Draft

Implementation and Support Agreement for

750 MW Grid Connected

Solar Photo Voltaic Power Project

Under

NSM Phase II Batch-IV Tranche-XV

in

Kadapa Ultra Mega Solar Park (1000MW)

Andhra Pradesh

**Issued By**

**Andhra Pradesh Solar Power Corporation Private Limited**

**6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School Lane, Ameerpet, Hyderabad – 500016**

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Definitions

1. ***"Act"*** or ***"Electricity Act, 2003"*** shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time;
2. “***Agreement***” shall mean the Implementation and Support Agreement made between “***APSPCL***” and the “**Solar Power Developer**”
3. ***“APSPCL”*** shall mean **Andhra Pradesh Solar Power Corporation Private Limited**, a company incorporated under the Companies Act, 2013 having its registered office at R.No.218, 2nd Floor, Vidyut Soudha, Khairatabad, Hyderabad - 500 082, Telangana, India and administrative office at 6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School Lane, Ameerpet, Hyderabad – 500016, Telangana, India. *“APSPCL” is here in after referred to as the “SPPD” or “Solar Power Park Developer”.*
4. ***“Company”*** shall mean a body corporate incorporated in India under the Companies Act, 1956 or the Companies Act, 2013 as applicable, which expression shall unless be repugnant to the context or meaning hereof be deemed to mean & include its successors in business and assigns.
5. ***“Commercial Operation Date (COD)”*** shall mean the date 30 days subsequent to the actual date of commissioning of the project as certified by the SNA/SECI based on the MoM/report of Commissioning Committee.
6. ***“Demised Premises”*** shall mean all that piece of leased land in Kadapa Ultra Mega Solar Park (1000 MW) at Mylavaram Mandal of Kadapa District of Andhra Pradesh and more particularly described in Land Lease Agreement together with all rights, liberties, privileges, easement advantages and appurtenances, whatsoever thereto belonging or in any manner appurtenant thereto or usually held or occupied therewith or reputed to belong or be appurtenant thereto except and reserving unto APSPCL all mines and minerals in and under the premises.
7. ***“GoAP”*** shall mean Government of Andhra Pradesh.
8. **“Inter-connection point or Delivery point”** shall mean the point at 400kV Sub-Station of STU i.e. APTRANSCO. All costs and losses up to that point will be to the account of the Solar Power Developers.
9. **“Metering point”** shall mean the point at 220 kV side of 400/220 kV grid Sub-Station of STU as the case may be. However, one more meter is to be installed at 33 kV side of 220/33 kV Pooling Sub-station where power from the **Solar Power Project** is injected for measuring export from each project. The Metering and connected equipment shall be provided by Solar Power Developers at their cost and they shall abide by the relevant CERC Regulations, Grid Code, and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time.
10. **“MNRE Guidelines”** shall mean the Guidelines issued by Ministry of New & Renewable Energy, Government of India from time to time for Development of Solar Parks under National Solar Mission and its amendments, if any.
11. ***“Party”*** *or* ***“Parties”*** shall refer to **APSPCL** and the **SPD** individually or collectively.
12. ***“Pooling Substation”*** shall mean an intermediary Substation where more than one Solar PV Project may connect for further connectivity through a common transmission line to STU / CTU System for evacuation of power.
13. ***“Power Purchase Agreement”*** or ***“PPA”*** shall mean the Power Purchase Agreement between **SPD and SECI**, including its recitals and schedules, amended or modified from time to time in accordance with the terms hereof.
14. ***“Project Commissioning” or “Commissioning”*** the Project will be considered as commissioned if all equipment as per rated project capacity has been installed and energy has flown into grid.
15. ***“SECI”*** shall meanSolar Energy Corporation of India Ltd (hereinafter called “SECI”) is a Government of India Enterprise under the administrative control of the Ministry of New & Renewable Energy (MNRE) having its administrative office at Solar Energy Corporation of India Ltd, 1st Floor, D-3, A-Wing, District Centre, Religare Building, Saket, New Delhi-110017.
16. ***“Solar Park”*** shall mean concentrated zone of development of solar power generation projects and provides an area that is well characterized with proper infrastructure including power evacuation and access to amenities. Solar Park will also facilitate developers by reducing the number of required approvals;
17. *“****Solar PV Project****” or “****Project****”* shall mean the Solar Photo Voltaic power project that utilizes sunlight for direct conversion into electricity through Photo Voltaic technology;
18. ***“SPD” or “Solar Power Developer”*** shall mean the Bidding Company or a Bidding Consortium participating in the bid and having been selected and allocated a project capacity by SECI (through a competitive bidding process), including the SPV formed by the selected bidder/ consortium for the purpose of setting up of project and signing of PPA with SECI including its successors, executors and permitted assigns.
19. ***“SPPD” or “Solar Power Park Developer”*** shall refer to ***“APSPCL”*** designated as the **Solar Power Park Developer** for **Kadapa Ultra Mega Solar Park (1000 MW)** in the State of Andhra Pradesh.
20. ***“State Solar Power Policy”*** shall mean the Andhra Pradesh Solar Power Policy 2015 and its amendments from time to time.
21. ***“STU” or “State Transmission Utility”*** or shall mean the Board or the Government Company notified by the respective State Government under Sub-Section I of Section 39 of the Act i.e. Transmission Corporation of Andhra Pradesh Limited (APTRANSCO).

The Agreement

This Implementation and Support Agreement is made at \_\_\_\_\_ on \_\_\_\_\_day of the month \_\_\_\_\_ of the year Two Thousand \_\_\_\_\_.

**BETWEEN**

**M/s Andhra Pradesh Solar Power Corporation Private Limited**, a company incorporated under the Companies Act, 2013 having its registered office at R.No.218, 2nd Floor, Vidyut Soudha, Khairatabad, Hyderabad - 500 082, Telangana, India and administrative office at 6-3-856/A/3, Sadat Manzil Compound, Opposite to Green Park Hotel, Neeraj Public School Lane, Ameerpet, Hyderabad – 500016, Telangana, India, (herein after referred to as ‘**APSPCL**’ or “**SPPD**”), which expression shall unless repugnant to the context or meaning thereof, includes its successors-in-office, administrators and permitted assignees of the First Part

**AND**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a company registered under the provisions of the Companies Act, 1956 or 2013 and having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter referred as the “**SPD**” or ”**Solar Power Developer**” (which expression shall unless be repugnant to the context or meaning hereof be deemed to mean & include its successors in business and assigns) of the Other Part

**APSPCL** and **SPD** are hereinafter referred to individually as the “Party” and collectively as “Parties”.

**RECITALS**

**WHEREAS**

1. Andhra Pradesh Solar Power Corporation Private Limited **(APSPCL)** was incorporated in the year 2014 under the Companies Act, 2013 as a Joint Venture Company between SECI (Solar Energy Corporation of India), APGENCO (Andhra Pradesh Power Generation Corporation Limited) and NREDCAP (New & Renewable Energy Development Corporation of Andhra Pradesh Limited) with an objective to plan, develop and operate solar parks in the State of Andhra Pradesh under MNRE Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects in the country, notified on 12th December 2014. Whereas, **APSPCL** has been designated as **Solar Power Park Developer (SPPD)** by MNRE for facilitation and implementation of the Kadapa Ultra Mega Solar Park (1000 MW) to be developed at Mylavaram Mandal of Kadapa District of Andhra Pradesh.
2. Solar Energy Corporation of India Ltd (hereinafter called “SECI”) is a Government of India Enterprise under the administrative control of the Ministry of New & Renewable Energy (MNRE). One of the main objectives of the Company is to assist the Ministry and function as the implementing and facilitating arm of the Jawaharlal Nehru National Solar Mission (JNNSM) for development, promotion and commercialization of solar energy technologies in the country.
3. SECI is designated as the nodal agency for implementation of MNRE schemes for developing grid connected solar power capacity through VGF mode in the country. Under the NSM Phase–II, Batch–IV, it is envisaged to add further a total solar PV capacity of 5000MW. MNRE has issued the guidelines for implementation of said scheme on 14.03.2016. Further, Ministry of Power (MoP) has issued “Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects having size of 5 MW and above” vide Resolution dated 03.08.2017 under the provisions of Section 63 of the Electricity Act, 2003 for long term procurement of electricity by the ‘Procurers’ through competitive bidding.
4. As part of JNNSM Phase-II Batch-IV, Tranche-XV, SECI has issued Request for Selection document No. SECI/NSM/P2-B4-T15/RfS/AP/012018 Dt: 05.01.2018 inviting proposals for setting up of grid connected Solar PV Projects in Kadapa Solar Park in Andhra Pradesh on “Build Own Operate” basis for an aggregate capacity of 750 MW (3x250 MW) under Part-B (Open category) only. SECI shall enter into Power Purchase Agreement (PPA) with the Bidders selected based on this RfS for purchase of solar power selected for a period of 25 years based on the terms, conditions and provisions of the RfS.
5. SPPD, as part of Solar Park development, will identify and acquire land required and allot land to SPD as per MNRE guidelines at the rate of 2 Hectares per MW (5 acres per MW) for setting up of solar power projects on lease basis for a period of 25 years. SPPD will also develop common infrastructure facilities in the Solar Park like Internal Transmission System, Water Supply, Road Connectivity, Drainage System, Cable Support Structures and Weather Stations and Street Lighting as described in Article 7.
6. For the purpose of setting up Kadapa Ultra Mega Solar Park, APSPCL has been allotted all pieces and parcels of land bearing Survey Nos. 702/1, 760, 670/1 of Thalamanchipatnam Village, & Survey Nos. 224, 335, 521 of Ponnampalli Village & Survey Nos. 138, 190/1, 305, 127/1, 157 of Ramachandrayapalli Village, & Survey No.1/66 of Dhodium Village and Survey No. 607 of Vaddirala Village of Mylavaram Mandal of Kadapa District. APSPCL as such has absolutely seized, possessed and is sufficiently entitled to the Land;
7. SPPD has allotted the land to the SPDs, who are selected through the bidding process conducted by SECI through “Request for Selection for Grid Connected Solar Photo Voltaic Projects under Batch-IV Tranche-IV of National Solar Mission Phase-II Viability Gap Funding Scheme for setting up of 500 MW capacity under open category in Kadapa Ultra Mega Solar Park (1000 MW) in Andhra Pradesh”, as per the Land Lease Agreement.
8. APSPCL, after considering the expenditure for Development of Infrastructure, will collect One time Solar Power Park Development Expenses towards capital cost for Land development and for providing Common Infrastructure facilities such as Internal Transmission Lines, Roads, Water Supply, Drainage System and other Infrastructure facilities in the Solar Park. In addition to the One time Solar Power Park Development Expenses from Solar Power Developer (SPD), all applicable taxes, duties, cess and other Government levies will be collected separately from Solar Power Developers.
9. In addition to the One time Solar Power Park Development Expenses, the APSPCL will separately charge Annual O&M charges for Operation and Maintenance of the facilities as described in Article – 7 in the Solar Power Park as per the terms of this agreement. In addition to the Annual O&M Charges, all applicable taxes, duties, cess and other Government levies will be collected separately from Solar Power Developer.

**NOW, THEREFORE**, in consideration of the mutual benefits and covenants contained herein, the Parties hereby agree as follows:

Definitions and Rules of Interpretation

The definitions set out in Section 2 “Definitions” shall apply to this Implementation and Support Agreement except where the context otherwise requires.

Effective Date and Duration

Effective Date

This Implementation and Support Agreement shall come into effect from the date of its execution by both the Parties.

Duration of Agreement

The Agreement is valid for 25 years from the COD subject to the terms and conditions contained here in this Agreement.

Renewal of Agreement

The Agreement may be extended for a further period on mutually agreed terms and conditions at least 180 days prior to the expiry date.

Project Commissioning

The Solar Power Project shall be commissioned within 12 months from the date of signing of PPA. In case the project is not commissioned within the period stipulated by SECI/MNRE and extension for COD is not granted by SECI/MNRE, **APSPCL** shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to terminate this Agreement and also the Land Lease Agreement without any liability to APSPCL.

Payment Terms

One time Solar Power Park Development Expenses:

One time Solar Power Park Development Expenses, towards capital cost for Land development and for providing Common Infrastructure such as Internal Transmission Lines, Roads, Water Supply, Drainage System etc as described in Article 7.0, of **Rs. ---------------------- (Rupees ---------------------- Only)** calculated at the rate of **Rs. 41.50 Lakh (Rupees Forty One Lakh and Fifty Thousand Only) per MW** along with GST applicable shall be paid by the **SPD** to **SPPD** on or before entering into this agreement. All other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to the **SPPD** by the **SPD** within 15 days from the date of issue of bill by **SPPD**.

Annual O&M Charges

Annual O&M charges of **Rs. ---------------- (Rupees ----------------------- Only)** calculated at the rate of **Rs. 3.2 Lakh (Rupees Three Lakh and Twenty Thousand Only) per MW** per annum in the first year which is escalated annually at the rate of 6% along with GST applicable shall be payable by **SPD** on or before 30th April at the beginning of each financial year during the agreement period. First year annual O&M charges shall be payable by **SPD** on pro-rata basis from the date of synchronization of part/full capacity of the solar plant within 30 days from the date of synchronization. All other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to the **SPPD** by the **SPD** within 15 days from the date of issue of bill by **SPPD**.

Charges for Water Supply

Water consumed by **SPD** shall be metered and charged at the rate of Rs. 10 per Kilo Litre, which is fixed for the agreement period. Charges for water supply shall be paid by **SPD** every month within 15 days from the date of issue of bill by **SPPD**.

Transmission Charges and Scheduling Charges

1. “Inter-connection point or Delivery point” shall mean the point at 220 kV side of 400/220 kV Grid Sub-Station of STU i.e. APTRANSCO. All costs and losses up to that point will be to the account of the Solar Power Developer.
2. As per the notification nos. L-1/(3)/2009-CERC and L-1/41/2010-CERC dated 15th May, 2015 of Central Electricity Regulatory Commission (CERC), Solar Power Park Developer (**SPPD**) has been included as an Applicant for Connectivity and Long Term Access in Inter-State Transmission System (ISTS). The **SPD** is responsible for Scheduling and Deviation Settlement Mechanism (DSM) charges as per CERC/APERC Regulations and all liabilities related to LTA and Connectivity.
3. As soon as first project in the Solar Power Park gets commissioned, transmission charges will start getting paid from corpus of fund created by the **SPPD**, out of the collection from the Solar Power Developers, for the entire capacity of line. If the line gets ready as per schedule and no project is commissioned, **SPPD** will have to pay charges as per applicable rules out of the Corpus Fund. However if the said Corpus Fund is not created, the same shall be reimbursed by **SPD** to **SPPD**.
4. Forecasting and scheduling shall be done by **SPD** as per CERC/APERC Regulations and Indian Electricity Grid Code. The **SPPD** may take up the function of forecasting and scheduling if the Solar Power Developers so desire on chargeable basis.
5. **APSPCL** will forward all the bills received from concerned authorities towards above charges mentioned from 6.4 (a) to 6.4 (d) to the **SPD** from time to time and the **SPD** shall pay such bills within 7 days from the date of issue of bill by **SPPD**.

Taxes and Duties

1. **APSPCL** shall not be liable for payment of any taxes, duties, levies, cess whatsoever for discharging of any obligation by **APSPCL** as per article 7.0.
2. The **SPD** shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the **SPD**, Contractors or their employees that are required to be paid by the **SPD** as per the Law in relation to the execution of this Agreement.
3. **APSPCL** shall be indemnified and held harmless by the **SPD** against any claims that may be made against **APSPCL** in relation to the matters set out in Clause 6.5.b.

Penalty for Delayed Payment

If payment of annual O&M charges or any other supplementary bill issued in respect of water supply or tax etc is delayed beyond their due date, **SPD** shall pay interest at the rate of 18% per annum for the delayed period. If the payment is delayed beyond 30 days from the due date of payment, **APSPCL** shall present the LC, established by **SPD** as per the Clause 6.7, in the Bank to draw the amount.

Letter of Credit (LC) and Payment Security Mechanism

### **SPD** shall establish an irrevocable unconditional Standby Letter of Credit (LC) in favour of **APSPCL** with a public sector / scheduled commercial bank (as per the list to be provided by **APSPCL**) within 30 days from the date of signing of this agreement. The LC shall cover annual O&M charges payable to **APSPCL** for the next financial year. Failure of **SPD** to open the LC as stated above invalidates this agreement.

### The LC shall be established for a minimum period of one year. **SPD** shall ensure that LC remains valid at all times during the entire/extended validity period of this Agreement. LC shall be renewed not later than 30 days prior to expiry of existing LC.

### LC shall specify the manner and dates when bill(s) can be presented to Bank by **APSPCL**. The bills so presented by **APSPCL** to the Bank shall be promptly paid on their presentation.

### All costs relating to opening and maintenance and negotiation of LC shall be borne by the **SPD**.

### In case of drawal of the LC amount by **APSPCL** in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. **SPD** shall arrange to furnish to **APSPCL** a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, **APSPCL** shall have right to regulate the common facilities offered to the **SPD** by giving one month advance notice in writing, not-withstanding anything contained in the Land Lease Agreement.

Right to Re-enter

### If there be any breach of any of the terms and conditions and covenants herein contained on the part of the **SPD**, or if there be any breach of any of the terms and conditions of PPA entered into with SECI and on being asked to do so by SECI, **APSPCL** shall have the right to re-enter in to the possession of the Demised Premises or any part thereof and there upon the term hereby granted and right to renewal thereof shall absolutely cease and determine, and in that case no compensation shall be payable to the **SPD** on account of the buildings and improvements built or carried out on the Demised Premises by **SPD**.

### Provided that **APSPCL** shall not exercise such right without serving the **SPD** a notice in writing giving three months time to remedy the breach.

Obligations of APSPCL

Approvals

**APSPCL** shall obtain all necessary statutory and non-statutory clearances required for developing the Solar Park.

Declaration by APSPCL

* 1. **APSPCL** declares that there is no mortgage, charge and/or claim over the Demised Premises and the Demised Premises is free from all encumbrances.
  2. **APSPCL**, in its best knowledge, declares that it has got full rights and absolute authority to lease the Demised Premises unto the **SPD** for the lease duration and to execute this Agreement in favour of the **SPD.**
  3. **APSPCL** has not been restrained either under income Tax Act or any other statute for the time being in force from dealing with or disposing of the Demised Premises or any part thereof in any manner.

Infrastructure support by APSPCL

**APSPCL** would provide the following infrastructure but the **SPD** must be aware that at present, the infrastructure work is in progress and accordingly infrastructure facilities shall be made available to the **SPD** by **APSPCL** so as to match the Commissioning schedule of the **SPD**.

Land for Solar Project

APSPCL will provide land required for installation of solar power project (at the rate of 5 (five) acres per MW) on lease basis as per the Land Lease Agreement.

Internal Evacuation System

1. **APSPCL** will provide all necessary evacuation facilities such as 220/33 kV Pooling Sub-station and its associated transmission lines for interconnection of the Project and evacuation of power from the Project upto 400/220 kV Grid Sub-Station. The **SPD** shall have to connect to 33 kV bus of 220/33 kV Pooling Sub-station by 33 kV cables at its own cost.
2. 1000 MW Solar Park is divided in to 4 (four) blocks of 250 MW each for the purpose of Power evacuation.
3. For 250 MW Solar Power block, one pooling substation of 220/33 kV is proposed in which 4 X 80 MVA step-up transformers will be installed. 250 MW block is further subdivided into 50 MW sub blocks. Thus, these 5 X 50 MW sub blocks shall be connected to pooling sub-station through redundant 33 kV cables (two sets).
4. The pooling sub-stations are connected through 220 kV Double Circuit tower line to the main 400/220 kV Grid Sub-Station through a dedicated corridor.

Cable tray support structures

**APSPCL** will provide vertical steel column cable tray support structures along with foundation at every 2 meters interval along the corridor. **SPD** shall provide cable trays with horizontal supports and fixtures for laying of 33 kV cables utilizing the vertical supports provided by **APSPCL** from the project to the 220/33 kV Pooling Substation at its own cost.

Main Road and Street Lighting

**APSPCL** will lay and maintain the main roads so as to provide access to all the plots along with street lighting in the Solar Park. Internal access roads with in the plot shall have to be laid by the **SPD** at its own cost.

Water Supply

1. **APSPCL** will arrange and provide the necessary water supply for operations and maintenance of the Solar Power Plant from the date of commissioning.
2. It is proposed to supply 16 KL/MW/Month so as to complete one cleaning cycle every fortnight. However the supply of water is not restricted.
3. **SPD** shall be charged for water supplied by SPPD as per clause 6.3 of the agreement.
4. **APSPCL** will provide water at a single source through a meter for each plot. **SPD** shall collect the water supplied by **APSPCL** in a ground level water tank and water from this tank shall be used by **SPD** by making its own arrangements as required.
5. However, **APSPCL** shall not provide water supply during the construction phase. The **SPD** is advised to make its own arrangements for obtaining water during construction. **SPD** has to obtain necessary approvals/permissions from local authorities to dig bore wells or to get water from nearest reservoir by tankers and **APSPCL** will extend necessary support in obtaining such approvals/permissions, if required.

Drainage System

**APSPCL** will lay and maintain the main drains along the main road to which Solar power developers may connect their internal plant drains.

Major streams are suggested to be channelized by developers as tentatively indicated in the plot plan & obtain necessary approvals from **APSPCL** for maintaining continuity in existing streams at the boundary of individual plots.

Weather Station

**APSPCL** will establish and maintain the weather station to monitor the solar irradiation and other necessary weather data.

Fire Safety

The **SPD** shall establish and maintain its own firefighting and safety equipment to avoid/minimize the loss/damage of property/equipment in case of fire.

Power Supply During Construction

In respect of power supply required during construction period, **SPD** has to apply to local power distribution authorities in the prescribed application form at its own cost and the **SPD** shall also be responsible for all including timely payments etc. However, **APSPCL** will extend necessary support in obtaining the power supply connection.

APSPCL will insure Pooling Sub-stations, internal transmission lines and other equipment as per requirement.

If the existing PPA is terminated and SPD is permitted to sell to third party by MNRE/GoAP, APSPCL will continue its support for providing infrastructure facilities as per the agreement.

7.3.12 APSPCL is responsible to carryout O&M of the infrastructure facilities mentioned herein above during the agreement period.

Obligations of the Solar Power Developer

Observance of Law

Observance of Electricity Act and Solar Policies

1. The **SPD** shall observe all laws (including the provisions of the Electricity Act, 2003), rules, regulations, policies (including the State Solar Power Policy), bye laws and/or guidelines as framed by the Central Government, State Government, local authority and/or authorized person or entity and as amended/modified from time to time in establishment, construction and operating the Solar Power Plant and in the generation, marketing, selling and/or supply of electricity or any other activity associated with the Solar Power Plant.
2. The **SPD** covenants that the Plant shall at all times meet the specifications/requirements of the State Solar Power Policy as presently in force and as may be amended from time to time or any other policy, etc., as may be framed by the State Government or an appropriate authority in supersession of the existing State Solar Power Policy.

Observance of Health and Safety Laws

The **SPD** shall observe and conform to all rules, regulations, and bye laws of the local authority and or any regulatory authority concerned on any other statutory regulations in any way relating to public health, effluent treatment and disposal, solid waste disposal, hazardous waste disposal and sanitation in force for the time being, and shall provide sufficient toilet facilities and other sanitary arrangement for the labourers and workmen employed during the construction of the Solar Power Plant and/or structures of the Demised Premises in order to keep the Demised Premises and its surroundings clean.

Observance of Environmental Protection Laws

1. The **SPD** shall be solely responsible for compliance and non-compliance of all State and Central Government laws, rule and regulations related to soil earth, water, air and noise pollution with respect to erection, operation and maintenance of their plant & associated activities.
2. The **SPD** shall not interfere or cause damage to the properties of **APSPCL** whether located outside or inside the Demised Premises, including but not limited to water supply lines, drainage lines, water meters, street lights and such other properties. In case the **SPD** is found to have caused damage to the properties of **APSPCL**, in addition to entitling **APSPCL** to terminate the Agreement hereby granted, **APSPCL** shall be entitled to recover the damages with penalty as may be decided by **APSPCL** and such amount shall be recoverable as arrears of land revenue.

Observance of Local Laws/Authorities

1. The **SPD** shall not at any time do, cause or permit to be done anything on the Demised Premises which may cause a nuisance, annoyance or disturbance to the owners, occupiers or resident of other premises in vicinity or upon the Land except to the extent inherent in the construction of the Plant and for running the same.
2. The **SPD** shall pay from the date of execution of this Indenture, all existing and future municipal taxes, cesses, assessments, charges, duties and outgoings of every description that may from time to time be levied by a local authority on the Demised Premises.

Permissions and Clearances

The **SPD** shall obtain and renew, if necessary, at its own costs, all necessary permissions, approvals, licenses and permits for the Solar Power Project and shall pay all license and other fees and cess and taxes in respect of the Demised Premises by reason of their being used the same for the purpose aforesaid and to observe and perform all local, police, municipal laws and/or policies and rules and regulations in connection with such use. **APSPCL** will sign all such documents and make all such applications as may be reasonably required of **APSPCL** at the cost of the **SPD** for enabling the **SPD** to obtain all necessary permissions, licenses and/or approvals for constructing, repairing, running and/or maintaining the Plant.

Use of Demised Premises for Other Purposes

1. The **SPD** shall use the Demised Premises and every part thereof only for the purpose of constructing, maintaining and running the Solar Power Project and matters connected therewith and shall not use the Demised Premises or any part thereof for any other purpose.
2. The **SPD** shall be the owner of the plant and buildings constructed by it on the Demised Premises and the equipment, machinery, furniture, fixtures and/or all moveable assets installed therein.
3. The **SPD** can construct the Solar Power Project including the buildings, structures required for the Solar Power Project as per their own plans in the demised premises. However, the **SPD** shall submit the plans/drawings to **APSPCL** for its scrutiny and approval to ensure that buildings & structures shall not create any obstruction to the neighboring plots.
4. The **SPD** shall not build, construct, demolish or erect or make any alterations and/or additions to the Plant and/or any building or any structure on the Demised Premises or any variation or user of any portion thereof unless and until specifications, plans, elevations, sections and details thereof are submitted by the **SPD** to **APSPCL** for its scrutiny and approval to ensure that the above alterations/additions to buildings/structures will not create problems to Solar power Projects in the neighboring plots.
5. The **SPD** shall not make any excavation upon any part of the Demised Premises or remove any stone, sand gravel, clay, earth or material there from except the construction of the Solar Power Plant.

Mortgaging

1. The **SPD** shall not transfer, assign, let, underlets, sublet, license, mortgage, charge, encumber or part with the possession of the Demised Premises or any part thereof or any interest therein without prior permission of **APSPCL**.
2. For the purpose of constructing the Plant on the Demised Premises, if the **SPD** intends to obtain loan from a bank or other financial institutions by mortgaging their lease hold interest in the Demised Premises in favor of such bank or institution, prior permission of **APSPCL** shall be obtained. However, such mortgage shall not affect the rights and powers of **APSPCL** under this Agreement.

Right of Access to APSPCL/other authorities

**APSPCL** and/or the authorized persons of **APSPCL** shall have the right to access into Demised Premises, with prior intimation to the **SPD,** for the purpose of discharging its obligations including inspection to ensure compliance of terms and conditions of this agreement by **SPD**.

Right of APSPCL to Audit

The **SPD** shall permit conducting of an audit if deemed required to confirm whether the **SPD** has been in due compliance of all the provisions of the Electricity Act, 2003, Solar Power Policy framed by the Government of AP, the PPA, policies framed by **APSPCL**, or any other applicable rule / law / regulation. The **SPD** shall also ensure that answer to any query raised in this audit and/or any document/information required by the auditor is provided within reasonable time.

Fencing

The **SPD** shall Fence the demarcated boundary of the Demised Premises at the **SPD**’s own expense in every respect.

Metering

Metering shall be at 33kV side of 220/33kV substation where the power from the solar power project is injected and at the 220 kV Side of 400/220kV substation of STU i.e., APTRANSCO.

A set of Main and Check Meters and also Stand by Meter of 0.2S accuracy class and its associated equipment, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be procured and installed by **SPD** on each incoming feeder at 33KV side of 33/220kV Pooling Station based on specifications & make provided by **APSPCL**.

Another set of Main and Check Meters and also Stand by Meter of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be Procured and installed by STU i.e., APTRANSCO on each incoming feeder at 220KV side of 400/220kV Grid Sub Station (Interconnection point) of STU i.e., APTRANSCO. The cost of providing Main and Check Meters and also Stand by Meter and its associated equipment shall be borne by SPDs and it will be apportioned among SPDs as per their installed capacities. The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

Both sets of meters are used for billing purposes and to measure the transmission line losses up to interconnection point.

The metering and connected equipment shall be provided by SPDs at their cost as per the relevant CERC/APERC regulations.

For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the **SPD** shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, and the Grid Code, as amended and revised from time to time. The **SPD** shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters both at 220 kV Pooling Sub-Station and 400 kV Grid Sub-Station and shall follow relevant metering requirements as intimated by **APSPCL**.

Insurance

During the term of the Agreement, the **SPD** shall ensure that the Solar Power Plant including all the buildings, structures erected on the Demised Premises are insured at its own cost against any loss or damage.

Local Area Development

As per the MNRE guidelines, a certain percentage of the total investment made on development of Solar Park (excluding investment on evacuation) and that for setting up of solar power projects in the solar park may be kept aside for the affected area development under solar park development fund account. However, the amount to be paid by the SPDs has been fixed as Rs. 5.0 Lakhs per MW.

**SPD**s have to contribute an amount of Rs.5.0 Lakh/MW @ Rs.1.0 Lakh/MW/Year for 5 years in five yearly installments, 1st year installment to be paid along with one time solar park development expenses to Local Area Development Fund which is separately maintained by **SPPD.** Local area development would comprise of

* + 1. Development of Village Panchayat and
    2. Development of areas other than Village Panchayat.

A Committee, headed by the District Collector, will be constituted with the CEO/MD of SPIA/**SPPD** as Member Secretary and representatives of SPDs as members.

The MD/CEO of **APSPCL** as Member Secretary of this committee will be responsible for handling funds, maintain records of all accounts, and develop transparent policies for carrying and developmental activities in the stated Panchayat areas.

"As per the MNRE guide lines, a committee will be formed which may be named as “Solar park User’s Committee” with the representatives of Solar Park Power Developer (SPPD), Solar Project Developers (SPDs) and Local Government, APTRANSCO & APDISCOM officials  to advise SPPD on day to day management of the park/ office and residential complexes as well as the transmission system".

Employment

The **SPD** shall offer suitable employment in the solar power project by giving first priority to family members who have lost their land during acquisition of the land for the Solar Park depending upon their qualifications and experience and next preference shall be given to local unemployed youth in those village panchayats and then to other village panchayats which comes under local area.

Necessary skill development facilities may be offered for development of technical and professional skills for employment in the solar project.

Technical Requirements

The **SPD** shall follow the technical requirements for Grid Solar PV Power Plants as mentioned in Annexure-III of MNRE Guidelines.

Right to take back

In case, where project is dismantled or is abandoned or is discontinued for power generation, SPPD will have the right to take back the land from the SPD. In such case, 50% of the Onetime Solar Park Development Expenses paid by the SPD will be forfeited and remaining 50% will be adjusted on pro-rata basis based on the date when the land is taken back.

Liability and Indemnification

Limitation of Liability

1. Neither party shall have any liability to the other Party for any Loss suffered by that Party with respect to the subject matter of this Implementation and Support Agreement except pursuant to, or for breach of, this Implementation& Support Agreement; and
2. Neither party shall be liable to the other in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive or exemplary damages.

Indemnification

1. **APSPCL** shall indemnify and keep indemnified and sufficiently safe and harmless the **SPD** against any charges and encumbrances whatever made, executed, occasioned or suffered by the Lessee or by any other person or persons having or lawfully claiming by from under or in trust for them, legal proceedings or damages caused on account of breach of any law, rules and regulations of the Government or any local authority as applicable to the Demised Premises or of these present.
2. The Solar Power Developer shall indemnify and keep indemnified and sufficiently safe and harmless **APSPCL** against all legal proceedings, losses, penalties, fines, claims, degrees, award, damages costs, charges and/or expenses that **APSPCL** may have to suffer and/or incur on account of breach by the **SPD** of any law, rules, regulations, byelaws, policies, guidelines of the Government or any local authority, or of these present and/or due to any situation and/or accident arising at or related to the Plant constructed by the **SPD** on the Demised Premises and/or due to any breach of any covenant condition and/or stipulation herein made and to be observed by the **SPD**.

Force Majeure

1. “Force Majeure" shall mean an event beyond the control of the **SPD** and not involving the **SPD**'s fault or negligence and not foreseeable, either in its sovereign or contractual capacity. Such events may include but are not restricted to Acts of God, wars or revolutions, fires, floods, epidemics, quarantine restrictions and fright embargoes etc. Whether a “Force Majeure” situation exists or not, shall be decided by the **APSPCL** and such decision shall be final and binding on the **SPD**.
2. If a force majeure situation arises, the **SPD** shall notify **APSPCL** in writing promptly at the most within 10 days from the date such situation arises. After examining the cases **APSPCL** shall decide and grant suitable extension of time for fulfilling its payment and other obligations.
3. For other justified cases also, not covered under force majeure conditions, **APSPCL**, may consider the request of **SPD** and grant additional time for fulfilling its payment and other obligations.

Notice

All notices, consents and approvals to be given under this Agreement shall be in writing and signed by authorised signatories of the parties, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/facsimile/speed post of Department of Posts with an acknowledgement due to the other parties to the last known place of business.

Termination

Right of Termination

This Agreement and the transactions contemplated herein may be terminated and abandoned at any time during the currency of the agreement,

* 1. upon the mutual consent of the Boards of Directors of **APSPCL** and **SPD**;
  2. by **APSPCL** if any of the terms and conditions of the Implementation Support Agreement have not been fulfilled by **SPD during the currency of the agreement and not waived by APSPCL or not cured by SPDs.**
  3. by **SPD** if the conditions to **APSPCL**’s obligations specified in Clause 7 hereof have not been met or not waived by mutual agreement by APSPCL and Solar Power Developer.

Notice of Termination

The power of termination provided for by Clause12.1 hereof may be exercised only by a notice given in writing and signed on behalf of **APSPCL** by either the Managing Director, or any other officer authorized by him, and on behalf of **SPD** by the Managing Director, President or any other officer authorized by him or board of the Company.

Effect of Termination

In the event of the termination and abandonment hereof, pursuant to the provisions of Section 12.1 hereof, this Agreement shall become ceased to have effect, without any liability on the part of any of the parties or their directors, officers, or shareholders in respect of this Agreement, except for liability of a party for expenses pursuant to the terms and conditions of this Agreement.

In the event of termination of the **Implementation & Support Agreement,** **SPD**s shall, within ninety (90) business days following the termination date, remove all property and fixtures belonging to **SPD**s from the Site. If the **SPD**s fails to remove the fixtures or buildings etc even after the notice by **SPPD** to do so, such buildings, structures etc shall vest with the **SPPD** and liable to be removed at the risk & cost of **SPD**.

Dispute Resolution

Dispute Resolution through Amicable Settlement

i. Either party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this agreement (“Dispute”) by giving a written notice (Dispute notice) to the other party , which shall contain:

1. a description of the Dispute
2. the grounds for such dispute; and
3. all written material in support of its claim.

ii. The other party shall, within thirty (30) days of issue of Dispute notice under

article (i), furnish:

1. counter –claim and defence , if any regarding the Dispute; and
2. all written material in support of its defences and counter-claim.

iii. Within thirty (30) days of issue of Dispute notice by any party pursuant to Article 13.1(i) if other party does not furnish an counter claim or defence under article 13.1(ii) or thirty (30) days from the date of furnishing counter claims or defence by the other party, both the parties to the dispute shall meet to such dispute amicably. If the parties fail to resolve the Dispute amicably within (30) days from the later dates mentioned in 13.2.1(iii), the dispute shall be referred for dispute resolution in accordance with Article 13.2.

**13.2 Dispute resolution by the Appropriate Commission**

In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be referred to the appropriate electricity regulatory commission (CERC/APERC) for adjudication.

**13.3 Dispute resolution through Arbitration**

If any dispute, controversy or claim relating to or arising under this Agreement, and not covered in Article 13.2, such dispute shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996 as under provided not settled amicably as per Article 13.1:

i) The Arbitration Tribunal shall consist of three (3) Arbitrators. Each party shall appoint one Arbitrator within 30 days of the receipt of request for settlement of dispute by Arbitration. The two appointed Arbitrators shall within 30 days of their appointment, appoint a third Arbitrator who shall act as presiding Arbitrator. In case the party fails to appoint an Arbitrator within 30 days from the date of receipt of request or the two appointed Arbitrators fails to agree on third Arbitrator within 30 days of their appointment, the appointment of Arbitrator, as the case may be, shall be made in accordance with the Indian Arbitration and Conciliation Act, 1996.  
  
ii) The place of arbitration shall be Capital City of State of Andhra Pradesh. The language of the arbitration shall be English.

iii) The Arbitration Tribunal’s award shall be substantiated in writing. The Arbitration Tribunal shall also decide on the costs of the arbitration proceedings and the allocation thereof.

iv) The provisions of this Article shall survive the termination of this Agreement for any reason whatsoever.

v) The award shall be of majority decision. If there is no majority, the award will be given by the presiding Arbitrator.

vi) APSPCL shall be entitled to co-opt SECI & AP Discoms as supporting parties in such arbitration proceedings.

**13.4 Dispute resolution by the Court of Law**

Any legal proceedings in respect of any matters, claims or disputes under this agreement shall be under the jurisdiction of appropriate courts situated in the state of Andhra Pradesh.

Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of India.

Assignment

This agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any party other than by mutual consent between the Parties to be evidenced in writing.

Amendment

This agreement may be amended or supplemented by a written agreement based on mutual discussions and consent between the Parties.

**IN WITNESS WHEREOF the Parties hereto have executed this Implementation and Support Agreement as on the date written first herein above by the undersigned.**

SIGNED AND DELIVERED SIGNED AND DELIVERED

By the “**SPD**” By the “**APSPCL**”

Name: Name:

Authorized Signatory Authorized Signatory

Signed

In the presence of:

1.

2.