

Modified
Implementation and Support Agreement
for
Grid Connected
Solar Photo Voltaic Projects
for
2000 MW Pavagada Ultra Mega Solar
Park in
Karnataka

ISSUED BY

Karnataka Solar Power Development Corporation Limited
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2 Definitions

- a) "*Act*" or "*Electricity Act, 2003*" shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time;
- b) "*Agreement*" shall mean the Implementation and Support Agreement made between "*KSPDCL*" and the "*Solar Power Developer*" (SPD)
- c) "*Company*" shall mean a body corporate incorporated in India under the Companies Act, 1956 or the Companies Act, 2013 as applicable, which expression shall unless be repugnant to the context or meaning hereof be deemed to mean & include its successors in business and assigns.
- d) "*Commercial Operation Date (COD)*" shall mean the 30 days from the actual part commissioning date of respective Unit(s) of the Power Project where upon the **SPD** starts injecting power from the Power Project to the delivery Point. COD is intended to match allocation and availability of thermal power for bundling.
- e) "*CTU*" or "*Central Transmission Utility*" shall mean the Central Transmission Utility as defined in sub-section (10) of Section 2 of the Act i.e Power Grid Corporation of India Limited (PGCIL).
- f) "*Demised Premises*" shall mean all that piece of leased land in 2000 MW Pavagada Ultra Mega Solar Park at Vallur, Balasamudra, Tirumani, Rayacharlu and Kyataganacharlu Villages of Nagalmadike Hobli, Pavagada Taluk of Tumkur District of Karnataka State and more particularly described in Schedule "1" written hereunder, together with all rights, liberties, privileges, easement advantages and appurtenances, whatsoever thereto belonging or in any manner appurtenant thereto or usually held or occupied therewith or reputed to belong or be appurtenant thereto except and reserving unto **KSPDCL** all mines and minerals in and under the premises.
- g) "*Expiry Date or Closing Date*" shall mean the date occurring twenty five (25) years from the Commercial Operation Date of the first part commissioned capacity of respective SPDs or until termination of Land Sub Lease Agreement/termination of Implementation and Support Agreement;
- h) "**Financial Year**": Shall mean the period beginning from the Effective Date and ending on the immediately succeeding March 31 and thereafter each period of 12 months beginning on April 1st and ending on March 31st.
- i) "**Inter-connection point or Delivery point**" shall mean the point at 400kV Sub-Station of CTU. All costs and losses upto that point will be on account of the Solar Power Developers.
- j) "*KSPDCL*" shall mean **Karnataka Solar Power Development Corporation Limited**, a company incorporated under the Companies Act, 2013 having its registered office at -----
----- "*KSPDCL*" herein after referred to as the "*SPPD*" or "*Solar Power Park Developer*".

- k) **“Metering point”** shall mean the point at 220 kV side of 400/220 kV grid Sub-Station of CTU. However, meters has to be installed as per clause 8.8 of this Agreement. The Metering and connected equipment shall be provided by Solar Power Developers at their cost and they shall abide by the relevant CERC Regulations, Grid Code, and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended from time to time in accordance with clause 8.8 of this agreement.
- l) **“MNRE Guidelines”** shall mean the Guidelines issued by Ministry of New & Renewable Energy, Government of India from time to time for Development of Solar Parks under National Solar Mission and its amendments, if any.
- m) **“Party” or “Parties”** shall refer to **KSPDCL** and the **SPD** individually or collectively.
- n) **“Pooling Substation”** shall mean an intermediary Substation where more than one Solar PV Project may connect for further connectivity through a common transmission line to STU / CTU System for evacuation of power.
- o) **“Power Purchase Agreement” or “PPA”** shall mean the Power Purchase Agreement between **NTPC /SECI / KREDL (as the case may be)** and **SPD and/or between NTPC / SECI/ KREDL (as the case may be) and Distribution Companies of Karnataka**, including its recitals and schedules, amended or modified from time to time in accordance with the terms hereof.
- p) **“Project Commissioning” or “Commissioning”** the Project will be considered as commissioned if all equipment as per rated project capacity has been installed and energy has flown into grid.
- q) **“Solar Park”** shall mean concentrated zone of development of solar power generation projects and provides an area that is well characterized with proper infrastructure including power evacuation and access to amenities. Solar Park will also facilitate developers by reducing the number of required approvals;
- r) **“Solar PV Project” or “PROJECT”** shall mean the Solar Photo Voltaic power project that utilizes sunlight for direct conversion into electricity through Photo Voltaic technology;
- s) **“SPD” or “Solar Power Developer”** shall mean Bidding Company or a Bidding Consortium that got selected through the bidding process conducted by **NTPC / SECI / KREDL (as the case may be)** through “Grid connected solar photo voltaic projects for 2000 MW Pavagada Ultra Mega Solar Park in Karnataka”. Any reference to the Solar Power Developer includes Bidding Company / Bidding Consortium/Consortium, Member of a Bidding Consortium including its successors, executors and permitted assigns and Lead Member of the Bidding Consortium jointly and severally, as the context may require.
- t) **“SPPD” or “Solar Power Park Developer”** shall refer to **“KSPDCL”** designated as the **Solar Power Park Developer for 2000 MW Pavagada Ultra Mega Solar Park** in the State of Karnataka.
- u) **“State Solar Power Policy”** shall mean the Karnataka Solar Power Policy 2014-21 and its amendments from time to time.

- v) **“STU”** or **“State Transmission Utility”** or shall mean the Board or the Government Company notified by the respective State Government under Sub-Section I of Section 39 of the Act i.e. Karnataka Power Transmission Corporation Limited (KPTCL).

3 The Agreement

This Implementation and Support Agreement is made at _____ on _____ day of the month _____ of the year Two Thousand Sixteen.

BETWEEN

M/s Karnataka Solar Power Development Corporation Limited, a company incorporated under the Companies Act, 2013 having its registered office at ----- Karnataka, India (herein after referred to as „**KSPDCL**” or “**SPPD**” or “**LESSOR**”), which expression shall unless repugnant to the context or meaning thereof, includes its successors-in-office, administrators and permitted assignees of the First Part

AND

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

RECITALS

- a. Whereas, Karnataka Solar Power Development Corporation Limited (**KSPDCL**) was incorporated in the year 2014 under the Companies Act, 2013 as a Joint Venture Company between SECI (Solar Energy Corporation of India), GoI and KREDL (Karnataka Renewable Energy Development Limited), GoK with an objective to plan, develop and operate solar parks in the State of Karnataka under MNRE Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects in the country, notified on 12th December 2014.
- b. Whereas, **KSPDCL** has been designated as **Solar Power Park Developer (SPPD)** for facilitation and implementation of the 2000 MW Pavagada Ultra Mega Solar Park to be developed at Vallur, Balasamudra, Tirumani, Rayacharlu and Kyataganacharlu Villages of Nagalmadike Hobli, Pavagada Taluk of Tumkur District of Karnataka State.

- c. Whereas, **KSPDCL**, as part of Solar Park development, will identify and acquire land (on lease basis) required and will develop various infrastructure like internal transmission system, water supply, road connectivity, drainage system etc as described in Article 7.
- d. Whereas, for the purpose of setting up 2000 MW Pavagada Ultra Mega Solar Park, GoK vide notifications dated 14.10.2015, 02.02.2016, 11-04-2016 & 16-05-2016 and GoK vide order No. CI 234 SPI 2015 dated 29-10-2015 has approved to acquire identified land of Kythagacharlu, Vallur, Balasamudra, Tirumani & Rayacharlu Villages of Nagalamadike Hobli, Pavagada Taluk, Tumkur District of Karnataka by KSPDCL from Land owners on 28year lease rental basis. KSPDCL as such has absolutely seized, possessed and is sufficiently entitled to the Land;
- e. Whereas, KSPDCL has allotted the land to the SPDs who are selected through the bidding process conducted by NTPC / SECI / KREDL (as the case may be) through “Grid Connected Solar Photo Voltaic Projects for 2000 MW Pavagada Ultra Mega Solar Park in Karnataka”. The land allotted to the SPD is described in Schedule written hereunder (hereinafter referred to as the “Land”).
- f. KSPDCL has entered into **Principal Lease Agreement (PLA)** with Land Owners. The same has been registered. The Article of said Principal Lease Agreement inter-alia provides a provision to KSPDCL to Sub lease the land to SPDs for setting up of solar generation projects. Pursuant to which, KSPDCL through Land Sub Lease Agreement dated _____ is Sub Leasing the said land to Solar Power Developers selected through competitive bidding process for setting up of _____ MW Solar generation.
- g. Land Sub Lease Agreement entered into between KSPDCL & SPD on _____ shall form part & parcel of this agreement.
- h. Whereas, KSPDCL, after considering the expenditure for Development and for providing Common Infrastructure such as Internal Transmission stations and its associated amenities, Roads, Water Supply, Drainage System weather station, fire stations and other Infrastructure facilities in respect of 2000 MW Pavagada Ultra Mega Solar Park, will collect, one time Upfront fees, Annual O & M charges with 5% escalation per annum, Annual Land Lease charges with 5% escalation once in 2 years, facilitation fee and one time charges towards Local Area Development Charges from SPDs. In addition to these charges, all applicable taxes, duties, cess and other Government levies will be collected separately from Solar Power Developers by KSPDCL.

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

4 Definitions and Rules of Interpretation

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

5 Effective Date and Duration

5.1 Effective Date

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

5.2 Term of Agreement:

5.2.1. This Agreement subject to Article 5.3 and 5.4 shall be valid for a term from the Effective Date until the Expiry Date. This Agreement may be extended for a further period on mutually agreed terms and conditions at least one hundred eighty (180) days prior to the Expiry Date.

5.3 Early Termination

5.3.1 This Agreement shall terminate before the Expiry Date if KSPDCL terminates either this Agreement or Land Sub Lease Agreement due to breach of terms and conditions of this agreement by SPDs.

5.4 Survival

5.4.1 The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive penalty as per the terms of this Agreement, nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination.

6 Payment Terms

6.1 One time Upfront fees towards Solar Power Park Development:

One time Upfront fees towards Solar Power Park Development and for providing Common Infrastructure such as Internal Transmission Lines, Roads, Drainage System etc as described in Article 7.0, of Rs. _____/- (Rupees _____ only)

calculated at the rate of **Rs. 29.025 Lakhs (Rupees Twenty Nine Lakhs and Two Thousand Five Hundred only) per MW** shall be paid by the **SPD** to **SPPD** on or before entering into this agreement. Service tax and all other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to the **SPPD** by the **SPD** within 7 days from the date of issue of bill by **SPPD**.

6.2 Annual O&M Charges

Annual O&M charges of Rs. ----- (Rupees -----Only) calculated at the rate of **Rs. 2.65 Lakhs (Rupees Two Lakhs Sixty Five Thousand only) per MW** per annum in the first year which is escalated annually at the rate of 5% shall be payable by **SPD** on or before 30th April (Due Date) at the beginning of each financial year during the agreement period. First year annual O&M charges shall be payable by **SPD** on pro-rata basis within 30 days from the COD. Service tax and all other taxes, duties, cess and other Government levies applicable on such transaction shall be reimbursed to the **SPPD** by the **SPD** within 7 days from the date of issue of bill by **SPPD**.

6.3 Annual Land Lease Charges:

Annual Land Lease Charges as specified in Land Sub Lease Agreement shall be payable by SPD to the SPPD in accordance with terms and conditions laid out in Land Sub Lease Agreement.

6.4 Facilitation fee:

SPD shall have to pay non refundable facilitation fee of Rs. 1,00,000/- (Rs. One Lakh only) per MW + applicable service tax etc to SPPD on or before entering into this agreement. KSPDCL shall in-turn remit this facilitation fee to KREDL, State Nodal Agency.

6.5 The Lessee shall pay compensation as determined by the Appropriate Authorities to Lessor towards Horticultural trees/agricultural crops/yielding bore-wells/ drip irrigation/ sprinklers building etc.

6.6 Performance Bank Guarantee

6.6.1 Submission of Performance Bank Guarantee(PBG)

The SPD shall submit an irrevocable unconditional Performance Bank Guarantee (PBG) of Rs. 3 Lakhs (Rs. Three Lakhs) per MW to KSPDCL issued from a public sector / scheduled commercial bank at the time of signing of this Implementation and Support Agreement in the form attached hereto as Schedule “2”.The PBG shall be valid for a minimum period of 19 months from the date of signing of PPA. In case any extension is given to the project, the corresponding extension needs to be made in the validity of PBG.

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

6.6.2 Appropriation of Bank Guarantee

The Solar Power Project shall be commissioned within 13 months from the date of signing of PPA by SPD. In case of failure to achieve this milestone and failure by SPD to reinstate/renew LC amount not later than 30 days from its drawl/expiry, **KSPDCL** shall encash the Performance Bank Guarantee on per day basis and proportionate to the Capacity not commissioned with 100% encashment for 5 months delay.

In case of further delay and the project is not commissioned within 25 months from the date of signing of PPA, **KSPDCL** shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to terminate this Agreement and also the Land Sub Lease Agreement in accordance with the provisions of Article 12.2 & 12.3 of this agreement.

6.6.3 Return of Performance Bank Guarantee

KSPDCL shall return/release the Performance Bank Guarantee three (3) months after Commercial Operation Date without prejudice to other rights of **KSPDCL** under this Agreement.

6.7 Transmission Charges and Scheduling Charges

- a) “Inter-connection point or Delivery point” shall mean the point at 220 kV side of 400/220 kV Sub-Station of CTU. All costs and losses upto that point will be to the account of the Solar Power Developers.
- b) As per the notification no. L-1/(3)/2009-CERC dated 15th May, 2015 of Central Electricity Regulatory Commission (CERC), Solar Power Park Developer (**SPPD**) has been included as an Applicant for Connectivity and Long Term Access in Inter-State Transmission System (ISTS). **KSPDCL** in terms of said CERC Regulations had made application to POWERGRID on behalf of prospective SPDs seeking grant of permission for LTA and Grid connectivity. Henceforth, all obligations/responsibilities/liabilities/charges etc arising out of said Regulations/application shall stand vested with SPD and SPD shall pay all such charges etc., to appropriate authorities directly.
- c) As per the notification no. L-1/41/2010-CERC dated 15th May, 2015 of Central Electricity Regulatory Commission (CERC), Solar Power Park Developer (**SPPD**) has been authorized to bear all liabilities on behalf of the solar power generators to be set up in the Solar Park. **KSPDCL** in terms of said CERC / KERC Regulations had furnished an undertaking to POWERGRID on behalf of prospective SPDs. Henceforth, all liabilities etc arising out of said Regulations/undertaking including Scheduling and Deviation Settlement Mechanism (DSM) charges as per CERC Regulations and all liabilities shall stand vested with SPD and SPD shall pay all such charges etc., to appropriate authorities directly.
- d) As soon as first project in the Solar Power Park gets commissioned, transmission charges to Powergrid will start getting paid from corpus of fund created by the **SPPD**, out of the collection from the Solar Power Developers, for the entire capacity of line. If the line gets ready as per schedule and no project is commissioned, **SPPD** will have to pay charges as per applicable rules out of the Corpus Fund. However, such transmission charges shall have to be reimbursed by **SPD** to **SPPD**.

- e) Forecasting and scheduling shall be done by **SPD** as per CERC / KERC Regulations and Indian Electricity Grid Code. The **SPPD** may take up the function of forecasting and Scheduling if the Solar Power Developers so desire on chargeable basis.
- f) **KSPDCL** will forward all the bills received from concerned authorities towards above charges mentioned **from** 6.5 (a) to 6.5 (e) to the **SPD** from time to time and the **SPD** shall pay such bills within 7 days from the date of issue of bill by **SPPD**.

6.8 Taxes and Duties

- a) **KSPDCL** shall not be liable for payment of any taxes, duties, levies, cess whatsoever for discharging of any obligation by **KSPDCL** as per article 7.0.
- b) The **SPD** shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/levied on the **SPD**, Contractors or their employees that are required to be paid by the **SPD** as per the Law in relation to the execution/operation of this Agreement.
- c) **KSPDCL** shall be indemnified and held harmless by the **SPD** against any claims that may be made against **KSPDCL** in relation to the matters set out in Clause 6.6.

6.9 Penalty for Delayed Payment

If payment of charges as detailed in Article 6 or any other supplementary bill issued in respect of tax etc is delayed beyond due date, **SPD** shall pay interest at the rate of 24% per annum for the delayed period. If the payment is delayed beyond 30 days from the due date of payment, **KSPDCL** shall present the Letter of Credit (LC), established by **SPD** as per the Clause 6.9, in the Bank to draw the amount.

6.10 Letter of Credit (LC) and Payment Security Mechanism

- 6.10.1 **SPD** shall establish an irrevocable unconditional revolving Letter of Credit (LC) in favour of **KSPDCL** with a public sector / scheduled commercial bank (as per the list to be provided by **KSPDCL**) within 30 days from the date of signing of this agreement. The LC shall cover annual O&M charges payable to **KSPDCL** for that particular Financial Year. Failure of **SPD** to open the LC as stated above invalidates this agreement.
- 6.10.2 The LC shall be established for a minimum period of one year. **SPD** shall ensure that LC remains valid at all times during the entire/extended validity period of this Agreement. LC shall be renewed not later than 30 days prior to expiry of existing LC.
- 6.10.3 LC shall specify the manner and dates when bill(s) can be presented to Bank by **KSPDCL**. The bills so presented by **KSPDCL** to the Bank shall be promptly paid on their presentation.
- 6.10.4 All costs relating to opening and maintenance and negotiation of LC shall be borne by the **SPD**.
- 6.10.5 In case of drawal of the LC amount by **KSPDCL** in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. **SPD** shall arrange to furnish to **KSPDCL** a certificate to this effect from Bank(s) providing LC.
- 6.10.6 In the event LC is not reinstated within 7 days from the date of its expiry/drawal, **KSPDCL** shall have the right to regulate the common facilities offered to the **SPD** by giving one month advance notice in writing, notwithstanding the rights accrued under the Land Sub Lease Agreement.

6.11 Right to Re-enter

- 6.11.1 If there be any breach of any of the terms and conditions and covenants herein contained on the part of the **SPD**, **KSPDCL** shall have the right to re-enter into the possession of the Demised Premises or any part thereof and there upon the term hereby granted and right to renewal thereof shall absolutely cease and determine, and in that case no compensation shall be payable to the **SPD** on account of the buildings and improvements built or carried out on the Demised Premises by **SPD**.
- 6.11.2 Provided that **KSPDCL** shall not exercise such right without serving the **SPD** a notice in writing giving three months time to remedy the breach.

7 Obligations of KSPDCL

7.1 Approvals

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

7.2 Declaration by KSPDCL

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

7.3 Infrastructure support by KSPDCL

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

7.3.1 Land for Solar Project

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

7.3.2 Internal Evacuation System

- a) **KSPDCL** will provide all necessary evacuation facilities such as establishing 220/66 kV or 220/33kV sub stations (as the case may be) and construction of 220kV lines from the Pooling Sub-station to proposed 400/220kV station of Powergrid. The **SPD** shall have to connect either to 66kV bus of 220/66 kV Pooling Sub-station or 33kV bus of 220/33kV pooling sub station of KSPDCL by **66kV / 33kV UG cables (as the case may be)at its own cost**.
- b) 2000 MW Solar Park is divided into 8 blocks of 250 MW for the purpose of Power evacuation.
- c) For each 250 MW Solar Power block, one pooling substation of 220/66kV or 220/33kV is proposed in which 2 x 150 MVA or 4x80 MVA step-up transformers will be installed. 250 MW block is further subdivided into 50 MW sub blocks. Thus, these 5 X 50 MW sub blocks shall be connected to pooling sub-station through two sets of 66kV or 33kV **UG cables(as the case may be)**.
- d) The pooling sub-stations are connected through 220 kV Double/Multi Circuit tower line to the main 400/220 kV Sub Station through a dedicated corridor.

7.3.3 Laying of UG Cable:

SPD at its own cost shall lay UG Cable in 2 circuits along the road side from their 66/11 kV or 33/11kV sub Station to the 220/66kV or 220/33kV internal Pooling station of **KSPDCL** respectively. **KSPDCL** will **not** provide any cable tray support structures.

7.3.4 Main Road and Street Lighting

KSPDCL will lay and maintain the main roads so as to provide access to all the plots along with street lighting in the Solar Park. Internal access roads within the plot shall have to be laid by the **SPD** at its own cost. **KSPDCL** will also develop Road Connectivity, Drainage System and Street Lighting for the MDRs etc., **SPD** shall at its own cost construct and maintain arterial roads with street lighting to and from MDRs.

7.3.5 Water Supply

- a) **SPD shall make their own necessary** arrangements for water supply for construction, operations and maintenance of the Solar Power Plant.
- b) However, charges if any claimed by any competent authorities in future for usage of underground water or for bore-well, the same shall be payable by **SPD**.

7.3.6 Drainage System

KSPDCL will lay and maintain the main drains along the main road to which Solar power developers shall connect their internal plant drains.

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

7.3.7 Weather Station

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

7.3.8 Fire Safety

KSPDCL will arrange to establish common Fire Station for the entire Solar Park with a fire tender to assist the **SPDs** in case of fire. However, the **SPD** shall establish and maintain its own firefighting and safety equipment to avoid/minimize the loss/damage of property/equipment in case of fire. **KSPDCL** shall not be held responsible for any loss/damage of property/equipment of **SPD** due to fire accidents.

7.3.9 Power Supply During Construction

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

8 Obligations of the Solar Power Developer

8.1 Observance of Law

8.1.1 Observance of Electricity Act and Solar Policies

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

8.1.2 Observance of Health and Safety Laws

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

8.1.3 Observance of Environmental Protection Laws

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

8.1.4 Observance of Local Laws/Authorities

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

8.2 Permissions and Clearances

The **SPD** shall obtain and renew, if necessary, at its own costs, all necessary permissions, approvals, licenses and permits for the Solar Power Project including but not limited to obtaining Drawing & safety Approval from Chief Electrical Inspector, GoK, RT and MRT Pre Commissioning approval from RT Department, KPTCL and Project Commissioning and synchronization approval from KPTCL and KSPDCL and shall pay all license and other fees and cess and taxes in respect of the Demised Premises by reason of their being used the same for the purpose aforesaid and to observe and perform all local, police, municipal laws and/or policies and rules and regulations in connection with such use. **KSPDCL** will sign all such documents and make all such applications as may be reasonably required of **KSPDCL** at the cost of the **SPD** for enabling the **SPD** to obtain all necessary permissions, licenses and/or approvals for constructing, repairing, running and/or maintaining the Plant.

8.3 Use of Demised Premises for Other Purposes

- a) The **SPD** shall use the Demised Premises and every part thereof only for the purpose of constructing, maintaining and running the Solar Power Project and matters connected therewith and shall not use the Demised Premises or any part thereof for any other purpose.
- b) The **SPD** shall be the owner of the plant and buildings constructed by it on the Demised Premises and the equipment, machinery, furniture, fixtures and/or all moveable assets installed therein.
- c) The **SPD** can construct the Solar Power Project including the buildings, structures required for the Solar Power Project as per their own plans in the demised premises. However the **SPDs** shall submit the plans/drawings to **KSPDCL** for its scrutiny and approval to ensure that buildings & structures shall not create any obstruction to the neighboring plots.
- d) The **SPD** shall not build, construct, demolish or erect or make any alterations and/or additions to the Plant and/or any building or any structure on the Demised Premises

or any variation or user of any portion thereof unless and until specifications, plans, elevations, sections and details thereof are submitted by the **SPD** to **KSPDCL** for its scrutiny and approval to ensure that the above alterations/additions to buildings/structures will not create problems to Solar power Projects in the neighboring plots.

- e) The **SPD** shall not make any excavation upon any part of the Demised Premises or remove any stone, sand gravel, clay, earth or material there from except the construction of the Solar Power Plant.

8.4 Mortgaging

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

8.5 Right of Access to KSPDCL/other authorities

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

8.6 Right of KSPDCL to Audit

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

8.7 Fencing

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

8.8 Metering

Metering shall be at 66kV or 33kV side of 220/66kV or 220/33kV substation (as the case may be) where the power from the solar power project is injected and at the 220 kV Side of 400/220kV substation of CTU i.e., POWERGRID.

A set of Main and Check Meters and also Standby Meter of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable from time to time, shall be Procured and installed by **SPD** in each 11/66 kV or 11/33kV station and on incoming feeder at 66KV side of 66/220kV Pooling Station or 33kV side of 33/220kV pooling station (providing meter at 66kV side or 33kV side of 66/220kV or 33/220kV forms part of upfront charges payable by SPDs) based on specifications & make provided by **KSPDCL**.

Another set of Main and Check Meters and also Standby Meter of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be Procured and installed by **SPD** on each incoming feeder at 220KV side of 400/220kV Grid Sub Station (Interconnection point) of CTU i.e., POWERGRID based on specifications & make provided by **KSPDCL/POWERGRID**.

The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.

Both sets of meters are used for billing purposes and to measure the transmission line losses up to interconnection point. The transmission loss from SPD station upto Powergrid Station will be apportioned to each of the SPD's in proportion to their generation.

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

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

8.9 Insurance

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

8.10 Local Area Development

As per the MNRE guidelines, 1% of the total investment made for setting up solar power project in the solar park is to be kept aside by the **SPD** for the local area development, under solar park development fund account.

Local area development would comprise of

- a) Development of Village Panchayat and
- b) Development of areas other than Village Panchayat.

A Committee, headed by the District Collector, Tumkur will be constituted with the CEO of SPIA/SPPD as Member Secretary.

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

8.11 Employment

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

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

8.12 Technical Requirements

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

9 Liability and Indemnification

9.1 Limitation of Liability

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

9.2 Indemnification

- a) **KSPDCL** shall indemnify and keep indemnified and sufficiently safe and harmless the **SPD** against any charges and encumbrances whatever made, executed, occasioned or suffered by the Lessee or by any other person or persons having or lawfully claiming by from under or in trust for them, legal proceedings or damages caused on account of breach of any law, rules and regulations of the Government or any local authority as applicable to the Demised Premises or of these present.

- b) The Solar Power Developer shall indemnify and keep indemnified and sufficiently safe and harmless **KSPDCL** against all legal proceedings, losses, penalties, fines, claims, degrees, award, damages costs, charges and/or expenses that **KSPDCL** may have to suffer and/or incur on account of breach by the **SPD** of any law, rules, regulations, byelaws, policies, guidelines of the Government or any local authority, or of these present and/or due to any situation and/or accident arising at or related to the Plant constructed by the **SPD** on the Demised Premises and/or due to any breach of any covenant condition and/or stipulation herein made and to be observed by the **SPD**.

10 Force Majeure

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

11 Notice

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

12 Termination

12.1 Right of Termination

- a) This Agreement and the transactions contemplated herein may be terminated and abandoned at any time prior to the Closing Date,
 - a. upon the mutual consent of the Boards of Directors of **KSPDCL** and **SPD**;
 - b. by **KSPDCL** if the conditions to **SPD**'s obligations specified in Clause 8 hereof

shall not have been met or waived by the Closing Date, or such later date as shall have been approved by **KSPDCL**.

- c. By **KSPDCL** if the existing PPA or the Land Sub Lease Agreement is terminated for reasons attributable to SPD.
- d. by **SPD** if the conditions to **KSPDCL**'s obligations specified in Clause 7 hereof shall not have been met or waived by the Closing Date, or such later date as shall have been approved by **KSPDCL** and Solar Power Developer.

12.2 Notice of Termination

The power of termination provided for by Clause 12.1 hereof may be exercised only by a notice given in writing and signed on behalf of **KSPDCL** by either the Chief Executive Officer, or any other officer authorized by him, and on behalf of **SPD** by the Managing Director, President or any other officer authorized by him or board of the Company.

12.3 Effect of Termination

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

In the event of termination of the **Implementation & Support Agreement and/or Land Sub Lease Agreement**, **SPDs** shall, within sixty (60) business days following the termination date, remove all property and fixtures belonging to **SPDs** from the Site duly making payment of compensation equivalent to Annual O & M charges for the subsequent financial year along with applicable service tax etc to **KSPDCL**. If the **SPD** fails to remove the fixtures or buildings etc or fails to make payment of compensation as above, even after the notice by **KSPDCL** to do so, such buildings, structures etc shall vest with the **KSPDCL** and liable to be removed at the risk & cost of **SPD** and the **KSPDCL** shall have the right to invoke Letter of Credit submitted by **SPD** in accordance with Article 6 without prejudice to the other rights of **KSPDCL** under this Agreement.

For avoidance of doubt, if Lessor serves notice for termination in FY 2017-18, the Lessee shall pay Annual O & M charges prescribed for the FY 2018-19 and thereafter shall remove all property and fixtures belonging to Lessee from the Site.

If the **SPDs** fails to remove the fixtures or buildings etc even after the notice by **SPPD** to do so, such buildings, structures etc shall vest with the **SPPD** and liable to be removed at the risk & cost of **SPD**.

13 Dispute Resolution

13.1 Dispute Resolution through Amicable Settlement

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

- (a) a description of the Dispute
 - (b) the grounds for such dispute; and
 - (c) all written material in support of its claim.
- ii. The other party shall, within thirty (30) days of issue of Dispute notice under article (i), furnish:
 - (a) counter –claim and defence , if any regarding the Dispute; and
 - (b) all written material in support of its defences and counter-claim.
- iii. Within thirty (30) days of issue of Dispute notice by any party pursuant to Article 13.1(i) if other party does not furnish an counter claim or defence under article 13.1(ii) or thirty (30) days from the date of furnishing counter claims or defence by the other party, both the parties to the dispute shall meet to such dispute amicably. If the parties fail to resolve the Dispute amicably within (30) days from the later dates mentioned in 13.2.1(iii), the dispute shall be referred for dispute resolution in accordance with Article 13.2

13.2 Dispute resolution by the Appropriate Commission

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

13.3 Dispute resolution through Sole Arbitrator

If any dispute, controversy or claim relating to or arising under this Agreement, and not covered in Article 13.2, such Dispute shall be referred to the sole Arbitrator i.e., Additional Chief Secretary to Government of Karnataka, Energy Department, Karnataka and the award passed shall be binding on both the parties. The place of Arbitration shall be the Bengaluru at the time of dispute.

13.4 Dispute resolution by the Court of Law

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

14 Governing Law

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

15 Assignment

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

16 Amendment

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

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

SIGNED AND DELIVERED

By the “**SPD**”

Name:

Authorized Signatory

Signed

In the presence of:

- 1.
- 2.

SIGNED AND DELIVERED

By the “**KSPDCL**”

Name:

Authorized Signatory

SCHEDULE "1"

Sl.No.	District	Taluk	Hobli	Village	Survey No.	Extent (Acres)
1.	Tumkur	Pavagada	Nagalmadike			
	Total Extent (Acres)					

Schedule 2
Format for Bank Guarantee
(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution.)

In consideration of the ---- *[Insert name of the Bidder]* (hereinafter referred to as "Company") owning and operating the project of the capacity of MW, at*[Insert name of the place]* of Karnataka Solar Park for supply of power there from on long term basis, in response to the <<insert name and details of bid document>> and selecting the Solar Power Project of the developer and issuing Letter of Intent No ----- Dated_____ to (Insert Name of selected Solar Power Developer) as per terms of <<bid document name>> and the same having been accepted by the selected **SPD** resulting in a Implementation and Support Agreement to be entered into, for lease of land and provision of evacuation and other infrastructure by Karnataka Solar Power Development Corporation Limited (**KSPDCL**). As per the terms of the Implementation and Support Agreement, the _____ *[insert name & address of Bank]* hereby agrees unequivocally, irrevocably and unconditionally to pay to **KSPDCL** at *[Insert Name of the Place from the address of the KSPDCL]* forthwith on demand in writing from **KSPDCL** or any Officer authorized by it in this behalf, any amount upto and not exceeding Rupees----- *[Total Value]* only, on behalf of _____ *[Insert name of the selected Solar Power Developer / Project Company]*

This guarantee shall be valid and binding on this Bank up to and including _____ and shall not be terminable by notice or any change in the constitution of the Bank or the term of contract or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. _____ (Rs. _____ only). Our Guarantee shall remain in force until _____. **KSPDCL** shall be entitled to invoke this Guarantee till _____.

The Guarantor Bank hereby agrees and acknowledges that the **KSPDCL** shall have a right to invoke this BANK GUARANTEE in part or in full, as it may deem fit.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand by **KSPDCL**, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to **KSPDCL**.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by ----- *[Insert name of the selected Solar Power Developer / Project Company as applicable]* and/or any other person. The Guarantor Bank shall not require **KSPDCL** to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against **KSPDCL** in respect of any payment made hereunder.

This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at the capital city of Karnataka shall have exclusive jurisdiction.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring or any other change in the constitution of the Guarantor Bank. This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly **KSPDCL** shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the selected Solar Power Developer / Project Company , to make any claim against or any demand on the selected Solar Power Developer / Project Company or to give any notice to the selected Solar Power Developer / Project Company or to enforce any security held by **KSPDCL** or to exercise, levy or enforce any distress, diligence or other process against the selected Solar Power Developer / Project Company.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. _____ (Rs. _____ only) and it shall remain in force until _____. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if **KSPDCL** serves upon us a written claim or demand.

Signature _____
Name _____
Power of Attorney No. _____
For

_____[Insert Name of the Bank]__

Banker's Stamp and Full Address.

Dated this ____ day of ____, 20__

Witness:

1.

Signature

Name and Address

2.

Signature

Name and Address

Notes:

1. *The Stamp Paper should be in the name of the Executing Bank.*

2. *The Performance Bank Guarantee shall be issued by any of the public sector / scheduled commercial banks.*