ENERGY PURCHASE AGREEMENT FOR BAGASSE BASED 
CO-GENERATION PLANTS

AGREEMENT BETWEEN……………………………………………………………..AND TAMIL NADU ELECTRICITY BOARD FOR THE PARALLEL OPERATION AND SALE OF POWER FROM............... ......................................................CO-GENERATION PLANT BY TNEB.

THIS AGREEMENT entered into at .....................on the ..............day of ............., Two thousand ..................... Between ...........................................a company incorporated under the companies Act, 1956 (CA 1 of 1956) having its registered office at .............(hereinafter called the SUGAR MILL/ POWER GENERATING COMPANY which expression shall wherever the context so permits means and includes the successors in-interest, executors administrators and assigns) as party of the FIRST PART and the Tamil Nadu Electricity Board, a body corporate constituted under the Electricity (Supply) Act, 1948 (C.A.54 of 1948) before commencement of the Electricity Act 2003 (Central Act 36 of 2003) and notified by the Government of Tamil Nadu to function as State Transmission Utility and a Board under clause (a) of section 172 of the Electricity Act 2003 (Central Act 36 of 2003) having its office at N.P.K.R.R.Maaligai, Electricity Avenue, No. 144, Anna Salai, Chennai-2, (hereinafter called the “BOARD” which expression shall wherever the context so permits means and includes the successors in-interest, executors, administrators and assigns) as party of the SECOND PART represented by Thiru.......................Superintending Engineer/ .................EDC.

WHEREAS the Sugar Mill/ power generating company has informed the Board of its intention to establish ..........MW Co-generating power plant at ..........Village, ....................Taluk, .......................District to generate electricity and to sell the surplus power available to the Board after its consumption.
AND WHEREAS the Sugar Mill/ Power Generating Company has offered to sell the surplus power generated by their Bagasse based Co-generating plant to the 'BOARD'.

AND WHEREAS the 'BOARD' has agreed to purchase the surplus power, on the terms and conditions hereinafter agreed to

NOW THESE PRESENTS WITNESSETH and the parties hereto agree as follows:

a. The Sugar Mill/ Power Generating Company shall feed the surplus power from their bagasse based Co-generating plant into the Board’s grid and the Board shall draw the power and pay therefore.

b. There shall be direct transfer of power from the plant to the Sugar Mill/ Power Generating Company to the Board’s Grid and for this purpose the Sugar Mill/ Power Generating Company of the Sugar Mill/ Power Generating Company shall be permitted to be paralleled with the Board’s Grid subject to the terms and conditions imposed by the Board from time to time.

c. The parties to the agreement shall be bound by all the relevant provisions of the Electricity Act, 2003 for the time being in force and orders of the Tamil Nadu Electricity Regulatory Commission issued under section 86 or any other provisions of the said Act from time to time.

d. The Sugar Mill/ Power Generating Company shall be responsible for designing the generating set and protection system of the plant for the safe parallel operation with the Board’s Grid.
e. Evacuation facilities:

(i) The cost towards the power evacuation facilities shall be borne by the project promoter of the Sugar Mill/ Power Generating Company.

(ii) The Sugar Mill/ Power Generating Company shall provide exclusive circuit breakers of appropriate voltage and rating at the Co-generation plant end for interconnecting the plant with Board’s grid. The power generating station bus may have to be operated as a grid station or radial station as decided by the Board, based on technical feasibility.

f. Interfacing and Interconnection facilities:

(i) The interfacing with the Board’s Grid shall be at the voltage level of ...... KV.

(ii) The generating unit and the associated electrical equipment of the Sugar Mill/ Power Generating Company connected to the transmission system of the Board shall be adequately protected so that the transmission system of the Board does not suffer due to any disturbances originating from the generating unit.

(iii) The protection scheme shall be in line with the provisions in the Tamil Nadu Electricity Grid Code and the Central Electricity Authority (installation and operation of meters) Regulations 2006 stipulating standards for connectivity to the Boards Grid.

(iv) The Sugar Mill/ Power Generating Company shall make good the losses, if any, due to any damage that may be caused to the equipment/lines of the Board resulting on account of parallel mal-operation of their plant.

(v) The Board shall not be responsible for any damage to the Sugar Mill/ Power Generating Company due to non
compliance by the Sugar Mill/ Power Generating Company to the protection scheme and safety measures envisaged in the Tamil Nadu Electricity Grid code.

g. Scheduling:

(i) In the last week of every calendar month, the Sugar Mill/ Power Generating Company shall furnish to the 'Board' a supply plan indicating the quantum of energy likely to be delivered during the next calendar month. Arrangements shall be made for transmission of on Line data of the generated power to Load Despatch Centre. The anticipated generation for each day shall be furnished one day in advance regularly.

(ii) As and when Intra State ABT is introduced the provisions in the relevant regulations shall apply.

(iii) The Sugar Mill/ Power Generating Company shall inform the 'Board' of the maintenance schedule at least one week in advance for arranging supply. The period of annual maintenance shall be treated as planned outage of the station and power drawn shall be charges at the rate fixed by the Tamil Nadu Electricity Regulatory Commission and in force for the power drawn from the Board’s grid under Sugar Mill/ Power Generating Company outage conditions.

(iv) The Sugar Mill/ Power Generating Company shall obtain Prior permission of the Board’s Chief Engineer/ Distribution concerned for the drawal of start up power from the Board’s grid giving complete split up details of preferential loads of the co-generation plant. The charges for the start up power drawn from the Board shall be as per Tamil Nadu Electricity Regulatory Commission’s order in force.
(v) The company agrees that if the Generation is not backed down/ shut down as per the directions issued under section 33 of the Electricity Act 2003, the Board is at liberty not to take into account the extra power pumped during that period.

**h. Metering Arrangements:**

(i) The Sugar Mill/ Power Generating Company shall provide ABT compliant static meter with facilities to record export and import of energy and as per the standards/ procedures stipulated in the Central Electricity Authority’s (Installation and Operation and Meters) Regulations 2006 and regulations/directions issued by the Tamil Nadu Electricity Regulatory Commission from time to time, in respect of type, ownership, location, accuracy class, installation, operation, testing and maintenance, access, sealing, safety, meter reading and recording, meter failure or discrepancies, anti tampering features, quality assurance, calibration and periodical testing of meters, additional meters and adoption of new technologies.

(ii) The Sugar Mill/ Power Generating Company shall also adopt the standards and procedures as stipulated in the Tamil Nadu Electricity Grid Code and Intra – State Open Access Regulations, 2005 in respect of metering.

(iii) A Sugar Mill/ Power Generating Company may request STU/Board to provide Main Meters. In that case they shall provide security to Board and shall pay for its rent and Main Meter shall be maintained by STU/Board.

(iv) The STU/Board may provide Check Meters of the same specification as Main Meters;
(v) The Sugar Mill/ Power Generating Company can have a stand by meter of the same specification tested and sealed by the STU/Board.

(vi) The Main and Check Meters shall be test checked for accuracy once in six months, and shall also be calibrated once in a year. The meters may be tested using NABL accredited mobile laboratory or at any accredited laboratory in the presence of parties involved. Both parties shall seal Main and Check meters. Defective meter shall be replaced immediately.

(vii) Reading of Main and Check meters shall be taken periodically at appointed day and hour by authorized officer of Board/ STU and Power Generating Company or their representative, if present.

(viii) Check meter readings shall be considered when Main Meters are found to be defective or stopped. Provided that, if difference between the readings of main and check meter vis-à-vis main meter reading exceeds twice the percentage error applicable to relevant class, both meters shall be tested and the one found defective shall be immediately replaced and reading of other will be considered.

(ix) If during the half yearly test check or annual calibration, both the main meter and the check meter are found to have errors beyond permissible limits, the bill shall be revised for the previous 3 (Three) months or for the exact period if known and agreed upon by both the parties, by applying correction as determined by the meter testing Wing of the STU/ Board to the consumption registered by the meter with lesser error.
(x) The Sugar Mill/ Power Generating Company shall check the healthiness of meters (due to blowing of the P.T. fuses or due to any other causes) by superficially checking indicator lamps or by taking readings as frequently as possible. If both the main meter and the check meter fail to record energy either due to the blowing of the P.T. fuses or due to any other causes, the energy imported/ exported may be arrived at based on the standby meter, if available, or by mutual agreement of the parties involved. Incase of dispute the Board/Power Generating Company can approach the Tamil Nadu Electricity Regulatory Commission by filing petitions.

(xi) The term ‘Meter’ shall include Current transformers, voltage/potential transformers, wiring between them and meter box/panel.

i. Billing and payment:

(i) The Sugar Mill/ Power Generating Company shall prepare bill every month based on the meter reading certified by the Board/in accordance with the provisions of the Energy Purchase Agreement in duplicate and forward it to the Board’s Superintending Engineer concerned for scrutiny and counter signature/certification. The bill so presented will be settled by the Board within the same period as provided for by the Board.

(ii) Drawal of power from Board’s grid under outage of Sugar Mill/ Power Generating Company conditions and for start up shall be charged at the rate fixed in the Tamil Nadu Electricity Regulatory Commission order on purchase power from NCES based generating plants in force from time to time.
(iii) The average power factor during the billing period for the power drawn from Board’s grid is to be maintained at 0.9.

(iv) Power factor incentive for gross energy and Power factor disincentive for gross energy shall be at the rates stipulated in the Tariff order dt.15.03.03 or as notified by Tamil Nadu Electricity Regulatory Commission from time to time.

(v) The charges for start up power, reactive power charges, etc., will be recovered by the Board from the payment due to the Sugar Mill/ Power Generating Company.

(vi) The Sugar Mill/ Power Generating Company agree that the bagasse based energy generated and exported shall be paid at the rate fixed by the Tamil Nadu Electricity Regulatory Commission from time to time.

j. Payment Securities:

The Board, at the option of the Sugar Mill/ Power Generating Company may open a bankable security in favour of Sugar Mill/ Power Generating Company for an amount equivalent to an average monthly bill.

k. Banking

Banking of surplus energy shall not be permitted

l. Period of agreement and terminations:

(i) The agreement shall remain in force, for a period of 20 (twenty) years

(ii) The agreement may be terminated on breach thereof by either party by giving three months notice to the other party.

m. Settlement of disputes – Arbitration

Any dispute between the Sugar Mill/ power generating company
and Board shall be adjudicated by the Tamil Nadu Electricity Regulatory Commission as per the provision of section 86(1) (f) of the Electricity Act 2003.

n. **Implementation of directions, approvals, etc.,**

(i) All discretions to be exercised and direction, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this agreement or by the authorized representative (s) of that party, nominated in this behalf and notified in writing to the other party.

(ii) All notices with regard to default or difference relating to this agreement shall be in writing and signed by the signatories to this agreement or by the authorized representative.

(iii) Each such notice shall be deemed to have been duly given or sent by the party concerned, if the notice is delivered against acknowledgment due to the signatories or the authorized representative (s) at their respective addresses.

IN WITNESS WHEREOF Thiru.......................................................for and behalf of the Sugar Mill/ Power Generating Company and Thiru ..............................................for and on behalf of the 'Board' have hereunto set their signatures on the day, month and year first above mentioned.
In the presence of Witnesses:

1.

2.

In the presence of Witnesses:

1.

2.

F: Purchase Agreement/Co-gen approved by TNERC (CE-PC)