

Article 2: LICENCES, PERMITS

The Power Producer, at its sole cost and expense, shall acquire and maintain in effect all clearances, consents, permits, licenses and approvals required from time to time by all regulatory / statutory competent authority (ies) in order to enable it to perform its obligations under the Agreement.

Article 3: OBLIGATIONS

3.1 Obligations of the Power Producer:

- i) The Power Producer shall obtain all statutory approvals, clearances and permits necessary for the Project at his cost in addition to those Approvals as listed in Schedule 3.
- ii) The Power Producer shall obtain financial closure within 9 (nine) months from the date of execution of the Power Purchase Agreement, for projects being set up in Solar park, and within 12 (twelve) months from the date of execution of the Power Purchase Agreement, for projects being set up outside Solar park.
- iii) The Power Producer shall construct, operate and maintain the Project during the term of PPA at his cost and risk including the required Interconnection Facilities..
- iv) The Power Producer shall sell all available capacity from identified Solar Photovoltaic Grid-Interactive Power Plants to the extent of contracted capacity on first priority basis to MSEDCL and not to sell to any third party.
- v) The Power Producer shall seek approval of CTU/STU/DISCOM in respect of interconnection Facilities.
- vi) The Power Producer shall undertake at its own cost construction/ upgradation of (a) the Interconnection Facilities, (b) the Transmission Lines and as per the specifications and requirements of CTU/STU/DISCOM, as notified to the Power Producer at schedule 4.
- vii) The Power Producer shall undertake at its own cost maintenance of the Interconnection Facilities, as per the specifications and requirements of CTU/STU/DISCOM, , in accordance with Prudent Utility Practices.
- viii) The Power Producer shall operate and maintain the Project in accordance with Prudent Utility Practices.
- ix) The Power Producer shall be responsible for all payments on account of any taxes, cesses, duties or levies imposed by the GoI/State Government or its competent statutory authority on the land, equipment, material or works of the Project or on the Electricity generated or consumed by the Project or by itself or on the income or assets owned by it.
- x) For evacuation facility and maintenance of the transmission system, the Power Producer shall enter into separate agreement with CTU/STU/DISCOM, f as applicable.
- xi) To apply for start up power required for the plant from MSEDCL.
- xii) Fulfilling all other obligations undertaken by him under this Agreement.
- xiii) The Power Producer cannot inject power three months earlier to Scheduled Commercial Operation Date from Project without MSEDCL's consent.

3.2 Obligations of MSEDCL:

- i) MSEDCL shall off-take and purchase the electricity generated by power producer as per the terms and conditions of this Agreement.
- ii) MSEDCL to open the Letter of Credit as per terms and conditions of this agreement.

3.3 Liquidated damages for delay in Commissioning the Project/Solar Photovoltaic Grid Interactive Power Plant beyond Scheduled Commercial Operation Date:

- i) The Projects shall be commissioned within a period of 15 (fifteen) months from the date of execution of the PPA, for projects being set up in Solar park, and within a period of 18 (eighteen) months from the date of execution of the PPA, for projects being set up outside Solar park.
- ii) The Power Producer shall have to submit Commissioning Certificate as verified, inspected and certified by SLDC/DISCOM. In case of failure to achieve this milestone, MSEDCL shall forfeit the Performance Bank Guarantee (PBG) in the following manner:
 - a) **Delay upto Six (6) months from SCOD** – MSEDCL will forfeit total Performance Bank Guarantee on per day basis and proportionate to the balance Capacity not commissioned.
 - b) **In case the commissioning of the project is delayed beyond Six (6) months from SCOD-** The maximum time period allowed for commissioning of the full Project Capacity with encashment of Performance Bank Guarantee shall be limited to 21 (Twenty One) months from the date of execution of the PPA, for projects being set up in Solar park, and within a period of 24 (Twenty Four) months from the date of execution of the PPA, for projects being set up outside Solar park.
 - c) In case, the Commissioning of the Project is delayed beyond this period as mentioned in Article (b) above, Power Producer's Event of Default, as per clause 10.3 of PPA, shall be considered to have occurred and the PPA contracted capacity shall stand reduced / amended to the project Capacity commissioned upto maximum time period allowed for commissioning of full project capacity as per Article (b) above and the PPA for the balance Capacity not commissioned shall be terminated and shall be reduced from the Contracted Capacity.

3.4 Generation compensation due to evacuation issues at the time of SCOD:

- i) Upon the occurrence of an Emergency in CTU/STU's / DISCOM evacuation system for safe operation of its Grid, CTU/STU / DISCOM reserves the right to shut down the line and has no obligation to evacuate the power.
- ii) If plant is ready before Schedule Commercial Operation Date, but the off take is constrained because of incomplete power evacuation infrastructure, no compensation shall be payable. [Applicable only in case of New plant yet to be commissioned]

Article 4: SYNCHRONISATION, COMMISSIONING AND COMMERCIAL OPERATION

4.1 Synchronization, Commissioning and Commercial Operation:

- 4.1.1 The Power Producer shall give at least Thirty (30) days written notice to the RLDC/SLDC/SNA and MSEDCL, of the date on which it intends to synchronize the Power Project to the Grid System.
- 4.1.2 Subject to Article 4.1.1, the Power Project may be synchronized by the Power Producer to the Grid System when it meets all the connection conditions prescribed in the Grid Code and otherwise meets all other Indian legal requirements for synchronization to the Grid System.
- 4.1.3 The synchronization equipment and all necessary arrangements/ equipment including Remote Terminal Unit (RTU) for scheduling of power generated from the Project and transmission of data to the concerned authority as per applicable regulation shall be installed by the Power Producer at its generation facility of the Power Project at its own cost. The Power Producer shall synchronize its system with the Grid System only after the approval of CTU/STU and RLDC/SLDC or DISCOM.
- 4.1.4 The Power Producer shall immediately after each synchronization / tripping of generator, inform the sub-station of the Grid System to which the Power Project is electrically connected in accordance with applicable Grid Code.
- 4.1.5 The projects shall be commissioned within a period of 15 (fifteen) months from the date of execution of the PPA, for projects being set up in Solar park, and within a period of 18 (eighteen) months from the date of execution of the PPA, for projects being set up outside Solar park.

Part Commissioning:

- 4.1.6 For intra - state projects, the part commissioning of the project may be accepted by MSEDCL subject to the condition that minimum capacity for acceptance of first and subsequent part commissioning shall be 25 MW for intra-state projects and 50 MW for inter-state projects. For inter - state projects, the part commissioning of the project may be accepted by MSEDCL subject to the condition that minimum capacity for acceptance of first and subsequent part commissioning shall be 50 MW.

Early Commissioning:

- 4.1.7 The early commissioning of solar power Generator is permitted for full commissioning as well as part commissioning prior to SCOD. In case of early full commissioning, MSEDCL will purchase the generation till SCOD at PPA tariff. In case of part commissioning till SCOD as described in Section 4.1.6 above, MSEDCL will purchase the generation till SCOD at 75% of PPA tariff, **without**

any additional Tariff on account of Change in Law till the SCoD. If the project is not fully commissioned within the maximum time period allowed for commissioning of the full Project Capacity i.e. 21 (Twenty One) months from the date of execution of the PPA, for projects being set up in Solar park, and within a period of 24 (Twenty Four) months from the date of execution of the PPA, then the last date of such maximum time period shall be considered as COD.

- 4.1.8** The power producer shall possess the 100% (hundred percent) of the required land in the name of power producer for a period not less than the complete term of PPA ,on or before the SCOD. Whenever leasing of private land is involved the lease should allow transfer of land lease rights to the lenders or procurer in case of default of the solar power generator.

4.2 Performance Bank Guarantee:

- 4.2.1 The Performance Bank Guarantee furnished by Power Producer to MSEDCL as prescribed in the RfS shall be for guaranteeing the commissioning / commercial operation of the project up to the Contracted Capacity within SCOD.
- 4.2.2 If the Solar Power Developer fails to achieve Financial Closure as prescribed in Clause 3.13 of the RfS and Article 3.1.(ii) of this PPA, the MSEDCL shall encash the Performance Bank Guarantee (PBG) unless the delay is on account of delay caused due to a Force Majeure. An extension for the attainment of the financial closure can however be considered by MSEDCL, on the sole request of the Solar Power Producer, on advance payment of extension charges of Rs. 10,000/- per day per MW plus GST @ 18%, (if applicable). In case of any delay in depositing this extension charge, the Solar Power Producer has to pay an interest on this extension charge for the days lapsed beyond due date of financial closure @ SBI MCLR (1 Year).
An extension will not have any impact on the SCOD. Any extension charges paid so, shall be returned to the Power Producer without any interest on achievement of successful commissioning within the SCOD on pro-rata basis, based on the Project capacity commissioned on SCOD. However in case of any delay in commissioning of the project beyond the Scheduled Commissioning Date, the amount as deposited above by the Power Producer shall not be refunded by MSEDCL.
- 4.2.3 If the Power Producer fails to commission the project on or before Scheduled Commercial Operation Date, MSEDCL shall have the right to forfeit the Performance Bank Guarantee without prejudice to the other rights of the Power Producer under this Agreement as per Article 3.3.
- 4.2.4 MSEDCL shall release the Performance Bank Guarantee upon successful commissioning of full contracted capacity after adjusting Liquidated Damages (if any) as per Article 3.3.