

AGREEMENT FOR SYNCHRONOUS OPERATION OF CAPTIVE POWER PLANTS OF..... WITH JHARKHAND STATE ELECTRICITY BOARD SYSTEM

AN AGREEMENT FOR SYNCHRONOUS OPERATION OF Captive Power Plant of M/s of MW is made on this day of 20... between the **JHARKHAND STATE ELECTRICITY BOARD**, Ranchi, Jharkhand (herein after referred to as JSEB) having its Head office at HEC Complex, Dhurwa, Ranchi which expression shall, unless repugnant to this context or meaning thereof, includes its successors and assigns on ONE part.

AND

..... a Company having its registered office at, a Company registered under the Company Act, 1956 (herein referred to as "Captive User") having its Corporate Office at and having its Works and Principal Office at which expression shall, unless repugnant to this context or meaning thereof, include its successors and assigns on the OTHER part.

Now this Agreement witnesseth as follows:

1. DEFINITIONS

1.1 In these Regulations, unless the context otherwise requires,

1.1.1 "ABT" means Availability Based Tariff;

1.1.2 "Act" means the Electricity Act. 2003 (36 of 2003) and subsequent amendments thereof;

1.1.3 "Billing cycle" means a period of one month commencing from 00.00 hours on the first day of the month and ending at 24.00 hours on last day of the month;

1.1.4 "Captive Power Plant (CPP)" shall have the meaning assigned to the term mentioned under clause 1.2 of this agreement.

- 1.1.5 "Captive User(s)" shall have the meaning assigned to the user mentioned under clause 1.2 of this agreement.
- 1.1.6 "JSERC or Commission" shall mean the Jharkhand State Electricity Regulatory Commission;
- 1.1.7 "Conventional Fuel" shall mean any of the fossil fuels such as coal, lignite etc.
- 1.1.8 "Day" shall mean a continuous period starting from 00:00 hrs & ending at 24 hours;
- 1.1.9 "ERLDC" shall mean Eastern Regional Load Despatch Centre;
- 1.1.10 "Firm Power" shall mean the power agreed for supply by the Captive user to JSEB in this Power Purchase Agreement executed between the JSEB and the Captive user. The variation upto plus or minus 10% from the agreed capacity shall be treated as firm power;
- 1.1.11 "Firm energy" shall mean energy corresponding to Firm Power
- 1.1.12 "Grid Code" shall mean & includes the JSERC (State Grid Code) Regulations, 2008 & amendment thereto and the Central Electricity Regulation (Indian Electricity Grid Code) regulations 2010 & amendments thereto.
- 1.1.13 "In-firm Power" shall mean the power supplied by the Captive user to the JSEB if it is less than 90% or more than 110% of the Firm Power, as defined above.

- 1.1.14 "In-firm energy" shall mean energy corresponding to In-firm Power
- 1.1.15 "Licensee" shall mean the JSEB
- 1.1.16 "Open Access Regulation" means the JSERC (Open Access in Intra-State Transmission and Distribution) Regulations, 2005 and amendments thereto;
- 1.1.17 "Stand-by period" shall mean a period worked out by the JSEB as per the procedure for requisitioning Stand-by support as provided in JSERC(Utilisation of surplus capacity of captive power plant based on conventional fuel) regulation 2010 Regulations;
- 1.1.18 "Stand-by support" shall mean the contractual arrangement between the Captive user and the JSEB to provide power in case of planned or forced outage of the CPP;
- 1.1.19 "State Sector Generating Station" shall mean any power station within the State, except the Inter-State Generating Station located within the State;
- 1.1.20 "SLDC" means the State Load Despatch Centre (established under subsection (1) of section 31 of the Act) to ensure integrated operations of the power system and co-ordinating supply-demand in the state in real time;
- 1.1.21 Peak hours will be the period between 06:00 hrs. to 10:00 hrs. and 18:00 hrs. to 22 hrs. on each day or as amended from time to time.

1.1.22 Off Peak hours will be the remaining period other than Peak hours i.e. after 22:00 hrs. to 06:00 hrs. and after 10:00 hrs. to 18:00 hrs and as modified from time to time.

1.2 DEFINITION OF CPP

A power plant shall be identified as a Captive Power Plant only if it satisfies the conditions contained in Rule 3 (1) (a) and Rule 3 (1) (b) of the Electricity Rules, 2005 notified by the Ministry of Power, Government of India, on 8th June 2005, reproduced as under:

3 (1) No power plant shall qualify as a 'captive generating plant' under section 9 read with clause (8) of section 2 of the Act unless-

(a) in case of a power plant-

(i) not less than twenty six percent of the ownership is held by the captive user(s), and

(ii) not less than fifty one percent of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for the captive use

Provided that in case of power plant set up by registered cooperative society, the conditions mentioned under paragraphs at (i) and (ii) above shall be satisfied collectively by the members of the cooperative society:

Provided further that in case of association of persons, the captive user(s) shall hold not less than twenty six percent of the ownership of the plant in aggregate and such captive user(s) shall consume not less than fifty one percent of the electricity generated, determined

on an annual basis, in proportion to their shares in ownership of the power plant within a variation not exceeding ten percent:

- (b) in case of a generating station owned by a company formed as special purpose vehicle for such generating station, a unit or units of such generating station identifies for captive use and not the entire generating station satisfy(ies) the conditions contained in paragraphs (i) and (ii) of sub-clause (a) above including-

Explanation :-

- (1) The electricity required to be consumed by captive users shall be determined with reference to such generating unit or units in aggregate identified for captive use and not with reference to generating station as a whole; and
- (2) The equity shares to be held by the captive user(s) in the generating station shall not be less than twenty six percent of the proportionate of the equity of the company related to the generating unit or units identified as the captive generating plant.
- 3 (2) It shall be the obligation of the captive users to ensure that the consumption by the Captive Users at the percentages mentioned in sub clauses (a) and (b) of sub-rule (1) above is maintained and in case the minimum percentage of captive use is not complied with in any year, the entire electricity generated shall be treated as if it is a supply of electricity by a generating company.

Explanation : (1) For the purpose of this rule-

- a. "Annual Basis" shall be determined based on a financial year;

- b. "Captive User" shall mean the end user of the electricity generated in a Captive Generating Plant and the term "Captive Use" shall be construed accordingly;
- c. "Ownership" in relation to a generating station or Power Plant set up by a company or any other body corporate shall mean the equity share capital with voting rights. In other cases ownership shall mean proprietary interest and control over the generating station or power plant;
- d. "Special Purpose Vehicle" shall mean a legal entity owning, operating and maintaining a generating station and with no other business or activity to be engaged in by the legal entity.

1.3 This agreement will be applicable for both the following captive users:

- (a) whose CPP is synchronised with the JSEB grid.
- (b) whose CPP is not connected with the JSEB grid but requires stand by power.

In such case, the CPP users shall construct the inter connecting line from the JSEB Grid at their own cost for availing stand by power (if not existing earlier). The interconnecting breaker on the grid end shall be kept open and shall be charged by the JSEB only when the notification of requirement of standby support is provided by the captive users to the Board.

2. TECHNICAL

2.1 POWER EVACUATION-SYNCHORONIZATION

2.1.1 Power generated by the CPP will be subsequently stepped up to 132 KV or above, through transformation devices as approved by the Board. The generation voltage thus stepped up to 132 KV or above, will be synchronized with JSEB system through adequate protection devices as will be approved by the Board.

- 2.1.2 Power will be received by CPP from JSEB at 132 KV and above, as the case may be, through dedicated feeder from nearest JSEB Grid Sub-station. The Captive User will either pay the cost of the dedicated feeder from the nearest Grid Sub-station to JSEB or the Captive User will construct the line at his own cost as per specification of JSEB / standards of JSERC.
- 2.1.3 The integrated mode of synchronous operation will be within the frequency Band as per Grid Code subject to any change decided, from time to time.
- 2.1.4 As per section 9 of the Act, the supply of electricity from a CPP through the grid shall be regulated in the same manner as the generating station of a generating company. For this purpose, the CPP shall comply with the directions issued by the SLDC for exercising supervision and control as may be necessary for ensuring integrated grid operations and for achieving the maximum safety, economy and efficiency in the operation of power system in the state.
- 2.1.5 If any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the State grid or in relation to any direction issued by SLDC it shall be referred to the Commission for the decision. However, pending the decision of the Commission, the CPP shall comply with the directions issued by the SLDC/ JSEB, as the case may be.
- 2.1.6 The connectivity to the system network shall be provided by the JSEB only after the CPP completes all the formalities as prescribed by the JSEB with respect to seeking connection of the CPP to the grid. The CPP shall also be required to maintain the statutory clearances through out the term of connectivity with the grid.

- 2.1.7 The scheme of synchronising the CPP with the JSEB's network shall have to be approved by the JSEB.
- 2.1.8 The Charges applicable for Grid Interconnection, Parallel operation & reactive energy shall be as per the JSERC (Open Access in intra-state transmission & distribution) regulation 2005 and amendments thereto.
- 2.1.9 Power generated by CPP shall be used to meet the requirement of its unit and any surplus power will be injected to JSEB system under the commercial terms explained under clause 4 of this agreement.

2.2 MAINTENANCE OF LINE AND LINE EQUIPMENTS-SWITCHGEAR, RELAYS METERING EQUIPMENT ETC.

- 2.2.1 The captive user shall maintain the tie line owned by them at their own cost.
- 2.2.2 All equipments installed for the purpose of synchronization, shall be as per JSEB specification and to the satisfaction of JSEB. No equipment(s) is/are to be installed without prior approval of JSEB.
- 2.2.3 The Captive User shall pay the cost of equipment of the JSEB like Bus-coupler etc. to the JSEB if they intend to utilize these equipments for their purpose provided the same at the time of their use are not utilized by the JSEB. The cost of such equipments shall be borne by the Captive User.
- 2.2.4 The equipments installed by the Captive User within the premises of JSEB and maintained by former at their own cost, will remain the properties of the Captive User.
- 2.2.5 The capacity of the Switchgear, Metering equipments, Relays etc. required to be installed for synchronization, shall be as per ISS (Indian Standard Specification), CBIP (Central Board of Irrigation and Power) specification

under consultation with JSEB officials and shall be installed after approval of JSEB in their presence.

2.2.6 The relays shall be calibrated and their operation shall be tested at regular intervals by Standard Laboratories at Bhubneshwar or Bangalore or Kolkata and Captive User shall maintain a record thereof. Copy of every Test shall be made available to the JSEB. The cost of testing & calibration shall be borne by the Captive User.

2.2.7 The JSEB Shall not be responsible for any damage to Electric Generator and equipment(s) of CPP resulting from its parallel operation with the Grid and as such JSEB shall not be liable to pay any compensation for such damage.

3. METERING & CALIBRATION

3.1 Four ABT Meter (s) (Export-Import type) shall be installed on 132 KV side two at each end i.e. JSEB Grid sub station and CPP end.

3.2 ONE Meter on each end shall be identified as MAIN METER & other as CHECK METER.

3.3 ALL the FOUR ABT Meter(s) shall have same technical specifications having 0.2 class or higher accuracy and with 15 minutes integration time.

3.4 ALL the FOUR ABT Meter (s) shall have independent Current Transformers (CTs) & Potential Transformers (PTs).

3.5 All the FOUR meter(s) – Two on each side shall be installed in a separate cubicle with proper sealing arrangement as decided and approved by JSEB. Cost of all such cubicles and other allied materials including installation shall be born by Captive User.

- 3.6 All the FOUR Meter(s) including Metering Equipment(s), Cubicle(s), shall be provided, calibrated, tested and installed by Captive User at their own cost in presence of the Board's representative.
- 3.7 The Meter(s) shall be jointly inspected, calibrated and sealed on behalf of both the parties. Results & correction so arrived at, shall be applicable and binding on both the parties. Meter(s) shall not be interfered by either party except in presence of authorised representative(s) of both the parties and results and correction so arrived at, shall be applicable and binding on both the parties.
- 3.8 The MAIN METER(S) and CHECK METER(S) shall be test checked for accuracy once in SIX months and also be calibrated and adjusted, if required, in presence of representatives of both the parties at Standard Testing Laboratory either at Bhubneshwar or at Bangalore or at Kolkata.
- 3.9 JSEB shall have access to the Meter(s) and Metering Equipment(s) at any point of time for which Captive User shall provide access to the premises.

4. COMMERCIAL

4.1 Contract Demand

4.1.1 The maximum demand that can be contracted under Stand-by support by such Captive Users shall not be more than the total rated capacity of all the CPP classified generating units.

4.1.2 The contract demand of captive user is MVA.

4.2 Standby Support

4.2.1 The standby support sought by the user shall not exceed the contracted standby demand.

- 4.2.2 The Captive User cannot avail Stand-by support for more than five (5) times in a financial year, with not more than one (1) requisition in any billing month.
- 4.2.3 The maximum demand contracted under Stand-by support shall be supplied by the JSEB only when the generation from all units of CPP has stopped.
- 4.2.4 The Captive User shall notify the Board about the requirement of Stand-by support at least two (2) hours before the time the Captive User intends to avail power from the Board. The Captive User shall also provide the Board with the date and time of the stoppage of its Captive Power Plant.
- 4.2.5 When the Captive User's CPP starts functioning again, the Captive User Shall, within a period of 1 hour, notify the Board about the same duly giving the actual time since the plant started functioning again. The total period of Stand-by support shall be worked out accordingly.
- 4.2.6 The CPP's notification requiring Stand-by support, to the Board shall indicate the amount of stand-by demand the CPP intends to requisition against its total stand-by Contracted Demand for daily scheduling purposes by the JSEB.
- 4.2.7 In case the JSEB is not in a position to supply the Stand-by contract demand on the request of CPP, which has contracted Stand-by demand with the JSEB on terms and conditions as provided in the agreement, the JSEB shall pay to the Captive User by way of

penalty at two times the fixed charges as prescribed in clause 4.2.9 of this agreement for the period supply is not made available.

However, any party shall not be liable for any claim for loss / damage or compensation whatsoever arising out of failure of supply when such failure of supply is due to, either directly or indirectly, to Force Majure conditions such as war, mutiny, Civil commotion, riot, terrorist attack, fire, flood, strike (subject to certification by Labour Commissioner), lock out (subject to certification by Labour Commissioner), cyclone, lightening, earthquake or act of God or similar other causes beyond control or planned shutdown. But in such events, the period of discontinuance shall be added to the said period of the Stand by agreement.

4.2.8 The total period for the purpose of billing for Stand-by support shall be from the time the JSEB notifies the Captive User of the availability of Stand-by support, after receipt of request for Stand-by support from the CPP, upto the time the JSEB receives notification from the Captive User that Stand-by support is no longer required.

4.2.9 The Captive User shall be required to pay to the Board a fixed charge of Rs. 35 per KVA per month or charges as applicable from time to time, applied on the capacity contracted under Stand-by support with the JSEB. Provided that the charges referred to above shall apply uniformly every month, irrespective of the fact whether the Captive User avails Stand-by support or not.

4.2.10 In addition to charges mentioned above, the Captive Users shall also be required to bear energy charges and demand charges for the power consumed during period of Stand-by support shown as under:

4.2.10.1 Stand- by Support availed for 1008 hours (42 days) in a financial year.

Demand charge- Pro-rata HT Industrial consumer Contract Demand tariff at corresponding voltage and demand (or as per the order of the Commission as specified from time to time) for Stand-by Demand contracted. The pro-rata shall be done on the basis of the usage.

Energy Charge- 1.5 times of the HT Industrial consumer Energy charges at corresponding voltage and demand (or as per the order of the commission as specified from time to time) for energy equivalent to Stand-by Demand.

4.2.10.2 Stand-by support availed for greater than 1008 hours (42 days) in a financial year

4.2.10.2.1 Upto 1008 hours: As per clause 4.2.10.1

4.2.10.2.2 Beyond 1008 hours:

Tariff Approved by the Commission for temporary HT consumers at corresponding voltage and demand (or as per the order of the Commission as specified from time to time) on power consumed beyond 1008 hours.

4.2.11 The demand charges shall be applied on the maximum demand at any 15 minutes time block covered under Stand-by period subject to minimum of 90% of the contract demand. The Stand-by period for this purpose shall be reckoned maximum up to 1008 hours (42 days). The energy charges shall be applied on the total energy consumed across all time-blocks covered under the Stand-by period.

4.2.12 In case the recorded maximum demand at the CPP premises exceeds the stand-by contract demand, the excess demand recorded shall be billed for at 2 times the demand charges arrived at from clause 4.2.11 of the agreement.

4.2.13 The Stand-by support availed by CPP shall be entitled for power factor incentives and penalties as approved by the Commission for retail supply consumers in its Tariff Order.

5. PURCHASE OF POWER BY JSEB

5.1 The Captive User is willing to sell.....MW surplus power to JSEB from their CPP.

5.2 The rate of firm power during peak hours will be Rupees...../unit which is mutually agreed or decided by JSERC.

5.3 Power injected by the CPP during off-peak hours shall be paid for at the rate of 85% of the power purchased rate during peak hours.

5.4 The rate of purchase of infirm power for both peak hours and off-peak hours shall be 80% of the corresponding rate specified for firm power,

5.5 The energy for each time block of 15 minutes equivalent to the Firm Power declared in the Power Purchase Agreement shall be calculated as under:

$$FE = (D * 1000) / 4$$

Where.

FE = Firm energy (in kWh)

D = Firm Power (in MW)

5.6 The rate for the purchase of Firm Power from the CPP shall be differentiated between the power purchased during peak-hours during peak-hours and off-peak hours.

6. METERING & ENERGY BILLING

6.1 The point for measuring the energy delivered shall be the interface point of the CPP and the JSEB Grid. All losses from the interface point shall be borne by the JSEB.

6.2 All the four ABT Meters(s) shall be read jointly on the 1st Day of each month at 12:00 noon by the representative(s) of JSEB and Captive

User authorized for the said purpose. Meter readings so taken shall be signed jointly by the representatives of JSEB and Captive User.

- 6.3 The Bill for power purchased by the JSEB shall be raised by the CPP based on the meter readings at the interface point within a period of 1 week from the date of meter reading. The JSEB shall be responsible for making payment against the said bill, within the 30 days of receipt of the bill.
- 6.4 The CPP shall also have the option to receive payment through a revolving Letter of Credit of a value equal to 1/12th of the total amount billed in the previous financial year in favour of the CPP. For a new CPP, it would be 1/12th of the amount for energy proposed to be supplied in the current financial year. The cost of opening and maintaining the Letter of Credit shall be borne by the CPP.
- 6.5 For payment of bills of capacity charges and energy charges through the Letter of Credit a rebate of 2.0% of the billed amount shall be provided by the CPP to the Board. If the payments for the bills of capacity and energy charges are made by a mode other than through the letter of credit but within a period of one month of presentation of bills by CPP, a rebate of 1.0% of the billed amount shall be provided by the CPP to the Board.
- 6.6 In case the payment of bills of capacity and energy charges by the Licensee is delayed beyond a period of one month from the date of billing, a late payment surcharge as may be determined by the JSERC, from time to time, shall be payable by JSEB.

7. SCHEDULING, BALANCING AND SETTLEMENT

- 7.1 The CPPs shall be required to provide the injection schedules as per "PART E: SCHEDULING & DESPATCH CODE" of the JSERC (State Grid Code) Regulations, 2008.

7.2 Such CPPs shall be bound by appropriate provisions of Scheduling and Balancing & Settlement once Intra-State ABT is introduced in the State.

7.3 There shall be no provision for deemed generation and all payments for Firm energy and In-firm energy shall be done as per the following methodology:

7.3.1 **Step-1:** Energy, for each time-block of 15-minutes recorded by the export/import energy meter installed at the interface point of CPP and the Board, equivalent to Firm Power in MW declared in the Agreement, shall be worked out as per clause 5.5 of the agreement.

7.3.2 **Step-2:** At the end of a billing cycle, the data downloaded from the interface meters shall be used to compute actual energy generated on a 15-minute time-block-wise basis..

7.3.3 **Step-3:** Payment settlement for Firm energy and In-firm energy shall be done at the end of the billing cycle for energy injected on a 15-minute basis. The data downloaded from the interface meters representing actual export/import shall be compared with the injection schedule for each corresponding time block of 15 minutes and payment shall be made on the following basis:

7.3.3.1 If actual energy injected is more than the Firm energy:

(a) As long as actual energy injected is less than or equal to 110% of declared Firm energy, the payment of all energy injected shall be at rates applicable for Firm Power for the particular period of time.

(b) In case actual energy injected is greater than 110% of declared firm energy, the payment for all energy injected shall be at rates applicable for In-firm Power for the particular period of time.

7.3.3.2 If actual energy injected is equal to the Firm energy

All actual energy injected shall be paid at the rates applicable for Firm Power for the particular period of time

7.3.3.3 If actual energy injected is less than the Firm energy

- (a) As long as actual energy injected is greater than or equal to 90% of declared Firm energy, the payment of all energy injected shall be at rates applicable for the Firm Power for the particular period of time.
- (b) In Case, actual energy injected is less than 90% of declared Firm energy, the payment of all energy injected shall be at rates applicable for the In-firm Power for the particular period of time.

7.3.4 In cases where the JSEB is unable to schedule the power as contracted in the Agreement with the CPP due to system constraint / low power demand, the calculation for the Firm energy shall be done on the basis of the restricted schedule given by the Board.

8. POWER DRAWL FROM THE GRID AT FREQUENCY BELOW 49.7 Hz. AND POWER INJECTION TO THE GRID AT FREQUENCY ABOVE 50.2 Hz.

- 8.1 The CPP connected to the Grid shall ensure compliance of Grid Code and Regulations issued from time to time by CERC/JSERC, under clause (1)h of section 79 read with clause g of sub section 178 of the act.
- 8.2 The CPP shall not overdraw power when the system frequency goes below 49.7 Hz. or as per amendment made by CERC from time to time.
- 8.3 No Power shall be injected in the Grid by the CPP at frequency above 50.2 Hz. or as per amendment made by CERC from time to time.
- 8.4 The CPP shall avail restricted load as per direction of SLDC/Board to maintain the Grid discipline.
- 8.5 The Board reserves the right to isolate the CPP System, if the CPP continues to inject power to JSEB system when frequency goes beyond 50.2 Hz., overdraws power from JSEB system when frequency drops below 49.7 Hz. and does not abide by the direction issued by SLDC/JSEB for availing restricted load to maintain grid discipline. In such cases, the CPP shall remain islanded.

9. BILLING & PAYMENT

- 9.1 Bill shall be raised by JSEB on Captive User on monthly basis allowing 30 days time for payment. A delay payment surcharge as applicable from time to time per month shall be leviable in case Captive User fails to make payment within due date.
- 9.2 Monthly billing shall be based on the consumption recorded by the MAIN METER installed at JSEB end, provided the difference in all the FOUR meters recording does not exceed the permissible limit.
- 9.3 In case in any month, the difference between the MAIN METER and CHECK METER is more/less than 0.2% all the Meters shall be checked and re-calibrated, as per clause 3.8 during next month and billing for that month and up to the date of calibration shall be done provisionally on the basis of the Meter recording the highest consumption recorded during last six months or date of installation of meter, whichever is later. However, this shall be adjusted after the Meters are calibrated and set right.
- 9.4 If during the half yearly TEST CHECK calibration, the Main Meter(s) is/are found to have error beyond permissible limit, billing for previous six month shall be carried out on the basis of the Meter(s) which has highest recording amongst the correct Meter(s). However the Main Meter(s) shall be re-calibrated immediately, as per clause 3.8.

10. SECURITY DEPOSIT

Captive User is required to make "SECURITY DEPOSIT" for the estimated energy charges and demand charges during standby period of 42 days as well as the demand charges @ Rs. 35 (Thirty Five) per KVA or as applicable from time to time, for three months against contracted standby demand. The Security Money shall be subject to revision from time to time based on drawal of power by Captive User. The Security Money would be deposited either in

cash or in shape of Demand Draft. The Security Money amounting to.....Rs. deposited vide receipt no.....dated.....

11. FORCE MAJEURE

Force Majeure means any event or circumstances. If such even is beyond the reasonable direct or indirect control and without the fault or negligence of the party claiming "Force Majeure" conditions such as but not restricted to rebellion, mutiny, civil unrest, strike, lockout, non availability of power due to shut down of generating units, fire explosion, flood, cyclone, lightning, earth-quake, war or other forces, accidents or Act of God or similar other causes beyond control, neither party shall be entitled for claiming compensation or damage in the event of "Force Majeure" and planned shut down for the maintenance of system of both the parties.

12. AGREEMENT

12.1 AUTHORIZED SIGNATORY & VALIDITY:

Chief Engineer (Commercial and Revenue) shall be authorized to sign the agreement on behalf of Jharkhand State Electricity Board and initial period of validity of the Agreement shall be for 5 (Five) years.

12.2 TERMS & CONDITIONS:

12.2.1 All disputes and complaints shall be referred to the Commission for resolution, which shall decide the dispute after affording an opportunity to the concerned parties to represent their respective points of view. The decisions of the Commission shall be binding on both parties.

12.2.2 This agreement will be deemed to have been entered into at Ranchi and all disputes and claims, if any out of or in respect of this contract, can be settled at Ranchi within the jurisdiction of any competent Court at Ranchi.

12.2.3 The discretion to be exercised and directions, approval(s), consent and notice to be given and actions to be taken under this agreement

unless otherwise expressly provided herein, shall be exercised and given by the signatories to this agreement or by the authorized representatives that each party may nominate in his behalf and notify in writing to the other party.

12.2.4 All notices with regard to default of difference relating to this agreement shall be in writing and signed by signatories to this agreement or by the authorized representatives. Each such notices shall be deemed to have been duly given or sent by the party concerned, if the notice is delivered against acknowledgements due to signatories or the authorized representatives at their respective addresses.

12.2.5 Either party shall have liberty to rescind or terminate the agreement in the event of detection of breach of any of the Terms & Conditions of the agreement by giving a three months notice to this effect.

13 NOTICES

All notices shall be deemed to have been served when delivered by hand or registered post at the addresses given below or revision thereof notified to other party.

In case of JSEB : Chief Engineer (Commercial & Revenue)
Jharkhand State Electricity Board,
Ranchi.

In case of CPP Management :

14 START UP DATE

CPP management shall intimate JSEB at least 30 days in advance of the Start Up date of synchronization with JSEB Grid. JSEB, on receipt of the communication, depute its personnel to inspect and approve the

interconnection system and approval shall be given in writing before the Start-Up date.

15 STABILIZATION

After synchronization of CPP with JSEB system, stabilization period for the CPP will be permitted in accordance with the norms led down by Govt. of India. During the period of stabilization power drawn by CPP (after net exchange) shall be charged with 5% surcharge on 1.5 times the normal Industrial Tariff of JSEB including FCS and Govt. Duty during first month with subsequent increase of 5% during subsequent months up to a maximum of 25% Stabilization period, in any case, will not be permitted beyond SIX months.

16 SURVIVAL POWER TO JSEB.

CPP user having CPP of capacity 25 MW and above will guarantee to meet 10 MW 'Survival Power to JSEB in case of emergency. 5 MW power shall be made available immediately on receipt of information from JSEB and another 5 MW within 30minutes of information received by CPP. JSEB shall regulate the load during this period and shall not exceed the quantum of power to avoid tripping of CPP.

IN WHEREAS WHEREOF the parties hereto have hereinto set and subscribed their respective signatures through its authorized Officer/representative on the day month and year first above written.

17 BANKING ARRANGEMENTS

17.1 The CPP may bank the power with JSEB as per the terms and conditions noted below:-

Quantum of power CPP wants to bank.....MW, (firm/infirm).

17.2 The banking of electricity shall be the process under which the CPP shall supply power to the grid, not with the intention of selling it to a third party but with the intention of exercising its eligibility to draw back this power from the grid in future.

17.3 The banking charges shall be 10% of the energy banked for the firm power and 20% of the energy banked for the infirm power by the CPP with the JSEB and the period of banking shall be of ten months starting from 1st of May every year.

17.4 The withdrawal of banked energy for any month shall be done on a slot to slot basis for the duration of banking period of ten months, as follows:

- (a) Peak hour generation with peak hour consumption.
- (b) Peak hour generation with Off peak hour consumption.
- (c) Off peak hour generation with Off peak hour consumption; and
- (d) Off peak hour generation with peak hour consumption.

Provided that the rates for power consumption by CPP shall be the rates at which the CPP has banked the power.

17.5 The unutilized banked energy during the year as on the 31st March of the subsequent year shall be treated as sold to the JSEB at 65% of the applicable purchase rate of CPP generation.

The rate at which such unutilized banked energy is sold to the JSEB shall be separately defined for peak and off peak hours of generation as per mutual agreement/decided by JSERC.

**For JHARKHAND STATE
ELECTRICITY BOARD**

For the Company.....

WITNESSES: 1.

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2.

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