

Addendum – 6, dated 29 December 2017

Request for proposal (RFP)

Sl. No	Clause No.	Page No.	Original Clause	Read As
1.	RFP Clause 1.1.9	Page 7	In no circumstance shall the Effective Tariff offered by the Bidder be changed due to change in location.	In no circumstance shall the Effective Tariff offered by the Bidder be changed due to change in location, <u>subject to the provisions mentioned under Clause 1.2.5 of the RFP.</u>

SHORT TERM TENDER FOR DEVELOPMENT OF 860 MW (AC) SOLAR POWER PROJECTS IN KARNATAKA TO BE IMPLEMENTED IN 43
TALUKAS/ CONSTITUENCIES
RFP dated 07 Dec 2017

Draft Power Purchase Agreement (PPA)

Sl. No	Clause No.	Page No.	Original Clause	Read As
1.	PPA Clause 5.6	Page 29	<p>ESCOM, at any time during a Contract Year, shall not be obliged to purchase any additional energy from the Developer beyond Million kWh (MU) [Insert value of energy generated corresponding to a maximum CUF⁸ of 21% for solar PV (new projects) and maximum CUF of 24% for solar PV projects (new projects) using trackers. Provided that in case of solar projects using advanced technologies, the value of CUF shall be the average CUF committed by the Developer at the point of signing the PPA]. If for any Contract Year, it is found that the Developer has not been able to generate minimum energy ofMillion kWh (MU) [Insert value of energy generated corresponding to a CUF of 12% for solar PV (new projects) and CUF of 16% for solar PV projects (new projects) using trackers and further provided that in case of solar projects using advanced technologies, the value of CUF shall be 7% below the average CUF committed by the Developer at the point of signing the PPA], on account of reasons solely attributable to the Developer, the noncompliance by Developer shall make Developer liable to pay the compensation <u>provided in the Agreement as payable to ESCOM. This compensation shall be applied to the amount of shortfall in generation during the Contract Period.</u> The amount of compensation shall be computed at the rate equal to <u>the compensation payable by the ESCOM, subject to a minimum of 25%</u> of the applicable tariff.</p>	<p>ESCOM, at any time during a Contract Year, shall not be obliged to purchase any additional energy from the Developer beyond Million kWh (MU) [Insert value of energy generated corresponding to a maximum CUF⁸ of 21% for solar PV (new projects) and maximum CUF of 24% for solar PV projects (new projects) using trackers. Provided that in case of solar projects using advanced technologies, the value of CUF shall be the average CUF committed by the Developer at the point of signing the PPA]. If for any Contract Year, it is found that the Developer has not been able to generate minimum energy ofMillion kWh (MU) [Insert value of energy generated corresponding to a CUF of 12% for solar PV (new projects) and CUF of 16% for solar PV projects (new projects) using trackers and further provided that in case of solar projects using advanced technologies, the value of CUF shall be 7% below the average CUF committed by the Developer at the point of signing the PPA], on account of reasons solely attributable to the Developer, the noncompliance by Developer shall make Developer liable to pay the compensation to <u>the</u> ESCOM. The amount of compensation shall be computed at the rate equal to <u>50%</u> of the applicable tariff.</p>

Sl. No	Clause No.	Page No.	Original Clause	Read As
2.	PPA Clause 5.6	Page 29 and Page 30	In case of purchase of any excess energy, Purchase of any excess energy, beyond the energy generated corresponding to a maximum CUF of 21% for solar PV (new projects) and maximum CUF of 24% for solar PV projects (new projects) using trackers, shall be charged at a rate equivalent to 75% of PPA tariff or applicable APPC charges, whichever is minimum, provided first right of refusal will vest with the ESCOMs.	In case of purchase of any excess energy, Purchase of any excess energy, beyond the energy generated corresponding to a maximum CUF of 21% for solar PV (new projects) and maximum CUF of 24% for solar PV projects (new projects) using trackers <u>of any kind</u> , shall be charged at a rate equivalent to 75% of PPA tariff or <u>75% of the</u> applicable APPC charges, whichever is <u>less</u> , provided first right of refusal will vest with the ESCOMs.
3.	PPA Clause 5.7.1	Page 31	In the event that the Developer is prevented from performing its obligations under Clause 5.1 by the Scheduled Commissioning Date due to: a) any ESCOM Event of Default; or b) Force Majeure Events affecting ESCOM; or c) Force Majeure Events affecting the Developer, the Scheduled Commissioning Date and the Expiry Date shall be deferred, subject to the limit prescribed in Clause 5.7.2 and Clause 5.7.3 for a reasonable period but not less than 'day for day' basis, to permit the Developer or ESCOM through the use of due diligence, to overcome the effects of the Force Majeure Events affecting the Developer or ESCOM, or till such time such Event of Default is rectified by ESCOM.	<u>i) In the event that the Developer is prevented from achieving the progress in fulfilling the Conditions Precedent within the time stipulated in the PPA, the ESCOM may grant extension of time, not more than 4 (four) months for fulfilling the Conditions Precedent. Such extension of time by ESCOM shall not affect the commissioning of the Project within the scheduled commissioning date.</u> <u>In the event that the Developer is prevented from commissioning of the Project within the time stipulated in the PPA due to:</u> <u>a) any ESCOM Event of Default; or</u> <u>b) Force Majeure Events affecting ESCOM; or</u> <u>c) Force Majeure Events affecting the Developer,</u> <u>the Developer shall commission the Project and thereafter may file a petition before KERC, seeking approval for condoning the delay in commissioning the Project urging any of the grounds mentioned in (a), (b), (c) above. Such petition shall be deemed to be a dispute under Article 18.3.</u>

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4.	PPA Clause 5.7.2	Page 31	In case of extension occurring due to reasons specified in clause 5.7.1(a), any of the dates specified therein can be extended, subject to the condition that the Scheduled Commissioning Date would not be extended by more than 4 (four) months.	<u>After hearing the Parties and considering the merits of the grounds urged, KERC may condone the delay in commissioning of the Project on any of the grounds stated by the Developer.</u>
5.	PPA Clause 5.7.3	Page 31 and Page 32	In case of extension due to reasons specified in Article 5.7.1(b) and (c), and if such Force Majeure Event continues even after a maximum period of 3 (three) months, any of the Parties may choose to terminate the Agreement as per the provisions of Article 16. If the Parties have not agreed, within 30 (thirty) days after the affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by which the Scheduled Commissioning Date or the Expiry Date should be deferred by, any Party may raise the Dispute to be resolved in accordance with Article 18.	<u>In case KERC condones the delay, the scheduled commissioning date and the expiry date shall be deemed to be extended by the period for which the delay is condoned by KERC</u>
6.	PPA Clause 5.7.4	Page 32	As a result of such extension, the Scheduled Commissioning Date and the Expiry Date newly determined shall be deemed to be the Scheduled Commissioning Date and the Expiry Date for the purposes of this Agreement.	<u>In the event that the Developer is prevented from achieving the progress in fulfilling the Condition Precedent or commissioning the Project for the reasons specified in the Article 5.7.1 (a), (b), (c) and if such events continue even after a maximum period of 4 (four) months, any of the Parties may terminate the agreement as per the provisions of Article 16.</u>

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7.	PPA Clause 12.2	Page 44	Provided further that as a consequence of delay in Commissioning of the Project beyond the Scheduled Commissioning Date, subject to Article 4, if there is a change in KERC applicable Tariff, the changed applicable Tariff for the Project shall be the lower of the following: i. Tariff at in Clause 12.1 above or ii. KERC applicable Tariff as on the Commercial Operation Date.	Provided further that as a consequence of delay in Commissioning of the Project beyond the Scheduled Commissioning Date, subject to Article 14 , if there is a change in KERC applicable Tariff, the changed applicable Tariff for the Project shall be the lower of the following: i. Tariff at in Clause 12.1 above or ii. KERC applicable Tariff as on the Commercial Operation Date.
8.	PPA Clause 14.3.1	Page 54	A 'Force Majeure' means any event or circumstance or combination of events including those stated below which wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:	A 'Force Majeure' means any event or circumstance or combination of events those stated below which wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:
9.	Addendum 1 - Draft Power Purchase Agreement (PPA), point no 1	Page 19 of 31	Conditions Precedent Save and except as expressly provided in Articles 4, 14, 18, 20 or unless the context otherwise requires, the respective rights and obligations of the Parties under this Agreement shall be subject to the satisfaction in full of the conditions precedent specified in this Clause 4 (the "Conditions Precedent") by the Developer within 12 (twelve) months from the Effective Date, unless such completion is affected by any Force Majeure event, or if any of the activities is specifically waived in writing by ESCOM.	Conditions Precedent Save and except as expressly provided in Articles 14 or unless the context otherwise requires, the respective rights and obligations of the Parties under this Agreement shall be subject to the satisfaction in full of the conditions precedent specified in this Clause 4 (the "Conditions Precedent") by the Developer within 12 (twelve) months from the Effective Date, unless such completion is affected by any Force Majeure event, or if any of the activities is specifically waived in writing by ESCOM.

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10	Addendum 1 – Draft Power Purchase Agreement (PPA), point no 5	Page 22 of 31	<p>In case of any off-take constraints due to Back down by LDC: The Developer 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), encourages a status of “must-run” to solar power projects. Provision for generation compensation in the event of back down by LDC shall be provided as the solar power plant have been declared as must run plants in the IEGC.</p> <p>No compensation shall be provided towards any off-take constraints due to Back down by LDC.</p>	<p>In case of any off-take constraints due to Back down by LDC: The Developer 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), encourages a status of “must-run” to solar power projects. Provision for generation compensation in the event of back down by LDC shall be provided as the solar power plant have been declared as must run plants in the IEGC.</p> <p><u>The Developer and ESCOM shall follow the forecasting and scheduling process as per the regulations in this regard by KEREC.</u></p>
11	Addendum 2 - Draft Power Purchase Agreement (PPA), point no 1	Page 5 of 5	<p>Import Billing: The Developer shall be permitted to use ten percent (10%) of the installed capacity for startup after inspection by the concerned officer of ESCOM and one hundred and fifteen percent (115%) of such energy provided by ESCOM for startup power shall be deducted from the energy pumped in to the grid by the Developer for determining the amount payable by ESCOM to the Developer. If energy over and above the requirement is drawn from the grid, the same shall be billed under the tariff applicable to HT industries including demand charges.</p>	<p>Import Billing: The Developer shall be permitted to use ten percent (10%) of the installed capacity for startup after inspection by the concerned officer of ESCOM and one hundred and fifteen percent (115%) of such energy provided by ESCOM for startup power shall be deducted from the energy pumped in to the grid by the Developer for determining the amount payable by ESCOM to the Developer. If energy other than the above requirement is drawn from the grid, the same shall be billed under the tariff applicable to HT industries including demand charges.</p>