GenAI Legal Assistant Analysis

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GENAI LEGAL ASSISTANT ANALYSIS

DOCUMENT SUMMARY

Key Points:

- The document is a Power Supply Agreement between Vena Energy (the Company) and Apollo Tyres (the Captive User) for renewable energy.
- The Company will supply 3 MW of renewable energy (Captive Capacity) from a hybrid solar and wind power plant to the Captive User.
- The agreement has a 25-year term, starting from the Commercial Operation Date (COD), with a 12-year "Lock-in Period".
- The Captive User will pay a fixed tariff of INR 3.91/kWh for the renewable energy.
- The agreement outlines responsibilities for taxes, duties, and charges related to the electricity supply.

Your Rights:

- Right 1: To receive 3 MW of renewable energy from the Company.
- Right 2: To receive the energy at the Interconnection Point.
- Right 3: To terminate the agreement under specific circumstances, such as the Company's default or the project ceasing to be a captive plant.

Your Obligations:

- Obligation 1: To offtake and consume the agreed-upon Captive Capacity.
- Obligation 2: To pay the fixed tariff for the supplied renewable energy.
- Obligation 3: To pay applicable taxes, duties, and charges related to the energy consumption and transmission beyond the Interconnection Point.

Important Terms:

- Term 1: **Agreement:** The Power Supply Agreement document, including any future changes.
- Term 2: **Captive Capacity:** The 3 MW of renewable energy that the Company will supply.
- Term 3: **Tariff:** The price (INR 3.91/kWh) that the Captive User will pay for the renewable energy.

RISK ANALYSIS

HIGH RISK:

- Risk 1: The agreement specifies a 12-year "Lock-in Period" during which terminating the agreement has significant financial penalties, potentially locking the consumer into unfavorable terms.
- Risk 2: The agreement includes broad language regarding "Change in Law" potentially allowing the company to

modify terms or terminate the agreement due to changes in regulations which could impact the consumer negatively.

MEDIUM RISK:

- Risk 1: The "Change in Law" clause includes vague language about costs and obligations, potentially allowing the company to pass on increased expenses to the consumer.
- Risk 2: The document contains an indemnity clause where the consumer may be responsible for the company's losses due to the consumer's actions, without clearly defining limits.
- Risk 3: The termination conditions in the 12th year have specific financial implications for both the company and the captive user, which should be carefully evaluated.

POINTS TO NOTE:

- Point 1: The agreement defines "Force Majeure," but the impact on the company's obligations should be closely reviewed as it impacts the company's supply obligations to the consumer.
- Point 2: The agreement refers to "Transaction Documents" which may include other agreements. Ensure all related documents are understood as they affect the overall agreement.
- Point 3: The agreement mentions "Landed Tariff" and "Variable Grid Tariff," and the differences should be understood as the Consumer may be liable for the difference if the Company doesn't meet minimum energy supply levels.