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अंध्र प्रदेश ANDHRA PRADESH
Purchased by: M. Venu, S/O Venkataiah, Gollapudi (V), Khannamangudi, Kishanur, Nellore
For whom: M/s Imperial Arts, Jodhpur, Rs. 100/-
BM 203563
G. KRISHNAMA NAIK
LICENCED STAMP VENDOR
L.No. 10-21-007/1989, R.No. 10-21-0
M.R.O. OFFICE, THOTTAMB
Cell: 9394160135

**POWER PURCHASE AGREEMENT
BETWEEN
SOUTHERN POWER DISTRIBUTION COMPANY OF A.P. LIMITED
AND
M/S. IMPERIAL ARTS**

This Power Purchase Agreement (the "Agreement") entered into this 24th day of March 2016 between Southern Power Distribution Company of AP Limited (DISCOM), incorporated by the Government of Andhra Pradesh in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956, having its office at 19-13-65/A, Ragavendra Nagar, Kesavayana Gunta, Tiruchanoor Road Tirupati, Pin - 517501, AP, India, hereinafter referred to as the "DISCOM" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as first party, and M/s Imperial Arts, a partnership firm, having registered office at G-618-619, EPIP Boranada Jodhpur-342 012, India, hereinafter referred to as the "Wind Power Producer" (which expression

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shall, unless repugnant to the con-text or meaning thereof, include its successors and assigns) as second party.

2. WHEREAS, the Wind Power Producer is setting up the New and Renewable Energy Project i.e., the 2.1 MW capacity Wind power project at Beluguppa in Anantapuram District, Andhra Pradesh (hereafter called the Project,) with a proposal of 0.0105 MW for Auxiliary Consumption and 2.0895 MW for export to grid for Sale to DISCOM as detailed in Schedule 1 attached herewith, and New and Renewable Energy Development Corporation of Andhra Pradesh Limited hereafter referred to as M/s NREDCAP has accorded approval to the said project in their proceedings No. NREDCAP/WE/2526/Suzlon/2014 dated 24.01.2014, NREDCAP/WE/2598/ Suzlon/ 2014dated.24.01.2014,NREDCAP/WE/2526/2598/Suzlon/2015, dt.01.04.15 and NEDCAP/ WE/2525/Suzlon/2016 dt.25.02.2016 and the Wind Power Producer has entered into an Agreement with NREDCAP on 09.03.2016 and the copies whereof are attached herewith as Schedule-II and Schedule III respectively;

3. WHEREAS, it has been agreed that the Project will be designed, engineered and constructed and operated by or on behalf of the Wind Power Producer or its successors with reasonable diligence subject to all applicable Indian laws, rules, regulations and orders having the force of law;

4. Whereas, the proposed Project is being setup under cluster of Wind power projects proposed at Beluguppa in Anantapuram District and will be connected to Extra High Voltage (EHV) Pooling Substation to be built for power evacuation from Wind power projects. The Project will share a common metering at line isolator on outgoing feeder on High Voltage (HV) side of the Pooling Substation along with other Wind power projects. The Project will also have a separate metering at Project's switchyard.

5. The terms and conditions of the Agreement are subject to the provisions of the Electricity Act, 2003 (36 of 2003) and the amendments made to the act from time to time, and also subject to regulation by the APERC.

6. Now therefore, in consideration of the foregoing premises and their mutual covenants herein, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound hereby agree as follows:

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ARTICLE 1

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth herein below. Defined terms of singular number shall include the plural and vice-versa.

1.1 **APTRANSCO:** Transmission Corporation of Andhra Pradesh Limited, incorporated by the Government of Andhra Pradesh.

1.2 **Billing Date:** means the fifth (5th) day after the Meter Reading Date.

1.3 **Billing Month:** means the period commencing from 25th of the calendar month and ending on the 24th of the next calendar month.

1.4 **Commercial Operation Date (COD):** means, with respect to each Generating unit, the date on which such Generating unit is declared by the Wind Power Producer to be operational, provided that the Wind Power Producer shall not declare a Generating unit to be operational until such Generating unit has completed its performance acceptance test as per standards prescribed.

Explanation: In respect of Non-conventional based power projects the date of synchronisation of the first unit of the project will be treated as the Commercial Operation Date of the project.

1.5 **Delivered Energy:** means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the DISCOM at the Interconnection Point as defined in Article 1.10, as measured by the common energy meter at the Interconnection Point during that Billing Month. As indicated in the preamble, the delivered energy recorded by the common meter shall be sum of energy delivered by all Wind power projects connected to the Pooling Substation.

Explanation 1: For the purpose of clarification, Delivered Energy, excludes all energy consumed in the Project, by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by energy meter at Interconnection Point.

Explanation 2: The delivered energy in a Billing Month shall be limited to the energy calculated based on the Capacity agreed for export to network for sale to DISCOM as mentioned in Preamble and Schedule - 1, multiplied with number of hours and fraction thereof the project is in operation during that billing month. In case any excess energy is delivered no payment shall be made for the same.

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Explanation 3: The Delivered Energy will be equal to energy recorded by the individual meter at Project's switchyard minus apportioned line losses from Project's switchyard to interconnection point and shall be calculated as per the formula mentioned below:

$$\text{Delivered Energy} = X1 - (X1 \times Z \%)$$

Where

X1 is the reading of the energy meter installed at the Project's switchyard.

Z% is the line loss incurred in the transmission line between the Project and the Pooling Substation and shall be:

$$(X1 + X2 + X3 + X4 + \dots) - Y$$

$$Z = \frac{\dots}{X1 + X2 + X3 + X4 + \dots} \times 100$$

$$(X1 + X2 + X3 + X4 + \dots)$$

Where

Y is the reading of the common energy meter installed at interconnection point. X1, X2, X3, X4 etc. are the readings of the energy meters installed at the various individual Wind power projects being developed/proposed to be set up in the area and connected to the Pooling Substation.

1.6 Due Date of Payment: means the date on which the amount payable by the DISCOM to the Wind Power Producer hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Meter Reading Date provided the bill is received by DISCOM within 5 days from Meter Reading Date, and in the case of any

supplemental or other bill or claim, if any, the due date of payment shall be thirty (30) days from the date of the presentation of such bill or claim to the designated officer of the DISCOM.

1.7 Financial Year: shall mean, with respect to the initial Fiscal Year, the period beginning on the Commercial Operation Date and ending at 12.00 midnight on the following March 31. Each successive Financial Year shall begin on April 1 and end on the following March 31, except that the final Fiscal Year shall end on the date of expiry of the Term or on termination of this Agreement, whichever is earlier.

1.8 Installed Capacity: means the total rated capacity in MW of all the Wind Energy Generators installed by the Wind Power Producer.

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1.9 Interconnection Facilities: means all the equipment and facilities, including, but not limited to, all metering facilities, switchgear, substation facilities, transmission lines and related infrastructure, to be installed at the voltage specified in Article 1.20 at the Wind Power Producer's expense from time to time throughout the term of this Agreement, necessary to enable the DISCOM to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement. As indicated in the preamble, the interconnection facilities beyond Project's switchyard shall be common for Wind Power Producer and other Wind power projects connected to the Pooling Substation.

1.10 Interconnection Point: means the line isolator on outgoing feeder on HV side of the pooling sub-station i.e., the sub-station at project site of wind farm which consists of step-up transformer(s) and associated switchgear and to the LV side of which, multiple generating unit(s) i.e., wind turbine generators are connected.

1.11 Meter Reading Date: means mid-day (i.e., noon) of the 24th (twenty-fourth) day of each calendar month, at the Interconnection Point.

1.12 Metering Point: means points where metering shall be provided for Project and shall be as follows:

(i) Common meter provided at the Interconnection Point for purposes of recording of Delivered Energy of the Project;

(ii) Individual meter provided at Project's switchyard;

(iii) Metering point shall include two separate sets of 0.2 / 0.2S class accuracy electronic tri-vector meters as specified in Article 4.1, main meter installed by the Wind Power Producer and the check meter installed by the DISCOM and both sealed by the DISCOM, having facilities to record both export and import of electricity to / from the grid.

1.13 Project: means the 2.1 MW capacity Wind power project at Beluguppa in Anantapuram District, Andhra Pradesh with a proposal of 0.0105 MW for Auxiliary Consumption and 2.0895 MW for export to network for Sale to DISCOM as entrusted to the Wind Power Producer for construction and operation as detailed in Agreement entered into with NREDCAP as shown in Schedule 3 attached herewith and includes the metering system.


1.14 Prudent Utility Practices: means those practices, methods, techniques and standards, that are generally accepted for use in electric utility industries taking into account conditions in India, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain equipment lawfully, safely, efficiently and economically as applicable to power stations of the size, service and type of the Project, and

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that generally conform to the manufacturers' operation and maintenance guidelines.

1.15 Pooling or Receiving Substation: means 33/220 KV Substation constructed, owned and maintained by the Wind Power Producer at Beluguppa in Anantapuram District for the sole purpose of evacuating energy generated by the Project to the Grid System and for facilitating interconnection between the transmission lines emanating from the Project and the Grid System. As indicated in the Preamble, the Pooling Substation will be common for all Wind power projects connected to the Pooling Substation.

1.16 SLDC: means the State Load Dispatch Centre as notified by the State Government under the provisions of the Electricity Act 2003.

1.17 System Emergency: means a condition affecting the APTRANSCO's/DISCOM's electrical network which threatens the safe and reliable operation of such system or which is likely to result in the disruption of safe, adequate and continuous electric supply by the APTRANSCO/DISCOM, or which endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.

1.18 Surcharge on Reactive Power drawn by Wind Farms: means the charges leviable on the reactive power drawn by Wind Farms at the rate of 25 paise (twenty five paise) per KVARh of reactive energy drawn from grid upto 10% of net active energy generated and 50 paise per KVARh for total drawl if reactive energy drawn is more than 10% of net active energy generated. The above mentioned rates are subject to revision as per APERC orders from time to time. The reactive power drawn as recorded by meters at interconnection point includes the reactive power drawn by all the Wind Power Producers in the cluster. As such the reactive power recorded by the meters at the interconnection point shall be shared by all the individual power producers in the ratio of the active energy delivered by them individually.

Explanation 1: Induction generators used in Wind Farms draw reactive power from grid during generator mode and motor mode.

Explanation 2: Surcharge on reactive power drawn by Wind Farms will be levied on the Wind Power Producer.

1.19 Unit: When used in relation to the generating equipment, means one set of turbine generator and auxiliary equipment, and facilities forming part of the project and when used in relation to electrical energy, means kilo watt hour (kWh).

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1.20 **Voltage of Delivery:** means the voltage at which the electrical energy generated by the project is required to be delivered to the APTRANSCO at the Interconnection Point and the Voltage of Delivery is as detailed below:

(Note: Insert Table A or Table B whichever is applicable)

TABLE - A

At 33 KV level:

Project interfacing		Specified type of AAAC Conductor (size)	Proposed Wind power capacity on each 33 KV line
From	To		
Wind project	Existing 33/11 KV DISCOM SS	55 sqmm	8 MW
		100 sqmm	10 MW*
		150 sqmm	
Wind project	EHT Pooling SS or existing EHT APTRANSCO SS	55 sqmm	8 MW
		100 sqmm	12 MW
		150 sqmm	17 MW**

* Capacity is restricted considering less load availability in DISCOM SS.
 ** As amended vide Commission's order dated 11-07-2012 in O.P.No. 7 of 2012 read with letter dated 04-06-2014 attached herewith as Schedule - IV

TABLE - B

At EHT level:


Project interfacing		EHT Level	Proposed Wind power capacity
From	To		
Pooling SS	Existing APTRANSCO EHT SS	132 KV	(i) Up to 50 MW on SC Line (ii) Above 50 MW to 100 MW on DC Line
Pooling SS	Existing APTRANSCO EHT SS	220 KV	Above 100 MW

This Project will generate electrical energy at 690 Volts, which will be stepped up to 33 KV at Project's switchyard. The electrical energy will be further stepped up from 33 KV to 220 KV at Pooling Substation and delivered to the grid. (And to be connected to the 220 KV level in the upcoming APTRANSCO 400/220 KV SS at Uravakonda in Anantapuram District) (Temporary grid connectivity at 33 KV level to 33/11 KV Belguppa SS duly erecting 33 KV line from the proposed project with a condition that total generation capacity shall not exceed 5 MW at any point during testing or commissioning until the commissioning of APTRANSCO 400/220 KV Uravakonda SS)

1.21 All other words and expressions, used herein and not defined herein but defined in Indian Electricity Rules 1956, AP Electricity Reform Act, 1998 and the Electricity Act, 2003 shall have the meanings respectively assigned to them in the said Acts.

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ARTICLE 2
PURCHASE OF DELIVERED ENERGY AND TARIFF


- 2.1 All the Delivered Energy at the interconnection point for sale to DISCOM will be purchased at the tariff provided for in Article 2.2 from and after the date of Commercial Operation of the Project. Title to Delivered Energy purchased shall pass from the Wind Power Producer to the DISCOM at the Interconnection Point.
- 2.2 The Wind Power Producer shall be paid tariff for energy delivered at the interconnection point for sale to DISCOM, which shall be firm at Rs.4.25 per unit with considering Accelerated Depreciation for a period of 25 Years from the Commercial Operation Date (COD) as per APERC orders No. 03 of 2015 dt.01.08.2015.
- 2.3 Tariff Determined under these regulations shall be exclusive of taxes and duties as may be levied by the Government.
Provided that the taxes and duties levied by the Government shall be allowed as pass through on actually incurred basis.
- 2.4 Income tax/ MAT is a pass through and is to be paid by the Distribution Licensees to the developer upon receipt of the claim from the developer. This is over and above the tariff determination made here in.
- Electricity Duty is a pass through and is to be paid by the Distribution Licensees to the developer upon receipt of the claim from the developer. This is over and above the tariff determination made herein.
- 2.5 Where in any Billing month, the energy supplied by the DISCOM to the Wind Power Producer as a bilateral arrangement to maintain the Auxiliaries in the power plant in situations of non-generation of power, shall be billed by the DISCOM, and the Wind Power Producer shall pay the DISCOM for such electricity supplies, at the DISCOM's then-effective tariff applicable to High Tension Category-I Consumers. For this purpose, the maximum demand specified in such DISCOM's Tariff shall be computed by dividing the amount of such energy supplied by the DISCOM by hours of drawl of power from the grid in the Month.

Explanation: The Wind plants during the plant shut down periods shall draw the energy from DISCOM only for the essential loads not exceeding auxiliary consumption.

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ARTICLE 3

INTERCONNECTION FACILITIES

- 3.1 Upon receipt of a requisition from the Wind Power Producer, the APTRANSCO and DISCOM will prepare an estimate for arranging interconnection facilities for power evacuation at the voltage level as per Article 1.20. The Wind Power Producer have to bear the entire cost of the interconnection facilities as per the sanctioned estimate. The APTRANSCO and DISCOM shall evaluate, design, and install the Interconnection Facilities and perform all work, at the Wind Power Producer's expense, necessary to economically, reliably and safely connect the grid system to the Project switch yard.
- 3.2 APTRANSCO and DISCOM may also permit the Wind Power Producer to execute the interconnection facilities for power evacuation as per the sanctioned estimate at it's discretion duly collecting the supervision charges as per procedure in vogue.
- 3.3 The Wind Power Producer shall own, operate and maintain interconnection facilities from Project to Pooling Substation from time to time and necessary expenditure shall have to be borne by the Wind Power Producer. The maintenance work on the Generating units has to be done in coordination with the APTRANSCO and DISCOM.
- 3.4 The Wind Power Producer shall agree to pay to the DISCOM, on or before signing of this Agreement, at the rate of Rs.37,000/- per MW of Installed Capacity and for fractions thereof on a pro-rata basis as a one time lump sum payment for the sole purpose of providing the required MVAR capacity at the Substation of the APTRANSCO and / or DISCOM to supply the requisite reactive power to the Grid System.
- APTRANSCO and /or DISCOM shall install the capacitors of required capacity, at the substation of the APTRANSCO and/or DISCOM before commercial operation date of the project.
- 3.5 Any modifications or procedures or changes in arranging interconnection facilities for power evacuations rest with APTRANSCO and DISCOM.
- 3.6 During the period prior to the Commercial Operation Date, on the request of the Wind Power Producer, the DISCOM will supply energy to the Project for internal consumption, on the Terms and Conditions and at the tariff rates that are applicable from time to time to the category of consumers of the DISCOM to which the Wind Power Producer belongs, provided separate metering arrangements as may be required under the Terms and Conditions of such tariff have been installed at the Project.

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ARTICLE 4

METERING AND PROTECTION

4.1 The Wind Power Producer shall install main meters of Static type 0.2 / 0.2S class accuracy at the Metering Point and the DISCOM shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters will each consist of a pair of export and import meters with facility for recording meter readings using Meter Recording Instrument. For the purpose of uniformity the Wind Power Producer shall follow metering specifications as developed by the DISCOM from time to time.

4.2 All of the meters required to be installed pursuant to Article 4.1 above shall be jointly inspected and sealed on behalf of both parties and shall not be interfered with, tested or checked except in the presence of representatives of both parties.

4.3 The meter readings from the main meters will form the basis of billing. If any of the meters required to be installed pursuant to Article 4.1 above are found to be registering inaccurately the affected meter will be immediately be replaced.

4.4 Where the half yearly meter check indicates an error in one of the main meter/meters beyond the limits for such meter but no such error is indicated in the corresponding check meter/meters, billing for the month will be done on the basis of the reading on the check meter/meters and the main meter will be replaced immediately.

4.5 If during the half yearly test checks, both the main meters and the corresponding check meters are found to be beyond permissible limits of error, both the meters shall be immediately replaced and the correction applied to the consumption registered by the main meter to arrive at the correct delivered energy for billing purposes for the period of the one month up to the time of such test check, computation of delivered energy for the period thereafter till the next monthly meter reading shall be as per the replaced main meter.


4.6 Corrections in delivered energy billing, whenever necessary, shall be applicable to the period between the previous monthly meter reading and the date and time of the test calibration in the current month when the error is observed and this correction shall be for the full value of the absolute error. For the purpose of determining the correction to be applied to any meter registering inaccurately, the meter shall be tested under conditions simulating 100, 50, 20 and 10 percent load at unity power factor and 0.5 power factor. Of these eight values, the error at the load and power factor nearest the average monthly load served at the Interconnection Point during the applicable period shall be taken as the error to be applied for correction.

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4.7 If both the main and check meters fail to record or if any of the PT fuses are blown out, then the energy will be computed on a mutually agreeable basis for that period of defect.

4.8 The main and check meters shall be tested and calibrated once in a Financial year utilizing a Standard Meter. The Standard Meter shall be calibrated once in every year at the approved Laboratory by Government of India / Government of Andhra Pradesh, as per Terms and Conditions of supply.

4.9 All main and check meters tests shall be jointly conducted by the authorized representatives of both parties and the results and correction so arrived at mutually will be applicable and binding on both the parties.

4.10 On the Meter Reading Date of each month, meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of both parties.

4.11 Within six (6) months following the execution of this Agreement, the Wind Power Producer and the DISCOM shall mutually agree to technical and performance specifications (including, but not limited to, the metering configuration for the Project) concerning the design and operation of the facilities required to be installed by the Wind Power Producer in order for the Wind Power Producer to operate in parallel with the grid. Thereafter, any change in such specifications shall be subject to mutual agreement of the parties.

4.12 The Project shall be operated and maintained in accordance with good and generally accepted utility standards with respect to synchronizing, voltage, frequency and reactive power control.

4.13 Voltage regulation shall be such as to enable continued paralleling and synchronisation with the network voltage at the point of interconnection.

4.14 The equipment of the Wind Power Producer shall be designed for fluctuations in the frequency within limits of -5% and +3% of the standard frequency of 50 cycles per second.

4.15 The Wind power developer shall ensure that the power factor of the power delivered to the DISCOM is maintained as per the APERC/CEA/CERC norms from the time to time.

4.16 Any change in rupturing capacity of switch-gear, settings of the relays, etc., shall be subject to approval of the DISCOM.

4.17 As the Project's generator may carry fault currents that may occur on the grid, the Wind Power Producer shall provide adequate generator and switchgear protection against such faults. The DISCOM is not responsible for

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damage, if any, caused to the Project's generator and allied equipment during parallel operation of the generator with the grid.

4.18 The Wind Power Producer shall make a good faith effort to operate the Project in such a manner as to avoid fluctuations and disturbances to the APTRANSCO's / DISCOM's network due to parallel operation with the network.

4.19 The Wind Power Producer shall control and operate the Project as per Prudent Utility Practices. The DISCOM shall only be entitled to request the Wind Power Producer to reduce electric power and energy deliveries from the Project during a System Emergency, and then only to the extent that in the DISCOM's reasonable judgment such a reduction will alleviate the emergency. The DISCOM shall give the Wind Power Producer as much advance notice of such a reduction as is practicable under the circumstances and shall use all reasonable efforts to remedy the circumstance causing the reduction as soon as possible. Any reduction required of the Wind Power Producer hereunder shall be implemented in a manner consistent with safe operating procedures.

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ARTICLE 5
BILLING AND PAYMENT

5.1 For Delivered Energy purchased, Wind Power Producer shall furnish a bill to the DISCOM calculated at the rate provided for in Article 2.2, in such form as may be mutually agreed between the DISCOM and the Wind Power Producer, for the billing month on or before the 5th working day following the Meter Reading Date.

5.2 For payment of bills of the generating company through letter of credit, a rebate of 2 % shall be allowed.

Where payments are made other than through letter of credit within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.

Any payment made beyond the due date of payment, DISCOM shall pay interest at existing SBI base rates plus one percent and in case this rate is reduced, such reduced rate is applicable from the date of reduction.

5.3 The DISCOM shall pay the bill on monthly basis as per Article 5.1.

5.4 **Letter of Credit:** Not later than 30 days prior to the Scheduled COD of the Generating Unit, DISCOM shall cause to be in effect an irrevocable revolving Letter of Credit issued in favour of Wind Power Developer for a minimum period of one year by a Scheduled Bank (the "Letter of Credit").

a. However Letter of Credit shall not be invoked for any disputed bill amount.

5.5 **Direct payment:** Wind developer shall submit bills for the energy delivered during the billing period as per the provision of this PPA and there upon DISCOMs shall make payment for the eligible bill amount by the due date of payment.

5.6 **Billing disputes:** The DISCOM shall pay the bills of Wind Power Producer promptly subject to the clauses 5.1 and 5.2 above.

The DISCOM shall notify Wind Power Producer in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. Wind Power Producer shall immediately take up issue with all relevant information with DISCOM which shall be rectified by the DISCOM, if found satisfactory. Otherwise notify its (DISCOM's) rejection of the disputed claim within reasonable time with reasons therefor. The dispute may also be decided by mutual agreement. If the resolution of any dispute requires the DISCOM to reimburse Wind Power Producer, the amount to be reimbursed shall bear interest at SBI base rates plus one percent and in case this rate is reduced, such reduced rate is applicable from the date of reduction from the date of disallowance to the date of reimbursement.

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5.7 All payments by the DISCOM to Wind Power Producer hereunder shall be made to such address as may be designated by Wind Power Producer to the DISCOM in writing from time to time.

Address : M/s.Imperial Arts
G-618-619, EPIP Boranada,
Jodhpur-342 012, India
Telephone : 91-291-2744704, 5120472
Fax : 91-291-2742579
Email : imperialart@datainfosys.net

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ARTICLE 6
UNDERTAKING

6.1 The Wind Power Producer shall be responsible:

- (i) For proper maintenance of the project in accordance with established prudent utility practices.
- (ii) For operation, maintenance, overhaul of the plant, equipment, works, switch yard and transmission lines and equipment up to the Interconnection Point of the project in close coordination with the DISCOM.
- (iii) The Wind Power Producer shall furnish the generation and maintenance schedules every year.
- (iv) For making all payments on account of any taxes, cess, duties or levies imposed by any Government or competent statutory authority on the land, equipment, material or works of the project or on the energy generated or consumed by the project or the Wind Power Producer or on the income or assets of the Wind Power Producer.
- (v) For obtaining necessary approvals, permits or licences for operation of the project and sale of energy to DISCOM there from under the provision of the relevant laws.
- (vi) The Wind Power Producer have to comply with the provisions of the AP Code of Technical Interface (Grid Code).
- (vii) For achieving Commercial Operation Date within two years from the date of signing of the Agreement.
- (viii) For seeking approval of APTRANSCO and DISCOM in respect of Interconnection Facilities, Pooling Substation and synchronization of the Project with grid.
- (ix) The Wind Power Producer shall not dismantle and take away project machinery and interconnection facilities during the PPA term.
- (x) After 25th year of the operation from Commercial Operation Date, if plant continues to operate, the DISCOM shall have the first right of refusal on power purchase from the Wind power plant. The tariff beyond 25th year shall be as mutually agreed by both the parties, subject to approval of APERC.
- (xi) **Sharing of Clean Development Mechanism (CDM) benefits:** The Proceeds of carbon credit from approved CDM Project shall be shared between generating company and concerned beneficiaries in the following manner namely.

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(a) 100% of the gross proceeds on account of CDM benefits is to be retained by the project developer in the first year after the date of commercial operation of the generating station.

(b) In the second year, the share of the beneficiaries shall be 10 % which shall be progressively increased by 10% every year till it reaches 50%, where after the proceeds shall be shared in equal proportion, by the generating company and the beneficiaries.

6.2 The DISCOM agrees:

(i) To make all reasonable efforts for making arrangements for evacuation of power from the project to be completed prior to the Commercial Operation Date of the Project subject to Article 3.

(ii) For purchase of Delivered Energy from the project as per section 2.2.

(iii) To co-ordinate with APTRANSCO and assist the Wind Power Producer in obtaining approval for the interconnection facilities where the interconnection is at 132 kV or above voltages, for synchronization, Commercial Operation, regular operation etc., as required by the Wind Power Producer.

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ARTICLE 7

DURATION OF AGREEMENT

This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) and until the twenty fifth (25th) anniversary that is for a period of twenty five years from the Commercial Operation Date (COD). This Agreement may be renewed for such further period of time and on such terms and conditions as may be mutually agreed upon by the parties, 90 days prior to the expiry of the said period of twenty five years, subject to the consent of the APERC. Any and all incentives/conditions envisaged in the Articles of this Agreement are subject to modification from time to time as per the directions of APERC.

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ARTICLE 8

NOTICES

8.1 Except as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by registered or certified mail, email or fax addressed as follows:

If to the Wind Power Producer:

Attention : M/s.Imperial Arts
G-618-619, EPIP Boranada,
Jodhpur-342 012, India
Telephone : 91-291-2744704, 5120472
Fax : 91-291-2742579
Email : imperialart@datainfosys.net

If to the DISCOM:

Attention : Chief General Manager, (IPC & P&MM)
APSPDCL,
19-13-65-A, Corporate Office ,
Ragavendra Nagar , Kesavayana Gunta,
Tiruchanoor Rd, Tirupati – AP, India - 517501
Fax No. : 0877-2237407
Telephone No. : 0877-2237407
Email id : gmipcspdcl@gmail.com

8.2 All notices or communications given by email, fax shall be confirmed by depositing a copy of the same in the post office in an envelope properly addressed to the appropriate party for delivery by registered or certified mail. All notices shall be deemed delivered upon receipt, including notices given by email, fax regardless of the date the confirmation of such notice is received.

8.3 Any party may by written notice change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

For IMPERIAL ARTS


Authorised Signatory


CHIEF GENERAL MANAGER
P&MM & IPC, APSPDCL
TIRUPATI

ARTICLE 9

DEFAULT


9.1 The Wind Power Producer shall achieve Commercial Operation Date within two years from the date of signing of the Agreement, default of which, the Agreement is liable for termination and the same can be done at the option of DISCOM with due notice.

9.2 In the event, DISCOM commits a breach of any of the terms of this Agreement, the Wind Power Producer shall be entitled to specific performance of this Agreement or claim such damages as would be available under Law or both, at its option, by giving 30 days notice to DISCOM.

9.3 In the event, Wind Power Producer commits a breach of any of the terms of this Agreement, the DISCOM shall be entitled to specific performance of this Agreement or claim such damages as would be available under Law or both, at its option, by giving 30 days notice to Wind Power Producer.

9.4 If the default continues for a period of 30 days or more, either party will have a right to issue a preliminary notice for termination of this Agreement. If the default is not cured within 30 days thereafter, either party can terminate this Agreement and can claim damages at its option.

9.5 In the event of cancellation of the Project allotted to the Wind Power Producer by NREDCAP for any reason, the PPA with DISCOM will automatically get cancelled;

For IMPERIAL ARTS

Authorised Signatory


CHIEF GENERAL MANAGER
P&MM & IPC, APSPDCL
TIRUPATI

ARTICLE 10


DISPUTE RESOLUTION


10.1 Each Party shall designate in writing to the other party a representative who shall be authorized to resolve any dispute arising under this Agreement in an equitable manner.

10.2. Following notice by one Party to the other setting out the particulars of the dispute, if the designated representatives are unable to resolve a dispute under this Agreement within 15 days, such dispute shall be referred by such representatives to a senior officer designated by the Wind Power Producer and a senior officer designated by the DISCOM, respectively, who shall attempt to resolve the dispute within a further period of 15 days.

10.3. The Parties hereto agree to use their best efforts to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith and further agree to provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such dispute.

10.4 Failing resolution of the dispute in terms of the above provisions or even otherwise, any party may approach the AP Electricity Regulatory Commission to adjudicate upon the dispute in terms of Section 86 (1) (f) of Electricity Act, 2003.

FOR IMPERIAL ARTS
FOR IMPERIAL ARTS

Authorised Signatory
Authorised Signatory


CHIEF GENERAL MANAGER
P&MM & IPC, APSPDCL
TIRUPATI

ARTICLE 11

SPECIAL PROVISIONS

11.1 The waiver of any breach or failure to enforce any of the terms, covenants or conditions of this Agreement shall not in any way affect, limit, modify or waive the future enforcement of such terms, covenants or conditions.

11.2 No oral or written modification of this Agreement either before or after its execution shall be of any force or effect unless such modification is in writing and signed by the duly authorized representatives of the Wind Power Producer and the DISCOM, subject to the condition that any further modification of the Agreement shall be done only with the prior approval of Andhra Pradesh Electricity Regulatory Commission. However, the amendments to the Agreement as per the respective orders of APERC from time to time shall be carried out.

11.3 However, in respect of power evacuation, the voltage levels for interfacing with grid will be as per Article 1.20. The cost of interconnection facilities has to be borne by the Wind Power Producer as per Article 3.

11.4 The invalidity or unenforceability for any reason of any provision of this Agreement shall not prejudice or affect the validity or enforceability of any other provision of this Agreement.

11.5 The failure of any party to insist in one or more instances upon the strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights but the same shall continue in full force and effect.

11.6 Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under any of the provisions of this Agreement, required to be mutually agreed upon between the parties, shall be concluded by a written Agreement between the parties not later than the date specified in the concerned clause of this Agreement, subject to the consent of the APERC.

11.7 This Agreement, including Schedule 1, 2 & 3 attached hereto, constitute the entire agreement between the parties with respect to the subject matter hereof, and there are no oral or written understandings, representations or commitments of any kind, express or implied, not set forth herein.

11.8 The headings contained herein are included solely for the convenience of the parties and are not to be used as a basis for interpreting the various sections of this Agreement.

For IMPERIAL ARTS



Authorized Signatory

IN WITNESS WHEREOF, the Wind Power Producer and the DISCOM have caused this Agreement to be executed as of the date and the year first set forth above.

21/3/2016
For and behalf of MANAGER
P&MMT & IPC, APSPDCL
SOUTHERN POWER DISTRIBUTION COMPANY
OF A.P.LIMITED

WITNESS

1. L. M. S. ASPPA

By:

2.

Its:

For IMPERIAL ARTS
For and behalf of R. Rastha
M/S. Imperial Arts Signatory
Authorized Signatory

WITNESS

1. NR Reddy
21/03/2016

By:

2.

Its:

SCHEDULE 1
Particulars of the Project
(Referred to in the Preamble to the Agreement)

Name of the Project	Location	No. of Wind Energy Converters	Capacity of the Project* In MW	Power export to the Grid In MW
M/s. Imperial Arts	Beluguppa in Anantapuram District Location No. BLG091 Survey No. 159	1(2.1 MW Each)	2.1	2.0895

* Out of 2.1 MW, 0.0105 MW is for Auxiliary Consumption and 2.0895 MW is for export to grid for sale to DISCOM.

SCHEDULE – II

(Copy of sanction proceedings from NREDCAP to the Company)

SCHEDULE – III

(Copy of agreement entered into by the Company with NREDCAP)


SCHEDULE – IV

Annexure – I to the Commission's order dated 30-03-2010 in O.P.No. 40 of 2010 and Commission's order dated 11-07-2012 in O.P.No.7 of 2012 and letter dated 04-06-2014 & Regulation No. 1 of 2015 and as per Order No. 3 of 2015 dated 01.08.2015.

For IMPERIAL ART



Authorised Signatory


CHIEF GENERAL MANAGER
P&MM & IPC, APSPDCL
TIRUPATI