

POWER PURCHASE AGREEMENT

Sl. No.	Clarifications Sought	Replies
1	<p>Section-3 information and Instructions to Bidders, Para C, Section 2: Guidelines for Selection of Solar PV Projects Para 2.5 C.;</p> <p>It is amply clear from the CERC order dated 26.4.2010 that the metering and accounting of energy of RE generating stations will be at the interconnection point and the inter-connection point is on the outgoing HV side of the isolator at the pooling station in the premises of SPD. Whilst in the PPA, the provision under delivery point “commercial metering point at STU pooling station” is quite contradictory to the provisions in CERC order. In view of the above it is requested that in the PPA it should be made very clear that the solar generation would be metered at developers delivery point (Generator Bus) and billed accordingly.</p>	<p>The metering shall be at the point where power is delivered to STU system</p>
2	<p>Power Purchase Agreement (Solar Thermal) Page 14, CI 3.1 (b)] All Consents, Clearance and Permits for Supply of Power to NVVN is neither necessary nor possible to be obtained in 180 Days from Effective Date. Consents, Clearance and Permits to be obtained in 180 Days from the Effective Date shall be listed in the PPA as Condition Subsequent.</p>	<p>Provisions of PPA shall be maintained</p>
3	<p>[Power Purchase Agreement (Solar Thermal) Page 18, CI 4.5.6] As per the time schedule provided in Article no 3.23 of RfS, the time allowed for commissioning of the project is until June 2013. Extension of time period for commissioning due to events in Article 4.5 & 4.6 should be allowed in addition. It may also be considered that the time schedule arrived at due the events specified in Article 4.5 could be higher than that arrived at as per Article 4.6.3. The subject article needs to be modified accordingly.</p>	<p>If a project is affected due to reasons of Force Majure, the time period so affected due to Force Majure conditions may be considered on case to case basis.</p>
4	<p>[Power Purchase Agreement (Solar Thermal) Page 19, CI 4.7] Performance test can be conducted only after the unit is synchronized. Therefore reference to Performance test before synchronization may be removed.</p>	<p>The Article refers to acceptance of capacity & performance test. Acceptance of capacity is prior to synchronisation</p>
5	<p>[Power Purchase Agreement (Solar Thermal) Page19, CI 4.8.3] As per Article 4.4.1, compensation is payable in case CUF is 7% less than the committed CUF. Hence the minimum CUF requirement for a Contract Year under this Article may be changed to 7% less than CUF.</p> <p>Minimum CUF tolerance requirement for a shorter duration of 3 months (compared to Contract Year) shall be higher (suggest 10% instead of 7%).</p>	<p>Provisions of PPA shall be maintained</p>
6	<p>[Power Purchase Agreement (Solar Thermal) Page 26, CI 10.3.3 & 10.3.4] Late Payment Surcharge and Rebate goes hand in hand. Therefore if NVVN has no obligation in paying Late Payment Surcharge unless duly received under PSA, NVVN should not claim Rebate as well. Or else, the Rebate shall be adjusted against any outstanding Late Payment Surcharge.</p>	<p>Provisions of PPA remain unchanged</p>

7	[Power Purchase Agreement (Solar Thermal) Page 29, CI 10.7.1 (ii)] Schedule 4 is not available in the PPA document	Reference to Schedule 4 is to be considered as deleted.
8	[Power Purchase Agreement (Solar Thermal) Page 31 ,CI 11.3] Change in Law resulting in increase project schedule shall also be included as Force Majeure	Refer Article 12 for provisions related to change in Law.
9	[Power Purchase Agreement (Solar Thermal) Page 37 ,CI 13.3] Articles 13.3.2 & 13.3.3 are missing	Article 13.3.4 is remembered as 13.3.2. Reference to Article 13.3.3 may be considered void
10	[Power Purchase Agreement (Solar Thermal) Page 40 , CI 14.3.1] The word Article 0 needs to be corrected	Article "0" may be read as Article 14.
11	[Power Purchase Agreement (Solar Thermal) Page 41, CI 14.4.3] Article 10.8 is not available in the PPA document	Article 14.4.3. stands deleted
12	[Power Purchase Agreement (Solar Thermal) Page 42 CI 15.1] SPD should be allowed assignments as required in the Financing Agreements.	The provisions of PPA will prevail.
13	[Power Purchase Agreement (Solar Thermal) Page 42 CI 15.2] SPD should be allowed to create charge on the receivables under the PPA in favor of the Lenders.	Agreement between SPD and its lenders is different from the PPA between SPD and NVVN and are to be independently treated. NVVN can not be made party to it.
14	[Power Purchase Agreement (Solar Thermal) Page 43 CI 16.2.1 (iii)] Words written as Article 0(i) and Article 0(ii) needs to be corrected.	Article 0 (i) and 0 (ii) stand corrected to 16.2.1. (i) and 16.2.1 (ii) respectively.
15	Para 3.9 As long as the Power Purchase Agreement (now in its version 18_08_2010_R0, the "PPA") documents provisions that might change payment mechanisms (such as in its Clause 10.1.1) one-sidedly, i.e. without acceptance by the Developer or his financiers, it will be impossible to execute the Format 6.1 that literally causes the Developer to accept all provisions of the PPA. NVVN to confirm deletion of Clause 10.1.1 of the proposed PPA	Provisions of Article 10.1.1 of PPA shall remain unchanged
16	What is the CERC approved tariff for first batch JNNSM phase 1 solar PV projects under the following two scenarios – 1) Normal depreciation; 2) Accelerated depreciation.	It is Rs.17.91/Kwh in generic and tariff Rs.14.95/Kwh in accelerated rate. Refer CERC (Terms & Conditions for tariff determination from renewable Energy sources) Regulation 2009 & Refer CERC order dated 26.04.10
17	CDM Benefit Calculations Methodology of calculation of CDM benefits via an example is to be attached as Annexure 3. Or alternatively, CDM benefits may not be considered in the feasibility study. There are many methods described in the CDM and a sample calculation will go a long way in convincing the investors/Debtors on the accuracy of the DPR.	As per CERC orders

18	<p>“Commercial Operation Date” As per the stipulation it shall mean the actual commissioning date of respective units of the power project thereupon SPD starts injecting power from the power project to the Delivery Point.</p> <p>For a 5 MW SPV Project, there can be 20 units each comprising of 250 KW; 10 units each comprising of 500 KW and 5 units each comprising of 1000 KW. As per the above stipulation there will be 20; 10;5 commercial date of operations for aforementioned combinations. This may please be clarified.</p>	Commercial operation date of the committed module minimum of 5MW shall be reckoned as actual commissioning date of Project.
19	4.4.2 It states that the SPDs is free to sell such power to any third party prior to the schedule commissioning date and any capacity which is excess of the quantum of the power agreed to be supplied under this agreement from scheduled commissioning date. It may be clarified that NVVN would not deny to purchase power from the developer before the scheduled commissioning date up to 21% of CUF.	Provision of PPA shall be maintained.
20	If the developer is ready with the plant but there is a delay on the part of STU for making available the transmission line for evacuation of power from the SPD Bus, the above provision does not hold good. The reduction in revenue due to change in applicability tariff may make the project unviable. Under these circumstances what is the security mechanism? In case the developer finds the project unviable and decides to terminate the agreement who will compensate him for the expenditure incurred by him till termination as he was no where at fault and made the plant ready with due diligence.	SPD has to address the issue with STU in totality and decide about the business risks.
21	It has been mentioned that the SPD shall issue to NVVN a signed monthly bill/supplementary bill for the immediately preceding month. It is understood that the monthly bill to be issued to NVVN is based on the generation recorded at the developers delivery point (Up to the Outgoing Isolator of the developer’s pooling station in its premises). Please clarify.	The bill shall be raised by SPD for the power metered and delivered at STU system
22	A capacity utilization factor of 23% has been prescribed as per CERC where as it is believed by most of the Consultants that only 20-21% would be achievable. This also needs to be suitably reconsidered.	Provisions of RfS & PPA shall hold good.
23	Please confirm whether the tariff of Rs. 17.91 is payable uniform throughout the period of 25 years or starts at Rs. 23.02 during year 1 and gets progressively reduced to Rs. 11. as shown in Schedule 6-A of the tariff order of CERC?	Levelised Generic tariff is payable as applicable tariff.
24	Does the tariff include VAT and other taxes on the energy supplied to NVVN?	Refer CERC (Terms and conditions for tariff determination from renewable Energy sources) Regulation 2009 & CERC order dated 26.04.2010
25	Paragraph 3.22 of the RFS provides that “if as a consequence of delay in commissioning the applicable tariff changes for the project, the project shall be paid the agreed tariff / changed tariff <i>whichever is lower</i> after incorporating the tariff discount”. This is in variance with paragraph 3.12 of Section 3 of the Guidelines which provides that in such cases the changed applicable tariff, incorporating the tariff discount, if any, shall be	Conditions of RfS will prevail

	applicable. We request NVVN to change this provision according to the Guidelines.	
26	Article 3.1(b) provides an obligation on SPD to obtain all Consents, Clearances and Permits required for supply of power to NVVN as per the terms of the PPA. Consents, Clearances and Permits are defined to mean all authorisation, licenses, registration etc. required to be obtained for setting up of the generation facilities and/or supply of power. This seems a general and all inclusive definition. We request NVVN to specify the Consents, Permits and Authorisation which are intended to be covered under this Clause.	All the required approvals have to be taken by SPD. An exhaustive list cannot be provided, there may be certain State regulations which may require some additional or different approvals.
27	We have observed that under the power purchase agreement which is specified by Ministry of Power as a standard bidding document, the amount of performance guarantee is reduced upon satisfaction of the conditions specified in the PPA for effectiveness of the PPA (in this case, Conditions Subsequent specified in Article 3.1). We request NVVN for a similar provision.	Provisions of PPA shall be maintained.
28	Article 3.2.4 provides that the time period for fulfilment of the conditions subsequent mentioned in Article 3.1 shall be extended for the period of the Force Majeure event. As you will appreciate, while the Force Majeure event may subsist for a very short duration (say for example, earth quake may occur only for few seconds) its effects could be devastating and could subsist for very long time affecting ability of SPD to perform the affected obligations. Under Article 11.5.2 of the PPA, the party affected by the Force Majeure is required to notify the other party of the cessation of the effects of an event of Force Majeure on the performance of its obligations as soon as practicable after becoming aware of the same.	Provisions of PPA shall prevail
29	The PPA provides for termination of PPA by either party, in case of Force Majeure under Article 4.5.3 and Article 13 and SPD's right of termination under Article 13.4.4. In all these cases of termination, NVVN should be liable to return all the Bank Guarantees provided by SPD.	May be considered on case to case basis.
30	Article 4.4.1 provides that NVVN shall not be obligated to purchase energy beyond as specified in the said Article, while SPD is liable to compensate for under production of energy. We request NVVN to allow sale of excess generated power to the extent of 5% of Committed CUF. This is because SPD may not be able to supply excess power to any other person.	Provisions of PPA shall be maintained.
31	Article 4.4.1 provides that in case SPD is unable to generate minimum energy corresponding to specified CUF, SPD is liable to compensate NVVN for under production, as per the terms of the PSA. This Article could provide for a minimum period for which SPD is unable to produce the minimum energy, to avoid a situation where in case of single incident, SPD is saddled with liability to compensate. Article 4.8.3 also provides for liability of SPD to pay compensation to NVVN for non-maintenance of CUF for a period of 3 months during a Contract Year. While Article 4.4.1 provides for generation of energy corresponding to a certain %	Provisions of PPA are clear for compensation and shall be maintained. The Articles referred here in are for specific purposes, hence shall be

	of CUF, Article 4.8.3 provides for non maintenance of CUF having different percentages. This Article also provides for a failure period of 3 months consecutive/ non consecutive during the year. We request the CUF be considered on annual basis and not on monthly basis. We request NVVN to suitably modify the related clauses.	maintained as such.
32	Article 8.3.1 provides that NVVN shall not be responsible for any loss, damage or liability for which SPD can claim compensation under any insurance. We request to amend this clause to “NVVN shall not be liable to the extent SPD “receives compensation” under any insurance, rather than mere ability of SPD to claim compensation”.	NVVN will not be liable for any loss or damage and Provisions of PPA shall prevail
33	Article 10.4.10 of the PPA provides that the SPD shall have pari passu charge on the Incremental Receivables, together with NTPC. This would not by itself mean that NTPC would be liable to invoke its rights subject to protecting rights of SPD. In case NVVN defaults on its obligations to NTPC but does not default on obligations to SPD, NTPC could seek to independently invoke its charge on Incremental Receivables. This could mean that SPD is left with inadequate Incremental Receivables to recover its dues. In view of this, We request NVVN for execution of an Inter-se Agreement between NTPC and SPD whereby they inter alia agree upon (i) proportion in which they would share the charge, (ii) manner of enforcing the charge, (iii) sharing of liquidation proceeds of the security. This arrangement would be necessary to protect rights of SPD.	The pari paasu charge on incremental receivables is applicable in case of default in payment by NVVN to concerned SPD & NTPC in ratio of their billing and therefore holds good. No inter-se agreement is therefore envisaged between SPD & NTPC.
34	Instead of Pari Passu charge can SPD get first charge on the receivables	No
35	Article 10.3.3 provides for payment of surcharge at the rate of 1.25% per month by NVVN “subject to such payment is duly received by NVVN under the PSA.” We are unable to ascertain the reason for the wording “subject to such payment is duly received by NVVN under the PSA”, since, obligation of NVVN cannot be qualified in this manner. We request NVVN for deletion of the said words. Further, the surcharge payable by NVVN should be calculated on day for day basis “and compounded with Monthly rest”, for each day of the delay.	Provision of PPA shall be maintained.
36	Article 10.3.4 provides for rebate available to NVVN for payment before the Due Date. Sub-clause (a) of this Article provides for rebate for payment made on 5 th Business Day of the Month. However, under Article 10.3.1, the Due Date is the 5 th day of the immediately succeeding month. Therefore, this could lead to interpretational difficulties. We request for clarification from NVVN on the same.	Rebate is applicable on payments made on presentation of Bill between 5 th & 15 th of the month.
37	Further, rate of rebate specified in Article 10.3.4 should be based on the date on which payment has been actually credited to the SPD’s account. Any delay in transfer of money to the SPD’s account, on account of public holiday, bank holiday or any other reasons shall be to the account of NVVN.	Provisions of PPA shall be maintained
38	Article 10.5 provides for mechanism applicable in case NVVN disputes the amount payable to SPD. NVVN is under an	Provision of PPA shall be maintained.

	obligation to pay 95% of the disputed amounts to SPD. Under Article 10.5.3, SPD is liable to refund, excess amount, if any, paid by NVVN under the disputed invoice, along with interest on the same. However, NVVN should be liable to pay interest on 5% of the disputed amounts in case the dispute is resolved in favour of SPD. Article 10.5.3 should be amended to provide for this situation.	
39	<p>Article 11.3.1 defines Force Majeure Events to include natural event and certain political events such as war, invasion, riot etc. The Force Majeure should also include the following events, since these events are also likely to affect ability of SPD to fulfil the conditions subsequent under the PPA.</p> <p>An event of Force Majeure affecting the STU, which has affected the Interconnection Facilities;</p> <p>exceptionally adverse weather conditions which are in excess of the statistical measures for the last 5 years; Nationalization or compulsory acquisition by any Indian Governmental instrumentality of any material assets or rights of SPD or the SPD's contractors;</p>	Provisions of Force majeure as listed in PPA shall be maintained.
40	Article 11.4.1 (d) -We request NVVN to replace word "facilities" by "project site".	Provisions of PPA shall be maintained.
41	We request NVVN to have an arrangement to compensate SPD at least for all non-natural force Majeure events and natural force Majeure events affecting NVVN. This will help the SPDs to address Lenders' apprehensions.	Provisions of PPA shall be maintained.
42	Article 12.1.1 provides for meaning of 'Change in law' but excludes "any change on account of regulatory measures by Appropriate Commission". It is possible that, by reason of regulatory measures, the Tariff payable to SPD could be affected, in which case, SPD should have an ability to claim such change as 'Change in Law' under this Agreement. We request NVVN to remove the said exclusion.	Provisions of PPA shall be maintained.
43	PPA does not specifically provide for an ability of SPD to mortgage or charge its assets in favour of its lenders. Therefore, PPA should contain specific right to SPD, permitting SPD to create mortgage or charge in favour of its lenders.	Provision of PPA is clear.
44	Article 13.2.1(i) provide that if NVVN fails to pay an invoice for a period of 90 days after the due date of an invoice, such an event will be construed as an event of default. It appears that the period of 90 days is exceedingly long especially when SPD is unable to recover its dues through the payment security mechanism. Further, in case of NVVN Default, consultation period of 60 days is also provided. SPD cannot be expected to wait for 150 days before invoking any remedy. Therefore, this provision should be amended to provide that "if NVVN fails to pay any amount to SPD as per the invoice raised by SPD and if SPD is unable to recover such amount through the payment security mechanism, such an event would constitute NVVN event of default."	Provision of PPA shall be maintained.
45	Further, the PPA is silent in terms of the provisions which will be applicable during the Consultation Period in case of NVVN	Refer Article 13.4.3

	Event of Default. The PPA should provide for the terms which will apply in such case, since SPD cannot store power but will have to mandatory sell the same.	
46	Article 13.4 provides for consequences in case of NVVN event of default. Upon occurrence of such an event, SPD is permitted to sell the Contracted Capacity to any third party or to terminate the PPA, subject to certain conditions. We understand that, having due regard to the high cost of power, SPD may not be able to sell the Contracted Capacity to any third party in case of failure of NVVN. Further, termination of PPA will also not be in the interest of SPD for the same reasons. Therefore, NVVN should be under an absolute liability to purchase the energy from SPD, throughout the term of the PPA. In the absence of this obligation or adequate alternative compensation, it will be very difficult for SPDs to find a lender for their project. We believe that this provision is extremely critical for viability of the project and request NVVN/MNRE to address this issue appropriately.	Provisions of PPA shall prevail
47	Article 13.5.1 provides that in case of Force Majeure event subsisting beyond a particular period, either party may terminate the PPA. We wish to bring it to kind notice of NVVN/MNRE that there exists no obligation to pay any compensation to SPD in case of such termination or during the subsistence of the Force Majeure Event. We request NVVN/MNRE to make provisions in the PPA for such compensation.	Provision of PPA shall be maintained.
48	<p>Article 14 provides for indemnification obligations of both the parties. However, under Article 14.1.2 NVVN is liable to cause the Discoms to indemnify SPD against certain liabilities. We have observed that NVVN has not been made liable to indemnify SPD. Further, Discoms are not a party to the PPA. NVVN has agreed to incorporate appropriate covenants in the PSA regarding indemnification obligations of the Discom to SPD. However, SPD will not be a party to PSA. Therefore there will not be any privity of contract between SPD and Discoms whereby SPD will be entitled to legally enforce indemnity obligations on the Discoms. In view of this, NVVN should be first liable to indemnify SPD and the Discoms should also be required to execute appropriate document in favour of SPD whereby the Discoms undertake a legally binding indemnity obligations towards SPD.</p> <p>All the provisions of Article 14 are sought to be made applicable vis-a-vis liability of SPD and Discoms to each other. As stated above, unless Discoms execute a binding document in favour of SPD, SPD will not be legally entitled to enforce provisions of this article against Discoms.</p>	No change in PPA Provisions
49	Article 14.4.1 excludes liability of either party to compensate the other against "any increased expense of, reduction in or loss of power generation or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of Discoms, the SPD or others), strict liability, contract, breach of statutory duty,	Provisions of PPA shall prevail.

	operation of law or otherwise.”. We are unable to understand the reasons for excluding the said liabilities. We seek a clarification from NRVN regarding this exclusion.	
50	Article 15.1 provides for right of NRVN to transfer all of its rights and obligations under the PPA to any third party. We seek clarification from NRVN regarding the parties to whom NRVN intends or is likely to assign its rights and obligations under this agreement.	It's a GOI Enterprise. Presently there are no plans for assignments. However the provisions of PPA will remain unchanged
51	SPD is not entitled to assign its rights in favour of any person without consent of NRVN. We understand that under the financing agreement to be entered into by the lenders with SPD, the lenders may request for right of substitution of SPD with another third party, in case of default by SPD. Further, the lenders would also expect NRVN to upfront give consent for assignment of the rights and obligations of SPD to the third party sought to be substituted by the lenders. We request NRVN to amend the PPA providing for this right of the lenders.	Provisions of PPA shall be maintained
52	Article 16.3.1 provides that NRVN shall be entitled to co-opt Discoms as a supporting party in dispute resolution. We seek clarification from NRVN on these provisions. The Discoms shall not be entitled to appoint any arbitrator.	The appointment of Arbitrator shall be in accordance to India Arbitrator & Conciliation Act 1996.
53	Performance Bank Guarantee Paragraph 4 of Schedule 1 of the PPA (format of the Performance Bank Guarantee) provides that the Guarantor Bank agrees that it shall not require any proof in addition to the written demand from NRVN, “made in any format”, for honouring the guarantee. We request NRVN to specify the format of the demand letter which should indicate the default of SPD, due to which NRVN is invoking the Bank Guarantee and NRVN should submit original bank guarantee along with its demand.	Bank Guarantee format will remain unchanged
54	We understand that the Schedule 1 – Format of Performance Bank Guarantee given along with the draft PPA and the format 6.3 B are meant for same purpose. Please clarify.	Yes
55	Deemed generation – this is an important matter to ensure the bankability in the PPA	No deemed generation is permitted.
56	Article 4.6.1 Page 18 Liquidated Damages for delay in commencement of supply of power to NRVN : The Solar PV Power Project shall be commissioned in phases, based on unit-wise commissioning. Hence Liquidated Damages for delay in commencement of supply of power should be leviable only on the balance capacity which can't be commissioned by the Scheduled Commissioning Date.	Provision of PPA shall be maintained And LD shall be levied on the Project Capacity
57	Article 4.8.2 Page 19 Kindly modify the clause as : “The third party may verify the construction works/operation of the Power Project being carried out by the SPD and if it is found that the construction works/operation of the Power Project is not as per the Prudent Utility Practices, it may seek	Provision of PPA shall remain unchanged.

	clarifications from SPD, so that SPD complies with the instructions of such third party.”	
58	Article 3.1 (d) / 3.1 (e) As per Article 3.1 (e): SPD needs to sign a Transmission Agreement with STU confirming the evacuation and connectivity of the STU system up to the delivery point of SPD by the scheduled commissioning date. If the SPD fulfil this condition then it is assured that on COD, STU will allow SPD to connect to Grid. But in the PPA in addition to 3.1 (e) Article 3.1 (d) indicates "The SPD shall make adequate arrangements to connect the Power Project switchyard with the interconnection Facilities at the Delivery Point". Thus, does that mean SPD needs to have physical infrastructure in place for connecting to grid within 180 days from the effective date. Please clarify	Physical Infrastructure should be made ready within the scheduled commissioning date
59	Article 10.2.1 Under clause 10.2.1, the definition of months is confusing as the preceding month and next month can mean different things with respect to a given month. For example, if preceding month is July, next month would be September whereas the intent is to say that it would be between 5 th and 15 th of August for the power wheeled in July. Secondly, the basis of the bill is Energy Accounts issued by RLDC/SLDC which can come out on different dates and the SPD needs to wait for the same. Thus it is requested to clarify this clause	The provision is clear and hence provision of PPA remain unchanged
60	Article 3.2.1 Under Article 3.2.1, NVVN can terminate the PPA with a 7 day notice which is too short a period to even allow for consultation and representations. We thus request to notice period to one month from 7 days.	The provision of PPA shall be maintained.
61	Compensation mechanism during the failure of Grid when power is being generated by Solar PV Power Plant but the same is not evacuated.	No provision of deemed. Generation is envisaged.
62	Compensation mechanism if sub station is not able to evacuate generated power by Solar PV Power Plant.	No provision of deemed. Generation is envisaged.
63	3.19: Payment mechanism has to be firmed up now and it should be in consultation with the developers and should be acceptable bankers. International Bank Guarantees may take 4-5 weeks time for processing the same to be considered.	Provisions of PPA will prevail. SPD has to arrange within the time schedule
64	The tariff applicable for projects to be commissioned beyond March'2013 should be indicated now itself. Penalty clause of Rs.1,00,000/MW per day may be omitted.	CERC determines the generic tariff, Hence not possible to be indicated now
65	Clause 3.8.1 (b), (e) Is the discount to be offered on levelised CERC approved tariff or On each year's CERC approved applicable tariff. Will the discount on CERC approved applicable tariff be allowed to be changed accordingly?	Discount is to be offered on levelised tariff
66	9.1 Applicable tariff Is this clause only for the period prior to SCOD? What will be applicable tariff for the subsequent years?	Tariff is applicable for full period of PPA
67	9.2 Applicable tariff This clause should be applicable only in case of delay is on account of the inefficiencies of the SPD	Provisions of PPA shall be maintained
68	Clause 10.4.10	Provisions of PPA shall be maintained

	The SPD shall have first charge on the incremental receivables.	
69	Clause No. 3.9 RfS Power Purchase Agreement - Kindly specify the payment security mechanism being worked out by NVVN in consultation with Ministry of Power and Ministry of New and Renewable Energy apart from the provision of PPA Article 10.4.9 Collateral Arrangement consisting of Default Escrow Agreement and Hypothecations Agreement.	Already mentioned in PPA. Refer Article 10.1.1 of PPA
70	Clause No. 1.1 PPA Definitions "Delivery Point" - The Delivery Point should be the switchyard bus bar of the Power Project.	Provisions of PPA shall be maintained
71	Clause No. 3.1. d) PPA - Kindly align the Article 3.1. d) as per the RfS Clause 3.6 C. Connectivity with the Grid – "The responsibility of constructing the transmission line from power plant up to 132/33 Kv substation would be of STU."	No Change is agreed to as SPD has equal responsibility for arrangement of connectivity
72	Clause No. 4.4.1 PPA - Kindly provide the definition of "Advanced Technology". We request NVVN to kindly reduce the amount of compensation payable of shortfall in generation during the contract year subject to minimum of 10% of applicable tariff.	As per MNRE guidelines project should be technologically agnostic
73	Clause No. 4.4.2 PPA - Kindly clarify whether the installed capacity of the Power Project is allowed to be above 5MW (+/- 5%)	No change allowed from the provisions of RfS and PPA
74	Clause No. 4.5.2 PPA - We request NVVN to kindly provide Liquidated Damages clause in case of delay due to any NVVN Event of Default as per the Article 4.6.2 Liquidated Damages applicable for SPD.	Provisions of PPA shall be maintained
75	Clause No. 4.6.2 PPA - The Liquidated Damages for delay in commissioning should be aligned with Case 1 Standard Bidding Document i.e. Rs. 10,000/- per MW per day.	Provisions of PPA shall be maintained
76	Clause No. 4.8.2 PPA - As the CUF of the Power Project depends on the available solar radiation and during Rainy season the CUF may be lower for consecutive period of 3 (three) months. Therefore the CUF should be considered on Annual basis.	Already covered in PPA
77	Clause No. 10.2.1 PPA - We request NVVN to kindly consider the Meter Reading / MRI Report certified by STU Representative for billing and payment purpose.	Meter reading taken jointly as per applicable Grid Code shall be considered for billing and payment purpose
78	Article No. 10.3.4 (a) - Rebate-The payment is to be made by 5 th So why rebate of 2 % is payable if the payment is made as per the date. It should be only if the payment is made before 5 th .	Provisions of PPA shall be maintained
79	Article No. 12.2.1 - Whether the reference to "Central Commission" refers to CERC.	Yes
80	Article No. 15.2.1 - If bank loan is availed, the bank may insist on escrow of NVVN receivables to the project company. So whether this can be done.	No
81	Whether any more clauses can be added to PPA, if our advisors advise so.	No, unconditional acceptance of PPA is to be given in the application
82	Section 2: CERC approved applicable tariff In case CUF is more than 23%, what will be the applicable tariff for additional units generated?	Provisions of PPA shall remain unchanged

83	How is the payment security being provided? - Is the payment to the selected bidder linked to payment received by NVVN?	Yes
84	Draft PPA – Clause - 4.4.1 It is stated that SPDs using advanced technology can commit higher CUF at the time of signing PPA. It is understood that concentrated Solar Thermal projects can have thermal storage for 1-2 hrs so that firm output power can be given to the grid & also wear & tear of turbine can brought down to minimum without changing the capital cost shall be covered under this category. Please confirm.	Yes
85	Draft PPA – Clause – 11.3.1 (a) “Extreme climate conditions” should also be added in force Majeure events clearly defining what constitutes extreme climate conditions.	Conditions of PPA remain unchanged
86	What would be the PPA period of Project?	25 years
87	Any minimum power generation criterion?	Refer PPA
88	In case of failure or less power generation observed due to natural calamities, technical reason what should be the certain or process to follow, is there any clause?	Refer PPA
89	As per section 2 of RFS, the applicable tariff for Solar PV project shall be approved by Central Electricity Regulatory Commission (CERC) and in case the Solar PV project seeks to avail accelerated depreciation, the net applicable tariff as approved by CERC after adjusting accelerated depreciation shall be considered as applicable tariff for such project. In a situation where the project developer company does not claims any depreciation or claims a normal depreciation, then please confirm whether the CERC tariff rate shall not be discounted.	Discounting is irrespective of the applicable tariff
90	Under clause 3.1 f) the SPD is required to have clear title and possession of the land. So, it excludes a lease of the land from a holding company to its subsidiaries and therefore, needs to be clarified further.	Lease hold land from State is permitted
91	Under clause 3.2.1, NVVN can terminate the PPA with a 7 day notice which is too short a period to even allow for consultation and representations especially when some of the conditions (like government land has no clear title) and their proofs may be slightly ambiguous.	Provisions of PPA shall be maintained
92	Under clause 4.5.1 a) if the SPD is prevented from performing its obligations due to a NVVN event of default, there is no penalty mechanism just the deferment of the Agreement. However, in such a case it does not mention how the CERC tariff would apply as the control period might change. Similarly under clause 4.6, there is no corresponding Liquidated Damages (LD) clause for delay in off-take by NVVN.	Provisions of PPA shall be maintained
93	Under clause 4.7.1, an added test for project certification is proposed but it has not been elaborated on who would bear the costs for the same.	SPD shall bear the cost
94	Under clause 7.2.2 and 7.2.3, it should be made clear that reporting to the concerned Ministry is direct or through NVVN.	Will be notified at appropriate time
95	Under clause 9.2 b) if the project is delayed, the CERC tariff goes down but the discount remains the same as originally bid making a double impact on the project developer.	Your understanding is correct

96	Under clause 10.1.1, the payment security mechanism needs to be spelt out as under the current Agreement, NVVN has no liability.	Already spelt out in PPA
97	Under Clause 10.3.1, the Due Date has been clearly define to be 5 th Day of the succeeding month in which the bill is raised (irrespective of whether the bill is raised on the 5 th or 15 th).	Yes
98	Under Clause 10.4.2, the value of the Letter of Credit is one months' bill. However, by the time the bill is invoked, electricity of two months has already been delivered. So, we are exposed to an additional risk of one month.	Another two tier Security is there
99	Under Clause 10.4.9 and 10.4.10 of Collateral Arrangement, would the default Escrow Account be an aggregate account for all projects under NSM or is it project specific.	It will be an aggregate amount
100	Under Clause 13.4.4, for an NVVN event of default, other than the payment security mechanism that has yet to be elaborated, NVVN has no liability and the only recourse for the SPD is to sell this expensive power to a third party which has little practical utility.	This is one of the option available with SPD
101	Kindly clarify whether you would be signing PPA's at different tariffs based on the lowest bid, 2 nd lowest bid and so on through the reverse bidding process for the respective capacities applied for.	Yes
102	Clause No. 10.3.4 We request Letter of Credit to be established may stipulate payments to be made on the due date and as such this clause may please be deleted as we do not intent to avail payment before due date.	Not possible
103	In the Covering Letter it is established that we will sign the PPA one month after the declaration of Successful Bidder, the Earnest Money Deposit is on risk if we do not sign it. There are still some blanks to be completed. What happens if we do not agree to the additions or further modifications? Do we have any possibility of leaving without being enchased the EMD? For instance, the RfS mentioned that the NVVN is studying the provision of a Payment Security and for us it is a crucial matter.	It is up to the developer to decide on existing circumstances
104	In case, NVVN offers to execute the PPA with the Selected Bidder and if the Selected Bidder refuses to execute the PPA or is unable to execute the PPA within the stipulated time period, the Bank Guarantees towards EMD and Bid Bond (if applicable) shall be encashed by NVVN. – Clarification: the PPA is not yet completed, however we are undertaking to sign it and putting in risk the EMD and the Bid Bond (if applicable) .- when shall we know the outstanding details of the PPA? What if we need to modify any of these points (like Arbitration, liability to direct damages). It is mentioned that "State payment security" is not yet defined.	Unconditional acceptance of PPA given alongwith RfS document is to be submitted at the time of submission of RfS.
105	We may request an extension for the Financial Closure achievement and the land securement (in case not attributable to us but to the Government Authorities that may allocate the Sites) – Please clarify if there is a possibility to include that the State may extend the deadline when requested by the Bidder for causes not attributable to them.	No change is possible

106	Liquidated Damages are limited to 36 months – we consider this period is excessively extensive and we request a reduction to 24 months, then the PPA will be terminated to an internally agreed amount.	This is in line with the provisions and covering all the stages prior to LD clause
107	The PPA is unfinished. We are awaiting finalisation of several clauses. We need to ensure that our EMD/Bid Bond are not at risk if we cannot agree final terms of PPA.	PPA is available with RfS document and unconditional acceptance to be submitted along with response to RfS
108	We would appreciate the insertion of the covenant “NVVN hereby irrevocably consents to the assignment of the Company's rights hereunder to the Financing Parties pursuant to the Financing Documents, if required by such Financing Documents.”	Assignment clause is as per the Standard terms of the Contract
109	Right to access to the plant. We need to protect the IP in our plant, for this reason, we have a concern with Clause 4.8: Is there any chance to sign an NDA for this "inspections", together with the NVVN, and the third party that it may. Furthermore, we would like to have the right to reject the proposals to the said "third party" made by the NVVN (we do not want a competitor gaining access to our plant). Finally, regarding this Clause 4.8, should not be this clause included within the EPC agreement, rather than in the PPA, since the inspections may be carried out during the construction phase?	Provision of PPA shall be maintained.
110	Liability- Clause 8.3: As we understand this provision, NVVN will not be liable for anything, since most (and probably, all), risks due to damages, lack of compliance, etc, will be covered by the respective insurance. The State shall respond of claims for damages being them insured or not. To be clarified.	NVVN will not at all be responsible for any damages / claim.
111	Early Payments. 10.3.3: as rebate supposes a reduction on the monthly payments, can we reject such early payment, or it is mandatory for the SPD to accept it? We consider that an early payment will imply a great loss, although we request a modification from 2% to 1,2%. 10.4.2.i):	Conditions of PPA will remain unchanged
112	The Payment Securities are still under discussion, when this issue will be issue and clarify? We would like to make a clear establishment of the procedure.	It is likely to take some time
113	PPA Clause No. 12 - CERC has determined tariff considering 80IA benefit and current tax rates. Our understanding is that in case of instances like introduction of direct tax code, change in tax rates and non-availability of 80IA benefit to the developer, appropriate adjustments in tariff will be extended. Please confirm.	Agreed tariff at the time of PPA shall remain unchanged
114	Income Tax return for first 05 years – this will be indicative only? It is only for the purpose of assessing whether accelerated depreciation is being claimed or not	Yes
115	There is no Schedule 3 in the new PPA. Please advise if a lender can have a substitution right if a developer defaults its PPA obligations and debt repayment.	Not possible
116	Is there a mandatory list of continuous measurements required?	Not yet finalised
117	Rebate for payment to be settled in cash or credit note?	Cash
118	What is the recourse if we don't get the synchronization letter in time?	SPD is responsible

