

DRAFT FOR COMMENTS & SUGGESTIONS

AGREEMENT FOR UTILISATION/SUPPLY OF SURPLUS CAPACITY OF CAPTIVE POWER PLANTS AND FOR CONNECTIVITY / SYNCHRONIZATION FOR THAT PURPOSE WITH THE GRID SYSTEM OF LICENSEE-JSEB.

AN AGREEMENT FOR SUPPLY OF SURPLUS POWER OF Captive Power Plant of M/s.....ofMW is made on this.....day of20...between the JHARKHAND STATE ELECTRICITY BOARD, Ranchi, Jharkhand (herein after referred to as The Licensee) having its Head office at HEC complex, Dhurwa, Ranchi which expression shall, unless repugnant to this context or meaning thereof, includes its successors and assigns on ONE part.

AND

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

Now this agreement witnesseth as follows:

1. DEFINITIONS

1.1 In these Regulations, unless the context otherwise requires

1.1.1 “ABT” means Availability Based Tariff;

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

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

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

- 1.1.5 “Captive User(s)” shall have the meaning assigned to the user mentioned under clause 1.2 of this agreement.
- 1.1.6 “JSERC or Commission” shall mean the Jharkhand State Electricity Regulatory Commission;
- 1.1.7 “Conventional Fuel” shall mean any of the fossil fuels such as coal, lignite etc.
- 1.1.8 “Day” shall mean a continuous period starting from 00.00 hrs & ending at 24 hours;
- 1.1.9 “ERLDC” shall mean Eastern Regional Load Despatch Centre;
- 1.1.10 “Firm Power” shall mean the power agreed for supply by the Captive user to The Licensee in this Power Purchase agreement executed between the Licensee and the Captive user. The variation upto plus or minus 10% from the agreed capacity shall be treated as firm power;
- 1.1.11 “ Firm energy” shall mean energy corresponding to Firm Power.
- 1.1.12 “Grid Code” Shall mean & includes the JSERC (State Grid Code) Regulations, 2008 & amendment thereto and the Central Electricity Regulation (Indian Electricity Grid Code) regulations 2010 & amendments thereto.
- 1.1.13 “In-firm Power” shall mean the power supplied by the Captive user to the Licensee if it is less than 90% or more than 110% of the Firm Power, as defined above.
- 1.1.14 “In-firm energy” shall mean energy corresponding to In-firm Power.
- 1.1.15 “ Licensee” shall mean the JSEB.
- 1.1.16 “Open Access Regulation” means the JSERC (Open Access in Intra-State Transmission and Distribution) Regulations, 2005 and amendments thereto;

- 1.1.17 “Stand-by period” shall mean a period worked out by the Licensee as per the procedure for requisitioning Stand-by support as provided in JSERC (utilization of surplus capacity of captive power plant based on conventional fuel) regulations 2010 Regulations;
- 1.1.18 “Stand –by support” shall mean the contractual arrangement between the Captive user and the Licensee to provide power in case of planned or forced outage of the CPP;
- 1.1.19 “ State Sector Generating Station” shall mean any power station within the State, except the Inter-State Generating Station located within the State;
- 1.1.20 “SLDC” means the State Load Despatch Centre (established under subsection (1) of section 31 of the Act) to ensure integrated operations of the power system and co-ordinating supply-demand in the state in real time;
- 1.1.21 Peak hours will be the period between 06:00 hrs. to 10:00 hrs. and 18:00 hrs. to 22 hrs. on each day or as amended from time to time.
- 1.1.22 Off Peak hours will be the remaining period other than Peak hours i.e. after 22:00 hrs. to 06:00 hrs. and after 10:00 hrs to 18:00 hrs and as modified from time to time.
- 1.1.23 “Connectivity” for a generating station, including a captive generating plant, a bulk consumer or an inter-State transmission licensee means the state of getting connected to the inter-State transmission system;

1.2 DEFINITION OF CPP

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

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

(a) in case of a power plant-

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

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

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

Provided further that in case of association of persons, the captive user(s) shall hold not less than twenty six percent of the ownership of the plant in aggregate and such captive user(s) shall consume not less than fifty one percent of the electricity generated, determined on an annual basis, in proportion to their shares in ownership of the power plant within a variation not exceeding ten percent:

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

Explanation:-

(1) The electricity required to be consumed by captive users shall be determined with reference to such generating unit or units in aggregate identified for captive use and not with reference to generating station as a whole; and

(2) The equity shares to be held by the captive user(s) in the generating station shall not be less than twenty six percent of the proportionate of the equity of the company related to the generating unit or units identified as the captive generating plant.

Illustration

In a generating station with two units of 50 MW each namely Units A and B, one unit of 50 MW namely Unit A may be identified as the Captive Generating Plant. The Captive users shall hold not less than thirteen per cent. of the equity shares in the company (being the twenty six per cent proportionate to Unit A of 50 MW) and not less than fifty one per cent of the electricity generated in Unit A determined on an annual basis is to be consumed by the captive users.

- 3(2) It shall be the obligation of the captive users to ensure that the consumption by the Captive Users at the percentages mentioned in sub clauses (a) and (b) of sub-rule (1) above is maintained and in case the minimum percentage of captive use is not complied with in any year, the entire electricity generated shall be treated as if it is a supply of electricity by a generating company.

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

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

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

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

2. TECHNICAL

2.1 GRID INTERCONNECTION/PARALLEL OPERATION

2.1.1 The CPP and dedicated transmission/distribution lines and substations shall be established, operated and maintained, as per the technical, safety and grid standards specified by the Licensee.

2.1.2 As per section 9 of the Act, the supply of electricity from a CPP through the grid shall be regulated in the same manner as the generating station of a generating company. For this purpose, the CPP shall comply with the directions issued by the SLDC for exercising supervision and control as may be necessary for ensuring integrated grid operations and for achieving the maximum safety, economy, and efficiency in the operation of power system in the state.

For supply at 33/11kV, the CPP shall be required to comply with the directions issued by the Licensee for exercising necessary supervision and control.

Provided that if any dispute arises with reference to the quality of electricity or safe, secure and integrated operation of the State grid or in relation to any direction issued by SLDC it shall be referred to the Commission for the decision. However pending the decision of the Commission, the CPP shall comply with the directions issued by the SLDC/ Licensee-The Licensee, as the case may be.

2.3 CPP, connected in parallel with the grid, shall ensure compliance of Grid Code and the Regulations issued by the Central Electricity authority, amended from time to time.

2.4 The connectivity to the system network shall be provided by the Licensee-The Licensee only after the CPP completes all the formalities as prescribed by the Licensee with respect to seeking connection of the CPP to the grid. The CPP shall also be required to maintain the statutory clearances through out the term of connectivity with the grid.

2.5 The CPP shall provide the infrastructure for connecting the generating plant (if not existing earlier) to the network of the Licensee as the case may be.

2.6 In case the CPP requires the Licensee to build the infrastructure to connect the CPP with the Licensee's network then the CPP shall have to bear the cost as per the applicable rates for extending net work facility for the HT consumers at the corresponding voltage level.

2.7 The scheme of synchronizing the CPP with the concerned Licensee's network shall have to be approved by the Transmission Licensee/Distribution Licensee as the case may be.

2.8 The charges applicable for Grid Interconnection, Parallel operation & reactive energy shall be as per the JSERC (Open Access in intra-state transmission & distribution) Regulation, 2005 and amendments thereto.

2.9 Power generated by CPP shall be used to meet the requirement of its unit and any surplus power will be injected to The Licensee system under the commercial terms explained under clause 4 of this agreement.

2.2 MAINTAINANCE OF LINE AND LINE EQUIPMENTS-SWITHCGEAR, RELAYS METERING EQUIPMENT ETC.

2.2.1 The captive user shall maintain the tie line owned by them at their own cost.

2.2.2 All equipments installed for the purpose of synchronization, shall be as per the Licensee specification and to their satisfaction of the Licensee. No equipment(s) is /are to be installed without prior approval of the Licensee.

2.2.3 The Captive User shall pay the cost of equipment like Bus-coupler etc. to the Licensee if they intend to utilize these equipments for their purpose, provided the same at the time of their use are not utilized by the Licensee.

2.2.4 The equipments installed by the Captive user within the premises of the Licensee and maintained by former at their own cost, will remain the properties of the Captive User.

2.2.5 The capacity of the Switchgear, Metering equipments, Relay etc. required to be installed for synchronization, shall be as per ISS (Indian Standard Specification), CBIP (Central Board of Irrigation and Power) specification.

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

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

3. METERING & CALIBRATION

- 3.1 Four ABT Meter (s) (Export-Import type) shall be installed two at each end i.e. The Licensee Grid sub station and CPP end.
- 3.2 ONE Meter on each end shall be identified as MAIN METER & other as CHECK METER.
- 3.3 ALL the FOUR ABT Meter(s) shall have same technical specifications having 0.2 class or higher accuracy and with 15 minutes integration time.
- 3.4 ALL the FOUR ABT Meter (s) shall have independent Current Transformers (CTs) & Potential Transformers (PTs).
- 3.5 All the FOUR meter (s)- Two on each side shall be installed in a separate cubicle with proper sealing arrangement as decided and approved by the Licensee. Cost of all such cubicles and other allied materials including installation charges shall be born by the Captive User.
- 3.6 All the FOUR Meter (s) including Metering Equipment (s), Cubicle(s), shall be provided, calibrated, tested and installed by Captive User at their own cost in presence of the Licensee's representative.
- 3.7 The Meter (s) shall be jointly inspected, calibrated and sealed on behalf o both the parties. Results & correction so arrived at, shall be applicable and binding on both the parities. Meter(s) shall not be interfered by either party except in presence of authorized representative(s) of both the parties and results and correction so arrived at, shall be applicable and binding on both the parties.
- 3.8 The MAIN METER (S) and CHECK METER (S) shall be test checked for accuracy once in SIX months and also be calibrated and adjusted, if required, in presence of representatives of both the parties at the third Party Meter Testing Laboratories approved by the Jharkhand State Electricity Regulatory Commission and published in the Jharkhand Gazette No. 224, Ranchi, Thursday 24th March, 2011.
- 3.9 The Licensee shall have access to the Meter(s) and Metering Equipment(s) at any point of time for which Captive User shall provide access to the premises.
- 3.10 The point for measuring the energy delivered shall be the interface point of the CPP and the Licensee. All losses from the interface point shall be borne by the Licensee.

4. COMMERCIAL

4.1 Any CPP with an installed capacity of 1 MW and above and willing to sell the surplus power to the Licensee shall be required to enter into a Power Purchase Agreement with the Licensee.

4.2 The Licensee shall have the first right of refusal in cases where a CPP with an installed capacity of 1 MW and above is willing to sell the surplus power outside the state.

Provided if the Licensee fails to enter into a Power Purchase Agreement within 60 days of invoking the first right of refusal, the CPP will be free sell its surplus capacity anywhere.

4.3 The maximum rate of purchase of power from a CPP by the Licensee shall be as per specified in clause 4.6 of this agreement. However, the Licensee shall have the option of procuring short-term /long-term power from any CPP based on competitive bidding, using the guidelines specified by the Ministry of Power, Government of India in this regard.

Provided that the rates determined through the competitive biddings are not more than the rates determined as specified in clause 4.6 of this agreement.

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

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

Where,

FE = Firm energy (in kWh)

D = Firm Power (in MW)

4.5 The rate for the purchase of firm power from the CPP shall be differentiated between the power purchased during peak – hours and off-peak hours. For this purpose, peak-hours will be the period between 0600 hours to 1000 hours and 1800 hours to 2200 hours on any day, and the remaining period will be considered as non-peak hours.

4.6 The maximum rate of purchase of Firm Power during peak hours shall be taken as the weighted average of power purchase costs of the Licensee (inclusive of fixed and variable charges) of top 5% power at the margin (excluding liquid fuel based generation, generation from renewable sources and power dawn from UI) as approved by the Commission in its Tariff Order for the year in question.

- 4.7 Power injected by the CPP during off-peak hours shall be paid for at rate of upto 85% of the power purchased rate during peak hours.
- 4.8 The rate of purchase of in-firm Power shall be 80% of the rate specified for Firm Power, for both peak hours and off-peak hours.
- 4.9 The responsibility of meter reading, energy accounting and settlement of charges at the CPP interface point shall be with the Licensee or as per the provisions of the Power Purchase agreement between the Licensee and the CPP.
- 4.10 The invoice for power purchased by a Licensee shall be raised by the CPP based on the meter readings at the interface point within a period of 1 week from the date meter reading. The concerned Licensee shall be responsible for making payment against the invoice, at the most, within the same period as provided by it to recover payments from the HT consumers.
- 4.11 The CPP shall also have the option to receive payment through a revolving Letter of Credit of a value equal to 1/12th of the total amount billed in the previous financial year in favour of the CPP. For a new CPP, it would be 1/12th of the amount for energy proposed to be supplied in the current financial year. The cost of opening and maintaining the Letter of Credit shall be borne by the CPP.
- 4.12 For payment of bills of capacity charges and energy charges through the Letter of Credit a rebate of 2.0% of the billed amount shall be provided by the CPP to the Licensee. If the payments for the bills of capacity and energy charges are made by a mode other than through the Letter of Credit but within a period of one month of presentation of bills by CPP, a rebate of 1% of the billed amount shall be provided by the CPP to the Licensee.
- 4.13 In case the payment of bills of capacity and energy charges by the Licensee is delayed beyond a period of one month from the date of billing, a late payment surcharge as may be determined by the Commission from time to time shall be payable by the Licensee.

5. STANDBY SUPPORT

- 5.1 The Licensee shall be compulsorily obliged to provide facility of Stand-by support to the CPP. The Stand-by support sought by the user shall not exceed the contracted stand-by demand.

5.2 The Captive User cannot avail Stand-by support for more than five (5) times in a financial year, with no more than one (1) requisition in any billing month.

5.3 In case the Licensee is not in a position to supply the Stand-by contract demand on the request of CPP, which has contracted Stand-by demand with the Licensee on terms and conditions as provided in the agreement, the Licensee shall pay to the Captive User by way of penalty at two times the fixed charges as prescribed in clause 5.6 this agreement for the period supply is not made available.

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

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

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

Provided maximum demand contracted under Stand-by support shall be supplied by the Licensee only when the generation from all units of CPP is seized.

5.6 Wherever an agreement for Stand-by support exists between the Captive user and the Licensee, the Captive User shall be required to pay to the Licensee a fixed charge of Rs. 35 per kVA per month, applied on the capacity contracted under Stand-by support with the Distribution Licensee. Provided that the charges referred to above shall apply uniformly every month, irrespective of whether the Captive User avails Stand-by support or not.

5.7 In addition to the charges mentioned in clause 5.6 of this agreement, the Captive User shall also be required to bear energy charges and demand charges for the power consumed during period of Stand-by support as under:

Particular	Applicable charges
Stand-by support availed for 1008 hours 42 days) in a financial year	<p>Demand Charges: (Pro-rated HT Industrial consumer contract Demand tariff at corresponding voltage and demand (or as per the order of the Commission as specified from time to time) for Stand-by Demand contracted. The pro-rata shall be done on the basis of the usage.</p> <p>Energy Charges: 1.5 times of the HT Industrial consumers Energy charges at corresponding voltage and demand (or as per the order of the Commission as specified from time to time) for energy equivalent to Stand-by Demand.</p>
Stand-by support availed for greater than 1008 hours (42 days) in a financial year	<p>Upto 1008 hours:</p> <p>Pro-rated HT Industrial consumer Contract Demand tariff at corresponding voltage and demand (or as per the order of the Commission as specified from time to time) for Stand-by Demand contracted. The pro-rata shall be done on the basis of the usage.</p> <p>Energy Charges: 1.5 times of the HT Industrial consumers Energy charges at corresponding voltage and demand (or as per the order of the Commission as specified from time to time) for energy equivalent to Stand-by Demand.</p>

	<p>Beyond 1008 hours:</p> <p>Tariff approved by the Commission for temporary HT consumers at corresponding voltage and demand (or as per the order of the Commission as specified from time to time) in the Licensee’s area of supply on power consumed beyond 1008 hours.</p>
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- 5.8 The demand charges shall be applied on the maximum demand at any 15 minutes time block covered under Stand-by period subject to minimum of 90% of the Contract demand. The Stand-by period for this purpose shall be reckoned maximum up to 1008 hours (42 days) in any financial year. The energy charges shall be applied on the total energy consumed across all time-blocks covered under the Stand-by period.
- 5.9 In case the recorded maximum demand at the CPP premises exceeds the stand-by contract demand, the excess demand recorded shall be billed for at 2 times the demand charges arrived at from clause 5.8 of this agreement.
- 5.10 The Stand-by support availed by the CPP shall be entitled for power factor incentives and penalties as approved by the Commission for retail supply consumers in its tariff order.
- 5.11 The CPP shall notify the Licensee about the requirement of Stand-by support at least two (2) hours before the time the Captive User intends to avail power from the Licensee. The CPP shall also provide the Licensee with the date and time of the stoppage of its Captive Power Plant.
- 5.12 When the Captive User’s CPP starts functioning again, the Captive User shall, within a period of 1 hour, notify the Licensee about the same duly giving the actual date and time since the plant started functioning again. The total period of Stand-by support shall be worked out accordingly.

- 5.13 The CPP's notification requiring Stand-by support, to the Licensee shall indicate the amount of stand-by demand the CPP wishes to requisition against its total stand-by Contracted Demand for daily scheduling purposes by the Licensee.

6. SCHEDULING, BALANCING AND SETTLEMENT

- 6.1 The CPPs shall be required to provide the injection schedules as per "Section 35 SCHEDULING & DESPATCH CODE" of the JSERC (State Grid Code Regulation, 2008).

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

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

6.3.1 Step-1: Energy, for each time-block of 15 minutes recorded by the export/import energy meter installed at the interface point of CPP and the Licensee, equivalent to Firm Power in MW declared in the Agreement, shall be worked out as per clause 4.4 of this agreement.

6.3.2 Step -2: Payment settlement for Firm energy and In-firm energy shall be done at the end of the billing cycle for energy injected on a 15 minute basis. The data downloaded from the interface meters representing actual export/import shall be compared with the injection schedule for each corresponding time block of 15 minutes and payment shall be made on the following basis:

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

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

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

6.3.3.2 If actual energy injected is equal to the Firm energy

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

6.3.3.3 If actual energy injected is less than the Firm energy:

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

(b) In Case, actual energy injected is less than 90% of declared Firm energy, the payment of all energy injected shall be at rates applicable for the in-firm Power for the particular period of time.

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

7. POWER DRAWL FROM THE GRID AT FREQUENCY BELOW 49.7Hz. AND POWER INJECTIN TO THE GRID AT FREQUENCY ABOVE 50.2 Hz.

7.1 The CPP connected to the Grid shall ensure compliance of Grid Code and Regulations issued from time to time by CERC/JSERC, under clause (1)h of section 79 read with clause g of sub section 178 of the act.

7.2 The CPP shall not overdraw power when the system frequency goes below 49.7 Hz or as per amendment made by CERC from time to time.

7.3 No Power shall be injected in the Grid by the CPP at frequency above 50.2 Hz. Or as per amendment made by CERC from time to time.

7.4 The CPP shall avail restricted load as per direction of SLDC/Licensee to maintain the Grid discipline.

7.5 The Board reserves the right to isolate the CPP System, if the CPP continues to inject power to the Licensee system when frequency drops below 49.7 Hz. and does not abide by the direction issued by SLDC/ Licensee for availing restricted load to maintain grid discipline. In such cases, the CPP shall remain islanded.

8. BILLING & PAYMENT

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

9. SECURITY DEPOSIT

Captive User is required to make “SECURITY DEPOSIT” for the estimated energy charges and demand charges during standby period of 42 days as well as the demand charges @ Rs.35 (Thirty Five) per KVA or as applicable from time to time, for three months against contracted standby demand. The Security Money shall be subject to revision from time to time based on drawal of power by Captive User. The Security Money would be deposited either in cash or in shape of Demand Draft. The Security Money amounting toRs. deposited vide receipt no.....dated.....

10. FORCE MAJEURE

Force Majeure means any event or circumstances. If such even is beyond the reasonable direct or indirect control and without the fault or negligence of the party claiming “Force Majeure” conditions such as but not restricted to rebellion, mutiny, civil unrest, strike,

lockout, non availability of power due to shut down of generating units, fire explosion, flood, cyclone, lightning, earth-quake, was or other forces, accidents or Act of God or similar other causes beyond control, neither party shall be entitled for claiming compensation or damage in the event of “Force Majeure” and planned shut down for the maintenance of system of both the parties.

11. AGREEMENT

11.1 AUTHORIZED SIGNATORY & VALIDITY:

Chief Engineer (Commercial and Revenue) shall be authorized to sign the agreement on behalf of the Licensee and initial period of validity of the Agreement shall be for 3 (Three) years.

11.2 TERMS & CONDITIONS:

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

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

11.2.3 The discretion to be exercised and directions, approval(s), consent and notice to be given and actions to be taken under this agreement unless otherwise expressly provided herein, shall be exercised and given by the signatories to this agreement or by the authorized representatives that each party may nominate in his behalf and notify in writing to the other party.

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

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

12. NOTICES

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

In case of The Licensee : Chief Engineer (Commercial & Revenue)
Jhrkhand State Electricity Board,
Ranchi.

In case of CPP Management :

13. START UP DATE

CPP management shall intimate the Licensee at least 30 days in advance of the Start Up date of synchronization with the Licensee Grid. The Licensee, on receipt of the communication, depute its personnel to inspect and approve the interconnection system and approval shall be given in writing before the Start-Up date.

14. STABILIZATION

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

15. SURVIVAL POWER TO LICENSEE

CPP user having CPP of capacity 25 MW and above will guarantee to meet 10 MW 'Survival Power to the Licensee in case of emergency. 5 MW power shall made available immediately on receipt of information from t9+he Licensee and another 5MW within 30 minutes of information received by CPP. The Licensee shall regulate the load during this period and shall not exceed the quantum of power to avoid tripping of CPP.

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

16. BANKING ARRANGEMENTS

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

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

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

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

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

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

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

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

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

For JHARKHAND STATE
ELECTRICITY BOARD

For the Company.....

WITNESSES: 1.

1.

2.

2.