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KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

(Government of Karnataka Undertaking)

Letter no.: KREDL/07/SG/RPO/100MW(05 Talukas)/F-533(B)/2018-19/

Date: 10/12/18

8026-30

Letter of Award and Allotment Letter

To

Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.,
SP Centre, 41/44 minoo Desai Marg,
Colaba, Mumbai-400 005.

Dear Sir/ Madam,

Subject: Letter of Award and Allotment Letter with reference to the "Development of 100 MW_{AC} Solar Power Projects in the State of Karnataka to be implemented in 05 Talukas" Notification dated 11 October 2018 (as per the clause 4.2.9 of RFP)

Ref1: Tender Notification No: KREDL/07/SG/RPO/100MW(05Talukas)F-533(B)/2018-19 dated:11.10.2018.

Ref2: Consent letter No: SPICCP/L/KREDL 100MW Taluka Solar /23/11/2018 dated:23.11.2018 of Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd., for the confirmation of final tariff.

Please refer to your Bid in response to our Request for Proposal (RFP) for the "Development of 100 MW_{AC} Solar Power Projects in the State of Karnataka to be implemented in 05 Talukas" (hereinafter shall be referred to as "the Project").

We are pleased to inform you that your tariff confirmed by you under reference (2) for the mentioned project has been accepted and you have been declared as one of the Selected Bidders for the Project with reference to the tariff negotiation meeting held on 23.11.2018 at KREDL office .

The details of the project are as below:

Sr. No.	Taluka	Proposed Technology	Capacity (in MW _{AC})	Tariff (in INR/kWh)	
				In figures	In words
1	Maski	Solar Photovoltaic	20 MW _{AC}	2.91	Indian Rupees Two and Ninty One Paise Only

Please note that the acceptance of your Bid is subject to the following terms and conditions:

- Submission of Facilitation Fee to KREDL before execution of PPA by way of demand draft, for a total value of **INR 20,00,000 (Indian Rupees Twenty lakh Only)**, calculated as INR 1,00,000/- (Rupees One Lakh Only) per MW_{AC} plus GST at prevailing rate on the

total value of Facilitation Fee in favour of the Managing Director, Karnataka Renewable Energy Development Limited (KREDL).

- b) In terms of the clause 2.1.13 of the RFP, you may form a Special Purpose Vehicle (SPV)¹ duly incorporated under the Companies Act 1956/ 2013. The constitution of such company should comply with the conditions of the shareholder commitments mentioned in the RFP.
- c) You are required to execute the Power Purchase Agreement (PPA) with Bengaluru Electricity Supply Company Limited (BESCOM) within 30 days (Thirty Days) from the date of this Letter of Award, as per clause 4.2.10 of the RFP.
- d) In terms of the RFP and PPA, you are requested to furnish the following documents before signing of Power Purchase Agreement (PPA) as a pre-requisite to sign the PPA with BESCOM.
- i. A copy of the Certificate of Incorporation of the SPV (as applicable).
 - ii. Details of the promoters and their shareholding in the SPV, duly certified by the Company Secretary in original. (as applicable).
 - iii. Performance Security, by way of irrevocable Bank Guarantees for a total value of INR 200,00,000 (Indian Rupees Two Crore Only) calculated as INR 10,00,000/- (Rupees Ten Lakh Only) per MW_{AC} in the form and manner as per the provisions of Clause 4.8 (Performance Security) of the RFP, in favour of the Managing Director, BESCOM, having expiry period valid up to twelve (12) months from the Scheduled Commissioning Date as per PPA along with a claim period of 3 (three) months from the date of expiry period.
 - iv. The total value of the Performance Bank Guarantee (PBG) shall be split into three (3) Performance Bank Guarantees as detailed hereunder:

PBG I – 20% of the total value	PBG II – 40% of the total value	PBG III – 40% of the total value
40,00,000	80,00,000	80,00,000
Indian Rupees Forty lakh Only	Indian Rupees Eighty lakh Only	Indian Rupees Eighty lakh Only

¹Where the Bidder is a Single Business Entity, it may at its option, form an appropriate Special Purpose Vehicle under the Companies Act, 1956/ 2013 (the "SPV") to execute the PPA and implement the Project. In case foreign company bids as a Single Business Entity, it shall, prior to execution of the PPA, incorporate an appropriate "SPV" in India only to execute the PPA and implement the Project. In case the Bidder is a Consortium, it shall, prior to execution of the PPA, incorporate as per the terms of the RfP, an appropriate "SPV" in India only to execute the PPA and implement the Project.

- v. No deviation certificate on the letterhead of the Bidding Entity stating that the selected Bidder shall not be entitled to seek any deviation in the final PPA after obtaining concurrence from Karnataka Electricity Regulatory Commission (KERC), as per ANNEX-X (No Deviation Certificate) of the RFP.
- vi. Information on commitment on the energy generation in Million kWh (MU) for the Project, the maximum and minimum CUF as per the Clause 5.6 of the PPA.

Please note, that this communication by itself does not create any right or contractual relationship with Karnataka Renewable Energy Development Limited (KREDL) or Bengaluru Electricity Supply Company Limited, any such right or relationship shall come into effect only on your fulfilling the above conditions and execution of the PPA.

You are requested to acknowledge this LoA within **seven (7) Days from the date of LoA** and also requested to indicate a suitable date for execution of the Power Purchase Agreement within a maximum timeline of thirty (30) days from the date of this LOA.

Yours faithfully,


(A. B Basavaraju) 10/12
Managing Director


Copy Submitted to:

1. The Additional Chief Secretary to Government (Energy), Government of Karnataka - for kind information.
2. The Secretary, Karnataka Electricity Regulatory Commission (KERC), No-16, C-1, Millers Tank Bed Area, Vasanth nagar, Bangalore-560052- for kind information.
3. The Managing Director, KPTCL Kaveri Bhavan Bengaluru-560001. for kind information and needful.
4. The Managing Director, Bangalore Electricity Supply Company Limited (BESCOM) - for kind information and needful.

