



उत्तर प्रदेश UTTAR PRADESH
Supplemental Power Purchase Agreement

AA 147662

12 FEB 2009

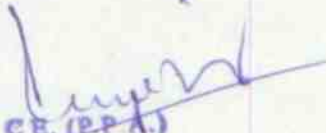
THIS SUPPLEMENTAL POWER PURCHASE AGREEMENT (this "Agreement") entered into on the September 11, 2009 at Lucknow, between:-

Uttar Pradesh Power Corporation Limited, a Company registered under the Companies Act, 1956, having its Registered office at 14, Ashok Marg, Shakti Bhawan, Lucknow 226-001 Uttar Pradesh, India (hereinafter referred to as the "UPPCL" which expression shall, unless repugnant to the context or meaning thereof, include its legal successors, permitted assigns and legal representatives) of the **FIRST PART**;

AND

Rosa Power Supply Company Limited, a company incorporated under the Companies Act, 1956, being a generating company within the meaning of section 2(28) of the Electricity Act, 2003 having its Registered office at Administrative Block, P.O Rosar Kothi, Hardoi Road, Shahjahanpur 242 401, (hereinafter referred to as "ROSA" or the "Company"), which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns of the **SECOND PART**;


(Each of the parties of the **FIRST PART** and **SECOND PART** are individually referred to as a "Party" and collectively as the "Parties").


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WHEREAS:

- A. ROSA had proposed to set up 567 MW coal fired thermal power generation station at Rosa, District Shahjahanpur in the state of Uttar Pradesh on the basis of a Memorandum of Understanding (MOU) between the promoters of the Company and the Government of Uttar Pradesh dated 17.11.1993 and signed a power purchase agreement with the then Uttar Pradesh State Electricity Board ('UPSEB') on 27.12.1996 for supply of power, as amended on 24.09.1999.
- B. Subsequently, the capacity of the above said thermal power generation station was reconfigured to 600 MW (2x300 MW) and the Company has executed an amended and restated Power Purchase Agreement on 12.11.2006 with Uttar Pradesh Power Corporation Ltd ('UPPCL'), a successor of erstwhile UPSEB and commenced the process of setting up of 600 MW capacity coal fired thermal power generation station.
- C. GoUP had agreed to support the development of the said coal fired thermal power generation station and accordingly signed an Implementation Agreement with the Company on 23.02.1999 (hereinafter referred to as "IA") and furnished a Guarantee dated 29.11.1999 towards the performance of UPSEB of its payment obligations under the power purchase agreement dated 24.09.1999 which Guarantee continues to remain in force.
- D. GoUP had further agreed to support the development of the said coal fired thermal power generation station by extending benefits of U.P Power Policy 2003 (as amended) and Industrial Policy in addition to the promotional support provided in terms of the IA (which provided for Guarantee by GoUP towards the payment obligations of UPPCL under the Power Purchase Agreement dated 12.11.2006 and expediting all clearances /sanctions required for the Project) by Supplemental Implementation Agreement dated 12.11.2006 (hereinafter called "SIA").
- E. ROSA came up with a proposal to increase the capacity of the said coal fired thermal power generation station by adding additional 600 MW (Unit III and Unit IV of 300 MW each) which has been approved by GoUP vide letter dated 01.12.2006 with the condition that ROSA shall complete 600 MW project as per the schedule fixed by the UPERC and for additional capacity ROSA shall obtain necessary approvals from the UPERC, so that the total capacity of the said coal fired thermal power generation station is 1200 MW (hereinafter referred to as the said "Project").


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- F. In addition to 600 MW capacity from the Unit I and Unit II of the Project, the Company proposes to supply/ sell power to the extent of 50% of Net Electrical Output subject to the maximum of 150 MW capacity each from Unit III & Unit IV (aggregating to 300 MW) of the Project to UPPCL or its nominees on the terms and condition to be determined by the UPERC.
- G. UPPCL has accepted the above proposal of the Company to purchase 300 MW capacity from Stage II of the Project which the Company intends to develop and for this purpose the Parties have decided to execute these presents, being Supplemental Power Purchase Agreement to the Amended and Restated Power Purchase Agreement dated 12.11.2006 in order to reflect the above understanding reached by the Parties.

NOW, THEREFORE, in view of the foregoing premises and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the UPPCL and ROSA entered into this Supplemental Power Purchase Agreement as follows:

1. Definitions

Common Facilities shall mean the facilities setout as Common Facilities in Schedule IA of this Agreement.

Contracted Capacity shall mean 150 MW capacity each from Unit III and Unit IV.

UPERC Approval Date for Stage II shall mean 15.06.2009 which is the date of the approval of this Agreement by UPERC order (enclosed as Schedule III A)

Effective Date shall mean the date of signing of this Agreement;

PPA shall mean the Amended and Restated Power Purchase Agreement dated 12.11.2006 and where the context admits shall mean to include and to be read with this Agreement.

Scheduled Unit III Commercial Operation Date ("SCOD for Unit III") shall mean the date 31.03.2012 subject to the extension of time by UPERC or due to Force Majeure Events


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Scheduled Unit IV Commercial Operation Date ("SCOD for Unit IV") shall mean the date 31.07.2012 subject to the extension of time by UPERC or due to Force Majeure Events;

Stage I shall mean two Units of 300 MW each being distinguished as Unit I and Unit II, as described in Schedule I of the PPA;

Stage II shall mean two Units of 300 MW each being distinguished as Unit III and Unit IV, as described in Schedule I A;

Supplemental Power Purchase Agreement shall mean this Agreement;

Unit III Commercial Operation Date ("Unit III COD") shall mean the Commercial Operation Date of Unit III.


Unit IV Commercial Operation Date ("Unit IV COD") shall mean the Commercial Operation Date of Unit IV.

2. Interpretations

- 2.1. This Agreement shall form part of the PPA in so far as the sale by Rosa and purchase by UPPCL of the Capacity and Energy from Stage II is concerned and all terms and conditions contained in the PPA and not in manner inconsistent with the terms and conditions hereof shall apply, mutatis mutandis to Stage II also and shall be deemed to have been included herein.
- 2.2. The capitalized terms used in this Agreement but not defined herein shall have the same meaning as stated in the PPA with such appropriate modifications as may be required having regard to Stage II.
- 2.3. The PPA shall continue to be effective in respect of the Station (comprising Unit I and Unit II) and Stage II (comprising Unit III & Unit IV) shall be governed by the PPA and this Agreement
- 2.4. This Agreement shall be read in addition to the PPA. However, in the event of any inconsistency between this Agreement and the PPA, this Agreement shall prevail.

3. Term of this Agreement

- 3.1. This Agreement shall come into effect from the Effective Date and unless terminated earlier in accordance with this Agreement shall be valid for a period of 25 years from the Unit IV COD.


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4. Construction of Stage II

- 4.1. ROSA shall be responsible for the design, supply, construction, commissioning, testing and operation and warranty of:
- the Unit III & Unit IV and their supporting facilities;
 - the 400 KV substation switchyard for Stage II and electrical facilities on the Project side of the Interconnection Point;
 - Internal Interconnection Facilities of Stage II.

5. Sale and Purchase of Capacity and Energy

- 5.1. In addition to the delivery of power in accordance with the PPA, during the term of this Agreement Rosa shall sell and deliver and UPPCL shall purchase the 50% of Net Electrical Output, not exceeding the Contracted Capacity, from Unit III and Unit IV in accordance with the Dispatch Instructions and subject to technical parameters as described in Schedule 5 of the PPA. It is hereby clarified that in addition to 100% of Net Electrical Output of Unit I and Unit II, 50% of Net Electrical Output, not exceeding the Contracted Capacity, from Unit III and Unit IV shall be dedicated to UPPCL.

6. LIQUIDATED DAMAGES DUE TO ROSA DEFAULT

- 6.1. Liquidated damages due to delay in commissioning and capacity short fall penalty shall be as per Clause 5.8 (a), (b) and (c) of the PPA.

7. Interconnection and Transmission

- 7.1. UPPCL shall at its own expense complete External Interconnection Facilities in accordance with specifications as outlined in Schedule II A, including connections to the 400 KV systems of UPPCL in order to evacuate the Contracted Capacity under this Agreement.
- 7.2. UPPCL shall complete construction of the External Interconnection Facilities Ninety (90) days prior to the Scheduled Synchronisation Date of Unit III or any extension thereto due to any Force Majeure Event, in accordance with the Construction Schedule of Unit III.
- 7.3. In the event of failure of UPPCL to complete the construction of the External Interconnection Facilities for Unit III within the said period of 90 days and to evacuate power generated from Unit III leading to Rosa backing down the generation from Unit III, UPPCL shall be liable to Rosa in accordance with Sections 9.5 (a) and 9.5 (b) of the PPA mutatis mutandis for Unit III. If the construction of the External Interconnection Facilities is delayed beyond COD of Unit IV, then provisions of Sections 9.5 (a) and 9.5 (b) of the PPA shall apply mutatis mutandis for Unit IV also.


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8. Capital Cost of Stage II

- 8.1. UPERC has vide order dated 15.06.2009 approved the Capital Cost of Stage II of the Project at **Rs. 3098.60 crores** (Rupees Three thousand ninety eight crores and sixty lakhs only). However, it shall be subject to prudence check at the time of determination of tariff.
- 8.2. All financial parameters in respect of determination of Fixed Charges for Contracted Capacity and the Net Electrical Output of Stage II including debt/ equity ratio, interest on debt, shall be in accordance with Financing Package approved by the UPERC.
- 8.3. Not less than 90 days prior to the Scheduled Synchronisation Date of Unit III, UPPCL shall extend the cover under existing Escrow Account by increasing the number of specified distribution sections of UPPCL or its distribution companies to maintain funds in the Escrow Account equivalent to 1.25 times monthly tariff amount based on Eighty Five per cent (85%) Plant Load Factor of Unit III and Unit IV and increase the face value of Letter of Credit by an amount equivalent to average monthly billing amount based on Eighty Five Per cent (85%) Plant Load Factor of Unit III and Unit IV.

9. Tariff, Billing, Payment and Change in Law

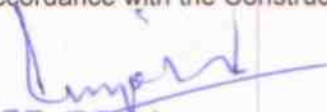
- 9.1. The terms & conditions of tariff approved by the UPERC for Stage I shall also apply to Stage II.
- 9.2. UPPCL shall pay Rosa Tariff towards supply of the Contracted Capacity and the Net Electrical Output of Stage II mutatis mutandis as set out in Article 12 of the PPA and as may be determined by UPERC through notifications of applicable guidelines as formulated by UPERC from time to time.
- 9.3. Any benefit or incentive received by Rosa consequent to grant of Mega Power status to the Project shall be pass through in Tariff to UPPCL.

10. Infirm Power

- 10.1. From the Synchronisation Date of each Unit III and Unit IV to its Commercial Operation Date, UPPCL shall have the option to purchase upto 50% (Fifty percent) Infirm Power generated by these Units. The payment for the purchase of such Infirm Power shall be made by UPPCL to Rosa in accordance with the prevailing UPERC (Terms and Conditions of Tariff) Regulations.

11. Startup Power

- 11.1. Normal Start-up and reserve stand-by power for the Stage II shall be provided by the ROSA Station Transformer. If required and requested by Rosa, UPPCL shall make available Start-up Power One Hundred and Eighty (180) days prior to the Scheduled Synchronisation Date for Unit III or any extension thereto due to any Force Majeure Event in accordance with the Construction Schedule of Stage II.


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11.2. The payment for the purchase of such Start-up Power shall be made by Rosa to UPPCL in accordance with the prevailing UPERC approved tariff.

12. Common Facilities

- 12.1. Rosa at no time shall deprive Stage II of the Project of any shared or Common Facilities or resources and at all times give preference to Stage I over Stage II in matters of usage of the Common Facilities.
- 12.2. Parties shall follow the UPERC orders on sharing of capital cost of common facilities between Stage I and Stage II
- 12.3. On commissioning of Stage II, the capital cost of common facilities accounted for Stage I shall be shared by Stage I & Stage II in equal proportion.

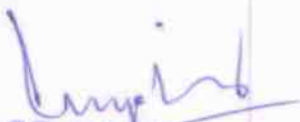
13. Termination

- 13.1. In case of Event of Default mentioned in the PPA occurs, either party shall have the right to terminate this Agreement without liability on either Party. However, the rights and obligations which subsist as on the date of termination shall survive such termination.
- 13.2. The termination of this Agreement shall not automatically bring the termination of the PPA.
- 13.3. In no event, UPPCL shall have the right to require Rosa to sell Stage II of the Project.
- 13.4. In the event of termination of the PPA followed by purchase of the Stage I by UPPCL or any third party, the purchaser shall enter into a "Common Services Sharing Agreement" with Rosa for the uninterrupted operation of Stage II after obtaining approval from UPERC. Pending grant of such approval by UPERC, UPPCL shall continue to provide common facilities including supply of water which are required for uninterrupted operation of Stage II of the Project.

14. Schedules

This Agreement shall be complete with the following Schedules

- a) Schedule IA : Description of Stage II
- b) Schedule II A: Transmission and Interconnection
- c) Schedule III A: UPERC Order approving this Agreement



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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement executed as of the day, month and year first above written in the presence of the witness who have signed in their presence and in the presence of each other.

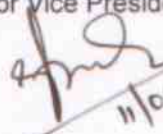
Signed and delivered by UP Power Corporation Limited **(the First Part)** by the hand of Shri R.K.Johar, Chief Engineer, PPA

Witness:


(S.P. PANDEY)
EE, PPA

Signed and delivered by Rosa Power Supply Co Ltd **(the Second Part)** by the hand of Shri Ganesan Amudhan, Senior Vice President & Project Head

Witness:


SUMEET NOTANI
SENIOR MANAGER
ROSA POWER SUPPLY Co LTD

SCHEDULE - I A

DESCRIPTION OF STAGE II

1. The Description of the Stage II in this Schedule IA contain a general description of the design of the Stage II as envisaged at the date of execution of this Agreement. The Parties acknowledge that changes may be necessary and/or required on the basis of further site investigations and during the development of the detailed design, construction and installation of the Stage II and its components and Rosa reserves the right to make any such changes in order to meet its overall objectives under the PPA and this Agreement. To the extent there is any conflict between the provisions of the Schedule and the Agreement, the provisions of the Agreement shall prevail.
2. Introduction
 - (a) The Stage II will comprise two 300 MW (measured at the generator terminals) coal-fired thermal power plant units (Marked as Unit III and Unit IV) located at Rosa in the district of Shahjahanpur, in the State of Uttar Pradesh, India. 50% of Net Electrical Output, not exceeding the Contracted Capacity, from Unit III and Unit IV shall be dedicated to UPPCL.
 - (b) Stage II is the expansion stage of Rosa Power Project and will be set up on the land already available for setting up of Stage I.
 - (c) The Stage II will, in addition, comprise the facilities including:
 - (i) Turbine Island containing two steam turbine generators with auxiliaries
 - (ii) Boiler Island containing two steam generating units with auxiliaries
 - (iii) Plant water facilities including river water pumps
 - (iv) Waste water treatment and disposal
 - (v) Control Complex
 - (vi) Coal/Fuel facility including waste disposal facility
 - (vii) Building and Support facilities
 - (viii) Electrical System and Switchyard, and
 - (ix) Part of Housing Colony
 - (d) Coal will be the primary fuel for the Stage II, which will be supplied by Central Coalfields Limited or other coal supplier. Heavy Fuel Oil (Low Sulphur Heavy Stock/ Residual Fuel Oil) will be used as the secondary fuel for start-up and flame stabilisation at lower load. The ignition fuel will be Light Diesel Oil.
 - (e) Water for the consumptive use of the Stage will be supplied from the river Garrah flowing adjacent within 1 Km. from the site.
 - (f) Fly ash generated by the Stage II will be conveyed pneumatically and removed dry for commercial use or conditioned with recycled water and transported through ash pipeline in the form of lean slurry pumping to the ash disposal area site about 4.5 KM away. Bottom ash will also be transported to the ash disposal site in similar manner.
 - (g) The electric power generated at 20 KV will be stepped up to 400 KV in case of Stage II comprising of Unit IV and made available at the Stage II switchyard from where UPPCL shall evacuate the power through the various 400 KV transmission lines to be constructed and terminated at the Stage II switchyard by UPPCL. Power for the Stage II start-up will be brought in through one of these 400 KV lines.


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3. Turbine Island

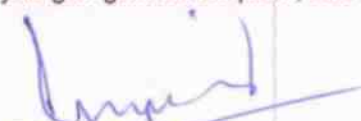
- (a) Each of the two steam turbine generators will be an indoor type tandem compound fully condensing turbine, single reheat, designed for operating steam conditions of 166 ata and 538 °C. The gross output of each Unit at the generator terminals at maximum continuous rating (MCR) will be 300 MW.
- (b) The associated three phase, 50 Hz generator will be hydrogen / water-hydrogen cooled, rated at 370 MVA at 0.85 power factor.
- (c) Each turbine generator will be provided with an automatic run-up and shut-down system complete with supervising instruments, seal oil unit, hydrogen system, controls and auxiliaries.
- (d) The condensate and feed water heating system for each unit will include one surface condenser, two 100% capacity condensate extraction pumps, six / seven stages of feed water heating, three 50% capacity boiler feed pumps and all auxiliaries.
- (e) One multi-cell mechanical draft / natural draft cooling tower constructed of fire-proof material per unit will be used to remove the latent heat energy from the condenser shell.

4. Boiler Island

- (a) Each of two steam generating units shall be capable of delivering 1036 tph of steam at 175 ata and 541 °C. at the superheater outlet at MCR. Each steam generating unit will be drum type, two pass, balanced draft, single reheat design and will have the necessary auxiliaries, including:
 - (i) Fuel preparation equipment consisting of motor driven heavy duty pulverisers, gravimetric coal feeders, two primary air fans.
 - (ii) Heavy fuel oil burners
 - (iii) Steam sootblowers
 - (iv) Tri-sector type regenerative air preheaters with water washing devices.
 - (v) Steam coil air preheaters
 - (vi) Draft plant consisting of Two 60% capacity each of ID and FD and PA fans
 - (vii) Full complement of boiler valves, drains, piping and instrumentation
 - (viii) Chemical feed systems
 - (ix) Electrostatic Precipitator
 - (x) Bottom ash and mill rejects handling systems
 - (xi) Fly ash handling system

5. Plant Water Facilities

- (a) The water for the operation will be drawn from the river Garrah flowing within 1 KM west of the site through a river water abstraction facility to be created specially for the Project.
- (b) The water pre-treatment system will provide cooling tower make-up, service water, input to the demineralised water plant, fire protection water, potable water for the plant and housing colony etc. The system, to supply the treated water for two units shall be sized to meet the total water requirements of the plant and the housing colony
- (c) A De-Mineralised Water Plant (DMW Plant) consisting of two 100% capacity streams to provide demineralised water for boiler make-up, auxiliary cooling circuit make-up, hydrogen generation plant, etc. will be provided.


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6. Waste Water Treatment

- (a) The waste water treatment system will treat the waste water from the DMW Plant regeneration, clariflocculator, cooling tower and boiler blowdowns, boiler/power house area and coal/ash handling plant area run-offs, sewage water etc., before releasing it to the natural stream, in order to ensure full compliance with CPCB/UPPCB norms. Storm water drainage shall be separately routed for the final discharge to the natural stream. Care will be taken to minimise the consumptive water requirement and surface water release by recirculating effluent from one system as input to another to the extent possible.

7. Control Complex

- (a) A single centralised control room will be provided to control and monitor the Stage II. The control and instrumentation systems will provide integrated operation of the Stage II by means of microprocessor based distributed digital control system and instrumentation. The systems will be designed for safe and reliable performance and ease of operation and maintenance.
- (b) The local control systems with stand alone equipment will utilise similar technology and will be linked to the central control system for centralised monitoring and alarm purposes.

8. Coal/ Fuel Facility

(a) Coal Delivery

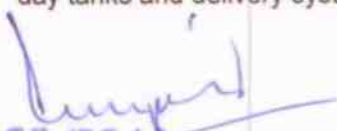
- (i) The annual coal consumption for the Stage is anticipated to be 3.0 MTPA of coal based on the Gross Calorific Value of 4000 kCal/kg (Grade E) and operations at 85% PLF.
- (ii) A coal linkage for supply of 2.222 MTPA has been accorded to Stage II. Coal will be supplied by Central Coalfields Limited from its coal block/ mines in Jharkhand. Shortfall quantity will be arranged by Rosa either through imports or through e-auction of Coal India Limited.
- (iii) Coal will be brought in through the existing rail system by Indian Railways from Jharkhand approximately 870 KM rail distance away.

(b) Coal Handling

- (i) The Stage II will have a two stream conveyor system along with screens, crushers, magnetic separators, automatic weighing and sampling systems up to the boiler bunkers for feeding sized coal. There will also be a stockyard for about 45 days storage of coal with Stacker Reclaimer, emergency reclaim hoppers, etc. Each stream of the coal handling system will be of 1000 tph capacity.

(c) Heavy Fuel Oil Handling

- (i) Heavy Fuel oil will be used for start-up as well as for support firing at lower loads. This will be brought in by road tankers and unloaded to twin fuel oil storage tanks.
- (ii) The Fuel oil transfer system will be complete with fuel transfer pumps, strip heating, day tanks and delivery system for each of the two units.


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9. Building and Support Facilities

- (a) The boilers will be semi-open type. The penthouse, drum and burner level floors will be covered by metal cladding. Rest of the passages and walkways will be open to the elements. Chequered plates and anti-skid gratings will be provided excepting in the areas near the burners, which will have RCC floors.
- (b) An RCC dual-flue Chimney stack of 275 meters height will be provided for both the boilers.
- (c) The turbine building will be an all-steel frame structure with roof truss construction. The operating floors will be reinforced concrete slabs supported on permanent metal decking and steel framing.
- (d) In addition, the Stage will, inter alia, include following buildings and structures :-
 - (i) Switchyard Control Room
 - (ii) Maintenance Building
 - (iii) Water Treatment Building
 - (iv) Fire/Service Water Pump house
 - (v) Diesel Generator Building
 - (vi) Warehouses
 - (vii) Storage Tanks, etc.

10. Electrical System and Switchyard

- (a) Each Generator will have its own 355 MVA, 20/400 KV, three phase, 50 Hz. OFAF main output transformer (generator transformer) which will transfer power to the 400 KV section of the Stage II switchyard. Isolated phase bus – ducts will connect the generators to the LV side of their respective generator transformers (GTs) and overhead line taps will connect the HV side of the GTs to the switchyard.
- (b) The unit auxiliary power system at each voltage level will have split bus, dual feed configuration, to be fed from the two Unit Auxiliary Transformers directly connected to generator output buses.
- (c) The common systems will normally receive power from the two station transformers (STs) connected to the 220 KV bus at the Stage II switchyard.
- (d) The station electrical system will consist of the 6.6 KV, 415 V switchgear and other associated equipment to provide power to the plant auxiliary systems. It will also have a DC power source of different voltage levels for emergency services, C & I power supply etc.

11. Housing Colony

- (a) A housing colony for staff and officers of the Project will be built about 1 KM from the Project site. It will have service and recreational facilities apart from residential blocks and will be surrounded by a green belt.

12. Common Facilities between Stage I and Stage II

- (a) Parties shall follow the UPERC orders on common facilities between Stage I and Stage.


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SCHEDULE – II A

TRANSMISSION AND INTERCONNECTION FACILITIES

PART A – UPPCL'S RESPONSIBILITY

The UPPCL Transmission System which will be used to evacuate Available Energy from Unit III and Unit IV of the Stage II and shall include the following power system hardware.

2 – Double Circuit 400 KV LILO connecting Unnao - Bareilly line

UPPCL shall build the above 2 nos., transmission lines and tie into the Stage II's 400 KV switchyard outgoing gantry.

Start-up power will be imported from the 400 KV UPPCL Transmission System feeding the 400 KV station transformers. The Start-up power shall be made available to the Stage II on a continuous basis, whenever it is needed.

UPPCL shall be responsible for supplying and providing all materials, labour and equipment to complete the work from and after the ROSA 400 KV switchyard outgoing gantry.

PART B – ROSA's RESPONSIBILITY

ROSA shall be responsible for supplying and providing all material, labour and equipment to complete the work of its 400 KV switchyard up to the terminal points at the switchyard outgoing gantry (the "Internal Connection Facilities").

The Stage II includes the 400 KV switchyard that allows evacuation of the Available Energy via 2 (two) 400 KV transmission lines identified above plus space only for terminating two more 400 KV lines in future. Included are the 400 KV circuit breakers, disconnecting switches, station and generator transformers, all protection, control and metering associated with the 400 KV supply lines.

The Stage II shall have stand-by power source in the form of emergency DG sets for safe shut-down of the Stage II in case of a system blackout. It should be clearly understood that the capacity of this stand-by power source will not be adequate for start-up of the Stage II after a trip-out or stoppage of generation and UPPCL will be responsible for providing the start-up power as and when it is required by the Stage II, failure in which shall be treated as inability on the part of UPPCL to evacuate power and Rosa will be eligible for getting Deemed Energy benefits. However in the event of grid failure or transmission line outage, the UPPCL shall not be liable for any deemed generation.

PART C – METERING POINTS AND DELIVERY POINTS

Metering for the power generation and power evacuation at the generator terminal side and at each of the 2 (two) nos. outgoing points, which shall be the Delivery Points, shall be provided. Import of power shall also be effected through any of these two transmission lines and a set of import and export meters will be provided at each of these points to facilitate proper recording.

PART D – INTERCONNECTION PROCEDURES

To ensure that the Stage II 400 KV switchyard together with the transmission facilities will be in service at the agreed time, it shall be the responsibility of both ROSA and UPPCL to set up



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interconnection procedures. These procedures shall be drawn up and executed by a coordinating team with representatives from both parties.

The Coordinating Team shall be responsible for the following:-

- a) Ensure that all work required for the proper design, construction, commissioning and testing of Stage II switchyard and UPPCL's transmission facilities including all technical information, design criteria co-ordination and studies are completed according to the ROSA's Construction Schedule.
- b) Ensure appropriate co-ordination of all construction activities at the Interconnection Points :
- c) Ensure that the review of relay settings and installation and calibration of the metering system is completed on schedule;
- d) Co-ordinate the commissioning activities to ensure that all necessary tests of the protection, control and communication system are completed to mutual satisfaction.
- e) Ensure compliance with IE Rules and Inspection requirements.



C.B. (P.P.A.)
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SCHEDULE - III A

UPERC ORDER DATED 15.06.2009


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Uttar Pradesh Electricity Regulatory Commission

Kisan Mandi Bhawan, II Floor, Gomti Nagar, Lucknow-226010 Phone 2720426 Fax 2720423 E-mail secretary@uperc.org

Ref: UPERC/D(G)/Secy/2009- 0566
Date: 16.6.09

1. Managing Director
UP Power Corporation Ltd.
Shakti Bhawan
14, Ashok Marg,
Lucknow

✓ 2. M/s Rosa Power Supply Company
519, Kasmanda Regent Apartment,
2, Park Road, Hazarat Ganj,
Lucknow

Sub: Approval of Supplementary Power Purchase Agreement and project cost of 2X300 MW Rosa Power Project Stage II


Sir,

Kindly find enclosed herewith Order dated 15.6.09 passed in Pet.no.610/09 for your information.

Yours faithfully,


(A.K. Srivastava)
Secretary

Encl: A/a


SE (P.P.A.)
U. P. P. C. L.
Shakti Bhawan Bldg,
Lucknow.





BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Petition No.610/2009

IN THE MATTER OF: Approval of Supplementary Power Purchase Agreement and
project cost of 2X300 MW Rosa Power Project Stage II
AND

IN THE MATTER OF:

M/s Rosa Power Supply Company
(Through Vibhav Agarwal)
519, Kaśmānda Regent Apartment,
2, Park Road, Hāzarat Ganj,
Lucknow

: Petitioner

V/s

UP Power Corporation Ltd.
Shakti Bahwan
14, Ashok Marg,
Lucknow

: Respondent

The following were present:

1. Sri. S.K Agarwal, Director(F), UPPCL
2. Sri. G. Amudhan, M/s Rosa Power Supply Company
3. Sri. Vibhav Agarwal, M/s Rosa Power Supply Company
4. Sri. Sumeet Notani, M/s Rosa Power Supply Company
5. Sri.S.N Dubey, CE, UPPCL
6. Sri. S.P Pandey, EE (PPA), UPPCL

ORDER

(Date of hearing 10.6.09)

1. The Petitioner has filed this petition for approval of a Supplementary Power Purchase Agreement for sale of 300 MW power to the Respondent from unit IV of Rosa Power Project Stage II. The approval of cost of the said project, Rs.3098.6 Cr., has also been sought.
2. Under section 86(1)(b) of the Electricity Act,03 and Regulation 126 of UPERC (Conduct of Business Rules)Regulations,2004, a licensee is required to seek approval of power purchase agreement including the price at which the electricity shall be procured and the procurement process. As the petition was filed by a


C.E. (PPA)
U.P.P.C.L.
Shakti Bahwan Estn.
Lucknow.




15/6.



- (b) the financial closure must be achieved as early as possible, however, the first unit (i.e. unit III) of stage II is scheduled for COD by 31.3.12 and that of second unit (i.e. unit IV) by 31.7.12;
- (c) provision for liquidated damages shall be made similar to Stage I project; and
- (d) any incentive consequent to grant of mega status to the project shall be pass through in tariff as the petitioner has made an application, as averred in the rejoinder, for grant of mega status.

5. Sri. Vibhav Agarwal submitted on behalf of the Petitioner that the 2X300 MW Stage II project was an expansion project within the meaning of clause 5.1 of Tariff Policy as such the parameters for tariff determination for entire capacity should be uniform. He prayed that the project cost might be approved and the issues related to tariff could be taken up separately.

Regarding cost, Sri.S.K Agarwal submitted on behalf of the Respondent that the Petitioner had entered into an EPC contract with SEC and UEEPL for Stage I project with base price applicable as on 6th March, 07 and with a provision that the petitioner could place an order for extension project at the same price. However, the petitioner has agreed for higher price for Stage II project which was not acceptable to the Respondent. Sri. Vaibhav Agarwal replied that after signing contract with SEC and UEEPL, it was agreed between them that a notice to proceed for Stage I would be issued by the Petitioner by 30th April, 07, but due to delay in sanction of loan, notice to proceed was delayed and in the mean time on 27th May, 07, SEC informed the Petitioner that it could not maintain the price offered for Stage I due to appreciation in raw material prices & Chinese Yuan against US\$ and withdrew the price offered for Stage II. The petitioner subsequently persuaded SEC who agreed to ~~now~~^{now} change in price offered for Stage I whereas price for Stage II would be linked to variation in Chinese Yuan and US\$. Similarly, the price offered for EPC contract for balance of plant of Stage II was also linked to variation in price on account of steel, labor and coal sale price and indices with Stage I price as base price as on 6th March,07. Sri. Vaibhav Agarwal submitted that the petitioner had negotiated the price with SEC

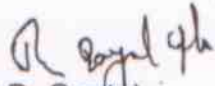
[Handwritten Signature]
 S.N. (P.P.)
 U.T.P.C.L.
 Shakti Bhawan Extn,
 Lucknow.

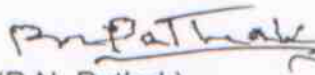


operates only where any remedy is not available under power purchase agreement (PPA) signed between them but it is available in the said Regulation. In such event, any party to PPA could approach the Commission. Therefore, the terms & conditions of tariff approved by the Commission for Stage I project shall also apply to Stage II project. It is to clarify that UPERC (Terms & Conditions of Generation Tariff) Regulations, 2009 as amended from time to time shall apply. On commissioning of stage II project, the capital cost of common facilities accounted for Stage I shall be shared by Stage I & II in equal proportion.

6. Subject to observations made and directions issued above, SPPA and cost of Stage II project are approved. This approval of cost is for comfort to all stakeholders; however, it shall be subject to prudence check at the time of determination of tariff. A final supplementary agreement shall be drawn and a copy be sent to the Commission for information. The Petitioner shall submit compliance of directions issued in respect to cost of Stage II project on an affidavit within 2 months of this order.

7. The petition is disposed of.


(R.D. Gupta)
Member


(P.N. Pathak)
Member


(Rajesh Awasthi)
Chairman

Lucknow; Dated: 15th June, 2009




S.B. (P.P.A.)
U.P.P.C.L.
Shakti Kumar Singh
Lucknow.

