## BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION ERRAGADDA, HYDERABAD

### O.P No. 29 of 2025

LIST OF DOCUMENT

SI. no	Annexure No.	Date of document	Description of document	Whether certified copy/copy	Page No.s
1		03.12.2024	Petition filed under Section 63, 86(1)(b) of the Electricity Act, 2003 and u/s 21 (4) of Telangana Electricity Reforms Act, 1998	Original	2-9
2		03.12.2024	Affidavit	Original	10-11
			MATERIAL PAPERS/ ANNEXURE (S)		
3	1	27.08.2024	A copy of Power Usage Agreement	Сору	12-33
4	П	05.03.2019	A copy CPSU Scheme sanction order and modalities	Сору	34-45
5	Ш	04.10.2021	A copy of Letter of Award	Сору	46-50
6	IV	19.12.2022	A copy of Energy Conservation (Amendment) Act, 2022	Сору	51-58
7	V	20.10.2023	A copy of Ministry of Power, Gol, Gazette notification	Сору	59-61
8	VI	01.02.2024	A copy of MNRE order	Сору	62-63
9		03.12.2024	Cheque No.291107, dated: 03.12.2024	Original	

DATE: 03.12.2024 PLACE: Hyderabad. Petitioner-1

CHIEF ENGINEER (IPC), TGSPDCL Corporate Office, 6-1-50, Mint Compound, Hyd-500004.

Petitioner-2

CHIEF ENGINEER (IPC), TGSPDCL, Corporate Office, 6-1-50, Mint Compound, Hyd-500004.

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## BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION ERRAGADDA, HYDERABAD

O.P No. 29 of 2025

#### IN THE MATTER OF

Seeking consent u/s 63, 86(1)(b) of the Electricity Act, 2003 and u/s 21 (4) of Telangana Electricity Reforms Act, 1998 for procurement of 200 MW Solar power from NLCIL under CPSU Scheme Phase-II Tranche-III by TGDISCOMs

#### IN THE MATTER OF

## SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

Rep.by its Chairman & Managing Director, TGSPDCL, Corporate Office, Mint Compound, Hyderabad.

## NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

Rep.by its Chairman & Managing Director, TGNPDCL, Vidyut Bhavan, Nakkalagunta, Warangal.

..... Petitioners

The Petitioners respectfully submit as under: -

The present Petition is being filed by the Southern Power Distribution
 Company of Telangana Limited and Northern Power Distribution
 Company of Telangana Limited (collectively referred as "TGDISCOMs")
 seeking consent u/s 63 & 86(1) (b) of the Electricity Act, 2003 and u/s

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- 21 (4) of Telangana Electricity Reforms Act, 1998 for procurement/usage of 200 MW Solar power from NLCIL under CPSU Scheme Phase-II Tranche-III by TGDISCOMs.
- It is submitted that keeping in view the energy requirements of the state
  and obligation to comply with RPPO targets, TGDISCOMs have
  consented for procurement of 200 MW Solar power from NLC India
  Limited under CPSU Scheme Phase II Tranche III. Accordingly, Power
  Usage Agreement was signed with NLCIL. The details are submitted as
  under -

SI. No.	Location of the NLC Solar PV plant	Capacity (MW)	Power Usage Agreement Date	Tariff (Rs./Kwh)	SCOD	
1	Kutch, Gujarat	200	27.08.2024	2.57	18 months from date of PUA, viz., 26.02.2026	
	Total	200				

- Copy of the signed Power Usage Agreement is submitted herewith as Annexure-I.
- That the salient features of the CPSU Scheme are submitted as follows:
  - a. Sanction of the President of India was conveyed, vide MNRE order dated 05.03.2019 for implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid connected Solar PV Power Projects by the Government producers with Viability Gap Funding (VGF) support for

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self-use or use by Government/ Government entities, either directly or through DISCOMs.

- The Scheme mandates use of both solar photovoltaic cells and modules manufactured domestically.
- c. The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMs.
- d. With the objective of covering difference between the domestically produced solar cells & modules and imported cells & modules, VGF will be provided under the scheme. While the maximum permissible VGF has been kept at Rs.0.70 Cr/MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using the VGF amount as a bid parameter.
- Ministry of New and Renewable Energy (MNRE), Government of India, vide office Memorandum dated 13.04.2020 identified Indian Renewable Energy Development Agency Limited (IREDA) as the nodal agency for handling the CPSU Scheme on behalf of MNRE.
- A copy of the CPSU Scheme sanction order and modalities are enclosed as Annexure-II.
- On 29.01.2021, IREDA has issued the RfS document being RfS No. 23016/1/2020-IREDA/RfS/5000 MW/012021 for selection of Solar Power Developers for setting up of 5000 MW Grid connected Solar PV Power Projects in India (Tranche-III) under Central Public Sector Undertaking Scheme Phase-II (Government Producer Scheme).

CHIEF ENGINEER (IPC), TISSPOOL, Corporate Office 6-1-50. Nati Compound Hyd-500004

- NLCIL has been declared as a successful bidder under the said RfS issued by IREDA for development of 510 MW Solar Photovoltaic Power projects and LOA issued, enclosed as Annexure-III.
- NLCIL offered power from this allotment to TGDISCOMs under CPSU Scheme Ph-II Tranche-III @ Rs. 2.57 per Kwh. TGDISCOMs conveyed consent for 200 MW and thereafter signed PUA for the same, keeping in view the following
  - a. DISCOMs are entrusted with the dual responsibility of not only to adhere to the various regulations/orders issued by TGERC/CERC/ MNRE/MoP but also the bigger mandate enlisted in the Electricity Act 2003, to maintain reliable power supply with least cost principle;
  - b. As such to meet the growing demand of the state of Telangana and to ensure 24 Hrs uninterrupted power supply to all categories of consumers including agricultural services as per the directions of Govt of Telangana State, the subject procurement is necessitated.
  - c. Further, to meet the RPPO targets mandated by TGERC earlier and presently enlisted by MoP, vide gazette dated 20.10.2023, TGDISCOMs proceeded for procurement of subject RE power.;
  - d. The present RE installed capacity tied up by TGDISCOMs under Power Purchase Agreements (PPAs) is as submitted below:

Category	PPA capacity	Capacity in operation (MW)	Remarks
Biomass	6	6	
Bagasse	81.7	61.7	20 MW under shutdown
Mini Hydel	2.55	2.55	
Industrial Waste based	18.5	15	3.5 MW under shutdown

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MSW/RDF	34.3	34.3	THE STATE OF THE S
Wind	128.1	128.1	
Solar (incl all Bids, Bundled Power)	3289.55	3289.55	
Solar Roof top	471.71	471.71	
Solar NTPC CPSU Ph-II Tranche I &II	1692	1673.68	Balance 18.32 MW expected by Dec 2024
Solar SECI ISTS Tranche VI	400	400	
Solar NTPC CPSU Ph-II Tranche III	1045	-	Expected from Dec 2024 till Feb 2025
Solar SECI ISTS Tranche IX	1000	294.32	Balance 705.68 MW expected till Sep 2025
Solar NHPC CPSU Ph-II Tranche-III	500		Expected March 2025 to June 2026
MHS Peddapally	4.6		Jan 2025
Sub-Total	8674.01	6376.91	
Present proposal Solar NLCIL CPSU Ph-II Tranche III	200		Jun 2026
Grand Total	8874.01	6376.91	

e. TGERC, vide Regulation No. 7 of 2022, prescribed the following RPPO targets to be complied by the obligated entities (including TGDISCOMs) from FY 2022-23 till FY 2026-27:

/ear/RPPO	2022-23	2023-24	2024-25	2025-26	2026-27
Solar	7.50	8.00	9.00	10.00	11.00
Non-Solar	1.00	1.25	1.50	1.75	2.00

f. The details of compliance of RPPO by TGDISCOMs are as below :

FY	Solar RPPO %		Non-Sola	ar RPPO	Total RPPO %	
	TGERC	TGDIS COMs	TGERC	TGDIS COMs	TGERC	TGDIS COMs
2022-23	7.50	14.135	1.00	0.94	8.50	15.07
2023-24	8.0	15.22	1.25	0.67	9.25	15.89

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g. In the meantime, Energy Conservation Act, 2001 has been amended by MoP, vide Energy Conservation (Amendment) Act, 2022, delegating powers to the Central Government to specify minimum share of consumption of non-fossil resources by designated consumers of energy including the State DISCOMs. Copy attached as Annexure-IV. Accordingly, in exercise of powers conferred under the said Amendment, Ministry of Power, Gol, vide Gazette notification dated 20<sup>th</sup> October 2023, specified the minimum share of consumption of different non-fossil sources (renewable energy) as energy or feedstock for different designated consumers (including DISCOMs) as a percentage of their total share of energy consumption as indicated below (attached as Annexure V) -

Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy	Other renewable energy	Total renewable energy
2024- 25	0.67%	0.38%	1.50%	27.35%	29.91%
2025- 26	1.45%	1.22%	2.10%	28.24%	33.01%
2026- 27	1.97%	1.34%	2.70%	29.94%	35.95%
2027- 28	2.45%	1.42%	3.30%	31.64%	38.81%
2028-	2.95%	1.42%	3.90%	33.10%	41.36%
2029- 30	3.48%	1.33%	4.50%	34.02%	43.33%

Note:

 Wind renewable energy component shall be met by energy produced from Wind power projects commissioned after 31<sup>st</sup> March 2024;

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CHIEF ENGINEER (IPC) TGSPOCL Corporate Office 6-1-50 Mel Corporate 199 190004 ii. Hydro renewable energy component shall be met only by energy produced from Hydro power projects (including pump storage projects and small Hydro projects) commissioned after 31<sup>st</sup> March 2024. Provided Hydro RE component may also be met out of free power being provided to the State/DISCOM from Hydro power projects commissioned after 31<sup>st</sup> March 2024;

iii. The distributed RE component shall be met only from energy generated from RE projects that are less than 10 MW in size and shall include solar installations under all configurations (net metering, gross metering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government;

iv. The other RE component may be met by energy produced from any renewable energy power project other than specified above and shall comprise energy from all WPPs and Hydro Power Projects (including PSPs & SHPs) including free power commissioned before 1<sup>st</sup> April 2024;

 V. Any shortfall in achievement of Wind/Hydro/other RE component is allowed to be met from each other;

vi. The specified RE consumption targets shall be met either directly or through Certificate in accordance with CERC (Terms & conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022;

h. As per the orders of MoP, GoI, any shortfall in specified RE consumption targets shall be treated as non-compliance and penalty shall be imposed @ ten lakh rupee for such failure in addition to the

CHIEF ENGINEER
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additional penalty not exceeding twice the price of every metric ton of oil equivalent prescribed under the Act, which is estimated at Rs 3.72/unit by MNRE, MoP, attached as Annexure-VI.

- With the growing demand of the State which has already surpassed 83000 MU in FY 2023-24 and in light of the higher RPPO targets presently fixed by MoP, the subject procurement of Solar power is justified;
- j. The tariff for the subject procurement is much cost effective when compared to higher tariffs of various Non-Solar RE sources, such as power from RDF based projects, Biomass power projects, Industrial Waste based projects, whose tariff is higher than Rs 7.00 per unit. Further, this solar tariff is single part levelised tariff fixed for entire 25 year agreement period, unlike Thermal power tariff being two part with increasing Variable Cost component;
- As such, this solar power procurement would help TSDISCOMs in bringing down the average power purchase cost;
- In light of the submissions made above, this Hon'ble Commission may be pleased to grant consent for procurement/usage of 200 MW Solar power from NLCIL under CPSU Scheme Phase-II Tranche-III by TGDISCOMs.

Place: Hyderabad

Date: 03.12.2024

CHIEF ENGINEER
(IPC), TGSPDCL,
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

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Mer Company, Hyd-S000M

# BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION SINGARENI BHAVAN, RED HILLS, HYDERABAD

O.P No.

of 2024

#### IN THE MATTER OF

Seeking consent u/s 63, 86(1)(b) of the Electricity Act, 2003 and u/s 21 (4) of Telangana Electricity Reforms Act, 1998 for procurement of 200 MW Solar power from NLCIL under CPSU Scheme Phase-II Tranche-III by TGDISCOMs

#### IN THE MATTER OF

## SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

Rep.by its Chairman & Managing Director, TGSPDCL, Corporate Office, Mint Compound, Hyderabad.

## NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

Rep.by its Chairman & Managing Director, TGNPDCL, Vidyut Bhavan, Nakkalagunta, Warangal.

...... Petitioners

## AFFIDAVIT OF APPLICANT VERIFYING THE ACCOMPANYING PETITION

I, Sri. V.Prabhakar, S/o: Late V. Narayanappa, aged 58 years, Occupation: Chief Engineer (IPC)/TGSPDCL, R/o. Hyderabad do solemnly affirm and say as follows:

- 1) I am Chief Engineer (IPC)/TGSPDCL, I am competent and duly

  93341043 authorized by Petitioners to affirm, swear, execute and file this

  affidavit in the present proceedings.
  - I have read and understood the contents of the accompanying application drafted pursuant to my instructions. The statements made

in the paragraphs of accompanying application now shown to me are true to my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

DEPONENT
CHIEF ENGINEER
(IPC), TGSPDCL,
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

#### VERIFICATION

The above named Deponent solemnly affirm at Hyderabad on this 3<sup>rd</sup> day of December, 2024 that the contents of the above Affidavit are true to my knowledge no part of it is false and nothing material has been concealed there from.

Solemnly affirmed and signed before me.

## POWER USAGE AGREEMENT

between

**NLC India Limited** 

and

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited

for

Supply of 200 MW Solar Power

from

NLC SOLAR PV STATION OF 200 MW

at, Kutch - District, Gujarat.

JAGADISH CHANDRA MAZUMDAR Executive Director PBD, CARD & IE Wing NLC India Ltd., Heyvel.

CHIEF ENGINEER
- (IPC), TGSPDCL.
Corporate Office, 6-7-8\*
Mint Compound, #yp-51.



रिक को रुपये अस्त Rs. 100 है।

एक को रुपये अस्त Rs. 100 है।

ONE

TO: 100 AND HUNDRED RUPEES

INDIA NON JUDICIAL

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DANDU SWETHA LICENSED STAMP VENDOR Lic No. 15 09-007/022 Res No. NEW LIGENSE 1-23-67 Sebadi Naga: Trimulphery, Alwal 9t 1396634486

This POWER USAGE AGREEMENT hereinafter called the "Agreement" entered at Hyderabad on the .27... day of August, Two Thousand Twenty-Four between NLC India Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at No. 135, E.V.R. Road, Kripeuk, Chennai 600010, Tamil Nadu, India (hereinafter referred to as "NLCIL" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors, and permitted assignees) of the First Part

And

Southern Power Distribution Company of Telangana Limited & Northern Power Distribution Company of Telangana Limited Companies incorporated under the Companies Act, 1956 or Companies Act, 2013 as the case may be or a Government Entity, having its Head Office at Hyderabad & Warangal (heminafter collectively referred as 'Power User' or TGDISCOMs) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part.

JAGADISH CHANDRA MAZUEDAR Executive Director PED, CARD & IE Wing NLC India 11d , Neyvell.



Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NLCIL is a power Generating Company defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise and TGDISCOMs, the Power Use is an entity owned and controlled by Government of Tetangans.

AND WHEREAS NLCIL is setting up 200 MW Solar PV Power Station named as NLCIL 100 MW Solar PV Station at Kutch - District, Gujarat, (herein after referred to as 'Solar PV Station' and generally referred to as 'Station').

AND WHEREAS the Power User, TGDISCOMs are desirous of using power produced from this Solar PV Station and NLCIL is willing to offer solar power from the aforesaid solar PV Station of NLCIL solely for end use of power in compliance to WTO regulations from this Solar PV Project to Power User on mutually agreed terms and conditions mentioned hereunder as per Guidelines "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DiSCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amondments and clarifications thereof, henceforth shall be called "CPSU Scheme". A copy of the same is attached as Annexure-A to this agreement

Now, therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the Parlies as follows:

#### 1.6 DEFINITIONS

- 1.1 The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder, and Regulations issued by CERC from time to time.
- 1.2 The words or expressions mentioned below shall have the meanings respectively as assigned hereunder.

i)	Act	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitutions from time to time;
1)	Agreement	shall mean this Power Usage Agreement including the clauses, Schedules, amendments, modifications and supplements made in writing by the parties from time to time;

JAGADISH CHANDRA MAZUMDAR Executive Director PBD, CARD & IE Wing NLC India 1 Mayvell.



(iii)	Billing Centre	shall mean the Office as intimated by NLCIL to Distribution Licensee from where the bills will be raised by NLCIL;
iv)	CEA	Central Electricity Authority:
v)	CERC	Central Electricity Regulatory Commission;
vi)	Usage Charges for Supply of Electricity	Shall mean and include all charges to be paid by Power User in respect of supply of electricity to them from the NLCIL Solar PV Station(s) in accordance with the provision 6.0 of this Agreement;
vii)	Change in Law	shall have the meaning ascribed thereto in Clause 10 of this Agreement,
viii)	Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement.
ix)	COD/ Commercial Operation Date	shall mean date of commissioning of the last Module of the Contracted Capacity of the solar PV Station. The same would be used for solar purpose of determining the life of the project;
×)	Project Commissioning	The Project will be considered as commissioned based on self- declaration by the NLCIL, when equipment as per commissioned project capacity have been installed connected to grid and corresponding energy has flown into the grid;
xi)	Contracted Capacity	shall have the meaning ascribed in Clause 2.0 of this agreement as installed capacity,
xii)	Capacity Utilisation Factor (CUF)	Shall have the same meaning as provided in Central Electricity. Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020 as amended from time to time.  The CUF shall be calculated based on the annual energy injected and meterad at the Delivery Point, in any Contract Year, if 'X' MWh of energy has been metered out at the Delivery Point for 'Y' MW Project capacity, CUF= (X MWh/ (Y MW*8766)) x 100%.
xiii)	Delivered energy	shall mean with respect to any billing month, the kWh of electrical energy delivered from Solar PV Station(s)to the Power User at the Interconnection Point/Metering point/Delivery Point as measured by the energy meters at the Interconnection Point/Metering point/Delivery Point for any billing month;
xiv)	Due date of payment	Shall mean 45 days from the date of presentation of bill. Provided that if due date for payment of any invoice falls on a bank non-working day, the next bank working day shall be considered as due date for payment.
xv)	Effective Date	shall mean the date of signing of this Agreement;
xvi)	End Users / Power User	shall mean any Government Entity/ CPSUs/ State PSUs which is either directly controlled by the Central or State Government or is under the administrative control of Central or State government or a Company in which Government is having more than 50 % shareholding as per requirement of CPSU scheme
xvii)	Energy Account	shall mean periodic Energy Account issued by Regional/State Load Dispatch Centre as applicable including amendments thereof;
xviii)	Force Majeure	shall have the meaning ascribed thereto in Clause 9 of this Agreement;
xix)	GOI	shall mean Government of India;

JAGADISH CHANDRA MAZUMDAR Executive Director PBD, CAPD & IE Wing NLC Inf 1., Neyvell.



xx)	Guidelines	shall mean the "Central Public Sector Undertaking (CPSU)Scheme Phase-If (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for setf-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof;
xxi)	IEGC or State Grid Code	shall mean the Grid Code specified by CERC under Clause (h) of sub- section (1) of Section 79 of The Electricity Act and/or the State Grid Code as specified by the concerned Commission, referred under Clause (h) of sub-section (1) of section 86 of The Electricity Act 2003, as applicable including any amendment thereof;
xxii)	Interconnection Point/Metering point/Delivery Point	Interface point of Solar PV Power Station with the transmission system developed by CTU at 765/400/220 KV Bhuj PS substation in Village-Palanpur (Badi), Taluka - Nakhatrana, Dist - Kutch at 220 KV voltage level, where usage energy meter(s) are installed.  Any cost of building transmission line from Solar PV plant to Inter-connection point / Delivery/Metering point shall be borne by NLCIL. All the associated transmission charges & losses beyond the point of interconnection of Solar Project shall be borne by selected Power Users. The Power Users shall abide by the relevant CERC/SERC Regulations, Grid Code and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time;
xxiii)	rc	shall mean irrevocable Unconditional Monthly Revolving Letter(s) of Credit of requisite value;
xxiv)	Main and Check Meter	shall mean maters for measurement and checking of import/export of energy on the Delivery point for Energy Accounting;
xxv)	Monthly Bill	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by NLCIL
xxvi)	Module	shall mean a minimum system of Solar PV Panels, Inverters, and associated evacuation System for generation and evacuation of minimum 1 MW AC Solar power up to the Metering point/Delivery Point/Interconnection Point:
xxvii)	Party/Parties	shall have the meaning ascribed thereto in the recital to this Agreement;
XXVIII)	Permitted Assigns	shall have the meaning as per clause 15 of this agreement;
xxix)	Station	shall mean the Solar PV Power Generating Station of installed capacity of 200 MW developed by NLCIL at, Distr. Kutch State: Gujarat.
xxx)	Supplementary Bill	shall have meaning as defined under Clause 7.1.3
xxxi)	Usage Charges	shall be the charges as applicable payable by user for consumption of energy supplied from the solar PV Station.

JAGADISH CHANDRA MAZUMDAR Executive Director PBD, CARD & IE Wing NLC India Ltd., Neyvell.



#### 2.0 INSTALLED CAPACITY

- 2.1 The Installed capacity of the Station is proposed to be 200 MW (i.e. 100 %) shall be the Contracted Capacity with Power User.
- 2.2 SCOD of the project shall be 18 months from signing of this agreement (or) scheduled commissioning date approved by MNRE for projects under CPSU Scheme Phase-II whichever is earlier.
- 2.3 As per the provisions of the Guidelines title of power produced from this station shall be transferred to Power User for self-consumption only. In this regard a certificate of end use as specified in aforesaid CPSU Scheme shall be provided by the Power User indicating compliance of all the WTO provisions as per CPSU Scheme.

### 3.0 TRANSMISSION/WHEELING OF ELECTRICITY:

- 3.1 Trensfer of title of Energy shall be at the Interconnection Point/ Metering Point/Delivery Point. Power User shall make the required arrangement for evacuation of Energy beyond the Interconnection Point/ Metering Point/ Delivery Point
- 3.2 NLCR, on request of Power User Telangana Discoms can apply for grant of Connectivity from NLCIL Soler PV station to Telangana tSTS periphery on behalf of Telangana Discoms. However, Telangana Discoms shall sign all the required agreements as in case of procurement of thermal power from tSTS connected NLCIL thermal Stations.
- 3.3 Any cost and associated expenses of building transmission line from Solar PV plant to Metering point/Delivery Point/Interconnection Point shall be borne by NECIL.
- 3.4 For its solar PV project, NLCIL shall obtain necessary approval for ISTS/STU connectivity at Metering point/Delivery Point/Interconnection Point, however responsibility of obtaining. General Network Access (GNA) along with all other clearances, charges etc. beyond the Metering point/Delivery Point/Interconnection Point up to usage point of Power User (i.e. ISTS/STU charges & losses, cross subsidy charges, RLDC and SLDC Fee, scheduling, generation forecasting fee etc.) shall be in the scope of Power User.
- 3.5 NLCIL will not insist on penalizing DISCOMs for decreed generation in case of delay in operationalization of connectivity/GNA as the same is beyond reasonable scope of DISCOMs. NLCIL will have the right to extend SCOD till availability of Transmission System.
- 3.6 The Solar Power Generator and the Power User shall follow the forecasting and scheduling process as per the regulations in this regard by the Appropriate Commission. The Government of India, as per Clause 5.2(u) of the Indian Electricity Grid Code (IEGC), provides for status of "must-run" to solar power projects.

JAGADISH CHANDRA MAZUMDAR Executive Director PBD, CARD & IE Wing NLC India ! td , Neyvell.

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Accordingly, no solar power plant, duly commissioned, should be directed to back down by a Discom/ Load Dispatch Centre (LDC). In case such eventuality of Backdown arises, including non-dispatch of power due to non-compliance with 'Order No. 23/22/2019-R&R dated 28.06.2019 of Ministry of Power regarding Opening and maintaining of adequate Letter of Gredit (LC) as Payment Security Mechanism under Power Purchase Agreements by Distribution Licensees' and any clarifications or amendment thereto, except for the cases where the Backdown is on account of events like consideration of grid security or safety of any equipment or personnel or other such conditions, the Solar Power Generator shall be eligible for a Minimum Generation Compensation equivalent to average annual generation from the Procurer.

- 3.7 The maximum Annual CUF against the contracted capacity (i.e., 200MW) is 28.5 % (499 662 MU on Annual Basis) provisionally for the first year, subject to revision after one year of operation. The excess generation above the maximum Annual CUF shall be transferred to Power User at 75% of the applicable Power Usage Charges.
- 3.6 After accounting for Deemed Generation as in Clause 3.6 above if NLCIL is unable to supply minimum 368.172 MU on Annual basis (i.e., 21% Annual CUF), for the deficit amount, NLCIL shall pay 25% of the applicable Power Usage Charges as to make good the cost of RPO obligations to the Telangana State Discoms.

## 4.0 SCHEDULING, DESPATCH, METERING AND ENERGY ACCOUNTING

#### 4.1 SCHEDULING

- 4.1.1 It is understood and agreed by and between the parties that NLCIL shall operate the Station as per the manufacturer's guidelines, applicable grid operating standards and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as "MUST RUN" station and shall not be asked to back down by Power User.
- 4.1.2 All charges/feas related to Forecasting, Scheduling and Dispatch of energy shall be borne by NLCIL, however NLCIL can assign its role and obligations under this agreement not limited to scheduling, generation, forecasting, and coordination with SLDC / STU/CTU/Power User or to any other agency.

#### 4.2 METERING

4.2.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU at Metering Point/Delivery Point /Interconnection Point. A standby meter shall also be installed at Metering point/Delivery Point /Interconnection Point by CTU/STU. NLCIL shall make all necessary.

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- arrangements for installation of meters of required accuracy and specifications, as per prevailing Regulations.
- 4.2.2 Main/ Check/Standby Meters shall also be installed at 220 KV outgoing Feeder at the NLCIL project site as a fall-back arrangement.
- 4.2.3 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2005 as amended from time to time.
- 4.2.4 Data shall be downloaded from the meters at regular intervals as per provisions of applicable regulations /decided by NLCIL and Power User for preparation of the Energy Account.
- 4.2.5 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Mein Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NLCILI Power User shall inform each other of the same.
- 4.2.6 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:
  - In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting.
  - If both the Main and Check Meter(s) fait to record or if any of the PT fuses is blown out, energy shall be accounted based on standby meters.
  - In case of dispute, resolution shall be as per provision of clause 8.
- 4.2.7 Periodic testing of both Main and Chack Meters shall be carried out in the presence of representatives of NLCIL and Power User as per procedure laid out in CEA (Installation &Operation of Meters) Regulations, 2005. For any testing and/ or replacement, notice of seven days will be given.

#### 4.3 ENERGY ACCOUNTING

- 4.3.1 The scheduling and energy accounting of NLCIL solar power shall be as per the provisions of the Grid Code.
- 4.3.2 Any change in the methodology of Energy Accounting shall be done as per mutually agreed decisions.
- 5.0 Commissioning and Commercial Operation Declaration of Solar PV power generating station:

The Project shall be declared commissioned based on self-declaration by the NLCIL, when equipment as per commissioned project capacity have been installed connected

JAGADISH CHANDRA HAZUEDAR Executive Director PRD CARD & IE Wind

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to grid and corresponding energy has flown into the grid. Power User shall be intimated 7 days in advance regarding declaration of Commercial Operation.

#### 5.1 Dispatch

The Power User shall be required to maintain compliance to the applicable Grid Code and requirements & directions, if any, as specified by Appropriate Commission / CTU/ STU/ Discom or ficensee or from any competent Authority as issued from time to time to maintain power evacuation system evaluation.

#### 6.0 Usage Charges

- 6.1 The Usage Charges for entire power supplied from Solar PV Station shall be payable by Power User @ Rs 2.57 per Unit. Energy supplied from early/part commissioning capacity shall be supplied at 75% Usage charges. Pert commissioning shall not be allowed for capacity less than 50 MW.
- 6.2 NLCIL shall draw the auxiliary power from grid as per applicable grid code and regulations or shall arrange independently by its own through a bitateral agreement as the case may be.
- 6.3 Taxes, Levies, Duties, Royalty, Cess etc.: Any tax / levy /duty/Royalty/CESS etc., would be borne by Power User subject to the condition that the project is commissioned within SCOD (or) extended SCOD date by MNRE whichever is later.

#### 7.0 BILLING AND PAYMENT:

#### 7.1 BILLING:

- 7.1.1 The Usage Charges for Supply of Energy in the preceding month under this Agreement shall be provisionally billed by NLCIL on first day of the every month as per the Usage Charges mentioned at Clause 6 above and the same shall be paid by Power User in accordance with the following provisions:
- 7.1.2 NLCIL shall issue the final monthly bill for Energy supplied to Power User from the Station for the previous month, based on JMR/Energy Account issued by any Competent Authority. The Monthly Bill issued by NLCIL shall include the following.
  - Provisional Bill for solar power supplied in the Month
  - Adjustments against the Provisional Bill(s) based on Energy Accounts for Power Supplied in the preceding month(s);
  - Any other adjustments to cover changes in tariff of NLCIL Power, open access related charges and any other prior period adjustments
  - iv) Late Payment Surcharge, if any, and

JAGADISH CHANDRA MAZUMDAR Executive Director

PBD, CARD & IE Wing NLC India Ltd., Neyveli. N/D

- v) Taxes, Duties, Levies etc. as applicable
- 7.1.3 Billing Centre of NLCIL shall carry out billing and associated functions. NLCIL would submit the bills to the officer nominated by Power User. The monthly bill shall be aggregate of charges in accordance with the provisions of this Agreement. If for certain reasons some of the charges cannot be included in the monthly main bills, such charges shall be billed as soon as possible through Supplementary bill(s).
- 7.1.4 Power User shall arrange payment of such Monthly Bill/ Supplementary Bill(s) at the designated account of NLCIL through Electronic Transfer. The date on which the amount stands credited in the bank account of NLCIL shall be considered as the date of payment for rebate or late payment surcharge in respect of such payment. The bill(s) of NLCIL shall be paid in full subject to the condition that:
  - there is no apparent arithmetical error in the bill(s)
  - ii) the bill(s) is/are claimed as per the Usage Charges
- 7.1.5 All payments made by Power User, shall be appropriated by NLCIL for amounts due from them in the following order of priority:
  - i) towards Late Payment Surcharge, payable if any;
  - ii) towards earlier unpaid bill (s), if any; and
  - towards the statutory dues like income tex, other tax, royally etc. in the current bill (s).
  - iv) fowards the other charges in current Monthly Bill
  - v) Towards the Current Monthly Bill
- 7.1.6 In case Power User disputes any amount, even then, Power User shall pay 95% of the disputed amount forthwith and file a written objection with NLCIL within 30 days of presentation of the bill, giving following particulars:
  - i) Item disputed, with full details/data and reasons of dispute.
  - ii) Amount disputed against each item,

Provided that non-acceptance of Usage Charges shall not be a valid ground for dispute.

7.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Clause 8 shall be paid / adjusted with the applicable interest rate from the date on which the amount in dispute was payable / refundable.

JAGADISH CHANDRA MAZANDAR Executive Director

PBD, CARD & IE Wing NLC Indiz Ltd., Neyvell. CHIEF ENGINEER
(IPC), TGSPDCL,
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Corporate Office, 5-1-50, Mint Compound, Hyd 590014



- 7.2 REBATE AND LATE PAYMENT SURCHARGE:
  - Rebate and Late Payment Surcharge shall be as per applicable CERC (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations issued by CERC from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess, surcharge etc. Rebate to the Power User shall be applicable subject to valid LC of requisite value as per clause 7.3 is established by Power User in favour of NLCIL.
- 7.3 ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM:
  - 7.3.1 Power User shall establish an irrevocable unconditional monthly revolving Letter of Gredit (LC) of requisite value in favour of NLCIL with a public sector / scheduled commercial bank (as per list supplied by NLCIL) at least one month prior to the commencement of Energy supply from the first Module of the Station in the format attached as Annexure B.
  - 7.3.2 The LC shall cover 105% of the one month's billing in respect of Energy supplied from the Station to Power User.
  - 7.3.3 The LC shall be established for a minimum period of one year. Power User shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. LC shall be renewed not later than 90 days prior to expiry of existing LC. LC must specify the manner and dates when bill(s) can be presented to Bank by NLCIL. The bills so presented by NLCIL to the Bank shall be paid on their presentation as per form atteched as Annexure B.
  - 7.3.4 All costs and charges relating to opening and maintenance and negotiation of LC shall be borne by Power User.
  - 7.3.5 In case of drawal of the LC amount by NLCII, in accordance with the terms of this clause, the emount of LC shall be reinstated automatically not later than 7 days from such drawal. Power User shall arrange to furnish to NLCII. a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, NLCII. reserves the right to implement Regulation of Power Supply as per clause 7.5.
- 7.3.6 Power User agrees to ensure that the successor entities of Power User are duly notified of the above arrangements with NLCIL and shall be bound by the terms of this Agreement as if they are parties to this Agreement.
- 7.3.7 The Advisory charges during LC negotiation are to be charged to the account of end user and the documents to be presented by Power User shall also include a SIGHT DRAFT for 100% of invoice value.

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#### Collateral Arrangement

As a further support for the Discom obligations, on or prior to the expiry of the 7,4.1 Tripartite Agreement (TPA), the Discom and NLCIL shall execute Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of NLCR, through which the revenues of the Discom shall be routed and used as per the terms of the Default Escrow Agreement. The Discom and NLCIL shall contemporaneously with the execution of the Default Escrow Agreement enter into the Agreement to Hypothecale Cum Deed of Hypothecation, whereby the Discom shall agree to hypothecate, Incremental Receivables to the extent as required for the Letter of Credit, The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement".

Provided that the Discom shall ensure that NLCIL shall have first ranking charge on the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation.

Discoms hereby agrees to provide an alternative payment security arrangement 7.4.2 before expiry of the TPA or its extension either by efflux of time or otherwise on assignment of bulk purchase functions to a company not owned or controlled by Govt of Telangana in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NLCIL shall be established through which the Receivables of Discoms shall be routed as perthe terms of Escrow Agreement. Discoms hereby agrees that NLCIL will have first charge on Receivables of Discoms. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement. Discoms agrees to enter into a separate 'Agreement to Hypothacate Cum Deed of Hypothecation' whereby, Discoms shall hypothecate Receivables to the extent required for Payment of dues of NLCIL by Discoms including under this Agreement by creation of first charge in favour of NLCIL. These Receivables shall be routed through Escrow Account for payment to NLCIL in case of default in payments by Discoms, "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be affered or due to the Discoms in respect of the sale by the Discoms to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

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Hypothecation shall be established by Discome to the satisfaction of NLCIL at least three months before the expiry of the TPA or any extension thereof either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Telangana. In the event three months before expiry of TPA or its extension thereof, Discome does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' or Discome creating any superior charge in favour of any other party on its Receivables, NLCIL shall have the right to reallocate part or full contracted capacity of Discome to Third Party(ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, Discome shall be liable to pay charges equivalent to average monthly billing of last twelve months for such capacity, till the capacity is reallocated.

Since the payments from Discoms are secured as per provisions of TPA, establishment of Escrow Arrangements is not being insisted upon by NLCtL presently. Discoms and NLCtL agree that this Agreement shall deemed to have created a segally binding first charge on Discoms, receivables in favour of NLCtL. Accordingly, Discoms shall not create any encumbrance, charge, and first or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like energy supplier(s), banks, and financial institutions etc. during the interim period till signing of Escrow Agreement with NLCtL. Discoms shall duly inform such energy supplier(s), banks, financial institutions etc. of the legally binding first charge on Discoms Receivables in favour of NLCtL and the first charge of NLCtL shall be in preference to any other charge that Discoms may create in favour of any other party.

- 7.4.4 Discoms agrees to ensure that the successor entities of Discoms are duly notified of the above arrangements with NLCIL and shall be bound by the terms of this Agreement as if they are parties to this Agreement.
- 7.4.5 The Default Escrow would come into operation if,
  - The Letter of Credit is not recouped by the Discoms to its required value by the 7th day of its operation,
  - (ii) NLCIL is unable to draw on the Letter of Credit on the Due Date, if the Discoms fails to pay by the Due Date.
  - (iii) Non-restoration of Escrow Arrangement by the 7th day of the Due Date.

7.4.6 In the event of the extension of Tri partite Agreement signed between

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Government of India (Gol), Government of Telangana and Reserve Bank of India (RBI) beyond the present validity date of TPA, it will not be mandatory for Discorns to execute the escrow arrangement till the validity of the extended Tripartite Agreement.

#### 7.5 REGULATION OF POWER SUPPLY:

- 7.5.1 Notwithstanding the obligations of Power User to pay all the dues as per this Agreement, in the event of default in opening/reinstatement of LC of requisite amount as per clause 7.4 in favour of NLCIL or non-payment of bills beyond a period of 45 days of the billing, NLCIL shall be entitled to regulate the supply of power to any other Power User.
- 7.5.2 in case of default in payment of Usage Charges beyond a period of 75 (Seventy-Five) days of billing, if regulated, NLCIL shall have the right to re-allocate part or full allocated capacity from Solar PV Station to other Power User(s). In case of Regulation of Power supply, there shall be no liability to pay usage charges by power user if NLCIL directs the entire power to Third Party and no gains shall be shared to the power user. If such diversion of power does not happen, the entire energy shall be termed as deemed generation and shall be compensated at the 100% usage charges.

#### B.O SETTLEMENT OF DISPUTES:

8.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

#### 8.2 DISPUTE RESOLUTION

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 dealt with as per the provisions of the Electricity Act, 2003, i.e. shall be adjudicated by the CERC under section 79(1)(f) of the Electricity Act, 2003.

#### 9.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, forces of nature, accident, act of God or terrorism or any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within seven days to the other party to this effect. Generation/ Usage of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

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#### 10.0 CHANGE IN LAW

- 10.1 "Change in Law" shall mean the occurrence of any of the following events after the date of signing of this Power Usage Agreement, resulting into any additional recurring/ non-recurring expenditure by the NLCIL or any income to the NLCIL:
  - the enactment, coming into effect, adoption, promutgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law,
  - a change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;
  - the imposition of a requirement for obtaining any Consents, Clearances,
     Permits and/or licenses which was not required earlier;
  - a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits; except due to any default of the NLCIL;
  - any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project and supply of power by the NLCIL to Power User after the date of signing of this PUA.
- 10.2 Further, "Change in Law" shall also mean any statutory change in tax structure or introduction of any new tax made applicable for setting up of Solar Power Project including change in any additional duties under Customs like Anti-Dumping Duty, Countervailing duty on subsidised clauses, Safeguard duty etc. and any other taxes including GST, levies, cess etc. applicable on such additional duties resulting into any additional recurring/non-recurring exponditure by the NLCIL or any income to the NLCIL.
- 10.3 The effective date for "Change in law" in the aforementioned Para 10.2 shall be one day prior to the signing of this agreement between NLCIL and Power User.

#### 11.0 RELIEF FOR CHANGE IN LAW

The implication of change in law shall be pass through in Usage Charges.

#### 12.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions approvals consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the

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authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shalf be informed likewise in writing to/by Distribution Licensee within one month of signing of the Agreement. Notwithstanding any nomination, The Head of the Commercial Department of NLC INDIA LIMITED at registered office No. 135, E.V.R. Road, Kilpauk, Chennal 600010, Tamil Nadu, or their authorized representative(s) at its Registered Office first above mentioned shall be authorized to act severally for and on behalf of NLCIL.

#### 13.0 NOTICE:

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of implementation of the agreement at clause 12 above.

## 14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT:

The agreement shall come into effect for all purposes and intent from the date of signing of this Agreement. This agreement shall remain operative up to completion of twenty five (25) years from the date of declaration of Commercial Operation (CDD) of the station unless it is specifically extended on mutually agreed terms.

#### 15.0 SUCCESSORS AND PERMITTED ASSIGNS:

- 15.1 In case the functions of Power User are reorganised and/or this Agreement is assigned to other organisation(s)/ agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor Administrators/organisation(s)/agency(ies) is/are owned or controlled by Government of India or the State Government.
- 15.2 In the event the functions of Power User are privatised, this agreement shall be terminated and NLCIL shall be free to assign full contracted capacity to any other Power User fulfilling all the criteria as defined in aforesaid CPSU Scheme. This Agreement can't be assigned to Private organisation(s)/agency(ies)/users.
- 15.3 If the successor entity is owned and controlled by Gol or any State Government such successor entity(ies) who fulfil the initial requirements as defined in aforesaid CPSU Scheme and execute the requisite documents shall be termed as the permitted assigns.

15.4 In other cases NLCIL shall have the right to terminate this Agreement. In the event

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N/D THANGE of termination of this Agreement, Power User shall be liable and continue to pay Usage Charges equivalent to average monthly billing of last twelve months bill firm arrangement for transfer of title of power from Solar PV power generating Station is tied up firmly with atternate Power User.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

For and on behalf of NLCIL

For and on behalf of Power User

Name and Designation

JAGADISH CHANDRA MAZUMDAR Executive Director PED, CARD & E Wing NLC India Ltd., Reyros.

Witness

1. Wasing (ED/Comm//TOPCC)

Chief Engineer IPC & RAC, TGNPDOL WAFAMOAL

(IPC), TGSPDCL, Corporate Office, 6-1-50,

Mint Compound, Hyd-500004.

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DEVENDRA PRATAP SINGH Chief General Manager Projects & Business Development, NLC India Limited, Negvell-607801.

#### Annexure A

\*Central Public Sector Undertaking (CPSU)Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)\*: CPSU Scheme

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(IPC), TGSPDCL,
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Annexure B

Payment Security Mechanism: Lefter of Credit

Power User has to furnish Latier of Credit in the following Format.

#### LC FORMAT

[ Power User i.e. Applicant Bank with Address]

TEL NO:

FAX

SWIFT NO:

CODE:

PIN CODE:

[NLCIL bank i.e. Beneficiary Bank with Address] XXXXXXXX

Date:

[name of Power User with Address]

Dear Sir(s)

Sub: Letter of Credit No. XXXXXXXXXXXXXXXXXXX

For INR XXXXXXXXXX EXW favouring M/s XXXXXXXXX [Power User with Address]

We have arranged to establish the above Credit with [Power User with Address] today.

We enclose a copy of the above Credit. Please ensure that the credit has been established in conformity with your instructions. If any errors or omissions are found therein, please note to advise us immediately to enable us to issue necessary advice.

Yours Faithfully,

Authorized Signatory.

JAGADISH CHANDRA MAZUEDAR Executive Director Pab, CARD & IZ Ving

MLC India Ltd., Neyvell.

CHIEF ENGINEER
(IPC), TGSPDCL.
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

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Outgoing SWIFT 11 Header 1. B1: Receiver's BIC Code B2: Sequence of Total 27: **IRREVOCABLE** Form of Documentary Credit: 40A: Documentary Credit Number 20: Date of Issue 31C: Date and Place of Expiry 31D: Application Bank (Full Address) 51D: Applicant [Power User with Address] 50: Beneficiary 59: NLC India Limited, Office at No. 135, E.V.R. Road, Kilpauk, Chennal 600010, Terril Nedu, India INR .... 32B; Currency Code, Amount ..... Available With ...... Beneficiary Bank with Address ...... By NEGOTIATION 41D: 42C: Drafts at ..... Drawee [Applicant Bank with Address] 420: ALLOWED Partial Shipments: 43P: PROHIBITED Transshipment: 43T: Place of Taking in Charge/ Dispatch from. 44A: NLC India Limited, Office at No. 135, E.V.R. Rosd, Kilpauk, Chennal 600010, Tamil Nadu, India Place of Final Destination/ For Transport: [Name of Power User with Address] 44日: Latest Date of Shipment ..... 44C: INCOTERMS: EXW SOLAR PV Description of Goods and/or Services: 45A: POWER, ELECTRICAL ENERGY IN Mus BY NLCIL LTD. UNDER CPSU SCHEME. 19

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46A: Document Required

IN THE EVENT or FAILURE ON THE PART OF [Power User] TO PAY A MONTHLY BILL OR SUPPLEMENTARY BILL

OR

PART THEREOF WITHIN AND INCLUDING THEDUE DATE, BENEFICIARY MAY DRAW UPON THE LETTER OF CREDIT AND ACCORDINGLY, THE BANK SHALL PAY WITHOUT ANY REFERENCE

OR

INSTRUCTIONS FROM [Power User], AN AMOUNT EQUAL TO SUCH MONTHLY BILL OR

SUPPLEMENTARY BILL OR PART THEREOF, ON PRESENTATION THE FOLLOWING DOCUMENTS TO THE SCHEDULED BANK (WHO HAS ISSUED THE LETTER OF CREDIT).

- THREE (3 COPIES) OF SIGNED DETAILED COMMERCIAL INVOICE CLEARLY SPECIFYING THE RATES, QUANTITY IN KWH SUPPLIED DURING THE MONTH AND DUE DATE FOR THE BILLING PERIOD.
- NLCIL Certificate REGARDING POWER SUPPLIED TO [Power User] CERTIFICATE REGARDING NON-PAYMENT OF BILL BY [Power User] BEYOND DUE DATE.
- III. GERTIFICATE FROM THE NLCIL LII TO THE EFFECT THAT THE BILL AT ITEM (A) ABOVE OR SPECIFIED PART THEREOF, IS IN ACCORDANCE WITH THE AGREEMENT.

#### 47A: Additional Conditions:

- THE SAID LETTER OF CREDIT SHALL HAVE A TERM OF TWELVE (12) MONTHS.
- THE LC AMOUNT SHALL BE INDIAN RUPEES RS.XXX.XX CRORES AND MAXIMUM REVOLVING SHALL BE LIMITED TO RS, XXX.XX CRORES, THE AMOUNT NEGOTIATED UNDER THIS SBLC WILL BE REINSTATED TO ITS ORIGINAL VALUE UPON FUNDING OR PRIOR WITHDRAWALS BY THE COMPANY, [Power User] IF ANY.
- ALL COSTS RELATING TO APPLICANT BANK CHARGES TO BE BORNE BY POWER USER AND BENEFICIARY BANK CHARGES TO BE BORNE BY NLCIL.
- BENEFICIARY SHALL NOT DRAW UPON SUCH LETTER OF CREDIT PRIOR
   TO DUE DATE OF THE RELEVANT MONTHLY BILLS, AND/OR

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(IFC), TGSPDCL,
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

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SUPPLEMENTARY BILL AND SHALL NOT MAKE MORE THANONE DRAWL IN A MONTH.

5. ALL DOCUMENTS MUST BEAR LC NO. AND DATE.

- Charges: ALL YOUR BANKING CHARGES ARE FOR BENEFICIARY'S ACCOUNT 71B:
- Confirmation Instructions: WITHOUT Sender to Receiver Information 42
- Sender to Receiver Information 72:
- Percentage Credit Amount Tolerance: 00/00 39A:
- Period for Presentation: AFTER 60 DAYS FROM THE DATE OF INVOICE. 48:
- "Advise through" Bank. [Beneficiery Bank with Address] 57D:
- Applicable Rules: UCP LATEST VERSION. 40E:

JAGADISH CHANDRA MAZUMDAR Executive Director

PBD, CARD & IE Wing KLC India Ltd., Neyreli.

(IPC), TGSPDCL, Corporate Office, 6-1-50,

ne pound, Hyd-500094.

#### No. 302/4/2017-GRID SOLAR पारन गरनार / Government of India नबीन और वर्षाकरणीय ऊद्धा मंत्रालय/ Ministry of New & Renewable Energy चित्र नोर ऊर्जा प्रमाग / Grid Solar Power Division

Block No. 14, C.G.O. Complex, Lodi Road, New Delhi – 110003 Dated: 5<sup>th</sup> March, 2019

#### ORDER

Subject: Implementation of Central Public Sector Undertaking (CPSU) Scheme Phase-li (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government Government entities, either directly or through Distribution Companies (DISCOMS)

Sir/ Madam.

The sanction of the President is hereby conveyed for Implementation of Central Public Sector
Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW
grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Visbility
Gap Funding (VGF) support of Rs 6,580 Crores, for self-use or use by Government/ Government
entities, either directly or through Distribution Companies (DISCOMS), as per provisions of the
Scheme enclosed at Annexure-I.

#### 2. Implementation of the Scheme

- 2.1 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in Government Producer Scheme enclosed as Annexure-I. The major terms and conditions are mentioned below:
- 2.2.1 Definition of Government Producer: For the purpose of the 'Government Producer Scheme', 'Government Producer' can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.
- 2.2.2 Domestic Content Requirement (DCR): The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include wafers, ingots and polysition manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.

#### 2.2.3 Scheme Modality (major points):

- 2.2.3.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a solar PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.
- 2.2.3.2 The Solar PV power project especify under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS.

#### 2.2.4 VGF:

2.2.4.1. With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules, VGF shall be provided under the Scheme.

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While the maximum permissible VGF has been kept at \$0.70 cr./MW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down.

## 2.2.4.2 Release of VGF; VGF will be released in two tranches as follows:

- (i) 50% on Award of contract to the EPC contractor (Including in-house EPC Division), and
- (ii) balance 50% on successful commissioning of the full capacity of the project

### Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on behalf of MNRE including conducting bidding on VGF basis. amongst Government Producers, for selection of Government Producers for implementing this Scheme, SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all aspects of the Scheme. SECI will ensure that the proposed projects comply with the WTO provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

4. Project Implementation Schedule for Solar PV Projects

The total 12,000 MW capacity will be added in 4 years period i.e. from financial year 2019-20 10 2022-23.

- 5. Power to remove difficulties: If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems. MMRE will be competent to make such amendments with the approval of Minister-incharge, without increasing the financial requirements and VGF limits.
- The funds for implementation of the above Scheme would be met from Demand No. : 67 -Ministry of New & Renewable Energy. Major Head: 2810 - New and Renewable Energy, Sub Major Head: 00. Minor Head: 101 - Grid Interactive and Distributed Renewable Power, Sub-Head: 01 - Grid Interactive Renewable Power, Detailed Head: D4 - Solar power, Object Head: 35 - Grants for Creation of Capital Assets, during the year 2018-19 to 2022-23.
- This issues in exercise of powers delegated to this Ministry and with the consumence of IFD dated 18 02.2019 vide their Dy. No. 522 dated 18.02.2015 and approval of competent authority dated 01.03,2019.

(Ruchin Gupta) Director

Email: ruchin.gupta@gov.in Pri: 011-24362488

Pay and Accounts Officer. Ministry of New & Renewable Energy, New Delhi

Copy for information and necessary action to: -

- Central Government Ministries/Departments.
- Principal Director of Audit. Scientific Audit-II, DGACR Building 1.P. Estate. Delhi-02
- All State/UT Energy Secretaries
- All Heads of State/UT Nodel Agencies
- All State/LIT Discoms
- Managing Director, SECI

#### Internal Distribution:

- 1. PS to Hon'ble Minister, NRE
  2. Sr. PPS to Secretary, MNRE
  3. PPS to As, MNRE & PPS to AS&FA, MNRE
  4. JS(GKG)/ JS (ANS)/ JS (BPY)/ EA/Advisers
  5. Dy. Secy. (Fin.), MNRE
  6. Dir (NIC), MNRE, for uploading this on the Ministry's website.
  7. CA, MNRE/ Cash Section
  8. Hindi Section for Hindi version
  9. Secretion Foldier.

  - 9. Sanction Folder

(Ruchin Gupta)

Director

Email: ruchin.gupta@gov.in Ph; 011-24362466

Central Public Sector Undertaking (GPSU) Scheme Phase-II (Government Producer Scheme) for satting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOME)

#### Background

- As part of Paris Climate Agreement, India has committed to install forty percent of its electricity capacity from non-tossil fuels by 2030. For achieving this goal, India has set an ambibous target of setting up 1.75,000 MW of renewable energy capacity, including 1,00,000 MW of solar power, by 2022. The Union Cabinet, as per its decision dated 17th June 2015, revised the solar capacity terget from 20,000 MW to 1,00,000 MW by 2022.
- 1.2 Thus it is imperative for new power generation capacities to come up largely based on renewable energy and most part of it being solar power. Significant progress has since been made after the target for installing solar power capacity was enhanced in 2015 from 20,000 MW to 1,00,000 MW. As on 30.11,2018, around 24,570 MW of solar capacity had been installed and around 38,130 MW of capacity was under various stages of Installation/ bidding. However, the solar depocity adeition depends largely upon imported solar PV cells and modules as the demestic manufacturing industry has limited capacity of around 3,000 MW for solar PV cells and around 10,000 MW for solar PV modules. In order to achieve the set target of 1,00,000 MW without any interruption, address issues of national energy security and long term environment sustainability, it is imperative that the domestic manufacturing of solar PV cells and modules is strengthened. However, this needs to be done in a manner which is compliant to the World Trade Organisation (WTO) Regulations.
- In case, the domestic industry is not strengthened a situation may arise wherein the overarching goal of the country for energy security and especially renewable energy and long term climate sustainability may become difficult to be attained. This can seriously jeopardise the energy security of the country especially in case of any disruption in supplies from foreign sources. Accordingly the support and encouragement to domestic manufacturing industry is essential and inescapable in national interest of energy security and climate sustainability.
- It is important to note that electricity generation in the country has largely been a Government function through its subordinate organisations and public sector undertakings. Therefore, it is imperative to involve various Government entities for developing a robust power generation base which will not only help in achieving the objective of long term energy security for the country but will also ensure setting up of renewable energy projects, without any interruption, by levereging their existing engineering capabilities and other resources like land, infrastructure, etc. available with them.
- In view of above stated objectives, it is proposed that various Government Producers set up solar power plants using domestically manufactured solar PV cells and modules for generating solar power for self-use or use by Government/ Government entities, either directly or through DISCOMS. Such Government Producers will submit an undertaking that there will be no commercial sale/ resale of power and that, such producers will be using electricity produced either for self-use or use by Government/ Government entitles. Since in such cases, the domestically manufactured solar PV cells and modules will be used for solar power generation plants to be set up and owned by the Government Producers and as such solar PV cells and modules are neither being used for commercial resale, nor is the product that emerges from them, that is, electricity produced, will be sold commercially, such a mechanism is compliant to the three requirements under Article III-8(a) of GATT, 1994, which deals with the "Government Procurement" deragation.
- 1.6 With this background, the Government is implementing the Central Public Sector Underlawing (CPSU) Scheme Phase-II (12,000 MW Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Visbility Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS).

#### 2. Scope and Objectives

- 2.1 The Scope of the Government Producer Scheme is to provide the necessary policy framework and mechanism for selection and implementation of 12,000 MW or more grid-connected solar PV power projects with Viability Gap Funding, by various Government Producers, such as Public Sector Undertakings (both Central and State), Government of India and State Government Organisations and Agencies (hereinafter referred to as Government Producers). Any reference to 'Government Producers' includes Organisations, Agencies, Public Sector Undertakings of both Government of India and State Governments.
- 2.2 The main objectives of the Government Producer Scheme are:
  - To facilitate national energy security and environment sustainability through use of domestically manufectured solar PV cells and modules for Government purpose.
  - Scaling up of sizes of projects thereby leading to economies of scale.
  - C. To leverage the existing infrastructure of Government Producers, including land, transmission facilities etc., and their engineering capabilities.
  - Provide long-term visibility and road map for solar power development enabling creation of India as manufacturing bub in the Solar PV.
  - To create good business model and systems for various Central and State Government entities to take forward.

### Proposal for setting up of 12,000 MW capacity under Government Producer Scheme

- 3.1 12,000 MW grid-connected solar PV power projects are proposed to be set up through Government Producers with a budgetary support of ₹8580 crores as VGF. The total project cost for 12,000 MW solar PV projects under this Government Producer Scheme is estimated as ₹43,000 crore. The required VGF support for this 12000 MW will be ₹8,580 crore. The Government Producer Scheme will create sufficient demand for domestically produced solar PV cells and modules and will ensure full utilisation of domestic capacity of cells and modules for 3 to 4 years.
- 3.2 The 12,000 MW or more capacity of grid connected solar power projects will be set up by the Government Producers as per the terms and conditions specified in this Government Producer Schame Major terms and conditions are mentioned below-
- 3.2.1 Definition of Government Producer: For the purpose of the "Government Producer Scheme", Government Producer" can be any entity which is either directly controlled by the Central or State Government or is under the administrative control of Central or State Government or a company in which Government is having more than 50% shareholding.
- 3.2.2 Domestic Content Requirement (DCR): The Scheme will mandate use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. The DCR initially will be for both solar PV cells and solar PV modules. However, MNRE will undertake a review every year and based on the capacities of various stages of solar PV manufacturing in India, may increase this requirement to include waters, ingots and polysilicon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.
- 3.2.3 Usage Charges: Power produced by the Government Producers can be used for self-use or use by Government/ Government entities, either directly or through DISCOMS on payment of multisally agreed usage charges of not more than ₹3.5/unit, which shall be exclusive of any other third party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharge. State Load Despatch Centre (SLDC)/ Regional Load Despatch Centre (RLDC) charges, etc. as may be applicable.

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#### 1.2.4 Scheme Modelity;

- 3.2.4.1 Any Government Producer setting up solar PV power project will be eligible for assistance under this Scheme if it sets up a soler PV power plant for self-use or use by Government/ Government entities, either directly or through DISCOMS.
- 3.2.4.2 Having secured the arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS, the Government Producer will have to deploy both domestically produced solar PV cells and domestically produced solar PV modules in its solar PV power plant, MNRE may review and increase this requirement to include waters, ingots and polysticon manufactured in India, or earmark some proportion for modules made from cells which are of higher efficiency standards than the applicable industry standard at that point of time.
- 3.2.4.3 The Solar PV power project capacity under the Government Producer Scheme would be allocated to the Government Producers by way of bidding, who in turn, will secure an arrangement for usage of power for self-use or use by Government/ Government entities, either directly or through DISCOMS
- 3.2.5 VGF: With the objective of covering the cost difference between the domestically produced solar cells and modules and imported solar cells and modules. VGF shall be provided under the Scheme. While the maximum permissible VGF has been kept at \$0.70 or JAW, the actual VGF to be given to a Government Producer under the Scheme would be decided through bidding using VGF amount as a bid parameter to select project proponent. The Solar Energy Corporation of India (SECI) will be entrusted with the task of conducting the bidding amongst Government Producers for allocation of solar power project capacity under the Scheme, with VGF amount as a bid parameter to select project proponent. The maximum permissible VGF amount will also be reviewed from time to time, by MNRE, and will be reduced by MNRE if the cost difference comes down, VGF will be released in two tranches as follows:
  - (i) 50% on Award of contract to the EPC contractor (including in-house EPC Division); and
  - (ii) balance 50% on successful commissioning of the full capacity of the project
- 3.2.6 Setting up of the aggregate capacity by the Government Producers, may be done by them either through in-house Engineering Procurement & Construction (EPC) facility or through open competitive bidding process in a transparent manner in accordance with General Financial Rules (GFR), 2017, Manual for Procurement of Goods, 2017 and CVC Guidelines on the subject.
- 3.2.7 The Government Producers would be free to avail other available fiscal incentives including Accelerated Depreciation, if any, as per the extant rules.
- With the implementation of above mentioned Government Producer Scheme, 12,000 MW of grid connected spler PV power projects would be set up by the Government Producers. The entire capacity/electricity generated through this capacity/its equivalent, is expected to be utilized by Government Producers for self-use or use by Government/ Government entities, either deactly or through DISCOMS, in WTO compliant manner
- The Scheme will help in giving a push to "Make-in-India" by encouraging Government Producers to produce solar cells and modules from domestic manufacturers.
- Role of Solar Energy Corporation of India (SECI)

SECI will handle the scheme on bahalf of MNRE including conducting bidding on VGF basis, amongst Government Producers, for selection of Government Producers for implementing this Scheme, SECI will be given a fee of 1% of the VGF disbursed for conducting bidding, handling the funds, monitoring of the projects and managing all sepects of the Scheme. SECI will ensure that the

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proposed projects comply with the WTQ provisions, and also the compliance by Government Producers on the mandatory requirement of DCR under the Scheme.

#### 3.6 Project Implementation Schedule for Solar PV Projects

The total 12,000 MVV capacity will be added in 4 years period i.e. from financial year 2019-20 to 2022-23.

#### 3.6.1 Timelines for project commissioning:

For commissioning of solar power projects under this Scheme, time period of 18 months from the date of letter of award, shall be provided to Government producer. However, in order to expedite implementation of the Scheme and to give impotus to domestic solar PV manufacturing, a shorter timeline can also be specified by MNRE.

#### 3.6.2 Penalty for delay in commissioning:

In case, the commissioning of the project is delayed beyond the specified Scheduled Commissioning Date (SCD), the amount of VGF conclined to the project shall be reduced by 0.16% (zero point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

In addition to the Scheduled Commissioning Period, the maximum time period allowed for commissioning of the full Project Capacity, during which the VGF is reduced, is six months from the SCD.

In case, the Commissioning of the Project is delayed beyond six months from SCD, the project capacity under the Scheme shall be reduced to the Project Capacity Commissioned, and the balance Capacity will stand terminated from the Scheme and ineligible for any VGF under this Scheme.

The above penal provisions, and the time periods specified, are subject to any extension allowed in SCD.

#### 3.6.3 Time-extension/ Dispute Resolution:

All requests regarding time-extension or dispute resolution, on force majeure events, shall be dealt by SECI in terms of the provisions in contractual agreement and the instructions issued by MNRE from time to time, including any Dispute Resolution Mechanism instituted by MNRE.

#### 3.7 Total Capacity and Portfolio of Solar PV Power Projects:

- 3.7.1 The total aggregated capacity of the grid connected solar power projects to be set up by Government Producers, on Build-Own-Operate (BOO) basis under the Government Producer Scheme shall be at least 12,000 MW.
- 3.7.2 The total capacity under government Scheme may go higher than 12,000 MW, if there is saving in VGF amount, so that maximum capacity can be set up within the total sanctioned budget.

#### 4. Power to remove difficulties

If there is need for any amendment to the Government Producer Scheme for better implementation or any relaxation is required in the norms due to operational problems. MNRE will be competent to make such amendments with the approvel of Minister-in-charge, without increasing the financial requirements and VGF limits.

NS

# 283/20/2019-GRID SOLAR Government of India Ministry of New & Renewable Energy (Grid Solar Power Division)

Block-14, C.G.O. Complex Lodi Road, New Delhi - 110003.

Dated: 03.07.2019

To:

- Chaleman-cum-Managing Directors / Managing Directors of all Electricity
  Distribution Companies (DISCOMs) in Government Sector.
- Managing Director, Solar Energy Corporation of India (SECI), 1st Floor, D-3, A Wing, Prios Platinum Building, District Centre, 5aket, New Delhi-110 017, Tel; 011-71989201, Fax: 71989235, Email: md@seci.co.in

Sub: Scheme Modalities and Role of DISCOMS in MNRE's CPSU Scheme Phase-II / Government Producer Scheme for 12,000 MW Solar FV Power Projects - reg:

Sir,

- Government of India, through Ministry of New & Renewable Energy (MNRE) has approved the implementation of CPSU Scheme Phase-II for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by CPSUs/ State PSUs/ Government Organisations, with Viability Gap Funding (VGF) support for self-use or use by Government/ Government entities, either directly or through Distribution Companies (DISCOMS).
- The salient points of the said Scheme are as under:
  - 12,000 MW Solar PV Power Projects to be set up by "Government Producers".
  - 'Government Producer' can be any entity which is either.
    - a) directly controlled by the Central or State Government or
    - b) is under the administrative control of Central or State Government or
    - c) a company in which Government is having more than 50% shareholding.
  - Power Usage: for self-use, or use by Government/Government entities, either directly or through DISCOMS.

· Year wise allocation Targeted:

2019-20 - 4000 MW 2020-21 - 4000 MW 2021-22 - 4000 MW

- To be set-up over 4 years (2019-20 to 2022-23).
- Capacity Allocation: By way of Bidding on VGF by SECI
- Implementation Agency: Solar Energy Corporation of India Limited (SECI)
- Viability Gap Funding (VGF): <u>Maximum Rs 0.7 Crs. /MW</u>, to be decided through bidding
- Usage Charge:
  - · Charges that can be collected for supplying power
  - To be mutually agreed between producing and consuming Government entities, subject to limit of Rs 3.50/unit (other charges like wheeling, transmission, Load Dispatch Centre charges, extra)
- Domestic Content Requirement (DCR): Both Solar cells & modules to be domestically manufactured
- 3. Allocation Methodology:
  - SECI will invite bids from Government Producers
  - · Bidders will quote VGF requirement, within the ceiling VGF
  - · Allocation on bucket filling basis, based on lowest VGF requirement
- First SECI BID: 2000 MW
  - SECI has issued bid for 2000 MW solar PV projects under Tranche-I of this scheme
  - As of now, Last Date of bid submission is 15.07.2019

## ROLE OF DISCOMS IN DIFFERENT SCENARIOS OF GENERATION AND CONSUMPTION OF POWER UNDER THE SCHEME:

## Scenario - 1: Govt Producers Consuming the Power themselves

 Discoms to facilitate 'Open Access' to Government Producers intending to Use solar power generated by themselves through Open Access.

## Scenario - II: Govt Producers Supplying Power to other identified Government entities

 Discoms to facilitate 'Open Access' to Government Producers intending to supply power to other identified government entities through open access

## Scenario - III : Govt. Producers Supplying Power to large pool of Unidentified Government entities through Discom

- Discoms to fecilitate supply of power by Govt. Producers to other user Government entities, by ensuring that the billing reflects "usage charges" not more than Rs 3.50/unit, in addition to other charges.
- Since in such cases, Government Consumers will also be consuming power from sources other than solar, Discome can just add one line in their bills to the Government Consumers stating that "this includes supply of power at usage charges of not more than Rs. 3.50/noit, in addition to other regulator mandated charges".

## Scenario - IV: PSU Discoms themselves become Government Producers

#### Case-1:

 Power produced can be unlised for supply to other Government bodies or noncommercial sectors (that is where power is not sold) like agriculture, local urban bodies, etc.

#### Case-2:

- Discoms can supply power to Identified/unidentified government entities by ensuring that the billing reflects "usage charges" not more than Rs 3.50/unit.
- In this case also, since Government Consumers will also be consuming power from sources other than solar, Discoms can just add one line in their bills to the Government Consumers stating that "this includes supply of power at usage charges of not more than Rs. 3.50hmit, in midition to other regulator mandated charges".

6. Considering the fact that most of the Discoms may not be comfortable in setting up the solar PV power plants under the Government Producer Scheme, as they might find it difficult to arrange upfront capital investment for setting up solar plants, following aliernate methodology is suggested:

Alternate methodologies for setting up of solar PV power plants by Discoms without investing upfront capital cost (this methodology can even be deployed by other Government Producers interested to participate in the Scheme):

- DISCOMs bring in the CAPEX amount upfront, and set up the plant on their own or through EPC contractors
- Alternatively, where Capital Funds are scarce DISCOMs, may adopt a modified annuity model, which puts generation accountability on the EPC contractors, as follows:
  - > Bid:
- DISCOMS invite bids for design, construction and supply of Solar Power Generating Systems, with DCR — (Inst like EPC)
- Successful bidder to also provide Operation & Maintenance for 25 years
- · Land and transmission also to be in the scope of the bidder.
- · Discoms would be the Owner of the Plant
- > Evaluation:
  - Bidder to quote total cost of (solar plant & its O&M)
  - · Bidder to also quote min. generation/yr. for 25 yrs.
  - Bid with least cost per unit generation to be L1 bidder
- > Payment:
- Total quoted cost to be paid in 12x25 equal monthly instalments, subject to following adjustments:
- Any increase in generation from quoted min. annual generation would qualify for incentive payment at the rate of quoted and accepted cost per unit generation.

- Any decrease in generation from quoted min. annual generation would be liable for penalty at the rate of quoted and accepted cost per unit generation
- This issues with the approval of Hon'ble Minister (Power &NRE)

Thanking you,

Yours Sincerely,

(Ruchin Gupta)

Director

Telefax: 011-24362488

Email: ruchin.gupta@gov.in

## Copy for internal circulation to:

- 1. PS to Hon'ble Minister (Power & NRE).
- 2. Sr. PPS to Secretary, MNRE
- 3. PPS to AS, MNRE

#### Annexule - III



#### भारतीय अक्षय ऊर्जा विकास संस्था लिमिटेड Indian Renewable Energy Development Agency Limited

(भारत सरकार का प्रतिष्ठान/A Government of India Enterprise) कॉर्थारेट कार्यालय : तीसरा तल, अगस्त झांति ज्ञान, श्रीकाएकी कान प्लेस, नई दिल्ली—110066 Corporate Office : 3rd Floor, August Kranti Bhawan, Bhiloir Came Piece, New Delhi-110066 दरनाय/Tel.: +91 (011) 26717400, 26717412 फैंगस/Fax: +91 (011) 26717416, इं-मेल/E-mail: cmd@irede.in वैवसाइंट/Website: www.ireda.in



CIN: U40108DL1987GDI027265

Ref. No. 23016/1/2020-IREDA/RfS/5000 MW/ 012021/ 962

Date: October 04, 2021

To

Projects & Business Development Corporate Office NLC India Limited Block - 1, Neyveli - 607 801 Tamilnadu.

Kind Attn: Sh. Devendra Pratap Singh, General Manager, Projects & Business Development

#### Letter of Award

Sub: Selection of Solar Power Developers for Setting up of 5,000 MW Grid Connected Solar PV Power Projects in India (Tranche-III) under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme): Letter of Award for allocated capacity of 510 MW (Project ID: CPSU-Ph2-Tr3-SSPD-510 MW)

Ref: "Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme) for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects by the Government Producers with Vlability Gap Funding (VGF) support for self-use or use by Government/Government entities, either directly or through Distribution Companies (DISCOMS)" Issued by the Ministry of New & Renewable Energy vide No. 302/4/2017-GRID SOLAR dated 05.03.2019 including subsequent amendments and clarifications thereof (herein referred to as "Guidelines")

RfS No. 23016/1/2020-IREDA/RfS/5000 MW/ 012021 Dated: 29/01/2021 subsequent amendments/ clarifications/ revisions/ notifications issued by IREDA and uploaded during the process of RfS on ETS portal (https://www.bharat-electronictender.com);

Andrew Control

पंजीकृत कार्यालय : प्रथम तल, कोर-४ए, ईस्ट कोर्ट, भारत पर्योवास केन्द्र कॉम्प्लेक्स, लोदी शेव, गई दिल्ली-110003 Regd. Office : 1st Floor, Core - 4A, East Court, India Habitat Centre, Lodhi Road, New Delhi - 110003 युरभाष/Phone : 011-24682205-19 फैक्स/Fax : 91-11-24682202



#### Dear Sir

This has reference to the following:

- A. Your response to the RfS document submitted through ETS portal vide Organization ID (ETS-IN-2020-RS0000019) against RfS for Selection of Solar Power Developers for 5000 MW Grid-Connected Solar PV Power Projects in India (Tranche-III) under CPSU Ph-II Scheme (Government Producer Scheme).
- B. Final VGF (INR/MW) as quoted by you at the end of the e-Reverse Auction conducted on ETS portal on 23.09.2021 for the referred RfS for selection of Grid-connected Solar PV Power Projects.

In reference to above and subject to the provisions of RfS, we confirm that your final VGF price quoted by your organisation during the e-RA concluded on September 23, 2021, is accepted and issue this letter of award with the following details:

Allotted Project ID	Allocated Capacity (MW)	Project Location	Maximum VGF Eligibility (INR/MW) in figures	Maximum VGF eligibility (INR/MW) in words	Total Eligible Maximum VGF (INR)
CPSU-Ph2- Tr3-SSPD- 510 MW	510 MW	Anywhere In India	44,74,990/-	Forty-Four Lakhs Seventy-four Thousand Nine Hundred and Ninely only	228,22,44,900.00

In alignment with the Guidelines of the scheme, the abovementioned project shall supply power solely for either self-use or use by Government/Government entities, either directly or through Discoms under the CPSU Ph-II scheme. Further such supply shall be subject to the following terms and conditions as stated in various documents referred above. The same terms and condition are also being briefly brought out hereinafter.

L. Power generated from above Project(s) shall be solely for self-use or use by Government/Government entities, either directly or through Discoms on payment of mutually agreed usages charges of not more than Rs. 2.45/kWh, which shall be exclusive of any other third-party charges like wheeling and transmission charges and losses, point of connection charges and losses, cross-subsidy surcharges, State Load Dispatch Centre (SLDC)/ regional Load Dispatch Centre (RLDC) Charges, etc. as may be applicable. Waiver of ISTS charges





and losses, for use of ISTS network, shall be available to Projects set-up under the CPSU Phase-II Scheme.

- II. As the selected Government Producer under the scheme, NLC Limited can use the VGF provided under the Scheme as your equity in solar power project(s) being set up under this scheme.
- III. If the proposed solar PV power project(s) under CPSU Scheme Phase-II is being set up in an UMREPP/ Solar Park, then such projects will be eligible for both, the Central Financial Assistance (CFA) as per UMREPP/ Solar Park Scheme as well as VGF under the CPSU Scheme Phase-II.
- IV. As the selected Government Producer/ Solar Project Developer (SPD), you would also be free to avail other fiscal incentives, if any, as per the extant rules. IREDA will not have any liability if the SPD is not able to avail fiscal incentives and this will not have any bearing on the maximum eligible VGF per MW.
- V. The award of the above allotted capacity is subject to the Guidelines including amendments / clarifications issued by Government of India and terms and conditions of the RfS document including its clarifications/ amendments / elaborations / notifications issued by IREDA.
- VI. A Bidder which has been selected as Successful Bidder under this RfS can also execute the Project(s) through a Special Purpose Vehicle (SPV) i.e. a Project Company especially incorporated as a subsidiary Company of the successful bidder for setting up of the Project(s), with at least 76% shareholding in the SPV which has to be registered under the Indian Companies Act, 2013, before signing of EPC agreement with EPC Contractor. Multiple SPVs may also be incorporated for executing more than one Project.
- VII. The SPD shall pay to IREDA, Success Charges of Rs. 1 lakh/MW/project + 18% GST within 30 days from the date of this Letter of Award (LoA) towards administrative overheads, coordination with State Authorities and monitoring of Projects' compliance with WTO norms, in line with Clause 12, Section-III of the RfS. Performance Bank Guarantee(s) for an amount equal to 50% of total VGF sanctioned as per this Letter of Award shall be submitted by the SPD before disbursement of first tranche of VGF, in line with Clause 11.1, Section-III of the RfS. The validity of any such PBG being submitted to IREDA shall not be less than 39 months.
- VIII. The SPD shall confirm the configuration of the total allocated capacity at the time of disbursement of second tranche of VGF. The SPD, if he wishes so, may affix separate PPA tariffs for each Project, based on its own arrangements with the Procurer(s), if applicable.





- ix. The Projects can be located anywhere in India. It is clarified that the projects may be implemented as ground mounted, or rooftop mounted or floating or canal top/canal bank etc., or a combination thereof, as per the requirements of the SPD.
- X. It may be noted that while a single VGF shall be quoted by the bidder based on the cumulative Project capacity in the RfS, VGF will be released to the SPD separately for each Project as per the final Project configuration declared by the SPD. Accordingly, for each individual Project as per the above break-up, the second tranche of VGF will be disbursed to the SPD only upon successful commissioning of full capacity of that individual Project.
- XI. Commercial re-sale of power by the Procurer or End Consumer is not allowed as per the RfS conditions. The SPD shall provide a power mapping (Format 7.10 of the RfS) for the proposed capacity being quoted for, clearly specifying the SPD, various intermediaries, if any, and the End Consumer. The same shall be submitted to IREDA after finalization of the mapping by the SPD, but necessarily prior to disbursement of second tranche of VGF.
- XII. The SPD shall submit a self-certification to IREDA (Format 7.6 as amended), confirming that the Project has been set-up, as per the provisions of the Scheme Guidelines, and explanatory notes, if any, as published by MNRE from time to time. The above certifications will be submitted by the SPD after finalization of power mapping by the SPD, but no later than prior to disbursement of second tranche of VGF.
- The RfS mandates use of both solar photovoltaic (SPV) cells and modules manufactured domestically as per specifications and testing requirements fixed by MNRE. For the Projects to be implemented under this RfS, both the solar cells and modules used in the Solar Power Projects must be made in India. In case of crystalline Silicon technology, all process steps and quality control measures involved in the manufacture of the Solar Cells and Modules starting from wafers till final assembly of the Solar Cells into Modules shall be performed at the works of PV manufacturers in India.
- XIV. VGF will be released in two tranches as follows:
  - 50 % on award of Contract to the EPC Contractor (including in-house EPC Division) by the SPD. The SPD is required to sign the EPC agreement with EPC Contractor within twelve months from date of this LoA.
  - Balance 50 % on successful commissioning of the full capacity of Project.
- xv. The Commissioning of the Project shall be carried out by the SPD as per the procedure established by the SPD. The SPD shall submit the commissioning certificate of the Project to IREDA, based on which, the installed capacity shall be examined by IREDA in line with the DCR norms as per the RfS. After successful examination of the same, the second tranche of





the VGF, amounting to 50% of the total VGF awarded for the Project, will be disbursed to the SPD.

XVI. Schedule Commissioning Date (SCD) for commissioning of the full capacity of the Project shall be the date as on 30 months from the date of issuance of LoA. The maximum time period allowed for commissioning of the full Project Capacity shall be limited to 36 months from the date of issuance of LoA.

In case of delay in commissioning of the Project beyond the SCD until the date as on 36 months from the issue date of the LoA/LoI, as part of the penalty for delay in commissioning the amount of VGF sanctioned to be the project shall be reduced by 0.15% (zero-point one five percent) of the sanctioned VGF, on per day basis, for the period of such delay, and proportionate to the capacity delayed or not commissioned.

XVII. All disputes arising out of and/ or in connection with the selection of Solar Power Projects under the said RfS and execution of project(s) thereto shall be governed by laws of India and shall be subject to the jurisdiction of Courts of New Delhi.

This LoA is being issued in duplicate and you are requested to kindly acknowledge receipt and acceptance of this LoA by sending the duly stamped and signed duplicate copy of LoA to IREDA within 07 days from date of this LoA.

Thanking you,

Yours faithfully,

For and on behalf of IREDA Limited

(Kanchan Bhalla) Deputy General Manager (Technical Services)



सी.जी.-डी.एस.-अ.-20122022-241246 CG-DL-E-20122022-241246

#### **EXTRAORDINARY**

11-

PART II - Section 1

#### PUBLISHED BY AUTHORITY

-24:

No. 26] NEW DELHI, TUESDAY, DECEMBER 20, 2022/AGRAHAYANA 29, 1944 (SAKA)

Separate paging is given to this Part in order that it may be filed as a separate compilation.

#### MINISTRY OF LAW AND JUSTICE (Legislative Department)

New Delhi, the 20th December, 2022/Agrahayana 29, 1944 (Saka)

The following Act of Parliament received the assent of the President on the 19th December, 2022 and is hereby published for general information:—

## THE ENERGY CONSERVATION (AMENDMENT) ACT, 2022

No. 19 of 2022

[19th December, 2022.]

An Act further to amend the Energy Conservation Act, 2001.

BE It exacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Energy Conservation (Amendment) Act, 2022.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. Amendment of section 2.

 In section 2 of the Energy Conservation Act, 2001 (hereinafter referred to as the principal Act).—

53 of 2001.

- (f) for clause (c), the following clause shall be substituted, namely:-
- '(c) "building" means any structure or erection or part of structure or erection—
  - (i) constructed after the rules relating to energy conservation and sustainable building codes have been notified by the Central Government under clause (p) of section 14 and by the State Government under clause (a) of section 15;
  - (ii) which has a minimum connected load of 100 Kilowatt (kW) or contract demand of 120 Kilovolt Ampere (kVA); and
  - (III) which is used or intended to be used for commercial purpose or as an office building or for residential purpose:

Provided that the State Government may specify a lower connected load or contract demand than the load or demand specified above; ";

- (ii) after clause (d), the following clauses shall be inserted, namely:-
- '(do)" carbon credit certificate" means the certificate issued by the Central Government or any agency authorised by it under section 14AA;
- (db) "earbon credit trading scheme" means the scheme for reduction of carbon emistions notified by the Central Government under clause (w) of section 14.";
- (iii) for clause (ii), the following clause shall be substituted, namely:-
- '(h) "energy" means any form of energy derived from fossil fuels or non-fossil sources or renewable sources;";
- (iv) after clause (i), the following clause shall be inserted, namely:-
- "(Ia) "energy auditor" means any individual possessing the qualifications prescribed under clause (iii) of section 14;";
- (v) for clause (f), the following clause shall be substituted, namely:—
- "(j) "energy conservation and sustainable building code" means the code which provides norms and standards for energy efficiency and its conservation, use of renewable energy and other green building requirements for a building;";
- (vi) after clause (q), the following clause shall be inserted, namely:-
- '(ga) "registered entity" means any entity, including designated consumers, registered for carbon credit trading scheme specified under clause (w) of section 14;";
- (vil) after clause (t), the following clauses shall be inserted, namely:-
- "(ta) "vehicle" shall have the same meaning as assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988;

59 of 1988.

(tb) "vessel" includes every description of water craft used or capable of being used in inland waters or in coastal waters, including any ship, boat, sailing vessel, tag, barge or other description of vessel including non-displacement craft, amphibious graft, wing-in-ground graft, ferry, roll-on-roll-off vessel, container vessel, tanker vessel, gas carrier or floating unit or dumb vessel used for transportation, storage or accommodation within or through inland waters and coastal waters;".

#### In section 4 of the principal Act,—

Amendment of section 4.

- (a) in sub-section (I), for the words "twenty, but not exceeding twenty-six", the words "thirty-one, but not exceeding thirty-seven" shall be substituted;
  - (b) in sub-section (2),-
    - (i) after clause (g), the following clauses shall be inserted, namely:-
    - "(go) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Environment, Forest and Climate Change—ex officio member;
    - (gb) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Housing and Urban Affairs—ex officio member;
    - (gc) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Read Transport and Highways—ex officio member;
    - (gd) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Steel—ex officio-member;
    - (ge) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Civil Aviation—ex officio member;
    - (gf) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Ports, Shipping and Waterways—ex officio member;
    - (gg) Member of the Railway Board (in charge of Energy), Ministry of Railways—ex officio member;";
    - (if) after clause (m), the following clause shall be inserted, namely:-
    - "(ma) Director-General of the National Productivity Council, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry—ex officio member;";
    - (iii) for clause (a), the following clause shall be substituted, namely:-
    - "(o) one official each from the energy or power department of the five States from the five power regions, not below the rank of Principal Secretary to the State Government, to be appointed by the Central Government—member,";
    - (iv) for clause (p), the following clause shall be substituted, namely:-
    - "(p) such number of persons, not exceeding seven, as may be prescribed, to be appointed by the Central Government as members, from amongst persons who, in the opinion of the Central Government, are experts or capable of representing industry, equipment and appliance manufacturers, architects, institutes and consumers—members;".

#### 4. In section 13 of the principal Act, in sub-section (2),-

Amendment of section 13.

 (i) in clause (a), after the word and figures "section 14", the words "and other standards required to be prescribed under other provisions of this Act" shall be inserted;

- (ii) in clause (d), for the words "energy conservation building codes", the words "energy conservation and sustainable building codes" shall be substituted;
- (iii) in clause (h), after the word "promote", the words "or undertake" shall be inserted;
  - (7v) after clause (1), the following clauses shall be inserted, namely:—
  - "(1a) collaborate with any international institution or organisation or to obtain membership of bodies having similar objectives as that of the Bureau, in consultation with the Central Government;
  - (ib) authorise any agency in the country or curside the country to carry out any of the functions of the Bureau, for such purposes, and subject to such terms and conditions, as may be specified by regulations;
  - (1c) undertake, or authorise any other body which meets with such technical qualifications, as may be specified by regulations, to test samples for purposes other than those specified in section 14;
  - (td) empanel technical experts to promote energy efficiency and carbon credit trading activities undertaken to meet the objectives of the Act;
  - (te) recommend to the Central Government on the requirements to be specified in the carbon credit trading scheme to be notified under clause (w) of section 14;
  - (ff) recommend minimum share of consumption of non-fessil sources by designated consumers as energy or feedstock;".

Insertion of new sectionE3A. Prohibition of use of deceptive name, etc.  After section 13 of the principal Act, the following section shall be inserted, namely:—

- "13A. (1) No person shall, without previous permission of the Bureau, use any name which so nearly resembles the name of the Bureau as to deceive or likely to deceive the public.
- (2) Notwithstanding anything contained in any other law for the time being in force, no registering authority shall register any company, firm or other body of persons which bears any name or mark resembling the name of the Bureau.".

Amendment of section 14.

- 6. In section 14 of the principal Act,-
- (i) in clause (a), for the word "appliance", the words "appliance, vehicle, vessel, industrial unit, building or establishment" shall be substituted;
- (if) in clause (b), after the words "class of equipment or appliances,", the words "or vehicle, vessel, industrial unit, building or establishment" shall be inserted;
  - (III) for clause (c), the following clause shall be substituted, namely:-
  - "(a) prohibit manufacture or import of any equipment or appliance or vehicle or vessel specified under clause (b), unless it conforms to energy consumption standards specified under clause (a):

Provided that an industrial unit specified under clause (b) shall close its operations unless it conforms to the norms for processes or energy consumption standards specified under clause (a):

Provided further that from the date of notification of norms for processes and energy consumption standards under clause (a), no notification prohibiting such manufacture or import shall be issued—

- (/) within a period of six mornhs in the case of equipment or appliance or vehicle or vessel; and
  - (ii) within a period of two years for closure of industrial unit:

Provided also that the Central Government may, having regard to the market share and the technological development having impact on equipment or appliance or vehicle or vessel, and for reasons to be recorded in writing, extend the said period of six months referred to above, by a further period not exceeding six months;":

- (iv) in clause (f), after the words "Energy Intensive Industries", the words "and other establishments" shall be inserted:
- (v) in clause (h), after the words "Energy Intensive Industries", the words "and other establishments" shall be inserted;
- (vi) in clause (I), for the words "energy manager", the words "energy auditor or energy manager" shall be substituted;
- (vii) in clauses (p), (q) and (r), for the words "energy conservation building codes", the words "energy conservation and sustainable building codes" shall be substituted;
  - (viii) after clause (v), the following clauses shall be inserted, namely:-
    - "(w) specify the carbon credit trading scheme;
  - (x) specify minimum share of consumption of non-fossil sources by designated consumers as energy or feedstock, provided different share of consumption may be specified for different types of non-fossil sources for different designated consumers:".
- 7. In section 14A of the principal Act,-

Amendment of section 14A

- (a) for the marginal heading, the following shall be substituted, namely:-
  - "Issuance of energy savings certificate.":
- (b) in sub-section (1), after the words "Central Government", the words "or any agency authorised by it" shall be inserted;
  - (c) in sub-section (2), the following proviso shall be inserted, namely:-

"Provided that any other person may also purchase energy saving certificate or carbon credit certificate on voluntary basis.".

8. After section 14A of the principal Act, the following section shall be inserted, namely:-

Insertion of new section 14AA

"14AA. (7) The Central Government, or any agency authorised by it may issue issuance of carbon credit certificate to the registered entity which complies with the requirements of the carbon credit trading scheme.

ranhon credit confficate.

- (2) The registered entity shall be entitled to purchase or sell the carbon credit certificate in accordance with carbon credit trading scheme specified under clause (w) of section 14.".
- 9. In section 15 of the principal Act,-

Ameadment of section 15.

(7) in clause (a),-

- (I) for the words "energy conservation building codes", at both the places where they occur, the words "energy conservation and sustainable building codes" shall be substituted;
- (II) after the words "energy in the buildings", the words "and implement the same through building bye-laws of the State" shall be substituted;

(ii) in clause (b), for the words "energy conservation building codes", the words "energy conservation and sustainable building codes" shall be substituted;

(iii) after clause (h), the following clause shall be inserted, namely:-

"(far) levy such fee as may be prescribed for the services rendered by the designated agency to promote efficient use of energy and its conservation under this Act;".

Insertion of new section 15A 10. After section 15 of the principal Act, the following section shall be inserted,

Budget of designated agency. "15 A. The designated agency shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure and forward the same to the State Government, which shall include the same in the annual budget.".

Substitution of new section for section 16.  Por section 16 of the principal Act, the following section shall be substituted, namely:—

Establishment of Fund by State Government.

- "16. (1) There shall be constituted a Fund for the purposes of promotion of efficient use of energy and its conservation within the State to be called the State Energy Conservation Fund and there shall be credited thereso—
  - (a) all grants and loans that may be made by the State Government or the Central Government or any other organisation or individual for the purposes of this Act;
  - (b) all fees received by the State Government or the designated agency under this Act;
  - (c) all sums received by the State Government or the designated agency from such other sources as may be decided by the State Government.
  - (2) The Fund shall be utilised for meeting the expenses-
    - (a) of the designated agency in the discharge of its functions;
    - (b) for the objects and purposes authorised by or under this Act.
- (3) The Fund created under sub-section (I) shall be administered by such person or authority and in such manner as may be prescribed by the rules made by the State Government."

Substitution of new section for section 26. 12. For section 26 of the principal Act, the following section shall be substituted, pamely:—

Penalty.

"26. (1) If any person fails to comply with the provisions of clause (h) or clause (i) or clause (i) or clause (i) or clause (i) of section 14 or clause (c) or clause (h) of section 15, he shall be liable to a penalty which shall not exceed ten lakh rupoes:

Provided that in the case of continuing failures, the person shall be liable to an additional penalty which may extend to ten thousand rupees for every day during which such failures continue.

(2) Notwithstanding anything contained in this Act or any other Act for the time being in force, if any person fails to comply with the provisions of clauses (c) and (d) of section 14, he shall in addition to the penalty of ten lakh rupees, he also liable to pay additional penalty which shall not exceed five thousand rupees per appliance or equipment in relation to which the non-compliance has occurred, but shall not be lower than two thousand rupees:

Provided that where such non-compliance relates to any industrial unit or vessel, he shall also be liable to an additional penalty which shall not exceed twice the price of every metric ton of oil equivalent consumed in excess of the prescribed norms:

Provided further that if the manufacturer of a vehicle fails to comply with the fuel consumption norms, he shall also be liable to pay an additional penalty per unit of vehicles sold in the corresponding year, as follows, namely:-

- (i) twenty-five thousand rupees per vehicle for non-compliance of norms up to 0.2 litres per 100 kms;
- (ii) fifty thousand supees per vehicle for non-compliance of norms above 0.2 litres per 100 kms.
- (3) If any person fails to comply with the directions issued under clauses (n) and (x) of section 14, he shall be liable to a penalty which shall not exceed ten lake rupees for each such failure:

Provided that he shall also be liable to an additional penalty which shall not exceed twice the price of every metric ton of oil equivalent prescribed under this Act, which is in excess of the prescribed norms.

(4) If a person fails to comply with the provisions of sub-section (1) of section 13A or fails to provide any information under section 52, he shall be liable to a penalty which may extend to fifty thousand rupees on first such non-compliance or failure:

Provided that for every subsequent non-compliance or failure, he shall be liable to pay an additional penalty which shall not exceed ten thousand rupees per day of such non-compliance or failure.

- (5) Any amount payable under this section, if not paid, may be recovered as if it were an arrear of land revenue.".
- 13. After section 27 of the principal Act, the following section shall be inserted, namely:-

Inscriion of new section

"27A. (1) The State Commission may, by notification, make regulations for Power of State discharging its functions under this Act.

Commission io make

- (2) In particular, and without prejudice to the generality of the foregoing power. regulations such regulations may provide for-
  - (a) the manner of making application before the State Commission and the fee payable;
  - (b) any other matter which is to be, or may be, provided by regulations by the State Commission for the purposes of its function:

Provided that every regulation made by the State Commission under this section shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.".

14. In section 28 of the principal Act, after clause (b), the following clause shall be Amendment of inserted, namely:-

section 28,

- "(c) the loss caused to a consumer and amount of compensation thereof.".
- 15. In section 52 of the principal Act, for the words, brackets, letter and figures. Amendment of "specified under clause (b) of section 14 shall supply the Bureau with such information, and section 52. with such samples", the words "or any other person or entity covered under this Act shall furnish to the Bureau such information, documents or records relating to energy consumption, and such samples" shall be substituted.

Amendment of section 56.

16. In section 56 of the principal Act, in sub-section (2), in clause (7), for the words "energy conservation building codes", the words "energy conservation and sustainable building codes" shall be substituted.

Amendment of section 57.

- 17. In section 57 of the principal Act, in sub-section (2),-
- (i) in clause (a), for the words "energy conservation building codes", the words "energy conservation and sustainable building codes" shall be substituted;
  - (ii) after clause (b), the following clauses shall be inserted, namely:-
  - "(ba) the fee to be levied for the services rendered by the designated agency for promoting efficient use of energy and its conservation under clause (ha) of section 15;
  - (bb) the form in which and the time at which, the budget of the designated agency shall be prepared under section 15A<sub>1</sub><sup>-1</sup>;
- (iii) in clause (c), for the word, brackets and figure "section (4)", the word, brackets and figure "section (3)" shall be substituted.

Assendment of section 58.

- In section 58 of the principal Act, in sub-section (2), after clause (h), the following clauses shall be inserted, namely:—
  - "(ha) the purposes, and the terms and conditions subject to which, an agency may be authorised to carry out the functions of the Bureau under clause (ib) of sub-section (2) of section 13;
  - (hb) the technical qualification to test samples under clause (te) of sub-section (7) of section 13;7.

DR. REETA VASISHTA, Secretary to the Govt. of India.

- अभिहित उपभोक्ता, जो निर्दाष्ट या बादद्ध विद्युत संयंथ वाने उपभोक्ता है, गैर-जीवारम ईंधन क्षेत के बावजूद विनिर्दिष्ट कुल नवीकरणीय कर्जा लक्ष्य के अनुसार उनकी दाध्यताओं को पूरा करेंगे।
- 6. बिनिर्दिष्ट नवीकरणीय ऊर्जा उपभोग लक्ष्यों को भारत के राजपण, असाधारण, भाग 3, प्रण्ड 4, नारीज 24 मई, 2022 में प्रकाशित, केंद्रीय विद्युत नियामक आयोग (नवीकरणीय कर्जा उत्पादन के लिए नदीकरणीय कर्जा प्रमाणपत्रों के लिए निवंधन और शतें) विनियम, 2022 के अनुसार सीधे या प्रमाणपत्र के माध्यम से पूरा किया वाएगा।

परंतु, यह कि विविधिष्ट नवीकरकीय ऊर्जा उपभोग सम्प्री में किसी भी कमी को अनुपालन गाना जाएगा और उक्त अधिनियम की धारा 26 की उनधारा (3) के अधीन विनिर्दिष्ट ऐसी दर पर शास्ति अधिरोपित की जाएगी।

- क्यूरो अभिहित उपभोकाओं द्वारा गर्बीकरणीय ऊर्जा उपयोग के अनुपालन से संवैधित डाटा अनुरक्षित करेगा और केन्द्रीय सरकार को रिपोर्ट प्रलुत करेगा।
- 8. यह अधिमूचना 1 अप्रैल, 2024 को प्रवृत होगी और उस समय तक, विद्युत प्रशासय के तारीज 19 सितम्बर, 2022 के सुद्धिपत्र के साथ प्रित, जादेश संख्या 9/13/2021-आश्सीएम, तारीज 22 जुनाई, 2022, के पैरा 5 से 14 में विनिर्दिप्ट आश्पीओ प्रक्षेपनक लागू रहेगा।

[फा. सं. 9/13/2021-बारसीएम] अनय तिवारी, अपर समिव

## MINISTRY OF POWER NOTIFICATION

New Delhi, the 20th October, 2023

S.O. 4617(E).—In exercise of the powers conferred by clauses (n) and (n) of section 14 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government in consultation with the Bureau of Energy Efficiency, hereby specifies the minimum share of consumption of non-fostil sources (renewable energy) by designated tousumers as energy or feedstock and different share of consumption for different types of non-fostil sources for different designated consumers in respect of electricity distribution licensec and other designated consumers who are open access consumers or captive users to the extent of comparaption of electricity from sources other than distribution licensec as a percentage of their total share of energy consumption indicated in the Table below:

#### TABLE

SLNo	Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy*	Other renewable energy	Total renewable energy
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	2024-25	0.67%	0.38%	1 30%	27.35%	29.91%
2.	2025-26	1.45%	1.22%	2.10%	28 24%	33.01%
3	2026-27	1.97%	1.34%	2,70%	29.94%	35.95%
4	2027-28	2.45%	1,42%	3.30%	31.64%	38.81%
5.	2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
6	2029-30	3.48%	1.33%	4.50%	34,02%	43.33%
				4		

Note 1: For hilly and North-Eastern States/Union Territories, namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Jammu & Kashmir, Ladskin. Himachal Pradesh and Uttarakhand, the distributed renewable coergy component shall be half

of that given in the Table and the remaining component for these States shall be included in the other renewable energy sources.

- Note 2: The wind renewable energy component shall be met by energy produced from Wind Power Projects (WPPs) commissioned after the 31st Merch, 2024.
- Note 3: The hydro renewable energy component shall be met only by energy produced from Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], commissioned after the 31" March, 2024:

Provided that the hydro renewable energy compenent may also be met out of the free power being provided to the State/DISCOM from the Hydro Power Projects commissioned after the 31<sup>th</sup> March, 2024:

Provided further that the hydro recessable energy component may also be met from Hydro Power Projects located outside India as approved by the Central Government on a caseto-case basis.

Note 4: The distributed renewable energy component shall be met only from the energy generated from renewable energy projects that are less than 10 MW in size and shall include solar installations under all configurations (not metering, gross matering, virtual net metering, group net metering, behind the meter installations and any other configuration) notified by the Central Government:

Provided that the compliance against distributed renewable energy shall ordinarily be considered in terms of energy (Kilowatt hour units):

Provided further that in case the designated consumer is unable to provide generation data against distributed renewable energy installations, the reported capacity shall be transformed into distributed renewable energy generation in terms of energy by a multiplier of 3.5 units per kilowatt per day (kWh/kW/day).

- Note 5: The other renewable energy comptnent may be met by energy produced from any renewable energy power project other than specified in Note 2, 3 and 4 and shall comprise energy from all WPPs and Hydro Power Projects [including Pump Storage Projects (PSPs) and Small Hydro Projects (SHPs)], including free power, commissioned before the 19 April, 2024.
- Any shortfall in achievement of scipulated wind renewable energy consumption in a particular year may
  be met with hydro renewable energy which is in excess of that energy component for that year and vicetors.
- The balance excess energy consumption under wind renewable energy or hydro renewable energy component in that year, may be considered as part of other renewable energy component.
- Any excess energy consumption under Other renewable energy component in a particular year, may be utilised to meet the shortfall in achievement of stipulated Wind renewable energy or Hydro renewable energy consumption.
- The designated consumers who are open access consumers or consumers with Captive Power Plants shall fulfil their obligation as per the specified total renewable energy target irrespective of the non-fossil fuel source.
- The specified renewable energy consumption targets shall be met either directly or through Certificate
  in accordance with the Central Electricity Regulatory Commission (Tenns and Conditions for Renewable
  Energy Certificates for Renewable Energy Generation) Regulations, 2022, published in the Gazette of India,
  Extraordinary, Part III, Section 4, dated the 24th May, 2022.

Provided that any shortfall in specified renewable energy consumption targets shall be treated as non-compliance and penalty shall be imposed as such rate specified under sub-section (3) of section 26 of the said Act.

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- The Bureau shall maintain data related to compliance of renewable energy utilisation by the designated consumer(x) and submit report to the Central Government.
- This notification shall come into force on the 1<sup>st</sup> day of April, 2024 and till such time, the RPO trajectory specified in paragraphs 5 to 14 wide the Ministry of Power Order No. 9/13/2021-RCM, dated 22<sup>rd</sup> July, 2022 read with Corrigoridum, dated the 19<sup>th</sup> September, 2022, shall remain in force

[F.No. 9/13/2021-RCM] AJAY TEWARI, Addl. Secy



#### भारत सरकार भवीन और संवीकरणीय कालां मंत्रालय Government of India MINISTRY OF NEW AND RENEWABLE ENERGY अक्स अन्य अन्य माना मोदी तेव, मां विस्ती-13003 ATAL AKSHAY LIBIA BHAWAN, LOOM BOAD, NEW DELHATIONS



D. O. No. P&RA/2023-24/8

Dear Madan /Sir

Dated 01:02:2024

Please refer to D.O. letter of even number dated 28th November, 2023 wherein the amended provisions of the Energy Conservation Act related to minimum share of consumption of ranewable energy by the electricity department licensees was highlighted. The penalty provisions under Section 26(3) of the amended Energy Conservation Act, 2001 were also highlighted which specify the amount of penalty which will become liable for non-compliance of the norms of minimum share of consumption of renewable energy notified by the Ministry of Power on 20th October, 2023.

2 To resterate, Section 26(3) of the amended Energy Conservation Act, 2001 provides as follows:

"If any person fails to comply with the directions issued under clauses (n) and (\*) of section 14, he shall be liable to a penalty which shall not exceed ten lakh tupees for each such failure. Provided that he shall be liable to an additional penalty which shall not exceed twice the price of every metric ton of oil equivalent prescribed under this Act, which is in excess of the prescribed norms."

- 3 It is brought to your attention that the additional penalty mentioned above could amount up to Rs. 3.72 per unit for each unit of shortfall in meeting the RE consumption norm, as per calculation of the penalty which is attached herewith.
- 4 In view of heavy penalty amount epplicable under the Energy Conservation Act, 2001, it would be prudent on the part of the Discoms to tie-up and procure renewable energy to meet the specified RE consumption norm, instead of paying high penalty for non-compliance.
- 5 You are accordingly advised to plan in advance to meet the renewable energy consumption norms specified under the EC Act, 2001, effective from 1.4.2024 to avoid penalties. This Ministry will provide you necessary assistance for procurement of renewable energy to meet the norms.

with regard,

Yours sincerely

(Dilip Nigam)

Encl. As above

To

- Additional Chief Secretaries/principal secretaries (Energy/Power/Renewable Energy) of All States/ UTs
- CMDs of all Holding Companies of DiSCOMs of all States/UTs
- CMDs of DISCOMs of all States/L/Ts

Annexure

Illustration of penalty for not achieving the specified renewable energy consumption norms specified under EC Act. 2001 notified by Ministry of Power on 20th October, 2023:

The maximum penalty amount for shortfall in the RE consumption norms is twice the price of every metric ton of oil equivalent (MTOE) of the shortfall.

- MTOE = 11,630 kWh
- Price of one MTOE = INR 21,650.00
   (As per MoP Gazette Notification dated 26.12.2023 for the year 2019-20 and it may be 20-30% higher for 2024-25)
- Penalty on each unit of shortfall in meeting RE consumption norms:
   = (2 x 21,650)/11,630 = INR 3.72 per kWh