BATTERY ENERGY STORAGE PURCHASE AGREEMENT (BESPA)

Between

[Insert Name of BESSD]

and

ANDHRA PRADESH DISCOMs Namely

1. **Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL),**

AND

2. Eastern Power Distribution Company of Andhra Pradesh Limited.

(APEPDCL),

AND

3. Southern Power Distribution Company of Andhra Pradesh Limited

(APSPDCL)

For

PROCUREMENT OF STORAGE CAPACITY OF 1,000 MW/ 4,000 MWh (4 hrs.) FROM FULLY COMMISSIONED STANDALONE BATTERY ENERGY STORAGE SYSTEMS (BESS) IN INDIA ON MEDIUM-TERM BASIS (2 YEARS, EXTENDABLE BY 2 YEARS) UNDER TARIFF-BASED COMPETITIVE BIDDING

[Insert month and year]

Tender No.: APPCC/BESS-01/2026-27
Dated: 29-Sep-2026

This Battery Energy Storage Purchase Agreement is made on the **[Insert date]** day of **[Insert month]** of **[Insert year]** at **[Insert place]**

Between

[Insert name of the BESSD], a Company incorporated under the Companies Act 1956 or Companies Act 2013, having its registered office at **[Insert address of the registered office of BESSD]** (hereinafter referred to as "**Battery Energy Storage System Developer**" **or** "**BESSD**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) as a Party of the **First Part**;

And

1. Andhra Pradesh Central Power Distribution Corporation Limited, a company incorporated under the Companies Act 2013,having its registered office at Corporate Office, besides Government Polytechnic, ITI Road, Vijayawada, Andhra Pradesh, herein after referred to individually, as 'APCPDCL.

And

2. Eastern Power Distribution Company of Andhra Pradesh Limited, a company incorporated under the Companies Act 1956 having its registered office at APEPDCL Corporate Office, P&T Colony Seethammadhara, Vishakhapatnam, Andhra Pradesh, hereinafter referred to individually, as 'APEPDCL'

And

3. Southern Power Distribution Company of Andhra Pradesh, a company incorporated under the Companies Act 1956 having its registered office at APSPDCL, Corporate Office, #19-13-65/A, Tiruchanoor Road behind Srinivasa Kalyana Mandapam, Keshavayanagunta, Tirupati, Andhra Pradesh. hereinafter referred to individually ,as 'APSPDCL'

(Here in after referred to as APCPDCL, APEPDCL and APSPDCL generally referred to as "DISC0M" or" Buying Entity/ Buying Utility" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) as a Party of the SECOND PART.

The BESSD and DISCOMs are individually referred to as 'Party' and collectively referred to as 'Parties'.

WHEREAS:

A. The Ministry of Power, Government of India has issued the "*Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution assets, along with Ancillary Services"* vide Resolution dated 10th March 2022, including subsequent amendments and clarifications thereof, if any, issued until **[Enter the last date of bid submission of the RfS]**.

B. The Andhra Pradesh Power Coordination Committee (APPCC) is the body constituted for coordination of power procurement on behalf of the Andhra Pradesh Distribution Companies, and has issued the Request for Selection as the

Bid Coordinator and authorised representative of the DISCOMs, for procurement of storage capacity from fully commissioned Battery Energy Storage Systems on medium-term basis.

C. APPCC initiated a Tariff Based Competitive Bidding (TBCB) process for procurement of storage capacity of cumulative 1,000 MW/ 4,000 MWh (4 hrs.) from fully commissioned standalone Battery Energy Storage System projects, on the terms and conditions contained in the Request for Selection Document (hereinafter referred to as the "RfS") bearing RfS No. _____ dated _____, and the bidding documents issued thereunder. No new project is to be set up under the RfS.

D. APPCC has issued the Letter of Award No. _____ dated _____ in favour of [Insert name of the Bidding Company] for making available storage capacity of _____ MW/ _____ MWh from its fully commissioned Project(s), at the Tariff discovered through the bidding process.

E. **[Insert Name of the Bidding Company] has been selected in the Competitive Bidding Process and the Project(s) offered by it are owned by [Insert Name of the Project Company] (hereinafter referred to as the 'BESSD'), which shall make available the Contracted Capacity from the Project(s) in accordance with this Agreement.**

F. DISCOMs have agreed to purchase such Battery Energy Storage Capacity from the BESSD as the Procurer as per the provisions of the RfS.

G. In terms of the RfS and the Bidding Documents, the BESSD has furnished the Performance Bank Guarantee in the sum of Rs _____ in favour of APPCC as per the format provided as a part of the Bidding Documents.

H. The Commercial Operation Date of the Project(s) has been declared in accordance with the Grid Code on or before the last date of bid submission under the RfS, and the BESSD has fulfilled the terms of the RfS Documents and of the Letter of Award for signing this Battery Energy Storage Purchase Agreement as a definitive agreement for making available the Contracted Capacity of _____ MW/ _____ MWh to the DISCOMs.

I. The Parties have agreed to execute this Battery Energy Storage Purchase Agreement in terms of the provisions of the RfS, the bidding documents and the Letter of Award, in regard to the terms and conditions for making available the Contracted Capacity from the commissioned Project(s) of the BESSD, which shall be owned, operated and maintained by the BESSD throughout the Term.

Now therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the Parties as follows:

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Article 1: Definitions and Interpretation

1.1 Definitions

The terms used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them by the Electricity Act, 2003 and the rules or regulations framed thereunder, including those issued / framed by the Appropriate Commission (as defined hereunder), as amended or re-enacted from time to time.

1. "**ACT**" or "**ELECTRICITY ACT, 2003**" shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time.
2. "**ACCOUNTING YEAR**" shall mean the financial year commencing on the first day of April of any calendar year and ending on the thirty-first day of March of the next calendar year.
3. "**AFFILIATE**" shall mean a company that, directly or indirectly, (i) controls, or (ii) is controlled by, or (iii) is under common control with, a company owning the Project, and control means ownership, directly or indirectly, of more than 50% (fifty percent) of the voting shares of such company or right to appoint majority Directors.
4. **"APDISCOMs"** shall mean the distribution licensees of the State of Andhra Pradesh, being Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL), Andhra Pradesh Eastern Power Distribution Company Limited (APEPDCL) and Andhra Pradesh Southern Power Distribution Company Limited (APSPDCL), and their respective successors.
5. "**APERC"** shall mean the Andhra Pradesh Electricity Regulatory Commission, constituted under the Electricity Act, 2003.
6. "**APPCC**" shall mean the Andhra Pradesh Power Coordination Committee, acting for and on behalf of the APDISCOMs for the purposes of this Tender.
7. "**APSLDC**" shall mean the State Load Despatch Centre of Andhra Pradesh, established under Section 31 of the Electricity Act, 2003.
8. "**AUTHORIZED REPRESENTATIVE**" of the Procurers or "**BID COORDINATOR**" shall mean APPCC, i.e. the entity designated for issuing the tender documents and carrying out the process of selection of Successful Bidders on behalf of the DISCOMs. The Bid Coordinator shall not be a party to the BESPA and shall not purchase or resell any capacity or energy under the tender.
9. "**AVAILABILITY**" or "**SYSTEM AVAILABILITY**" shall mean means the ability of the BESS to perform charging and/or discharging as scheduled or instructed by the SLDC on behalf of the DISCOMs, subject to the minimum technical and performance requirements specified under this Agreement. System Availability shall be computed in accordance with the methodology prescribed in the RfS and this Agreement, based on the BESSD's ability to meet the scheduled charging and discharging requirements. A minimum Annual System Availability of 95% shall be maintained by the BESSD throughout the Term.

10. "**BATTERY ENERGY STORAGE SYSTEM**" or "**BESS**" shall mean the system(s)/ project utilizing methods and technologies such as electrochemical batteries (Lead Acid, Li-ion, solid state batteries, flow batteries, etc.), providing a facility that can store chemical energy and deliver the stored energy in the form of electricity, operated on a standalone basis.
11. "**BATTERY ENERGY STORAGE SYSTEM DEVELOPER**" or "**BESSD**" or "**DEVELOPER**" shall mean the entity owning and operating the commissioned BESS for providing storage capacity under the BESPA, and shall refer to the Bidding Company selected and allocated capacity by APPCC through the competitive bidding process, or its Project Company owning the Project and signing the BESPA with the DISCOMs.
12. "**BATTERY ENERGY STORAGE PURCHASE AGREEMENT**" or "**BESPA**" shall mean the agreement signed between the BESSD and the DISCOMs for procurement of storage capacity from the BESS, as per the terms and conditions of the standard BESPA issued with this RfS.
13. "**BID**" or "**PROPOSAL**" shall mean the documents submitted by the Bidder towards meeting the techno-commercial qualifying requirements, along with the price bid submitted by the Bidder as part of its response to the RfS issued by APPCC.
14. "**BIDDER**" or "**BIDDING COMPANY**" shall mean the Company submitting the Bid, including its successors, executors and permitted assigns, as the context may require.
15. "**BID CAPACITY**" shall mean the aggregate capacity of the commissioned BESS Project(s) offered by the Bidder.
16. "**BID SECURITY**" shall mean the Earnest Money Deposit submitted by the Bidder in accordance with this Tender.
17. "**BUYING ENTITY**" or "**STATE DISCOMs**" or "**DISCOMs**" shall mean the Andhra Pradesh State Government undertaking electricity distribution companies, viz. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL), Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL) and Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL), and their successors.
18. "**CHARTERED ACCOUNTANT**" shall mean a person practicing in India or a firm whereof all the partners are practicing in India as Chartered Accountant(s) within the meaning of the Chartered Accountants Act, 1949.
19. "**COMMERCIAL OPERATION DATE (COD)**" shall mean, in respect of any Battery Energy Storage System, the date on which such Battery Energy Storage System has been declared commercially operational in accordance with the applicable Grid Code and relevant regulations, as evidenced by the Trial Run Certificate, COD declaration or equivalent certificate issued by the competent authority. For the avoidance of doubt, COD shall be distinct from the Supply Start Date under the BESPA.
20. "**COMPANY**" shall mean a body corporate incorporated in India under the Companies Act, 2013 or any law in India prior thereto relating to Companies, as applicable.

21. "**CONTRACTED CAPACITY**" shall mean the capacity in MW/ MWh ("X" MW x 4 hrs) contracted with the DISCOMs for providing the energy storage facility for charging and discharging the system on "on demand" basis, based on which the BESPA is executed.

22. "**CONTRACT PERIOD**" or "**TERM OF AGREEMENT**" shall mean the period commencing from 1st January 2027 and continuing for 2 (two) years until the Expiry Date, extendable for an additional period of up to 2 (two) years in accordance with the BESPA.

23. "**CONTRACT YEAR**" shall mean each period of 12 (twelve) months beginning on 1st January and ending on 31st December during the Term, and the last Contract Year shall end on the Expiry Date.

24. "**CONTROL**" shall mean the ownership, directly or indirectly, of more than 50% (fifty percent) of the voting shares of such Company or right to appoint majority Directors.

25. "**CONTROLLING SHAREHOLDING**" shall mean more than 50% of the voting rights and paid-up share capital in the Company.

26. "**CENTRAL TRANSMISSION UTILITY (CTU)**" shall mean the Central Transmission Utility as defined in sub-section (10) of section 2 of the Electricity Act, 2003.

27. "**DAY**" shall mean calendar day.

28. "**EFFECTIVE DATE**" shall mean the date of signing of the Battery Energy Storage Purchase Agreement (BESPA) between the Procurer and the BESSD.

29. "**EXPIRY DATE**" shall mean the date occurring at the end of the Contract Period, being 31.12.2028, unless extended in accordance with the BESPA, in which case it shall mean 31.12.2030 or such other date as may be applicable under the BESPA.

30. "**GENERAL NETWORK ACCESS (GNA)**" shall mean General Network Access as defined under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022.

31. "**GUIDELINES**" shall mean the "Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution assets, along with Ancillary Services" issued by the Ministry of Power vide Gazette Resolution dated 10.03.2022, including subsequent amendments and clarifications thereof, if any, issued until the last date of bid submission of the tender.

32. "**GRID CODE REGULATIONS**" or "**GRID CODE**" shall mean the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023/ APERC (Andhra Pradesh State Electricity Grid Code) Regulations, and their amendments from time to time.

33. "**GROUP COMPANY**" of a Company means (i) a Company which, directly or indirectly, holds 10% or more of the share capital of the Company; or (ii) a Company in which the Company, directly or indirectly, holds 10% or more of the share capital of such Company; or (iii) a Company in which the Company, directly

or indirectly, has the power to direct or cause to be directed the management and policies of such Company, whether through the ownership of securities or agreement or any other arrangement or otherwise; or (iv) a Company which, directly or indirectly, has the power to direct or cause to be directed the management and policies of the Company, whether through the ownership of securities or agreement or any other arrangement or otherwise; or (v) a Company which is under common control with the Company, and control means ownership by one Company of at least 10% of the share capital of the other Company or power to direct or cause to be directed the management and policies of such Company whether through the ownership of securities or agreement or any other arrangement or otherwise. Provided that entities which have Government shareholding, financial institutions, scheduled banks, foreign institutional investors, Non-Banking Financial Companies, and any mutual funds, pension funds and sovereign funds shall not be deemed to be Group Company, and their shareholding and the power to direct or cause to be directed the management and policies of a Company shall not be considered for the purposes of this definition unless it is the Project Company.

34. "**INTER-CONNECTION POINT/ DELIVERY POINT/ METERING POINT**" shall mean the point, where power from the Project is injected into and drawn from the grid connected substation, and where metering is done for energy accounting. For interconnection with the grid and metering, the BESSD shall comply with the relevant CERC/ APERC Regulations, the Grid Code and the CEA (Installation and Operation of Meters) Regulations, as amended from time to time.
35. "**InSTS**" shall mean the Intra-State Transmission System.
36. "**ISTS**" shall mean the Inter-State Transmission System.
37. "**LETTER OF AWARD**" or "**LoA**" shall mean the letter issued by APPCC to the Successful Bidder for award of the Contracted Capacity.
38. "**MONTH**" shall mean calendar month, and a part of a Month shall be billed on a pro-rata basis.
39. "**MONTHLY CAPACITY CHARGE**" or "**TARIFF**" shall mean charge payable by the DISCOMs to the BESSD for making available the Contracted Capacity at the Delivery Point, expressed in INR/MW/Month, as discovered through the bidding process and incorporated in the BESPA
40. "**PAID-UP SHARE CAPITAL**" shall mean the paid-up share capital as defined in Section 2 of the Companies Act, 2013.
41. "**PARENT**" shall mean a Company which holds more than 50% voting rights and paid-up share capital, either directly or indirectly, in the Project Company.
42. "**PERFORMANCE SECURITY**" shall mean the Performance Bank Guarantee, or Insurance Surety Bond furnished by the Successful Bidder in accordance with this Tender and the BESPA.
43. "**POWER ON DEMAND**" shall mean the requirement of the DISCOMs to charge and discharge the BESS based on their requirements during the day, subject to the provisions of the RfS and BESPA.

44. "**PROCURER**" shall mean the Andhra Pradesh Power Coordination Committee (APPCC), acting for and on behalf of the APDISCOMs, and upon assignment or novation in accordance with the BESPA, the relevant APDISCOMs.
45. "**PROJECT**" shall mean the commissioned Battery Energy Storage System owned and operated by the BESSD, from which the Contracted Capacity is made available to the DISCOMs, having a point of injection/ drawal into/ from the grid at the Delivery Point, and shall comprise the auxiliaries and associated facilities, bay(s), transmission line up to the Delivery Point and all other assets required for the efficient and economic operation of the BESS.
46. "**PROJECT COMPANY**" shall mean the Company which owns the Project and executes the BESPA with the DISCOMs.
47. "**ROUND-TRIP EFFICIENCY**" or "**RtE**" shall mean the ratio of the electrical energy delivered from the Battery Energy Storage System during discharge to the electrical energy supplied to the Battery Energy Storage System during charging, expressed as a percentage, as measured at the defined metering point(s). RtE (%) = (Discharged Energy ÷ Charged Energy) × 100
48. "**SELECTED BIDDER**" or "**SUCCESSFUL BIDDER**" shall mean the Bidder selected pursuant to this RfS to make available the storage capacity from its commissioned Project as per the terms of the BESPA.
49. "**SLDC**" shall mean the State Load Despatch Centre, Andhra Pradesh.
50. "**STATE TRANSMISSION UTILITY**" or "**STU**" shall mean the Transmission Corporation of Andhra Pradesh Limited (APTRANSCO), notified by the State Government under sub-section (1) of Section 39 of the Electricity Act, 2003.
51. "**STATUTORY AUDITOR**" shall mean the auditor appointed under the provisions of the Companies Act, 2013 or under the provisions of any other applicable governing law.
52. "**SUPPLY START DATE**" shall mean 01.01.2027, being the date from which the BESSD shall make the Contracted Capacity available to the DISCOMs, as per Clause 6 of the RfS.
53. "**TENDER DOCUMENT**" or "**TENDER**" or "**RfS**" Request for Selection, the Battery Energy Storage Purchase Agreement (BESPA), together with all annexures, appendices, amendments, addenda, corrigenda and clarifications issued thereto
54. "**TERM**" shall mean the period of 2 (two) years from 01.01.2027 to 31.12.2028.
55. "**TOE**" shall mean Tender Opening Event.
56. "**ULTIMATE PARENT**" shall mean a Company which owns more than 50% voting rights and paid-up share capital, either directly or indirectly, in the Parent and Affiliates.
57. "**WEEK**" shall mean calendar week.

1.2 Interpretation

Save where the contrary is indicated, any reference in this Agreement to:

1.2.1 "Agreement" shall be construed as including a reference to its Schedules and/or Appendices and/or Annexures

1.2.2 An "Article", a "Recital", a "Schedule" and a "paragraph / clause" shall be construed as a reference to an Article, a Recital, a Schedule and a paragraph/clause respectively of this Agreement

1.2.3 A "crore" means a reference to ten million (10,000,000) and a "lakh" means a reference to one tenth of a million (1,00,000)

1.2.4 An "encumbrance" shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect

1.2.5 "Indebtedness" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent

1.2.6 A "person" shall be construed as a reference to any person, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests

1.2.7 "Rupee", "Rupees", "Rs", "INR" or new rupee symbol "₹" shall denote Indian Rupees, the lawful currency of India

1.2.8 The "winding-up", "dissolution", "insolvency", or "reorganization" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganization, dissolution, arrangement, protection or relief of debtors

1.2.9 Words importing the singular shall include the plural and vice versa

1.2.10 This Agreement itself or any other agreement or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented

1.2.11 A Law shall be construed as a reference to such Law including its amendments or re- enactments from time to time

1.2.12 A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time

1.2.13 Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part

1.2.14 The tables of contents and any headings or subheadings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement

1.2.15 All interest, if applicable and payable under this Agreement, shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty-five (365) days

1.2.16 The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement

1.2.17 The terms "including" or "including without limitation" shall mean that any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided

1.2.18 This Agreement and other documents such as Request for Selection Documents, Guidelines including subsequent clarifications, amendments and further clarifications in regard to the tender shall be read in conjunction with each other and interpreted in harmonious manner. However, in case of any mismatch/contradiction between provisions of different documents, following shall be the order of precedence:

1. Battery Energy Storage Purchase Agreement.
2. RfS Document & Letter of Award.

1.2.19 RfS Documents shall mean both RfS and BESPA documents. Both shall form part of this Agreement.

Article 2: Term of Agreement

2.1 Effective Date

2.1.1 This Agreement shall come into effect from the date of signing by all the Parties and such date shall be referred to as the Effective Date.

2.1.2 The Parties agree that decisions pertaining to adoption of the Tariff and approval of the same, for procurement of Contracted Capacity, shall be binding on all Parties concerned, as contained in the Electricity Act, 2003 and any amendments thereof.

2.1.3 Notwithstanding the Effective Date, the condition precedent for the enforcement of the obligations of either Party against the other under this Agreement shall be that, within 60 days after the Effective Date of the BESPA, the DISCOMs shall obtain adoption of Tariff from APERC, on the terms and conditions contained in this Agreement read with the terms and conditions contained in the RfS. The DISCOMs, with the assistance of APPCC, shall make the necessary filing and the BESSD shall furnish such information and documents as may be required for this purpose.

2.1.4 In case the order of the Appropriate Commission is issued after the timeline as per Article 2.1.3, and such delay affects the ability of the Parties to perform their obligations, the Supply Start Date shall be extended on a day for day basis, without any liability on either Party for such extension.

2.2 Term of Agreement

2.2.1 The Term may be extended by a further period of 2 (two) years, from 01.01.2029 to 31.12.2030 (the "Extended Term"), at the option of the DISCOMs, at the same Tariff and on the same terms and conditions. The DISCOMs shall convey their decision to exercise this option by written notice to the BESSD not later than 30.09.2028, and the BESSD, having so agreed in its bid, shall be bound to extend this Agreement accordingly. The extension shall be subject to approval of the Appropriate Commission, where required, and the BESSD shall extend the validity

of the Performance Bank Guarantee up to 3 (three) months beyond the expiry of the Extended Term, at least 30 days prior to expiry of the then prevailing validity of the Performance Bank Guarantee.

2.2.2 Any extension of this Agreement beyond the Extended Term shall be on terms mutually agreed between the BESSD and the DISCOMs, as approved by the Appropriate Commission.

2.2.3 The BESSD is free to operate the Project beyond the Expiry Date and to contract the capacity with any other person, and the DISCOMs shall not be obligated to procure any capacity from the Project after the Expiry Date.

2.3 Early Termination

2.3.1 This Agreement shall terminate before the Expiry Date if either APPCC/ DISCOMs or BESSD terminates the Agreement, pursuant to Article 13 of this Agreement.

2.4 Survival

The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive penalty as per the terms of this Agreement, nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination including those under Article 11 (Force Majeure), Article 13 (Events of Default and Termination), Article 14 (Liability), Article 16 (Governing Law and Dispute Resolution), Article 17 (Miscellaneous Provisions), and other Articles and Schedules of this Agreement which expressly or by their nature survive the Term or termination of this Agreement shall continue and survive any expiry or termination of this Agreement.

Article 3: Conditions Precedent to Commencement of Supply and Performance Bank Guarantee

3.1 Conditions precedent to be satisfied by the BESSD

The BESSD agrees and undertakes to duly perform and complete all of the following activities at its own cost and risk, prior to the Supply Start Date, unless such completion is affected by any Force Majeure event or is specifically waived in writing by APPCC/ DISCOMs:

(i) submit an Available Energy Test Report for the Contracted Capacity, as per IEC 62933-2-1, based on a test carried out not earlier than 30 days prior to the proposed Supply Start Date, witnessed and assessed by personnel of an inspection body accredited as per ISO/IEC 17020, which test may also be witnessed by representatives of the DISCOMs/ SLDC/ APPCC;

(ii) submit copies of the Trial Run Certificate and the declaration of the Commercial Operation Date of the Project under the Grid Code, the final grant of connectivity with Start Date of Connectivity on or before the last date of bid submission under the RfS, the approval of the CEIG and all statutory clearances required for operation of the Project, each valid as on the Supply Start Date;

(iii) furnish an undertaking that the Contracted Capacity is not tied up, contracted, committed or encumbered with any other person for any part of the period from the Supply Start Date until the end of the Term, including the Extended Term;

(iv) establish the metering, communication and data telemetry arrangements at the Delivery Point in accordance with Article 7, including a separately metered connection for the auxiliary power load of the Project;

(v) complete the registration and arrangements required with the SLDC and, for a Project connected to the Inter-State Transmission System, with the RLDC and the CTU, including General Network Access or other access arrangements for supply of power to and drawal of power from the Andhra Pradesh State periphery;

(vi) submit the planned maintenance schedule of the Project for the Term; and

(vii) intimate the proposed Supply Start Date to the DISCOMs, APPCC and the SLDC at least 15 (fifteen) days in advance, along with the documents referred to above.

3.2 Consequences of non-fulfilment of the conditions precedent

3.2.1 In the event of failure of the BESSD to satisfy the conditions precedent set out in Article 3.1 by the Supply Start Date, the consequences set out in Article 5.1 and Article 5.2 of this Agreement shall follow, and APPCC shall be entitled to encash the Performance Bank Guarantee to the extent provided therein and to terminate this Agreement for the capacity not made available, by written notice to the BESSD.

3.2.2 In case of inability of the BESSD to satisfy the conditions precedent due to any Force Majeure event, or for reasons solely attributable to the STU, the SLDC or the DISCOMs, the time period for satisfying the conditions precedent shall be extended for the period of such event, and Article 5.2 shall not apply for such period.

3.2.3 For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.

3.3 Performance Bank Guarantee

3.3.1 The Performance Bank Guarantee (PBG) of INR 10,00,000/- (Rupees Ten Lakh only) per MW of the Contracted Capacity, amounting to INR _____ Lakhs (being a genuine pre-estimate as agreed by the Parties), submitted by the BESSD in the form set out in Schedule-1 or as a Bank Guarantee or an Insurance Surety Bond as permitted under the RfS, shall be valid from the date of its submission up to and including 3 (three) months after the expiry of the Term, i.e. up to 30.06.2030, and shall be extended up to 3 (three) months beyond the expiry of the Extended Term if the option under Article 2.2.2 is exercised. The claim period of the Performance Bank Guarantee shall be at least 30 days beyond the expiry of its validity. The Performance Bank Guarantee guarantees the commencement of supply of the Contracted Capacity from the Supply Start Date and the performance of the obligations of the BESSD under this Agreement during the Term and the Extended Term.

3.3.2 In the event of any encashment of the Performance Bank Guarantee, in full or in part, the BESSD shall restore it to its full value within 15 (fifteen) days of such encashment, failing which the DISCOMs shall be entitled to treat the same as a BESSD Event of Default under Article 13.

3.3.3 The failure on the part of the BESSD to furnish, restore and maintain the Performance Bank Guarantee/ POI/ Insurance Surety Bond as required under this Agreement shall be a material breach of the terms of this Agreement on the part of the BESSD.

3.3.4 If the BESSD fails to commence supply of the Contracted Capacity from the Supply Start Date, APPCC shall encash the Performance Bank Guarantee to the extent of the liquidated damages applicable under Article 5.2

3.4 Return of Performance Bank Guarantee

3.4.1 APPCC shall return and release the Performance Bank Guarantee within 45 (forty five) days after the expiry of the Term or the Extended Term, as applicable, after taking into account any liquidated damages and other amounts due from the BESSD under this Agreement.

3.4.2 The return / release of the Performance Bank Guarantee shall be without prejudice to other rights of APPCC and the DISCOMs under this Agreement.

Article 4: Contracted Capacity, Operation and Performance Criteria

4.1 BESSD's Obligations

4.1.1 The BESSD undertakes to be responsible, at the BESSD's own cost and risk, for the following throughout the Term and the Extended Term:

a) owning, operating and maintaining the Project, including the battery system, the power conversion system, the energy management and battery management systems, the auxiliaries, the bay(s) and the transmission line up to the Delivery Point, in accordance with Prudent Utility Practices, the Grid Code and the technical and regulatory requirements set out in Annexure A;

b) holding possession of, or the right to use, the land on which the Project is located for a period not less than the Term and the Extended Term, and maintaining all Consents, Clearances and Permits required for operation of the Project in full force;

c) maintaining the connectivity of the Project and complying with all obligations towards the STU, the SLDC, the CTU and the RLDC, and bearing all connectivity charges, transmission charges, General Network Access charges, losses, SLDC and RLDC fees and other charges up to the Delivery Point;

d) making periodic replacements and replenishments of the system capacity, at its own cost, so that the Contracted Capacity and the contracted energy rating remain available throughout the Term and the Extended Term;

e) ensuring that the Contracted Capacity remains untied and is not contracted, committed or encumbered with any other person during the Term and the Extended Term, and that there is no change in the ownership of the Project or the controlling shareholding of the BESSD without the prior written consent of the DISCOMs, save where the BESSD or its Parent is a listed company;

f) maintaining the insurances required under Article 8, and the metering and communication arrangements required under Article 7;

g) complying with all Applicable Laws, including the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2023, and maintaining safety of the equipment, the personnel and the site; and

h) maintaining records of operation, testing, maintenance, outages and energy accounts, and furnishing them to APPCC/ DISCOMs on request.

4.2 Purchase and sale of Contracted Capacity

4.2.1 Subject to the terms and conditions of this Agreement, the BESSD undertakes to sell to DISCOMs and DISCOMs undertakes to pay Applicable Tariff as per this Agreement for the Battery Energy Storage Capacity up to the Contracted Capacity at the Delivery Point.

4.3 Right to Project Capacity /Contracted Capacity

4.3.1 The power rating of the Project capacity of _____ MWh (_____ MW x 4 hrs.) BESS will be _____ MW, i.e. the maximum value of the active output and input power at the Delivery Point. Input power shall be provided by the DISCOMs at the Delivery Point. The energy rating shall be 4 (four) times the Contracted Capacity in MWh, being the dispatchable energy of the system as measured at the Delivery Point. As the Project is already commissioned and the BESSD is free to replenish the system capacity, no degradation allowance shall be available under this

Agreement, and the BESSD shall ensure that 100% of the energy rating is dispatchable throughout the Term and the Extended Term.

DISCOMs, in any Contract Year, shall not be obliged to off-take any capacity beyond / over and above Contracted Capacity.

Moreover, during a day in any Contract Year, the BESSD shall make the BESS available for a minimum of 1 (one) operational cycle per day and up to a maximum of 2 (two) operational cycles per day, subject to a maximum of 485 operational cycles in a Contract Year, pro-rated for the Initial Supply Period and for any part of a Contract Year.

For the purpose of this Agreement, Cycle shall mean charging of the BESS up to the Contracted capacity followed by discharge of such stored energy including any intervening resting period as specified in the RfS Document. The BESSD shall not use the Contracted Capacity for any purpose other than that specified in this Agreement.

Following provisions shall be applicable on the entire Project Capacity guaranteed to be off-taken by DISCOMs:

1. The procurement shall be in power (MW) terms. The BESSD shall install, operate and maintain the BESS to offer facility to DISCOMs to charge and discharge the BESS as per the instructions of SLDC/ DISCOMs on an "on demand" basis. The BESSD shall guarantee a minimum annual average system availability of 95% on annual basis. The BESSD shall pay the liquidated damages for shortfall if any to DISCOMs. Amount of such liquidated damages shall be twice the Capacity Charges for the capacity not made available. The BESSD shall declare system availability on Day Ahead Basis

   The Monthly Average Availability shall be calculated for each month. While deriving Annual Average system availability, Values of Monthly Average System Availability which are lesser than 95% or up to 95% to be considered. The illustration is provided as under:

   Illustration:

Month	Monthly Average System Availability	Monthly Average System Availability to be considered for Annual System Availability Calculation	Annual System Availability = {∑(Monthly Average Availability which are lesser than 95% or up to 95%)}/ 12
1	95%	95%	=(95%+95%+93%+95%+93%+95%+95%+92%+95%+95%+91%+ 90%)/12 =93.67% ~94%
2	95%	95%	
3	93%	93%	
4	97%	95%	
5	93%	93%	
6	98%	95%	
7	95%	95%	
8	92%	92%	

9	96%	95%	
10	95%	95%	
11	91%	91%	
12	90%	90%	

2. System Availability of the Project shall mean the ability of the BESS to execute a function i.e. charging or discharging, when called upon to do so, as per the schedule or signal provided by the SLDC on behalf the DISCOMs (the off taker), subject to the minimum system ratings specified herein. In addition, the BESSD shall also demonstrate, on annual basis, 100% of the minimum dispatchable Capacity of the BESS as required under Article 4.4.1.3 below.

   For a given BESPA, the Annual availability guarantee shall commence from the Supply Start Date and shall be calculated as below:

   Monthly System Availability = Mean of the System availabilities of all time-blocks during the Month in which the SLDC on behalf of DISCOMs (the off-taker) has scheduled power for charging/discharging the BESS.

   Where,

   Monthly System Availability in a time-block=

$$\frac{Actual\ Injection\ MU_i(A)}{Scheduled\ Injection\ MU_i(B)} and \frac{Actual\ Drawl\ MU_i(A)}{Scheduled\ Drawl\ MU_i(B)}$$

   Where,

   a. i refers to the i^{th} time-block in the Month where Scheduled Injection/Drawl $MU_i \neq 0$.
   b. Actual Injection/Drawal MU_i is the actual energy injected / drawn for Charging/Discharging in the i^{th} time block, in MUs
   c. Scheduled Injection/Drawal MU_i is the Energy Scheduled for Charging/Discharging in the i^{th} time block, in MUs
   d. A and B shall be as per the DSM Reports published by the SLDC or measurement at the Main ABT Meter at the Point of Interconnection.

   Monthly System availability shall be calculated as per above and Annual System Availability shall be calculated as illustrated in Article 4.4.1.1 . The liquidated damages for system availability below 95% shall be settled on monthly basis and if it is not able to settle in the same/ current month, it will be carried forward for settlement in subsequent month(s), subject to that:

   (a) If the Annual un-availability of 5% is already reached during part of a year, the Monthly Capacity Charges will be paid only after deducting the Penalty for Availability.
   (b) Subject to sub article (a) above, the short fall in the un-availability of any percentage at the end of the year, the Monthly Capacity Charges will be paid only after deducting the Penalty for Availability.

3. The BESSD shall guarantee AC to AC roundtrip efficiency (RtE) of system on monthly basis. The BESSD shall be liable for Liquidated Damages to the DISCOMs (the off- taker), if any, on account of excess conversion losses, based on the following conditions:
   (a) For RtE < 70%, liquidated damages shall be levied on the excess conversion losses, computed with reference to the guaranteed system RtE of 85%, valued at the APPC tariff as determined by APERC for the previous financial year, plus the applicable transmission losses of the STU and the CTU; and the Monthly Capacity Charges for the corresponding month shall not be paid to the BESSD;
   (b) For 70% <= RtE < 85%, liquidated damages shall be levied on the excess conversion losses, computed with reference to the guaranteed system RtE of 85%, valued at the APPC tariff as determined by APERC for the previous financial year, plus the applicable transmission losses of the STU and the CTU.
   (c) No incentive, and no upward adjustment of the Monthly Capacity Charges, shall be payable or made if the Round-Trip Efficiency achieved in any month is better than the guaranteed Round-Trip Efficiency. The BESSD agrees that the methodology specified above for calculation of liquidated damages, where the actual conversion losses are higher than those corresponding to the guaranteed Round-Trip Efficiency, is a genuine and accurate pre-estimation of the loss that will be suffered by the DISCOMs.

$$\text{System Roundtrip Efficiency} = \frac{\text{Sum Total of Actual Injection/Discharging MUs}_j \text{ in } a \text{ month}(C)}{\text{Sum Total of Actual Drawal/Charging MUs}_j \text{ in } a \text{ month}(D)}$$

- System Round-Trip Efficiency for month j = C / D, where C is the sum total of actual injection (discharging) in MU in the month j, and D is the sum total of actual drawal (charging) in MU in the month j; provided that D is not zero and D shall not exceed the number of cycles scheduled in month j multiplied by the charging energy required for each cycle. C and D shall be as per the DSM/ UI reports/ State Energy Account published by the SLDC/ RLDC or measurement at the Main ABT Meter at the Delivery Point.
- RtEg refers to the guaranteed Round-Trip Efficiency of 85% under this Agreement
- **C and D shall be as per the DSM Reports/State Energy Account published by the SLDC or measurement at the Main ABT Meter at the Point of Interconnection.**

Note:

- The Scheduled capacity shall be subject to the System Power Rating specified in Article 4.4.1 above.
- The BESSD shall take separate metered connection from DISCOMs or can draw power from interconnection point for the Auxiliary Power load of BESS. Separate meter would be arranged by Developer to measure Auxiliary consumption and that would be billed by DISCOMs as per prevailing tariff, wherever applicable. However, During construction phase, the BESSD shall make their own arrangements or may avail power supply from DISCOMs on chargeable basis as per applicable rules/procedure. The BESSD shall make his own arrangements to meet the water requirements during construction and O&M period.

1. The nameplate ratings shall be achievable during discharge for the full range of environmental conditions at the project site when the battery is fully charged. In any case, the BESS shall be capable of being discharged at reduced power levels from that specified above. However, the energy discharged from the battery shall not require to be greater than the nameplate watt-hour rating specified herein.

2. SLDC/ DISCOMs, in accordance with Applicable Laws and Regulations thereunder, shall issue instructions to the BESSD for dispatch of electricity to the Grid during such period and in such volume as it may specify in its instructions. The BESSD shall clearly specify the maximum recovery times required to restore the BESS for functional availability between duty cycles. The maximum allowed cooling time between Charge to Discharge or Discharge to charge would be 1 hour or as stated by the bidder in their offer, whichever is lesser.

3. Operational Window: Operational Window shall mean the expected hours/duration of system (capacity) availability on each day during the term of the Contract, excluding:
   a. Maximum BESS recovery time as specified in this document
   b. Grid Outages (duly certified to this effect by the Grid Operator)
   c. Planned Maintenance Outage duly informed by the BESSD to the SLDC on behalf of DISCOMs (the off-taker) with at least one month's prior notice, subject to total no. of planned outage period being not more than 34 hours in a two-month period.

   BESSD will have to comply with the Charging and Discharging Schedule as intimated by SLDC/ DISCOMs. Charging or discharging can be scheduled by SLDC/DISCOMs in one or more sessions depending on SLDC/DISCOMs requirements.

   SLDC/DISCOMs shall provide tentative day-ahead schedules, however, real time charging and discharging instructions, if required, will be given. This notice shall consider any cooling time required between charging and discharging as specified in the RfS.

4. In addition to above, the BESSD shall also submit Available energy Test Report for the Project capacity as per IEC 62933-2-1 on Annual basis.

5. It shall be the responsibility of the BESSD to make periodic replacements/replenishments of system capacities (to ensure annual guaranteed system ratings), if and when required, up to the Term of the Contract. Outage time as a result of replacement will also be counted as an "Accountable BESS Outage" for the purpose of computing BESS Availability.

6. Pursuant to the provisions above, the BESSD shall plan the dispatch of electricity and convey its availability for scheduling thereof by the SLDC and shall supply electricity in accordance with the provisions of the Grid Code and the Electricity

Act, 2003. The BESSD shall adhere to all the technical and regulatory requirements as brought out in Annexure - A of both this Agreement and RfS and Guidelines. The BESS shall conform to all the applicable regulations of APPCC/CERC and CEA Standards for connectivity, metering, communication with the grid operators, etc.

4.3.2 **Shortfall in meeting Performance Criteria:**

Following provisions shall be applicable on the Contracted Capacity:

i. Shortfall in demonstrating minimum Availability: Subsequent to COD of full Project/Contracted Capacity, in case the annual Availability demonstrated by the BESSD is less than the minimum as specified above, such shortfall in performance shall make the BESSD liable to pay the liquidated damages to DISCOMs.

Liquidated damages on account of shortfall in meeting the minimum Availability criteria as per Article 4.4.1.1, will be computed as follows:

Liquidated damages = (A – B) x C x D x n x 2;

Where,

- A is Guaranteed Annual System Availability as per Article 4.4.1.1. above.
- B is Actual Annual System Availability, as calculated as per Article 4.4.1.1 above.
- C is the Contracted Capacity in MW.
- D is Capacity Charges/MW/month as discovered through bidding process.
- n is the number of months in the Contract Year, being 12, or the actual number of months in the Initial Supply Period or in any part of a Contract Year

In case the BESSD fails to meet the monthly RtE demonstration as per Article 4.4.1.3 above, additional Liquidated Damages for the unavailability of the required minimum RtE shall be applicable for the entire month.

However, this damage shall not be applicable in events of Force Majeure identified under the BESPA with DISCOMs, affecting the availability of the system. An illustration to this effect is enclosed at Annexure - B of this Agreement and Annexure-C of RfS.

It is clarified that the calculation of Availability as per Article 4.4.1.2 above will not include the planned outage as declared by the BESSD under Article 4.4.1.7 above. However, in case the BESSD notifies any outage outside the planned outage hours, while the SLDC on behalf of the buying entity may not actually schedule any power injection/drawl during those outage hours, such hours will be covered in calculating the Monthly Availability as per Article 4.4.1.2.

For example, in case the BESSD notifies outage for 10 hours outside the total allocated quota of planned outage amounting to (34x 6) hours, i.e. 204 hours the denominator of the formula in Article 4.4.1.2 above will include the time-blocks corresponding to these 10 hours, and exclude the 204 hours of planned outage.

ii. Shortfall in demonstrating minimum Round-trip-Efficiency: The provisions as per Article 4.4.1.3 above shall be applicable in this case.

iii. Shortfall in demonstrating the contracted energy rating: In case the dispatchable energy demonstrated in any Available Energy Test, or on actual scheduling, is less than the contracted energy rating, the Contracted Capacity for the purpose of payment of Monthly Capacity Charges shall stand reduced in the same proportion from the date of such demonstration until the BESSD re-demonstrates the full energy rating, and such reduced capacity shall be referred to as the Billable Capacity. It is clarified that the Contracted Capacity shall remain unchanged for the purposes of the Performance Bank Guarantee and of the liquidated damages computed under Articles 4.4.2.1 and 4.4.2.3, and that the DISCOMs shall not recover liquidated damages twice in respect of the same event.

4.4 Acceptance/Performance Test

4.4.1 Prior to the Supply Start Date, the BESSD shall be required to get the Project certified for the requisite test including for safety as may be laid down by Central Electricity Authority or an agency identified by the State government to carry out testing and certification for the Battery Energy Storage projects. Further, BESSD shall ensure that all technical and regulatory, acceptance and performance criteria as specified in RfS Documents, in this Agreement including Annexure-A of this Agreement and Guidelines are also complied and maintained.

4.5 Third Party Verification

4.5.1 The BESSD shall be further required to provide entry to the site of the Project free of all encumbrances at all times during the Term of the Agreement to APPCC/ DISCOMs /SLDC /CEA (or its authorized representatives) and a third Party nominated by any Indian Governmental Instrumentality for inspection and verification of the works being carried out by the BESSD at the site of the Project. The BESSD shall provide full support to APPCC/ DISCOMs/ SLDC/ CEA and/ or their third party designated by in this regard.

4.5.2 APPCC/ DISCOMs/SLDC/CEA and/or their designated third party may verify the operation of the Project being carried out by the BESSD and if it is found that the operation of the Project is not as per the Prudent Utility Practices, it may seek clarifications from BESSD or require the works to be stopped or to comply with the instructions of such third party.

4.6 Breach of Obligations

4.6.1 The Parties herein agree that during the subsistence of this Agreement, the BESSD would have no right to negotiate or enter into any dialogue with any

third party for the sale of Contracted Capacity which is the subject matter of this Agreement. It is the specific understanding between the Parties that such bar will apply throughout the entire term of this Agreement including in case of any dispute between the parties pending the orders of the adjudication authority under the Dispute Resolution Provisions. It is the specific understanding between the Parties that such bar will apply throughout the entire term of this Agreement.

Article 5: Supply Start Date and Delay in Commencement of Supply

5.1 Commencement of supply

5.1.1 The BESSD shall make the Contracted Capacity available to the DISCOMs from the Supply Start Date, i.e. 01.01.2027.

5.1.2 Upon satisfactory review of the documents and demonstration under Article 3.1, the DISCOMs shall confirm the Supply Start Date, being the date from which the Contracted Capacity is made available and from which the Monthly Capacity Charges become payable.

5.1.3 The Commercial Operation Date of the Project has already been declared under the Grid Code prior to the bid submission deadline under the RfS, and nothing in this Agreement shall require a fresh commissioning or declaration of the Commercial Operation Date of the Project. The Supply Start Date shall be the reference date for the commencement of the obligations of the Parties relating to availability, scheduling and payment under this Agreement.

5.2 Delay in commencement of supply and liquidated damages

5.2.1 If the BESSD fails to make all or any part of the Contracted Capacity (the "Delayed Capacity") available for scheduling and dispatch on or before the Supply Start Date, other than by reason of a Force Majeure Event or a Procurer Event of Default, no Monthly Capacity Charges shall be payable in respect of such Delayed Capacity for the period of delay. In addition, the BESSD shall be liable for Liquidated Damages as follows, with days of delay counted from the later of the Supply Start Date and the Effective Date, and no Liquidated Damages shall accrue in respect of any period before the Effective Date:

a. for a delay of up to 60 (sixty) days:
   LD = Performance Bank Guarantee x (Delayed Capacity / Contracted Capacity) x (days of delay / 60), recoverable by encashment of the Performance Bank Guarantee; and
b. for a delay beyond 60 (sixty) days:
   i. the Performance Bank Guarantee attributable to the Delayed Capacity shall be encashed in full and;
   ii. the BESSD shall, in addition, pay a penalty equal to 3 (three) months' Monthly Capacity Charges for the Delayed Capacity.

APPCC/ the DISCOMs may further, at their option, reduce the Contracted Capacity by the Delayed Capacity or terminate the BESPA in respect of such capacity, without prejudice to any other right or remedy available to them.

5.2.2 As an alternative to the above encashment of PBG, the BESSD may choose to pay the amount of liquidated damages directly to the DISCOMs within 5 business days of intimation, failing which the PBG shall be encashed. In lieu of encashment of the Performance Bank Guarantee under Clause 5.2.1, the BESSD may elect to pay the applicable Liquidated Damages directly to the DISCOMs within 5 (five) Business Days of receipt of notice from APPCC/DISCOMs, failing which the relevant portion of the Performance Bank Guarantee may be encashed.

5.2.3 In case the BESSD fails to make the Contracted Capacity (or any part thereof) available within 60 (sixty) days from the Supply Start Date, as part of liquidated damages the total PBG amount for the Project shall be encashed and the BESPA shall stand terminated for the capacity not made available. It is clarified that the liquidated damages are a genuine pre-estimate of loss, and the BESSD agrees that on invocation of the PBG, the DISCOMs/ APPCC shall be under no obligation to produce any estimate of loss.

a) Illustration: Contracted Capacity of 200 MW, of which 50 MW is delayed. For a delay of 10 days, LD = Performance Bank Guarantee x (50/200) x (10/60). For a delay beyond 60 days, LD = Performance Bank Guarantee x (50/200) x (60/60) plus 3 x Monthly Capacity Charge (INR/MW/month) x 50 MW.

5.2.4 DISCOMs may, in addition, claim penalties and consequential damages available under law.

5.2.5 Delay on account of Force Majeure, as defined in the BESPA, or on account of reasons solely attributable to the STU/ SLDC/ RLDC/ DISCOMs, shall not be counted towards the delay under this clause.

Article 6: Dispatch and Scheduling

6.1 Dispatch and Scheduling

6.1.1 The BESSD based on the instructions from SLDC on behalf DISCOMs, shall be required to charge/discharge the Battery System as per the applicable regulations / requirements / guidelines of CERC / APERC /SLDC or any other competent agency and same being recognized by the SLDC or any other competent authority / agency as per applicable regulation/ law / direction and maintain compliance to the applicable Codes/ Grid Code requirements and directions, if any, as specified by concerned SLDC from time to time. Any deviation from the Schedule will attract the provisions of applicable regulation / guidelines / directions and any financial implication on account of this shall be on the account of the BESSD.

6.1.2 The BESSD shall be responsible for directly coordinating and dealing with SLDC/ DISCOMs , Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of charging and discharging power and due compliance with deviation and settlement mechanism and the applicable Grid code Regulations, acknowledging that the BESSD and DISCOMs are the Grid connected entities in respect of the Battery Storage Capacity contracted under this Agreement.

6.1.3 DSM penalties, if any, shall be levied separately on the BESSD as applicable, for the charging and discharging activities. DSM charges on this account shall be directly paid by the BESSD as applicable. Reactive power charges shall be on account of the BESSD during charging and discharging, as per SERC regulations.

6.1.4 The BESSD shall take separate, metered connection from APDISCOMs for the Auxiliary Power load of BESS and can draw auxiliary power at 33kV level after the Metering Point.

6.2 Supply Obligation of the BESSD

In case the BESSD fails to offer the contracted power as per this Agreement to APDISCOMs and sells the contracted power without its consent to any other party, the BESSD, on a complaint to this effect by APDISCOMs to the load dispatch center concerned, shall be debarred from participating in Power Exchanges and on the Discovery of Efficient Electricity Pricing portal and scheduling of any new short-term contracts from the Project for a period of three months from the date on which the default has been taken cognizance by the concerned load dispatch center. The period of debarment shall increase to six months for second default and shall be one year for each successive default. Such debarment of the BESSD shall be without prejudice to the rights of DISCOMs for seeking compensation for the default by the BESSD under this Agreement.

Article 7: Metering

7.1 Meters

7.1.1 For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the BESSD shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2014, the Grid Code, or equivalent state regulations (as applicable).

7.1.2 The BESSD shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at BESSD side of Delivery Point for injection and drawl of power from the Grid during discharging and charging of BESS.

7.1.3 All relevant parameters of energy injected and drawn by the project shall be measured and continuously recorded by means of a main meter, check meter and standby meter as per the applicable CEA metering regulations and its amendments from time to time. Power Quality Meter shall also be provided as per extant regulations.

7.2 Reporting of Metered Data and Parameters

7.2.1 Online arrangement would have to be made by the BESSD for submission of metering data regularly for the entire period of this Agreement to the SLDC and DISCOMs as per applicable regulation / directions.

7.2.2 Reports on metering parameters on monthly basis and as required by regulation / Guidelines, shall be submitted by the BESSD to SLDC and DISCOMs for entire Term of the BESPA.

7.3 Sealing and Maintenance of Meters.

(i) The Main Metering System, the Backup Metering System and all the ABT Compliant Meters shall be sealed in the presence of representatives of BESSD and APPCC/ DISCOMs.

(ii) When the Main Metering System and / or Backup Metering System and / or any component thereof is found to be outside the acceptable limits of accuracy or otherwise not functioning properly, it shall be repaired, re-calibrated or replaced by the BESSD and / or APPCC/ DISCOMs at BESSD's cost, as soon as possible.

(iii) Any meter seal(s) shall be broken only by APPCC/ DISCOMs representative in the presence of BESSD representative whenever the Main Metering System or the Backup Metering System is to be inspected, tested, adjusted, repaired or replaced.

(iv) All the Main and Check Meters shall be calibrated at least once in a period of three years.

(v) In case, both the Main Meter and Check Meter are found to be beyond permissible limit of error, both the meters shall be calibrated immediately and the correction applicable to main meter shall be applied to the energy registered by the Main Meter at the correct energy for the purpose of energy accounting / billing for the actual period during which inaccurate measurements were made, if such period can be determined or, if not readily determinable, shall be the shorter of:

A. the period since immediately preceding test of the relevant Main meter, or

B. One hundred and eighty (180) days immediately preceding the test at which the relevant Main Meter was determined to be defective or inaccurate.

7.4 Records

Each Party shall keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this agreement and the operation of the Project. Among such other records and data, the BESSD shall maintain an accurate and up-to-date operating log at the Battery Energy Storage System with records of:

a) Fifteen (15) minutes logs of real and reactive power generation, frequency, transformer tap position, bus voltage(s), Main Meter and Back up Meter Readings and any other data mutually agreed;
b) Any unusual conditions found during operation / inspections;
c) Chart and printout of event loggers, if any, for system disturbances/ outages;
d) All the records will be preserved for a period of 36 months.

Article 8: Insurances

8.1 Insurance

8.1.1 The BESSD shall effect and maintain or cause to be effected and maintained, at its own cost and expense, throughout the Term of BESPA, Insurances against such risks to keep the Project in good condition and shall take Industrial All Risk insurance policy covering risks against any loss or damage, with such deductibles and with such endorsements and co-insured(s), which the Prudent Utility Practices would ordinarily merit maintenance of and as required under the Financing Agreements, and under the applicable laws.

8.1.2 The BESSD shall submit the Insurance copy to APPCC/ DISCOMs, prior to the supply date.

8.2 Application of Insurance Proceeds

8.2.1 In case of the Project is not being implemented through Financing Agreement(s), save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the BESS or any part of the BESS shall be first applied to reinstatement, replacement or renewal of such loss or damage to the Contracted Capacity followed by outstanding claims of APPCC/ DISCOMs against BESSD, if any.

In case of the Project being financed through Financing Agreement(s), save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Project to any part of the BESS shall be applied as per such Financing Agreements.

8.2.2 If a Force Majeure Event renders the Project no longer economically and technically viable and the insurers under the Insurances make payment on a "total loss" or equivalent basis, DISCOMs shall have claim on such proceeds of such Insurance

8.3 Effect on liability of APPCC/ DISCOMs

8.3.1 Notwithstanding any liability or obligation that may arise under this Agreement, any loss, damage, liability, payment, obligation or expense which is insured or not or for which the BESSD can claim compensation, under any Insurance shall not be charged to or payable by Buyer. It is for the BESSD to ensure that appropriate insurance coverage is taken for payment by the insurer for the entire loss and there is no under insurance or short adjustment etc.

Article 9: Applicable Tariff

9.1 The BESSD shall be entitled to receive the Tariff of INR _____/MW/Month [Insert the Tariff discovered through the bidding process conducted by APPCC], which shall remain fixed for the Supply Period, the Term and the Extended Term of this Agreement, with effect from the Supply Start Date. The Tariff is exclusive of Goods and Services Tax.

9.2 The Monthly Capacity Charge payable for a Month shall be the Tariff multiplied by the Contracted Capacity in MW, or by the Billable Capacity where Article 4.4.2.4 applies, and shall be subject to the deductions, liquidated damages and adjustments provided in Articles 4, 5 and 10 of this Agreement. Monthly Capacity Charges for any part of a Month shall be payable on a pro-rata basis.

9.3 Goods and Services Tax, as applicable on the storage service provided by the BESSD, shall be borne by the DISCOMs and shall be paid against production of a valid tax invoice and evidence of remittance, in accordance with Applicable Law.

9.4 All charges and losses up to the Delivery Point, including transmission charges, General Network Access charges, SLDC and RLDC fees and connectivity charges, shall be borne by the BESSD. Charges and losses beyond the Delivery Point, for both charging and discharging, shall be borne by the DISCOMs, as provided in the RfS.

9.5 The DISCOMs shall, with the assistance of APPCC, file the Tariff discovered through the bidding process for adoption by the Appropriate Commission under Section 63 of the Electricity Act, 2003, and the BESSD shall furnish such information and documents as may be required for that purpose.

9.6 No charge other than the Monthly Capacity Charge, and the amounts expressly provided in this Agreement, shall be payable by the DISCOMs to the BESSD for making the Contracted Capacity available.

9.7 In case the DISCOMs agree to procure capacity from the Project from a date prior to the Supply Start Date, such capacity shall be procured at the Applicable Tariff under Article 9.1, and the provisions of this Agreement relating to availability, efficiency and payment shall apply to such period as they apply to the Supply Period.

Article 10: Billing and Payment

10.1 General

10.1.1 From the commencement of availability of BESS Capacity, DISCOMs shall pay to the BESSD the monthly Tariff Payments subject to the adjustments as per provisions of this Agreement including Article 6, in accordance with Article 9. All capacity charge Payments by DISCOMs shall be in Indian Rupees. The payment from DISCOMs shall be in proportion to the existing energy allocation of Govt. of Andhra Pradesh and its amendments from time to time.

10.1.2 Subject to the provision of this Agreement, BESSD shall be required to make arrangement of auxiliary power at its own risk and cost.

10.2 Delivery and Content of Monthly Bills/Supplementary Bills

10.2.1 The BESSD shall issue to DISCOMs hard copy of a signed Monthly Bill/Supplementary Bill for the immediately preceding Month/relevant period, in proportion to their power/energy allocation as per Energy Department, Govt. of Andhra Pradesh, including the time-block-wise data in the tabular format as per Illustration in Annexure-B, along with all relevant documents. The BESSD shall also submit calculations of System Availability and Round-trip Efficiency in line with provisions of this Agreement, as part of the Monthly Bill/Supplementary Bill.

10.2.2 As per applicable regulation(s) of the Appropriate Commission(s), all charges pertaining to scheduling of power beyond delivery point, if any, shall be borne by the DISCOMs.

10.3 Payment of Monthly Bills

10.3.1 Subject to the provisions of Article 10.3.4, DISCOMs shall pay the amount payable under the Monthly Bill/Supplementary Bill by the Due Date to such account of the BESSD, as shall have been previously notified by the BESSD. The BESSD shall open a bank account (the "BESSD's Designated Account") for all Tariff Payments (including Supplementary Bills) to be made by DISCOMs to the BESSD and notify DISCOMs of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. DISCOMs shall also designate a bank account at their respective headquarters of corporate office ("DISCOMs Designated Account") for payments to be made by the BESSD to DISCOMs, if any, and notify the BESSD of the details of such account ninety (90) Days before the Supply Start Date. DISCOMs and the BESSD shall instruct their respective bankers to make all payments under this Agreement to the BESSD's Designated Account or DISCOM's Designated Account, as the case may be, and shall notify either Party of such instructions on the same day. DISCOMs shall, within 45 (forty five) days of receipt of a Monthly Bill or Supplementary Bill in accordance with the Payment Due Date, make payment of the amount claimed directly, through electronic transfer, to the nominated bank account of the Generator, save and except any amounts which it determines as not payable or disputed (the "Disputed Amounts").

10.3.2 All payments required to be made under this Agreement shall also include any deduction or set off for:

i) deductions required by the Law; and

ii) amount claimed by DISCOMs, if any, from the BESSD, will be adjusted from the monthly energy payment.

10.3.3 Late Payment Surcharge

In the event of delay in payment of a Monthly Bill by DISCOMs beyond Due Date, a Late Payment Surcharge shall be payable on the payment outstanding after the Due Date, at the Base rate of Late Payment Surcharge applicable for the period forthe first month of default.

"Base rate of Late Payment Surcharge" means the marginal cost of funds-based lending rate for one year of the State Bank of India, as applicable on the 1st of April of the financial year in which the period lies, plus five percent.

Late Payment Surcharge shall be payable on the payment outstanding after the Due Date at the base rate of Late Payment Surcharge applicable for the period forthe first month of default. The rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 percent for every month of delay providedthat the Late Payment Surcharge shall not be more than 3 percent higher than thebase rate at any time. The Late Payment Surcharge shall be claimed by the BESSD through the

Supplementary Bill.

Late Payment Surcharge shall be payable in accordance with Electricity (Late Payment Surcharge) Rules, 2022 and as amended from time to time.

10.3.4 Subject to the Article 9 of this Agreement, in respect of the Scheduled Supply Period, the BESSD shall be entitled to raise Bills for the Monthly Capacity Charges from the Supply Start Date as per Article 10.2.1, on a pro-rata basis for any part of a Month. However, payment against the 1st such bill raised by the BESSD, will be made subject to acceptance of the bill by the DISCOMs.

10.3.5 **Rebate**

For payment of any Bill before Due Date, the following Rebate shall be paid by the BESSD to DISCOMs in the following manner:

a) A Rebate of 2% shall be payable to the DISCOMs for the payments made within a period of 5 (five) days of the submission of a valid monthly bill (excluding taxes and statutory levies).

b) Any payments made after 5 Days up to and including the 30th Day after the submission of a valid monthly bill, shall be allowed a rebate of 1.5%.

c) For the above purpose, the date of presentation of Bill shall be the next Business Day of delivery of the physical copy of the Bill at DISCOMs.

d) No Rebate shall be payable on the Bills raised on account of Change in Law (except in case of annuity tariff model being implemented, where rebate will be applicable) relating to taxes, duties, CESS. etc. and on Supplementary Bill. For this purpose, the date of presentation of bill shall be the same day of delivery in hard copy. However, for consideration of rebate, next business day shall be considered.

10.4 Payment Security Mechanism (PSM)

10.4.1 The DISCOMs and the BESSD shall, within 30 (thirty) days from the Effective Date and in any event before the first Supply Start Date, execute a default escrow agreement with the DISCOM's bank substantially for the establishment and operation of the default escrow account (the "Default Escrow Account") in favour of the supplier. The Parties agree and acknowledge that the Default Escrow Account shall be established and maintained at a bank where at least 30% (thirty per cent) of the DISCOM's total monthly Revenues are normally deposited (the "Default Escrow Bank"). The DISCOMs expressly agrees and undertakes that throughout the term of the Contract Period, no less than 30% (thirty per cent) of its total Revenues shall continue to be deposited at that bank or any substitute thereof that the Parties may by mutual agreement determine and Revenues equivalent to 100% (one hundred per cent) of the Monthly Fixed Charges payable for the Contracted Capacity (the "Maximum Monthly Payment") shall be routed every month through the Default Escrow Account in accordance with the provisions of the Default Escrow Agreement.

10.4.2 The DISCOMs and the BESSD shall, within 30 (thirty) days from the Effective Date and in any event before the first Supply Start Date, execute a deed of hypothecation, whereby the DISCOMs shall hypothecate to the BESSD an amount equal to Maximum

Monthly Payment, to be deposited every month in the Default Escrow Account for discharging the liabilities arising out of and in relation to the Secured Obligations.

10.4.3 The BESSD has the first priority charge on the Revenues deposited into the Default Escrow Account, in accordance with the terms of the Default Escrow Agreement and the Deed of Hypothecation, but not exceeding the Maximum Monthly Payment for and in respect of any month.

10.5 Disputed Bill

10.5.1 If the DISCOMs disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, it shall not pay the invoice amount provided either party shall have the right to approach the APERC to effect a higher or lesser payment on the disputed amount and it shall within thirty (30) days of receiving such Bill, issue a notice (the "Bill Dispute Notice") to the invoicing Party setting out:

i) the details of the disputed amount;

ii) its estimate of what the correct amount should be; and

iii) all written material in support of its claim.

10.5.2 If the BESSD agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.1, the BESSD shall revise such Bill and present along with the next Monthly Bill. In such a case excess amount shall be refunded along with interest at the same rate as Late Payment Surcharge, which shall be applied from the date on which such excess payment was made by the disputing Party to the invoicing Party and up to and including the date on which such payment has been received as refund.

10.5.3 If the BESSD does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.1, it shall, within fifteen (15) days of receiving the Bill Dispute Notice, furnish a notice (Bill Disagreement Notice) to the DISCOMs providing:

i) reasons for its disagreement;

ii) its estimate of what the correct amount should be; and

iii) all written material in support of its counter-claim.

10.5.4 Upon receipt of the Bill Disagreement Notice by the DISCOMs under Article 10.5.3, authorized representative(s) of the DISCOMs and BESSD shall meet and make best endeavours to amicably resolve such dispute within fifteen (15) days of receipt of the Bill Disagreement Notice.

10.5.5 If the Parties do not amicably resolve the Dispute within fifteen (15) days of receipt of Bill Disagreement Notice pursuant to Article 10.5.4, the matter shall be referred to Dispute resolution in accordance with Article 16.

10.5.6 Failure of the DISCOMs to issue a Bill Dispute Notice within thirty (30) days of receipt of the relevant Bill shall render such Bill final, conclusive and binding upon the Parties, save and except for adjustments arising out of the quarterly and annual reconciliation process under Article 10.6 of this Agreement.

10.6 Quarterly and Annual Reconciliation

10.6.1 The Parties acknowledge that all payments made against Monthly Bills and Supplementary Bills shall be subject to quarterly reconciliation within 30 days of the end of the quarter at the beginning of the following quarter of each Contract Year and

annual reconciliation at the end of each Contract Year within 30 days to take into account the Energy Accounts, Tariff adjustment payments, Tariff Rebate, Late Payment Surcharge, or any other reasonable circumstance provided under this Agreement.

10.6.2 The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the BESSD and DISCOMs shall jointly prepare and sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the BESSD shall make appropriate adjustments in the next Monthly Bill. Late Payment Surcharge/ interest shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable. Any Dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of Article 16.

10.7 Payment of Supplementary Bill

10.7.1 BESSD may raise a ("Supplementary Bill") for payment on account of:

i) Change in Law as provided in Article 12, or
ii) such Supplementary Bill shall be paid by the other Party.

10.7.2 DISCOMs shall remit all amounts due under a Supplementary Bill raised by the BESSD to the BESSD's Designated Account by the Due Date, SLDC/RLDC or scheduling charges and transmission charges (if applicable). No surcharge will be applicable other than that on the monthly energy payment and associated debit and credit note.

Article 11: Force Majeure

11.1 Definition of Force Majeure

A 'Force Majeure' (FM) would mean one or more of the following acts, events or circumstances or a combination of acts, events or circumstances or the consequence(s) thereof, that wholly or partly prevents or unavoidably delays the performance by the Party (the Affected Party) of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices.

An Affected Party means DISCOMs or APPCC or the BESSD whose performance has been affected by an event of Force Majeure.

11.2 Force Majeure Events

a) Act of God, including, but not limited to lightning, fire and explosion (to the extent originating from a source external to the site), earthquake, volcanic eruption, landslide, flood, pandemic, cyclone, typhoon or tornado if it is declared / notified by the competent state / central authority / agency (as applicable), or verified to the satisfaction of Procurer

b) Radioactive contamination or ionizing radiation originating from a source in India or resulting from another Force Majeure Event mentioned above excluding circumstances where the source or cause of contamination or radiation is brought or has been brought in to or near the Project by the Affected Party or those employed or engaged by the Affected Party.

c) The discovery of geological conditions, toxic contamination or archaeological remains on the Project land that could not reasonably have been expected to be discovered through an inspection of the Project land and/or as per prudent industry practices.

d) Exceptionally adverse weather condition which are in excess of the statistical measure of the last hundred (100) years.

e) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action, or Industry wide strikes and labour disturbances, having a nationwide impact in India, if and only if it is declared / notified by the competent state / central authority / agency (as applicable)

f)Nationalization or any compulsory acquisition by any Indian Governmental Instrumentality/ State Government in national interest or expropriation of any material Project assets or rights of the BESSD, as a result of which the BESSD or its shareholders are deprived (wholly or partly) of their rights or entitlements under this BESPA. Provided that such action does not constitute remedies or sanctions lawfully exercised by the Procurer or any other Government Authority as a result of any breach of any of the Applicable Laws or the Applicable Permits by the BESSD or the BESSD related parties.

g) An event of Force Majeure affecting delivery / offtake of power / Contracted Capacity from BESSD to DISCOMs.

11.3 Force Majeure Exclusions

11.3.1 Force Majeure shall not include

(i) any event or circumstance which is within the reasonable control of the Parties and

(ii)the following conditions, except to the extent that they are consequences of an event of Force Majeure:

a. Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts or consumables for the Power Project/BESS

b. Delay in the performance of any contractor, sub-contractor or their agents

c. Non-performanceresultingfromnormalwearandteartypicallyexperiencedin power generation / BESS materials and equipment

d. Strikes at the facilities of the Affected Party

e. Insufficiency of finances or funds or the agreement becoming onerous to perform; and

f. Non-performance caused by, or connected with, the Affected Party's:

i. Negligent or intentional acts, errors or omissions or lack of due diligence expected from any prudent and rational human being

ii. Failure to comply with an Indian Law or

iii. Breach of, or default under this Agreement.

11.4 Notification of Force Majeure Event

11.4.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than fifteen (15) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement. The Party who receives the Force Majeure Notification, shall take a decision on the claim of occurrence of Force Majeure Event, within 30 days of the receipt of the intimation, accompanied with supporting documents available with the Affected Party.

11.4.2 provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular (and not less than weekly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the Force Majeure Event.

11.4.3 The Affected Party shall give notice to the other Party of
(i) the cessation of the relevant event of Force Majeure; and
(ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.

11.5 Performance Excused

11.5.1 The Affected Party, to the extent rendered unable to perform its obligations or part of the obligation thereof under this Agreement as a consequence of the Force Majeure Event, shall be excused from performance of the obligations, provided that the period shall not exceed 180 (one hundred and eighty) Days from the date of issuance of the Force Majeure Notice or any extended period as mutually agreed. The Parties may mutually agree to extend the period for which performance is excused due to a Force Majeure Event. However, in case of the FM continuing up to a period of 180 days or any extended period as mutually agreed, either Party has the right to terminate the BESPA

11.5.2 For the time period, as mutually agreed by the Parties, during which the performance shall be excused, the BESSD shall be entitled for a day to day extension of the period provided for satisfying the conditions precedent under Article 3.1, or for the commencement of supply, or for the period of this Agreement, as the case may be. The Term of this Agreement will be suitably extended. However, adjustment in tariff shall not be allowed on account of Force Majeure event.

11.5.3 Provided always that a Party shall be excused from performance only to the extent reasonably warranted by the Force Majeure Event.

11.5.4 Provided further that, nothing shall absolve the Affected Party from any payment obligations accrued prior to the occurrence of the underlying Force Majeure Event.

11.6 No Liability for Other Losses

Save as otherwise provided in this Agreement, no Party shall be liable in any manner, whatsoever, to the other Parties in respect of any loss relating to or arising out of the occurrence or existence of any Force Majeure Event.

11.7 Resumption of Performance

During the period that a Force Majeure Event is subsisting, the Affected Party shall, in consultation with the other Parties, make all reasonable efforts to limit or mitigate the effects of such Force Majeure Event on the performance of its obligations under the BESPA. The Affected Party shall also make efforts to resume performance of its obligations under this Agreement as soon as possible and upon resumption, shall notify other Parties of the same in writing. The other Parties shall afford all reasonable assistance to the Affected Party in this regard.

11.8 Duty to Perform and Duty to Mitigate

To the extent not prevented by a Force Majeure Event pursuant to Article 11.2, the Affected Party shall continue to perform its obligations pursuant to this Agreement. The Affected Party shall use its reasonable efforts to mitigate the effect of any Force Majeure Event as soon as practicable.

11.9 Available Relief for a Force Majeure Event Subject to this Article 11:

(a) no Party shall be in breach of its obligations pursuant to this Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event; However no adjustment in tariff shall be allowed on account of Force Majeure event.

(b) For avoidance of doubt, neither Party's obligation to make payments of money due nor payable prior to occurrence of Force Majeure events under this Agreement shall be suspended or excused due to the occurrence of a Force Majeure Event in respect of such Party.

(c)Provided that no payments shall be made by either Party affected by a Force Majeure Event for the period of such event on account of its inability to perform its obligations due to such Force Majeure Event.

11.10 Available Relief & Termination Due to Force Majeure Event

a) If, prior to the completion of the 180 (one hundred and eighty) Day period (or any extended period) for a Force Majeure Event commencing from the date of issuance of the Force Majeure Notice, the Parties are of the reasonable view that a Force Majeure Event is likely to continue beyond such 180 (one hundred and eighty) Day period or any extended period agreed in pursuance of Article 11.5 (Performance Excused); or that it is uneconomic or impractical to restore the affected Unit, then the Parties may mutually decide to terminate the BESPA, and the termination shall take effect from the date on which such decision is taken.

b) In case of occurrence of an event which is not a Force Majeure as per provision of this Agreement, but causes some hardship in development of the Project, which may or may not be recognized by the Government of India and for which the Government of India has or hasn't granted any extension of time or any other relief; such event, even if sustained beyond 180 days shall not be considered as a reason for termination of BESPA under this Article.

c) Without prejudice to the provisions of Article 11.10 (a) above, the Affected Party shall, after the expiry of the period of 180 (one hundred and eighty) Days or any other mutually extended period, be entitled to forthwith terminate the BESPA in its sole discretion by issuing a notice to that effect.

d) On termination of the BESPA pursuant to Article 11.10 (C):

i. In case of termination on account of event listed as Force Majeure as under Article 11.2 (a), (b), (c) and (d), no Termination Compensation shall be payable to the BESSD.

ii. In case of termination at the instance of the BESSD, on account of an event listed as Force Majeure as per Article 11.2 (e) and (f) above, the DISCOMs will have the option to (but will not be obliged to) take- over the Project Assets by paying Debt Due. In case the DISCOMs chooses not to exercise the aforementioned option, and the same is not agreed to by the BESSD, it will result in a dispute as per the BESPA and will be resolved as per the Dispute Resolution mechanism under the BESPA.

iii. the BESSD shall be eligible for undisputed payments under outstanding Monthly Bill(s), before the occurrence of Force Majeure Event.

Article 12: Change In Law

12.1 Definitions

In this Article 12, the following terms shall have the following meanings:

12.1.1 In this Article 12, the term Change in Law shall refer to the occurrence of any of the following events, after the last date of the bid submission:

(a) the enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal, of any statute, decree, ordinance or other law, regulations, notice, circular, code, rule or direction by Governmental Instrumentality having a binding mandate or a change in its interpretation by a Competent Court of law, tribunal, government or statutory authority or any of the above regulations, taxes, duties charges, levies that results in any change with respect to any tax or surcharge or cess levied or similar charges by the Competent Government on the storage of electricity (leviable on final output i.e. the drawl or injection from BESS projects in the form of energy) or on supply of energy storage capacity.

(b) Introduction / modification / changes in rates of Safeguard Duty and/or Anti-Dumping Duty and/or Customs Duty and/or Goods and Services Tax including surcharge thereon which have direct effect on the Project cost.

For avoidance of doubt, it is clarified that any change in taxes or surcharge or cess or similar charges on inputs like material, labour or any other input for setting up the Project will not be allowed under Change in Law except as specified in 12.1.1(b). It is further clarified that, Change in Law/ Regulation shall not include:

(i) any change in taxes on corporate income or any change in any withholding tax on income or dividends, or

(ii) change in respect of deviation settlement charges or frequency intervals by an Appropriate Commission.

(iii) change in transmission charges, open access charges and losses of APPCC or Transmission licensees.

12.1.2 In the event of occurrence of any of events as provided under Article 12.1.1 which results in any adverse financial loss or gain to the BESSD then, the BESSD shall be entitled to compensation in case of financial loss from DISCOMs and in case of financial gain shall be liable to compensate DISCOMs, as the case may be, such compensation payment on account of such 'Change in Law' shall be determined and shall be effective from such date as may be decided by the Appropriate Commission and shall be adjusted in the tariff .

Provided however that, the compensation of Change in law shall be applicable only if the impact of the same in the Contract Year is on net basis more than or equal to one percent (1%) of,

(i) Revenue for the Contract Year for which such adjustment becomes applicable (during Operation Period), as the case may be.

12.2 Relief for Change in Law

12.2.1 In case of Change in Law taking place prior to commissioning of the Project, the compensation may be passed through in the form of increase/decrease in the tariff, linked with increase/decrease in the Project cost, which is to be paid through the monthly billing. The pass through in this case shall be as per decision of Appropriate Commission and shall be effective from date of commissioning of the Project. BESSD shall be required to provide a statutory auditor certificate supported by Board Resolution in regard to implications (loss/ gain) arising out of Article 12.

12.2.2 In case of Change in Law taking place subsequent to commissioning of the Project capacity, and changes in taxes/duties/cess etc. are defined as a percentage or the ratio of the tariff, the changes will be passed on as appropriate increment/decrement in the tariff, and will be paid through monthly billing as per decision of Appropriate Commission. In other cases, if any, where the Change in Law is not a percentage or ratio of tariff, suitable compensation will be provided as decided by the Appropriate Commission. BESSD shall be required to provide a statutory auditor certificate supported by Board Resolution in regard to implications (loss/ gain) arising out of Article 12

12.2.3 For the purpose of Article 12.1.2 above, BESSD or DISCOMs, which intends to adjust and recover the costs due to change in law, may file a petition before Appropriate Commission with the proposed impact in the tariff or charges, positive or negative, to be recovered from such other party. BESSD shall furnish to DISCOMs, the computation of impact in tariff or charges to be adjusted and recovered and file the Petition with the Appropriate Commission, within 30 days of the occurrence of the change in law, and the recovery of the proposed impact in tariff or charges shall start after and in accordance with the approval of Appropriate Commission.

12.2.4 In the event of any decrease in the project cost by the BESSD or any income to the BESSD on account of any of the events as indicated above, BESSD, shall pass on the benefit of such reduction to DISCOMs. In the event of the BESSD failing to comply with the aforementioned requirement, DISCOMs, at its option, shall make such deductions in the monthly tariff payments on immediate basis or file a petition as per Article 12.2.3 above.

12.2.5 After the adjustment of the amount of the impact in the tariff, the BESSD shall adjust the monthly tariff or charges annually based on actual amount recovered/ paid, to ensure that the payment is not more than the financial implication on account of Change in Law. It is to clarify further that the Change in Law compensation/payment shall be limited to the Contracted Capacity only.

12.2.6 In case any increase or decrease in the Project Cost occurs due to Change in Law affecting the Tariff payable under this Agreement, in accordance with Article 12, the BESSD shall serve notice to DISCOMs of such Change in Law within 7 days about the proposed impact in tariff, positive or negative, to be recovered.

Article 13: Events of Default and Termination

13.1 BESSD Event of Default

13.1.1 The occurrence and/or continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by DISCOMs of its obligations under this Agreement, shall constitute an BESSD Event of Default:

(i) the failure to commence availability of BESS for providing Energy Storage capacity to DISCOMs up to the Contracted Capacity, by the end of the period specified in Article 5.2, or failure to demonstrate guaranteed availability of such energy storage capacity to DISCOMs within six months from the identification of reduced annual availability during the term of this Agreement, or if

a) the BESSD assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Project in contravention of the provisions of this Agreement; or

b) the BESSD transfers or novates any of its rights and/ or obligations under this agreement, in a manner contrary to the provisions of this Agreement, except where such transfer

- is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement or
- is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee

(ii) if (a) the BESSD becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or (b) any winding up or bankruptcy or insolvency order is passed against the BESSD, or (c) the BESSD goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, provided that a dissolution or liquidation of the BESSD will not be a BESSD Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to the BESSD and expressly assumes all obligations of the BESSD under this Agreement and is in a position to perform them; or

(iii) the BESSD repudiates this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from DISCOMs in this regard; or

(iv) except where due to any DISCOM's failure to comply with its material obligations, the BESSD is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the BESSD within thirty (30) days of receipt of first notice in this regard given by DISCOMs.

(v) change in controlling shareholding before the specified time frame as mentioned in Article 4.1.1 of this Agreement; or

(vi) occurrence of any other event which is specified in this Agreement to be a material breach/ default of the BESSD.

13.2 Procedure for cases of BESSD Event of Default

13.2.1 Upon the occurrence and continuation of any BESSD Event of Default under Article 13.1, DISCOMs shall have the right to deliver to the BESSD, with a copy to the representative of the lenders to the BESSD with whom the BESSD has executed the Financing Agreements, a notice stating its intention to terminate this Agreement (DISCOMs Preliminary Default Notice), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.

13.2.2 Following the issue of a DISCOMs Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.

13.2.3 During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.

13.2.4 On the expiry of the Consultation Period unless the Parties shall have otherwise agreed to the contrary or the BESSD Event of Default giving rise to the Consultation Period shall have ceased to exit or shall have been remedied, the BESSD shall be liable to pay DISCOMs damages, equivalent to 06 (six) months, or balance BESPA period whichever is less, of charges for its contracted capacity. DISCOMs shall have the right to recover the said damages from pending dues/bills to pay to BESSD, without prejudice to resorting to any other legal course or remedy. Further, DISCOMs may terminate this Agreement by giving a written Termination Notice of sixty (60) days to the BESSD.

13.2.5 In addition to the levy of damages as aforesaid, the lenders in concurrence with the DISCOMs, may exercise their rights, if any, under Financing Agreements, to seek substitution of the BESSD by a selectee for the residual period of the Agreement, for the purpose of securing the payments of the total debt amount from the BESSD and performing the obligations of the BESSD within a period of 90 days from the expiry of the Consultation Period. However, in the event the lenders are unable to substitute the defaulting BESSD within the stipulated period or there are no lenders, the BESPA shall stand terminated. The DISCOMs shall be under no obligation to acquire the Project assets, and no compensation shall be payable by the DISCOMs on termination for a BESSD Event of Default. In case the DISCOMs chooses not to exercise the above option, or the DISCOMs and the lender are unable to come to an agreement, the lenders may liquidate the Project assets and recover their dues, as the last resort. Provided that any substitution under this Agreement can only be made with the prior consent of DISCOMs including the condition that the selectee meets the eligibility requirements of Request for Selection (RfS) issued by DISCOMs and accepts the terms and conditions of this Agreement.

13.2.6 The lenders in concurrence with DISCOMs, may seek to exercise right of substitution under Article 13.2.5 by an amendment or novation of the BESPA in favour of the selectee. The BESSD shall cooperate with DISCOMs to carry out such substitution and shall have the duty and obligation to continue to operate the Project in accordance with this BESPA till such time as the substitution is finalized. In the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions

leading to signing of fresh BESPA with a new entity, an amount of Rs. 10 Lakh per Project+ 18% GST per transaction as facilitation fee (non-refundable) shall be deposited by the BESSD to DISCOMs.

13.3 Termination due to Force Majeure

13.3.1 If the Force Majeure Event or its effects continue to be present beyond the period specified in Article 11.9, either Party shall have the right to cause termination of the Agreement. In such an event, this Agreement shall terminate on the date of such Termination Notice without any further liability to either Party from the date of such termination.

13.3.2 In all cases, the lenders may also step in where appropriate as provided in the financing documents. Further, in all cases, the defaulting Party will be required to pay the applicable compensation within 3 months from the due date of such payment, subsequent to which, the defaulting Party will be required to pay a monthly interest @1% of the compensation.

Article 14: Liability

14.1 Limitation on Liability

14.1.1 Except as expressly provided in this Agreement, neither the BESSD nor APPCC/ DISCOMs nor its/ their respective officers, directors, agents, employees oraffiliates (or their officers, directors, agents or employees), shall be liable or responsible to the other Party or its affiliates, officers, directors, agents, employees, successors or permitted assigns or their respective insurers for incidental, indirect or consequential damages, connected with or resulting from performance or non- performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of power generation or equipment usedtherefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of APPCC/ DISCOMs, the BESSD or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.

14.1.2 APPCC/ DISCOMs shall have no recourse against any officer, director or shareholder of the BESSD or any Affiliate of the BESSD or any of its officers, directors or shareholders for such claims excluded under this Article. The BESSD shall have no recourse against any officer, director or shareholder of APPCC/ DISCOMs, or any affiliate or any of its officers, directors or shareholdersfor such claims excluded under this Article.

14.2 DISCOM's Liability

14.2.1 It is specifically agreed that the payment of money becoming due from the DISCOMs to the BESSD under this Agreement for supply of Energy / Capacity to the extent of the Contracted Capacity shall be as per the recourse under in the BESPA, shall be through Default Escrow Account.

14.3 Duty to Mitigate

14.3.1 The Parties shall endeavour to take all reasonable steps so as mitigate any loss or damage which has occurred under this Article 14.

14.4 APPCC Liability

14.4.1 Notwithstanding anything contained in this BESPA or the RfS, APPCC shall act only as the Authorized Representative of the procurers (DISCOMs), as stated in MoP Guidelines, and and as the Bid Coordinator and Nodal Agency for the bidding process under the RfS. After the Supply Start Date, APPCC's role shall be confined to holding and administering the Performance Bank Guarantee and to such coordination functions as are expressly provided in this Agreement. APPCC shall have no further responsibility or liability in respect of contractual, or commercial arrangements between the BESSD and DISCOMs, nor shall it be liable for any claim or action at the instance of the BESS Developer or others.

Article 15: Assignments and Charges

15.1 Assignments

Neither Party shall assign this Agreement without the prior written consent of the other Party, provided further that any assignee expressly assume the assignor's obligations thereafter arising under this Agreement pursuant to documentation satisfactory to such other Party. However, such assignment shall be permissible only for entire contracted capacity.

In furtherance of the foregoing, APPCC/ DISCOMs acknowledges that the Financing Documents may provide that upon an event of default by the BESSD under the Financing Documents, the Financing Parties may cause the BESSD to assign to a third party the interests, rights and obligations of the BESSD thereafter arising under this Agreement. APPCC/ DISCOMs further acknowledges that the Financing Parties, may, in addition to the exercise of their rights as set forth in this Section, cause the BESSD to sell or lease the Project and cause any new lessee or purchaser of the Project to assume all of the interests, rights and obligations of the BESSD thereafter arising under this Agreement.

Article 16: Governing Law and Dispute Resolution

16.1 Governing Law

16.1.1 This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in Vijayawada/ Amaravati, Andhra Pradesh.

16.2 Amicable Settlement and Dispute Resolution

16.2.1 Amicable Settlement

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

   (a) a description of the Dispute

   (b) the grounds for such Dispute and

   (c) all written material in support of its claim.

ii. The other Party shall, within thirty (30) days of issue of Dispute Notice issued under Article 16.2.1(i), furnish:

   (a) counter-claim and defenses, if any, regarding the Dispute; and

   (b) all written material in support of its defenses and counterclaim.

iii. Within thirty (30) days of issue of Dispute Notice by any Party pursuant to Article 16

   (i) if the other Party does not furnish any counter claim or defense under Article 16

   (ii) or thirty (30) days from the date of furnishing counter claims or defense by the other Party, both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days from the later of the dates mentioned in this Article 16.2.1.

   (iii) the Dispute shall be referred for dispute resolution in accordance with Article 16.3.

16.3 Dispute Resolution

16.3.1 **Dispute Resolution by the Appropriate Commission**

i) Where any Dispute or differences arises in relation to this agreement of any nature whatsoever including the construction, interpretation or implementation of the provisions of this agreement as well as claim made by any Party for any change in or determination of the Tariff or any matter related to Tariff or claims made by any Party which partly or wholly relate to any change in the Tariff or determination of any of such claims could result in change in the Tariff, and relates to any matter agreed to be referred to the Appropriate Commission, shall be submitted to adjudication by the Appropriate Commission. Appeal against the decisions of the Appropriate Commission shall be made only as per the provisions of the Electricity Act, 2003, as amended from time to time.

ii) DISCOMs shall be entitled to co-opt the Buying Entity(ies) and/or the lenders (if any) as a supporting party in such proceedings before the Appropriate Commission.

16.4 Parties to Perform Obligations

16.4.1 Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission and save as the Appropriate Commission may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.

Article 17: Miscellaneous Provisions

17.1 Amendment

17.1.1 This Agreement shall not be amended, changed, altered, or modified except by a written instrument duly executed by an authorized representative of both Parties.

17.2 Third Party Beneficiaries

17.2.1 This Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns and shallnot be construed as creating any duty, standard of care or any liability to, any person not a party to this Agreement.

17.3 Waiver

17.3.1 No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorized representative of such Party.

17.3.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement nor time or other indulgence granted by one Party to the other Parties shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement, which shall remain in full force and effect.

17.4 Confidentiality

17.4.1 The Parties undertake to hold in confidence this Agreement and not to disclose the terms and conditions of the transaction contemplated hereby to third parties, except:

a) to their professional advisors;
b) to their officers, contractors, employees, agents or representatives, financiers, who need to have access to such information for the proper performance of their activities; or
c) disclosures required under Law, without the prior written consent of the other Party.

17.5 Severability

17.5.1 The invalidity or unenforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.

17.6 Notices

17.6.1 All notices or other communications which are required to be given under this Agreement shall be in writing and in the English language.

17.6.2 If to the BESSD, all notices or other communications which are required must be delivered personally or by registered post or facsimile or any other method duly acknowledged to the addresses below:

Address	:
Attention	:
Email	:
Fax. No.	:
Telephone No.	:

17.6.3 If to APPCC/ DISCOMs, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the address(es) below:

Address	:
Attention	:
Email	:
Fax. No.	:
Telephone No.	:

17.6.4 All notices or communications given by facsimile shall be confirmed by sending acopy of the same via post office envelope properly addressed to the appropriate Party for delivery by registered mail and E-mail. All notices shall be deemed validly delivered upon receipt evidenced by an acknowledgement of the recipient, unless the Party delivering the notice can prove in case of delivery through the registered post that the recipient refused to acknowledge the receipt of the notice despite efforts of the postal authorities.

17.6.5 Any Party may by notice of at least fifteen (15) days to the other Party change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

17.7 Language

17.7.1 All agreements, correspondence and communications between the Parties relating to this Agreement and all other documentation to be prepared and supplied under the Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with English language.

17.7.2 If any of the agreements, correspondence, communications or documents are prepared in any language other than English, the English translation of such agreements, correspondence, communications or documents shall prevail in matters of interpretation.

17.8 Restriction of Shareholders / Owners' Liability

17.8.1 Parties expressly agree and acknowledge that none of the shareholders of the Parties hereto shall be liable to the other Parties for any of the contractual obligations of the concerned Party under this Agreement. Further, the financial liabilities of the shareholder/s of each Party to this Agreement, shall be restricted to the extent provided in the Indian Companies Act, 2013.

17.9 Taxes and Duties

17.9.1 The BESSD shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the BESSD, contractors or their employees that are required tobe paid by the BESSD as per the Law in relation to the execution of the Agreementand for supplying storage capacity as per the terms of this Agreement.

17.9.2 APPCC/ DISCOMs shall be indemnified and held harmless by the BESSD against any claims that may be made against APPCC/ DISCOMs in relation to the matters set out in Article 17.9.1.

17.9.3 APPCC/ DISCOMs shall not be liable for any payment of, taxes, duties, levies, cess whatsoeverfor discharging any obligation of the BESSD by APPCC/ DISCOMs on behalf of BESSD.

17.10 Independent Entity

17.10.1 The BESSD shall be an independent entity performing its obligations pursuant to the Agreement.

17.10.2 Subject to the provisions of the Agreement, the BESSD shall be solely responsible for the manner in which its obligations under this Agreement are tobe performed. All employees and representatives of the BESSD or contractors engaged by the BESSD in connection with the performance of the Agreement shall be under the complete control of the BESSD and shall not be deemed to be employees, representatives, contractors of APPCC/ DISCOMs and nothing contained in theAgreement or in any agreement or contract awarded by the BESSD shall be construed to create any contractual relationship between any such employees, representatives or contractors and APPCC/ DISCOMs.

17.11 Compliance with Law

Despite anything contained in this Agreement but without prejudice to this Article, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, or anyrules and regulations

made there under, such provision of this Agreement shall be deemed to be amended to the extent required to bring it into compliance withthe aforesaid relevant provisions as amended from time to time.

17.12 Breach of Obligations

The Parties acknowledge that a breach of any of the obligations contained hereinwould result in injuries. The Parties further acknowledge that the amount of theliquidated damages or the method of calculating the liquidated damages specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the non-defaulting party in each case specified under this Agreement.

17.13 Order of priority in application

In case of inconsistencies between the agreement(s) executed between the Parties, applicable Law including rules and regulations framed thereunder, theorder of priority as between them shall be the order in which they are placed below:

i. applicable Law, rules and regulations framed there under;
ii. the Grid Code; and
iii. the terms and conditions of this Agreement;

Note:

1. Commissioning procedure, which forms part of the BESPA shall be provided by APPCC. The indicative Single Line Diagrams & GA report to be provided by APPCC shall form part of the BESPA.

Now therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the Parties as follows:

IN WITNESS WHERE OF the Parties have caused the Agreement to be executed throughtheir duly authorized representatives as of the date and place set forth above.

For and on behalf of the DISCOMs	**For and on behalf of the BESSD**
Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL)	[Insert name of the BESSD]
Signature: _____	Signature: _____
Name: _____	
Designation: _____	Name: _____
Date: _____	

For and on behalf of the DISCOMs

Eastern Power Distribution Company of Andhra Pradesh Limited. (APEPDCL)

Signature: _____

Name: _____

Designation: _____

Date: _____

Southern Power Distribution Company of Andhra Pradesh Limited. (APSPDCL)

Signature: _____

Name: _____

Designation: _____

Date: _____

For and on behalf of the BESSD

Designation: _____

Date: _____

Annexure - A
TECHNICAL AND REGULATORY REQUIREMENTS TO BE FOLLOWED FOR BATTERY ENERGY STORAGE SYSTEMS

1. **Codes and Standards**

The BESS shall comply with the following Codes and Standards or equivalent Indian Standards, as applicable.

Standard/ Code (or equivalent Indian Standards)	Description	Certification Requirements
IEC 62485-2	Safety requirements for secondary batteries and battery installations - to meet requirements on safety aspects associated with the erection, use, inspection, maintenance and disposal: Applicable for Lead Acid and NiCd / NiMH batteries	Applicable only for Lead Acid and NiCd/NiMH batteries
UL 1642 or UL 1973, Appendix E (cell) or IEC 62619 (cell) + IEC 63056 (cell)	Secondary cells and batteries containing alkaline or other non-acid electrolytes - Safety requirements for secondary lithium cells and batteries, for use in industrial applications	Required for Cell
UL 1973 (battery) or (IEC 62619 (battery) + IEC 63056 (battery))	Batteries for Use in Stationary, Vehicle Auxiliary Power and Light Electric Rail (LER) Applications / Secondary cells and batteries containing alkaline or other non-acid electrolytes - Safety requirements for secondary lithium cells and batteries, for use in industrial applications	Either UL 1642 or UL 1973 or (IEC 62619 + IEC 63056) for the Battery level
IEC 62281 / UN38.3	Safety of primary and secondary lithium cells and batteries during transport: Applicable for storage systems using Lithium-Ion chemistries	Required for both Battery and Cell.
IEC 61850/ DNP3	Communications networks and management systems. (BESS control system communication)	
UL 9540 or (IEC TS 62933-5-1 + IEC 62933-5-2)	Electrical energy storage (EES) systems - Part 51: Safety considerations for grid-integrated EES systems – General specification / Standard for Energy Storage Systems and Equipment	Either UL9540 or (IEC 62933-5-1 + IEC 62933-5-2) is required for BESS system level
IEC 62933-2-1	Electrical energy storage (EES) systems - Part 21: Unit Parameters and testing methods - General Specification	Tests for Class B applications: 1. Duty Cycle Round Trip Efficiency Test 2. Equipment and Basic Function Test 3. Available energy Test 4. Insulation test
Power Conditioning Unit Standards for BESS		

IEC 62477-1	Safety requirements for power electronic converter systems and equipment - Part 1: General
IEC 62477-2	Safety requirements for power electronic converter systems and equipment - Part 2: Power electronic converters from 1 000 V AC or 1 500 V DC up to 36 kV AC or 54 kV DC
IEC 61000-6-2 Ed. 2	Electromagnetic compatibility (EMC) - Part 6-2: Generic standards - Immunity standard for industrial environments
IEC 61000-6-4 Ed. 2.1	Electromagnetic compatibility (EMC) - Part 6-4: Generic standards - Emission standard for industrial environments
IEC 62116 Ed. 2	Utility-interconnected photovoltaic inverters - Test procedure of islanding prevention measures
IEC 60068-2-1:2007	Environmental testing - Part 2-1: Tests - Test A: Cold
IEC 60068-2-2:2007	Environmental testing - Part 2-2: Tests - Test B: Dry heat
IEC 60068-2-14:2009	Environmental testing - Part 2-14: Tests - Test N: Change of temperature
IEC 60068-2-30:2005	Environmental testing - Part 2-30: Tests - Test Db: Damp heat, cyclic (12 h + 12 h cycle)

The Battery Energy Storage System:

a) shall follow the relevant CEA/CEIG Standards and CERC/SERC Regulations

b) shall be responsible for complying with the "First Time Energization" procedure available at Grid India website as per the IEGC Regulations 2023 (If applicable).

c) Comply with the grid-interfacing requirements as mentioned in following standards:

- IEEE Std. 2800 -2022: IEEE Standard for Interconnection and Interoperability of Inverter -Based Resources (IBRs) Interconnecting with Associated Transmission Electric Power Systems ii. IEC TS 62786-1: Distributed energy resources connection with the grid – Part 1: General requirements iii. IEC TS 62786-3: Distributed energy Resources connection with the grid: Part 3, Additional requirements for stationary battery energy storage systems.

- Further, CEA Technical Standards for Connectivity to the Grid, Regulations 2007, Part-1 (General), Standards and Codes for Practice, mentions the following:

  "

  (2) The equipment including overhead lines and cables shall comply with the relevant Indian Standards, British Standard (BS), or International Electro technical Commission (IEC) Standard, or American National Standards Institute (ANSI) or any other equivalent International Standard: **Provided that whenever an International Standard or International Electro technical Commission Standard is followed, necessary corrections or modifications shall be made for nominal system frequency, nominal system voltage, ambient temperature, humidity and other conditions prevailing in India before actual adoption of the said Standard.**

(3) The effects of wind, storms, floods, lightening, elevation, **temperature extremes**, icing, contamination, pollution and earthquakes must be considered in the design and operation of the connected facilities."

The BESS, therefore, shall be designed keeping in view the ambient temperature and weather conditions prevailing at site i.e. The BESS shall be able to deliver rated performance at the extreme temperature and weather conditions at site where it is deployed. In this regard, the procedure notified by CEA on 8th April 2024 for assessment of the "Design Temperature for RE Plants in compliance to CEA (Technical Standards for Connectivity to the Grid) Regulations" shall be followed. Same is available at: https://cea.nic.in/whats-new/?lang=en

2. **System Testing and Commissioning**

The BESS shall have been commissioned as per the commissioning criteria and procedures specified by the CEA and the Grid Code.

3. **Identification and Traceability**

Cells/Racks/Packs Assembly shall meet seismic requirement for the plant location of the BESS.

Labelling of cells/batteries shall include manufacturer's name, cell type, name-plate rating, date of manufacture and date of expiry of parts and labour warranty.

4. **Other Sub-systems/Components**

Other subsystems/components used in the BESS must also conform to the relevant international/national Standards for Electrical Safety for ensuring Expected Service Life and Weather Resistance.

5. **Fire Protection**

The BESSD shall design and install a fire protection system that conforms to national and local codes. The fire protection system design and associated alarms shall take into account that the BESS will be unattended at most times. For high energy density technologies, the BESSD shall also obtain thermal runaway characterization of the battery storage systems.

6. **Authorized Test Centers**

Batteries/ Power Conditioning Units deployed in the power plants must have valid test certificates for their qualification as per above specified IEC/ BIS Standards by one of the ILAC member signatory accredited laboratories. In case of module types/ BESS/equipment for which such Test facilities may not exist in India at present, test certificates from reputed ILAC Member body accredited Labs abroad will be acceptable**.**

7. **Warranty**

BESSD shall procure performance guarantees from the OEM to ensure minimum performance levels for predefined application(s) as per the terms of the RfS. The Warranty shall clearly indicate life expectancy given discharge profiles provided for the application.

8. **Performance Monitoring**

As part of the performance monitoring, the following shall be carried out:

a) The BESSD must install necessary equipment to continuously measure BESS operating parameters (including but not limited to voltage, current, ambient conditions etc.) as well as energy input into and energy output from the BESS along with Metering arrangement in accordance with extant regulations. They will be required to submit this data to APPCC on line and/or through a report on regular basis every month for the entire duration of contract.

b) The BESSD shall provide access to the APTRANSCO/DISCOMs/MNRE or their authorized representatives for installing any additional monitoring equipment to facilitate on-line transfer of data.

c) All data shall be made available as mentioned above for the entire duration of the Contract.

d) The plant SCADA should be OPC version 2.0a (or a later version including OPC UA) compliant and implement appropriate OPC-DA server as per the specification of OPC Foundation. All data should be accessible through this OPC server for providing real time online data (BESS parameters) to the Andhra Pradesh SLDC/ APTRANSCO / MNRE. This time series data shall be available from the Project SCADA system to facilitate monitoring and should include among others as stated before, below parameters to facilitate daily, monthly and annual Report for performance monitoring.

e) Web-based monitoring should be made available at Andhra Pradesh SLDC at Vijayawada, which should not be machine dependent. The web-based monitoring should provide the same screens as available in the plant. Also, it should be possible to download reports from a remote web-client in PDF or Excel format.

9. **Other necessary criteria**

i. Central Electricity Authority, Technical Standards for Connectivity to the Grid, (Amendment) Regulations, 2013 and 2019 mention connectivity standards applicable to the wind generating stations, generating stations using inverters, wind - solar photo voltaic hybrid systems and energy storage systems. BESS, being an inverter-based power system element, shall also comply to the requirements specified for other generating stations using inverters.

Some of the requirements are indicated below and following shall be added separately in the "Technical and Regulatory Requirements to be followed by Battery Energy Storage System":

1. BESS shall be capable of operating in the frequency range 47.5 to 52 Hz and be able to deliver rated output both in charging and discharging mode in the frequency range of 49.5 Hz to 50.5 Hz.

2. **Low/High Voltage Ride Through (LVRT/HVRT) -** BESS shall be capable of operating when voltage at the interconnection point on any or all phases dips/rises to the high or low levels. The levels applicable for wind/solar generation sources (inverter based) may be referred as available in CEA (Technical Standards for Connectivity to the Grid) Regulations shall be applicable to BESS.

3. **Dynamic Reactive Power Support / Voltage Control -** BESS shall have the feature to detect and regulate the voltage of interconnection point as per the specified capability i.e. The BESS shall be capable of supplying dynamically varying reactive power support at least up to the limits specified for wind/solar generation sources (inverter based) in the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations. The response time of the BESS shall not exceed the value specified in relevant standards or grid codes.

4. **Primary Frequency Control –** The BESS shall have provisions for Primary Frequency Control with a droop which can be set as per system requirement between the range specified for wind/solar generation sources (inverter-based) in the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations.

5. BESS shall be capable to receive active power/reactive power set point from load dispatch centers i.e. SLDC/RLDC.

6. The BESS shall have the black start and intentional island control capability to extend start-up of a blackout system or to operate independently after formation of an island.

7. BESS is required to have the following basic functions:

    i. Monitoring: Monitor operational parameters, equipment status and communication status, alarm and faults of main equipment and BESS system, etc.

    ii. Information exchange: Receive and process information with SLDC/ RLDC/NLDC including operation parameters, switching information, various alarms and alerts, protective action signals, control information, etc.

    iii. Control: Including control mode and parameter setting sharing with SLDC/ RLDC/NLDC

    iv. The static information like detailed write-up on present operation methodology of BESS, forbidden zones, number of cycle limits, Auxiliary consumption details, capability curve, simulation models (RMS/PSCAD) along with description or any specific information about BESS shall also be furnished as and when required by SLDC.

    v. BESS will ensure the compliance of requirements mentioned in procedure of First Time Charging (FTC) as applicable for other power system elements. The consolidated FTC procedure including the requirements for BESS is available in public domain at https://webcdn.grid-

india.in/files/grdw/2025/05/Procedure_for_Integration_of_Power_System_Elements_365.pdf

vi. BESS shall be able to operate in AGC and be able to comply with the requirements desired by system operators. Some of the BESS signal list for implementation of AGC can be like below (list is indicative only):

(i) Maximum MW permissible (dynamic or user entry)
(ii) Minimum MW permissible (dynamic or user entry)
(iii) Ramp rate up permissible (dynamic or user entry)
(iv) Ramp rate down permissible (dynamic or user entry)
(v) Actual MW
(vi) Actual MVAR
(vii) Auxiliary Consumption MW
(viii) Scheduled MW (dynamic or user entry)
(ix) BESS Temperature (for monitoring and correlation)
(x) Ambient Temperature (for monitoring and correlation)
(xi) Cycle limits (0-100%) per day (user entry)
(xii) Circuit breaker status
(xiii) Local/Remote status
(xiv) AGC Set Point MW from NLDC to BESS
(xv) Voltage (kV) at grid level
(xvi) Voltage (V) at BESS LV side

8. The static information like detailed write-up on present operation methodology of BESS, forbidden zones, number of cycle limits, Auxiliary consumption details, capability curve, simulation models (RMS/PSCAD) along with description or any specific information about BESS shall also be furnished as and when required by SLDC/RLDC/NLDC.

9. In addition to the above, the Project Capacity shall also respond to secondary and Tertiary control signals from the Nodal Agency for providing SRAS-UP, TRAS-UP and SRAS-Down, TRAS-UP services as defined under the Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2021. The performance monitoring and incentives, if any for the SRAS/TRAS shall be in accordance with the extant Regulations for Ancillary Services.

10. **Safe Disposal of unit Batteries from the BESS**

The Developer will comply with the requirements under Hazardous & other Waste (Management and Trans boundary Movement) Rules, 2016, as amended from time to time, as applicable. The BESSD shall ensure that all Unit Battery modules from the plant after their 'end of life' (when they become defective/ non-operational/ non-repairable) are disposed in accordance with the "e-waste (Management and Handling) Rules, 2016" notified by the Government and as revised and amended from time to time and Battery Waste Management Rules, as and when notified by the Government of India.

11. **Battery Management System:**

The project shall comply with a battery management system, which regulates and monitors the operation of a battery during charge and discharge. In addition, it shall be responsible for connecting with other electronic units and exchanging the necessary data about battery parameters. The voltage, capacity, temperature, power consumption, state of charge and health, charging cycle, and other characteristics of the battery are controlled and monitored by the battery management system.

12. **Energy Management System:**
The project shall comply with an Energy Management System (EMS), a technology platform that optimises the use and operation of energy-related assets and processes.

Annexure - B
ILLUSTRATIONS
(Please refer Clause 8 of the RfS and Article 4.4 of BESPA)

Illustration

a. **System Availability:** Under a BESPA between an off-taker 'X' and BESSD 'Y' for a capacity 'C', the Scheduleand Actual Injection into/Drawl from the Grid from the Project, as per the DSM Reports published by the SLDC for a Sample day is shown below:

Date	Block	Drawl (from Grid) MW (Charging) (X)	Injection (into Grid) MW (Discharging) (Y)	Scheduled MUs (Z)	Time-block Availability, (TA) = (Xi/Zi) + (Yi/Zi)
01-May-26	1	250	0	250	1
01-May-26	2	250	0	250	1
01-May-26	3	240	0	250	0.96
01-May-26	4	240	0	250	0.96
01-May-26	5	235	0	250	0.94
01-May-26	6	235	0	250	0.94
01-May-26	7	240	0	250	0.96
01-May-26	8	240	0	250	0.96
01-May-26	9	0	0	12.5	0
01-May-26	10	12.5	0	0	NA
01-May-26	11	0	0	0	NA
01-May-26	12	0	0	0	NA
01-May-26	13	0	0	0	NA
01-May-26	14	0	0	0	NA
01-May-26	15	0	0	0	NA
01-May-26	16	0	0	0	NA
01-May-26	17	0	0	0	NA
01-May-26	18	0	0	0	NA
01-May-26	19	0	0	0	NA
01-May-26	20	0	0	0	NA
01-May-26	21	0	0	0	NA
01-May-26	22	0	0	0	NA
01-May-26	23	0	0	0	NA
01-May-26	24	0	190	250	0.76
01-May-26	25	0	190	250	0.76
01-May-26	26	0	200	250	0.8
01-May-26	27	0	200	250	0.8
01-May-26	28	0	200	250	0.8
01-May-26	29	0	200	250	0.8
01-May-26	30	0	200	250	0.8
01-May-26	31	0	200	250	0.8
01-May-26	32	0	0	0	NA
01-May-26	33	0	0	0	NA
01-May-26	34	0	0	0	NA

Date	Block	Drawl (from Grid) MW (Charging) (X)	Injection (into Grid) MW (Discharging) (Y)	Scheduled MUs (Z)	Time-block Availability, (TA) = (Xi/Zi) + (Yi/Zi)
01-May-26	35	0	0	0	NA
01-May-26	36	0	0	0	NA
01-May-26	37	0	0	0	NA
01-May-26	38	0	0	0	NA
01-May-26	39	0	0	0	NA
01-May-26	40	0	0	0	NA
01-May-26	41	0	0	0	NA
01-May-26	42	0	0	0	NA
01-May-26	43	12.5	0	12.5	1
01-May-26	44	245	0	250	0.98
01-May-26	45	240	0	250	0.96
01-May-26	46	240	0	250	0.96
01-May-26	47	235	0	250	0.94
01-May-26	48	240	0	250	0.96
01-May-26	49	250	0	250	1
01-May-26	50	250	0	250	1
01-May-26	51	250	0	250	1
01-May-26	52	0	0	0	NA
01-May-26	53	0	0	0	NA
01-May-26	54	0	0	0	NA
01-May-26	55	0	0	0	NA
01-May-26	56	0	0	0	NA
01-May-26	57	0	0	0	NA
01-May-26	58	0	0	0	NA
01-May-26	59	0	0	0	NA
01-May-26	60	0	0	0	NA
01-May-26	61	0	0	0	NA
01-May-26	62	0	0	0	NA
01-May-26	63	0	0	0	NA
01-May-26	64	0	0	0	NA
01-May-26	65	0	0	0	NA
01-May-26	66	0	0	0	NA
01-May-26	67	0	0	0	NA
01-May-26	68	0	0	0	NA
01-May-26	69	0	0	0	NA
01-May-26	70	0	0	0	NA
01-May-26	71	0	0	0	NA
01-May-26	72	0	0	0	NA
01-May-26	73	0	0	0	NA
01-May-26	74	0	0	0	NA
01-May-26	75	0	0	0	NA
01-May-26	76	0	0	0	NA
01-May-26	77	250	0	250	1
01-May-26	78	0	0	0	NA
01-May-26	79	0	0	0	NA

Date	Block	Drawl (from Grid) MW (Charging) (X)	Injection (into Grid) MW (Discharging) (Y)	Scheduled MUs (Z)	Time-block Availability, (TA) = (Xi/Zi) + (Yi/Zi)
01-May-26	80	0	0	0	NA
01-May-26	81	0	230	250	0.92
01-May-26	82	0	235	250	0.94
01-May-26	83	0	235	250	0.94
01-May-26	84	0	230	250	0.92
01-May-26	85	0	200	250	0.8
01-May-26	86	0	190	250	0.76
01-May-26	87	0	185	250	0.74
01-May-26	88	0	0	0	NA
01-May-26	89	0	0	0	NA
01-May-26	90	0	0	0	NA
01-May-26	91	0	0	0	NA
01-May-26	92	0	0	0	NA
01-May-26	93	0	0	0	NA
01-May-26	94	0	0	0	NA
01-May-26	95	0	0	0	NA
01-May-26	96	0	0	0	NA
Total		**3905**	**3295**	**8025**	**29.7**
		NO OF BLOCK IN COLUMN Z IS NOT ZERO			**34**
		SYSTEM AVAILABILITY			**0.87**

Note: For calculating the System Availability for day/month, schedule provided by SLDC on behalf of DISCOMs to be considered. Shortfall in System Availability will be calculated as per below methodology. DSM charges shall be treated separately as per applicable regulations and paid by BESSD.

If SLDC on behalf of DISCOMs has scheduled for charging of BESS & discharge of BESS and BESSD has not charge & discharge the BESS according to schedule then TA will be calculated as TA= (X/Z)+(Y/Z) for that time block.

If SLDC on behalf of DISCOMs has not scheduled for charging of BESS & discharge of BESS then TA will be NA for that time block.

If SLDC on behalf of DISCOMs has not scheduled for charging of BESS and BESSD has taken charging power from grid then TA will be NA for that time block.

If SLDC on behalf of DISCOMs has not scheduled for discharge of BESS and BESSD has discharge power to the grid then TA will be NA for that time block.

If SLDC on behalf of DISCOMs has scheduled for charging of BESS & discharge of BESS and BESSD has charge & discharge the BESS near to zero or zero then TA will be treated as Zero for that time block.

i is the i^{th} Time block in the day.

The System Availability for the day is calculated as the mean of **Column TA**, for all time-blocks where **Column Z is not zero**.

From the above table, Day's System Availability = 0.87

Similarly, the System availability shall be calculated for Monthly, 2880 time-blocks (96*30) in a Month (30 Days in a month considered in above), excluding time-blocks where Grid is unavailable or in case of Force Majeure.

Assuming the following parameters:

a. Total Contract Capacity = 250 MW, **C**
b. Quoted monthly Capacity charges = 5 lakhs/MW/month, **D**
c. Annual system availability (as per procedure above) is calculated to be 0.87, **B**
d. n = 12

Liquidated Damages on account of shortage in annual system Availability, as calculatedfrom formula provided in Clause 8.5.1 of RfS document and Article 4.4.2:

$$\textbf{Liquidated damages} = (A - B) \times C \times D \times n \times 2$$

$$= (0.95\text{-}0.87) \times 250 \times 5 \times 12 \times 2$$

$$= 2400 \text{ lakhs}$$

b. **System Efficiency:** The present illustration is for calculating the daily system efficiency **as demonstration only.** The same methodology shall be used calculation of monthly system efficiency as per Clause 8.3) of RfS and Article 4.4.1.3.

$$\text{System Efficiency} = \frac{\text{Total of Column(Y)}}{\text{Total of Column(X)}} = \frac{3295}{3905} = 0.8437 \sim `0.84 \text{(rounded off to 2 decimal places)}$$

Assuming:

- Monthly System Efficiency =0.84,
- Total monthly drawl form grid (Charging Power) = 41.1 MUs

Liquidated damages is calculated @ APPC (including transmission charges) at State Level of all DISCOMs of previous financial year, for excess loss of energy considering expected System Efficiency to be 85%.

Excess conversion losses = (0.85 - 0.84) * Total drawl from the grid in the month (i.e. Charging Energy)

Liquidated Damages for the month = Rs.0.01X41.1* APPC(including transmission chares) at State Level of all DISCOMs of previous financial year, for e.g. Rs.2

= Rs. 0.822 Millions

= 8.22 Lakhs

Schedule-1: Performance Bank Guarantee (PBG)