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ఆంధ్రప్రదేశ్ సంప్రదాయేతర ఇంధన వనరుల అభివృద్ధి సంస్థ లి., Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.,

(A State Government Company)

Regd. Office: 5-8-207/2, Pisgah Complex, Nampally, Hyderabad - 500 001. India.

Tele: Off: 040-3202391 / 3203692 / 3203638/ 3203376 Grams: "NEDCAP" Fax: 040-3201666

Branch Office: Tel



EXTRACT OF MINUTES OF ITEM NO. 5.0 OF 182ND BOARD MEETING HELD ON 24.03.2003:

Item No.

5.0

Tirumala Wind Farm Project - Shifting of 2.250KW WEGs to Kondamedapalli andisposal of 5X110KW WEGs-Reg.

"Resolved to authorise the Vice-Chairman & Managing Director to take necessary action as per approval of MNES for shifting of 2 X 250 KW WEG's to Kondamedapalli and also for disposal of 5X110 KW WEG's by inviting offers by publishing in the Press."

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.,

· Asst. Manager (F&A).

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

Vice Chairman & Managing Director

CHIEF ENGINEER

(COMMERCIAL & IT)

APTRANSCO. Nidyut Soudha.

Hyderabad-500 682.

rations in a



Date : 08-10-2001

Serial No : 10,788

03 AP 23/IP Denomination: 1

Purchased By : A. UMAPATHI

For Whom :

NEDCAP LTD.,

S/O LT. PAPA RAO

HYD

HYD

Sub Registrar Ex.Officio Stamp Vendor S.R.O. GOLCONDA

anaging Director

and anenda POWER PURCHASE AGREEMENT NO 3dx 22 BETWEEN

TRANSMISSION CORPORATION OF ANDURA PRADESH LIMITED AND

M/s NON-CONVENTIONAL ENERGY DEVELOPMENT CORPORATION Corporation of Anghra P OF ANDHRA PRADESH LIMITED

This Power Purchase Agreement (the "Agreement") entered into this 19.1%. day of & February, 2002, between Transmission Corporation of Andhra Pradesh Limited, incorporated by the Government of Andhra Pradash in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956 in place of Andhra Pradesh State Electricity Board, having its office at Vidyut Soudha, Hyderabad - 500 082, India, hereinafter referred to as the "APTRANSCO" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as first party, and M/s Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd., a Company incorporated under Indian Company's Act, 1956, having its registered office at 5-8-207/2, Pisgah Complex, Nampally, Hyderabad-500 001, Andhra Pradesh, hereinafter referred to as the 'Company' (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as second party. This Agreement supercedes in its entirety the Power Purchase Agreement entered into on 15.1.2001 between APTRANSCO and M/s Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.;

Subsequently ammended for Non; o versioner regar Development Corporation of Anchra Pradesh Ltd. through a mend menty dated

Chief Engineer (IPC) APTRANSCO. Vidyut Soudha HYDERABAD-500 082

22.9-2003 (COMMERCIAL & IT)

APTRANSCO

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

Tub

- 2. WHEREAS, the Company is setting up the Non-conventional Energy Project i.e., the Demonstration 2.25 MW capacity Wind farm project at Kondamedapally, Kurnool District, Andhra Pradesh, as detailed in Schedule 1 attached herewith, hereafter called the Project, and Ministry of Non-Conventional Energy Sources (MNES) hereafter referred to as MNES has accorded approval to the said proposal vide their letter No.57/21/2000-WE/PG, dated 28.9.2000 copy whereof is attached herewith as Schedule 2;
- 3. The Developer shall fulfill the conditions of MNES and obtain extensions wherever required till the Project is completed. In the event of cancellation of the Project allotted to the Developer by MNES for any reason, the PPA with APTRANSCO will automatically get cancelled;
- 4. WHEREAS, it has been agreed that the Project will be designed, engineered and constructed and operated by or on behalf of the Company with reasonable diligence subject to all applicable Indian laws, rules, regulations and orders having the force of law;
- 5. This Agreement is enforceable subject to obtaining consent of Andhra Pradesh Electricity Regulatory Commission as per Section 21 of Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998).
- 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:

Chief Engineer (IPC) APTRANSCO, Vidyut Seudia HYDERABAD-500 087 For Non-Co vs (2011) exgy Development Corporation of Andhra Pradesh Ltd.

Managing Director



AP 23 1 Z

Date: 03-09-2003

Serial No : 11,610

Purchased By :

A. UMAPATHI

For Whom :

NEDCAP LTD, HYD.

S/O.LATE.PAPA RAO R/O.HYD

Stamp Vendor .O. GOLCONDA

Amendment dated 22 day of September, 2003 to the Power Purchase Agreement dt.19.02.2002 between APTRANSCO and M/s NON -CONVENTIONAL ENERGY DEVELOPMENT CORPORATION OF AP LIMITED

Whereas the Power Purchase Agreement dt. 19.2.2002 entered into (herein after referred to as "Agreement") between M/s. NEDCAP and APTRANSCO and this Agreement is in force now.

Whereas NEDCAP has proposed to install additional 0.5 MW Wind power project at 2 Kondamedapalli, Kurnool district due to shifting of 2x250 KW Wind Electric Generators from Tirumala and requested for amendment to PPA for the enhanced capacity of 0.5 MW ice., from earlier 2.25 MW to 2.75 MW.

(COMMERCIAL & IT)

For Non-Conventional Energy Development Corporation of findhra Pfadesh Ltd.

Vice Chairman & Managing Director

which we will any the the property

- Whereas MNES vide letter No. 57/331/93-WE(PG) dated 21.2.2003 has approved for shifting of two Wind electric generator of 250 KW each from Tirumala to Kondamedapalli demonstration project in Kurnool district of Andhra Pradesh copy whereof is attached herewith as Schedule 2A and placed at page 18A.
- Whereas APERC vide letter No. APERC/Dir-Engg/DD-Trans/F-/D.No.1762/2003, dt.23.07.2003 and letter No. APERC/Dir(Engg)/DD(Tr)/F-PPA/ D.No. 1829/2003, dt: 2.8.2003 has communicated approval to the modifications to Tariff clause at Article 2.2 and Delivered Energy clause at Article 1.4 of PPA and directed APTRANSCO to amend PPA accordingly.
- The Schedule 1 of Agreement is amended and placed at page 17A duly canceling the existing Schedule 1 placed at page 17 of Agreement. The Amendment to the Articles 1.4, 1.10 & 2.2, 4.1 of the Agreement along with new Articles at Preamble para 5(a), 4.20, 6.1(v), 6.1(vi), Article 7, 10, 9.11 & 9.12 are incorporated at pages 2C, 2D, 2E & 2F of the Agreement as per the directions of APERC.
- The Amendments as mentioned in paragraphs 4 & 5 above and in the APPENDIX shall be deemed always to have been made from the 19th February, 2002 that is from the date of original Agreement. The other terms and conditions of the Agreement remain unaltered.
- The Agreement including these Amendments are enforceable subject to obtaining the consent of Andhra Pradesh Electricity Regulatory Commission under Section 21 of A.P. Electricity Reform Act 1998 (Act No.30 of 1998).

CHIÉF ENGINEER (COMMERCIAL & IT) APTRANSCO, Vidyut Soudha,

Hyderabad-500 082.

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

APPENDIX

SI	. Article	Existing	Amendment		
	No.	Section 1	(shall be read in place of existing		
			Articles)		
1	9500 50V 30	New Article	The provisions of Agreement are subject		
	para 5(a)		to change/modification as per the		
			Electricity Act, 2003.		
2	Contractor and the contractor of the contractor		Delivered Energy: means, with respect		
	1.4		to any Billing Month, the kilo watt hours		
			(kWh) of electrical energy generated by the Project and delivered to the		
		energy generated by the Project and	the Project and delivered to the APTRANSCO at the Interconnection		
		THE BUILDING PURING WAR WAS A SHARE CONTROL OF THE PROPERTY OF	Point as defined in Article 1.8, as		
			measured by the energy meters at the		
		The state of the s	Interconnection Point during that Billing		
			Month.		
			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.		
		meter at Interconnection Point.	chergy meter at interconnection roma.		
		Fig. 4. Supplier and the first of the property of the control of t	Explanation 2: The delivered energy		
			shall be limited to the energy calculated		
-			monthly at 100% PLF with net		
			exportable capacity i.e., after deducting		
			capacities for Auxiliary consumption and		
1			Captive consumption from Installed		
			Capacity as mentioned in Preamble &		
			Schedule 1 of Agreement, for sale to APTRANSCO. In case any excess energy		
		_ = 0	delivered beyond 100% PLF no payment		
			will be made for the same.		
3	Article		Project: means Wind based project to		
			generate 2.75 MW at Kondamedapalli		
		Kondamedapalli Village, Kurnool	The state of the s		
		District, Andhra Pradesh, entrusted	Pradesh, entrusted to the Company for		
		to the Company for construction and	construction and operation by MNES and		
		operation by MNES and includes the			
		metering system.	·		

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CHIEF ENGINEER
(COMMERCIAL & IT)
APTRANSCO, Vidyut Soudha,
Hyderabad-500 082.

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

Sl.	Article	Existing	Amendment
	No.		(shall be read in place of existing
3	Article 2.2	for the energy delivered at the interconnection point for sale to APTRANSCO at Rs. 2.25 paise per unit with escalation at 5% per annum with 1994-95 as base year and to be revised on 1 st April of every year upto the year 2003-2004 subject to the condition that the purchase price so arrived does not exceed 90% of the prevailing HT Tariff of APTRANSCO. Beyond the year	Articles) The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO as applicable as on date of commercial operation subject to the reviews of the prices by the APERC from time to time. Notwithstanding these reviews there will be a special review of purchase price on completion of 10 years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O & M expenses, and the Variable Cost.
4.		meters of Static type 0.2 class accuracy at the Interconnection Point and the APTRANSCO 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.	The Company shall install main meters of Static type 0.2 class accuracy at the Interconnection Point and the APTRANSCO shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters shall 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 Company shall follow metering specification as developed by APTRANSCO.
5.	4.20		The Company shall install communication system in the Project and at the designated Sub-station at the cost of the Company, to establish contact with the Sub-station to which it is

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CHIEF ENGINEER 22/9
(COMMERCIAL & IT)

APTRANSCO, Vidyut Soudha,
Hyderabad-500 082.

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

S1.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
			interconnected for co-ordination of the Project operation. The regular maintenance of the Wireless sets is to be carried out by the Company.
6.	6.1(v)	New Article	The company shall furnish the generation and maintenance schedules every year.
7.	6.1(vi)	New Article	The Company have to comply with the provisions of the AP Code of Technical Interface (Grid Code).
8.	7	upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) and until the twentieth (20 th) anniversary that is for a period of twenty 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 years, subject to the consent of the APERC. Any and all incentives/conditions envisaged in the Articles of this	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 twentieth (20 th) anniversary that is for a period of twenty 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 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, Government of Andhra Pradesh.
9.	9.11	New Article	In the event of the merger or re- organisation of APTRANSCO, if the resulting entity is able to perform APTRANSCO's obligations hereunder in no less a manner than APTRANSCO, the resulting entity shall take the right and responsibility for performance of APTRANSCO's obligations.

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(COMMERCIAL & IT)

APTRANSCO, Vidyut Soudha,
Hyderabad-500 082.

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

Sl.	Article No.	Existing	Amendment (shall be read in place of existing Articles)
10.	9.12	New Article	In the event of the merger or re- organisation of Company if the resulting entity is able to perform Company's obligations hereunder in no less a manner than Company, the resulting entity shall take the right and responsibility for performance of Company's obligations.
11.	10	New Article 'Default'	10.1 In the event, APTRANSCO commits a breach of any of the terms of this Agreement, the Company shall be entitled to specific performance of this Agreement or claimed such damages as would be available under Law or both, at its option, by giving 30 days notice to APTRANSCO. 10.2 In the event, Company commits a breach of any of the terms of this Agreement, the APTRANSCO shall be entitled to specific performance of this Agreement or claimed such damages as would be available under Law or both, at its option, by giving 30 days notice to Company. 10.3 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.

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CHIEF ENGINEER 22/9 (COMMERCIAL & IT)
APTRANSCO, Vidyut Soudha,
Hyderabad-500 082.

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

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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 Billing Date: means the fifth (5th) day after the Metering Date.
- 1.2 **Billing Month:** means the period commencing from 25th of the calendar month and ending on the 24th of the next calendar month.
- 1.3 Commercial Operation Date (COD): means, with respect to each Generating unit, the date on which such Generating unit is declared by the company to be operational, provided that the company 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 since Ministry of Non-conventional Energy Sources not specified any guide lines for declaration of the Commercial Operation Date (COD).

1.4 **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 APTRANSCO at the Interconnection Point as defined in Article 1.8, as measured by the energy meters at the Interconnection Point during that Billing Month.

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: In case of the projects interconnected at project switch yard the estimated line losses will also be subtracted first as provided in Article 1.8 from the metered energy exported.

- 1.5 **Due Date of Payment:** means the date on which the amount payable by the APTRANSCO to the Company hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Metering 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 APTRANSCO.
- 1.6 Installed Capacity: means the total rated capacity in mega-watts of all the generators installed.
- 1.7 Interconnection Facilities: means all the equipment and facilities, including, but not limited to, all metering facilities, switch gear, substation facilities, transmission lines and related infrastructure, to be installed by the APTRANSCO upto the project's

Chief Engineer (IPE)
APTRANSCO, Vidyut Soudha
HYDERABAD-500'082

For Non- o v ergy Development Corporation of Andhra Pradesh Ltd.

Managing Director

switch yard at the voltage specified in Article 1.14 at the company's expense from time to time throughout the term of this Agreement, necessary to enable the APTRANSCO to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement.

Explanation 1: For Wind Farms the development charges shall be paid by the Company at Rs.10 lakhs per MW as per existing Government orders and APTRANSCO will provide evacuation facilities.

Explanation 2: For Mini Hydel Schemes, the Company have to bear the entire expenditure of interconnection facilities for power evacuation as per the sanctioned estimate by the respective field officers.

1.8 Interconnection Point: means the point or points where the Project and the APTRANSCO's grid system are interconnected. The metering for the Project will be provided at the Interconnection Point as per Article 4.1.

Explanation: In case of cluster of Mini Hydel Schemes, cluster of Wind farms where the projects are interfaced with the near by APTRANSCO's Grid then the Interconnection Point will be at the Project's Switch Yard. The estimated line loss component (line losses from the Mini Hydel Scheme / Wind farm to the designated substation where the ring main terminates) for the respective Mini Hydel Scheme / Wind farm is to be worked out and apportioned as per the their capacity and intimated to the developer, and subtracted from the metered units at Mini Hydel Scheme / Wind farm project switch yard, to arrive at the Delivered Energy by the Project.

- 1.9 Metering Date: means mid-day (i.e., noon) of the 24th (twenty-fourth) day of each calendar month, at the Interconnection Point.
- 1.10 **Project:** means Wind based Project, to generate 2.25 MW, at Kondamedapally Village, Kurnool District, Andhra Pradesh, entrusted to the Company for construction and operation by MNES and includes the metering system.
- 1.11 System Emergency: means a condition affecting the APTRANSCO's electrical system 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, or which endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.
- 1.12 Surcharge on Reactive Power drawn by Wind Farms/Mini Hydel Stations: means the charges leviable on the reactive power drawn by Wind Electric Power Farms/Mini Hydel Stations at the rate of 10 paise (Ten paise only) per unit of reactive energy drawn from APTRANSCO's grid or such other charges fixed by the Commission from time to time.

Explanation 1: Induction generators used in Wind Electric Power Farms/Mini Hydel Stations draw reactive power from APTRANSCO's grid during generator mode and motor mode.

For Nen-Ca va con-I freigy Development Corporation of Andhra Pradesh Ltd.

Managing Director

Chief Engineer (IPC)

APTRANSCO, Vidyot Sasshie

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Explanation 2: Surcharge on reactive power drawn by Wind Farms/Mini Hydel stations will be levied on the Company.

- 1.13 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).
- 1.14 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.

For Wind farms, Mini Hydel Schemes:

Capacity of the plant

Specified voltage level for interfacing with APTRANSCO grid

Upto 1500 KVA 11 KV
From 1501 KVA to 7500 KVA 33 KV
Above 7500 KVA 132 KV

1.15 All other words and expressions, used herein and not defined herein but defined in the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948, Indian Electricity Rules, 1956 and AP Electricity Reform Act, 1998 shall have the meanings respectively assigned to them in the said Acts.

Chief Engineer (IPC)
APIRANSCO, Vidyut Soudha
HYDERABAD-500 082

For Non-Ca: ve .tior . 1

Corporation of Anghra Pragesh Ltd.

Managing Director

ARTICLE 2 PURCHASE OF DELIVERED ENERGY AND TARIFF

- 2.1 All the Delivered Energy at the interconnection point for sale to APTRANSCO 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 Company to the APTRANSCO at the Interconnection Point.
- The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO at Rs.2.25 paise per unit with escalation at 5% per annum with 1994-95 as base year and to be revised on 1st April of every year upto the year 2003-2004 subject to the condition that the purchase price so arrived does not exceed 90% of the prevailing H.T. Tariff of APTRANSCO. Beyond the year 2003-2004, the purchase price by APTRANSCO will be decided by Andhra Pradesh Electricity Regulatory Commission. There will be further review of purchase price on completion of ten years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O&M expenses and the Variable Cost.
- 2.3 The tariff is inclusive of all taxes, duties and levies.
- 2.4 No wheeling charges or other charges or assessments shall be levied by the APTRANSCO on purchased energy.
- Where in any Billing month, the energy supplied by the APTRANSCO to the Company, shall be billed by the APTRANSCO, and the Company shall pay the APTRANSCO for such electricity supplies, at the APTRANSCO's then-effective tariff applicable to High Tension Category-I Consumers. For this purpose, the maximum demand specified in such APTRANSCO's Tariff shall be computed by dividing the amount of such energy supplied by the APTRANSCO by the total hours in the Billing Month.

Explanation: The Generating Plants viz., Wind, Mini Hydel, Biomass based power projects and Power projects based on Waste to Energy during the plant shut down periods shall draw the energy from APTRANSCO only for the essential loads.

Chief Engineer (fPC) APTRANSCO, Vidyut Studha
HYDERABAD-500 032

Corporation of Andhra Pracesh Ltd.

Managing Director

ARTICLE 3 INTERCONNECTION FACILITIES

3.1 Upon receipt of a requisition from the Company the APTRANSCO will prepare an estimate for arranging interconnection facilities for power evacuation at the voltage level as per Article 1.14. The Company have to bear the entire cost of the interconnection facilities as per the sanctioned estimate. APTRANSCO shall evaluate, design, install, own, operate and maintain the Interconnection Facilities and perform all work, at the Company's expense, necessary to economically, reliably and safely connect the APTRANSCO's existing system to the Project switch yard.

Explanation: For Wind Farms the development charges shall be paid by the Company at Rs.10 lakhs per MW as per the existing Government orders and APTRANSCO will provide evacuation facilities.

- 3.2 APTRANSCO may also permit the Company to execute the interconnection facilities for power evacuation as per the sanctioned estimate at it's descrition duly collecting the supervision charges as per procedure invogue.
- 3.3 The maintenance expenses of the interconnection facilities from time to time have to be borne by the Company. The maintenance work on the Generating units has to be done in coordination with the APTRANSCO.
- 3.4 APTRANSCO has got the right to add any additional loads on the feeder without detrimental to the interests of the existing generating companies on the same feeder.
- 3.5 Any modifications or procedures or changes in arranging interconnection facilities for power evacuations rests with Government of Andhra Pradesh/APTRANSCO. The orders of Government of Andhra Pradesh for any changes in payment of developmental charges in respect of Wind Farms for power evacuation is applicable.
- 3.6 During the period prior to the Commercial Operation Date, on the request of the Company, the APTRANSCO will supply energy to the Project for any purpose, on the Terms and Conditions and at the tariff rates that are applicable from time to time to the category of consumers of the APTRANSCO to which the Company belongs, provided separate metering arrangements as may be required under the Terms and Conditions of such tariff have been installed at the Project.

Corporation of Andhra Pradesh Ltd.

Managing Director

Chief Engineer (IPC)
APTRANSCO, Vidyut Soudhi
HYDERABAD-500 032

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ARTICLE 4 METERING AND PROTECTION

- The Company shall install main meters of Static type 0.2 class accuracy at the 4.1 Interconnection Point and the APTRANSCO 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.
- 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.
- The meter readings from the main meters will form the basis of billing. If any of the 4.3 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.
- Where the half yearly meter check indicates an error in one of the main meter/meters 4.4 beyond the limits for such meter but no such error is indicated in the corresponding check meter/meters, billing for the month will be done on the basis of the reading on the check meter/meters and the main meter will be replaced immediately.
- If during the half yearly test checks, both the main meters and the corresponding check 4.5 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 upto 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.
- Corrections in delivered energy billing, whenever necessary, shall be applicable to the 4.6 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.
- If both the main and check meters fail to record or if any of the PT fuses are blown 4.7 out, then the energy will be computed on a mutually agreeable basis for that period of defect.
- The main and check meters shall be tested and calibrated utilizing a Standard Meter. 4.8 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.

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Managing Director

Chief Engineer (IPC) APTRANSCO, Vidyut Soudha

HYDERABAD-500 082

- 4.9 All main and check meter 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 Metering Date 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 Company and the APTRANSCO 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 Company in order for the Company to operate in parallel with the APTRANSCO's 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 grid voltage at the point of interconnection.
- 4.14 The equipment of the Company 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 Company shall ensure that the power factor of the power delivered to the APTRANSCO is maintained at or above the Minimum Power Factor as per Tariff Notification, or otherwise pay Surcharge as per Tariff Notification in force.
- 4.16 Any change in rupturing capacity of switch-gear, settings of the relays, etc., shall be subject to approval of the APTRANSCO.
- As the Project's generator may carry fault currents that may occur on the APTRANSCO's grid, the Company shall provide adequate generator and switchgear protection against such faults. The APTRANSCO is not responsible for damage, if any, caused to the Project's generator and allied equipment during parallel operation of the generator with the APTRANSCO's grid.
- 4.18 The Company shall make a good faith effort to operate the Project in such a manner as to avoid fluctuations and disturbances to the APTRANSCO's grid due to parallel operation with the grid.
- The Company shall control and operate the Project. The APTRANSCO shall only be entitled to request the Company to reduce electric power and energy deliveries from the Project during a System Emergency, and then only to the extent that in the APTRANSCO's reasonable judgment such a reduction will alleviate the emergency. The APTRANSCO shall give the Company 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 Company hereunder shall be implemented in a manner consistent with safe operating procedures.

For Non o v. ergy Development Corporation of andhra Pradesh Ltd.

Managing Director

Chief Engineer (IPS)
APTRANSCO, Vidyut Southa
HYDERABAD-500 082

ARTICLE 5 BILLING AND PAYMENT

- 5.1 For Delivered Energy purchased, the Company shall furnish a bill to the APTRANSCO calculated at the rate provided for in Article 2.2, in such form as may be mutually agreed between the APTRANSCO and the Company, for the billing month on or before the 5th working day following the metering date.
- 5.2 Any payment made beyond the due date of payment, APTRANSCO shall pay interest at a rate of 10% per annum as per existing nationalised bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction.
- 5.3 The APTRANSCO shall pay the bill on monthly basis as per Article 5.1, by opening a revolving Letter of Credit for a minimum period of one year in favour of the Company.
- Letter of Credit: Not later than 30 days prior to the Scheduled COD of the first Generating Unit, APTRANSCO shall cause to be in effect an irrevocable revolving Letter of Credit issued in favour of the Company by a Scheduled Bank (the Letter of Credit). Each Letter of Credit shall
 - (a) on the date it is issued, have a term of one year;
 - (b) be payable upon the execution and presentation by an officer of the Company of a sight draft to the issuer of such Letter of Credit supported by a meter reading statement accepted and signed by both parties or a certification from the Company that the APTRANSCO failed to sign the meter reading statements within five days of the metering date or that a supplemental bill has been issued and remains unpaid until the due date of payment;
 - (c) provide that the Company shall have the right to draw upon such Letter of Credit notwithstanding any failure by the APTRANSCO to reimburse the issuer thereof for any draw down made under; and
 - (d) not less than 30 days prior to the expiration of any Letter of Credit, the APTRANSCO shall provide a new or replacement Letter of Credit. Each monthly bill or supplemental bill shall be presented at the said Scheduled Bank for payment under the Letter of Credit and shall become payable thereunder. The opening charges for Letter of Credit (L/C) and Letter of Credit (L/C) negotiation charges will be borne by the beneficiary i.e., Company.
- Direct Payment: Notwithstanding the fact that a Letter of Credit has been opened, in the event that through the actions of the APTRANSCO, the Company is not able to make a draw upon the Letter of Credit for the full amount of any bill, the Company shall have the right to require the APTRANSCO to make direct payment of any bill by cheque or otherwise on or before the due date of payment by delivering to the APTRANSCO on or prior to the due date of payment of such bill a notice requiring payment in the foregoing manner. Without prejudice to the right of the Company to draw upon the Letter of Credit if payment is not received in full, the APTRANSCO shall have the right to make direct payment by cheque or otherwise of any bill such

Chief Engineer (IPC)
APTRANSCO, Vidyut Somba
HYDERABAD-500 032

For Non-Co ve to The gy Development Corporation of Andhra Pradesh Ltd.

Managing Director

that within 30 days after the date of its presentation to the designated officer of the APTRANSCO, the Company shall receive payment in full for such bill. When either such direct payment is made, the Company shall not present the same bill to the Scheduled Bank for payment against the Letter of Credit.

5.6 **Billing disputes:** The APTRANSCO shall pay the bills of the Company promptly subject to the clauses 5.1 and 5.2 above.

The APTRANSCO shall notify the Company in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. The Company shall immediately take up issue with all relevant information with APTRANSCO which shall be rectified by the APTRANSCO, if found satisfactory. Otherwise notify its (APTRANSCO'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 APTRANSCO to reimburse the Company, the amount to be reimbursed shall bear interest at 10% per annum from the date of disallowance to the date of reimbursement.

5.7 All payments by the APTRANSCO to the Company hereunder shall be made to such address as may be designated by the Company to the APTRANSCO in writing from time to time.

Address

Managing Director,

NEDCAP, 5-8-207/2,

Pisgah Complex, Nampally,

Hyderabad - 500 001.

Fax

040 - 3201666

Telephone

040 - 3202391, 3203692, 3201651, 3201172

Corporation of Andhra Pradeshilld.

Managing Director

Chief Engineer (IPC)

APIRANSCO, Vidyut Soudha

HYDERABAD-500 082

ARTICLE 6 UNDERTAKING

6.1 The Company shall be responsible:

- for the proper maintenance of the project in accordance with established prudent utility practices.
- (ii) for the 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 APTRANSCO.
- (iii) for making all payments on account of any taxes, cesses, 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 Company or on the income or assets of the Company.
- (iv) for obtaining necessary approvals, permits or licences for operation of the project and sale of energy to APTRANSCO there from under the provision of the relevant laws.

6.2 The APTRANSCO 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.

Chief Engineer (IPC)

APTRANSCO, Vidyut Soudha
HYDERABAO-500 082

For Non-Co vo ton: I Freigy Development Corporation of Andhra Pradesh Ltd:

Managing Director

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 twentieth (20th) anniversary that is for a period of twenty 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 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, Government of Andhra Pradesh and APTRANSCO.

For Non-Le ve : 1. aday levelopme: 1 Corporation of Andhra Pradesh Ltd.

Managing Director

Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082

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, telecopy, telex or telegram addressed as follows:

If to the Company:

Attention

Managing Director,

NEDCAP, 5-8-207/2,

Pisgah Complex, Nampally,

Hyderabad - 500 001.

Fax No

040 - 3201666

Telephone No

040 - 3202391, 3203692, 3201651, 3201172

If to the APTRANSCO:

Attention

Chief Engineer,

Investment Promotion Cell, APTRANSCO, Vidyut Soudha,

Hyderabad - 500 082.

Fax No

040 - 3313791

Telephone No

040 - 3393304

- 8.2 All notices or communications given by telecopy, telex or telegram 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 telecopy, telex or telegram 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.

Chief Engineer (IPC)

APTRANSCO, Vidyut Soudha

HYDERABAD-500 082

Corporation of Andhra Pradesh Ltd.

Anaging Director

ARTICLE 9 SPECIAL PROVISIONS

- 9.1 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.
- 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 Company and the APTRANSCO, 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. All the conditions mentioned in the Agreement are with the consent of APERC.
- 9.3 However, in respect of power evacuation, the voltage levels for interfacing with APTRANSCO's Grid will be as per Article 1.14. The cost of interconnection facilities have to be borne by the Company as per Article 3.
- 9.4 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.
- 9.5 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.
- 9.6 Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under : / 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.
- 9.7 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.
- 9.8 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.
- 9.9 The parties each agree to act in good faith in implementing the terms and conditions of this Agreement and in carrying out their respective obligations hereunder.

Chief Engineer (IPE)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082

Corporation of Anghra Pradesh Ltd.

Mananing Director

9.10 Assignment and Financing: Neither party shall assign this Agreement or any portion thereof to any third party without the prior written consent of the other party which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the Company and the APTRANSCO have caused this Agreement to be executed as of the date and the year first set forth above.

For and behalf of TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

WITNESS

1. Vee 19120 By:
SEMBE

2. Chief Engineer (IPC) 19/2/202

APTRANSCO, Vidyut Soudha
HYDERABAD-500 082

For and behalf of M/s NON-CONVENTIONAL ENERGY DEVELOPMENT CORPORATION OF ANDHRA PRADESH LIMITED

WITNESS

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SCHEDULE 1

Particulars of the Project (referred to in the Preamble to the Agreement)

Sl. No.	Name of the Project	Location	Nø. of Units	Capacity of each Generator	Capacity of the Station
1.	Demonstration Wind farm Project by M/s. NEDCAP	Kondamedapally, Kurnool District	3	750 KW Induction Generator M/s NEG-Micon make	2.25 MW

Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD-600 082

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Managing Director

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Substituted by

CHIEF ENGINEER 22

(COMMERCIAL & IT)
APTRANSCO, Vidyut Soudha,
Hyderabad-500 682.

For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

SCHEDULE 1

Particulars of the Project (referred to in the Preamble to the Agreement)

Name of the Project	Location	No. of	Capacity of each	Capacity of the
		Units	Generator	Station
Demonstration Wind	Kondamedapally	5	3x750 KW	2.75 MW*
farm Project by M/s.	Kurnool District		NEG-MICON make	*2.25 MW
NEDCAP			2x250 KW	commissioned
Į.	Per Production		NEPC MICON	0.5 MW after
1			make	commissioning

CHIEFENGINEER (COMMERCIAL & IT)-APTRANSCO, Vidyut Soudha, Hyderabad-500 V824

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For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

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SCHEDULE 2 (Copy of Sanction Letter from MNES)

GOVERNMENT OF INDIA MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES Block No. 14, CGO Complex, Lodi road, New Delhi – 110 003.

No.57/21/2000 - WE/PG

Dated 28.9.2000

The Managing Director
Non-Conventional Energy Development
of Andhra Pradesh Limited
5-8-207/2, Pisgah Complex, Nampally,
Hyderabad – 500 001.

Sub: Proposal for 2,25 MW Demonstration Wind Power Projects at Kondamedapalli in Kurnool District in the State of Andhra Pradesh.

Sir,

This has the reference to your Letter No. NEDCAP/WE/Konda/2000/2480, dt 14th September, 2000 on the above mentioned subject.

I am directed to convey 'in principle' approval of this Ministry for implementation of Demonstration Wind Farm Project at Kondamedapalli as per terms and conditions indicated in Ministry's Scheme. The formal sanction for the project will be issued only after the receipt of following information:

1. Confirmation on acquisition of land for the project.

Confirmation of sanction of loan from Financial Institution i.e., IREDA.

Copy of the Power Purchase Agreement for sale of power.

Yours faithfully, Sd/-(J.P. Singh) Principle Scientific Officer

Chief Engineer (IPC)

APTRANSCO, Vidyut Souther
HYDERABAD-500 062

Corporation of Fridhia Pracesh Ltd.

SCHEMELES. (NEDCAP RESOLUTION)

OTES OF THE SCHEDULE 2A FOATD SUB-COMMITTEE FOR NO HOLD ON 05.55 2001 A.M. AT NEDCAP REGD.

(Copy of Ministry of Non-Conventional Energy Sources-Letter to NEDCAP)

MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES land I. Eurocoi District BLOCK NO. 14, C.G.O. COMPLEX, LODI ROAD, NEW DELHI-110003

No 57/331/93-WE(PG) a implementation demonstrate a project at Konda Dated. 21:02:2003 The percentage is amborised to take larger necessary action for execution of

The Managing Director Non-Conventional energy Development Corporation of Andhra Pradesh Ltd. (NEDCAP) 5-8-207/2, Pisgah Complex Nampally Hyderabad - 500 001

No. 100 1-Conventional Energy the velopment Corpu. of A.P. Limited 83%

Ly. General Manager

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Subject:

Demonstration wind farm project at Tirumala - relocation of 2 Wind Electric Generators to Kondamedapally, Kurnool district and

dismantling of five nos. Wind Electric Generators

Sir

With reference to your letter no. NEDCAP/WE/TML/2002/1435 dated 12th August, 2002 from MD, NEDCAP and its subsequent communications dated 25th November, 2002 and 19th December, 2002, I am directed to convey the approval of the competent authority fro shifting of two Wind Electric Generators of 250 KW each from Tirumala demonstration project to Kondamedapally demonstration wind power project in Kurnool district of Andhra Pradesh. The expenditure on shifting and erection & commissioning of these two machines will be borne by NEDCAP and no additional funds would be provided by the Ministry.

I am also directed to convey the approval of the competent authority for disposal of five Wind Electric Generators of 110 KW capacity each installed in phase-I of the Tirumala demonstration wind power project with the condition that all Government procedure will be followed by NEDCAP for disposal of the machines and proceedings of the disposal will be utilized for wind power development in the State.

Yours faithfully

Sd/-(S.K. JAGWANI) Principal Scientific Officer

(COMMERCIAL & IT) APTRANSCO, Vidyut Soudha. Hyderabad-500 082.

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-d1 6 For Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

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EXTRACT OF MINUTES OF ITEM NO.10.0 OF 07th BOARD SUB-COMMITTEE FOR PROJECTS MEETING HELD ON 05.06.2000 AT 11.00 A.M. AT NEDCAP REGD. OFFICE – HYDERABAD.

ITEM No.10 Setting up of Demonstration Wind Farm at Kondamedapalli, Kurnool District.

as Oliver is authorised to take finite assessed which do you are you

District. Managing Director is authorised to take further necessary action for execution of Project as per MNES terms.

For Non-Conventional Energy
Development Corpn. of A.P. Limited
Sd/Dy. General Manager

Corporation of Andhra Pradesh Ltd.

Managing Director

Chief Engineer (IPC)
APTRANSCO, Vidyut Soud

HYDERABAD-500 082

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