

KARNATAKA ELECTRICITY REGULATORY COMMISSION

6th & 7th Floors, Mahalaxmi Chambers,
#9/2, M.G. Road, BANGALORE-560 001

Present:

Sri K.P. Pandey
Sri S.D. Ukkali

Chairman
Member

ORDER

B/01/1

Dated 11.07.2008

In the matter of "Wheeling & Banking Agreement"

Preamble:

M/s KPTCL have submitted a draft Wheeling & Banking Agreement for wind and mini hydel projects for the approval of the Commission. The Commission vide its letter dated 05.01.2008 had circulated the draft agreement seeking comments/suggestions from stakeholders, latest by 29.02.2008. The above draft was also hosted on the Commission's website. In response, written comments/suggestions were received from 15 stakeholders. Subsequently the Commission held a public hearing on 15.05.2008 in the Court Hall of the Commission, duly publishing a notice regarding the hearing on 17.04.2008 in Deccan Herald, an English daily and Vijaya Karnataka, a Kannada daily. 24 Stakeholders, including the Licensees, attended the Public hearing. Keeping in view the comments/suggestions of all the stakeholders, the Commission has finalized the Wheeling & Banking Agreement for wind and mini hydel and wheeling agreement for other types of renewable sources like co-generation, bio-mass and waste to energy projects. Hence, this Order.

Order

The Commission, after duly considering the Comments/suggestions of various stakeholders, hereby approves the Standard Wheeling & Banking Agreement for all renewable energy projects. as enclosed at Annexe-1 to this Order. The wheeling & banking agreement is applicable for wind and mini hydel, as banking is allowed only for these categories. For other renewable sources only wheeling agreement is applicable.

The Comments/suggestions of various stakeholders and the views of the Commission thereon, are enclosed at Annexe-2 to this Order.

This order would come into force from this 11th day of July 2008. The salient features of the order are as follows:

- i. The standard Wheeling & Banking agreement for renewable energy project is approved and enclosed in Annexe- I. The Agreement shall be signed between the Company, KPTCL and the ESCOM/ESCOMs as the case may be.
- ii. The Commission in its order dated 09.06.2005 has ordered that overall wheeling charges payable by renewable energy projects as 5% of the energy input into the system. Other than wheeling charges they shall not be liable to pay any transmission charges either in cash or kind. However, surcharge shall be payable where the wheeling of energy is other than for their own use.
- iii. The Commission has permitted banking facility in respect of wind and mini hydel projects (only) on payment of banking charges @ 2% of the input energy vide its order dated 09-06-2005.
- iv. UI charges for wind and mini hydel projects shall not be applicable as these category of projects are exempted from provisions of intra State ABT as per the order of the commission dated 20th June 2006. They are liable to pay UI charges on the banked energy from the day ABT is made applicable to them.

This condition is also applicable to all renewable energy projects with installed capacity not exceeding 25 MW. Specific provisions for such renewable energy projects are detailed in the Commission's order dated 20.06.2006.

- v. All applicable charges as per this order shall be paid by the company to such ESCOM where the power is drawn.
- vi. The wheeling and Banking charges stated above shall be applicable to the projects for a period of 10 (ten) years from the date of commercial operation of the project.
- vii. This Order is valid for a period of 5 (five) years from 11th day of July 2008. i.e., for renewable energy projects that get commissioned between 11th day of July 2008 and 10th day of July 2013. The wheeling and banking agreement and standard terms and conditions approved by the Commission through this order shall be applicable.
- viii. This order pertains to renewable projects commissioned from the date of this order. For existing projects where Agreement has already been signed and in vogue, such Agreement shall continue to apply for the terms specified in those agreements. For such projects this agreement becomes applicable only after the expiry of the term specified in those agreements.

This is also not applicable to those agreements which are filed before the courts of law / KERC.

- ix. All, the other provisions as stated in the orders from the commission on 09-06-2005 (*In the matter of determination of Transmission charge, wheeling charge and cross subsidy surcharge under open access*) and 20-06-2006 (*In the matter of : Implementation of Intra -State ABT*) are applicable.

Chairman

Member

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This Wheeling and Banking Agreement is made at on this day of2008 between **Karnataka Power Transmission Corporation Limited** a Company formed and incorporated in India under the Companies Act, 1956, with its registered office located at Karnataka State hereinafter referred to as the **"Corporation"** (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) and **The Electricity Supply Companies Limited** the Companies formed and incorporated in India under the Companies Act, 1956, with its registered office located at Karnataka State hereinafter referred to as the **"ESCOM/S"** (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) and M/s., a Company formed and incorporated under the Companies Act, 1956/proprietary/partnership firm/private limited/public limited Company/Consortium/Co-operative society etc., and having its Registered Office at..... hereinafter referred to as the **"Company"** (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) as parties

The Corporation, ESCOM/S and the Company will be jointly known as the parties and will be individually known as party.

WHEREAS:

- i) The Govt. of Karnataka by its order No.dated has accorded its sanction to the proposal of the Company for installation of a renewable energy based wind / mini hydel/co-generation/ biomass / waste to energy Electric Power Generating Station ofMW capacity at/near Village in - Taluk, District and Company intends to enter into an agreement with ESCOM/S for Wheeling & Banking of Electric Power generated.
- ii) Pursuant to (i) above, the Company plans to develop, design, engineer, procure finance, construct, own, operate and maintain renewable energy based wind / mini hydel/co-generation/ biomass / waste to energy Electric Power Generating Station, hereinafter defined as the Project, with a Gross capacity ofMW at/near Village in Taluk,District, Karnataka and desires to use the same for its own / allied purpose utilizing the existing transmission & distribution network of utilities.
- iii) Karnataka Power Transmission Corporation Limited (KPTCL)/SLDC being the nodal agency has approved for wheeling and banking of electricity generated by the Company after obtaining consent from KPTCL/ESCOM vide letter No, _____ dated _____.
- iv) KPTCL at present engaged in transmission of power and ESCOMS at present engaged in Power purchase and retail distribution of electricity has/have agreed to Wheeling and Banking of Electricity (as hereinafter defined) from the Company to be generated _____ at/nearvillage in _____Taluk_____District_____and shall be utilized for its own/allied purposes using transmission and distribution network subject to the conditions set forth herein.

NOW THEREFORE IN VIEW OF THE FOREGOING PREMISES AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREINAFTER SET FORTH, THE KPTCL, ESCOM/S, AND THE COMPANY EACH TOGETHER WITH THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNS, A PARTY AND COLLECTIVELY THE PARTIES, HEREBY AGREE AS FOLLOWS.

ARTICLE 1

1.1 DEFINITIONS

For all purposes of this Agreement, the following words and expressions shall have the respective meanings set forth below:

"Act" means the Electricity Act 2003 as amended from time to time.

"Agreement" shall mean and include the Wheeling & Banking Agreement executed hereof, including the schedules hereto, amendments, modifications and supplements made in writing by the parties from time to time.

"Applicable Tariff/Charge" the tariff/charges and other conditions stipulated by the Commission from time to time.

"Area Load Dispatch Centre" means the area load dispatch center located in ESCOMs.

"Banking" means residual electrical energy after utilization by the "Exclusive" or "Partly Exclusive" Consumer or "captive consumption" out of the injected energy in a month into the transmission and/or distribution system of Corporation/ESCOMs, which will be utilized for its own use or for wheeling to its "Exclusive" or "Partly Exclusive" Consumers at a later date/month, as per the terms and conditions set forth in this agreement.

"Billing Period" means the period from 00:00 hours of the first day of the calendar month to 24:00 hours of last day of calendar month. The first Billing Period shall commence from 00:00 hours of the Commercial Operation date and end with 24:00 hours of last day of the month in which the Commercial Operation Date occurs.

"Commercial Operation Date " the date declared jointly by the Company and ESCOM on which the unit(s) are declared as available for commercial operation for the purposes of wheeling and banking after trial operation for which 15 days written notice shall be given to ESCOM.

"Commission" means the Karnataka Electricity Regulatory Commission.

"Company" A Company formed and incorporated under the Companies Act, 1956 /proprietary /partnership firm /private limited /public limited Company /Consortium /Co-operative society etc.

"Corporation" means Karnataka Power Transmission Corporation Limited or its successor entity.

"Drawal Point" the drawal point as specified by the Company (indicating the place of HT installation & RR. No. of HT installation).

"ESCOM" means Electricity Supply Company, Electricity supply Corporation and Electricity Co – Operative Society or their successor entities who have availed license from the Commission.

"Emergency" Conditions or situations which in the reasonable judgment of UTILITY'S affects or will affect the system including voltage/frequency fluctuations or UTILITY'S ability to meet its own obligations to maintain safe adequate electricity service to ESCOM's consumers or presents an imminent threat of damage to life or property.

"Exclusive consumers" Parties / Companies clearly identified by the Company for Wheeling Power and will receive entire quantum of their power requirement from the Company through the Transmission/ Distribution Network.

"Financial Closure" Means the signing of the financing documents for financing of the project and fulfillment of all the conditions precedent to the initial availability of funds thereunder and the receipt of the commitments for such equity as required by the Company in the order to satisfy the requirements of the lenders, provided however that the company has immediate access to funds (subject to giving the required drawdown notices) regarded as adequate by the company and in any case shall be achieved within 6 (six) months from the date of signing of this agreement.

"Force Majeure Event" The events and circumstances as described in Article 10.

"Injection Point" shall be the point or points at which Electricity is injected at the project site by the Company into the KPTCL/ESCOM network.

"Injected Energy" means the kilowatt hours of Electricity actually injected and measured by the energy meters at the Injection Point in a Billing Period after deducting there from 115% of the energy supplied by ESCOM to the Project as similarly measured during such Billing Period and shall be computed in accordance with Article 6.

"Installed Capacity" means the capacity of the Project at the generating terminal(s) and shall be equal toMW.

"Law" means any valid legislation, statute, rule, regulation, notification, directive, or order, issued, or promulgated by any Governmental Instrumentality.

"Licensee" means a person who has been granted licence under section 14 of the Act.

"Metering Date" for a Billing Period, means the midnight of the last day of the calendar month.

"Metering Point" for purposes of recording of Delivered Energy at the Delivery Point and shall include two separate sets of electronic trivector meters, main meter installed by the Company and the check meter installed by the ..Escom and both sealed by the ..Escom, having facilities to record both export and import of electricity to/from the grid.

"Monthly Charge" shall have the meaning set forth in Article 5.

"Monthly Invoice": Shall have the meaning set forth in Article 7.

"Nodal agency" means KPTCL/SLDC for co-ordinating between ESCOM/s and the company

"Partly Exclusive Consumers" are regular consumers of a ESCOM and buys energy from the Company in addition to the drawal from the ESCOM system.

"State Load Dispatch Centre" means the State Load Dispatch Centre located in Bangalore.

"System constraint" means a condition or situation including the condition of 'Emergency' under which the Utility electrical system is not able to evacuate and transmit the generated energy fully or partly from the project due to unforeseen break down or otherwise.

"UI" means unscheduled interchange charge, depending on prevailing grid frequency payable by the companies to utilities for deviations from the schedules furnished to SLDCs.

"Utility" means transmission or distribution licensees, i.e., KPTCL or ESCOMs as case may be.

"Water year" shall mean "from first day of July to 30th day of June of next year"

"Wind Year" shall mean "year commencing from April to March of next year"

"Wheeling" means the operation where by the distribution system and associated facility of a transmission and/or distribution licensee as the case may be, are used by the company for the conveyance of electricity on payment of charges to be determined under section 62 of the Act.

ARTICLE-1.2

Interpretation:

- (a) Unless otherwise stated, all references made in this Agreement to "Articles" and "Schedules" shall refer, respectively, to Articles of and Schedules to this Agreement. The Schedules to this Agreement shall form part of this Agreement and shall be in full force and effect as though they were expressly set out in the body of this Agreement.
- (b) In this Agreement, unless the context otherwise requires (i) the singular shall include plural and vice versa; (ii) words denoting persons shall include partnership firms, companies and Corporations (iii) the words "include" and "including" are to be construed without limitation and (iv) a reference to any party includes that party's successors and permitted assigns.
- (c) This Agreement pertains to project of all renewable sources (as defined in the KERC) power procurement from renewable sources by Distribution Licensee). Regulations, 2004). For existing projects where Agreement has already been signed and in vogue, such Agreement shall continue to apply for the terms specified in those agreements. For such projects this agreement becomes applicable only after the expiry of the term specified in those agreements. This is also not applicable to those agreements which are pending before the courts of law / KERC.

ARTICLE-2

INTERCONNECTION

- 2.1 The power from the Generating Plant of the Company is evacuated through thekV line constructed and maintained by the Company up to the kVSubstation (Injection Point). Evacuation of power shall be limited to the capacity of transmission/ distribution system as approved by KPTCL in the Evacuation approval.
- 2.2 The Company shall provide suitable relays and protective devices as per prudent practice at injection point.....Sub-station and shall be got calibrated / checked by the Utility after paying necessary charges before the plant is synchronized. The calibration shall also be got done by the Company periodically (once in a quarter) during the operation and synchronization of the plant to ensure proper functioning of the plant. For protection to the equipments of the Utility and the Company, the Company shall install, at its own cost, protection equipments like protection relays, communication system or similar equipment. The Company shall obtain the approval of the Utility for the specification of such equipments and shall furnish the test reports etc., to the Utility.
- 2.3 The Company shall, get the generating sets and other equipments inspected by MRT Division, of concerned Utility and obtain written approval before they are actually serviced. Further, the Company shall ensure that all statutory approvals like
 - a) Approval of the Electrical inspectorate
 - b) Synchronization approval from Utility.
 - c) Written approval / concurrence of ESCOMs for wheeling & banking of injected / generated energy to its exclusive and partly exclusive consumers before Synchronization.
- 2.4 The Company shall ensure that the plant be open for inspection by the authorized representative of Utility before being Commissioned and periodically thereafter.
- 2.5 The Company shall give fifteen days prior notice to the Utility before the date of trial operation, commercial operation of the generator. The same shall be intimated to the SLDC/ESCOMs, jurisdictional Chief General Manager/Chief Engineer, Electy / General Manager (Ele), Executive Engineer (EI), concerned O & M/TL and SS Division and Executive Engineer MRT Division.
- 2.6 The Company shall maintain the lines from the generating station up to the point of injection at its own cost.
- 2.7 Any line outage between point of generation up-to injection point for any reason what so ever consequent to which the power cannot be pumped into the system, the Utility shall not be responsible for such outages/loss.
- 2.8 In case the generating plant is located in one ESCOM and the Exclusive and Partly Exclusive consumers in other ESCOMs, the nodal agency shall obtain concurrence of respective ESCOMs/KPTCL for wheeling of energy.

ARTICLE 3

UNDERTAKINGS

3.1 Obligations of the Company:

- (i) The Company shall have all statutory approvals, clearances permits etc necessary for the Project.
- (ii) The Company shall undertake at its own cost construction /upgradation / maintenance of
 - (a) the Interconnection Facilities and
 - (b) the transmission lines up to the injection point (Sub-station) .
- (iii) The Company shall achieve scheduled date of completion within one and half years from the date of achieving financial closure or two years from the date of signing the agreement whichever is later.
- (iv) Company shall operate and maintain the Project in accordance with Prudent Utility Practices as long as the Wheeling and Banking arrangement is in force.
- (v) The Company shall be responsible for all payments on account of any taxes, cess, duties or levies imposed by the Government or its competent statutory authority on the land, equipment, material or works of the Project and duty on the Electricity generated or consumed by the Project or by itself.
- (vi) Necessary charges are to be paid by the Company to the Utility as per Article -5.
- (vii) The Utility shall have free access to the premises of the Company at any time without notice for meter reading, inspection, testing etc.

3.2 Obligations of Utility:

- (i) Subject to system constraints to Wheel the Electricity generated by the Company up to the Drawl Point.
- (ii) To accord approval within a month's period for the Interconnection Facilities to be constructed by the Company.
- (iii) The KPTCL / ESCOMs shall ensure availability of network through augmentation wherever necessary and ensure that the contracted network capacity under long term open access is made available to the company during the period of contract, at normative levels as specified by the Commission from time to time.
- (iv) KPTCL ESCOMs shall abide by the State Grid code, Distribution code and other applicable rules, regulations and standards.

ARTICLE 4

OPERATION OF THE POWER PLANT and Wheeling of Electricity

- 4.1 The operation of the power plant shall not at any time be in contravention to the applicable laws.
- 4.2 The Company shall be allowed to operate the power plant as a base load generating station. The Utility shall not impose any restrictions on the above manner of generation except for reasons for safe operation of the grid.
- 4.3 The Company shall ensure that the plant is designed to operate within the voltage and frequency as specified in the Grid Code
- 4.4 The Company shall evolve suitable operating instructions in consultation with the jurisdictional Chief Engineer (Electy) for maintenance of system network, issue of line clear, persons to be contacted for operations/emergencies, etc. The operation of the power plant shall be suitably co-ordinated as per the instructions of State/Area Load Despatch Centre whenever so requisitioned.
- 4.5 During emergency in the system, the Utility reserves the right to shutdown the line and will be under no obligation to evacuate the power. The Company shall suitably back down their generation and has no right for any compensation in such an event. The Utility will make all reasonable efforts to bring back normalcy at the earliest.

ARTICLE 5

CHARGES

- 5.1 The Company to pay all the monthly charges to Utilities for using their network as per KERC orders dated 09.06.2005 and 11.07.2008 for Wheeling and Banking of energy except the UI charges for wind and Mini hydel and below 25 MW projects of other renewable sources for which ABT mechanism is not applicable as per KERC order dated 20.06.2006.
- 5.2 The COMPANY shall agree to pay to the ESCOM, on or before signing of this Agreement, at the rate of Rs. 37,000/- [Rupees Thirty Seven Thousand only] per MW of Installed Capacity as fixed by KERC from time to time and for fractions thereof on a pro-rata basis as a one time lump-sum payment for the sole purpose of providing the required MVA capacity at the sub-station of the Utility to which the Project is interconnected to supply the requisite reactive power to the Grid system. Utility to use these funds in providing adequate capacitor/reactor compensation at appropriate points by conducting system studies at the earliest.
- 5.3 COMPANY shall be permitted to use power upto 10% of the installed capacity for startup and energy wise it shall be limited to 10% of energy at Annual PLF of (i.e. Minihydel – 30 % and Wind Mills- 26.5% as considered for Tariff computation by KERC) or actual consumption of the plant, whichever is lower for the billing period. 105% of

such energy provided by the ESCOM for startup purposes shall be deducted from the energy pumped into the ESCOM by the COMPANY for determining the net energy pumped into the ESCOM. If energy drawn is more than the above-specified limit for start up, the excess energy drawn will be billed at one and half times the tariff applicable to HT 2A.

For other than start up period, the actual consumption would be charged at HT 2A tariff.

5.4 If the generating station draws reactive energy from grid, the company shall pay to ESCOMS for such reactive energy drawn at the rate of Rs. 0. 40/ kVArh drawn.

ARTICLE 6

WHEELING AND BANKING OF ENERGY

6.1 WHEELING OF ENERGY:

- 6.1.1 Company shall submit a list of "Exclusive Consumers" and "Partly Exclusive consumers" to whom it proposes to wheel power using the Utility transmission and distribution network atleast 15 days in advance. The Utility shall subject to availability of transmission and distribution network approve the same. Any addition / deletion to the list or change in allocation shall be got approved by the Utility. An agreement shall be entered into between Company and consumers agreeing to all the relevant conditions of this agreement and shall be made available to the Utility before commencement of wheeling.
- 6.1.2 The Company should wheel power to those stipulated HT consumers only who are having no arrears with the utilities. In case of "Partly Exclusive Consumers", who avail power both from the Company and the ESCOM, **the first charge shall be the power supplied by the Company.**
- 6.1.3 Neither the Company nor its Exclusive consumers are entitled to any rebate / remission or reduction in demand charges and shall pay the demand charges to ESCOM as per the Applicable Tariff till such time KERC notify the prescribed grid support charges. In respect of Energy Wheeled to these "Exclusive Consumers" payments for energy Wheeled shall be made by these consumers directly to the Company. However, ESCOM to prepare bill for demand charges only to Exclusive Consumers who has to pay the same accordingly to ESCOM.
- In respect of "Partly Exclusive Consumers" the bills for quantum of energy drawn from the ESCOMs account will be prepared and sent to the consumer and these Consumers shall pay both Energy and Demand charges directly to ESCOM.
- 6.1.4 "Exclusive Consumers" shall not have any "Energy cut", if applied to the ESCOMs Consumers. Consumers who draw power both from the ESCOM and the Company, the conditions in the existing agreement which ESCOM is having with these consumers and other conditions will continue and shall be binding on these partly exclusive consumers.
- 6.1.5 The Utility reserves the right to withdraw the facility of banking and wheeling either wholly or partly in case of force majeure conditions. In such an event, Utility shall not be liable for any compensation or damages to the Company.
- 6.1.6 The Company shall furnish the proof for bonafide use of energy in respect of Exclusive consumers and Partly Exclusive consumers.

6.2 BANKING (Applicable For Wind and Mini hydel only)

- 6.2.1 The Company shall be permitted to "Bank" the energy generated in the plant, with Utility, for its own use at a later months or for Wheeling to its Exclusive Consumers and Partly Exclusive Consumers in accordance with the norms prescribed by the KERC in its order dated 11-07-2008
- 6.2.2 Energy generated at the plant shall be banked on Water/Wind year basis and will be permitted to be carried forward from month to month within the same water/wind year. No carry forward of Banked energy is permitted from Water/Wind year to Water/Wind year.
- 6.2.3 Banked energy will become ZERO at the commencement of next Water/Wind year and utilities are not liable to pay any amount for the energy lapsed on account of expiry of the yea
- 6.2.4 **The energy banked at the end of the month shall be calculated as follows:**

Eg = Generated energy exported/input/injected to the grid at the point of injection in the month.

Ei = Energy import/drawn from the grid @ the injection point of the Company.

B = Banking charges in kind = 0.02 Eg.

C = Wheeling charges in kind = 0.05 Eg.

A = Net energy drawn from the grid (Start-up energy is obtained after adding 15% to the energy drawn from the grid by the Company to compensate the transmission losses). = 1.15 Ei.

$$E_w = E_g - A - B - C$$

$$E_b = E_w - E_t$$

Where

E_b = Energy Banked during the month

E_w = Net energy available for wheeling.

E_t = Actual energy wheeled (Total energy wheeled to the Exclusive consumers and Partly Exclusive consumers).

If $E_t > \{E_b \text{ (previous month)} + E_w \text{ (present month)}\}$ then the Company will be billed for the excess energy drawn during the month at one and a half times of the HT 2A tariff.

- 6.2.5 The Banking charges are payable as specified in the orders of KERC dated 09.06.2005 and 11.07.2008.

6.3 CONDITIONS APPLICABLE FOR RENEWABLE PROJECTS OTHER THAN WIND AND MINI HYDEL

The conditions stated under this Article are applicable to such renewable energy projects like co-generation, biomass and waste to energy projects 25 MW and above. These projects are governed by the earlier orders of the Commission dated 20.06.2006 on the matter of implementation of intra state ABT and the order dated 09.06.2005 in the matter of determination of transmission charge, wheeling charge and cross subsidy surcharge under open access.

6.3.1 The equipment required for monitoring the instantaneous energy generated atMW power plant situated atDistrict bearing R.R. No.and also at the injection point (substation) as well as exclusive / partly exclusive consumer end atbearing R.R. No.shall be provided by the Company at its cost including special meters with ABT feature and metering equipments and the cost of modifying the software at SLDC/ALDC, as approved by the Commission shall also be paid by the Company. This will be an addition to any other requirements of KERC.

6.3.2 *UI Charges : UI charges are payable by the Company as per KERC/CERC norms prescribed from time to time.*

a) **Exclusive Consumers :**

i) *When drawl is more than injection : The exclusive consumers are entitled for drawl equal to the injected energy. The difference if any will be charged at applicable UI rates as prescribed by KERC.*

Continuous over drawl of power from the grid by exclusive consumers continuously for more than 8 days shall disqualify the consumers from wheeling facility. However the consumer may avail power either permanently or temporarily from respective ESCOMs subject to availability and terms and conditions applicable to similar class of HT consumers.

ii) ***When drawl is less than injection : No UI charges are payable by ESCOM.***

b) **Partly exclusive consumers :**

In case of "Partly Exclusive Consumers", who avail power both from the Company and the ESCOM, the first charge shall be the power supplied by the Utility.

i) *When drawl is more than injection : The difference will be charged at applicable UI rates on the basis of average monthly frequency.*

ii) When draws is less than injection : No UI charges payable by ESCOM.

6.3.3 The company shall provide real time (15 minutes time block) data of MW / MvAR generated /pumped into the grid and monthly energy injected into the grid to KPTCL / SLDC on monthly basis.

6.3.4 Real time Accounting : The data at both injection and drawl point shall be maintained in 15 minutes block. The Company shall pay to the Licensee the charges as stated in the Commission's order dated 11.07.2008 (*in the matter of Wheeling*) , and 09.06.2005(*In the matter of determination of Transmission charge, wheeling charge and cross subsidy surcharge under open access*)

6.3.5 The Banking of energy is not permitted under this category

ARTICLE 7

BILLING PROCEDURE

- 7.1 Joint meter readings of the Import and Export meters at the Power Plant/injection point will be taken by Jurisdictional Executive Engineer (ElecI), O & M or authorized representative of ESCOM and Representative of the Company on first of every month. The Joint meter reading will be furnished by the Jurisdictional Officer along with the demand raised to the Billing section/commercial wing, who will maintain the whole wheeling & Banking transactions.
- 7.2 Joint meter readings of Exclusive Consumers and other Consumers will be taken by Jurisdictional Engineer ESCOMs on the first of every month (if necessary after changing meter reading dates to first of every month) and raise the bills only for demand charges in respect of "Exclusive Consumers" and for both energy supplied by ESCOMs and demand charges in respect of "Partly Exclusive Consumers". The Company shall pay the Wheeling/Network charges to utilities as fixed by KERC from time to time.
- 7.3 The Jurisdictional Engineers, ESCOMs shall then send the details of energy Consumption of Exclusive and Partly Exclusive Consumers to the Billing section before 5th of every month. Billing section shall prepare the monthly statement showing the opening Balance of Energy Banked with corresponding monthly average frequency, Energy Banked during the month with monthly average frequency, Wheeled and Closing Balance of energy and send the same to the Company, the Jurisdictional Chief Engineer Electy., Superintending Engineer (Ele)., and Executive Engineer (Ele), ESCOM where the Power Plant is located. The Company shall bill directly the Exclusive and Partly Exclusive Consumers for the energy Wheeled and shall make their own arrangement for collection of such bills.
- 7.4 The Company and ESCOM billing Section shall develop the suitable format for the monthly energy transactions, billing, etc.
- 7.5 The Exclusive consumer's monthly meter readings shall be taken by ESCOM staff at Company's cost at Rs. 1000/- per installation.

ARTICLE 8

METERING AND COMMUNICATION

- 8.1 **Metering:** Both the injected Energy and drawal energy shall be metered at the receiving sub-station point and at the drawal point of the Company (to be specified clearly by the Company) respectively.
- 8.2 **Metering equipment:** Metering equipment shall be electronic trivector meters of accuracy class 0.2 required for the Project (both main and check meters). The main meter shall be installed and owned by the Company, whereas check meters shall be installed and owned by the ...ESCOM. Dedicated core of both CT's and PT's of required accuracy shall be made available by the Company to ..Escom. The metering equipment shall be maintained in accordance with electricity standards. Such equipment shall have the capability of recording half-hourly and monthly readings. The Company shall provide such metering results to the ..Escom. The meters installed shall be capable of recording and storing half hourly readings of all the electrical parameters for a minimum period of 35 days with digital output. The metering equipment for renewable energy projects other than wind and mini hydel shall be governed as per the details stated under Article 6.3.
- 8.3 **Meter Readings:** The monthly meter readings of both export and import energy meters i.e. of both main and check meters, shall be taken jointly by the Parties on the first day of the following month. At the conclusion of each meter reading an appointed representative of ESCOM and the Company shall sign a document indicating the number of kilowatt-hours indicated by the meter.
- 8.4 **Inspection of Energy Meters:** All the main and check energy meters (export and import) and all associated instruments, transformers installed shall be of 0.2 accuracy class. Each meter shall be jointly inspected and sealed by ESCOM on behalf of the Parties and shall not be interfered with by either Party except in the presence of the other Party or its accredited representatives.
- 8.5 **Meter Test Checking:** All the main and check meters shall be tested for accuracy every calendar quarter with reference to a portable standard meter which shall be of an accuracy class of 0.1. The portable standard meter shall be owned by ESCOM/ at its own cost and expense and tested and certified at least once every year against an accepted laboratory standard meter in accordance with electricity standards. The meters shall be deemed to be working satisfactorily if the errors are within specifications for meters of 0.2 accuracy class. The cost of such test checking shall be born by the Company at the rates specified by ESCOM from time to time. The consumption registered by the main meters alone will hold good for the purpose of billing as long as the error in the main meter is within the permissible limits.
- (i) If during the quarterly tests, the main meter is found to be within the permissible limit of error and the corresponding check meter is beyond the permissible limits, then billing will be as per the main meter as usual. The check meter shall, however, be replaced immediately.
 - (ii) If during the quarterly tests, the main meter is found to be beyond permissible limits of error, but the corresponding check meter is found to be within permissible limits of error, then the billing for the month upto the date and time of such test

shall be as per the check meter. There will be a revision in the bills for the period from the previous test date upto the current test based on the readings of the check meter. The main meter shall be replaced immediately and billing for the period thereafter till the next monthly meter reading shall be as per the replaced main meter.

- (iii) If during the quarterly tests, both the main meter and the corresponding check meter are found to be beyond the permissible limits of error, both the meters shall be immediately replaced and the correction applied to the reading registered by the main meter to arrive at the correct reading of energy supplied for billing purposes for the period from the last month's meter reading upto the current test. Billing for the period thereafter till the next monthly meter reading shall be as per the replaced main meter.
- (iv) If during any of the monthly meter readings, the variation between the main meter and the check meter is more than that permissible for meters of 0.2 accuracy class, all the meters shall be re-tested for its accuracy immediately.

8.6 **Interconnection and Metering Facilities:** The Company shall provide at its cost dedicated core for the metering. Both the main meter and the check meter shall be installed nearest to the PT in the outdoor yard of the Utility and shall be housed in a suitable weatherproof cubicle.

8.7 **Communication Facilities:** The Company shall install and maintain at its cost communication network facilities to the Generating Station/Injection Point as well as drawal points for remote meter data acquisition at SLDC and ALDC on a periodical basis.

8.8 If tampering of metering cubicle or energy meters at Exclusive Consumers /Partly Exclusive Consumers premises or at the Company's power generating plant or violation of any of the aforesaid terms and conditions are detected or observed, the Utility has the right to withdraw the Wheeling & Banking facilities without any notice and also take action as per Electricity Act, Electricity Supply Act & Electricity Supply Regulations.

ARTICLE 9

SUPPLY TO EXCLUSIVE /PARTLY EXCLUSIVE CONSUMERS

- 9.1 At times of Power Cut, the energy delivered by the Company to Partly Exclusive Consumers at their HT Terminal will be over and above the energy entitlement fixed by the ESCOM to the said consumer at the relevant time. The energy quota to the Partly Exclusive Consumers will be fixed on the energy actually drawn by them from ESCOM's system excluding Wheeled Energy.
- 9.2 There shall be no power -cut for Exclusive consumers.

ARTICLE 10

FORCE MAJEURE/ EMERGENCY

- 10.1 In the event of Force Majeure conditions like war, mutiny, riot, Earthquake, Hurricane, strike, tempest, accident to machinery, Utility has no obligation to Bank and Wheel the energy as per this agreement. However it make all reasonable efforts to restore normalcy and if the same is not possible , this agreement is to be treated as temporarily suspended. ESCOM will also make efforts to supply power to "Exclusive Consumers" of the Company from its own source subject to availability and payment as applicable to its HT consumers.
- 10.2 In the event of Force Majeure conditions, Utility shall not be liable to pay any compensation or damage or any claims whatsoever for any of the direct or indirect loss that may be suffered by the Company on account of non wheeling and Banking of Electricity.

ARTICLE 11

TERM, TERMINATION AND DEFAULT

11.1 **Term of the Agreement:** This Agreement shall become effective upon the execution and delivery thereof by the Parties hereto and unless terminated pursuant to other provisions of the Agreement, shall continue to be in force for such time until the completion of a period of ten (10) years from the date execution and may be renewed for further period on the terms and conditions as may be mutually agreed upon between the Parties and as approved by Commission.

11.2 Events of Default:

Company's Default: The occurrence of any of the following events at any time during the Term of this Agreement shall constitute an Event of Default by Company:

- a. **If the COMPANY does not generate and wheel energy continuously for period of 8 months in a water/ wind year**
- b. Failure or refusal by COMPANY to perform its material obligations under this Agreement.
- c. If the Company draws energy over and above the injection in any month other than zero injection.
- d. Continuous overdrawal of power from the grid by exclusive consumers for more than 15 days.
- e. Company indulges in any malpractice.

11.3 Termination:

Termination for Company's Default:

- i. Upon the occurrence of an event of default as set out in sub-clause 11.2 above, ESCOM may deliver a Default Notice to the COMPANY in writing, which shall specify in reasonable detail the Event of Default giving rise to the default notice. And calling upon the COMPANY to remedy the same within a month, failing which the present agreement gets terminated automatically.
- ii. In case of breach of any of the terms of this agreement the party not in default may terminate this agreement after giving 3 months notice in writing. However, termination shall not affect the rights that have already accrued to the other party to the date of termination.
- iii. Upon termination of this agreement, ESCOM shall stand discharged of its entire obligation. However, the Parties shall meet all payment obligations as per the Agreement prior to the date of termination.

ARTICLE 12

DISPUTE RESOLUTION

- 12.1 All disputes or differences between the Parties arising out of or in connection with this Agreement shall be first tried to be settled through mutual negotiation.
- 12.2 The Parties hereby agree to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith.
- 12.3 Each Party shall designate in writing and communicate to the other Party its own representative who shall be authorized to resolve any dispute arising under this Agreement in an equitable manner and, unless otherwise expressly provided herein, to exercise the authority of the Parties hereto to make decisions by mutual agreement.
- 12.4 If the designated representatives are unable to resolve a dispute under this Agreement within thirty days after such dispute arises, such dispute shall be referred to higher authorities designated by the Parties for resolution of the dispute.
- 12.5 In the event that such differences or disputes between the Parties are not settled through mutual negotiations within, ninety (90) days after such dispute arises, then it shall be referred to the Commission for dispute resolution in accordance with the provision of Electricity Act 2003.

ARTICLE 13

MISCELLANEOUS PROVISIONS

- 13.1 **Governing Law:** This Agreement shall be interpreted, construed and governed by the Laws of India including Electricity Act 2003 and the Rules/ Regulations framed thereunder.
- 13.2 **Waivers:** Any failure on the part of a Party to exercise, and any delay in exercising, exceeding three years, any right hereunder shall operate as a waiver thereof. No waiver by a Party of any right hereunder with respect to any matter or default arising in connection with this Agreement shall be considered a waiver with respect to any subsequent matter or default.
- 13.3 **Limitation Remedies and Damages:** Neither Party shall be liable to the other for any consequential, indirect or special damages to persons or property whether arising in tort, contract or otherwise, by reason of this Agreement or any services performed or undertaken to be performed hereunder.
- 13.4 **Notices:** Any notice, communication, demand, or request required or authorized by this Agreement shall be in writing and shall be deemed properly given upon date of receipt if delivered by hand or sent by courier, if mailed by registered or certified mail at the time of posting, if sent by fax when dispatched (provided if the sender's transmission report shows the entire fax to have been received by the recipient and only if the transmission was received in legible form), to: -
- (i) **In case of the Company :**
M/s.
.....
.....
.....
Telephone No.....
Fax No.
E- mail:
- (ii) **In case of ..ESCOM:**
The General Manager (Technical)
Corporate Office, ESCOM
Karnataka State.
Telephone:
Fax :
- 13.5 **Severability:** Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity, enforceability or legality of such provision in any other jurisdiction.
- 13.6 **Amendments:** This Agreement shall not be amended, changed, altered, or modified except by a written instrument duly executed by an authorized representative of both Parties. However, KERC shall be entitled to modify/alter

the conditions of this contact at the instance of either of the parties after giving an opportunity of hearing to both the parties.

13.7 **Assignment:**

Neither Party shall assign this Agreement or any portion hereof without the prior written consent of the other Party, provided further that any assignee shall expressly assume the assignor's obligations thereafter arising under this Agreement pursuant to documentation satisfactory to such other Party.

13.8 **Entire Agreement, Appendices:** This Agreement constitutes the entire agreement between ESCOM and the COMPANY, concerning the subject matter hereof. All previous documents, undertakings, and agreements, whether oral, written, or otherwise, between the Parties concerning the subject matter hereof are hereby cancelled and shall be of no further force or effect and shall not affect or modify any of the terms or obligations set forth in this Agreement, except as the same may be made part of this Agreement in accordance with its terms, including the terms of any of the appendices, attachments or exhibits. The appendices, attachments and exhibits are hereby made an integral part of this Agreement and shall be fully binding upon the Parties.

In the event of any inconsistency between the text of the Articles of this Agreement and the appendices, attachments or exhibits hereto or in the event of any inconsistency between the provisions and particulars of one appendix, attachment or exhibit and those of any other appendix, attachment or exhibit ESCOM and the COMPANY shall consult to resolve the inconsistency.

13.9 **Further Acts and Assurances:** Each of the Parties after convincing itself agrees to execute and deliver all such further agreements, documents and instruments, and to do and perform all such further acts and things, as shall be necessary or convenient to carry out the provisions of this Agreement and to consummate the transactions contemplated hereby.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their fully authorized officers, and copies delivered to each Party, as of the day and year first above stated.

FOR AND ON BEHALF OF ESCOM

Name:

General Manager (Tech)
ESCOM

WITNESSES

1.

2.

FOR AND ON BEHALF OF THE COMPANY

Name:

Designation:

Company:

WITNESSES

1.

2.

SCHEDULE 1

PERMITS, CLEARANCES AND APPROVALS

1. G O for Establishment of Generating Plant.
2. Evacuation approval for evacuation of power from the generating plant to the substation of Transmission Utility/ESCOM.
3. Synchronization approval and Commissioning report from Transmission Utility/ESCOM.
4. Wheeling and Banking approval by the nodal agency i.e. the State Load Dispatch Centre (SLDC)
5. Approval of the Electrical Inspectorate, Government of Karnataka for Commissioning of the transmission line for evacuation of power from the project to the injection point/ substation.

SCHEDULE 2

TESTING PROCEDURE

The Company and ESCOM shall evolve suitable testing procedures three (3) months before the Commercial Operation Date of the Project considering relevant standards.

SCHEDULE- 3

SPECIFICATION OF ELECTRICAL ENERGY DELIVERY

1. The generation voltage from the wind energy based/Mini hydel Electric Power Plant of M/s..... is atkV. It comprises generators, generator transformer and unit transformer.
2. The generated power at.....kV will be stepped up to.....kV for the purpose of inter connection with the State grid atkV. GT's will also be used to draw start up power from the grid.
3. The injection point is atreceiving station at.....kV.