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POWER PURCHASE AGREEMENT BETWEEN

NTPC LIMITED

AND

KERALA STATE ELECTRICITY BOARD LIMITED (KSEBL)

FOR

KAYAMKULAM FLOATING SOLAR PV POWER STATION [92MW]

THIS POWER PURCHASE AGREEMENT hereinafter called the "Agreement" entered into at New Delhi on the 28th day of August, Two Thousand Nineteen (28/12/2019) 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' or Developer) CIN L40101 DL1975 GOI 007966 which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part;

And

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SHEELA M DANIEL
 Resident Engineer
 Liaison Office
 Kerala State Electricity Board Ltd
 Travancore Palace, K.G. Marg,
 New Delhi -110001



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Kerala State Electricity Board Ltd, Pattom

no 13999



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Kerala State Electricity Board Limited, a company formed and incorporated under the Companies Act, 1956, having its registered office at Vydyuthi Bhavanam, Pattom, Thiruvananthapuram, hereinafter referred to as 'KSEBL' CIN:U40100KL2011SGC027424 or 'Buyer' (which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns) as a 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 Generating Company as defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise.

AND WHEREAS NTPC on 11th May 2018 had entered into MoU with KSEBL for installation of ground mounted/floating solar PV stations on Kerala.

AND WHEREAS NTPC is setting up a 92 MW Floating Solar PV Power Station named as "Kayamkulam Floating Solar PV Power Station" at existing premises of NTPC Rajiv Gandhi Combined Cycle Power Station PO Choolatheruvu, Distt Alappuzha Kerala 690506, (herein after referred as "Kayamkulam floating Solar PV Power Station" and generally referred to as 'Station')

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Resident Engineer
Liaison Officer
Kerala State Electricity Board
Travancore Palace, K.G.
Delhi -110001



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AND WHEREAS KSEBL is desirous of purchasing solar power from 'Kayamkulam Floating Solar PV Power Station.' of NTPC and NTPC is willing to sell solar power from 'Kayamkulam Floating Solar PV Power Station' to KSEBL on mutually agreed terms and conditions mentioned hereunder to meet renewable purchase obligation subject to the approval of quoted Tariff and procurement of power by KSERC of in principle agreement between NTPC and KSEBL. Accordingly, on mutually agreed terms and conditions mentioned here under, 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 there under 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:

1.	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
2.	Agreement	shall mean this Power Purchase Agreement including the Articles, Schedules, amendments, modifications and supplements made in writing by the parties from time to time
3.	Appropriate Commission	shall mean the Central Electricity Regulatory Commission referred to in sub- section (1) of section 76 or the State Electricity Regulatory Commission referred to in section 82 or the Joint Electricity Regulatory Commission referred to in Section 83 of the Electricity Act 2003, as the case may be;
4	Applicable Laws	Shall mean the existing and future laws enacted by the Centre or State, which are in force for the time being including ordinances, regulations and rules made there under, and judgements, decree, or orders of any court, and international treaties and conventions having force of law during the subsistence of this Agreement.
5	Auxiliary consumption	Shall mean the internal consumption of power by the Developer and the transmission losses between the generating point and interconnection point, which shall be the difference between the number of units (kWh) generated by the plant as measured at the generator terminals and the number of units (kWh) as measured at the interconnection point. The auxiliary consumption factor shall be 0.25% of gross generation
6	Billing Centre	shall mean the Office / RHQ as intimated by NTPC to KSEBL from where the bills will be raised on KSEBL;
7	Billing Date	Shall mean the date on which the Developer raises energy bills for the energy delivered during the previous calendar month or the date on which the Developer generates any supplementary bill (if required) as the case may be.
8	Billing month	Shall mean the period beginning on the 00:00 midnight of the 1 st day of the calendar month and ends on the 12:00 midnight of the last day of the same calendar month.
9	Billing year	Shall mean the period beginning on the Commercial Operation Date and ending at 12:00 midnight of the following March 31 st . Thereafter each successive Billing year shall begin on 1 st April and end on 31 st March of the following year, except that the final Billing year shall end on the date of expiry of the term or on termination of the Agreement, whichever is earlier.



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10	Business Day	Shall mean a day other than Sunday or a statutory holiday, on which both the commercial banks and offices of KSEBL are open for business in Thiruvananthapuram and NTPC office and banks in Delhi.
11	Capacity Utilisation Factor or CUF	Shall mean the ratio of actual kWh (units) of energy generated by a solar plant in a contract year (A) and contracted capacity in kW (B) multiplied with number of hours in the same contract year (C) at the designated interconnection point, on Contract Year basis expressed as a percentage; {ie. $CUF = A \times 100 / (B \times C)$ }. The minimum CUF specified is 16% and the maximum CUF is 28 %.
12	CEA	Central Electricity Authority;
13	CERC	shall mean the Central Electricity Regulatory Commission of India, constituted under sub - section (1) of Section 76 of the Electricity Act, 2003, or its successors;
14	Charges for Supply of Electricity	Shall mean the charges to be paid by KSEBL in respect of supply of electricity from the station in accordance with the provisions of this agreement.
15	Change in Law	shall have the meaning ascribed thereto in Article 10 of this Agreement;
16	Check Meter	Shall mean any meter and / or metering device of accuracy class equivalent to the Main Meter, which shall be connected at the same point of interconnection between the electrical system of the generating company and Transmission / Distribution System to which Main meter is connected and shall be used for accounting and billing of electricity in the case of failure of Main meter installed and maintained by KSEBL at the cost of the Developer at the Interconnection Point.
17	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;
18	Commercial Operation Date (COD)	Commercial Operation Date shall be the date of commissioning of the last Module of the Contracted Capacity. The same would be used for purpose of determining the life of the Station;
19	Contracted Capacity	shall have the meaning ascribed in Article 2.0 of this agreement as Installed Capacity;
20	Contract Year	shall mean the period beginning on the Scheduled Commissioning Date and ending on the immediately succeeding March 31 and thereafter each period of 12 months beginning on April 1 and ending on March 31 provided that the last Contract Year shall end on the last day of the term of the PPA.
21	Day	Shall mean 24 hours period beginning at 0.00 hours Indian Standard Time and ending at 24.00 hours on the same day.
22	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered to the KSEBL at the interconnection point as measured by the energy meters at the interconnection point during that billing month;
23	Delivery Point	Shall mean the metering point at Kayamkulam 220kV substation (Metering Scheme shall be finalised on mutual agreement within two months from effective date)

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24	Despatch instructions	Shall mean the instructions from control centre of State Load Despatch Centre in accordance with prudent utility practices and this Agreement, to schedule and control the generation at the plant in order to commence, increase, decrease or cease the energy delivered to the KSEBL's grid system.
25	Dispute	Shall mean any dispute, difference or controversy between the parties arising under or out of, or in relation to this Agreement and so notified in writing by any party to other party.
26	Due date of payment	Shall mean 60 days from the date of receipt of the bill to the nominated officer of KSEBL. In case of payment of bill is delayed beyond a period of 60 days from the date of bill, Late payment Surcharge shall be payable from 61 st day onwards as per prevailing CERC Regulations.
27	Effective Date	shall mean the date of signing of this Agreement;
28	Energy Account	Shall mean Periodic Energy Account issued by State Load Dispatch Centre Kerala including amendments thereof;
29	Force Majeure	shall have the meaning ascribed thereto in Article 9 of this Agreement;
30	GOI	Government of India;
31	GoK	Government of Kerala;
32	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 Kerala State Electricity Regulatory commission (KSERC), referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
33	Interconnection Point	Interface point of Kayamkulam Floating Solar PV Power Station with the STU/CTU transmission network at 220 KV level at existing premises of NTPC Rajiv Gandhi Combined Cycle Power Station;
34	Inter connection facility	Shall mean the facilities installed by the Developer to supply power from Solar PV station up to the Interconnection Point inter alia including the transformer and the associated equipment, relay, metering and switching equipment, protective devices and safety equipment.
35	“ Letter of credit” LC	Irrevocable Unconditional Revolving Letter(s) of Credit;
36	Main Meter	Shall mean meter for measurement of import / export of energy for energy accounting on ABT platform. The accuracy of the main meter should be 0.2 S class.
37	Maintenance Outage	Shall mean an interruption or reduction of the generating capability of the unit for the purpose of Maintenance.
38	Meters	Shall mean a Main meter, Check meter and standby meter if any
39	Metering Date	Date of Joint Meter Reading (JMR) signed between NTPC and KSEBL on 1 st day of every month or SEA issued by SLDC.
40	Metering point	Shall mean Interconnection Point where metering shall be done as per article 4 of the PPA;
41	Monthly Bill	Monthly Bill as raised by NTPC as per Joint Meter Readings statement certified by NTPC and KSEBL representative(s) or Energy Account issued by Kerala State Load Dispatch Centre. If required the monthly bill shall be revised as per Energy Account issued by Concerned Load Dispatch Centre;




42	Module	Shall mean each inverter of the solar photovoltaic generating station associated floating PV panels along with other required auxiliaries enabling transmission of the generated solar power up to interconnection point.
43	MVAR	Shall mean Mega VARs.
44	MW	Shall mean Mega Watt.
45	MWh	Shall mean Megawatt hour.
46	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;
47	Operating Period	Shall mean the period commencing from COD of the plant and ending at the expiry of the term of the agreement specified in this PPA.
48	Performance tests	Shall mean the tests to be conducted by the developer for the testing of plant in accordance with manufacturers recommendations and in accordance with approved guidelines in force.
49	Prudent utility practices	Shall mean those practices, methods, techniques and standards, that are generally accepted for use in electricity utility industries taking into account conditions in India, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to power stations of the size, service and type of the Project, and that generally conform to the manufacturers' operation and maintenance guidelines.
50	Scheduled Commissioning Date (SCD)	Shall mean the date, which is 15 months from the date of signing PPA, when the Solar PV Project is required to be commissioned as per the terms and conditions of this PPA.
51	Scheduled Outage	Shall mean a planned interruption or reduction of the generating capability of a unit for inspection, testing, preventive maintenances, corrective maintenance, repairs, replacement or improvements which has been scheduled by the Developer and allowed by the KSEBL.
52	SERC	shall mean State Electricity Regulatory Commission of Kerala i.e. Kerala Electricity Regulatory Commission
53	SLDC	shall mean State Load Dispatch Centre
54	Standby Meter	Shall mean a meter connected to CT and VT, other than those used for main meter and check meter and shall be used for accounting and billing of electricity in case of both Main meter and Check meter are not working.
55	Station	shall mean the floating Solar PV Power Generating Station of installed capacity of 92 MW developed by NTPC Ltd at existing premises of NTPC Rajiv Gandhi Combined Cycle Power Station at Kayamkulam.
56	Supplementary Bill	Shall have the meaning under the Article 7.1.3
57	System Emergency	Shall mean a contingency in the Kerala grid / system of KSEBL which threatens safe and reliable operation of such system.
58	Tariff	Shall mean Tariff as per the order of KSERC dt 24.07.2019.
59	Tariff year	Shall mean the billing year.
60	Tariff period	Shall mean the period commencing from the Date of Commercial Operation of the solar energy generators up to 25 th year.

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Resident Engineer
Liaison Office

61	Third Party(ies)	Any other Power distribution company / Agency other than to whom energy is contracted under this Agreement;
62	Transmission Licensee	Shall mean Strategic Business Unit-Transmission (SBU-T) of KSEBL

2.0 GENERAL

2.1 CONTRACTED CAPACITY:

The total capacity of the station is proposed to be 92 MW and same will be the Contracted Capacity

2.2 ALLOCATION OF CAPACITY:

- 2.2.1 The Allocated Capacity to the State of Kerala shall be 100% of the Installed Capacity.
- 2.2.2 The Developer shall supply energy corresponding to minimum CUF of 16% and a maximum CUF of 28 % in a Contract Year.
- 2.2.3 If during any contract year, it is found that the Developer has not been able to supply energy corresponding to minimum CUF of 16% on account of reasons solely attributable to the Developer, the Developer shall pay penalty equal to 25% of the project tariff to KSEBL, for such shortfall in units.
- 2.2.4 In case the availability is more than the maximum CUF of 28 %, the Developer will be free to sell it to any other entity, provided, first right of refusal will vest with KSEBL. In case KSEBL purchases the excess generation, it will do so at 75% (seventy-five per cent) of the PPA tariff. The Developer shall ascertain the availability of annual excess energy over that corresponding to a CUF of 28 %, well in advance, and shall intimate the same to KSEBL. KSEBL shall within a period of 15 days intimate its decision on the purchase of this excess energy.
- 2.2.5 Any excess consumption beyond 0.25% APC of gross generation shall be netted off at applicable Floating Solar PV Tariff.

3.0 TRANSMISSION / WHEELING OF ELECTRICITY :

- 3.1 Sale of energy shall be at the Interconnection point.
- 3.2 NTPC shall not be responsible for any payment of transmission/wheeling charges or losses.
- 3.3 All efforts will be made by the KSEBL to maintain the transmission system to have highest availability for evacuation of power




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 manufacturers' guidelines, applicable grid operating standards, and relevant statutory provisions and regulations of CERC/KSERC, as applicable from time to time. The scheduling of power from the plant will not be subject to 'merit order dispatch' principles and the plant will be treated as 'MUST RUN' power plant.
- 4.1.2 All charges/fees related to scheduling and despatch of energy shall be borne by KSEBL.
- 4.1.3 Applicable laws related to forecasting, scheduling and dispatch shall be followed by KSEBL.
- 4.1.4 For reactive power, the NTPC shall also comply with the provisions of the CEA (Technical Standards for Connectivity to Grid) Amendment Regulation, 2013. Non compliance of the said Regulations shall make the Developer liable to pay Reactive Power Compensation at the rate approved by KSERC, if the situation warrants.

4.2 METERING

- 4.2.1 All meters shall be ABT compliant and of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be procured and installed by NTPC at 220KV Interconnection point of Station, based on specifications provided by Power Grid/KSEBL. A standby meter shall also be installed at this interconnection point.
- 4.2.2 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. All Meters shall be calibrated and sealed by authorised representatives of Buyer and the Developer and shall not be interfered with except in the presence of the authorised representatives of both the Parties. The calibration of the Meters shall be done by KSEBL at the expense of the Developer.
- 4.2.3 Data shall be downloaded from the meters at regular intervals as decided by SLDC for preparation of the Energy Account.
- 4.2.4 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 shall inform the State Load Dispatch Centre 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 out of order, energy shall be computed based on standby meters. Energy accounting for the failure period shall be as per procedure laid down by KSERC.
 - 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 KSEBL as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006, as amended from time to time. For any testing and/ or replacement, notice of seven days will be given.

4.3 ENERGY ACCOUNTING

- 4.3.1 Monthly bill/s shall be raised by NTPC for net Energy supplied based on Joint Meter Reading (JMR) signed between NTPC and KSEBL or shall be based on Energy reflected in State Energy Account (SEA) issued by Kerala State Load dispatch Centre (SLDC) / concerned RPC. If

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required these bills shall be revised along with in the next month bill(s), based revised Energy Account issued by concerned competent authority.

- 4.3.2 Energy Account issued by SLDC or any other Competent Authority or JMR shall be binding on both the parties for billing and payment purposes.
- 4.3.3 Any change in the methodology of Energy Accounting shall be done only as per mutually agreed decisions.
- 4.3.4 Energy procured under this contract shall be accounted against the Renewable Purchase Obligation (RPO) of KSEBL. NTPC shall not have any rights whatsoever to accredit the project under Renewable Energy Certification (REC) or to make use of the energy against its own obligation, even in case it is an obligated entity.

5.0 Commissioning of Solar power generating station:

NTPC will inform KSEBL in writing at least 15 days in advance about commissioning of the first 1 MW floating Modules. Energy supplied from any of the Modules, shall be billable from date of commissioning/charging of the first 1 MW of capacity. Suitable mechanism will be mutually discussed and finalised before commissioning of first 1 MW floating module. The COD of the station shall be the COD of the last unit. The life of the project is 25 years from the COD of the station. Metering shall be done as per clause 4.2.

5.1 Dispatch

- 5.1.1 The Power Procurer shall be required to maintain compliance to the applicable Grid Code, and requirements & directions, if any, as specified by SLDC or Appropriate Commission from time to time to keep power evacuation system available through respective transmission agency i.e. STU/CTU.

5.2 Generation Compensation for Off take Constraints:

- 5.2.1 The Procurer may not be able to off take procure power on account of unavailability of the Transmission Infrastructure / Grid or in the eventuality of back down, in that case, following shall apply.

5.2.1.1 Off take constraints due to Transmission Infrastructure / Grid Unavailability:

Generation Compensation in off take constraints due to Grid Unavailability: KSEBL may be constrained not to schedule power on account of unavailability of the transmission infrastructure / grid or in the eventuality of a back down. Compensation to the Generator will be provided as following:

Duration of Grid unavailability	Provision for Generation Compensation
Grid unavailability in a contract year as defined in the PPA: (only period from 8 am to 6 pm to be counted):	<p>Generation Loss = [(Average Generation per hour during the contract year) × (number of hours of grid unavailability during the contract year)]</p> <p>Where, Average Generation per hour during the contract year (kWh) = Total generation in the contract year (kWh) ÷ Total hours of generation in the contract year</p> <ul style="list-style-type: none"> • Excess generation over the maximum specified CUF by the Developer equal to this generation loss shall be procured by the Procurer at the PPA tariff so as to offset this loss in the succeeding 3 (three) Contract Years.

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5.2.1.2 Off take constraints due to Back down:

Generation Compensation in case of Back down: In case of any eventuality of Back down, except for the cases where the Back down is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the NTPC shall be eligible for a Minimum Generation Compensation, from the KSEBL, in the manner detailed below.

Duration of Back down	Provision for Generation Compensation
Hours of Back down during a monthly billing cycle (period from 8 am to 6 pm only to be counted):	<p>Minimum Generation Compensation = 50% of [(Average Generation per hour during the month) × (number of back down hours during the month) × PPA Tariff]</p> <p>Where, Average Generation per hour during the month (kWh) = Total generation in the month (kWh) ÷ Total hours of generation in the month</p>

The Generation Compensation is to be paid as part of the energy bill for the successive month after receipt of certified Joint Meter Reading or Energy Accounts issued by SLDC.

6.0 Tariff

6.1 The Tariff shall be computed by NTPC based on EPC cost discovered through competitive bidding followed by Reverse Auction. The tariff for the energy up to a maximum CUF of 28 % supplied at the delivery point from any of the Module of "Kayamkulam Floating Solar PV Station" shall be payable by KSEBL at the tariff determined by CERC based on the petition filed by NTPC Ltd as per Section 62 of the Electricity Act, 2003 or at Rs 3.16 per kWh, whichever is lower. If during any contract year, it is found that the Developer has not been able to supply energy corresponding to minimum CUF of 16% on account of reasons solely attributable to the Developer, the Developer shall pay penalty equal to 25% of the project tariff to KSEBL, for such shortfall in units. In case the availability is more than the maximum CUF of 28 %, the Developer will be free to sell it to any other entity, provided, first right of refusal will vest with KSEBL. In case KSEBL purchases the excess generation, it will do so at 75% (seventy-five per cent) of the tariff. The applicable tariff as above shall be subject to approval by the Kerala State Electricity Regulatory Commission (KSERC) and the Tariff so arrived will be the tariff inclusive of all taxes, levies and duties.

6.2 Auxiliary Power Consumption:

NTPC is entitled to draw the power for its auxiliary consumption during construction and shut down period, from the grid. The energy supplied by the KSEBL to NTPC to maintain the auxiliaries of the Floating solar PV station in situations of non-generation of solar power, in any billing month shall be adjusted from the delivered energy as indicated below.
Net Energy = gross energy at the interconnection point – energy drawl from KSEBL for auxiliaries.

6.3 TAXES, LEVIES, DUTIES, ROYALTY, CESS ETC.:

6.3.1 Any tax/levy/duty/Royalty/Cess etc., levied by State Government/Statutory body/Authority, shall be borne and additionally paid by KSEBL to NTPC after Effective date.

7.0 BILLING AND PAYMENT:

7.1 BILLING:

KSEBL shall pay to the Developer the monthly Tariff Payments, from the commencement of supply of power, on or before the Due Date, in accordance with Tariff as specified in Clause 6 above with the following provisions:

- 7.1.1 NTPC shall present the bills for the net energy supplied to KSEBL from the solar Station for the previous month, based on the Joint Meter Reading (JMR) or can be based on the energy reflected in the Energy Accounts issued by SLDC, as authorised by KSERC from time to time.
- 7.1.2 The bills may be presented / delivered by e-mail to the Deputy Chief Engineer (Commercial & Planning), Vidyuthi Bhavanam, Pattom, Thiruvananthapuram - 695 004, followed by original bill by courier / speed post. The date of receipt of e-mail shall be treated as the date of receipt of bill for determination of due date for payment, subject to the mail being delivered up to 11.00 am on a business day failing which the next business day shall be considered as date of receipt of bill.
- 7.1.3 KSEBL shall arrange payment of such Monthly Bill 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 computation of 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 :
- there is no apparent arithmetical error in the bill(s)
 - the bill(s) is/are claimed as per the tariff
 - the bill(s) are in accordance with the JMR/Energy Accounts issued by State Load Dispatch Centre/ any other Competent Authority.
- 7.1.4 In case any of the KSEBL disputes any amount, even then, it 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:
- Item disputed, with full details/data and reasons of dispute
 - Amount disputed against each item.
- Provided that non-acceptance of tariff shall not be a valid ground for dispute.
- 7.1.5 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.
- 7.1.6 No payment shall be kept outstanding for more than 60 days. In case of delayed payment the older undisputed bills, considering Clause 7.1.4 above, shall be paid first including LPSC, Statutory dues and any other charges

7.2 REBATE AND LATE PAYMENT SURCHARGE:

KSEBL is entitled to deduct a rebate of 2.0% on the payment towards the Developer's monthly bill within 05 days of receipt of bill. If such date is a holiday the next business day may be treated as the date of payment for availing rebate. If KSEBL does not pay the amount within the due date of payment then KSEBL shall pay Late Payment Surcharge at 1.25% per month calculated on day to day basis after 60th day of presentation of Bill. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc.

7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC):

- 7.3.1 KSEBL shall establish an irrevocable unconditional revolving Letter of Credit (LC) 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.



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- 7.3.2 The LC shall cover 105% of the one month's estimated billing in respect of Energy supplied from the Station to KSEBL. This shall be in addition to the obligation of KSEBL to establish similar letters of credit for supply of Energy to KSEBL from all other generating Stations of NTPC.
- 7.3.3 The amount of LC shall be reviewed each half-year commencing April and October in each financial year on the basis of the average of billing of previous 12 months and the LC amount shall be enhanced/reduced accordingly not later than 1st July and 1st January respectively of the same financial year.
- 7.3.4 The LC shall be established for a minimum period of one year. KSEBL shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 30 days prior to expiry of existing LCs.
- 7.3.5 LC shall 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 promptly paid on their presentation.
- 7.3.6 All costs relating to opening and maintenance and negotiation of LC shall be borne by KSEBL.
- 7.3.7 In case of drawl 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 drawl. KSEBL 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.
- 7.3.8 KSEBL agrees to ensure that the successor entities of KSEBL 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.
- 7.3.9 Notwithstanding the obligations of KSEBL to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as above 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 KSEBL from any of the Power Station(s) of NTPC for which PPA/BPSA has been signed by KSEBL and/or divert Power from NTPC Station(s) to any other Bulk Power Customer(s)/ Third Party(ies) as per the provisions of generic procedure for Regulation of Power Supply issued by CERC or any other competent authority from time to time.
- 7.3.10 In case of diversion of power, KSEBL shall continue to be liable to pay the charges equivalent to average monthly billing of last twelve months from NTPC stations from which power is being regulated. Average monthly billing shall consider average excluding energy charges in case of stations on two part tariff basis. In case of Regulation/diversion of Power, any surplus recovered over and above the expenses incurred in diverting and Sale this diverted solar power shall be adjusted towards unpaid bills from the Station.

8.0 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 as per the provisions of Electricity Act 2003 and shall be subjected to adjudication by Appropriate Commission.

9.0 Clean Development Mechanism (CDM) Benefits:

The CDM benefits accrued shall be shared between the parties on gross basis starting from 100% to the Developer in the first year and thereafter reducing by 10% every year till the sharing becomes equal (50:50) between the Developer and the Distribution Licensee in the sixth year. Thereafter, the sharing of CDM benefits shall remain equal till such time the benefits accrue, provided that sharing shall take place only after actual receipt of benefit by the Developer. The CDM benefits availed by the Developer should be disclosed to the distribution licensee every year before 30th April.



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Resident Engineer
Liaison Office
Kerala State Electricity Board Ltd.
Tropenpark, P.O. Box 142, Cochin

10.0 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, strike, lock-out, 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/drawl 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.

11.0 CHANGE IN LAW:

11.1 "Change in Law" means the occurrence of any of the following events after the Effective Date/Approval of Tariff by Appropriate Commission (whichever is earlier) resulting into any additional recurring/ non-recurring expenditure by the Station or any income to the Station:

- a) the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation), 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 and Permits 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 Station;
- e) any change in tax or introduction of any tax made applicable for sale of power by the Station to KSEBL as per the terms of this Agreement.

11.2 RELIEF FOR CHANGE IN LAW

11.2.1 The implication of Change in Law shall be pass through in Tariff as determined by Appropriate Commission.

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 NTPC and KSEBL within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (SR), NTPC Ltd., Hyderabad, AP- 500003 as well as Executive Director (Commercial), NTPC Ltd., Core 5, IIIrd 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.



SHEELA M DANIEL
Resident Engineer
Liaison Office

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 10 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:



This Agreement shall come into force from the date of signing of the Agreement for all purposes and remain operative for a period of 25 years from the date of commercial operation of the plant as a whole. The terms of the Agreement may be extended for further period by mutual agreement with modification as considered necessary, mutually agreed and as consented by KSERC. In case KSEBL continues to avail power from the station, even after expiry of this agreement without further renewal or formal extension thereof, then the provisions of this agreement shall continue to operate till this agreement is formally renewed, extended or replaced.

The Memorandum of Understanding (MOU) executed between KSEBL and NTPC on 11th May 2018 thereto form an integral part of this agreement.

15.0 SUCCESSORS AND PERMITTED ASSIGNS:

15.1 In case the functions of NTPC/KSEBL 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 organisation(s)/agency(ies) is/are owned or controlled by the Government of India / Kerala

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

<p>Signature with seal Witness: <i>M. K. Malvige.</i> 1. <i>DGM (Compl.),</i> 2. <i>NTPC Ltd.</i></p>	<p>Signature with seal  For and on behalf of [NTPC Limited]</p>
<p>Signature with seal Witness: 1. 2.</p>	<p>Signature with seal  For and on behalf of [KSEBL] SHEELA M DANIEL Resident Engineer Liaison Office Kerala State Electricity Board Ltd. Travancore Palace, K.G. Marg, New Delhi -110001</p>



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Liaison Office