**Proposal for Onsite Solar System at**

**{{clientName}}, {{Location}}**

**{{Date}}**

The following is a summary of terms and conditions proposed by Clean Max Enviro Energy Solutions Pvt. Ltd. (CleanMax) for installation of a solar system at {{clientName}}, {{Location}}.

This term sheet reflects the commercial agreement between Consumer and CleanMax. After this agreement is signed by both parties, the parties will draft binding legal agreements to put into force the commercial agreement outlined herein.

|  |  |
| --- | --- |
| 1. **Intent** | CleanMax to install a rooftop solar system at Consumer’s facility in {{Location}} and operate and maintain the system. CleanMax will own the plant, and bill Consumer for the electricity generated, on a per-kWh basis as described in this agreement. |
| 1. **Benefits to Consumer** | 1. **Capex avoided**: Consumer gets a rooftop solar system without any upfront capital expenditure. 2. **Green energy**:Solar energy is 100% renewable and will significantly reduce the carbon footprint of the facility. 3. **Energy Cost Savings**: Solar energy under this proposal is cheaper than grid power. 4. **Outsourced model**: CleanMax takes responsibility for procurement, installation, permitting, operations, and maintenance of the plant. 5. **No operating risks**: Consumer pays only per kWh generated, so it’s not subject to risks of equipment failure or lower than expected generation. 6. **Reduction in indoor temperatures**:Solar panels deflect solar radiation from the roof, reducing ambient room temperatures and/or AC power consumption |
| 1. **Plant Capacity** | The proposed plant capacity is as follows:   |  |  | | --- | --- | | **Site** | **Proposed Capacity** | | {{Location}} | {{capacity}} kWp |   The exact plant capacity will be assessed during detailed engineering and further discussions with Consumer’s team. |
| 1. **PPA Duration** | The PPA will be for a duration of 15 years from the Commercial Operations Date. |
| 1. **Pricing** | Consumer will be billed on a per-kWh basis, as described below:   |  |  |  |  | | --- | --- | --- | --- | |  | **15 Year Contract Period** | | | | **Contract Period** | **Year 1 – Power Price** | **Tariff escalation** | **First year Expected Generation (kWh)** | | 15 Years | Rs {{tariff-15}}/kWh | No tariff escalation | {{generationFirstYear}} |   Tariff schedule has been mentioned in Annexure I  Taxes and duties applied by the government will be charged to Consumer as applicable at that point in time. |
| 1. **Commissioning Date** | 6 months from signing of PPA or 4 months from site handover by the Consumer, whichever is later. |
| 1. **Metering and Deemed Generation** | CleanMax to install and maintain a utility grade kilowatt-hour meter for the measurement of electrical energy produced by the solar power system. CleanMax shall also provide an online data acquisition and monitoring system to record the daily generation of the solar power plant. Under normal circumstances, the online monitoring system shall automatically record data from the energy meter and generate monthly invoices. In the event of any malfunctioning in the online monitoring system, physical readings may be taken by the Power Producer to record the energy usage.  In the event that Consumer cannot offtake electricity from the plant on any given day due to any reason not attributable to CleanMax (like grid outage, lack of permission to conduct O&M activities, etc.) it will be billed for “deemed generation”. Deemed Generation represents the number of units the solar plant would’ve generated if it was fully operational. Solar plant is considered to be fully operational only if there has been no curtailment in its generation for the entire day. Deemed generation for a given day shall be equal to the average number of daily billable units of the last 7 days when the solar plant was fully operational. If the solar plant has not been fully operational for a minimum of 7 days from commissioning date, Deemed generation shall be equal to 4.2 kWh per day per kWp of solar plant capacity.  Deemed Generation shall not be applicable if such curtailment is due to Force Majeure events like industry-wide labor strikes, natural calamities, etc. |
| 1. **CleanMax Responsibilities** | 1. Procuring, installing, and commissioning the solar modules and all other equipment required to generate solar electricity and supply it to the mutually agreed connection point for each solar power plant. 2. Operating and maintaining the solar plants, and bearing all costs associated with these activities. 3. Supplying electricity to the mutually agreed offtake points for each solar power plant at 415V. 4. Obtaining all regulatory and statutory approvals and permits required from CEIG or DISCOM (including net metering approval) to install and operate the plant 5. Monthly metering and billing based on the terms of the agreements. |
| 1. **Consumer’s Responsibilities** | 1. Offtake the entire quantum of the electricity generated at the agreed offtake points and distribute the electricity to its own panels and loads. 2. Ensure adequate space for solar equipment to ensure no shading from current or future equipment. 3. Supply of clean water for cleaning the modules. Water consumption estimated at 15-20 liters per cycle per kWp of capacity as per requirement based on weather conditions. 4. Provision of spare feeders of the necessary specifications to receive the supply of solar power and any hardware beyond the Delivery Point to offtake the solar power 5. Provision of access to the site. This shall include providing a permanent ladder for access to the roofs in case of a rooftop site. 6. Provide documentation from a third-party consultant certifying the structural stability of the site for solar plant installation 7. Obtaining any other approvals, except the ones mentioned in article 8 (4), that may be required to operate the plant, for example - Excise approval, Panchayat approval, Factory inspector approval, etc. 8. Net Metering hardware costs (if applicable) |
| 1. **Guaranteed Generation** | CleanMax shall maintain the solar power plants in a manner such that the electricity generated in any Contract Year is equal to or more than the guaranteed generation as mentioned in Annexure III. For the avoidance of doubt, it is clarified that guaranteed generation mentioned in Annexure III is based on a projection that for any Contract Year, the Site(s) shall receive a minimum Global Radiation Incident to Corollary plane. The value of such minimum Global Radiation shall be decided by CleanMax after conducting a detailed analysis of the Site. If the irradiation reduces, then the guaranteed generation shall be reduced proportionately. In the event that the plant is unable to generate power due to any reason not attributable to CleanMax, including but not limited to force majeure, grid outage, curtailment, cleaning delay due to acts of Consumer, etc., then guaranteed generation shall be corrected accordingly.  In case the guaranteed generation is not achieved due to reasons solely attributable to CleanMax, then it shall pay a compensation to Consumer according to the following formula:  Compensation = (Guaranteed Supply – Actual Supply) \* (Landed Grid tariff- Landed Solar tariff) |
| 1. **Environmental Attributes** | CleanMax shall retain the rights to any and all environmental attributes related to the electricity supplied by the solar plant. |
| 1. **Termination Option** | First 3 years will be the lock-in period. During the lock-in period, Consumer will not be allowed to terminate the PPA except in case of CleanMax’s default or Force Majeure. After that, Consumer can terminate the PPA for any reason, by making a termination payment. Details of termination payment are mentioned in Annexure II. Upon payment of the termination fee, CleanMax shall remove the solar power plant from the Consumer’s premises within a reasonable timeline. |
| 1. **Assignment** | Under the PPA, CleanMax will have the right to assign its rights and obligations under the PPA (including rights over any assets hereunder), to an Affiliate, lender, or other financing party, without the consent of the Consumer. Further, both Parties shall be entitled to assign all or any of its rights under this Agreement to any third party with the prior written consent of the other Party which shall not be unreasonably withheld. |
| 1. **Billing** | CleanMax to issue monthly bills to Consumer for the payments described herein. Payment will be due within 14 days of the invoice date. If payments are not received by the due date, CleanMax will charge interest late payment charges at the rate of 1.5% simple interest per month. |

Annexure I: Tariff Schedule

15 Years Contract Period

|  |  |
| --- | --- |
| **Year** | **Fixed Tariff over PPA Tenure** |
| 1 | {{tariff-15}} |
| 2 | {{tariff-15}} |
| 3 | {{tariff-15}} |
| 4 | {{tariff-15}} |
| 5 | {{tariff-15}} |
| 6 | {{tariff-15}} |
| 7 | {{tariff-15}} |
| 8 | {{tariff-15}} |
| 9 | {{tariff-15}} |
| 10 | {{tariff-15}} |
| 11 | {{tariff-15}} |
| 12 | {{tariff-15}} |
| 13 | {{tariff-15}} |
| 14 | {{tariff-15}} |
| 15 | {{tariff-15}} |

**Annexure II: Termination Payments**

|  |  |
| --- | --- |
| **Year** | **Termination Payments Rs/kwp** |
| 1 | {{termPayment-15-1}} |
| 2 | {{termPayment-15-2}} |
| 3 | {{termPayment-15-3}} |
| 4 | {{termPayment-15-4}} |
| 5 | {{termPayment-15-5}} |
| 6 | {{termPayment-15-6}} |
| 7 | {{termPayment-15-7}} |
| 8 | {{termPayment-15-8}} |
| 9 | {{termPayment-15-9}} |
| 10 | {{termPayment-15-10}} |
| 11 | {{termPayment-15-11}} |
| 12 | {{termPayment-15-12}} |
| 13 | {{termPayment-15-13}} |
| 14 | {{termPayment-15-14}} |
| 15 | {{termPayment-15-15}} |

Termination payments have been mentioned for the beginning of the respective year. For instance, termination payment for the beginning of the 15th year is Rs. {{termPayment-15-15}}/kWp.

**Annexure III: Guaranteed Generation\***

|  |  |  |
| --- | --- | --- |
| **Year** | **Expected Power Generation in kWh** | **Guaranteed Generation in kWh** |
| 1 | {{expectedGen1}} | {{guaranteedGen1}} |
| 2 | {{expectedGen2}} | {{guaranteedGen2}} |
| 3 | {{expectedGen3}} | {{guaranteedGen3}} |
| 4 | {{expectedGen4}} | {{guaranteedGen4}} |
| 5 | {{expectedGen5}} | {{guaranteedGen5}} |
| 6 | {{expectedGen6}} | {{guaranteedGen6}} |
| 7 | {{expectedGen7}} | {{guaranteedGen7}} |
| 8 | {{expectedGen8}} | {{guaranteedGen8}} |
| 9 | {{expectedGen9}} | {{guaranteedGen9}} |
| 10 | {{expectedGen10}} | {{guaranteedGen10}} |
| 11 | {{expectedGen11}} | {{guaranteedGen11}} |
| 12 | {{expectedGen12}} | {{guaranteedGen12}} |
| 13 | {{expectedGen13}} | {{guaranteedGen13}} |
| 14 | {{expectedGen14}} | {{guaranteedGen14}} |
| 15 | {{expectedGen15}} | {{guaranteedGen15}} |

The guaranteed generation numbers mentioned above correspond to a minimum Global Radiation Incident to the Site. In case the total radiation decreases, the generation guarantee will be adjusted accordingly.