ bid process.

8. In the background of aforesaid primary observations on the 'maintainability' of the present Petition, the Commission directed the Petitioner and the Respondents to file their respective response on the aforesaid observations/ queries of the Commission. The Respondent, SECI was also directed to file its response along with all the details relating to bidding process conducted by it under the Scheme e.g. bid documents including amendments thereto, bid evaluation report, conformity certificate and key milestones, etc., on affidavit.

Response of SECI

9. Respondent No.1, SECI vide its response dated 12.11.2021 has mainly submitted as under:

(a) Under the CPSU Scheme Phase-II, SECI in the capacity of nodal agency designated by Government of India conducted the competitive bidding process under Tranche-I and Tranche-II for selection of generating companies which should be 'Government Producer', the term which has been defined under the CPSU Scheme Phase-II so as to mean any entity which is either directly controlled by the Central Government or State Government or is under the administrative control of the Central Government or State Government or a company in which Government is having more than 50% shareholding.

(b) In terms of the CPSU Scheme Phase-II, the Government Producer will set up the solar PV power projects using domestically manufactured solar PV cells and modules for generating electricity for self-use or use by Government/ Government entities, either directly or through Discoms. Since domestically manufactured solar PV cells and modules will be used for power generation and solar PV power projects are to be set up and owned by Government Producers, the electricity produced is not meant for commercial sale, namely, to sell at the market driven prices to all and sundry. The CPSU Scheme Phase-II is, therefore, restricted both in terms of the production and use of electricity by the Government agencies, department and public sector entities, etc. and the same is not extended to others.

(c) Usage charges i.e. charges to be paid by the power user (Government entity/ CPSU/ State PSU) in respect of supply of electricity to them by the Government Producer is provided in the Scheme at Rs.3.50/kWh as the ceiling and subject to the same, the usage charges are to be mutually agreed between the two Government entities.

(d) The CPSU Scheme Phase-II is pursuant to the desire of the Central Government that the Government entities consuming power should be provided renewable power at an economical rate and for the purpose, Central Government decided to provide VGF to the Government Producers. In other words, the Government Producers will get VGF from the Central Government and consequentially the Government entity which is the ultimate beneficiary of usage

of power will pay lesser usage charges (mutually agreed) subject to the ceiling of Rs. 3.50/kWh prescribed in the Standard Bidding Guidelines.

(e) The Scheme contemplates Usage Agreement between the Government Producer and the Power User either directly or through local Discom for making available the renewable power at the specified usage charges.

(f) Tariff based competitive bid process in terms of Section 63 of the Act was held for selection of the Government Producers based on bidding for VGF. The Government Producers were selected in the ascending order with the lowest quoted VGF till the total offered capacity was exhausted.

(g) The above constitute a tariff based competitive bid process within the scope of Section 63 of the Act, namely, based on the net cost of providing the usage of electricity from renewable sources to the power-user (government entity) i.e. the net usage charges payable to the Government Producer aggregating both usage charges mutually agreed between the Government Producer and the power user - Government entity (subject to ceiling prescribed in the Scheme) plus the VGF quoted.

(h) In terms of Section 63 of the Act, there is no condition that for a tariff based competitive bid process, the offer to provide electricity should be allowed to all producers of electricity and should not be restricted to certain class of producers. Similarly, there is also no provision that the end-user of the electricity cannot be restricted namely to the Government entities.

(i) For a competitive bid process what is essential is that the selection is based on the competitively quoted amount in respect of any of the criteria. It is valid to freeze all other parameters and competitive bid be held on one parameter such as the VGF support as in the present case.

(j) The essence of the competitive bid process is that the selection of the successful producer of power is made in pursuant to a competition and in a transparent manner. When all except one parameter is decided on common basis and the competition is on the specified parameter, the selection of the person

based on the competitive bid given qua such parameter is nothing but a tariff based on a competitive bid.

(k) The usage charges as mentioned is only one part of the consideration as in the case of tariff fixed in VGF based bidding also. In the case of VGF Scheme under the Guidelines for implementation of Scheme for setting up of 750 MW grid connected Solar PV Projects under Batch-I Phase-II dated 25.10.2013, the tariff was fixed at Rs.5.15/kWh and the competitive bid was for VGF support. In the present case, the usage charges are to be mutually agreed subject to the fixed ceiling of Rs.3.5/kWh and competition is for VGF support. In effect both the Schemes are similar.

(l) Usage charges determined under Tranche-I and Tranche-II (subject to ceiling of Rs.3.5/kWh prescribed in the CPSU Scheme Phase-II) cannot be independently considered. It has to be considered with the VGF support. The usage charges plus VGF support is the aggregate amount of the charges incurred for the use of electricity by the Government entity. Thus, the total charges are based on a competitive bid process.

(m) SECI has placed on record the conformity certificate, document demonstrating the publication of RfS documents on its website, RfS documents along with amendments/ corrigendum, notification regarding constitution of Bid Evaluation Committee, copy of bid results after e-reverse auction, Bid Evaluation Reports, Key Milestones and LoA issued in relation to both Tranche-I and Tranche-II bid processes conducted under the CPSU Scheme Phase-II.

Hearing dated 16.11.2021

10. The matter was called out for virtual hearing on 16.11.2021. During the course of hearing, the learned senior counsel for the Respondent No.1 SECI, while addressing the observations of the Commission as recorded vide Record of Proceedings for the hearing dated 12.10.2021 made detailed submissions by referring to its response, as has already been captured hereinabove. The learned senior counsel, *inter alia*, pointed

out that in the case of VGF Scheme under the Guidelines for implementation of the Scheme for setting up of 750 MW grid connected solar PV projects under Batch-I Phase-II dated 25.10.2013, the tariff was fixed at Rs.5.45/kWh and the competitive bid was for VGF support, which has been adopted by the Commission vide order dated 1.3.2021 in Petition No. 160/AT/2019. Similarly, in the present case, the usage charges are to be mutually agreed subject to fixed ceiling of Rs.3.5/kWh and competition is for VGF support.

11. In response to the specific query of the Commission as to whether the provisions of the scheme allow negotiation/ reduction of usage charge after conclusion of the bid process, the learned senior counsel for SECI replied in affirmative and submitted that the scheme permits mutually agreed usage charge between the Government producer and power users i.e. the Government/ Government entities, either directly or through distribution companies subject to the ceiling of Rs.3.5/kWh. In response to the Commission's further query regarding any specific provision in the scheme itself providing for adoption of tariff by the 'Appropriate Commission', the learned senior counsel replied in negative. However, the learned senior counsel submitted that this Commission can adopt the tariff under Section 63 of the Act read with decision dated 11.4.2017 of the Hon'ble Supreme Court in Energy Watchdog case. The learned senior counsel added that the Commission may also consider adopting the VGF based usage charge along with ceiling usage charge recognizing that the scheme permitted mutually agreed usage charges within the ceiling of Rs.3.5/kWh.

12. The learned counsel for the Petitioner adopting the submissions made by the learned senior counsel for SECI submitted that *de hors* Section 63 of the Act, NTPC being a generating company controlled by the Central Government is also subject to the regulatory jurisdiction of this Commission under Section 79(1)(a) of the Act. In addition, since it is a composite scheme of generation and supply of the electricity in more than one State, this Commission is the appropriate Commission under Section 79(1)(b) of the Act and consequently, has the jurisdiction to adopt the tariff. The learned counsel further submitted that in the open tender where the bidding is conducted on VGF basis, the tariff is pre-specified. However, in the present case, in departure from the above, the scheme permitted the Government producer to mutually agree to a usage charge, albeit within the pre-specified ceiling rate, after conclusion of VGF based bidding.

13. In response to the another query of the Commission regarding arrangement of supply, the learned counsel for the Petitioner submitted that under the Power Usage Agreements entered into between the Petitioner and the Telangana Discoms, the power produced by the Petitioner, as Government Producer, is to be supplied to the Telangana Discoms in compliance with WTO agreements and as per the terms and conditions specified in the CPSU Scheme Phase-II.

Analysis and Decision

14. We now proceed to consider the prayer of the Petitioner as regards the adoption of usage charges for 1692 MW of solar power projects in terms of the CPSU Scheme

Phase-II issued by the Ministry of New and Renewable Energy, Government of India under Section 63 of the Act.

15. Section 63 of the Act provides as under:

"Section 63. Determination of tariff by bidding process: Notwithstanding anything contained in Section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."

16. Thus, in terms of Section 63 of the Act, the Commission is required to adopt the tariff, on being satisfied that transparent process of bidding in accordance with the guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act, has been followed in determination of such tariff.

17. In the present case, bid process for both the Tranches (Tranche-I & Tranche-II) were conducted under the CPSU Scheme Phase-II issued by the Ministry of New and Renewable Energy, Government of India on 5.3.2019. The salient features of the scheme are as under:

(a) The CPSU Scheme Phase-II has been envisaged to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with VGF, by various Government Producers. 12,000 MW grid connected solar PV power projects are proposed to be set-up through Government Producers with a budgetary support of Rs.8580 crore as VGF.

(b) The scheme will mandate use of both solar photovoltaic cells and modules manufactured domestically as per the specifications and testing requirements fixed by MNRE.

(c) Power produced by the Government Producer can be used for self-use or use by Government/ Government entities, either directly or through Discoms on payment of mutually agreed usage charges of not more than Rs.3.5/unit,

which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge and State Load Despatch Centre (SLDC)/Regional Load Despatch Center (RLDC) charges etc. as may be applicable.

(d) The solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through Discoms.

(e) With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the scheme. While the maximum permissible VGF has been kept at Rs.0.70 crore/MW, the actual VGF to be given to a Government Producer under the scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent.

(f) SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of domestic content under the scheme.

18. The aforesaid scheme has been modified by MNRE vide Office Memorandum dated 13.4.2020 whereby, *inter alia*, the ceiling of usage charges has been revised to Rs.2.80/kWh (in place of earlier ceiling of Rs. 3.50/kWh) and the task of conducting bidding has been entrusted to Indian Renewable Energy Development Agency Limited (IREDA) in place of SECI. However, this modification is not relevant for the purpose of the present case, as the bid process under both the tranches/RfS as conducted by

SECI were already completed under the Scheme dated 5.3.2019 as it stood then prior to issuance of the above amendment.

19. Accordingly, we proceed to examine as to whether the usage charge has been discovered in terms of the provisions of the Section 63 of the Act and selection of the successful bidder(s) has been done through a competitive bidding process as per the provisions of the CPSU Scheme Phase-II.

20. As already observed above, only the Government Producers were eligible for availing VGF under the CPSU Scheme Phase-II and setting-up of solar PV power projects was solely for self-use or use by Government/ Government entities, either directly or through Discoms. Further, the solar PV power project capacity allocated to the Government Procurers by way of bidding, were required to secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through Discoms.

21. The learned counsel for the Petitioner, for invoking the jurisdiction of this Commission under Section 63 of the Act for adoption of usage charges, has submitted that the Petitioner, falling under the definition of Government Producer under the Scheme and having successfully participated in the bid process, has entered into Power Usage Agreements (PUAs) with Telangana Discoms, being the Power Users, solely for the end use of power from the solar PV projects set up by the Petitioner. The learned counsel for the Petitioner has submitted that since the Petitioner has entered into PUAs with Telangana Discoms, the entire transaction including the rates agreed under such PUAs comes within the purview of the Commission. In this regard, the

learned counsel for the Petitioner has placed reliance on the correspondence exchanged between the Petitioner and the Telangana Discoms, as already noted above. The learned counsel for the Petitioner has further submitted that the Petitioner is neither utilizing the power generated from such Projects for its own use nor selling directly to any entity through open access.

22. We have noted the submissions made by the Petitioner. In our view, the aspect of determination of usage charge falls under the regulatory domain (be it Section 62 or Section 63 of the Act) of the Commission. Therefore, the Commission decides to proceed with the examination of the issue of adoption of usage charge.

23. As per provisions of the CPSU Scheme Phase-II, SECI had issued two tenders/RfS documents, namely, RfS-1 for Selection of Solar Power Developers for setting-up of 2000 MW grid connected solar PV power projects (Tranche-I) and RfS-2 (Tranche-II) for Selection of Solar Power Developers for setting-up of 1500 MW grid connected (including mini and micro grid) solar PV power projects, in line with the CPSU Scheme Phase-II.

24. The key dates of event in the bidding process were as under:

Sr. No.	Milestone	Date	
		RfS-1	RfS-2
1	RfS issued by SECI	15.3.2019	1.8.2019
2	Pre-bid meeting held	2.4.2019 & 10.4.2019	9.8.2019
3	Amendments/Clarification and Corrigendum to RfS	2.5.2019 – 23.7.2019	-
4	Opening of techno-commercial bids	25.7.2017	18.9.2019
5	Opening of financial bids	19.8.2019	7.11.2019
6	e-Reverse Auction conducted	20.8.2019	8.11.2019
7	Issuance of Letter of Awards	28.9.2019	25.11.2019

25. SECI issued RfS-1 documents for selection of Solar Power Developers for setting-up of 2000 MW grid connected solar PV project (Tranche-I) on 15.3.2019 and RfS-2 documents for selection of Solar Power Developers for setting-up of 1500 MW grid connected (including mini and micro grid) solar PV projects on 1.8.2019. SECI has submitted that notices regarding publication of the RfS-1 and RfS-2 were issued on its website. It has been submitted that SECI did not publish the notices in the newspapers as per the advisory dated 17.5.2017 issued by Ministry of Information and Broadcasting, Government of India mandating e-publishing of advertisements in the relevant portal and accordingly, on 3.7.2018, SECI had published notification indicating that the tenders of SECI would be published in its website and not in the newspapers.

26. The Bid Evaluation Committee (BEC) comprising of the following was constituted for opening and evaluation of bids under RfS-1 dated 15.3.2019 and RfS-2 dated 1.8.2019.

RfS-1

Tender	Department	Techno-commercial and financial evaluation and post-e-RA recommendation (Name & Designation)
Selection of Solar Power Developers for Setting up of 2000 MW Grid-Connected Solar PV Power Projects in India (Tranche-I) under CPSU Scheme (Government Producer Scheme) Phase-II (Tranche – I)	Solar	Aalok Singh, Deputy Manager
	Contract & Procurement	Biblesh Meena, Dy. Manager
	Finance	Ajit Sharma, Dy. Manager

RfS-2

Tender	Department	Techno-commercial and financial evaluation and post-e-RA recommendation (Name & Designation)
Selection of Solar Power Developers for Setting up of 1500 MW Grid-Connected Solar PV Power Projects in India under CPSU Scheme (Government Producer Scheme) Phase- II (Tranche – II)	Solar	Uday Pavan, Deputy Manager
	Contract & Procurement	Sunil Yadav, Dy. Manager
	Finance	Ajit Sharma, Dy. Manager

27. The last date for submission of bids in respect of RfS-1 was 24.7.2019. In response to the RfS-1, total six bids were received from various Government Producers for aggregate capacity of 1153 MW, all of which qualified the techno-commercial criteria and were found eligible for opening of financial bids and participating in the e-reverse auction ('e-RA'). The e-reverse auction was conducted on 20.8.2019 during which, VGF amount sought per MW was kept as a bid parameter to select Government Producers as the Solar Power Developer. Pursuant to conclusion of e-RA, solar PV power projects for 922.4 MW was awarded under RfS-1 to various Government Producers on the basis of VGF amount quoted during e-RA, including 769.4 MW to the Petitioner (L-6) herein. The result of e-Reverse Auction for RfS-1 is as under:

Sr. No.	Techno Commercially qualified Bidder	Bid Capacity (MW)	Initial VGF sought in INR/MW (Before e-RA)	VGF (INR/MW) After e-RA	Allotted Capacity (MW)
1	NHDC Ltd.	25	5500000	5500000	25
2	Singareni Collieries Company Limited	90	6000000	6000000	90
3	Assam Power Distribution Company Limited	30	6800000	6800000	30
4	Delhi Metro Rail Corporation Limited	3	7000000	6975000	3

5	Nalanda University	5	6995555	6995555	5
6	NTPC Limited	1000	7000000	7000000	769.4
	Total				922.4

28. The last date for submissions of bids in respect of RfS-2 was 17.9.2019. In response to RfS-2, total four bids were received from various Government Producers for aggregate capacity of 1481 MW, out of which three bidders with aggregate capacity of 1381 MW qualified the techno-commercial criteria and were found eligible for opening of financial bid and participating in e-RA. The e-reverse auction was conducted on 8.11.2019 during which, VGF amount sought per MW was kept as a bid parameter to select Government Producers as the Solar Power Developer. Pursuant to conclusion of e-RA, solar PV power projects for 1104.8 MW were awarded under RfS-2 to the various Government Producers on the basis of VGF amount quoted during e-RA, including 923.8 MW to the Petitioner (L-3) herein. The result of e-Reverse Auction for RfS-2 is as under:

Sr. No.	Techno Commercially qualified Bidder	Bid Capacity (MW)	Initial VGF sought in INR/MW (Before e-RA)	VGF (INR/MW) After e-RA	Allotted Capacity (MW)
1	Singareni Collieries Company Limited	81	6800000	6800000	81
2	Indore Municipal Corporation	100	6990000	6880000	100
3	NTPC Limited	1200	7000000	7000000	923.8
	Total				1104.8

29. Pursuant to its selection as the successful bidder under RfS-1, SECI issued Letter of Award to the Petitioner allocating 769 MW on 28.9.2019. The relevant portion of the said Letter of Award is extracted as under:

"Sub: Selection of Solar PV Power Projects under RfS for Selection of Solar Power Developers under RfS for Setting up of 2000 MW Grid-Connected Solar PV Power Projects in India

(Tranche – I) under CPSU Phase – II Scheme (Government Producer Scheme): Letter of Award for allocated capacity of 769 MW (Project ID: SPD-CPSU-T1-NTPCL-769MW)

.....
In reference to above and subject to the provisions of RfS, we confirm having accepted your final offer concluded as a result of e-RA and issue this letter of award as per the following details:

Allocated Project ID	Allocated Capacity (MW)	Project Location	Maximum VGF Eligibility (INR/MW) in figures	Maximum VGF Eligibility (INR/MW) in words	Total Eligible Maximum VGF (INR)
SPD-CPSU-T1-NTPCL-769MW	769	Anywhere in India	Rs.70,00,000.00/-	Rupees Seventy lakh per MW only	5,38,30,00,000/-

Power generated from above Project shall be solely for self-use or use by Government/Government entities, either directly or through Discoms under the CPSU Phase-II scheme subject to the following terms and conditions as stated in various documents referred above and briefly brought out hereinafter.

- I. Power generated from above Project(s) shall be solely for self-use or use by Government/Government entities, either directly or through Discoms on mutually agreed usage charges of not more than Rs.3.50/kWh, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharges, State Load Despatch Centre (SLDC)/regional Load Despatch Centre (RLDC) Charges, etc. as may be applicable. Waiver of ISTS charges and losses, for use of ISTS network, shall be availed to Projects set-up under the CPSU Phase-II Scheme.
- II. The Government Producer would be free to avail other fiscal incentives including Accelerated Depreciation, if any, as per the extant rules. No claim shall arise on SECI for any liability if the SPD is not able to avail fiscal incentives and this will not have any bearing on the maximum eligible VGF per MW.
- III. The award of the above allotted capacity is subject to the Guidelines including amendments/clarifications issued by the Government of India and terms and conditions of the RfS document including its clarifications/ amendments/ elaborations/ notifications issued by SECI.
- IV. A Bidder which has been selected as Successful Bidder under this RfS can also execute the Project(s) through a Special Purpose Vehicle (SPV) i.e. a Project Company especially incorporated as a subsidiary Company of the successful bidder for setting up of the Project(s), with atleast 76% shareholding in the SPV which has to be registered under the Indian Companies Act, 2013, before signing of EPC agreement with EPC Contractor. Multiple SPVs may also be incorporated for executing more than one Project.
- V. The SPD shall pay to SECI, Success Charges of Rs.1 lakh/MW/project + 18% GST within 30 days of issuance of this Letter of Award (LoA) towards administrative overheads, coordination with State Authorities and monitoring of Projects' compliance with WTO norms, in line with Clause 12, Section-III of the RfS. Performance Bank Guarantee(s) for an amount equal to 50% of total VGF sanction as per this Letter of Award shall be submitted by the SPD before disbursement of first tranche of VGF, in line with Clause 11.1, Section-III of the RfS.
- VI. The SPD shall confirm the configuration of the total allocated capacity at the time of disbursement of second tranche of VGF. The SPD, if he wishes so, may affix separate PPA tariffs for each Project, based on its own arrangements with the Procurer(s), if applicable.

- VII. The Projects can be located anywhere in India. It is clarified that the projects may be implemented as ground mounted or rooftop mounted or floating or canal top/canal bank etc. or a combination thereof, as per the requirement of the SPD.
- VIII. It may be noted that while a single VGF shall be quoted by the bidder based on the cumulative Project capacity in the RfS, VGF will be released to the SPDC separately for each Project as per the final Project configuration declared by the SPD. Accordingly, for each individual Project as per the above break-up, the second tranche of VGF will be disbursed to the SPD only upon successful commissioning of full capacity of that individual Project.
- IX. Commercial re-sale of power by the Procurer or End Consumer is not allowed as per the RfS conditions. The SPDC shall provide a power mapping (Format 7.10 of the RfS) for the proposed capacity being quoted for, clearly specifying the SPD, various intermediaries, if any, and the End Consumer. The same shall be submitted to SECI after finalization of the mapping by the SPD, but not later than prior to disbursement of second tranche of VGF.
- X. The SPD shall submit a self-certification to SECI (Format 7.6 as amended), confirming that the Project has been set-up, as per the provisions of the Scheme Guidelines, and explanatory notes, if any, as published by MNRE from time to time. The above certifications will be submitted by the SPD after finalization of power mapping by the SPD, but no later than prior to disbursement of second tranche of VGF.
- XI. The RfS mandates use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. For the Projects to be implemented under this RfS, both the solar cells and modules used in the Solar Power Project must be made in India. In case of crystalline Silicon technology, all process steps and quality control measures involved in the manufacture of Solar Cells and Modules starting from wafers till final assembly of the Solar Cells into Modules shall be performed at the works of PV manufacturers in India.
- XII. VGF will be released in two tranches as follows:
1. 50% on award of Contract to the EPC Contractor (including in-house EPC Division) by the SPD. The SPD is required to sign the EPC agreement with EPC Contractor within six months from date of issue of LoA by SECI.
2. Balance 50% on successful commissioning of the full capacity of Project.
- XIII. The Commissioning of the Project shall be carried out by the SPD as per the procedure established by the SPD. The SPD shall submit the commissioning certificate of the Project to SECI, based on which, the installed capacity shall be examined by SECI in line with the DCR norms as per the RfS. Subsequent to the successful examination of the same, the second tranche of VGF, amounting to 50% of the total VGF awarded for the Project, will be disbursed to the SPD.
- XIV. Schedule Commissioning Date (SCD) for commissioning of full capacity of the Project shall be the date as on 24 months from the date of issuance of LoA. The maximum time period allowed for commissioning of the full Project Capacity shall be limited to 30 months from the date of issuance of LoA.

In case of delay in commissioning of the Project beyond the SCD until the date as on 30 months from the issue date of the LoA/LoI, as part of the penalty for delay in commissioning the amount of VGF sanctioned to be the project shall be reduced by 0.15% (zero point one five percent) of the sanctioned VGF, on per day basis for the period of such delay, and proportionate to the capacity delayed or not commissioned.

XV. *All disputes arising out of and/or in connection with the selection of Solar Power Projects under the said RfS and execution of project(s) thereto shall be governed by laws of India and shall be subject to the jurisdiction of Courts of New Delhi....."*

30. Similar Letter of Award was issued by SECI to the Petitioner allocating 923 MW pursuant to its selection under RfS-2 on 25.11.2019, which is not reproduced herein for sake of brevity.

31. Further, SECI has furnished conformity certificates in respect of both the RfS documents certifying that the Bid Evaluation Committees constituted for evaluation of bids have conducted the techno-commercial as well as the financial bid evaluation in conformity to the provisions of RfS and that applicable guidelines and amendments/ clarification thereof, for the bidding process were followed and that no deviations were taken from the Guidelines. The relevant extract of both the Conformity Certificates as furnished by SECI is reproduced as under:

RfS-1

"....With respect to the RfS No. SECI/C&P/SPD/CPSUI/RfS/2000MW/032019 Dated : 15.03.2019, it is hereby declared as follows:

1. After the conclusion of bid submission, the Evaluation Committee constituted for evaluation of bids has conducted the techno-commercial as well as financial bid evaluation in conformity to the provisions of the RfS.

2. Applicable Guideline and amendments/clarification thereof, if any, issued by Government of India for the bidding process were followed in the above tender and no deviation was taken from the Guidelines in the RfS documents for the above tender.

Sd/-
(Biblesh Meena)
Dy. Manager (C&P)

sd/-
(Aalok Singh)
Dy. Manager (Solar)

sd/-
(Ajit Sharma)
Dy. Manager (Finance) .. "

RfS-2

"....With respect to the RfS No. SECI/C&P/SPD/CPSU-II/RfS/1500MW/082019 Dated : 01/08/2019, it is hereby declared as follows:

1. After the conclusion of bid submission, the Evaluation Committee constituted for evaluation of bids has conducted the techno-commercial as well as financial bid evaluation in conformity to the provisions of the RfS.

2. Applicable Guideline and amendments/clarification thereof, if any, issued by Government of India for the bidding process were followed in the above tender and no deviation was taken from the Guidelines in the RfS documents for the above tender.

Sd/-
(Sunil Yadav)
Dy. Manager (C&P)

sd/-
(Uday Pawan)
Dy. Manager (Solar)

sd/-
(Ajit Sharma)
Dy. Manager (Finance) ...”

32. In view of the above, we are of the view that the selection of the Petitioner, out of various Government Producers, has been done on the basis of the transparent competitive bid process with VGF as bid parameter in line with the provisions of the CPSU Scheme Phase-II.

33. Pursuant to the issuance of LoAs, the Petitioner has stated that it has entered into several Power Usage Agreements ('PUAs') with Telangana Discoms i.e. Respondent No. 2 and Respondent No. 3, for supply of solar power to be generated through its solar PV power projects set-up under the CPSU Scheme Phase-II. The Petitioner has submitted that under the various PUAs, power generated by the Petitioner from its solar PV projects, as Government Producer, is to be procured by the Respondents, Telangana Discoms solely for the end user, namely Government or Government entities, in compliance to WTO Regulations on mutually agreed terms and conditions as mentioned in the CPSU Scheme Phase-II. Details of various PUAs as entered into between the Petitioner and Telangana Discoms are as under:

Date of issue of Lol	Project location	Project capacity (in MW)	Usage charges (payable per unit)	Scheme	Scheduled commissioning date as per PPA	Date of PUA	Date of supplemental PUA
28.09.2019	Shambu ki burj	250	2.86	CPSU	28.09.2021	30.12.2019	30.12.2020

Date of issue of Lol	Project location	Project capacity (in MW)	Usage charges (payable per unit)	Scheme	Scheduled commissioning date as per PPA	Date of PUA	Date of supplemental PUA
	Solar PV Project, Bikaner in Rajasthan			Scheme Phase-II Tranche-I			
28.09.2019	Devikoot Solar PV project, Jaisalmer in Rajasthan	150	2.86	CPSU Scheme Phase-II Tranche-I	28.09.2021	30.12.2019	30.12.2020
28.09.2019	Navalakkapatti Solar PV Project, Ettayapuram Taluk, Tuticorin District in Tamil Nadu	230	2.69	CPSU Scheme Phase-II Tranche-I	28.09.2021	26.11.2020	30.12.2020
28.09.2019	Nokhra Solar PV project, Bikaner in Rajasthan (300MW)	139	2.86	CPSU Scheme Phase-II Tranche-I	28.09.2021	13.03.2020	30.12.2020
25.11.2019	Nokhra Solar PV project, Bikaner in Rajasthan (300MW)	161	2.86	CPSU Scheme Phase-II Tranche-II	25.11.2021	13.03.2020	30.12.2020
25.11.2019	Shambu ki burj Solar PV Project, Bikaner in Rajasthan	300	2.86	CPSU Scheme Phase-II Tranche-II	25.11.2021	13.03.2020	30.12.2020
25.11.2019	Devikoot Solar PV project, Jaisalmer in Rajasthan	27	2.86	CPSU Scheme Phase-II Tranche-II	25.11.2021	13.03.2020	30.12.2020
		63	2.69				
25.11.2019	Fatehgarh Solar PV project, Jaisalmer in Rajasthan	296	2.86	CPSU Scheme Phase-II Tranche-II	25.11.2021	13.03.2020	30.12.2020
25.11.2019	Gandhar Solar PV project in Gujarat	20	2.69	CPSU Scheme Phase-II Tranche-II	25.11.2021	26.11.2020	30.12.2020
25.11.2019	Kawas Solar PV project in Gujarat	56	2.69	CPSU Scheme Phase-II Tranche-II	25.11.2021	26.11.2020	30.12.2020
	Total	1692 MW					

34. In support of allowing the prayer of the Petitioner for adoption of usage charges, the Petitioner and the Respondent, SECI have placed reliance on the provisions of the Standard Bidding Guidelines, which envisage bidding based on VGF as bid parameter

and provide for adoption of pre-specified tariff and also on the order dated 1.3.2021 passed by the Commission in Petition No. 160/AT/2019 along with IA No.81/2019, wherein the bid process was also conducted on VGF as bid parameters and the Commission had adopted the pre-specified tariff. The relevant extract of the Standard Bidding Guidelines reads as under:

"4.3 Bidding Parameters: For procurement of electricity, the Procurer may opt for either 'Tariff as Bidding Parameter' or 'Viability Gap Funding (VGF) as Bidding Parameter'.

*...
4.3.2 VGF as the Bidding Parameter: It involves a mechanism wherein a pre-determined tariff is offered to the Solar Power Generator along with a financial assistance, to enable the Solar Power Generator to supply power at this tariff. For VGF based Bidding, the Procurer shall specify the following before issuance of RfS: (a) Pre-determined tariff payable to the selected Solar Power Generator for the duration of the PPA and the Maximum amount of Viability Gap Funding (VGF) support required by them. The bidders who do not want to avail the VGF support, may offer in their bids, a discounted tariff, lower than the pre-determined tariff offered by the Procurer..."*

35. Indisputably, the Standard Bidding Guidelines provide for VGF as a bidding parameter for conducting competitive bid process under Section 63 of the Act. The mechanism involves pre-determined tariff payable to the selected solar power generator and the maximum amount of VGF support required by them. Further, in case the bidders do not want to avail of VGF, they may offer a discounted tariff than that of pre-determined tariff.

36. However, we note that the bidding process on the basis of VGF as bid parameter under the CPSU Scheme Phase-II is not exactly as per the Standard Bidding Guidelines, since instead of pre-determined tariff (in terms of the Standard Bidding Guidelines), the CPSU Scheme Phase-II only provides for pre-determined ceiling usage charges. Further, the CPSU Scheme Phase-II recognizes that the usage charges may be mutually agreed between the parties (which is not the case in the

Standard Bidding Guidelines) albeit subject to the ceiling as specified therein. Therefore, the lower usage charges as may be mutually agreed between the parties (the Petitioner and the Telangana Discoms in the instant case) cannot be equated with the discounted tariff (for bidders who quote nil VGF) under the VGF based bidding as per the Standard Bidding Guidelines since the Petitioner has not foregone the VGF entitlement in the present case.

37. On the other hand, in the case of bid process involved in Petition No. 160/AT/2019, there was pre-determined tariff of Rs.5.45/kWh (Rs.4.75/kWh in case benefit of Accelerated Depreciation was availed) and the bidders were required to compete on the basis of VGF requirement per MW. Thus, the bidding process envisaged and conducted therein as per the provisions of 'Scheme for Setting up of 750 MW grid connected Solar PV Power Projects under Batch-I of Phase-II of Jawaharlal Nehru National Solar Mission with Viability Gap Funding support from National Clean Energy Fund' was similar to that specified in the Standard Bidding Guidelines and did not provide for any mutual agreement for lowering the pre-determined tariff. Thus, the instant case is distinguishable from the matter involved in adoption of tariff in Petition No. 160/AT/2019.

38. In light of the above observations, we are of the view that the usage charges as mutually agreed between the Petitioner and the Telangana Discoms cannot be stated to have been discovered through a process of competitive bidding under Section 63 of the Act.

39. However, at the same time, we do recognise that in terms of the provisions of the CPSU Scheme Phase-II, the bid processes have been conducted with VGF as a bid parameter against the pre-determined ceiling usage charge of Rs.3.50/kWh, though the actual usage charge was subject to mutual agreement within the said ceiling. Therefore, in line with the bid process envisaged in the Standard Bidding Guidelines, the Commission deems it fit to adopt the ceiling usage charge of Rs.3.50/kWh under Section 63 of the Act in respect of 1692 MW capacity under Tranche-I and Tranche-II in respect of the Petitioner.

40. While noting that post bidding, the mutually agreed usage charges arrived at between the Petitioner and the Telangana Discoms under various PUAs are within the ceiling usage charge of Rs.3.50/kWh as specified in the CPSU Scheme Phase-II, this Commission presumes that the Central Vigilance Commission's guidelines circulated vide letter No.8(1)(h)/98(1) dated 18.11.19989 including subsequent amendments and clarifications relating to post tender negotiations have been strictly followed while arriving at the said mutually agreed usage charges.

41. The Petition No. 174/AT/2021 is disposed of in terms of the above.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson



Southern Power Distribution Company of Telangana Limited

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452 website www.tssouthernpower.com

From
The Chief General Manager (IPC & RAC),
TSSPDCL, Corporate Office,
6-1-50, Ground Floor, Mint Compound,
Hyderabad – 500 063.

To
The Commission Secretary,
TSERC, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad.

Lr.No.CGM (IPC&RAC)/SE(IPC)/F. NTPC CPSU Scheme /D. No. 633 /21, dt:21-08-2021
Sir,

Sub: - TSSPDCL – N & RE projects – – Power Usage Agreements (PUAs) entered by TSDISCOMs with NTPC for aggregate capacity of 1692 MW Solar power under CPSU scheme – Replies to the information sought by TSERC – Submission – Reg.

Ref:- Lr.No.TSERC/Secy/JE(TE)/F.No.E-250094&98/D.No.324/21, dated: 25.06.2021

- =***=-

With reference to letter cited above, the point-wise replies are herewith annexed to this letter, in the matter of according consent to the Power Usage Agreements (PUAs) entered by TSDISCOMs with NTPC for purchase of aggregated capacity of 1692 MW Solar power (400 MW + 923 MW + 369 MW) under CPSU scheme



Yours faithfully,

P.Krishnaiah

Chief General Manager (IPC & RAC)
seipctsspdcl@gmail.com
9490603671

Copy submitted to:
The Chief General Manger /IPC/TSNPDCL/Hanmakonda/Warangal.

Annexure

a) TSDISCOMs to submit justification for entering into agreements for additional 1692 MW ie., (400MW + 923MW + 369MW) of Solar power with quantification of details such as sales over the past few years, RPO targets achieved over the past few years, proposed increase in loads over the next few years, proportional increase in sales and meeting RPO targets.

Reply:

Taking the growing demands of the State into consideration and to meet the additional demand of the Lift Irrigation Projects taken up by the State Govt, DISCOMs have been concluding the agreements to ensure 24 Hr uninterrupted power supply to all the categories of the consumers in the state, including the Agricultural consumers.

Further, while entering the PPAs for purchase of RE power, DISCOMs are also examining the RPPO targets in vogue both at State level & National level.

The RPPO achieved by TSDISCOMs in comparison to the targets notified by MOP, GoI and the State Regulatory Commission are as detailed below:

Year / RPPO	2018-19			2019-20			2020-21			2021-22	
	TSE RC	MOP	TSDI SCO Ms	TSE RC	MO P	TSDI SCO Ms	TSE RC	MOP	TSDI COMs	TSE RC	MOP
Solar	5.33	6.75	9.57	5.77	7.25	9.86	6.21	8.75	9.20	7.10	10.5
Non-solar	0.67	10.25	0.83	0.73	10.25	0.67	0.79	10.25	0.79	0.90	10.5
Total	6.0	17	10.4	6.5	17.5	10.53	7.0	19	9.99	8.0	21

It is pertinent to submit that MOP, GoI also issued orders dated 29.01.2021 specifying the Hydro Power Obligation.

Though at present, it is not obligatory for the State DISCOMs to comply with the MoP notified RPPO trajectory, it is likely that the State RPPOs may be directed to align with the MoP RPPO, in terms of National Tariff Policy. And particularly in view of the proposed Amendment to Section 3 of the Electricity Act 2003, which proposes for notification of National Renewable Energy Policy prescribing uniform purchases from RE sources and for imposing penalties ranging from Rs. 0.25/Kwh to Rs. 2.00/Kwh for non-compliance, it is required that the DISCOMs are to be prepared, to meet the larger RPPO targets in phased manner, that may be imposed in future by MOP, GoI on all the states, including the state of Telangana.

Further, in view of the increasing loads estimated at 8% growth annually (such as upcoming Lift Irrigation projects, agricultural pumpsets, additional industrial loads etc.) on TSDISCOMs, the requirement for purchase of RE power to be enhanced for meeting proportionate increase in RPPO %.

The particulars of Sales in MU of TSDISCOMs for the past years is as below:

FY/ DISCOM	2014- 15	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21
TSNPDCL	11105	11566	12885	14937	17195	18612	18774
TSSPDCL	28078	29084	30844	35589	40343	39909	38275
TOTAL	39183	40650	43729	50526	57538	58521	57049

The energy requirement of TSDISCOMs is estimated to be around 77900 MU for the FY 2021-22. The existing LI loads are around 6000 MW and the upcoming proposed loads are around 8000 MW.

b) TSDISCOMs to submit how the solar power purchased shall effectively contribute to optimize the overall power purchase in view of the upcoming conventional generation of 4000 MW YTPS, 4000 MW TSTPP.

Reply:

As already submitted above, Thermal power capacity additions are planned to cater to the year on year increasing demand of the state.

It may be noted that out of 4000 MW TSTPP indicated, TSDISCOMs entered into PPA with NTPC for 1600 MW capacity only.

TSDISCOMs are obligated to ensure uninterrupted power supply to all categories of consumers, including the Agricultural sector and added to this there is a huge demand in view of the existing and upcoming loads due to Lift Irrigation Projects, agricultural pump sets, industrial loads etc.,. Solar power capacity now being proposed to be added will not only be helpful in meeting the demand during the day, but also be helpful in achieving a reduction in overall power purchase price of TSDISCOMs.

c) TSDISCOMs to clarify how they are planning to meet the Non-solar RPO Targets over the next few years.

Reply:

The Hon'ble Commission may kindly note that TSDISCOMs were able to meet both the Solar & Non-Solar RPPO for FY 2018-19 to 2020-21, except for Non-Solar RPPO for FY 2019-20, by a mere shortfall of 0.06%. However, the DISCOMs could meet the overall RPPO.

The National Tariff Policy 2016 mandates the Distribution Utilities to procure power from the Renewal Energy projects only through Competitive Bidding except from the Waste to Energy projects. As such the proposals from MSW/RDF

projects offering power at Commission determined tariff are being considered and Agreements have been concluded from the following MSW/RDF projects:

Sl. No.	Name of the Project	Capacity in MW	Remarks
1.	M/s Hyderabad MSW Energy Solutions Private Limited	19.8	Project commissioned on 20.08.2020
2.	M/s RDF Power Projects Limited	11	PPA entered on 08.02.2018. Project yet to be commissioned
3.	M/s Sri Venkateswara Green Power Projects Limited	14	Entering of PPA is under process

Apart from the above projects another 15 MW MSW/RDF based project is proposed to be set up by M/s Hyderabad MSW Energy Solutions Private Limited at Dundigal, Medchal District.

Further, PPA was entered with M/s Clean Wind power (Anantapur) Private Limited for procurement of power from their 27.3 MW Wind power project located at Mangi Thanda (V), Sangareddy (D).

Besides, the PPAs of Non-Solar generators which are completing PPA period of 20 years are being considered for renewal.

Also, the proposal of M/s Madhucon Sugars Limited for sale of power from their 24.2 MW Bagasse based co-generation generator is under consideration.

With all the above, DISCOMs are expected to comply with the TSERC Non-Solar RPPO targets.

It is also pertinent to submit that in view of the limited Non-Solar potential availability in the state of Telangana, the DISCOMs have been praying this Hon'ble Commission to consider excess Solar RPPO to meet the Non-Solar RPPO.

d) TSDISCOMs to submit the status of filing of Petitions for adoption of Tariff and the order of CERC on adoption of Tariffs for solar power for which PUAs have been submitted (400MW + 923MW + 369MW).

Reply:

NTPC informed that they are in the process of filing Petition before CERC for adoption of Usage charges and will take up at the earliest.

e) TSDISCOMs to submit the status of solar power projects such as the status of units' construction/operation, schedule for COD, commencement of drawal of power etc.

Reply:

The details of the Solar power projects along with Scheduled COD dates are as submitted below:

Location of NTPC Solar PV Station	Project PUA Capacity (MW)	PUA date	Power Usage Charges Rs./Kwh	SCOD
Devikot, Jaisalmer, Rajasthan	150	30.12.2019	2.86	28.02.2022
Kolayet, Bikaner, Rajasthan	250	30.12.2019	2.86	28.02.2022
Shambu-ki-burj, Bikaner, Rajasthan	300	13.03.2020	2.86	27.04.2022
Nokhra, Bikaner, Rajasthan	300	13.03.2020	2.86	28.02.2022
Fatehgarh, Jaisalmer, Rajasthan	296	13.03.2020	2.86	27.04.2022
Devikot, Jaisalmer, Rajasthan	90	13.03.2020 amended on 30.12.2020	2.74	19.02.2022
Kawas, Surat, Gujarat	56	26.11.2020	2.69	24.12.2021
Gandhar, Bharuch, Gujarat	20	26.11.2020	2.69	09.11.2021
Navalakkapatti, Ettayapuram, Tuticorin, Tamil Nadu	230	26.11.2020	2.69	19.02.2022
TOTAL	1692 MW			

Besides, in respect of status of Solar power projects under CPSU scheme, the following was informed by the NTPC:

MNRE has recognized the shortage of domestically manufactured solar PV cells in the market and vide orders dated 02.06.2021 has increased the project implementation timelines of all CPSU Scheme Phase-II projects by 6 months.

Further, due to Force majeure event of 2nd wave of Covid-19 pandemic, various restrictions were imposed by GOI causing delay in the implementation of projects. In this regard, MNRE issued orders dated 29.06.2021 allowing further 76 days time extension in all RE projects.

Besides, it may be noted that Hon'ble Supreme Court of India passed orders dated 19.04.2021 in Writ Petition (Civil) No. 838 of 2019 in M.K.Ranjitsinh & Ors Vs Union of India & Ors directing that all the existing and future overhead Low and High voltage power lines in the priority and potential habitats of Great Indian Bustard ("GIB") shall be undergrounded. Copies of the said orders are herewith enclosed for ready reference.

REPORTABLE**IN THE SUPREME COURT OF INDIA****CIVIL ORIGINAL JURISDICTION****I.A. NO.85618 OF 2020****IN****WRIT PETITION (CIVIL) NO.838 OF 2019**

M.K. Ranjitsinh & Ors.

..... Petitioner(s)

Versus

Union of India & Ors.

....Respondent(s)

ORDER

1. The writ petition is filed in the nature of public interest seeking to protect two species of birds namely the Great Indian Bustard ('GIB' for short) and the Lesser

Floricar, which is on the verge of extinction. The existence of overhead power lines is stated to have become a hazard due to which the said species of birds on collision are getting killed. In the pending writ petition, the application in I.A. No.85618/2020 is filed seeking interim directions to direct the State of Rajasthan (respondents No.5 and 6) and State of Gujarat (respondents No.9 to 11) to ensure predator proof fencing, controlled grazing in the enclosure development and to direct the said respondents not to permit installation of overhead power lines and also not permit further construction of windmills and installation of solar infrastructure in priority and potential habitat as identified by the Wildlife Institute of India. The petitioner is also seeking a direction to the respondents to install divertors for the powerlines which has been listed in the application.

2. The very subject matter indicates that though such directions are sought against the respondents, the litigation is not adversarial in nature as it is community interest. In fact, the petitioners being environmentalists, are seeking to protect the rare birds which are dwindling in number. It is contended that GIB is one of the heaviest flying birds in the

world, about a meter in height and wing span of around seven feet. It has disappeared from 90 per cent of habitat except parts of Rajasthan and Gujarat which is to be protected. According to the petitioners, overhead power lines are the biggest threat to the survival of the GIBs. The Wildlife Institute of India (WII) in its Report "Power Line Mitigation, 2018" has stated that every year 1 lakh birds die due to collision with power lines. The Report concluded that unless power line mortality is mitigated urgently, extinction of GIBs is certain. Surveys conducted by Wildlife Institute of India (WII) in Thar covering 80 km of power lines repeated 7 times over a year found 289 carcasses of around 30 species, including the Great Indian Bustard (GIB). The study estimated 3 bird mortalities/km/month for low-tension lines, 6 bird mortalities/km/month for high-tension lines, and about 1 lakh birds/per year within a 4200 sq.km area in/around Desert National Park, Rajasthan. In terms of GIB, 6 mortalities have been recorded in Thar during 2017-20, all due to high-tension transmission lines - some of them connected to wind turbine. Therefore, petitioner seeks undergrounding all future overhead power lines; selected

power lines in priority GIB habitat and installation of divertors in potential habitat.

3. In fact, it is admitted by the Ministry of Power, Union of India in their affidavit dated 15.03.2021 as follows: -

"The Great Indian Bustard ("GIB") lacks frontal vision. Due to this, they cannot detect powerlines ahead of them, from far. As they are heavy birds, they are unable to manoeuvre across power lines within close distances. Thus, they are vulnerable to collision with power lines. In case of low voltage lines, electrocution is often the cause of death due to smaller phase to phase separation distance. High voltage lines do not cause death due to electrocution but cause death due to collision."

4. But, this Court while considering IA Nos.1433 and 1477 of 2005 in the case of **T.N. Godavarman Thirumulpad Vs. Union of India & Ors.** (2012) 3 SCC 277 has observed as hereunder:

"17. Environmental justice could be achieved only if we drift away from the principle of anthropocentric to ecocentric. Many of our principles like sustainable development, polluter-pays principle, intergenerational equity have their roots in anthropocentric principles. Anthropocentrism is always human interest focussed and that non-human has only instrumental value to humans. In other words, humans take precedence and human responsibilities to non-human based benefits to

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humans. Ecocentrism is nature-centred where humans are part of nature and non-humans have intrinsic value. In other words, human interest does not take automatic precedence and humans have obligations to non-humans independently of human interest. Ecocentrism is therefore life-centred, nature-centred where nature includes both humans and non-humans. The National Wildlife Action Plan 2002-2012 and the Centrally Sponsored Integrated Development of Wildlife Habitats Scheme, 2009 are centred on the principle of ecocentrism."

In that context while taking note of the contention of the State relating to lack of funds, reference was made to the Centrally Sponsored Integrated Development of Wildlife Habitats Scheme, 2009 which provides for financial sharing between Centre and State. Though taken note in the context of conservation of wild buffalo the pattern of funding was taken note in para-23 which provides for 100% central assistance in respect of GIB, for both recurring and non-recurring items of expenditure.

5. Further this Court in the case of ***Centre for Environmental Law, World Wide Fund - India Vs. Union of India & Ors.***, (2013) 8 SCC 234 while considering the protection and conservation of endangered

species has observed as hereunder:

"45. We may point out that there has been wide-ranging discussions and deliberations on the international platforms and conferences for rebuilding of certain principles laid down in the earlier conventions on the Principles of Sustainable Development. The United Nations Commission on Environment and Development defined the "sustainable development" as follows:

"Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (World Commission on Economic Development [WCED], 1987 : 43)

46. Sustainable development, it has been argued by various eminent environmentalists, clearly postulates an anthropocentric bias, least concerned with the rights of other species which live on this earth. Anthropocentrism is always human interest focussed thinking that non-human has only instrumental value to humans, in other words, humans take precedence and human responsibilities to non-human are based on benefits to humans. Ecocentrism is nature-centred, where humans are part of nature and non-humans have intrinsic value. In other words, human interest does not take automatic precedence and humans have obligations to non-humans independently of human interest. Ecocentrism is, therefore, life-centred, nature-centred where nature includes both humans and non-humans."

"48. Article 21 of the Constitution of India protects not only the human rights but also casts an obligation on human beings to protect and preserve a species becoming extinct, conservation and protection of environment is an inseparable part of right to life. In *M.C. Mehta v. Kamal Nath* [(1997) 1 SCC 388], this Court enunciated the doctrine of "public trust", the thrust of that theory is that certain common properties such as rivers, seashores, forests and the air are held by the Government in trusteeship for the free and unimpeded use of the general public. The resources like air, sea, waters and the forests have such a great importance to the people as a whole, that it would be totally unjustified to make them a subject of private ownership. The State, as a custodian of the natural resources, has a duty to maintain them not merely for the benefit of the public, but for the best interest of flora and fauna, wildlife and so on. The doctrine of "public trust" has to be addressed in that perspective.

49. We, as human beings, have a duty to prevent the species from going extinct and have to advocate for an effective species protection regimes. NWAP 2002-2016 and the Centrally-sponsored scheme, 2009 indicate that there are many animal species which are close enough to extinction and some of the other species have already disappeared from this earth. No species can survive on the brink of extinction indefinitely and that the continued existence of any species depends upon various factors like human-animal conflict, epidemics, forest fire and other natural calamities, etc."

The State as well as the Central Government therefore,

have a duty cast to preserve the endangered species and as such the expenses incurred will have to be provided by them either under the schemes available or by earmarking the same in such manner. Needless to mention that in the instant case the preservation is by undergrounding the powerlines and in that context if cost is incurred, it would also be permissible to pass on a portion of such expenses to the ultimate consumer subject to approval of the Competent Regulatory Authority.

6. The respondents though are sensitive to the issue, have contended that the high-voltage lines do not cause GIB deaths due to electrocution but cause death due to collision. It is contended that the underground high-voltage line is not technically feasible due to several factors such as (i) high cost (ii) high downtime to repair any failed cable (iii) non-availability of cables at 765 Kv level and (iv) increase in the number of joints with length of run. The petitioners/applicants in order to controvert the same and contend that the undergrounding of high-

voltage line is not a novel move but has been undertaken in other cases, have referred to the tender notification issued by Power Transmission Corporation of Uttarakhand Limited for 220 KV transmission line and the one issued by Delhi Transport Limited for 220 KV underground cable.

7. In addition, the petitioners have also referred to the invitation of public comments for laying underground cable transmission line of 220 KV by the Government of India, Ministry of Road Transport and Highways. The report published by the Power Grid Corporation is referred to indicate that the undergrounding of 220 KV power line is possible and is being done in India. It is specifically contended that the 10 km long power lines were made underground by GETCO for the safety of Greater Flamingos in the Khadir Region of Kutch. Similar such instances of underground power lines being laid is also referred by Mr. Shyam Divan, learned senior counsel for the petitioner. Ms. Aishwarya Bhati, learned ASG and Dr. Manish Singhvi, learned senior counsel

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appearing on behalf of the respondents however sought to indicate that the instances referred, wherein the tender notifications were issued for underground power lines cannot be made comparable in all cases inasmuch as the same would be possible depending on the area, terrain and the distance for which such cable line is to be laid which cannot be of universal application.

8. In that background, keeping in view, the sustainable development concept and on striking a balance the protection of the rare species of birds is essentially to be made, the effort being to save every bird while at the same time allowing transmission of power in an appropriate manner. Even as per the study/survey conducted by the Wildlife Institute of India, it would not be feasible to lay underground power cables in certain areas and the conversion of the already existing cables also cannot be made in certain locations. In such of the locations, it is recommended that 'bird divertors' be installed on the existing power lines and the undergrounding of the new power line wherever technically feasible in the vicinity of the habitats of the

rare species of birds be undertaken.

9. The report dated 11.07.2019 was submitted by the Wildlife Institute before the National Green Tribunal to that effect and para 4.2 of the report reads as hereunder:

"4.2. Mitigate all power transmission lines passing through priority bustard habitats identified by WII (Please refer Annexure 10) by undergrounding cables (where technically/technologically feasible) or installing bird divertors to make them prominent to birds. The priority areas where this intervention is required has been mapped by the Wildlife Institute of India and a technical-cum-financial proposal has been submitted to RVPNL for necessary approvals from Rajasthan Energy Department for mitigation. This action must be expeditiously implemented in the short-term (1-3 years), as power-line mortality is currently the biggest threat to the species."

10. In addition to the death of the birds due to collision and electrocution, the conservation strategy also requires protecting the eggs of the said species of birds and the same being transferred to breeding centres for the purpose of hatching. In that regard, for conservation, the habitat restoration and for making it predator proof, appropriate fencing is to be provided to the breeding

grounds. In that regard, pictorial representation of the priority and potential area is indicated in Annexure A-7 (page 74) of I.A. No.85618/2020 which is also depicted here below.

11. In the above background, there cannot be disagreement whatsoever that appropriate steps are required to be taken to protect the said species of birds. In that view, insofar as the existing overhead powerlines are concerned the respondents shall take steps forthwith to install divertors and in respect of existing overhead powerlines all future cases of installing the transmission lines a study shall be conducted with regard to the feasibility for the lines to be laid underground. In all such cases where it is feasible, steps shall be taken to lay the transmission line underground. For the lines to be laid in future if as per the technical report the overhead line alone is feasible and the same is ratified by the Committee, in such event the installation of the divertors shall also be a condition attached in the contract to be entered with generating companies. Insofar as, the cost incurred in the said process, the concerned respondents

No. 5 to 8 and 9 to 11 shall work out and provide for the same and the respondents No.1 to 4 aid in this regard. It would be open to them to muster the resources in accordance with law. In cases where the power generators are required to bear the additional amount adding to the cost of production, it would be open to regulate the manner in which the cost would be mitigated in accordance with contractual terms. Irrespective of the cost factor the priority shall be to save the near extinct birds.

12. In fact, a few suggestions were made in the course of arguments, as to how financial resources can be mobilised. One of the options that could be explored, is to invite the attention of each electricity utility engaged in the generation of power, to Section 135 of the Companies Act, 2013, which imposes corporate social responsibility upon companies having a specified net worth or turnover or net profit. Section 166(2) of the Companies Act, 2013 ordains the Director of a Company to act in good faith, not only in the best interest of the Company, its employees, the

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shareholders and the community, but also for the protection of environment. The word "environment", though not defined in the Companies Act, has to be given the meaning assigned to it under the Environment (Protection) Act, 1986. Section 2(a) of the Environment (Protection) Act, 1986, defines the word "environment" to include the *"inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organisms and property"*

Moreover, with the implementation of the Compensatory Afforestation Fund Act, 2016 (CAF, 2016), substantial funds are available with the National and State Authorities. Sections 4, 5 and 6 of the Act, provide for the utilisation of the fund for measures to mitigate threats to wildlife. The State of Rajasthan has already set up a Compensatory Afforestation Fund Management and Planning Authority (CAMPA) on 12.11.2009. Rule 5(2)(i) of these Rules permit the use of the State Fund for the improvement of wildlife habitat. It appears, according to the petitioners that a sum of Rs.47,436 crores, out of a

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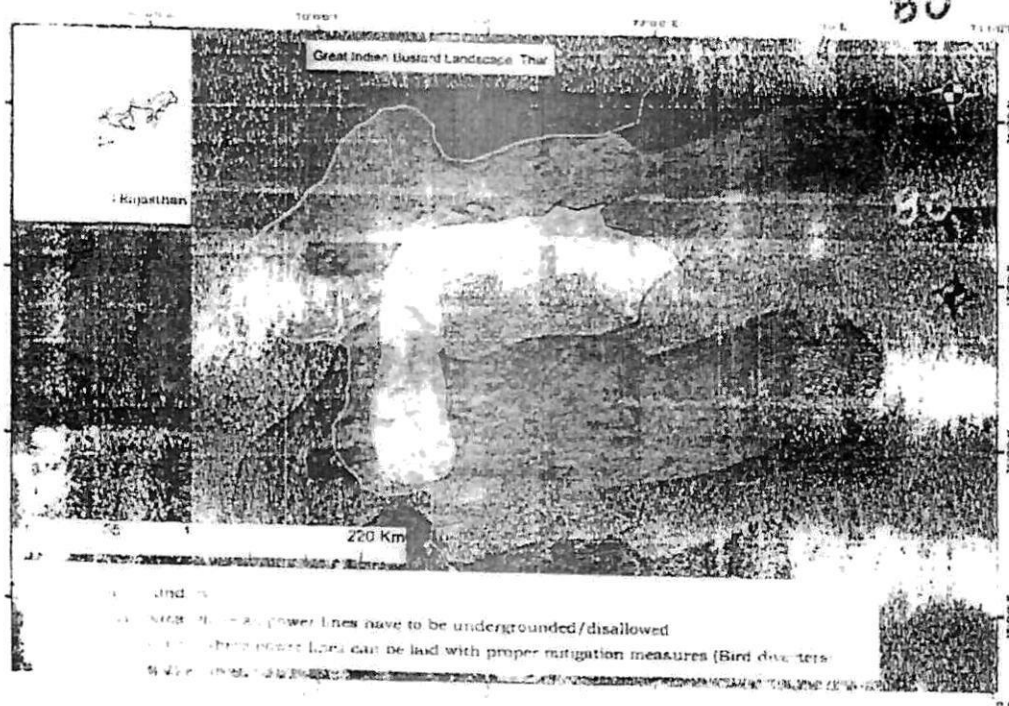
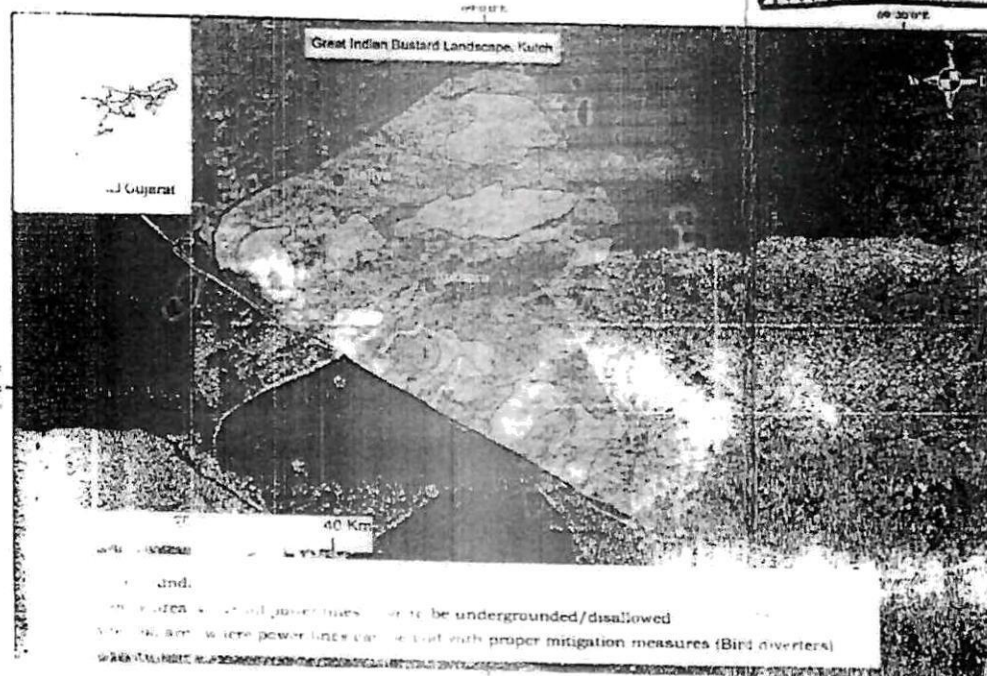
total of Rs.54,685 crores CAMPA Fund have been transferred by the Union Environment Ministry to the States for afforestation projects.

13. With regard to the conservation of the habitat to secure the safety of the eggs laid by the birds, the area earmarked and indicated as islands and shown in Annexure-A-7 and in light colour in sketch here below shall be fenced and protected from invasion by predators so that the eggs laid in these areas are protected. The power supply line regarding which underground passage is to be made should also avoid these areas.

14. In the light of the contentions urged on this aspect of the matter, we are conscious that the laying of the underground power line more particularly of high-voltage though not impossible, would require technical evaluation on case-to-case basis and an omnibus conclusion cannot be reached laying down a uniform method and directions cannot be issued unmindful of the fact situation. Though that be the position the consensus shall be that all low voltage powerlines to be laid in the priority and potential habitats of GIB shall in

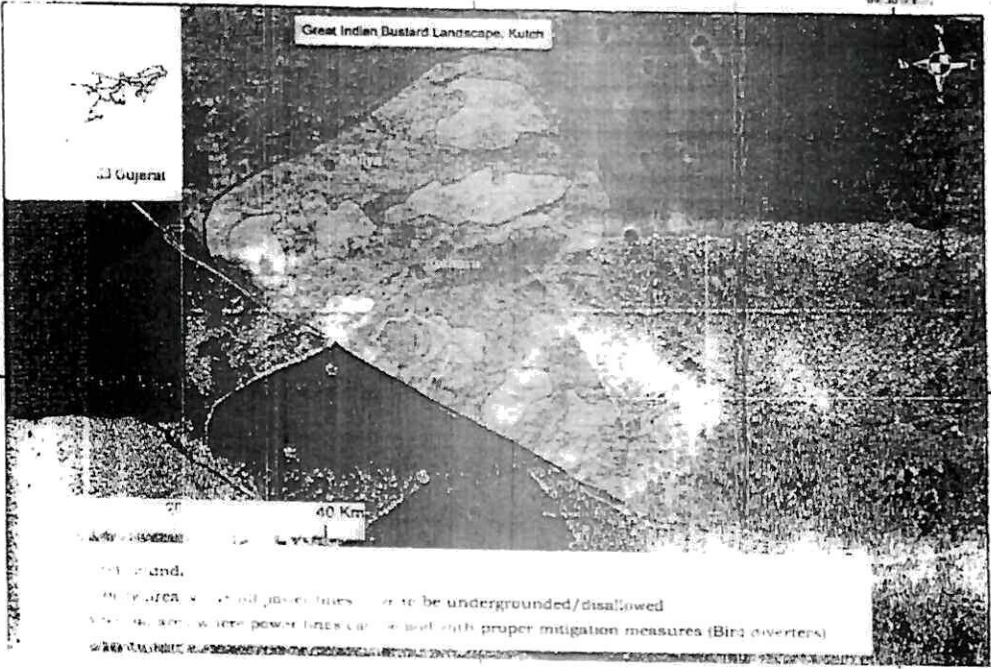
all cases be laid underground in future. In respect of low voltage overhead powerlines existing presently in the priority and potential habitats of GIB, the same shall be converted into underground powerlines. In respect of high-voltage powerlines in the priority and potential habitats of GIB, more particularly the powerlines referred in the prayer column of I.A. No.85618/2020 and indicated in the operative portion of this order shall be converted into underground power line. The potential and priority area in Kutch and Thar respectively are as per the sketch shown below:

ANNEXURE A-7

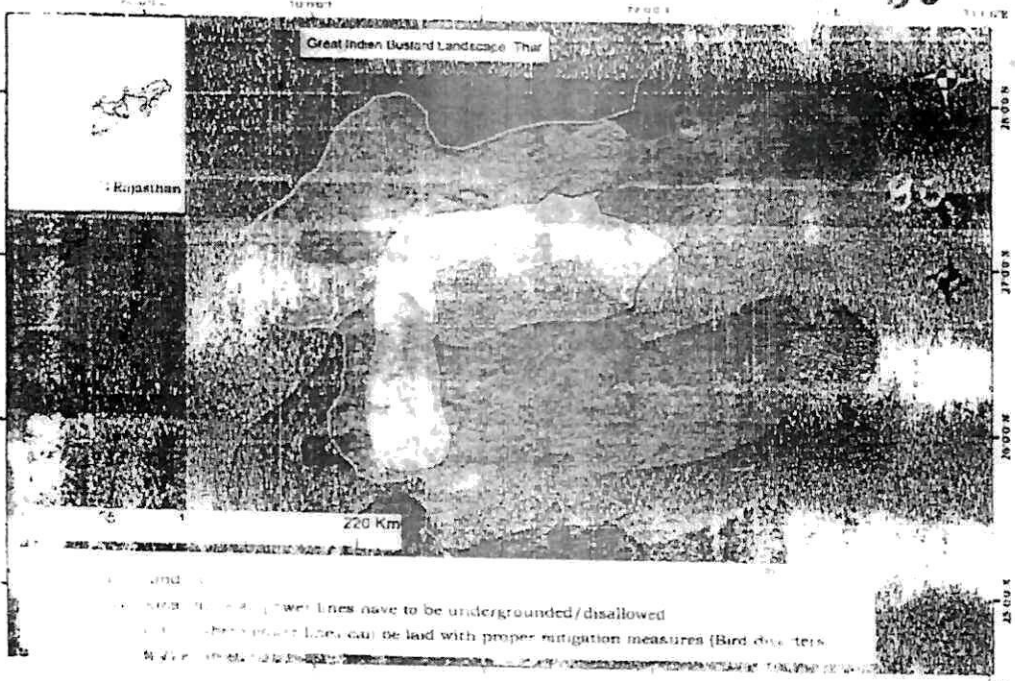


ANNEXURE A-7

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While considering the laying of underground power line the said habitats shall be kept in perspective and steps be taken for the safety of the GIB in the said habitat.

15. As already taken note above, the laying of high-voltage underground power line would require expertise to assess the feasibility of the same. For this specific purpose of assessing the feasibility after taking into consideration all technical details, we deem it proper to constitute a committee consisting of the following members:

- (i) Dr. Rahul Rawat,
Scientist,
Room No.021, Block-14,
Ministry of New and Renewable Energy,
CGO Complex, Lodi Road,
New Delhi.
- (ii) Dr. Sutirtha Dutta,
Scientist,
Wildlife Institute of India,
Dehradun.
- (iii) Dr. Devesh Gadhavi,
Deputy Director,
The Corbett Foundation.

The above committee may also obtain technical reports if need be, from experts in the field of electricity

supply to arrive at their decision. The Government of India shall provide all assistance to the Committee.

16. The details of the powerlines from Kutch for installation of bird divertors is as follows:

a) <u>List of powerlines from Kutch for installation of divertors</u>	<u>Capacity</u>
1) Kukdau to Vingaber (8.86 Km)	Unknown
2) Vingaber to Lala (4.84 Km)	Unknown
3) Agriculture area near highway NH-41 (0.53 KM)	Unknown
4) Agriculture area near highway NH-41 (0.86 KM)	Unknown
5) Khirsara village to Khotara town (3.42 Km)	Unknown
6) Prajau Substation to Prajau Village on road side (2.81 Km)	Unknown
7) Part of Bhamedi to Naliya (4.44 Km)	Unknown
8) Part of Fulay vandh to Naliya-Jakhau Road (10.9 Km)	Unknown
9) Part of Kothara Naliya line (9.1 Km)	Unknown
10) Part of Kothara-Naliya Line (6.90 km)	Unknown
11) Part of Vanku to Fulay Vandh (6.25 km)	Unknown

The details of the powerlines for installation of divertors from Rajasthan are as follows:

b) <u>List of powerlines for installation of divertors from Rajasthan</u>	<u>Capacity</u>
1) Jaisalmer – Ramgarh -1 (40 Km)	132 kv
2) Jaisalmer – Ramgarh -2 (40 Km)	132 kv

3) Askandra (Pokran to Askandra) (30 Km)	132 kv
4) Askandra (Pokran to Askandra) (20 Km)	132 kv
5) Amarsagar – Ramgarh (40 Km)	220 kv
6) Amarsagar – Lilo (8 Km)	220 kv
7) Amarsagar – Phalodi (54 Km)	220 kv
8) Amarsagar – Phalodi (71 Km)	220 kv
9) Ramgarh Dechu (49 Km)	220 kv
10) Ramgarh Dechu (43 Km)	220 kv
11) Ramgarh Dechu (50 Km)	220 kv
12) Akai – Ramgarh (55 Km)	400 kv
13) Tejuva – Kuchadi (138 km)	33 kv
14) Kaladongar (70 Km)	33 kv
15) Mokla – Habur – Sanu (301 km)	33 kv
16) Tejuva – Kuchadi (25 km)	132 kv
17) Kaladongar (47 km)	132/220 kv
18) Mokla – Habur – Sanu (43 km)	132/220 kv
19) Chandan Via Bhagu ka Gaon to Mohangarh (70 km)	33 kv
20) Amarsagar – Ramgarh (40 km)	220 kv
21) Amarsagar – Ludarva (4 km)	33 kv

The details of the powerlines to be converted to underground subject to feasibility, if not, to immediately install divertors:

Lines from Kutch

a) <u>List of powerlines from Kutch for undergrounding</u>	<u>Capacity</u>
1) 220 KV GETCO line next to breeding site 13 cables (3.19 Km)	220 KV
2) Bhachunda GIB habitat to Sandhav River line (2.1 Km)	Unknown
3) Bhanada to Valram Society (6.1 Km)	66 KV
4) GETCO Substation to Dhanawada – Nanawada (9.81 Km)	Unknown

5) GETCO Substation to Kothara-Mothala Road (9.69 Km)	Unknown
6) Jakhau to Prajau road substation (10.9 Km)	Unknown
7) Jakhau to Sindhodi (8.39 Km)	Unknown
8) Jakhau to Sindhodi (8.53 Km)	Unknown
9) Jakhau to Sindhodi (8.57 Km)	Unknown
10) Jakhau-Vanku Road to Prajau Road substation (3.43 Km)	Unknown
11) Kalatalav Khirsara Road (9.0 Km)	Unknown
12) Khirsara Kothara (8.20 Km)	Unknown
13) Khirsara to Kothara River Wastelands (2.24 Km)	Unknown
14) Kunathiya GETCO to Bitta & around Adani Solar (6.65)	220 kv
15) Kunathiya GETCO to Tera (7.32 Km)	66 KV
16) Kunathiya GETCO towards Rava (3.34 km)	66 KV
17) Lala to Jakhau (11.6 Km)	Unknown
18) Line near Khorsara (2.77 Km)	Unknown
19) Line near Lala village (1.45 Km)	Unknown
20) Naliya-Kothara Road (6.58 Km)	Unknown
21) Naliya-Kothara Highway (15.0 Km)	Unknown
22) Naliya-Kothara Highway Line (15.7 km)	Unknown
23) Naliya-Kothara Road to Prajau (9.15 Km)	Unknown
24) Naliya-Kothara Road to Vanku-Lala Road (10.8 km)	66 KV
25) Prajau Road (5.57 Km)	Unknown
26) Prajau to Naliya-Jakhau Road	Unknown
27) Prajau Road line passing through Naliya Grasslands (4.43 km)	Unknown
28) Prajau Road substation to Naliya-Kothara Road substation	Unknown
29) Prajau village to Prajau Road (5.82 Km)	Unknown
30) Part of Bhamedi to Naliya-Jakhau Road (8.19 km)	Unknown
31) Part of Fulay Vandh to Naliya-	Unknown

Jakhau Highway (8.27 Km)	
32) Part of Kothara-Naliya (8.82 Km)	Unknown
33) Part of Kothara-Naliya line (9.36 km)	Unknown
34) Part of Vanku to Fulay Vandh line (1 km)	Unknown
35) Khirsara to Highway River Wastelands (1.59 Km)	Unknown
36) Kunathiya GETCO to Bhanada Village via Agri Farms (12.1 km)	66 KV

Lines from Rajasthan

b)	<u>List of powerlines from Rajasthan for undergrounding</u>	<u>Capacity</u>
1)	Kanoi-Salkha (21 Km)	33 kv
2)	Sam-Dhanana (45 Km)	33 kv
3)	Tejuva-Kuchr (17 Km)	33 kv
4)	Khuchri horizontal-parallel (21 Km)	33 kv

17. The respondents No.5, 6 and 9 to 11 while arranging to lay the powerlines underground in respect of the powerlines, the feasibility of which is not in doubt shall proceed with the work right away. However, in cases where the respondents find that there are issues relating to feasibility, the matter shall be referred to the committee with all relevant material and particulars. The committee shall assess the matter and arrive at a conclusion as to whether the underground powerline is feasible or not. Based on the report to be rendered by the committee the further action shall be taken by the respondent.

18. In all cases where the overhead powerlines exist as on today in the priority and potential GIB area the respondents shall take steps forthwith to install divertors pending consideration of the conversion of the overhead cables into underground powerlines. In all such cases where it is found feasible to convert the overhead cables into underground powerlines the same shall be undertaken and completed within a period of one year and till such time the divertors shall be hung from the existing powerlines.

19. Ordered accordingly.

.....CJI.
(S. A. Bobde)

.....J.
(A.S. Bopanna)

.....J.
(V. Ramasubramanian)

New Delhi,
April 19, 2021

F. No. 283/20/2019-GRID SOLAR-Part(2)

भारत सरकार / Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy


ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodhi Road, New Delhi – 110003Dated: 02nd June, 2021**OFFICE MEMORANDUM****Sub: Solar PV Power Projects under Tranche-I and Tranche-II of CPSU Scheme Phase II (Government Producer Scheme), implemented by SECI – reg.**

1. Reference is invited to the requests received from SECI vide its letter nos. SECI/Solar/CPSU PII/T1 & T2/ Extension/40369 dated 11.12.2020 and dated 26.03.2021 and email dated 16.04.2021, regarding extending the timelines for project execution under Tranche I and II of CPSU Scheme Phase-II.
2. Representations have been received for extending the timelines for projects in Tranche-III of CPSU Scheme Phase-II, primarily on account of temporary shortage of equipment for solar PV power projects, particularly domestically manufactured solar PV cells. The interactions of the Ministry with industry stakeholders have also indicated that the addition of new domestic manufacturing capacity of solar cells has been delayed due to COVID-19 related travel restrictions.
3. Against the above background, with the approval of Hon'ble Minister (NRE & Power), MNRE modified the Scheme Guidelines for CPSU Scheme Phase-II to increase the project timelines. The commissioning period has been enhanced from present 24 (twenty four) months to 30 (thirty) months from the date of letter of award (LoA). Further, the timeline for the intermediate milestone of 'Award of EPC Contract', which was 6 (six) months from LoA, in Tranche-I & Tranche-II, has also been increased to 12 (twelve) months from the date of LoA.
4. In order to address certain issues pertaining to projects sanctioned under Tranche-I & Tranche-II of CPSU Scheme Phase -II, the amended timelines shall also be applicable to Tranche-I & Tranche-II projects.
5. In accordance with these new timelines, for projects under Tranche I & II:
 - a) Government Producers who had awarded the EPC contract within 6 (six) months from the date of issuance of LoA by SECI, shall increase the time period for project execution by EPC contractor such that the total project timeline is 30 (twelve) months from the date of LoA by SECI.



- b) Projects where the award of EPC contract happened beyond 6 (six) months but within 12 (twelve) months of LoA by SECI, such delay is regularised and the Government Producers shall keep the time period for project execution by EPC contractor such that the total project timeline is 30 (thirty) months from the date of LoA by SECI.
- c) In cases where the EPC contract has not been awarded even within 12 (twelve) months of issuance of LoA, SECI may carefully assess the readiness of the project for commissioning within 30 (thirty) months of LoA, and based on that decide on giving more time for award of EPC contract, subject to the payment of applicable penalties by such Government Producers. The overall project completion timeline in such cases will stay at 30 (thirty) months. All other projects are to be cancelled and such organisations can apply afresh or participate in future CPSU Scheme tenders.
- d) The above timelines are excluding the extension(s) given on account of COVID-19, including the 5 (five) months blanket extension already given by MNRE.
6. A compliance report on Para-5 above shall be submitted by SECI within a fortnight of this O.M.
7. This issues with the approval of Hon'ble Minister (NRE & Power).


 (Mohd Azmal Mansoori)
 Scientist-B
 Email: azmal.mnre@gov.in

To:

The Chairman & Managing Director, Solar Energy Corporation of India (SECI), Plate-B, 6th Floor, Tower 2, NBCC Office Block, East Kidwai Nagar, New Delhi-110023

Copy to:

1. All concerned
2. NIC, MNRE, for uploading on MNRE website for dissemination of information.

Copy for internal circulation to:

PS to Hon'ble Minister (NRE & Power)/ Sr. PPS to Secretary / Sr. PPS to JS (AKS) / Dir (RG)/ Sci-D (SK)



Southern Power Distribution Company of Telangana Limited

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452 website www.tssouthernpower.com

For perusal
Secretary
Member/F
Member/T
Chairman

3/6/2020
04/06/2020

From
The Chief General Manager (IPC & RAC),
TSSPDCL, Corporate Office,
6-1-50, Ground Floor, Mint Compound,
Hyderabad – 500 063.

To
The Secretary,
TSERC, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad.

Lr No.CGM (IPC&RAC)/SE(IPC)/F. NTPC CPSU Scheme /D. No. 1347 /19, dt:27-03-2020

Sir,



Sub: - TSSPDCL – N & RE projects – Power Usage Agreements entered into with NTPC Limited for 923 MW of solar power from NTPC ISTS connected solar power projects under CPSU Scheme – Consent - Requested - Regarding.

Ref:- Lr.No.CGM(IPC&RAC)/SE(IPC)/F.NTPC/D.No.1101/19, Dt:24.01.2020

--***--

Hon'ble TSERC was requested vide ref cited above to accord consent/approval to the Power Usage Agreements (PUAs) entered into with NTPC by TSDiscoms under CPSU Scheme towards purchase of power at a tariff of Rs.2.86 per unit including adopting the tariff under Section 63 of Electricity Act, 2003 and also approve the contracted capacity on the terms and conditions contained in the PUAs.

In addition to the above PUAs, NTPC Limited has further offered to supply 923 MW of solar power under CPSU Scheme at a price of Rs.2.86 per unit for a period of 25 years starting from the FY 20.20-21. The Solar Power Plant is being set up by NTPC in the State of Rajasthan and it would be CTU connected.

In this regard, the TSPCC/TSDISCOMs have given consent to NTPC for Solar Power from the ISTS connected solar power projects under CPSU Scheme. Accordingly, the PUAs have been signed on 13.03.2020 with the details mentioned below:

Sl. No	Name of the seller	Capacity of Plant in MW	Rate per kWh in Rs.	Location of the Plant
1	NTPC Solar PV Station	300	2.86	Shambu Ki burj, Bikaner, Rajasthan
2	NTPC Solar PV Station	300	2.86	Nokhra, Bikaner, Rajasthan
3	NTPC Solar PV Station	296	2.86	Fatehgarh, Jaisalmer, Rajasthan
4	NTPC Solar PV Station	27 out of 90	2.86	Devikot, Jaisalmer, Rajasthan
		923 MW		

In this regard, it is requested Hon'ble TSERC for consent of above Power Usage Agreements (PUAs) entered between NTPC Limited and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited under section 86 (1) (b) of the Electricity Act, 2003

and also requested to accord consent/approval of the Hon'ble TSERC for the above PUAs for purchase of power at a tariff of Rs.2.86 per unit including adopting the tariff under Section 63 of Electricity Act, 2003 and also approve the Contracted capacity on the terms and conditions contained in the PUA.

Encl: Copies of 4 Nos. PUAs.

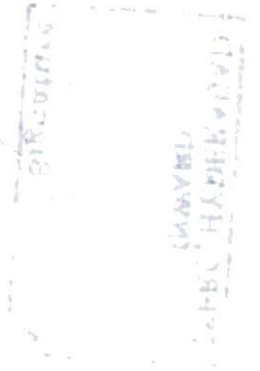
Yours faithfully,


Chief General Manager (IPC & RAC)

Copy submitted to:

The Chief Engineer/TSPCC/Vidyut Soudha/ Hyderabad.

The Chief General Manger /IPC/TSNPDCL/Hanmakonda/Warangal.



POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of 300 MW Solar Power

From

NTPC SOLAR PV STATION OF 300 MW

at Shambu ki burj, Bikaner- Rajasthan




अनिल नौटियाल
ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

एन टी पी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिक्ंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


 Joint General Manager/IPC & RAG
 T. 9007, Corporate Office,
 81, ...
 10, ...






उपनाम तेलंगाना TELANGANA
B. No. 717 Date 05/03/2020 100/-
Name B. Ramesh
S/o. Mr. D/o. Hanumantha Rao
For Whom M/s. NTPC Ltd.

हस्ताक्षर Z 089045
J. SRINIVAS
Licenced Stamp Vendor
LIC No. 15-18-001/2010
Ren. No: 15-18-043/2019
H.No: 4-4-75, Bhagya Nager Colony,
Attapur, Rajendra Nagar, R.R. Dist.
Ph: 9989674556

THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 13th day of March Two Thousand Twenty Twenty (13/03/2020) NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm)
एन टी पी सी लिमिटेड, द के मु कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080



(134)

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana:-

AND WHEREAS NTPC is setting up 300 MW Solar PV Power Station named as NTPC 300 MW Solar PV Station at Shambu ki burj, Distt: Bikaner, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').

AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.


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

1.0 DEFINITIONS

1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.

1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:



अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80


J. S. Narayana
Joint Secretary
Department of Power
Government of Telangana
Hyderabad




i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering


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 NTPC Limited, SRHQ, Kavadiguda, Secunderabad-80


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		and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at Bhadla-II ISTS substation in Rajasthan at 400KV voltage level, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this

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 NTPC Limited, SRHQ, Kavadiaguda Secunderabad-५०



		Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 300 MW developed by NTPC Ltd at Shambu ki burj, Distt: Bikaner, State: Rajasthan.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 300 MW and 300 MW (i.e. 100 %) shall be the Contracted Capacity with Power User.
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021.
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.

अनिल नौटियाल
ANIL NAUTIYAL
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एन टी पी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080



- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.
- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per Unit, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.
- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 300MW) is 27.5% (723.17 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 499.65 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.

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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080

CHIEF GENERAL MANAGER/IPC & RAC



4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.

4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.

4.2.2 Main/ Check/Standby Meters shall also be installed at 400 KV outgoing Feeder at the NTPC project site as a fall back arrangement.

4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.

4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.

अनिल नौटियाल
ANIL NAUTIYAL
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NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80

महाराष्ट्र राज्य विद्युत वितरण निगम
महाराष्ट्र राज्य विद्युत वितरण निगम
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महाराष्ट्र राज्य विद्युत वितरण निगम



4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.7 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.3 ENERGY ACCOUNTING

4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

5.1 Dispatch

The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
एन टी पी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHO, Kavadiaguda, Secunderabad-50

Handwritten signature



6.0 Usage Charges

- 6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.86 per Unit. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.
- 6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.
- 6.3 Taxes, Levies, Duties, Royalty, Cess etc.:
Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

7.0 BILLING AND PAYMENT:

7.1 BILLING:

- 7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NTPC on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:
- 7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.


अनिल नौटियाल
ANIL NAUTIYAL
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एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


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7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:


- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

7.2 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued


अनिल नौटियाल
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NTPC Limited, SRHO, Kavadiiguda Secunderabad-500





(124)

by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.

7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.

7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.


7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.

7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.

7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.

7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of


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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80



the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

7.4 Collateral Arrangement

7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement". Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-५०

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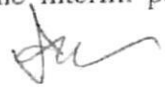


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Deed of Hypothecation' whereby. Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

- 7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly


अनिल नौटियाल

ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50





inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article 7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, NTPC shall be entitled to regulate the supply of power to any other Power User.

7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, व.के.मु कवाडीगुडा, सिर्फंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-५०



8 SETTLEMENT OF DISPUTES:

8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

- a. 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;
- b. 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;

अनिल नौटियाल
ANIL NAUTIYAL
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General Manager (Comm.)
एन टी पी सी लिमिटेड, व.क्षेत्र कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50

TSNPDCL
WARANGAL
17/05/2013



- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
- d. 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 NTPC;
- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.

10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.

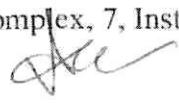
10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW

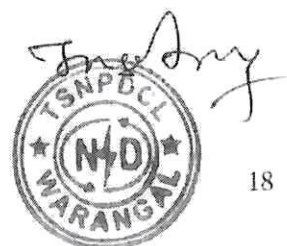
The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised


 अनिल नौटियाल
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 General Manager (Comm.)
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 NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-50


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representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

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13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.

15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.

15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिंदूरसाबाद-८०
NTPC Limited SRHQ, Kavadiiguda Secunderabad-90


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WARANGAL



15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd

Anil Nautiyal

Name and Designation
ANIL NAUTYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, व.क्षे.मु. कवाडीगुडा, सिव्दराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda Secunderabad-50

Witness

J
SE/IPC/TSPCC

mech
SE/IPC/TSSPDCL (I/C)

For and on behalf of Power User

CK-SAS RABA
CHIEF GENERAL MANAGER
S-1-50, Main Office, 1st Floor,
HYDERABAD-500 003.

T. Madhusudan
T. Madhusudan
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

“Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)”: CPSU Scheme



अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80



CHIEF GENERAL MANAGER TPC & RAC
TSSPDCL, Corporate Office,
6-1-50, MG Road, Sec.
HYDERABAD-500 001




Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.




अनिल नौटियाल
ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)


एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad, 80


CHIEF GENERAL MANAGER/IPC & RAC
To the Chief General Office,
NTPC Limited, Secunderabad.



- B1: Outgoing SWIFT 11 Header 1
- B2: Receiver's BIC Code
- 27: Sequence of Total
- 40A: Form of Documentary Credit : IRREVOCABLE
- 20: Documentary Credit Number
- 31C: Date of Issue
- 31D: Date and Place of Expiry
- 51D: Application Bank (Full Address)
- 50: Applicant [Power User with Address]
- 59: Beneficiary
 NTPC LIMITED,
 NTPC BHAWAN, SCOPE COMPLEX,
 7 INSTITUTIONAL AREA,
 LODHI ROAD, NEW DELHI-110 003 (INDIA)
- 32B: Currency Code, Amount: INR
- 41D: Available With. Beneficiary Bank with Address By NEGOTIATION
- 42C: Drafts at.....
- 42D: Drawee [Applicant Bank with Address]
- 43P: Partial Shipments : ALLOWED
- 43T: Transshipment : PROHIBITED
- 44A: Place of Taking in Charge/ Dispatch from.
 NTPC LIMITED,
 NTPC BHAWAN, SCOPE COMPLEX,
 7 INSTITUTIONAL AREA,
 LODHI ROAD, NEW DELHI-110 003 (INDIA)
- 44B: Place of Final Destination/ For Transport :[Name of Power User with Address]
- 44C: Latest Date of Shipment
- 45A: Description of Goods and/or Services : INCOTERMS: EXW
 SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU
 SCHEME.
- 46A: Document Required


 अनिल नौटियाल
 ANIL NAUTIYAL
 महाप्रबंधक (वाणिज्यिक)
 General Manager (Comm.)
 एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिविलरायद-८०
 NTPC Limited, SRHQ Kavadiguda Secunderabad 50


 GENERAL MANAGER & R.M.
 NTPC LTD. Secunderabad
 500 015



IN THE EVENT OF FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL
OR

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK(WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [POWER USER] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THAN ONE DRAWAL IN A MONTH.
5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT



अनिल नाटियाल
ANIL NAUTIYAL
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General Manager (Comm)
एन टी सी लिमिटेड, ए. वी. ए. कवाडिगुडा, चिन्मयराव-८०
NTPC Limited, SRHO, Kavadiiguda, Secunderabad 50


[Faint text and stamp]



- 49: Confirmation Instructions : WITHOUT Sender to Receiver Information
- 72: Sender to Receiver Information
- 39A: Percentage Credit Amount Tolerance: 00/00
- 48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.
- 57D: "Advise through" Bank: [Beneficiary Bank with Address]
- 40E: Applicable Rules: UCP LATEST VERSION


 अनिल नौटियाल
 ANIL NAUTIYAL
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 General Manager (Comm.)
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 NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80


 CHIEF GENERAL MANAGER TPC & RAC
 TSSST, Corp. Office,
 P. O. Box 100, and
 Hyderabad-500 003.



No. 302/4/2017-GRID SOLAR
भारत सरकार / Government of India
नवीन और नवीकरणीय ऊर्जा मंत्रालय/ Ministry of New & Renewable Energy
ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi – 110003
Dated: 5th March, 2019

ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.



While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy. Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.

(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

To


Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to: -

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder


5/3/19

(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

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Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).

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2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- a. To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose.
- b. Scaling up of sizes of projects thereby leading to economies of scale.
- c. To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- d. Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV.
- e. To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below:-

3.2.1 Definition of Government Producer: For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 Domestic Content Requirement (DCR): The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 Usage Charges: Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.

3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (Including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (zero point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.



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**POWER USAGE AGREEMENT
BETWEEN
NTPC LIMITED
AND**

**Southern Power Distribution Company of Telangana Limited
&**

**Northern Power Distribution Company of Telangana Limited
For**

Supply of 300 MW Solar Power

From

NTPC SOLAR PV STATION OF 300 MW

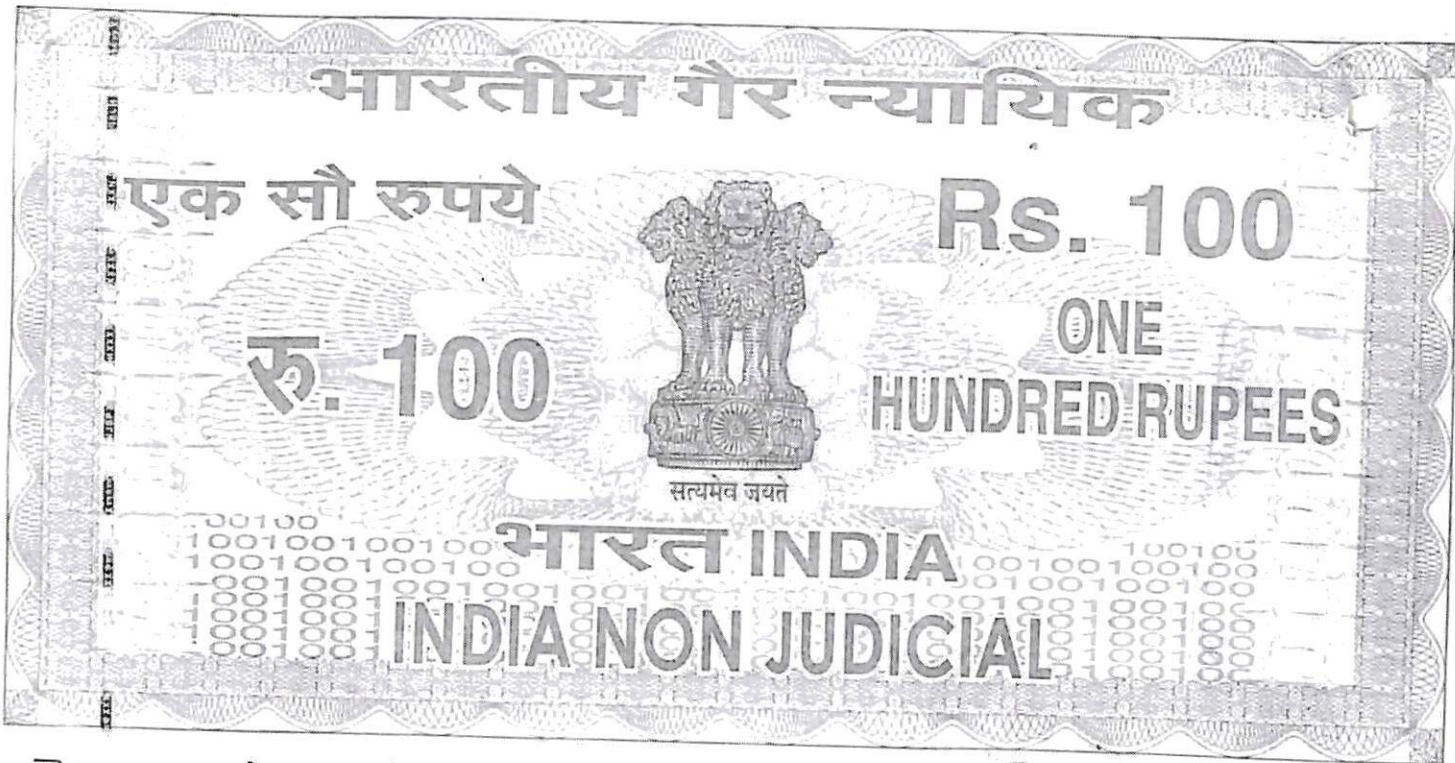
at Nokhra, Bikaner- Rajasthan

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER/IPC & RAC
TS/PC/CL, Corporate Office,
6-1-59, Mitt Compound,
HYD. JALUAD-500 063.



Done
2/6/2020
RO



उपानां तेलंगाना TELANGANA
S. No. 707 Date 06/03/2020 1001 -
Name B. Ramesh
S/o. W/o. D/o. Hanumantha Rao
For Whom M/s. NTPC Ltd.

7 089035
J. SRINIVAS
Licenced Stamp Vendor
LIC No. 15-18-001/2010
Ren. No: 15-18-043/2019
H.No: 4-4-75, Bhagya Nagar Colony
Attapur, Rajendra Nagar, R.R. Dist.
Ph: 9989674556

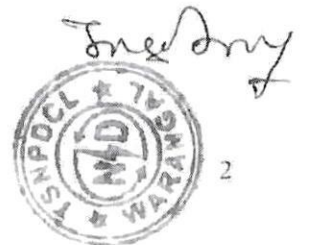
THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 13th day of March Two Thousand Twenty Twenty (13/03/2020) between NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द के मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited SRHO, Kavadiiguda, Secunderabad-80.

CHIEF GENERAL MANAGER/IPC & RAC
TSDISCOMs Office,
Warangal



Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana:

AND WHEREAS NTPC is setting up 300 MW Solar PV Power Station named as NTPC 300 MW Solar PV Station at Nokhra, Distt: Bikaner, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').

AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.

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

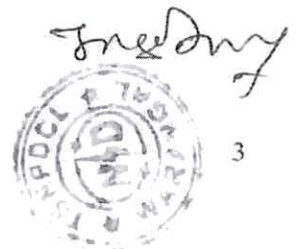
1.0 DEFINITIONS

1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.

1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

अनिल नौटियाल
ANIL NAUTIYAL
सहायक (वणिज्यिक)
General Manager (Commt.)
एन टी पी सी लिमिटेड, व.के.मु. कावाडीगुडा, सिमंदराबाद-८०
NTPC Limited Group Kawadiguda Secunderabad-80.

CHIEF GENERAL MANAGER/IPC & RAC
TSE Group, Corporate Office,
TSE Group, Corporate Office,
Hyderabad-500 063



i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (व्यावसायिक)
General Manager (Comml.)
एन टी सी लिमिटेड, द. के. गु. व. वार्डीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHO, Kaverdiguda, Secunderabad-80

CHIEF GENERAL MANAGER/IPC & RAC
TSSPDCL Corporate Office,
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		point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;
xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;
xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments

अनिल नौटियाल
ANIL NAUTIYAL
सहायक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.से.पु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited SRHQ, Kavagiguda, Secunderabad-50

CHIEF GENERAL MANAGER/IPC & RAC
TSRCL, Kavagiguda Office,
Kavagiguda, Secunderabad, Andhra Pradesh



		and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at Bhadla-II ISTS substation in Rajasthan at 220KV voltage level, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this

अनिल नौटियाल
 ANIL NAUTIYAL
 महाप्रबंधक (वाणिज्यिक)
 General Manager (Comm.)
 एन टी सी लिमिटेड, द क्षे मु कवाडीगुडा, सिकंदराबाद-८०
 NTPC Limited SRHQ, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER NTPC & RAC
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		Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 300 MW developed by NTPC Ltd at Nokhra, Distt: Bikaner, State: Rajasthan.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 300 MW and 300 MW (i.e. 100 %) shall be the Contracted Capacity with Power User.
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021.
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of


 अनिल नौटियाल
 ANIL NAUTIYAL
 महाप्रबंधक (वाणिज्यिक)
 General Manager (Comm.)
 एन टी पी सी लिमिटेड, द. क्षेत्र कवाडीगुडा, सिकंदराबाद-८०
 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.



obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.

- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per Unit, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.
- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 300MW) is 28.05% (737.64 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 499.65 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
एन टी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


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4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

- 4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.
- 4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

- 4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.
- 4.2.2 Main/ Check/Standby Meters shall also be installed at 220 KV outgoing Feeder at the NTPC project site as a fall back arrangement.
- 4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.
- 4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.
- 4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.
- 4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid

अनिल नौटियाल
ANIL NAUTIYAL
महानिदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50

CHIEF ENGINEER, METERING & RAG



down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.7 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.3 ENERGY ACCOUNTING

4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

5.1 Dispatch

The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.

अनिल नौटियाल
ANIL NAUTIYAL
महानिर्देशक (वाणिज्यिक)
General Manager (Comml.)
एन टी सी लिमिटेड, व. व. सु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited SCHO Kavadiiguda Secunderabad-50

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6.0 Usage Charges

- 6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.86 per Unit. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.
- 6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.
- 6.3 Taxes, Levies, Duties, Royalty, Cess etc.:
Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

7.0 BILLING AND PAYMENT:

7.1 BILLING:

- 7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NTPC on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:
- 7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

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7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

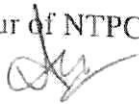
- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

7.2 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.



अनिल नौटियाल
ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)

एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिंदूर राबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


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7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.

7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.

7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.

7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.

7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.

7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


उत्तर
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80



7.4 Collateral Arrangement

7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement". Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts,


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ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
एन टी सी लिमिटेड, द.के.पु. कवाडीगुडा, सिबंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


CHIEF GENERAL MANAGER & RAC
T.S. 100



obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof. 90

- 7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

अनिल नौदियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)

General Manager (Comml.)

एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50



7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

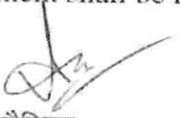
7.5 REGULATION OF POWER SUPPLY:


7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article 7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, NTPC shall be entitled to regulate the supply of power to any other Power User.

7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

8 SETTLEMENT OF DISPUTES:

8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.


अनिल नौटियाल
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General Manager (Comm.)
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


CHIEF CENTRAL MANAGER/IPC & RAC
एन टी पी सी लिमिटेड, द.से.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80



8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

- a. 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;
- b. 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;
- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
- d. a change in the terms and conditions prescribed for obtaining any Consents,

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad, TS

CHIEF ENGINEER, POWER & RAC



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 NTPC;

- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.

10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.

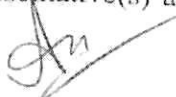
10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act


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General Manager (Comm.)
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NTPC Limited, SRHO Kavadiiguda Secunderabad-80


CHIEF GENERAL MANAGER NTPC S RAO



severally for and on behalf of NTPC.

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13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:


The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

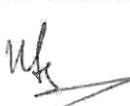
15.0 SUCCESSORS AND PERMITTED ASSIGNS:

15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.

15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.

15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.


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महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad 50


CHIEF GENERAL MANAGER NTPC & RAG
Tamil Nadu, Chennai Office,
NTPC Limited, SRHQ, Kavadiiguda,
Secunderabad 50



15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

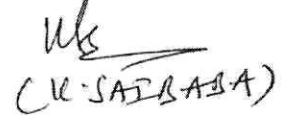
IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd



अनिल नौटियाल
ANIL NAUTIYAL
Name and Designation
General Manager (Comm.)
एन टी सी लिमिटेड, द. के. मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

For and on behalf of Power User

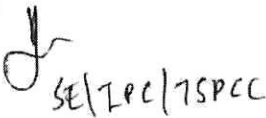
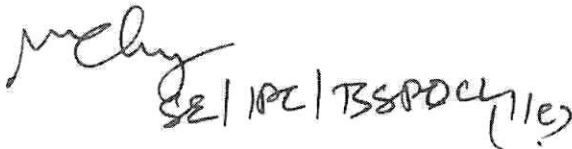

(C.K. SAIRABA)

CHIEF GENERAL MANAGER / IPC & RAC
TSNPDCL, Corporate Office,
Name and Designation
HYDERABAD-500 053.



T. Madhusuahan.,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

Witness


SE/IPC/TSNPDCL
SE/IPC/TSNPDCL (1/e)

"Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)": CPSU Scheme



अनिल नौटियाल
ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, तिवेंद्रराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER/PC & PAC
TSPPCL Corporate Office,
6th Floor, 1st Crossroad,
HYPER LANE-500 083.



Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

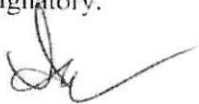
For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.



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ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

CHIEF GENERAL MANAGER/IPC & RAC



B1: Outgoing SWIFT 11 Header 1

B2: Receiver's BIC Code

27: Sequence of Total

40A: Form of Documentary Credit : IRREVOCABLE

20: Documentary Credit Number

31C: Date of Issue

31D: Date and Place of Expiry

51D: Application Bank (Full Address)

50: Applicant [Power User with Address]

59: Beneficiary

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

32B: Currency Code, Amount: INR

41D: Available With. Beneficiary Bank with Address By NEGOTIATION

42C: Drafts at.....

42D: Drawee [Applicant Bank with Address]

43P: Partial Shipments : ALLOWED

43T: Transshipment : PROHIBITED

44A: Place of Taking in Charge/ Dispatch from.

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

44B: Place of Final Destination/ For Transport :[Name of Power User with Address]

44C: Latest Date of Shipment

45A: Description of Goods and/or Services : INCOTERMS: EXW
SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU
SCHEME.

46A: Document Required


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General Manager (Comm.)
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NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80


CHIEF CENTRAL MANAGER NPC & RAC
TELEPHONE NO. 22222222
FAX NO. 22222222
E-MAIL ADDRESS: ntpc@nptcltd.co.in



IN THE EVENT OF FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL
OR

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

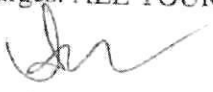
SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [Power User] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THAN ONE DRAWAL IN A MONTH.
5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT


अनिल नौटियाल
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


CHIEF GENERAL MANAGER / IFC & RAC



- 49: Confirmation Instructions : WITHOUT Sender to Receiver Information
- 72: Sender to Receiver Information
- 39A: Percentage Credit Amount Tolerance: 00/00
- 48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.
- 57D: "Advise through" Bank: [Beneficiary Bank with Address]
- 40E: Applicable Rules: UCP LATEST VERSION

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अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
एन टी पी सी लिमिटेड, व.क्षे.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kayadiguda, Secunderabad-00


CHIEF GENERAL MANAGER / IPC & RAC
THROTTLE CONTROL OFFICE




No. 302/4/2017-GRID SOLAR
भारत सरकार / Government of India
नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy
ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi – 110003
Dated: 5th March, 2019

ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.


2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.



While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy, Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.

(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

To
Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to: -

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
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(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

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Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).



2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- a. To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose
- b. Scaling up of sizes of projects thereby leading to economies of scale.
- c. To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- d. Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV
- e. To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below -

3.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding

3.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 **Usage Charges:** Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.

3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (*zero point one five percent*) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.



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No. 302/4/2017-GRID SOLAR
भारत सरकार / Government of India
नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy
ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi – 110003
Dated: 5th March, 2019

ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.

While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy. Major Head: 2810 - New and Renewable Energy. Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.


(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

To

Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to: -

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

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Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder

[Handwritten Signature]
5/3/19

(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).

2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- a. To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose
- b. Scaling up of sizes of projects thereby leading to economies of scale.
- c. To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- d. Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV.
- e. To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below:-

3.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 **Usage Charges:** Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc as may be applicable.

3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (*zero point one five percent*) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

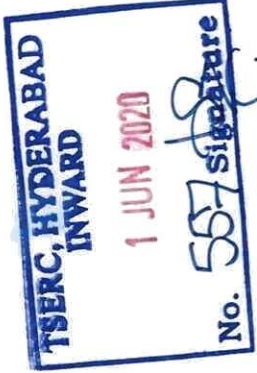
3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

10



**POWER USAGE AGREEMENT
BETWEEN
NTPC LIMITED
AND**

**Southern Power Distribution Company of Telangana Limited
&**

Northern Power Distribution Company of Telangana Limited

For

Supply of 296 MW Solar Power

From

NTPC SOLAR PV STATION OF 296 MW

at Fatehgarh, Jaisalmer- Rajasthan

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm'l)
एन टी पी सी लिमिटेड, द.क्षे.मु.कवाडीमुडा, सिकंदराबाद-५०
TPC Limited SRHQ, Kavacuda Secunderabad 50

CHIEF GENERAL MANAGER/IPC & RAC
TSSPDCL Corporate Office,
Chaitanya Nagar, Sec-1,
Hyderabad-500015





తెలంగాణ తెలంగాణ TELANGANA
 S. No. 712 Date 05/03/2020 100/-
 Name B. Ramesh
 S/o. W/o. D/o. Hanumantha Rao
 For M/s. NTPC Ltd.

జనార్దన్ Z 089040
J. SRINIVAS
 Licenced Stamp Vendor
 LIC No. 15-18-001/2010
 Ren. No: 15-18-043/2019
 H.No: 4-4-75, Bhagya Nagar Colony
 Attapur, Rajendra Nagar, R.R. Dist.
 Ph: 9989674556

THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 13th day of March Two Thousand Twenty Twenty (13/03/2020) between **NTPC Limited**, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

అనీల్ నౌటియాల
 ANIL NAUTIYAL
 महाप्रबंधक (वाणिज्यिक)
 General Manager (Comm.)
 एन टी पी सी लिमिटेड, द.क्ष. कवाडीगुडा, सिकंदराबाद-५०
 NTPC Limited SRHQ, Kavadiguda Secunderabad 50



Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana-


AND WHEREAS NTPC is setting up 296 MW Solar PV Power Station named as NTPC 296 MW Solar PV Station at Fatehgarh, Distt: Jaisalmer, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').


AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.

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

1.0 DEFINITIONS


- 1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.
- 1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:



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ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
एन टी सी लिमिटेड, प्लॉट नु कवाडिगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad 50


J. N. SRINIVAS
Joint General Manager
TSDISCOMs
3



i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering


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 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


 CHIEF ENGINEER, NTPC LIMITED
 Technical Department
 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50



		point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;
xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;
xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments

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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

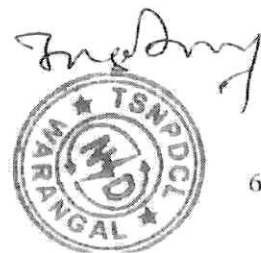
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80
Phone No. 560 063.



		and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at Fatehgarh-I/II ISTS substation in Rajasthan at 220KV voltage level, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this


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 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.





		Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 296 MW developed by NTPC Ltd at Fategarh, Distt: Jaisalmer, State: Rajasthan.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 296 MW and 296 MW (i.e. 100 %) shall be the Contracted Capacity with Power User.
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021.
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of


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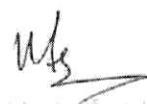

 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50



obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.

- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per Unit, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.
- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 296MW) is 27.29% (708.08 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 492.99 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.


अनिल नौटियाल
ANIL NAUTIYAL
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General Manager (Comm.)
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


CHIEF MANAGER, NTPC LTD.
KAVADIIGUDA, SECUNDERABAD
08-06-2023



4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

- 4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.
- 4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

- 4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.
- 4.2.2 Main/ Check/Standby Meters shall also be installed at 220 KV outgoing Feeder at the NTPC project site as a fall back arrangement.
- 4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.
- 4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.
- 4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.
- 4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid



अनिल नौटियाल
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सहायक (वाणिज्यिक)

General Manager (Comm.)

एन टी सी लिमिटेड, व. के. मु. कवाडीगुडा, सिकंदराबाद-५०

NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50



ज. न. श्रीनिवास

प्रमुख अभियंता, व. के. मु. कवाडीगुडा, सिकंदराबाद-५०

Chief Engineer, V. K. M. Kavadiiguda, Secunderabad-50

Chief Engineer, V. K. M. Kavadiiguda, Secunderabad-50



down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.7 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.3 ENERGY ACCOUNTING

4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.


5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

5.1 Dispatch

The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.


अनिल नौटियाल
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NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-500


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6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.

Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

7.1 BILLING:

7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.

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NTPC Limited, SRHQ, Kavadiyuda, Sunderahad-80

u/s



7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.


Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

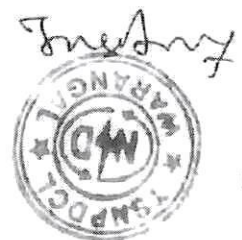
7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

7.2 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.


अनिल नौटियाल
ANIL NAUTIYAL
महानिबंधक (वाणिज्यिक)
General Manager (Comm)
एन टी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिक्कराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80


अनिल नौटियाल
महानिबंधक (वाणिज्यिक)
General Manager (Comm)
एन टी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिक्कराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80



7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

- 7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.
- 7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.
- 7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.
- 7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.
- 7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.
- 7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.
- 7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user

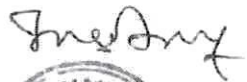


अनिल नौटियाल
ANIL NAUTIYAL

सहप्रबंधक (वाणिज्यिक)

General Manager (Comm)

एन टी पी सी लिमिटेड, व. क्षेत्र, कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.






and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

7.4 Collateral Arrangement

7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement". Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms.


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ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.व.गु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50





"Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

- 7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, व. के. मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda Secunderabad-50



7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article 7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, NTPC shall be entitled to regulate the supply of power to any other Power User.

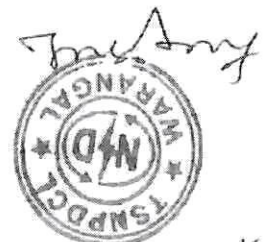
7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

8 SETTLEMENT OF DISPUTES:

8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदरगढ़-८०
NTPC Limited SRHO Kavadiguda Secunderabad-80





8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

- a. 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;
- b. 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;
- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;

अनिल नौटियाल
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General Manager (Comm.)
एन टी सी लिमिटेड, द. के. नु कवाडीगुडा, सिकंदराबाद-८०
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15.04.2017
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80



- d. 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 NTPC;
- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.

10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.

10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised

अनिल नौटियाल
ANIL NAUTIYAL
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General Manager (Comm.)
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NTPC Limited, SRHQ, Kavadiiguda Secunderabad-50



representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC. 46

13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.

15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.

15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.

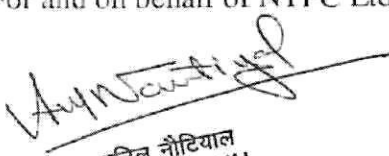
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ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, व.शे.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-80




15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.


IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd



अनिल नौटियाल
ANIL NAUTIYAL
Name and Designation
General Manager (Commercial)
एन टी सी लिमिटेड, द.क्ष.मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

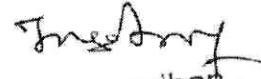
Witness

(1)  SE/IPC/TSPCC

(2)  SE/IPC/TSSPDCL (1/c)

For and on behalf of Power User


(K-SABABA)
CHIEF GENERAL MANAGER IPC & RAC
Name and Designation
6-1 53 111 100 100
HYDERABAD-50


T. Madhusudhan,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

ufz

Frederick



Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,


Authorized Signatory.

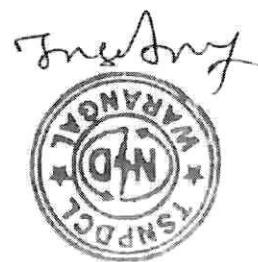


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (सांख्यिक)

General Manager (Comm.)

एन टी पी सी लिमिटेड, द.के.मु. कवाडीगुडा, त्रिबेन्द्रराव-८०
PC Limited, SRHQ, Kavadiiguda, Secunderabad-80


CHIEF GENERAL MANAGER & DGP
TSS&C, C. & B. & P. & S.,
G. & P. & S. & P. & S.
HYDRABAD



42

B1: Outgoing SWIFT 11 Header 1

B2: Receiver's BIC Code

27: Sequence of Total

40A: Form of Documentary Credit : IRREVOCABLE

20: Documentary Credit Number

31C: Date of Issue

31D: Date and Place of Expiry

51D: Application Bank (Full Address)

50: Applicant [Power User with Address]

59: Beneficiary

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

32B: Currency Code, Amount: INR

41D: Available With. Beneficiary Bank with Address By NEGOTIATION

42C: Drafts at.....

42D: Drawee [Applicant Bank with Address]

43P: Partial Shipments : ALLOWED

43T: Transshipment : PROHIBITED

44A: Place of Taking in Charge/ Dispatch from.

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

44B: Place of Final Destination/ For Transport :[Name of Power User with Address]

44C: Latest Date of Shipment

45A: Description of Goods and/or Services : INCOTERMS: EXW
SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU
SCHEME.

46A: Document Required

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महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER/PC & BAC



IN THE EVENT OF FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL
OR

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [POWER USER] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THAN ONE DRAWAL IN A MONTH.
5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT

अनिल नौटियाल
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General Manager (Comm'l.)
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NTPC Limited, SRHO, Kavadiiguda, Secunderabad-50

CHIEF GENERAL MANAGER NTPC & RAC
TS. 11/11/2011



- 49: Confirmation Instructions : WITHOUT Sender to Receiver Information
- 72: Sender to Receiver Information
- 39A: Percentage Credit Amount Tolerance: 00/00
- 48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.
- 57D: "Advise through" Bank: [Beneficiary Bank with Address]
- 40E: Applicable Rules: UCP LATEST VERSION

(40)

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अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Uk
CHIEF GENERAL MANAGER NTPC & RAO
TSSPDCL, Sec. Hq. Office,
6-1-75, T. Nagar, Sec.
HYDERABAD-500 063.

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No. 302/4/2017-GRID SOLAR
भारत सरकार / Government of India
नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy
ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi - 110003
Dated: 5th March, 2019

ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.

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While the maximum permissible VGF has been kept at ₹0.70 cr/MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance of Government Producers on the mandatory requirement of DCR under the Scheme.


4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No: 67 - Ministry of New & Renewable Energy, Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants, Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of MoD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.


(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362449

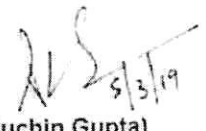
To
Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to: -

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder


(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in
Ph: 011-24362488

Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).

2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments

2.2 The main objectives of the Government Producer Scheme are:

- a. To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose.
- b. Scaling up of sizes of projects thereby leading to economies of scale.
- c. To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- d. Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV
- e. To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below:-

3.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time

3.2.3 **Usage Charges:** Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable

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3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/fits equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (zero point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.



4054

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of 27 MW Solar Power

From

NTPC SOLAR PV STATION OF 90 MW

at Devikot Village, Jaisalmer- Rajasthan

अनिल नौटियाल
ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comml.)

एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०

NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80

CHIEF GENERAL MANAGER/IPC & RAC

TSSPDCL, Corporate Office,

Plot 150, First Compound,

Hyderabad-500 063.





తెలంగాణ తెలంగాణ TELANGANA
 S. No. 714 Date 06/03/2020 100/-
 Name B. Ramesh
 S/o. Hanumantha Rao
 For Whom M/s. NTPC Ltd.

J. Srinivas Z-089042
J. SRINIVAS
 Licenced Stamp Vendor
 LIC No. 15-18-001/2010
 Ren. No: 15-18-043/2019
 H.No: 4-4-75, Bhagya Nagar Colony,
 Attapur, Rajendra Nagar, R.R. Dist.
 Ph: 9989674556

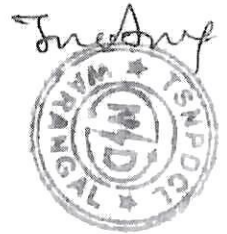
THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 13th day of March Two Thousand Twenty Twenty (13/03/2020) between **NTPC Limited**, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

Anil Nautilyal
 अनिल नौटियाल
 ANIL NAUTIYAL
 महाप्रबंधक (वाणिज्यिक)
 General Manager (Comm.)
 टी पी सी लिमिटेड, द. से. यु. कवाडीगुडा, सिव्दराबाद-८०
 NTPC Limited, SRHQ, Kavadiguda, Secunderabad-80

Uf
 CHIEF GENERAL MANAGER/IPC & RAC
 B. T. S. Compound Office,
 P. T. S. Compound,
 (P.T.S.)-KAD 500 053



Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana-

AND WHEREAS NTPC is setting up 90 MW Solar PV Power Station named as NTPC 90 MW Solar PV Station at Devikot Village, Distt: Jaisalmer, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').


AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.



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

1.0 DEFINITIONS

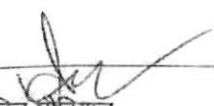
- 1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.
- 1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

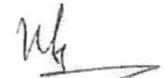

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80




CHIEF GENERAL MANAGER NTPC & RAC
Regional Corporate Office,
6-1, 3rd Floor, Ground,
H.O. Building-5/6/003.

i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering


 अनिल नौटियाल
 ANIL NAUTIYAL
 महाप्रबंधक (वाणिज्यिक)
 General Manager (Comm.)
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 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


 CHIEF GENERAL MANAGER / IPC & RAC
 TSNPDCL Corporate Office,
 G-1, 5th Floor, 2nd Road,
 Hyderabad-500 053.

		point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;
xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;
xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof;

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु.कवाडीगुडा, सिविलराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

CHIEF GENERAL MANAGER/TPC & RAC
TPC & RAC, State Office,
Kavadiaguda, Secunderabad-80.
Phone: 23333333



xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at Fatehgarh-II ISTS substation in Rajasthan at 220KV voltage level, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)

एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER (IPC & RAC)
NTPC Limited, Central Office,
1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000



xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 90 MW developed by NTPC Ltd at Devikot Village, Distt: Jaisalmer, State: Rajasthan.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

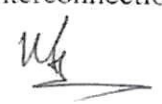
2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 90 MW and 27 MW (i.e. 30.00 %) shall be the Contracted Capacity with Power User.
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021.
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of


 अनिल नौटियाल
 ANIL NAUTIYAL
 महाप्रबंधक (वाणिज्यिक)
 General Manager (Comml.)
 एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
 NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80


 CHIEF GENERAL MANAGER/PC & RAC
 Technical Services Office,
 NTPC Limited, SRHQ, Kavadiaguda,
 Secunderabad-80



obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.

- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per Unit, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.
- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 27MW) is 27.02% (63.95 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 44.97 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्ष.पु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50

CHIEF GENERAL MGR. / AGT-IPD & RAC
TRANSMISSION & RAC OFFICE
6/1, 6/2, 6/3, 6/4, 6/5, 6/6, 6/7, 6/8, 6/9, 6/10, 6/11, 6/12, 6/13, 6/14, 6/15, 6/16, 6/17, 6/18, 6/19, 6/20, 6/21, 6/22, 6/23, 6/24, 6/25, 6/26, 6/27, 6/28, 6/29, 6/30, 6/31, 6/32, 6/33, 6/34, 6/35, 6/36, 6/37, 6/38, 6/39, 6/40, 6/41, 6/42, 6/43, 6/44, 6/45, 6/46, 6/47, 6/48, 6/49, 6/50, 6/51, 6/52, 6/53, 6/54, 6/55, 6/56, 6/57, 6/58, 6/59, 6/60, 6/61, 6/62, 6/63, 6/64, 6/65, 6/66, 6/67, 6/68, 6/69, 6/70, 6/71, 6/72, 6/73, 6/74, 6/75, 6/76, 6/77, 6/78, 6/79, 6/80, 6/81, 6/82, 6/83, 6/84, 6/85, 6/86, 6/87, 6/88, 6/89, 6/90, 6/91, 6/92, 6/93, 6/94, 6/95, 6/96, 6/97, 6/98, 6/99, 6/100, 6/101, 6/102, 6/103, 6/104, 6/105, 6/106, 6/107, 6/108, 6/109, 6/110, 6/111, 6/112, 6/113, 6/114, 6/115, 6/116, 6/117, 6/118, 6/119, 6/120, 6/121, 6/122, 6/123, 6/124, 6/125, 6/126, 6/127, 6/128, 6/129, 6/130, 6/131, 6/132, 6/133, 6/134, 6/135, 6/136, 6/137, 6/138, 6/139, 6/140, 6/141, 6/142, 6/143, 6/144, 6/145, 6/146, 6/147, 6/148, 6/149, 6/150, 6/151, 6/152, 6/153, 6/154, 6/155, 6/156, 6/157, 6/158, 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4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.

4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.

4.2.2 Main/ Check/Standby Meters shall also be installed at 220 KV outgoing Feeder at the NTPC project site as a fall back arrangement.

4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.

4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working

अनिल नाटियल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

CHIEF GENERAL MANAGER / NTPC & RAC
The NTPC Limited, State Office,
The NTPC Limited, State Office,
The NTPC Limited, State Office,
The NTPC Limited, State Office,
The NTPC Limited, State Office,



at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.

4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.7 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.3 ENERGY ACCOUNTING


4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


CHIEF GENERAL MANAGER/NTPC & SAC
TSR, Project, Kavadiiguda, d.
P.O. Kavadiiguda, Sec.
Hydrabad-80



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6.0 Usage Charges

NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.

Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

7.1 BILLING:

7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु.सुल्तानपुड़ा, सिवंदराबाद-८०
NTPC Limited, SRHQ, Kavadiyuda, Secunderabad-80

CHIEF GENERAL MANAGER /IPC & RAC



- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.

7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.के.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER/IPC & RAC
REVENUE & FINANCE
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-80



determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable. 20

7.2 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.

7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.


7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.

7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.

7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.

7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s)


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
एन टी पी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


CHIEF GENERAL MANAGER NTPC & RAC
TSC, NTPC, Regional Office,
Kavadiiguda, Secunderabad,
Telangana-500004



providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.

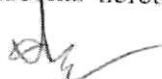
7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

7.4 Collateral Arrangement

7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement". Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms.


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm'l)
एन टी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080


CHIEF GENERAL MANAGER, NTPC & PAL
एन टी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080



However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

- 7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security

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एन टी पी सी लिमिटेड, द.क्ष. मु. कवाडीगुडा, सिबंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER NTPC & RAI
TECHNICAL CONTROL GROUP
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80



to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

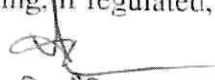
- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.


7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article 7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, NTPC shall be entitled to regulate the supply of power to any other Power User.

7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity


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General Manager (Comm.)
एन टी पी सी लिमिटेड, द. के. गु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


CHIEF GENERAL MANAGER/IPC & RAC
TSPDCL, State Office,
6-1, 2nd Floor, Connaught,
HYDRABAD-500 063



from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

8 SETTLEMENT OF DISPUTES:

8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

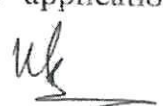
Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

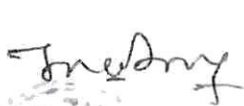
10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

- a. 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;
- b. a change in the interpretation or application of any Law by any Indian


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ANIL NAUTIYAL
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General Manager (Comml.)
एन टी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिक्कराबाद-८०
NTPC Limited, SRHO, Kavadiiguda, Secunderabad 50


CHIEF GENERAL MANAGER, NTPC & RAC
1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100


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Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;

- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
- d. 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 NTPC;
- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.

10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.

10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

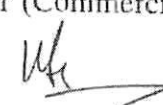
11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor,


अनिल नाटियाल
ANIL NAUTIYAL
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General Manager (Comm)
एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिव्देरगाव-८०
NTPC Limited, SRHO, Kavadiaguda, Secunderabad-50


CHIEF GENERAL MANAGER NTPC & RAC
TOS, SRHO, Kavadiaguda, Secunderabad-50



SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

13.0 NOTICE:


All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

- 15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.
- 15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.
- 15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.


अनिल नौटियाल
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General Manager (Comm.)
एन टी सी लिमिटेड, इ.के.मु. कवाडीगुडा, सिकंदरानगर-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

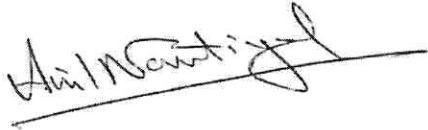

CHIEF GENERAL MANAGER NTPC & RAC



15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd



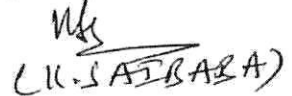
अनिल नौटियाल
ANIL NAUTIYAL
Name and Designation
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

Witness

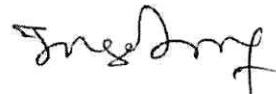
(1) JSE/IPC/TSPCC

(2) MChy
SE/IPC/TSPDE/11C

For and on behalf of Power User




CHIEF GENERAL MANAGER / IPC & RAC
TSNPCL, General Office,
Name and Designation



T. Madhusuahan.,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

Annexure A

"Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)": CPSU Scheme


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 General Manager (Comml.)

एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिव्हेन्द्राबाद-८०
 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


 CHIEF GENERAL MANAGER / IPC &
 TSSPDCL Corporate Off



Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.

अनिल नौटियाल
ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

एन टी पी सी लिमिटेड, व.क्ष.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited SRHQ, Kavadiiguda, Secunderabad-80



B1: Outgoing SWIFT 11 Header 1

B2: Receiver's BIC Code

27: Sequence of Total

40A: Form of Documentary Credit : IRREVOCABLE

20: Documentary Credit Number

31C: Date of Issue

31D: Date and Place of Expiry

51D: Application Bank (Full Address)

50: Applicant [Power User with Address]

59: Beneficiary

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

32B: Currency Code, Amount: INR

41D: Available With. Beneficiary Bank with Address By NEGOTIATION

42C: Drafts at.....

42D: Drawee [Applicant Bank with Address]

43P: Partial Shipments : ALLOWED

43T: Transshipment : PROHIBITED

44A: Place of Taking in Charge/ Dispatch from.

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

44B: Place of Final Destination/ For Transport :[Name of Power User with Address]

44C: Latest Date of Shipment

45A: Description of Goods and/or Services : INCOTERMS: EXW
SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU
SCHEME.

46A: Document Required

अनिल नौटियाल
ANIL NAUTIYAL

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-५०

NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

CHIEF GENERAL MANAGER/IPC & RAC
TSO of NTPC, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.



IN THE EVENT or FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL
OR

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [POWER USER] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THAN ONE DRAWAL IN A MONTH.
5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT

49: Confirmation Instructions : WITHOUT Sender to Receiver Information

ANIL NAUTHIAL

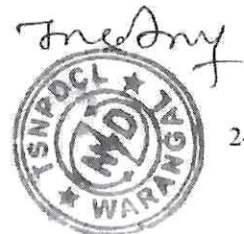
महाप्रबंधक (वणिज्यिक)

General Manager (Comm.)

एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिव्दराबाद-८०

NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

CHIEF GENERAL MANAGER ITC & RAC



72: Sender to Receiver Information

39A: Percentage Credit Amount Tolerance: 00/00

48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.

57D: "Advise through" Bank: [Beneficiary Bank with Address]

40E: Applicable Rules: UCP LATEST VERSION

GENERAL MANAGER (COMM.)

महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-८०

NTPC Limited, SRHQ, Kavadiguda, Secunderabad-80.

CHIEF GENERAL MANAGER/IPC & RAC
TSEPDCL, Corporate Office,
C-150, Mini Compound,
HYDERABAD-500 063.



No. 302/4/2017-GRID SOLAR
भारत सरकार / Government of India
नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy
ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi – 110003
Dated: 5th March, 2019

ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.



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While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy, Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.


(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

To
Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to: -

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder



(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).

2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- a. To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose.
- b. Scaling up of sizes of projects thereby leading to economies of scale.
- c. To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- d. Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV.
- e. To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below:-

3.2.1 Definition of Government Producer: For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 Domestic Content Requirement (DCR): The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 Usage Charges: Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.

3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (*zero point one five percent*) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.





Southern Power Distribution Company of Telangana Limited

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452 website www.tssouthernpower.com

From
The Chief General Manager (IPC & RAC),
TSSPDCL, Corporate Office,
6-1-50, Ground Floor, Mint Compound,
Hyderabad – 500 063.

To
The Commission Secretary,
TSERC, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad.

Lr No.CGM (IPC&RAC)/SE(IPC)/F. NTPC CPSU Scheme /D. No. 57 /21, dt:15-04-2021

Sir,

Sub: - TSSPDCL – N & RE projects – Power Usage Agreements entered into with NTPC Limited for purchase of 369 MW solar power from NTPC ISTS connected solar power projects under CPSU Scheme – Consent - Requested - Regarding.

- Ref:- 1. Lr.No.CGM(IPC&RAC)/SE(IPC)/F.NTPC/D.No.1101/19, Dt:29.01.2020.
2. Lr.No.CGM(IPC&RAC)/SE(IPC)/F.NTPC/D.No.1347/19, Dt:27.03.2020.
3. Lr.No.CGM(IPC&RAC)/SE(IPC)/F.NTPC/D.No.448/20, Dt:24.09.2020.

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Hon'ble TSERC was requested vide ref (1,2&3) cited above for consent/approval to the Power Usage Agreements (PUAs) entered into with NTPC by TSDiscoms under CPSU Scheme towards procurement of aggregated capacity of 1323 MW Solar power at a tariff of Rs.2.86 per unit under CPSU Scheme under section 86 1(b) of Electricity Act,2003.

In addition to the above PUAs, NTPC Limited has further offered to supply 369 MW towards the procurement of solar power under CPSU Scheme for a period of 25 years from the Commercial Operation Date (COD). The Solar Power Plant is being set up by NTPC in the State of Gujarat and Tamilnadu and it would be CTU connected.

In this regard, the TSPCC/TSDISCOMs have given consent to NTPC for procurement of Solar Power from the ISTS connected solar power projects under CPSU Scheme. Accordingly, the PUAs have been signed on 26.11.2020 with the details mentioned below:

Sl. No	Name of the seller	Capacity of Plant in MW	Rate per kWh in Rs.	Location of the Plant
1	NTPC SOLAR PV STATION OF 56 MW at Kawas, Distt Surat- Gujarat	56	2.69	Kawas ISTS SS in Gujarat at 220KV voltage level
2	NTPC SOLAR PV STATION OF 20 MW at Gandhar, Distt Bharuch- Gujarat	20	2.69	Gandhar ISTS SS at 220KV or 400KV voltage level
3	NTPC SOLAR PV STATION OF 230 MW	230	2.69	Tuticorin II GIS ISTS SS in Tamil Nadu at 230KV voltage level



19/4/24
JDC(daw)

	Navalakkapatti, Ettayapuram Taluk, Tuticorin- TamilNadu			
4	NTPC Solar PV Station	27+63	2.74	Devikot,Jaisalmer, Fatehgarh –II ISTS SS at 220 KV voltage level Rajasthan
		MW		

In this regard, it is requested for consent of Hon'ble TSERC to the Power Usage Agreements (PUAs) entered between NTPC Limited and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited under section 86 (1) (b) of the Electricity Act, 2003 and also requested to accord consent/approval of the Hon'ble TSERC for the above PUAs towards purchase of power at a tariff of Rs.2.86 per unit including adopting the tariff under Section 63 of Electricity Act, 2003.

Encl: Copies of 4 Nos. PUAs.

Yours faithfully,



Chief General Manager (IPC & RAC)

Copy submitted to:

~~The~~ Chief Engineer/TSPCC/Vidyut Soudha/ Hyderabad.

The Chief General Manger /IPC/TSNPDCL/Hanmakonda/Warangal.

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SUPPLEMENTARY POWER USAGE AGREEMENT

(AMENDMENT NO. 1)

FOR

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of additional 63MW Solar Power

From

NTPC SOLAR PV STATION OF 90 MW

at Devikot Village, Jaisalmer- Rajasthan

आर. वेंकटेश

R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl General Manager (Commercial)

एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50

Chief General Manager (NTPC) Ltd
Corporate Office
Mint Compound, Hyderabad 500 042



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expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 90 MW Solar PV Power Station named as NTPC 90 MW Solar PV Station at Devikot Village, Distt: Jaisalmer, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 13.03.2020 for supply of 27 MW i.e. 30% of 90 MW power from NTPC SOLAR PV STATION OF 90 MW at Devikot Village, Jaisalmer- Rajasthan.
- E. AND WHEREAS vide its letter dated 19.12.2020 Telangana has conveyed its consent for

आर. वेंकटेश
R. VENKATESH

अवर महाप्रबंधक (वाणिज्यिक)
Addl General Manager (Commercial)
न टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०८००३
NTPC Limited, SRHQ Kavadiguda, Secunderabad-50

Chief General Manager, NTPC & PSC
NTPC Corporation Ltd.
NTPC Limited, SRHQ Kavadiguda, Secunderabad-50



Usage of remaining 63 MW power from aforesaid NTPC Solar PV Station of 90 MW at Devikot Village, Jaisalmer- Rajasthan.

- F. AND WHEREAS parties agree that remaining 70% of 90 MW i.e. 63 MW of Solar PV Power from NTPC 90 MW Solar PV Station at Devikot Village, Distt: Jaisalmer, Rajasthan shall also be allocated to Telangana Discoms making 100% allocation i.e. full 90 MW to Telangana

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
2.1.	The Installed capacity of the Station is proposed to be 90 MW and 27 MW shall be the Contracted Capacity (i.e. 30 %) with Power User.	The Installed capacity of the Station is 90 MW and full capacity of the Station i.e. 90 MW shall be the Contracted Capacity (i.e. 100 %) with Power User.
2.2	Scheduled Date of Commencement for Supply of Power shall be 17 Months from signing of this agreement i.e 12.08.2021.	Scheduled Date of Commencement for Supply of Power from 90 MW solar PV station shall be 19 th Feb 2022.
3.5	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity for 90 MW capacity shall be paid @ Rs 2.74 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation

		<p>system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without any liability on NTPC. Parties further agree that in case if full capacity /part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power, parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.</p>
3.7	<p>The maximum Annual CUF against the contracted capacity (i.e. 27MW) is 27.02% (63.95 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.</p>	<p>The maximum Annual CUF against the contracted capacity (i.e. 90 MW) is 27.02% (213.17 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges</p>
3.8	<p>After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 44.97 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount,</p>	<p>After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 149.90 MU from 90 MW station on Annual basis (i.e. 19% Annual CUF),</p>

आर. वेण्कटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50

Chief General Manager/TSC & RAC



	NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.	for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.
6.1	The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.86 /kWh. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.	The Usage Charges for the contracted capacity i.e. 90 MW shall be as per the Schedule 1. The Usage Charges for the contracted power i.e. 90 MW supplied from the Solar PV Station shall be payable by the Power User @ Rs 2.74/kWh. The Usage Charges for the full 90 MW contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.

Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 13.03.2020 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above


For and on behalf of NTPC Ltd




Name and Designation

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
नू टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०००८०.
NTPC Limited, SRHO, Kavadi Guda, Secunderabad-500080

Witness

(1)  K. Hema
SE/ LAC / TSPCC


(2)  Kalyani Lemidi
DGM (Comm.)
SRHO, NTPC Ltd.

For and on behalf of Power User



Name and Designation

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063


T. MADHUSUDAN
Chief General Manager,
ONGC RAC + TSSPDCL,
IPC & RAC, Warangal.
Warangal.

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SCHEDULE -I

Project	PPA dated 13th March 20		Additional Capacity offered		Final Tariff for full 90 MW capacity	
capacity	27	MW	63	MW	90	MW
CUF	27.02	%	27.02	%	27.02	%
Generation	63.95	MU/year	149.22	MU/year	213.17	MU/year
Tariff	2.86	Rs/kWh	2.69	Rs/kWh	2.74	Rs/kWh

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द के.मु. कवाडीगुडा, सिकंदराबाद-50.
NTPC Limited, SRHQ Kavaguda, Secunderabad-50

अपर महाप्रबंधक/IPC
TSPDCL, Corporate Office,
Joint Compound, Hyderabad-500 03.



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**POWER USAGE AGREEMENT
BETWEEN
NTPC LIMITED
AND**

**Southern Power Distribution Company of Telangana Limited
&**

**Northern Power Distribution Company of Telangana Limited
For**

**Supply of 230 MW Solar Power
From**

NTPC SOLAR PV STATION OF 230 MW

at Navalakkapatti, Ettayapuram Taluk, Tuticorin- TamilNadu



आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-80.
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.



POWER USAGE AGREEMENT





12/11/2020 24-11-2020 100/-
S.No. 3090000 तेलंगना TELANGANA
Paid to R. Venkatesh
W/o Komaraiah
For Whom NTPC Ltd R/o Sec-bad

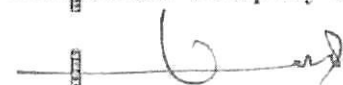
AA 874763

P. SHYAMALA
LICENCED STAMP VENDOR
L No 15-16-002/2020
H No 10-40 Prem Vijay Nagar Colony
New Muzalguda, M.M Dist.
Tel 9700555791

THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 26th day of November Two Thousand Twenty (26/11/2020) between NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies



आर वेकटेश
R VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Adnl. General Manager (Commercial)
एन.टी.पी.सी., द.सं.मु. कलानीगुडा, मिल्कमेटा
NTPC Ltd SRMC Kananiguda Sec. Badli







Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

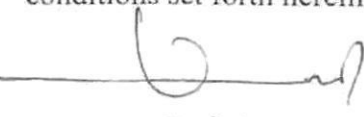
Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana-

AND WHEREAS NTPC is setting up 230 MW Solar PV Power Station named as NTPC 230 MW Solar PV Station at Navalakkapatti, Ettayapuram Taluk, Distt: Tuticorin, TamilNadu (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').

AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.

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


 आर. वेंकटेश
 R. VENKATESH
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl General Manager (Commercial)
 एन टी सी लिमिटेड, द से मु, कवाडिगुडा, सिकंदराबाद-५०
 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50






1.0 DEFINITIONS

1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.

1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would


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NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-500080







		be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;
xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;


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 NTPC Limited, SAHQ, Kavadiaguda, Secunderabad-50

[Signature]

[Signature]



xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	<p>Interface point of Solar PV Power Station with the transmission system developed by CTU at Tuticorin II GIS ISTS substation in Tamil Nadu at 230 KV voltage level, where usage energy meter(s) are installed.</p> <p>Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters)</p>


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 NTPC Limited, SRHQ Kavadi-guda, Secunderabad 50





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		Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 230 MW developed by NTPC Ltd at Navalakkapatti, Ettayapuram Taluk, Distt: Tuticorin, State: TamilNadu.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

2.0 INSTALLED CAPACITY

2.1 The Installed capacity of the Station is proposed to be 230 MW and 230 MW shall be the Contracted Capacity (i.e. 100 %) with Power User.

2.2 Scheduled Date of Commencement for Supply of Power shall be 19th Feb 2022

2.3 As per the provisions of the Guidelines title of power produced from this station shall be


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 अपर महाप्रबंधक (वाणिज्यिक)
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 NTPC Limited, SRHO, Kavadiyuda, Secunderabad-60








transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.
- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 /kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of


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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad, TS





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Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.

- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 230MW) is 26.72% (538.72 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 383.07 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.


4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

- 4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.
- 4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

- 4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation &


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NTPC Limited, SRHO, Kavadiiguda, Secunderabad-50





operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.

4.2.2 Main/ Check/Standby Meters shall also be installed at 230 KV outgoing Feeder at the NTPC project site as a fall back arrangement.

4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.

4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.

4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.7 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.


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NTPC Limited, SRHO, Kavardigutta, Secunderabad-500001







4.3 ENERGY ACCOUNTING

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4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

5.1 Dispatch


The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.

6.0 Usage Charges

6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.69 /kWh. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.

6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.

6.3 Taxes, Levies, Duties, Royalty, Cess etc.:


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अपर महाप्रबंधक (वाणिज्यिक)
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न टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited SRHQ, Kavadiiguda, Secunderabad-50







Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

7.0 BILLING AND PAYMENT:

7.1 BILLING:

7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NTPC on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:

7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

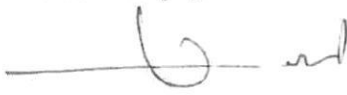
- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.

7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

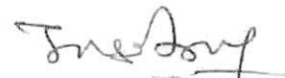
7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from


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NTPC Limited, SRHQ Kavadiiguda, Secunderabad-508001







them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.


7.2 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.

7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.

7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the


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NTPC Limited, SRHO, Kavadiiguda, Secunderabad-50






Station to Power User.

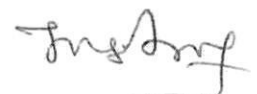
- 7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.
- 7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.
- 7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.
- 7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.
- 7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

7.4 Collateral Arrangement

- 7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SRHQ, Kavaguda, Secunderabad 50








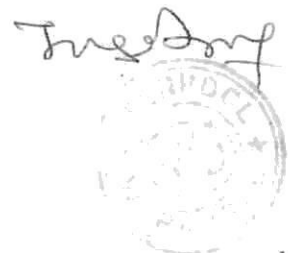
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the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement". Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

- 7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.
- 7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०००३२
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Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.


Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India


अर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, दक्षिण, कवाडीगुडा, सिकंदराबाद ५०००३२
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-500032





(GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement. 166

7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article 7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, NTPC shall be entitled to regulate the supply of power to any other Power User.

7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

8 SETTLEMENT OF DISPUTES:


8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of


आर वेकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद 50
N T C Limited, SRHQ, Kavadiiguda, Secunderabad-50





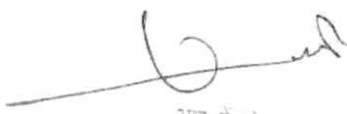


failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

- a. 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;
- b. 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;
- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
- d. 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 NTPC;
- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.


आर वेंकटेश
R VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, दक्षिण, कावाडीमुडा, सिकंदराबाद.
NTPC Limited SRHQ, Kavadimuda Secunderabad.






10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.

10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by



आर. वेंकटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad 50




the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

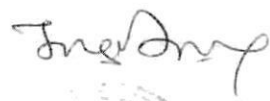
15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.

15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.

15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
न तौ पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद
NTPC Limited SAHQ Kavadiguda Secunderabad







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15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd

Name and Designation

आर. वेंकटेश

R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी पी सी लिमिटेड, द क्षे मु. कवाडीगुडा, सिकंदराबाद-५०.
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-५०.

Witness

(1) SE/IPC/TSPCC

(2) SE/IPC/TSPDCL
(1/K)

(3) j l Thuy
26/11/2020
Sr. Mgr/032599
NTPC Ltd.


For and on behalf of Power User

Name and Designation

T. Madhusudhan.,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

Annexure A

“Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)”: CPSU Scheme


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-60.







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Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:

FAX

SWIFT NO:

CODE:

PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

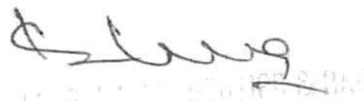
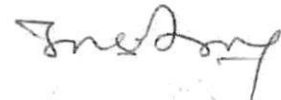
We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.



आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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एन टी सी लिमिटेड, दक्षिण, कवाडीगुडा, सिकंदराबाद-५०००३०.
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-५०००३०


B1: Outgoing SWIFT 11 Header 1
 B2: Receiver's BIC Code
 27: Sequence of Total
 40A: Form of Documentary Credit : IRREVOCABLE
 20: Documentary Credit Number
 31C: Date of Issue
 31D: Date and Place of Expiry
 51D: Application Bank (Full Address)
 50: Applicant [Power User with Address]
 59: Beneficiary
 NTPC LIMITED,
 NTPC BHAWAN, SCOPE COMPLEX,
 7 INSTITUTIONAL AREA,
 LODHI ROAD, NEW DELHI-110 003 (INDIA)
 32B: Currency Code, Amount: INR
 41D: Available With. Beneficiary Bank with Address By NEGOTIATION
 42C: Drafts at.....
 42D: Drawee [Applicant Bank with Address]
 43P: Partial Shipments : ALLOWED
 43T: Transshipment : PROHIBITED
 44A: Place of Taking in Charge/ Dispatch from.
 NTPC LIMITED,
 NTPC BHAWAN, SCOPE COMPLEX,
 7 INSTITUTIONAL AREA,
 LODHI ROAD, NEW DELHI-110 003 (INDIA)
 44B: Place of Final Destination/ For Transport :[Name of Power User with Address]
 44C: Latest Date of Shipment
 45A: Description of Goods and/or Services : INCOTERMS: EXW
 SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU

आर. वेंकटेश
 R. VENKATESH
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl General Manager (Commercial)
 एन टी पी सी लिमिटेड, द से गु, कवाडीगुडा, सिकंदराबाद-६०
 NTPC Limited, SAHO Kavadiguda, Secunderabad-60

[Signature]



SCHEME.

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46A: Document Required

IN THE EVENT OF FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL
OR

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [POWER USER] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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एन टी पी सी लिमिटेड, दक्षिण, कावाडीगुडा, सिकंदरनगर-50
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-50

[Handwritten signature]



BILL AND SHALL NOT MAKE MORE THAN ONE DRAW IN A MONTH.

5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT

49: Confirmation Instructions : WITHOUT Sender to Receiver Information

72: Sender to Receiver Information

39A: Percentage Credit Amount Tolerance: 00/00

48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.

57D: "Advise through" Bank: [Beneficiary Bank with Address]

40E: Applicable Rules: UCP LATEST VERSION



आर. वेंकटेश
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अपर महाप्रबंधक (वाणिज्यिक)
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एन टी सी लिमिटेड, दक्षे मु, कावाडीगुडा, सिकंदराबाद-५०००८०
NTSC Limited, SRHQ, Kavadiiguda, Secunderabad-500080



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No. 302/4/2017-GRID SOLAR

भारत सरकार / Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy

ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,

Lodi Road, New Delhi - 110003

Dated: 5th March, 2019ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme

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आर वेकटेश
R VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl General Manager (Commercial)

एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद 50
NTPC Limited, SRHO Kavadiaguda, Secunderabad 50




While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

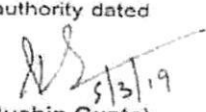
4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy, Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.


(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in


Ph: 011-24362488

To

Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

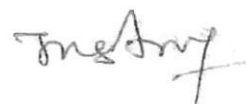
Copy for information and necessary action to: -

- 1 Central Government Ministries/Departments,
- 2 Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-70
- 3 All State/UT Energy Secretaries
- 4 All Heads of State/UT Nodal Agencies
- 5 All State/UT Discoms
- 6 Managing Director, SECI


आर. वेन्कटेश
R. VENKATESH
अवर महाप्रबंधक (वाणिज्यिक)
Andl. General Manager (Commercial)
टी पी सी लिमिटेड, दक्षिण कवडीगुडा, सिक्केन्द्राबाद-५०१००१
T.P.S. Limited SRHQ Kavadiguda Secunderabad-501001

Page 2 of 7





Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder

अरु वेकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-५००

[Signature]

HYDERABAD-500 063.

[Signature]
5/3/19
(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

[Signature]



Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.


1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.


1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)


आर. वेण्कटेश
R VENKATESH
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टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिवासमुद्रा
T.P.S. Limited SRHQ Kavadiyada Sivasaamudra


TSSPOC



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2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose.
- Scaling up of sizes of projects thereby leading to economies of scale.
- To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV
- To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below:-

3.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 **Usage Charges:** Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.

3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (zero point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

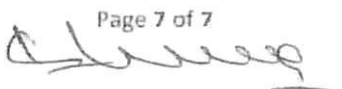
3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

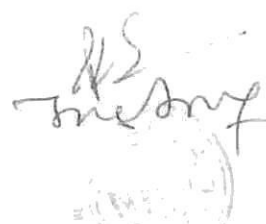
4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

आर वेंकटेश
R. VENKATESH
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द श्रेष्ठ, कवादीगुडा, सिकंदराबाद ५०० ००८
NTPL Limited SRHQ Kavadiyuda, Secunderabad 500 008

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**SUPPLEMENTARY POWER USAGE AGREEMENT
(AMENDMENT NO. 1)**

**FOR
POWER USAGE AGREEMENT**

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of 230 MW Solar Power

From

NTPC SOLAR PV STATION OF 230 MW

Navalakkapatti, Ettayapuram Taluk, Tuticorin- TamilNadu



రవీంద్ర రెడ్డి
R. VENKAIAH
చీఫ్ మేనేజర్ (Commerical)
ఆంధ్ర ప్రదేశ్ విద్యుత్ పంపిణీ సంస్థ, హైదరాబాద్
ఆంధ్ర ప్రదేశ్ విద్యుత్ పంపిణీ సంస్థ, హైదరాబాద్



Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 003





తెలంగాణ తెలంగాణ TELANGANA

S.No. 1734 Date 24/12/2020

Sold to R VENKATESH, S/o. KOMARAI AH,

FOR WHOM: NTPC Ltd, Hyderabad

AE 248074

CH. ARUNA

LICENSED STAMP VENDOR, LIC No. 15-10-039/18

H.No. 1-58/20, Flat No. G-4, Vamshi Residency

Sai, Nagar Colony, Madeenaguda, R.R. Dist,

Ph: 9948040896

This Supplemental Agreement to the Power Usage Agreement signed between NTPC Ltd and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited having effective date of 26/11/2020 is signed on 30/12/2020 at Hyderabad.

Between

NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part:

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which

1. *[Signature]*
R. Venkatesh
S/o. Komarai Ah
NTPC Ltd
Hyderabad

[Signature]

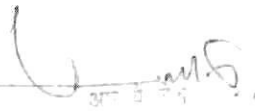


expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

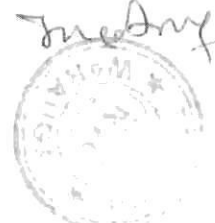
Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 230MW Solar PV Power Station named as NTPC 230 MW Navalakkapatti Solar PV Station at Navalakkapatti, Ettayapuram Taluk, Distt: Tuticorin, TamilNadu(herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "**Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)**" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 26/11/2020 for supply of 230 MW from NTPC SOLAR PV STATION of 230 MW at Navalakkapatti, Ettayapuram Taluk, Distt: Tuticorin, TamilNadu.
- E. AND WHEREAS vide its letter dated 19th Dec 2020, Telangana State power


R. VENKAIAH SH
अवर महाप्रबन्धक (वाणिज्यिक)
आरपी जी प्रोवा मैनेजर (कॉमर्शियल)
एनपीसी लिमिटेड, SPMD, Kavar 3-20, Secunderabad.


R. VENKAIAH SH
अवर महाप्रबन्धक (वाणिज्यिक)
आरपी जी प्रोवा मैनेजर (कॉमर्शियल)
एनपीसी लिमिटेड, SPMD, Kavar 3-20, Secunderabad.



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Coordination committee has conveyed its request to modify the provision 3.5 of the signed PUA.

F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without any liability on NTPC. Parties further agree that in case if full

आर. वेणुगोपाल

R. VENUGOPAL

अवर महाप्रबन्धक (वाणिज्यिक)

Asst. General Manager (Commercial)

विद्युत आपूर्ति निगम, वाराणसी, उत्तर प्रदेश

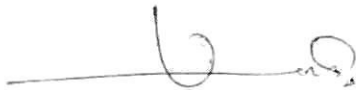
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capacity part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power. parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.

Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 26-11-2020 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above

For and on behalf of NTPC Ltd



Name and Designation

R. VENKATESH

अवर महाप्रबन्धक (वाणिज्यिक)

Asst. General Manager (Commercial)

न. ए. टी. सी. बिल्डिंग, ए. डी. रोड, वाराणसी, मिडिल प्रान्त
U. P. India 221001

For and on behalf of Power User




Name and Designation


Chief General Manager/IPC & RAC

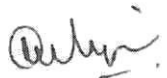
TSNPDCL, Chhatrapati Sambhajinagar

Chief Compoundry, Hyderabad-500004


T. MADHUSUDHAN
Chief General Manager
IPC & RAC TSNPDCL,
Warangal.

Witness

(1)  SE/ZPC / 7SPCC

(2) 
Kalyani Kemidi
DGM (Comm.)
SEHQ, NTPC Hd.

**POWER USAGE AGREEMENT
BETWEEN
NTPC LIMITED
AND**

**Southern Power Distribution Company of Telangana Limited
&**


**Northern Power Distribution Company of Telangana Limited
For**


Supply of 56 MW Solar Power

From

NTPC SOLAR PV STATION OF 56 MW

at Kawas, Distt Surat- Gujarat


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-80.
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


CHIEF ENGINEER, NTPC SOLAR PV STATION
KAWAS, SURAT, GUJARAT
NTPC LIMITED, SRHQ, SECUNDERABAD-80







S.No. 110 Date 24-11-2020 Rs. 100/-
To R. Venkatesh
Kornagah
For Whom NTPC Ltd R/O Sec-bad

AA 874752

P. SHYAMALA
LICENCED STAMP VENDOR
L No: 15-16-002/2020
H.No: 10-40, Prem Vijay Nagar Colony
New Mirzalguda, M.M. Dist.
Cell: 9700555791.

THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 26th day of November Two Thousand Twenty (26/11/2020) between **NTPC Limited**, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or

आर वेकटेश
R. VENKATESH
अपर महाप्रबन्धक (वाणिज्यिक)
Addl. General Manager (Commercial)
नर्मदा पी सी लिमिटेड दक्षिण, कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited SRHQ Kavadiguda, Secunderabad-50



TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana-

AND WHEREAS NTPC is setting up 56 MW Solar PV Power Station named as NTPC 56 MW Solar PV Station at Kawas, Distt: Surat, Gujarat (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').

AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "**Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)**" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.

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



आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०.
NTPC Limited, SRHO, Kavadiguda, Secunderabad-50



CHIEF GENERAL MANAGER




1.0 DEFINITIONS

1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.


1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:


i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would

आर. वेंकटेश
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एन टी पी सी लिमिटेड, द डे मू, कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited SAHO, Kavadiiguda, Secunderabad-500080



		be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;
xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;


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 एन टी पी सी लिमिटेड, दक्षे मु, कवाडीगुडा, सिकंदराबाद-50
 NTPC Limited, SRHO, Kavayiguda, Secunderabad-50


 TSNPDCL
 WARANGAL



xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	<p>Interface point of Solar PV Power Station with the transmission system developed by CTU at NTPC Kawas Station, ISTS substation in Gujarat at 220 KV voltage level, where usage energy meter(s) are installed.</p> <p>Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/ Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters)</p>


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 अपर महाप्रबंधक (वाणिज्यिक)
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 NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80







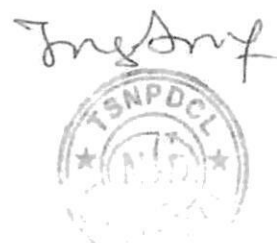
		Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 56 MW developed by NTPC Ltd at Kawas, Distt: Surat, State: Gujarat.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 56 MW and 56 MW shall be the Contracted Capacity (i.e. 100 %) with Power User.
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 24th Dec 2021.
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating

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एन टी सी लिमिटेड, द से प, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50


CHIEF GENERAL MANAGER (C&R)
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50



compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.
- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 per kWh. till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as


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अपर महाप्रबंधक (वाणिज्यिक)
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NTPC Limited, SRHQ, Kavadiguda, Secunderabad-50


NTPC Limited, SRHQ, Kavadiguda, Secunderabad-50



Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.

- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 56 MW) is 27.35% (134.26 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 93.26 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.


4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING


4.1 SCHEDULING

- 4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.
- 4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

- 4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU


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 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-60
 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-60


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 NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-60



at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.

4.2.2 Main/ Check/Standby Meters shall also be installed at 220 KV outgoing Feeder at the NTPC project site as a fall back arrangement.

4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.


4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.

4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.

4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.7 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.


अर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-६०
NTPC Limited, SRHQ Kavadiiguda, Secunderabad-६०


अर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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4.3 ENERGY ACCOUNTING

4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

5.1 Dispatch

The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.

6.0 Usage Charges

6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.69 /kWh. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.

6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.

6.3 Taxes, Levies, Duties, Royalty, Cess etc.:

Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad 500080

CHIEF ENGINEER
T.S.
NTPC LTD-500080



7.0 BILLING AND PAYMENT:

7.1 BILLING:

7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NTPC on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:

7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.


7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and


आर. वेण्कटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, ट व्हे मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50



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- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

7.2 REBATE AND LATE PAYMENT SURCHARGE:


Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.


7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.

7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.

7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC


 आर. वेंकटेश
 R. VENKATESH
 अपर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-50.
 NTPC Limited, SRIHQ, Kavadiiguda, Secunderabad-50


 NTPC Limited, SRIHQ, Kavadiiguda, Secunderabad-50






shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.

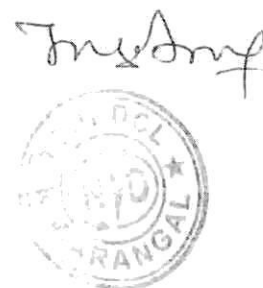
- 7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.
- 7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.
- 7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.
- 7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

7.4 Collateral Arrangement

- 7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement".


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SRHQ, Kavadi guda, Secunderabad-50


R. VENKATESH



Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of



आर. वेंकटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-५०



CHIEF GENERAL MANAGER




Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow

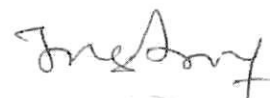


आर वेंकटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी सी लिमिटेड, दक्षे गु, कवाडीगुडा, सिकंदराबाद-५०००३०
NTPC Limited SRHQ, Kavadiiguda, Secunderabad-500030



arrangement till the validity of the extended Tripartite Agreement.

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7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article 7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, NTPC shall be entitled to regulate the supply of power to any other Power User.

7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

8 SETTLEMENT OF DISPUTES:

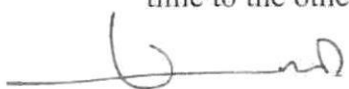
8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as



आर. वेंकटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी सी लिमिटेड, दक्षे मु, कवाडीगुडा, सिकंदराबाद-80
NTPC Limited, SRHQ Kavadiiguda, Secunderabad-80




practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

- a. 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;
- b. 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;
- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
- d. 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 NTPC;
- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.

10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द श्रेष्ठ, कवाडीगुडा, सिकंदराबाद-५०००३३
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-500033







10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW


The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-80.
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80







14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

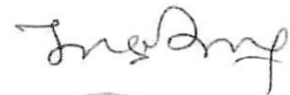
The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

- 15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.
- 15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.
- 15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.



आर. वेकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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एन टी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080



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15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd

Name and Designation

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-80.
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

Witness

SE/2PC / TSPCC

For and on behalf of Power User

Name and Designation

CHIEF GENERAL MANAGER, IPC & RAC
TSNPDCL
6-1-50,
HYDERABAD-500001

(2) M. Jayamath Reddy
SE/IPC / TSNPDCL
1/16/20

(3) 26/11/2020

M. Jayamath Reddy
Sr. Mgr (Comm) 032599
NTPC Ltd

T. Madhusudhan.,

Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

Annexure A

“Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)”: CPSU Scheme



आर. वेंकटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-80.
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80



GENERAL MANAGER

SENDER NO 000 003



Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.



आर. वेंकटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

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एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-80
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CHIEF GENERAL MANAGER
NTPC
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Secunderabad-80



B1: Outgoing SWIFT 11 Header 1

B2: Receiver's BIC Code

27: Sequence of Total

40A: Form of Documentary Credit : IRREVOCABLE

20: Documentary Credit Number

31C: Date of Issue

31D: Date and Place of Expiry

51D: Application Bank (Full Address)

50: Applicant [Power User with Address]

59: Beneficiary
NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

32B: Currency Code, Amount: INR

41D: Available With. Beneficiary Bank with Address By NEGOTIATION

42C: Drafts at.....

42D: Drawee [Applicant Bank with Address]

43P: Partial Shipments : ALLOWED


43T: Transshipment : PROHIBITED

44A: Place of Taking in Charge/ Dispatch from.
NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

44B: Place of Final Destination/ For Transport :[Name of Power User with Address]

44C: Latest Date of Shipment

45A: Description of Goods and/or Services : INCOTERMS: EXW
SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU


आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl General Manager (Commercial)
एन टी पी सी लिमिटेड, दक्षे मु, कवाडीगुडा, सिकंदराबाद-60
NTPC Limited, SRHQ Kavadiiguda, Secunderabad-60

1100 GENERAL MANAGER NTPC & RAJ



SCHEME.

46A: Document Required

IN THE EVENT OF FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL
OR

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [Power User] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, दक्षिण, कावाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda Secunderabad-50

CHIEF GEN. MGR. & RAC
ISSUED BY
6-1-98
HYDERABAD



BILL AND SHALL NOT MAKE MORE THAN ONE DRAW IN A MONTH.

5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT

49: Confirmation Instructions : WITHOUT Sender to Receiver Information

72: Sender to Receiver Information

39A: Percentage Credit Amount Tolerance: 00/00

48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.

57D: "Advise through" Bank: [Beneficiary Bank with Address]

40E: Applicable Rules: UCP LATEST VERSION



आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (साणिज्यक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०००८०
NTSC Limited, SRHO, Kavadiiguda, Secunderabad-500080



CHIEF GENERAL MANAGER NTC & LSC

6
ERABAL - 500 000



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Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi – 110003
Dated: 5th March, 2019

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as **Annexure-I**. The major terms and conditions are mentioned below

2.2.1 Definition of Government Producer: For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 Domestic Content Requirement (DCR): The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme

6a

Additional General Manager (Commercial)
एन टी पी सी लिमिटेड, द से नु, कवाडीगुहा, सिक्कराबाद-501 001
NTPL Limited SPHQ Kavadiyaguda Secunderabad



While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy, Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.

(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

To

Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to:-

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II DGACR Building, I P Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

P. VENKATESH

प्रवर महासचिव (वाणिज्यिक)

General Manager (Commercial)

एन.ए.सी. 33, दक्षिण, कल्याणपुरा, सिविल, 400 004

Unit 33 SHC Kalyanpura Secunderabad

Page 2 of 7

Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder




आर वेंकटेश
R. VENKATESH

अपर महाप्रबंधक (वाणिज्यिक)

Addl. General Manager (Commercial)

एन टी सी लिमिटेड, दक्षे मु, कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-५०००८०



CHIEF GENERAL MANAGER NTPC GROUP
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-५०००८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-५०००८०

(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488



Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).

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2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose
- Scaling up of sizes of projects thereby leading to economies of scale.
- To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV
- To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below -

3.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 **Usage Charges:** Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.



3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (zero point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.



अरु वेण्कटेश
R. VENKATESH

अरु महाप्रबन्धक (वाणिज्यिक)

Adtl. General Manager (Commercial)

एन सी सी लिमिटेड, दक्षिण कर्नाटक, सिकंदरपुर, ५०
NCC Limited, SRMQ Kavardipada, Secunderabad, 50



**SUPPLEMENTARY POWER USAGE AGREEMENT
(AMENDMENT NO. 1)**

**FOR
POWER USAGE AGREEMENT**

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of 56 MW Solar Power


From

NTPC SOLAR PV STATION OF 56 MW

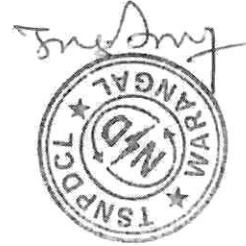
at Kawas, Distt Surat- Gujarat



आर वेंकटेश
R. VENKATESH
अवर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-500 063
NTPC Limited, SRHQ, Kawadiguda, Secunderabad-500 063



Chief General Manager/IPC & RAC
TS3PDCL, Corporate Office,
Mint Compound, Hyderabad 500 063.




expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 56MW Solar PV Power Station named as NTPC 56 MW Kawas Solar PV Station at Kawas, Distt: Surat, Gujarat (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "**Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)**" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 26/11/2020 for supply of 56 MW from NTPC SOLAR PV STATION of 56 MW Kawas, Distt: Surat, Gujarat.

- E. AND WHEREAS vide its letter dated 19th Dec 2020, Telangana State power


आर. वेण्कटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
म. टी. पी. सी. लिमिटेड, द. से. मु. कवाडीगुडा, सिकंदराबाद-५०००६३
M. T. P. S. Limited SRHQ, Kavadiguda, Secunderabad-500063


Chief General Manager/IPC & RAC
TSSPDCL Corporate Office,
Mint Compound, Hyderabad-500 063.



Coordination committee has conveyed its request to modify the provision 3.5 of the signed PUA.

F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without any liability on NTPC. Parties further agree that in case if full

अर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद 500 053.
NTPC Limited SRHQ Kavayagunta Secunderabad-500

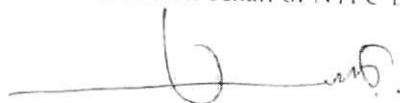
Chief Engineer, Manager/PG & RAC
TSRTC, Corporate Office,
Mint Chakraborty Hyderabad 500 053.



	capacity part capacity of transmission system is made available on any earlier date and NTPC station is also ready to transfer power. parties shall approach CTU for early operationalisation of LTA and Telangana Discom shall arrange for Usage of such power.
--	--

Except the aforesaid amendments, the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usages Agreement dated 26/11/2020 shall continue to apply as before. IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above


For and on behalf of NTPC Ltd

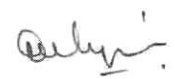


Name and Designation

आर. वेकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द शं मु. कवाडगुडा, सिकंदराबाद-80
NTPC Limited, SRHO, Kavadi Guda, Secunderabad-80

Witness

(1) 
K. Hema
SE/TPC / TSPCC

(2) 
Kalyani Kimidi
DAW (Comm)
SEHA, WPA Ltd.

For and on behalf of Power User



Chief General Manager / IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 003.



T. MADHUSUDHAN

Chief General Manager
IPC & RAC TSNPDCL,
Warangal.

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**POWER USAGE AGREEMENT
BETWEEN
NTPC LIMITED
AND**

**Southern Power Distribution Company of Telangana Limited
&**

Northern Power Distribution Company of Telangana Limited

For

Supply of 20 MW Solar Power

From

NTPC SOLAR PV STATION OF 20 MW

at Gandhar, Distt Bharuch- Gujarat

आर. वेंकटेश
R VENKATESH
आर महाप्रबन्धक (व्यावसायिक)
Addl General Manager (Commercial)
एन टी पी सी लिमिटेड, द से पी, कवराडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kovariguda, Secunderabad-50

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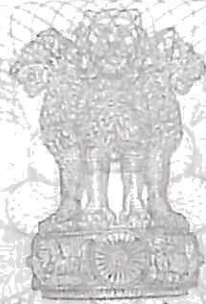
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एक सौ रुपये

Rs. 100

रु. 100

ONE
HUNDRED RUPEES



सत्यमेव जयते

भारत INDIA

INDIAN NON JUDICIAL

118 24-11-2020 100/-
तेलंगाना TELANGANA

AA 874760

[Signature]

S.No. Date Rs.

Sold to R. Venkatesh

S/o.D/o.W/o Komarajiah

For Whom NPL Ltd R/O Sec-bad

P. SHYAMALA
LICENCED STAMP VENDOR
L No 15-16-002/2020
H.No: 10-40, Prem Vijay Nagar Colony
New Mirzaiguda, M.M. Dist.
Cell. 9700555791.

THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 26th day of November Two Thousand Twenty (26/11/2020) between NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part:

And

आर वेकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl General Manager (Commercial)
एन टी पी सी लिमिटेड, दक्षिण, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited SRHQ Kavariguda Secunderabad-50

[Signature]

[Signature]



Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part. 104

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana-

AND WHEREAS NTPC is setting up 20 MW Solar PV Power Station named as NTPC 20 MW Solar PV Station at Gandhar, Distt: Bharuch, Gujarat (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').

AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.

Now, therefore, in consideration of the premises and mutual agreements, covenants and

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से गु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited SRHQ Kavadiguda, Secunderabad-50



conditions set forth herein, it is hereby agreed by and between the Parties as follows:

1.0 DEFINITIONS

1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.

1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate

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NTPC Limited SRHQ Kavaniguda, Secunderabad-50



		upon issues relating to this Agreement;
i)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;
xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme

आर. वेंकटेश
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 NTPC Limited, SRHO, Kavadiiguda, Secunderabad-50



xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;
xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at NTPC Jhanor, Gandhar ISTS substation in Gujarat at 220 or 400 KV voltage level, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the

आर. वेकटेश
 R. VENKATESH
 अवर महाप्रबंधक (वाणिज्यिक)
 Addl. General Manager (Commercial)
 एन टी सी लिमिटेड, दक्षे मु. कवाडीगुडा, सिकंदराबाद-80
 NTPC Limited, SRHQ, Kavariguda, Secunderabad-80



		relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 20 MW developed by NTPC Ltd at Gandhar, Distt: Bharuch, State: Gujarat.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 20 MW and 20 MW shall be the Contracted Capacity (i.e. 100 %) with Power User.
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 9th Nov 2021
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50




transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.
- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 /kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of



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R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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एन टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited SAHQ, Kavadiguda, Secunderabad-50



Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.

- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 20MW) is 25.7% (45.05 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 33.31 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.

4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

- 4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.
- 4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

- 4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation &

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
न टी पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-५०८००१
NTPC Limited SAHQ, Kavadiiguda, Secunderabad-50



operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.

4.2.2 Main/ Check/Standby Meters shall also be installed at 220 or 400 KV outgoing Feeder at the NTPC project site as a fall back arrangement.

4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.

4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.

4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.7 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
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एन टी पी सी लिमिटेड, द क्षेपु, कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SAHQ, Kavadiiguda, Secunderabad-५०

CHIEF GENERAL
TESDA



4.3 ENERGY ACCOUNTING

4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code. 96

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

5.1 Dispatch

The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.

6.0 Usage Charges

6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.69 /kWh. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.

6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.

6.3 Taxes, Levies, Duties, Royalty, Cess etc.:

Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl General Manager (Commercial)
एन टी पी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-80
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80

[Signature]



7.0 BILLING AND PAYMENT:

7.1 BILLING:

7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NTPC on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:

7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.

7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).

आर. वेकटेश
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NTPC Limited, SRHQ, Kavadiaguda Secunderabad-50



iv) towards the other charges in current Monthly Bill

6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

7.2 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.

7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.

7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.

7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, दक्षे मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-५०



presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.

7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.


7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.

7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

7.4 Collateral Arrangement

7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement". Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.


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अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द डे मू, कवाडीगुडा, सिकंदराबाद-५००
NTPC Limited, SRHQ Kavadiaguda, Secunderabad-500



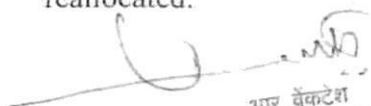




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7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.


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Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द डे मू, कवाडीगुडा, सिकंदराबाद-50
NTPC Limited, SAHQ, Kavadiiguda, Secunderabad-50







Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall be deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article

आर. वेंकटेश
R. VENKATESH
अवर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, दक्षे मु, कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-50

[Handwritten signature]



7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, 90
NTPC shall be entitled to regulate the supply of power to any other Power User.

7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

8 SETTLEMENT OF DISPUTES:

8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

अर. वेंकटेश
R. VENKATESH
अवर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द से मु, कावाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRMO, Kavadiiguda, Secunderabad-५०

[Signature]

[Signature]



- a. 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;
- b. 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;
- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
- d. 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 NTPC;
- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.
- 10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.
- 10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised

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एन टी पी सी लिमिटेड, द से नु, कावाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ Kavadiaguda, Secunderabad-500080



representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

- 15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.
- 15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to

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NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80

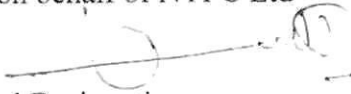
Private organisation(s)/agency(ies)/users.

15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.

15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd




Name and Designation

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)

Witness

Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-80.
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80


For and on behalf of Power User




Name and Designation

CHIEF GENERAL MANAGER
IPC & RAC, TSNPDCL
Warangal

(1)  JE/ZPC/TSACC

(2)  JE/IPC/TSPPCL
(11/4)

(3)  - 26/11/2020



T. Madhusudhan.,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)": CPSU Scheme



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Addl. General Manager (Commercial)
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NTPC Limited, SAHQ, Kavadiaguda, Secunderabad-80.





Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.



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अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
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NTPC Limited SRHQ Kavadiguda Secunderabad-500080



B1: Outgoing SWIFT 11 Header 1

B2: Receiver's BIC Code

27: Sequence of Total

40A: Form of Documentary Credit : IRREVOCABLE

20: Documentary Credit Number

31C: Date of Issue

31D: Date and Place of Expiry

51D: Application Bank (Full Address)

50: Applicant [Power User with Address]

59: Beneficiary

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

32B: Currency Code, Amount: INR

41D: Available With. Beneficiary Bank with Address By NEGOTIATION

42C: Drafts at.....

42D: Drawee [Applicant Bank with Address]

43P: Partial Shipments : ALLOWED

43T: Transshipment : PROHIBITED

44A: Place of Taking in Charge/ Dispatch from.

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

44B: Place of Final Destination/ For Transport :[Name of Power User with Address]

44C: Latest Date of Shipment

45A: Description of Goods and/or Services : INCOTERMS: EXW
SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU
SCHEME.

46A: Document Required

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NTPC Limited, SRHQ Kavadiaguda, Secunderabad-50

Handwritten signature and stamp.

IN THE EVENT OF FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL
OR

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

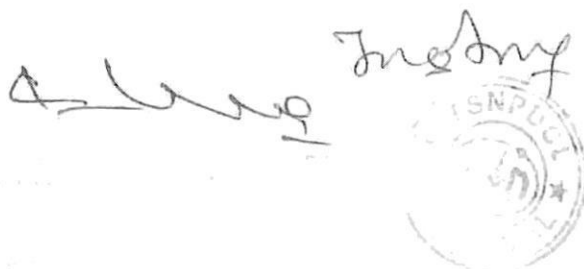
- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [POWER USER] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THAN ONE DRAWAL IN A MONTH.
5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT

आर. वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एच पी सी लिमिटेड, द से मु, कवाडीगुडा, सिकंदराबाद-४८
H P C Limited SPHQ, Kavariguda, Secunderabad-48



4. Confirmation Instructions : WITHOUT Sender to Receiver Information
- 72: Sender to Receiver Information
- 39A: Percentage Credit Amount Tolerance: 00/00
- 48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.
- 57D: "Advise through" Bank: [Beneficiary Bank with Address]
- 40E: Applicable Rules: UCP LATEST VERSION

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R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी सी लिमिटेड, द क्षे मु, कवाडीगुडा, सिकंदराबाद-80.
NTSC Limited, SRHQ, Kavadiguda, Secunderabad-80.

CHIEF GENERAL MANAGER
TSC
6



**SUPPLEMENTARY POWER USAGE AGREEMENT
(AMENDMENT NO. 1)**

**FOR
POWER USAGE AGREEMENT**

**BETWEEN
NTPC LIMITED**

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For

Supply of 20 MW Solar Power

From

**NTPC SOLAR PV STATION OF 20 MW
at Gandhar, Distt Bharuch- Gujarat**

आर वेंकटेश
R. VENKATESH
अपर महाप्रबंधक (वाणिज्यिक)
Addl. General Manager (Commercial)
एन टी पी सी लिमिटेड, द वेंगु, कवाडीगुडा, सिकंदराबाद-500
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500

Chief General Manager/IPC & RAC
TSSPDCL, Commercial, OFD 2,
Mini Compound, Hyderabad-500 031



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తెలంగాణ తెలంగాణ TELANGANA

S.No. 176 Date 24/12/2020

Sold to R VENKATESH, S/o. KOMARAIHAH,

FOR WHOM: NTPC Ltd, Hyderabad

AE 248060
CH. ARUNA

LICENSED STAMP VENDOR, LIC No. 15-10-039/1
H.No. 1-58/20, Flat No. G-4, Vamshi Residency
Sai, Nagar Colony, Madeenaguda, R.R. Dist,
Ph: 9948040896

This Supplemental Agreement to the Power Usage Agreement signed between NTPC Ltd and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited having effective date of 26/11/2020 is signed on 30/12/2020 at Hyderabad.

Between

NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which

అధికారి
R VENKATESH
అధికారి (వర్తమాన)
Additional General Manager (Commercial)
జి.టి.సి. లిమిటెడ్, డి.ఎ.ఎ. కవారిగూడ, హైదరాబాద్-50
G.T.S. Limited, SPHQ, Kavareguda, Secunderabad-50

[Signature]




expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS:

- A. NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana
- B. NTPC is setting up 20MW Solar PV Power Station named as NTPC 20 MW Gandhar Solar PV Station at Gandhar, Distt: Bharuch, Gujarat (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').
- C. The Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "**Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)**" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme"
- D. AND WHEREAS NTPC has signed Power Usage Agreement with Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited on 26/11/2020 for supply of 20 MW from NTPC SOLAR PV STATION of 20 MW Gandhar, Distt: Bharuch, Gujarat.
- E. AND WHEREAS vide its letter dated 19th Dec 2020, Telangana State power


ఆర్. వెంకటేశ్
R. VENKATESH
అప్ర. మహాప్రధాన (వర్గీకరణ)
Addl. General Manager (Commercial),
ఆంధ్ర ప్రదేశ్ సీఎస్ టిఎస్ టిఎస్, ద. శం. ము. కవడిగూడ, రిజిస్ట్రేషన్ 05.
05/12/2020 Kavadiiguda, Secunderabad-500002





Coordination committee has conveyed its request to modify the provision 3.5 of the signed PUA.

F. AND WHEREAS parties agree to modify Provision 3.5 of the already signed PUA.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SET FORTH HEREIN; IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Article	Existing Provision	Revised Provision
3.5	In case Power User fails to acquire and operationalize LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 per kWh, till grant and operationalization of LTA to the Power User by CTU/STU as applicable.	In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.69 per kWh, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable. However, in case of delay in execution of evacuation system beyond SCD and if such delay is beyond the control of Telangana, NTPC has agreed that the above compensation shall not be insisted till operationalisation of LTA. However, NTPC shall have right to extend CoD of NTPC solar PV Station till availability of Transmission System for evacuation of power from the station without any liability on NTPC. Parties further agree that in case if full

R. VENKATESH

अधर महाप्रबन्धक (वाणिज्यिक)

Ad. J. General Manager (Commercial)

एन टी पी सी लिमिटेड, द से मु, कवाडीपुडा, सिन्दूरगार ५०
NTPC Limited SR-10 Kavadipuda, Sindurgarh-50

Chief Executive Officer

TSNPDCL

Warangal

अधर महाप्रबन्धक

अधर महाप्रबन्धक

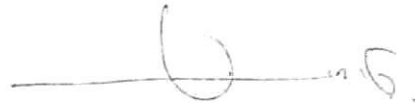
अधर महाप्रबन्धक



capacity part capacity of
transmission system is made
available on any earlier date and
NTPC station is also ready to
transfer power, parties shall
approach CTU for early
operationalisation of TTA and
Telangana Discom shall arrange for
Usage of such power

Except the aforesaid amendments the Parties acknowledge and confirm that all other terms and conditions contained in the Power Usage Agreement dated 26.11.2020 shall continue to apply as before. IN WITNESS WHEREOF the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above

For and on behalf of NTPC Ltd



Name and Designation

R. VENKATESH

अपर महाप्रबन्धक (वाणिज्यिक)

Asst. General Manager (Commercial)

न टी पी सी लिमिटेड, द डी यू, कवाडीगुडा, रिक्रडराबाद-५०००३०
11 "Commet, SRHO, Kavaadiguda Secunderabad-500030

For and on behalf of Power User



Name and Designation

Chief General Manager / IPC & RAC
TSNPDCL, Warangal
Joint Company, Hyderabad

Witness

(1) K. Harina
SEI LPO / ASPEC

(2) Kalyani Eimidi
DCM (Commercial)
SRHO, NTPC Ltd.

MADHUS...
Chief General Manager
IPC & RAC TSNPDCL,
Warangal.



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063

Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452 website www.tssouthernpower.com

From

The Chief General Manager (IPC & RAC),
TSSPDCL, Corporate Office,
6-1-50, 5th Floor, Mint Compound,
Hyderabad – 500 063.

To

The Commission Secretary,
TSERC, 5th Floor, 11-4-660,
Singareni Bhavan, Red Hills,
Hyderabad 500 004.

Lr.No.CGM(IPC & RAC)/SE(IPC)/F.CPSU Solar/D.No. 448/20, dated: 24.09.2020

Sir,

Sub: TSSPDCL – IPC Wing – Power Usage Agreements (PUAs) entered with National Thermal Power Corporation Limited (NTPC) for 400 MW & 923 MW of solar power from NTPC ISTS connected solar power projects under CPSU scheme – Justification/Information called for – Submission -Regarding.

Ref: 1.Lr.No.L-65/1/JD(Law)-1/D.No.233/2020, dated 04.07.2020.
2. Lr.No.L-65/2/JD(Law)-1/D.No.234/2020, dated 04.07.2020

* * *

Vide ref (1&2) cited above, Hon'ble Commission has sought justification/information in the matter of according consent to the Power Usage Agreements (PUAs) signed with NTPC for supply of power for a cumulative capacity of 1323 MW (400 MW + 923 MW) solar power under CPSU scheme.

In this regard, it is to submit that the point wise replies to the remarks raised by the Hon'ble Commission are enclosed herewith as Annexure.

Further, the Hon'ble Commission is requested to accord approval/ consent to the PUAs signed with NPTC towards procurement of aggregated capacity of 1323 MW solar power at a tariff of Rs.2.86 per unit under CPSU Scheme.

Yours faithfully,

Chief General Manager (IPC & RAC)

CHAIRMAN PESHU
No : 681
DATE : 11/7/2020

Annexure

- (i) Demonstration as to how the proposed procurement is the least cost option with reference to the economic, technical, system and environmental aspects of commercially viable alternatives, including arrangements for reducing the level of demand

Reply: The country has made a commitment of setting up of 1,75,000 MW of RE capacity by 2022 with the primary aim of reducing greenhouse gas emissions through increased use of green energy. Out of which, a target of 100 GW is earmarked for Solar capacity.

Accordingly, Ministry of Power notified Long term growth trajectory of Renewable Purchase Obligations (RPOs) for Solar as well as Non-Solar for three years period from 2019-20 to 2021-22, which are as under –

MoP Long term RPO trajectory	2019-20	2020-21	2021-22
Non-Solar	10.25%	10.25%	10.50%
Solar	7.25%	8.75%	10.50%
Total	17.50%	19.00%	21.00%

TSERC also issued Renewable Power Purchase Obligation (RPPO) Regulation (No. 2 of 2018), effective from 01.04.2018, which mandates purchases from Renewable Energy Sources expressed as a percentage of total consumption of energy (in MU) by TSDISCOMs, during FY 2018-19 to FY 2021-22 as specified below :

Year/RPPO	2018-19	2019-20	2020-21	2021-22
Solar	5.33%	5.77%	6.21%	7.10%
Non-solar	0.67%	0.73%	0.79%	0.90%
Total	6.0%	6.5%	7.0%	8.0%

These RPPO targets are further likely to be enhanced as the targeted RE capacity addition is being revised to 450 GW to be achieved by 2030 (350 GW of Solar and balance 100 GW from Non-Solar).

Though at present, it is not mandatory for the State DISCOMs to comply with the MoP notified RPPO trajectory, it is likely that the State RPPOs may be directed to align with the MoP RPPO, in terms of National Tariff Policy. And particularly in view of the proposed Amendment to Section 3 of the Electricity Act 2003, which proposes for notification of National Renewable Energy Policy prescribing uniform purchases from RE sources and for imposing penalties for

non-compliance, it is required that the DISCOMs be prepared to meet the larger RPPO targets.

Further, in view of the increasing loads on TSDISCOMs due to the upcoming Lift Irrigation projects, the requirement for purchase of RE power is increased for meeting proportionate increase in RPPO %.

The CPSU (Central Public Sector Undertaking) scheme under which the present procurement of Solar power from NTPC is being made mandates the use of both Solar Photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. As such the scheme encourages indigenous production promoting 'Make in India'.

In the commercial perspective, the offered tariff @ Rs. 2.86 per Kwh by NTPC is well below the present pooled cost of power purchases, viz., Rs. 4.28 per Kwh (determined by TSERC for the FY 2018-19 to be considered for FY 2019-20). As such, this procurement of aggregated capacity of 1323 MW (400 MW + 923 MW) of Solar power from NTPC @ Rs.2.86 per Kwh would help TSDISCOMs in reducing the average procurement cost of power.

Also, waiver of inter-state transmission charges and losses accorded by MoP, GoI on transmission of the electricity generated from Solar and Wind sources of energy for the projects to be commissioned till 31.12.2022 (presently extended till 30.06.2023 vide MoP orders dated 05.08.2020) for a period of 25 years from the date of commissioning which would otherwise cost around Rs.1.50 per unit is the additional financial gain to TSDISCOMs.

It may be observed that the fall of Solar power tariff has reached a saturation point and tariff below Rs.3.00 per unit (with exemption of ISTS charges & losses) would be the most economical tariff for DISCOMs.

Summing up, by availing power through participating in the scheme, TSDISCOMs are benefited as under :

- (ii) Promote 'Make in India' scheme ;
 - (iii) Saving on power costs ;
 - (iv) Help meeting the Renewable Purchase Obligations (RPOs) ;
 - (v) Adding green portfolio to sources of power.
- (ii) The step taken to ensure that the purchase is made on the best possible terms

Reply: The Ministry of Power, Government of India, vide orders dated 05.03.2019, has conveyed sanction of the President for implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) power projects

by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government /Government entities, either directly or through Distribution Companies (DISCOMs) as per the provisions of the scheme (Copy enclosed).

Accordingly, NTPC desirous of setting up of Solar PV stations participated in the Second tranche of CPSU scheme and was allocated Solar power. Subsequently, NTPC invited tenders to determine the tariff for supply of the Solar power to Government users. Accordingly, under the said CPSU scheme NTPC offered for supply of aggregated capacity of 1323 MW Solar power to TSDISCOMs @ Rs.2.86 per unit.

As could be seen from the above that NTPC has been allocated Solar power by MNRE under CPSU scheme as per guidelines issued by MoP is in line with the National Tariff Policy, which mandates for procurement of RE power through Competitive Bidding process.

(iii) Demand, supply position as on date

Reply: This year the Power demand during Rabi Season (Yasangi) in the State is very aggressive compared to the previous year due to good ground water level.

During the months January to March 2020, the Power Demand (average) increased at a pace of about 24.6% and 12.6% in respect of Peak Demand and Energy Supplied.

The highest Peak Demand Met ever after formation of Telangana State is 13168 MW on dt:28.02.2020 which is higher than the united AP Peak Demand of 13162 MW met on 23.03.2014. Also, the highest energy supplied ever after the formation of State is 255.35 MU on dt:18.03.2020.

Unexpectedly, the Pandemic COVID-19 changed entire power scenario in the State due to complete Lock down. The power demand dropped to the extent of 15%, 9% & 5% during the months of April, May & June 2020 instead of expected growth of 5%.

After giving relaxations to lockdown, the power demand has gradually picked up and recorded a growth rate of 10% over previous year during August due to active farming in the state.

During the present Financial Year 2020-21, the Maximum Peak Demand met is 12,908 MW on 09.08.2020 and Maximum Peak Energy Supplied is 251.18 MU/Day on 08.08.2020 till date.

However, due to sudden changes in weather condition (continuous rainfall), at one stage the Peak Demand has decreased from 12,908 MW to 5600 MW and Energy requirement has come down from 251 MU to 117 MU.

From the past few days, the Demand is slowly increasing due to rise in agriculture load and dry weather conditions.

The details of Demand particulars from Jan'20 to Aug'20 (upto 24th) as indicated below.

Details	Jan'20	Feb'20	Mar'20	April'20	May'20	June'20	July'20	Aug'20 (Up to 24 th)
Peak Demand Met (MW)	11359	13168	12941	10014	9114	8723	11177	12908
Energy Supplied (MU/day) (Average)	202.16	230.87	231.51	160.02	155.97	153.49	180.87	183.26

(iv) Status of production from respective units from where supply is to be drawn

Reply: The details of NTPC Solar PV Stations and their scheduled date of commencement of supply of power for which TSDISCOMs entered Power Usage Agreements (PUA) dated 30.12.2019 & 13.03.2020 under CPSU Scheme for supply of aggregated capacity of 1323 MW (400 MW + 923 MW) is as submitted below :

Sl. No.	PUA dated	Location of the NTPC Solar PV Station	Allocated Capacity (MW)	Scheduled Date of commencement of supply of power
1.	30.12.2019	Devikot, Jaisalmer, Rajasthan	150	29.09.2021
2.	30.12.2019	Kolayet, Bikaner, Rajasthan	250	29.09.2021
3.	13.03.2020	Shambu-ki-burj, Bikaner, Rajasthan	300	12.08.2021
4.	13.03.2020	Nokhra, Bikaner, Rajasthan	300	12.08.2021
5.	13.03.2020	Devikot Village, Jaisalmer, Rajasthan	27	12.08.2021
6.	13.03.2020	Fatehgarh, Jaisalmer, Rajasthan	296	12.08.2021
		Total	1323	

(v) Extent of total capacity that will be met towards RPPO

Reply: The CPSU scheme enables the entire capacity allocated to DISCOMs to meet their RPPO requirement. As such, the entire capacity of 1323 MW agreed by TSDISCOMs under CPSU is entitled for meeting RPPO. The details of minimum assured energy are as below :

Location of the NTPC Solar PV	Allocated Capacity	Minimum assured Annual	Maximum Annual Energy in MU
-------------------------------	--------------------	------------------------	-----------------------------

Station	(MW)	Energy in MU	
Devikot, Jaisalmer, Rajasthan	150	249.825	381.315
Kolayet, Bikaner, Rajasthan	250	416.375	635.525
Shambu-ki-burj, Bikaner, Rajasthan	300	499.65	723.17
Nokhra, Bikaner, Rajasthan	300	499.65	737.64
Devikot Village, Jaisalmer, Rajasthan	27	44.97	63.95
Fatehgarh, Jaisalmer, Rajasthan	296	492.99	708.08

- (vi) Landed cost of procurement taking into account all other costs to be incurred other than ISTS charges

Reply: In light of the Ministry of Power, Govt of India orders granting waiver of Inter-state Transmission charges and losses on transmission of electricity generated from Solar and Wind projects to be commissioned till 31.12.2022 (modified till 30.06.2023 vide MoP, GoI orders dated 05.08.2020) for a period of 25 years, there are no ISTS charges. Further, NTPC assured for reimbursement of fee towards application of LTA with CTU. And no BG is required for LTA application since the generating stations are owned by NTPC, as per CERC (Grant of Connectivity, Long term Access and Medium-term Open Access in Inter-State Transmission and related matters) Regulations, 2009. As such, TSDISCOMs are not burdened with any payments towards obtaining open access. Hence, the landed cost of procurement is the tariff at which the PUAs have been entered, viz., Rs.2.86 per unit.

- (vii) Default payments if any made till date in case the power generation is already available and could not be drawn due to non approval of the tariff

Reply: The Scheduled date of commencement of supply of power from the projects is as stated above (reply to iv). TSDISCOMs are obligated for payment only for the energy delivered. Since the projects are yet to be commissioned and no energy has been delivered, no payments have been made.

- (viii) Whether it will result in backing down any base load stations at any point of time, as this procurement is must run status?

Reply: Taking into consideration the projected load growth of TSDISCOMs in view of upcoming LIS and RPPO requirements, PUAs have been entered by TSDISCOMs for the procurement of aggregated capacity of 1323 MW Solar power from NTPC. Since the Renewable Energy projects are accorded must run status, the power

from these projects needs to be mandatorily off taken by DISCOMs. However, depending on the grid load dynamics, steps would be taken for merit order despatch in case of grid constraints.

- (ix) Whether there is any approval for the tariff by CERC or any other authority as the SECI is central trader and is entering PPAs with generators

Reply: As submitted above, NTPC has participated in second tranche of CPSU scheme and has been allocated capacity, a part of which is in turn has been offered for supply to TSDISCOMs.

Section 63 of the Electricity Act states that –

"Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government."

In light of the allocation of power to NTPC determined through transparent bidding process in accordance with the guidelines issued by Central Government, it has been informed that NTPC shall be filing a consolidated Petition for tariff adoption before CERC.



Southern Power Distribution Company of Telangana Limited

#6-1-50, Corporate Office, Mint Compound, Hyderabad-500 063
Phone No. (040) 2343 1008 Fax Nos. (040) 2343 1395/1452 website www.tssouthernpower.com

From
The Chief General Manager (IPC & RAC),
TSSPDCL, Corporate Office,
6-1-50, Ground Floor, Mint Compound,
Hyderabad - 500 063.

To
The Secretary,
TSERC, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad.

Member/F

Member/T

Chairman

Lr No.CGM (IPC&RAC)/SE(IPC)/F. NTPC /D. No 1101 /19, dt:24 -01-2020.

Sir,

Sub: - TSSPDCL - N & RE projects - Consent for Power Usage Agreements (PUAs) entered with NTPC Limited for 400 MW of solar power from NTPC ISTS connected Renewable power projects under CPSU Scheme - Requested Regarding.

Ref:- 1. Letter from NTPC No-CC:CD/Solar CPSU/Telangana/02, Date:16.12.2019 & 19.12.2019.
2. PUAs entered between NTPC and TSDISCOMs on 30.12.19

-==***=-

Vide reference 1st cited above, NTPC Limited has offered to supply 400 MW of solar power under CPSU Scheme at a price of Rs.2.86 per unit for a period of 25 years starting from fourth Quarter of the FY 2020-21. The Solar Power Plant is being set up by NTPC in the State of Rajasthan and it would be CTU connected.

In this regard, the TSPCC/TSDISCOMs have given consent to NTPC. Accordingly, the PUAs have been signed on 30.12.2019 with the details mentioned below:

Sl. No	Name of the Developer	Capacity of Plant in MW	Rate per kWh in Rs.	Location of the Plant
1	NTPC Solar PV Station	250	2.86	Kolayat, Bikanar, Rajasthan
2	NTPC Solar PV Station	150	2.86	Devikoot, Jaisalmer, Rajasthan
	Total	400		

In this regard, it is requested Hon'ble TSERC for consent of two(2) Nos Power Usage Agreements (PUAs) entered between NTPC Limited and Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited under section 86 (1) (b) of the Electricity Act, 2003 and also requested to accord consent/approval of the Hon'ble TSERC for the above PUAs for purchase of power at a tariff of Rs.2.86 per unit including adopting the tariff under Section 63 of Electricity Act, 2003 and also approve the Contracted capacity on the terms and conditions contained in the PUA.

Encl: Copies of 2 Nos. PUAs.

Yours faithfully,

Chief General Manager (IPC & RAC)

Copy submitted to:
The Chief Engineer/TSPCC/Vidyut Soudha/ Hyderabad.
The Chief General Manger /IPC/TSNPDCL/Hanmakonda/Warangal.



MEMBER (1) PESH
No : 92
DATE : 29/1/2020

MEMBER (1) PESH
No : 92
DATE : 11/2/2020

CSF
CST
DATE : 25/1/20

CHIEF
No : 95
DATE : 29/1/2020

60

POWER USAGE AGREEMENT

BETWEEN

NTPC LIMITED

AND

Southern Power Distribution Company of Telangana Limited

&

Northern Power Distribution Company of Telangana Limited

For


Supply of 150 MW Solar Power

From

NTPC SOLAR PV STATION OF 150 MW

At Devikoot District: Jaisalmer, Rajasthan


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.





తెలంగాణ తేలంగానా TELANGANA

W 497777

Sl. No /723 Date 23/12/2019, Rs.100/-
Sold to: B. RAMESH
S/O. LATE B. HANUMANTHA RAO
For Whom: NTPC LTD, SECUNDERABAD.


P. LAXMI KANTH REDDY
Licenced Stamp Vendor
SVL No:16-01-082 of 2012
RL No:15-09-03/2018
H.No.403, Sai Sunder Tower,
LIC Colony, West Marredpally,
SECUNDERABAD-500 003.
Phone No:9246371455

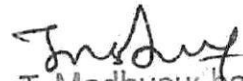

THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 30th day of 2019 Two Thousand Nineteen (30/12/2019) between NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.


ANIL NAITHANI
महानिर्देशक (वाणिज्यिक)
General Manager (Comml.)
एन टी पी सी लिमिटेड, द.क्ष. पु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.


T. Madhusudan
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal


58
Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana-

AND WHEREAS NTPC is setting up 150 MW Solar PV Power Station named as NTPC 150 MW Solar PV Station at Devikoot, Distt.: Jaisalmer, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station')

AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.


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

1.0 DEFINITIONS

1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.

1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:


General Manager (Comml.)
एन टी सी लिमिटेड, प. के. यु. कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500 063.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any

अनिल नौदिया
ANIL NAUJYAL
नगरप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiguda, Secunderabad-500 063.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Joint Compound, Hyderabad-500 063.



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		billing month;
xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;
xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned

अनिल नाथुवाल
ANIL NAUTHUWAL
प्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिबंदरबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



		Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at Fatehgarh-2 ISTS Substation in Rajasthan at 220 KV, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 14 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 150 MW developed by NTPC Ltd at Devikoot, Distt: Jaisalmer, State:Rajasthan.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3

अनिल चौधरी
ANIL CHAUDHARY
सहस्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन.टी.पी.सी. लिमिटेड, द.क्ष. मु. कवाडीगुडा, सिविलराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

Chief General Manager/IPC & RAC
TSSPSCL, Corporate Office,
M. S. Road, Hyderabad-500 063.



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xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.
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2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 150 MW and 150 MW shall be the Contracted Capacity with Power User. Remaining capacity if any may be allocated to other Power User(s)
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 21 Months from signing of this agreement i.e. 29.09.2021
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery point.
- 3.2 NTPC on request of Power User Telangana Discom can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.
- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19%

अनिल नौट गार
ANIL NAUTGAL
विकास अधिक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी सोलियर लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiguda, Secunderabad-500063.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



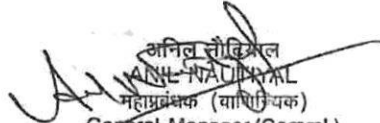
CUF of declared capacity shall be paid @ Rs 2.86 per Unit, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.

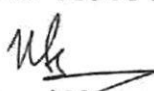
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.
- 3.7 The maximum Annual CUF against the contracted capacity (i.e. 150 MW) is 29% (381.315 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 249.825 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.

4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

- 4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to


अनिल कुमार
ANIL KUMAR
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.


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back down by Power User.

4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.

4.2.2 Main/ Check/Standby Meters shall also be installed at 220 kV outgoing Feeder at the NTPC project site as a fall back arrangement.

4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.

4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.

4.2.5 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown

अनिल नौदिया
ANIL NAUJYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.ओ.पु कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500063.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



out, energy shall be accounted based on standby meters.

- In case of dispute, resolution shall be as per provision of Article 8.

4.2.6 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.3 ENERGY ACCOUNTING

4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

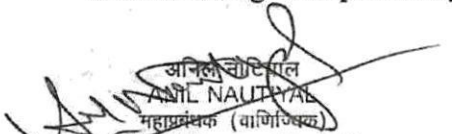
5.1 Dispatch


The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.

6.0 Usage Charges

6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.86 per Unit. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.

6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.


अनिल नालवाल
ANIL NALAVALA
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500 063.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



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6.3 Taxes, Levies, Duties, Royalty, Cess etc.:

Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

7.0 BILLING AND PAYMENT:

7.1 BILLING:

7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NTPC on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:

7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.

7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

अनिल नौटियाल
ANIL NAUTIAL
कorporate मैनेजर (कॉमिटि)
General Manager (Commit.)
एन टी पी सी लिमिटेड, व.के.मु. कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500080.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

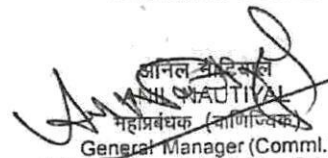
7.1 REBATE AND LATE PAYMENT SURCHARGE:


Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.

7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.

7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.


जनिल शेट्टी
General Manager (Comml.)
एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिव्हराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.


Chief General Manager (C & RAC)
TSSPDCL, Corporate
Mint Compound, H
63.


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7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.

7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.


7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.

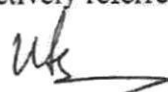
7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

7.4 Collateral Arrangement

7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement".


अनिल नौटियाल
ANIL NAUTILYAL
महाप्रबंधक (संगणिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्ष. मु. कवाडीगुडा, सिबेरगुडा-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is

अनिल नौटिया
ANIL NAUTIKYA
महानिदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.के.यु. कावाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500063.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



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reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall be deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article

अनिल सौंदर्याद
ANIL SAUNDARYA
नियंत्रक (व्यावसायिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHO, Kavadiiguda, Secunderabad-500080.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



- and regulations framed pursuant to such Law;
- b. 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;
 - c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
 - d. 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 NTPC;
 - e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.

10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.

10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.

12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor,

अनिल नाटियाल
ANIL NAUTIYAL
महाप्रबंधक (वणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-50.

Chief General Manager / IPR & RAC
TSSPOCL Corp
Mint Compound, Hyderabad - 500 003.



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SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

13.0 NOTICE:

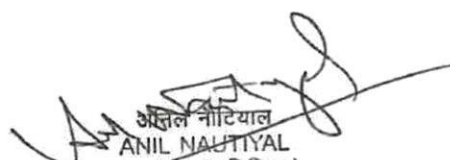
All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.


14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

- 15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.
- 15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.
- 15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.


अनिल नाटियाल
ANIL NAHTIYAL
सहस्रबोधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.के.नू कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.


For and on behalf of NTPC Ltd

Name and Designation


अनिल नाटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्ष.मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

For and on behalf of Power User

Name and Designation

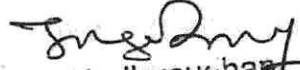

(K-SADABABA)
Chief General Manager/IPC & RAC
TSPPDCL Corporate Office,
M. C. Road, Hyderabad-500 063.

Witness

(1) 
K. Hema
SE/2PL/TSPCC

(2) 
SE/IPC/TSPDCL/11e

3. B. Ramesh
AGM/NTPC


T. Madhusuahan,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal




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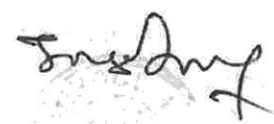
Annexure A

"Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)": CPSU Scheme



अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्ष. मु. कवाडीगुडा, सिकंदराबाद-५००
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



No. 302/4/2017-GRID SOLAR

भारत सरकार / Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy

ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi - 110003

Dated: 5th March, 2019

ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.

अपिल नैसिवाल
ANIL NAUTIYAL
मेहोप्रबंधक (वणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द. से. गु कवाडीगुडा, सिक्कराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

Page 1 of 7

Chief General Manager/IPC & RAC
TSE/POCL, Corporate Office,
Ministry of New & Renewable Energy, Hyderabad-500 063.

सिक्कराबाद
NTPC Limited
Kavadiaguda
Secunderabad-80

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While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy, Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.

5/3/19
(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in

Ph: 011-24362488

To
Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to:-

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

अनिल नौदियल
ANIL NAUDYAL
महानिदेशक (वित्त/निष्पादन)
General Manager (Comm.)
एन टी पी सी लिमिटेड, दू. के. नु. कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500063.

Chief General Manager/IPC & RAC
Page 2 of 7
TSSRCL, Corporate Office,
Mint Compound, Hyderabad-500 063.





Internal Distribution:

1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder

(Ruchin Gupta)
Director

Email: ruchin.gupta@gov.in
Ph: 011-24362488


अरुण नाटियल
ARUN NAUTILYAL
महानिर्देशक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.पु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



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Annexure-I

Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).

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Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

असिस्टेंट मैनेजर
ANIL NAUTIYAL
महाप्रबंधक (वणिज्यिक)
General Manager (Comml.)

एन टी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose.
- Scaling up of sizes of projects thereby leading to economies of scale.
- To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV.
- To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below:-

3.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 **Usage Charges:** Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.

असिल नौटियाल
ANIL NAUTIAL
महानिबंधक (व्यावसायिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

Chief General Manager/IPC & RAC
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TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

Chief General Manager/IPC & RAC
TSNPDCL, Corporate Office,
Mint Dong, Hyd. Hyderabad-500 063.

अरवि बोडियान
ARAVI BODIYAN
महानिदेशक (वाणिज्यिक)
General Manager (Comml.)



proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (zero point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.

3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

एन टी सी लिमिटेड
एन टी सी लिमिटेड (कॉर्पोरेट)
General Manager (Comm.)

एन टी सी लिमिटेड, द. से. मु. कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500 063.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

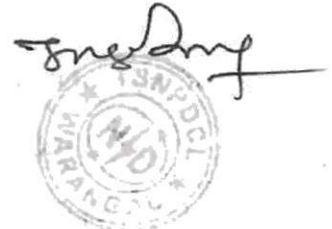
We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.

अनिल नाटियल
ANIL NAUTIAL
महामंडल (आणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.के.पु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

Chief General Manager/IPC & RAC
TSGPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



B1: Outgoing SWIFT 11 Header 1

B2: Receiver's BIC Code

27: Sequence of Total

40A: Form of Documentary Credit : IRREVOCABLE

20: Documentary Credit Number

31C: Date of Issue

31D: Date and Place of Expiry

51D: Application Bank (Full Address)

50: Applicant [Power User with Address]

59: Beneficiary

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

32B: Currency Code, Amount: INR

41D: Available With. Beneficiary Bank with Address By NEGOTIATION

42C: Drafts at.....

42D: Drawee [Applicant Bank with Address]

43P: Partial Shipments : ALLOWED

43T: Transshipment : PROHIBITED

44A: Place of Taking in Charge/ Dispatch from.

NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

44B: Place of Final Destination/ For Transport :[Name of Power User with Address]

44C: Latest Date of Shipment

45A: Description of Goods and/or Services : INCOTERMS: EXW
SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU
SCHEME.

46A: Document Required

IN THE EVENT or FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY
BILL OR SUPPLEMENTARY BILL
OR

अनिल नाथनाथ
ANIL NATHANAL
नवाग्रह (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



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PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [POWER USER] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THAN ONE DRAWAL IN A MONTH.
5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT

49: Confirmation Instructions : WITHOUT Sender to Receiver Information

72: Sender to Receiver Information

39A: Percentage Credit Amount Tolerance: 00/00

अनिल नाटियाल
ANIL NAUTIYAL
मेहाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.के.मु. कवाडीगुडा, सिकंदराबाद-५००
NTPC Limited, SRMO, Kavadiiguda, Secunderabad-500.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.

57D: "Advise through" Bank: [Beneficiary Bank with Address]

40E: Applicable Rules: UCP LATEST VERSION



Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

T. Madhusudan
Chief General Manager,
IPC & RAC, TSNPDCL
Warangal



अरिल नौटियाल
ARIL NAUTIYAL
सहायक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.के.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

POWER USAGE AGREEMENT
BETWEEN
NTPC LIMITED
AND
Southern Power Distribution Company of Telangana Limited
&
Northern Power Distribution Company of Telangana Limited For
Supply of 250 MW Solar Power
From
NTPC SOLAR PV STATION OF 250 MW
at Kolayat, Bikaner - Rajasthan



अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.





తెలంగాణ తెలంగాణ TELANGANA

W 497773

Sl. No 1719 Date 23/12/2019, Rs.100/-
Sold to: B. RAMESH
S/O. LATE B. HANUMANTHA RAO
For Whom: NTPC-LTD, SECUNDERABAD.

P. LAXMI KANTH REDDY
Licenced Stamp Vendor
SVL No:15-09-082 of 2012
R.L.No.15-09-08/2018
H.No.100, 5th Floor Tower,
LIC Colony, West Marredpally,
SECUNDERABAD-500 003.
Phone No:9246371455

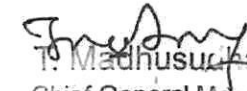
THIS POWER USAGE AGREEMENT hereinafter called the "Agreement" entered into at Hyderabad on the 30th day of 2019, Two Thousand Nineteen (30/12/2019) between NTPC Limited, a Company incorporated under the companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (hereinafter collectively referred as 'Power User' or TSDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.


ANIL NAUTILYAL
General Manager (Comml.)
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.


Chief General Manager/IPC & RAC
TSEPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.


T. Madhusudan,
Chief General Manager,
IPC & RAC, TSEPDCL,
Warangal.



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Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TSDISCOMs, the Power User is an entity owned and controlled by Government of Telangana-

AND WHEREAS NTPC is setting up 250 MW Solar PV Power Station named as NTPC 250 MW Solar PV Station at Kolayat, Distt.: Bikaner, Rajasthan (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').

AND WHEREAS the Power User, TSDISCOMs are desirous of using power produced from this Solar PV Station and NTPC is willing to offer solar power from the aforesaid solar PV Station of NTPC solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement.

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

1.0 DEFINITIONS

1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.

1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

अनिल चौधरी
ANIL CHAUDHARY
नेशनल पावर कॉर्पोरेशन लिमिटेड
General Manager (Comm.)
एन टी पी सी लिमिटेड, व.क्षेत्र कवाडीगुडा, सिकंदराबाद-५०००८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
ii)	Agreement	shall mean this Power Usage Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;
iii)	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to Power User from where the bills will be raised on them;
iv)	CEA	Central Electricity Authority;
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NTPC Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
ix)	COD/Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for sole purpose of determining the life of the project;
x)	Project Commissioning	The Project will be considered as commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as installed capacity;
xii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s) to the Power User at the Interconnection Point/Metering point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;

अनिल नौटियाल
ANIL NAUTIYAL
महानिदेशक (व्यापारिक)
General Manager (Comm.)
एन टी सी लिमिटेड, ए.डी.एम. कवाडिगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
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xiii)	Due date of payment	shall mean 60 days from the date of billing. In case payment of bill is delayed beyond a period of 60 days from the date of billing, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations;
xiv)	Effective Date	shall mean the date of signing of this Agreement;
xv)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvi)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;
xvii)	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
xviii)	GOI	shall mean Government of India;
xix)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof;
xx)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub-section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including

अनिल नौटियाल

ANIL NAUTIAL

General Manager (Comm.)

General Manager (Comm.)

एन टी सी लिमिटेड, द.के.मु. कावाडीगुडा, सिविलराबाद-८०

NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Chief General Manager/IPC & RAC

TSSPDCL, Corporate Office,

Mint Compound, Hyderabad-500 063.



		any amendment thereof;
xxi)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at Bhadla-2 ISTS substation in Rajasthan at 400 KV voltage level, where usage energy meter(s) are installed. Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NTPC. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxii)	LC	shall mean Irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiii)	Main and Check Meter	shall mean meters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxiv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NTPC
xxv)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point;
xxvi)	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;
xxvii)	Permitted Assigns	shall have the meaning as per Article 15 of this agreement;
xxviii)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 250 MW developed by NTPC Ltd at Kolayat, Distt: Bikaner, State: Rajasthan.
xxix)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxx)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 250 MW and 250 MW shall be the Contracted Capacity with Power User.
- 2.2 Scheduled Date of Commencement for Supply of Power shall be 21 Months from signing of this agreement i.e. 29.09.2021.
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

3.0 TRANSMISSION/WHEELING OF ELECTRICITY :

- 3.1 Transfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point.
- 3.2 NTPC on request of Power User Telangana Discoms can apply for grant of LTA from NTPC Solar PV station to Telangana ISTS periphery. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from ISTS connected NTPC thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NTPC.
- 3.4 For its solar PV project, NTPC shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of obtaining Long Term Access(LTA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.
- 3.5 In case Power User fails to acquire and operationalise LTA till Scheduled Date of Commencement of Supply, deemed generation for the shortfall units with respect to 19% CUF of declared capacity shall be paid @ Rs 2.86 per Unit, till grant and operationalisation of LTA to the Power User by CTU/STU as applicable.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects. Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch

अनिल नौटियाल
ANIL NAUTHYAL
प्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिन्दूरबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with "Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees" and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.

3.7 The maximum Annual CUF against the contracted capacity (i.e. 250 MW) is 29% (635.525 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.

3.8 After accounting for Deemed Generation as in Clause 3.6 above if NTPC is unable to supply minimum 416.375 MU on Annual basis (i.e. 19% Annual CUF), for the deficit amount, NTPC shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.

4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

4.1.1 It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' station and shall not be asked to back down by Power User.

4.1.2 All charges/fees related to Forecasting, Scheduling and Despatch of energy shall be borne by Power User, however NTPC can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting and coordination with SLDC/STU/CTU/Power User or to any other agency.

4.2 METERING

4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering point/Delivery Point/Interconnection Point. A standby meter shall also be

installed at Metering point/Delivery Point/Interconnection Point by CTU/STU. Power User shall make all necessary arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.

4.2.2 Main/ Check/Standby Meters shall also be installed at 400 KV outgoing Feeder at the NTPC project site as a fall back arrangement.

4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NTPC and Power User for preparation of the Energy Account.

4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC/ Power User shall inform each other of the same.

4.2.5 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:

- In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
- If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
- In case of dispute, resolution shall be as per provision of Article 8.

4.2.6 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and Power User as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.3 ENERGY ACCOUNTING

4.3.1 The scheduling and energy accounting of NTPC solar power shall be as per the provisions of the Grid Code.

4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.

अनिब नैटियाल
ANIL NAUNIA
महसिलेवक (वर्गिजिवा)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NTPC, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

5.1 Dispatch

The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or licensee or from any competent Authority as issued from time to time to maintain power evacuation system available.

6.0 Usage Charges

6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.86 per Unit. The Usage Charges for contracted capacity shall be payable from the date of commissioning of the project or the part capacity as the case may be.

6.2 NTPC shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bilateral agreement as the case may be.

6.3 Taxes, Levies, Duties, Royalty, Cess etc.:

Any tax/levy/duty/Royalty/Cess etc., as and when levied by any Government/Statutory body/Authority, shall be borne and additionally paid by Power User to NTPC from the effective date of such taxes, levies, duties, royalty, cess etc.

7.0 BILLING AND PAYMENT:

7.1 BILLING:

7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NTPC on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:

7.1.2 NTPC shall issue the final monthly bill for Energy supplied to Power User from the Station

अनिल नौटियाल
ANIL NAUTIAL
मुख्य निदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-50.

Chief General Manager/TPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



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for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NTPC shall include the following

- i) Provisional Bill for solar power supplied in the Month;
- ii) Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
- iii) Any other adjustments to cover changes in tariff of NTPC Power, open access related charges and any other prior-period adjustments;
- iv) Late Payment Surcharge, if any; and
- v) Taxes, Duties, Levies etc. as applicable.

7.1.3 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the officer nominated by Power User.

7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NTPC through Electronic Transfer. The date on which the amount stands credited in the bank account of NTPC shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NTPC shall be paid in full subject to the condition that :

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the Usage Charges

7.1.5 All payments made by Power User, shall be appropriated by NTPC for amounts due from them in the following order of priority:

- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc. in the current bill (s).
- iv) towards the other charges in current Monthly Bill

7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

अनिल चौधरी
ANIL CHAUDHARY
महानिदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदरगढ़-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



7.2 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per article 7.3 is established by Power User in favour of NTPC.

7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:

7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Credit (LC) of requisite value in favour of NTPC with a public sector / scheduled commercial bank {as per list supplied by NTPC} at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.

7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.

7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be paid on their presentation as per form attached as Annexure B.

7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.

7.3.5 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NTPC reserves the right to implement Regulation of Power Supply as per Article 7.

7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for

अनिल नौदियाल
ANIL NAUDEYAL
असिस्टेंट मैनेजर (कमिशनरी)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



100% of invoice value.

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7.4 Collateral Arrangement

7.4.1 As a further support for the Discom obligations, on or prior to the expiry of the Tripartite Agreement (TPA), the Discom and NTPC shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NTPC, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NTPC shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecate Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement". Provided that the Discom shall ensure that NTPC shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

7.4.2 Discoms hereby agrees to provide an alternative payment security arrangement before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of Discoms shall be routed as per the terms of Escrow Agreement. Discoms hereby agrees that NTPC will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NTPC by Discoms including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by Discoms. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

अनिल नौटियाल
ANIL NAUTYAL
नवाग्रह (वोपनिर्देशक)
General Manager (Comm.)
एन टी सी लिमिटेड, व.क्षे.मु कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500063.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



7.4.3 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by Discoms to the satisfaction of NTPC at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discoms does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discoms creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate part or full contracted capacity of Discoms to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discoms shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NTPC presently. Discoms and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on Discoms, receivables in favour of NTPC. Accordingly, Discoms shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that Discoms may create in favour of any other party.

7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.4.5 The Default Escrow would come into operation if,

- (i) The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation;
- (ii) NTPC is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
- (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

अनिल नैटियाल
ANIL NAIYAL
जोड़प्रबंधक (प्रणिप्ति)
General Manager (Comml.)
एन टी पी सी लिमिटेड, द. से. मु. कवाडीगुडा, सिव्हराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-500063.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



7.4.6 In the event of the extension of Tri partite Agreement signed between Government of India (GOI), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discoms to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

7.5 REGULATION OF POWER SUPPLY:

7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per Article 7.3 in favour of NTPC or non-payment of bills beyond a period of 60 days of the billing, NTPC shall be entitled to regulate the supply of power to any other Power User.

7.5.2 In case of default in payment of Usage Charges beyond a period of 60 (Sixty) days of billing, if regulated, NTPC shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of regulation/diversion of Solar PV power, Power User shall continue to be liable to pay the Usage Charges equivalent to average monthly billing of last twelve months.

8 SETTLEMENT OF DISPUTES:

8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

8.2 DISPUTE RESOLUTION

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to

अनिल नौटियाल
ANIL NAUTIAL
महानिदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



exist.

10 CHANGE IN LAW

10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NTPC or any income to the NTPC:

- a. 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;
- b. 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;
- c. the imposition of a requirement for obtaining any Consents, Clearances, Permits and/or licenses which was not required earlier;
- d. 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 NTPC;
- e. any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NTPC to Power User after the date of signing of this PUA.


10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised articles, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring expenditure by the NTPC or any income to the NTPC.

10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NTPC and Power User.

11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.


अनिल नाटियाल
ANIL NAUTIYAL
महानिर्वाहक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by Power User within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South) NTPC Ltd., as well as Executive Director (Commercial), NTPC Ltd., Core 6, VIth Floor, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at Article 12 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (COD) of the station unless it is specifically extended on mutually agreed terms.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.

15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NTPC shall be free to assign full contracted capacity to any other Power User fulfilling

अनिल नौटिकल
ANIL NAUTIKAL
नरेशचन्द्रक (वाणिज्यिक)
General Manager (Comm.)
एन.टी.पी.सी. लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



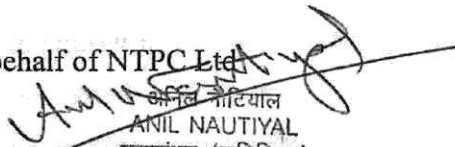
all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.

15.3 If the successor entity is owned and controlled by GoI or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.

15.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months till firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with alternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NTPC Ltd.


ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

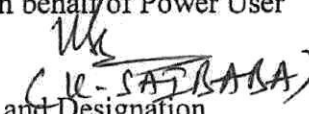
Witness

(1) 
K. Hemu
SE/TPC/TSPCC


(2) 
SE/TPC/TSPDCL/IC

3. B. Ramu
AGM/NTPC

For and on behalf of Power User

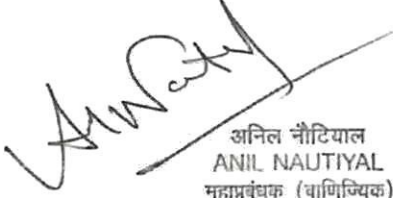

C.R. SATHYA
Name and Designation

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



T. Madhusudhan,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal

Annexure A

"Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)": CPSU Scheme


अनिल नौटियाल
ANIL NAUTIYAL

महानिबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्ष.मु. कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



No. 302/4/2017-GRID SOLAR

भारत सरकार / Government of India

नवीन और नवीकरणीय ऊर्जा मंत्रालय / Ministry of New & Renewable Energy

ग्रिड सौर ऊर्जा प्रभाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex,
Lodi Road, New Delhi - 110003

Dated: 5th March, 2019

ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam,

1. The sanction of the President is hereby conveyed for Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support of Rs 8,580 Crores, for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the Scheme enclosed at Annexure-I.

2. Implementation of the Scheme

2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:

2.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

2.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

2.2.3 Scheme Modality (major points):

2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.3.2 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.

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Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.के.पु. कवाडीगुडा, सिकंदराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-50.



10

While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

2.2.4.2 Release of VGF: VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3. Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.

6. The funds for implementation of the above Scheme would be met from Demand No. : 67 - Ministry of New & Renewable Energy, Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00, Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: 04 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.

7. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 18.02.2019 vide their Dy. No. 522 dated 18.02.2019 and approval of competent authority dated 01.03.2019.

(Ruchin Gupta)
Director

Email: ruchin.gupta@gov.in
Ph: 011-24362488

To

Pay and Accounts Officer,
Ministry of New & Renewable Energy,
New Delhi

Copy for information and necessary action to: -

1. Central Government Ministries/Departments,
2. Principal Director of Audit, Scientific Audit-II, DGACR Building, I.P. Estate, Delhi-02
3. All State/UT Energy Secretaries
4. All Heads of State/UT Nodal Agencies
5. All State/UT Discoms
6. Managing Director, SECI

अनिल चौटियाल
ANIL CHAUDHARY

महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)

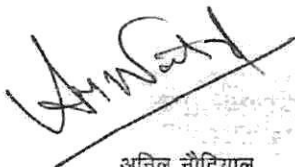
एन टीपीसी लिमिटेड, द.अ. नु कवाडिगुडा, सिक्कराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



Internal Distribution:

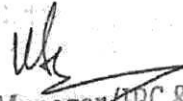
1. PS to Hon'ble Minister, NRE
2. Sr. PPS to Secretary, MNRE
3. PPS to AS, MNRE & PPS to AS&FA, MNRE
4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
5. Dy. Secy. (Fin), MNRE
6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
7. CA, MNRE/ Cash Section
8. Hindi Section for Hindi version
9. Sanction Folder

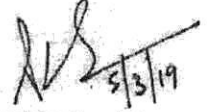


अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)

General Manager (Comm.)

एन टी सी लिमिटेड, द.के.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.


(Ruchin Gupta)
Director

Email: ruchin.gupta@gov.in
Ph: 011-24362488




Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS)

1. Background

1.1 As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-fossil fuels by 2030. For achieving this goal, India has set an ambitious target of setting up 1,75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity target from 20,000 MW to 1,00,000 MW by 2022.

1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11.2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of installation/ bidding. However, the solar capacity addition depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set-target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.

1.3 In case, the domestic industry is not strengthened, a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.

1.4 It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by leveraging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.

1.5 In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entities. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III:8(a) of GATT, 1994, which deals with the "Government Procurement" derogation.

1.6 With this background, the Government is implementing the Central Public Sector Undertaking (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).

Page 4 of 7

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

अनिल कुमार
ANIL KUMAR
मेधाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, व.के.मु. कवाडीगुडा, सिकंदराबाद-५००
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-500.



2. Scope and Objectives

2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.

2.2 The main objectives of the Government Producer Scheme are:

- To facilitate national energy security and environment sustainability through use of domestically manufactured solar PV cells and modules for Government purpose.
- Scaling up of sizes of projects thereby leading to economies of scale.
- To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
- Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing hub in the Solar PV.
- To create good business model and systems for various Central and State Government entities to take forward.

3. Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹48,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.

3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Scheme. Major terms and conditions are mentioned below:-

3.2.1 **Definition of Government Producer:** For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.

3.2.2 **Domestic Content Requirement (DCR):** The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.3 **Usage Charges:** Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of mutually agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge, State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.



3.2.4 Scheme Modality:

3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.

3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant. MNRE may review and increase this requirement to include wafers, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS

3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at ₹0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down. VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
- (ii) balance 50% on successful commissioning of the full capacity of the project

3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.

3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.

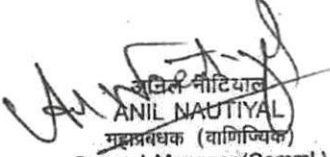
3.3 With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected solar PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either directly or through DISCOMS, in WTO compliant manner.

3.4 The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to procure solar cells and modules from domestic manufacturers.

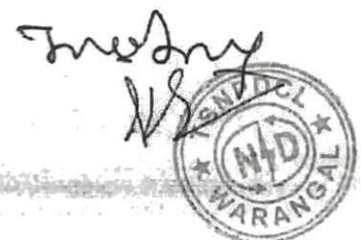
3.5 Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme. SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the

Page 6 of 7


ANIL NAUTIYAL
महानिदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिव्हराबाद-५०००६३
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-50.


Chief General Manager/TPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite the implementation of the Scheme and to give impetus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF sanctioned to the project shall be reduced by 0.15% (zero point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

3.7 Total Capacity and Portfolio of Solar PV Power Projects:

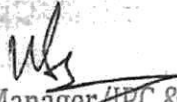
3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.


3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems, MNRE will be competent to make such amendments with the approval of Minister-in-charge, without increasing the financial requirements and VGF limits.


ANIL NAUTIYAL
महानिदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.


Chief General Manager/IPC & RAC
TSSIP, Page 7 of 7
Corporate Office,
Mint Compound, Hyderabad-500 063.


ANIL NAUTIYAL
महानिदेशक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.पु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-80.

Payment Security Mechanism: Letter of Credit

Power User has to furnish Letter of Credit in the following Format.

LC FORMAT

[Power User i.e. Applicant Bank with Address]

TEL NO:
FAX
SWIFT NO:
CODE:
PIN CODE:

[NTPC bank i.e. Beneficiary Bank with Address]

Date: XX/XX/XXXX

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXXX


For INR XXXXXXXXX.XX EXW favouring M/s XXXXXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.


अनिल नाथियल
ANIL NAITHYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द.क्षे.मु. कवाडीगुडा, सिकंदराबाद-५०
NTPC Limited, SRHQ, Kavadiiguda, Secunderabad-50.


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



B1: Outgoing SWIFT 11 Header 1

B2: Receiver's BIC Code

27: Sequence of Total

40A: Form of Documentary Credit : IRREVOCABLE

20: Documentary Credit Number

31C: Date of Issue

31D: Date and Place of Expiry

51D: Application Bank (Full Address)

50: Applicant [Power User with Address]

59: Beneficiary
NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

32B: Currency Code, Amount: INR

41D: Available With. Beneficiary Bank with Address By NEGOTIATION

42C: Drafts at.....

42D: Drawee [Applicant Bank with Address]

43P: Partial Shipments : ALLOWED

43T: Transshipment : PROHIBITED

44A: Place of Taking in Charge/ Dispatch from.
NTPC LIMITED,
NTPC BHAWAN, SCOPE COMPLEX,
7 INSTITUTIONAL AREA,
LODHI ROAD, NEW DELHI-110 003 (INDIA)

44B: Place of Final Destination/ For Transport :[Name of Power User with Address]

44C: Latest Date of Shipment

45A: Description of Goods and/or Services : INCOTERMS: EXW
SOLAR P PV OWER, ELECTRICAL ENERGY IN Mus BY NTPC LTD. UNDER CPSU
SCHEME.

46A: Document Required

IN THE EVENT or FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY
BILL OR SUPPLEMENTARY BILL
OR

अनि नौटिकल
ANIE NAUTICAL
महप्रबंधक (वाणिज्यिक)
General Manager (Comm.)
एन टी सी लिमिटेड, द.क्षे.मु कवाडीगुडा, सिकंदराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



2

PART THEREOF WITHIN AND INCLUDING THE DUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE
OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL
OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT):

- I. THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- II. NTPC Certificate REGARDING POWER SUPPLIED TO [Power User]. CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. CERTIFICATE FROM THE NTPC Ltd TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

47A: Additional Conditions:

1. THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
2. THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS. XXX.XX CRORES. THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [POWER USER] IF ANY.
3. ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NTPC LTD.
4. BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THAN ONE DRAWAL IN A MONTH.
5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

71B: Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT

49: Confirmation Instructions : WITHOUT Sender to Receiver Information

72: Sender to Receiver Information

39A: Percentage Credit Amount Tolerance: 00/00

48: Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE.


अनिल नीटियाल
ANIL NIYAL
नहायनयक (वाणिज्यिक)
General Manager (Comm.)
एन टी पी सी लिमिटेड, द. रो. पु. कवाडीगुडा, सिबंदराबाद-८०
NTPC Limited, SRHQ, Kavadiaguda, Secunderabad-80.

Chief General Manager / IPC & PAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.



57D: "Advise through" Bank: [Beneficiary Bank with Address]

40E: Applicable Rules: UCP LATEST VERSION


Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.


T. Madhusudhan,
Chief General Manager,
IPC & RAC, TSNPDCL,
Warangal




अनिल नौटियाल
ANIL NAUTIYAL
महाप्रबंधक (वाणिज्यिक)
General Manager (Comml.)
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