

MEMORANDUM OF UNDERSTANDING

For

**Implementation of 1 MWp Solar Power Project on Lake
Side VIP Road**

BETWEEN

M.P. URJA VIKAS NIGAM LIMITED

AND

BHOPAL MUNICIPAL CORPORATION (BMC)

This **Memorandum of Understanding** (hereinafter referred to as "**MoU**") executed at Bhopal on this 16th day of August 2016, by and between:

M.P. URJA VIKAS NIGAM LIMITED, a company incorporated under the **Companies Act, 1956** having its Registered Office at Urja Bhawan, Link Road No-2, Shivaji Nagar, Bhopal,-462003, Madhya Pradesh, India (hereinafter referred to as "**MPUVNL**", which expression shall unless repugnant to context include its successors and permitted assigns) of the **First Part**.

AND

Municipal Corporation Bhopal, an **Urban local Body** of Govt. of M.P., having its office at Harshvardhan Nagar, Link Road no. 2, Bhopal, 4620003 (herein after referred to as **BMC** which expression shall unless repugnant to the context or meaning thereof shall mean and include its administrator, successor in office, representative, assigns) of the **Second Part**.

MPUVNL and BMC are individually referred to as "**Party**" and collectively as "**Parties**".

RECITALS:-

1. **Whereas, MPUVNL** is under the administrative control of Department of New & Renewable Energy, Govt. of Madhya Pradesh and is the State Nodal Agency of Government of Madhya Pradesh for development of renewable energy;
2. **Whereas, MPUVNL** is promoting and developing Grid Connected and Off Grid solar power plant(s) in the state of Madhya Pradesh in order to exploit the high solar radiation potential in the state;
3. **Whereas, the City of Bhopal** has been selected for implementation of "Solar City Program" of Ministry of New and Renewable Energy, Govt. of India (hereinafter referred to as "**MNRE**"), which provides for minimum 10% reduction in projected demand of conventional energy at the end of 5 years, by a combination of energy efficiency measures and enhancing supply from renewable energy sources;
4. **Whereas, the City of Bhopal**, has also been selected for development as a "Smart City" under the Smart City Program of the Ministry of Urban Development, Govt. of India, which provides for a minimum of 10% requirement of the city being met by Solar Energy;
5. **Whereas, BMC** is, committed to undertake activities envisaged in the guidelines communicated by Govt. of India, under Solar City program and Smart City Program for the City of Bhopal;
6. **Whereas, BMC** has received an initial release of Rs.19.00 Lakhs, sanctioned by MNRE, under Solar City Program, through MPUVNL, for initiating and implementing various activities such as :-

- a) Preparation of a Master Plan to meet 10% of total electricity demands of the City through energy efficiency measures and use of Renewable Sources of Energy in a phased manner.
 - b) Establishment of Solar City Cell.
 - c) Forming stakeholder Committee, etc., as envisaged under the solar city program.
7. **Whereas, BMC** intends to start the implementation of Solar City program by deployment of Solar Photovoltaic Systems in its own Buildings/Utilities;
 8. **Whereas, MPUVNL** has prepared a pre-feasibility report and proposal for deployment of grid connected solar projects of befitting capacities on selected sites;
 9. **Whereas, MPUVNL** has also issued in principle approval for projects of 2135 Kwp in Bhopal city with State Financial Assistance, amounting to Rs. 320.00 Lakhs vide its letter no. 1130 dated 10-6-2016;
 10. **Whereas, BMC** intends to take up the projects for deployment of solar power plants, as proposed by **MPUVNL**, in a phased manner. For this, BMC would implement on RESCO model;
 11. **Whereas the** project mentioned on point 1 of the letter no. 1130 dated 10-6-2016 is proposed to be taken up on the vertical side of the retaining wall and other available space facing the lake across its length of the road from Kamla park (Opposite Gauhar Mahal) to Khanugaon. The road is approximately 2.1 Km in length. The vertical retaining wall is quite sturdy and can hold the weight of SPV Modules and structures. Incidentally, most of the portion of the wall is facing the South direction, which is suitable for placing the SPV Panels. The proposed capacity for this project is approximately 1 MW.
 12. **Whereas,** the Parties wish to explore opportunities for cooperation in development of Solar Power Projects in the city of Bhopal.

NOW, THEREFORE, the Parties have agreed as follows:

1. **DEFINITIONS:-**

- a. "**Achievement linked central financial incentive**" shall mean the amount sanctioned by Ministry of New & Renewable Energy, Govt. of India, as applicable after implementation of the project. At present, this would be as per MNRE Circular No.03/88/2015-16/GCRT, dated 04/05/2016.
- b. "**Benchmark Cost**" means the capital cost of the project as considered by MNRE for similar projects.

- c. "EPC" means Engineering Procurement Construction work of the proposed projects.
- d. "Project Cost" means the cost of project discovered by the method of competitive bidding.
- e. "Renewable Energy Service Company (RESCO)" means an individual(s) or company(s) responsible for financing, designing, engineering, procurement, construction and commissioning of the project and selling the power generated from the proposed project to BMC on basis of payment of per unit of electricity.
- f. "State Financial Assistance" shall mean the amount sanctioned by Dept. of New & Renewable Energy, Govt. of MP, for the proposed project. In-principle approval for the same has been given on the benchmark price of MNRE and is subjected to reconsideration (if applicable).
- g. "Tariff", means per unit cost of electricity (kWh) discovered by mechanism of competitive bidding.

2. ROLE AND RESPONSIBILITIES OF EACH PARTY:-

MPUVN:-

- a) Facilitating the approval and availability of State Subsidy.
- b) Facilitating the approval and Achievement Linked Central Financial Incentive.
- c) Issuance of RfP for purpose of competitive bidding for the proposed project(s).
- d) Providing inputs in the matters of implementation of rooftop projects under Smart City and Solar City program.
- e) Suggesting suitable modes of implementation of the proposed projects.
- f) Identification of RESCO developer.
- g) Preparation of Power Purchase Agreement (PPA) on the Tariff. (As applicable)
- h) Assigning role and responsibilities of RESCO developer towards execution, commissioning and operation and maintenance of the proposed project(s).
- i) Monitoring and performance evaluation of the project(s) proposed under this MOU.
- j) Coordination between any government agency (As/if/when required)

BMC :-

- a) Providing suitable space and permission(s) to use the same for the proposed project(s) over the life of the project.
- b) Providing any and every information required for the designing, execution and commissioning of the proposed project(s).
- c) Providing any information deemed necessary for designing, engineering and commissioning and operation and maintenance of the solar plants, covered in this MOU or otherwise deemed necessary by MPUVN, but limited to the scope of this MOU.
- d) Ensuring the consumption/buy up of the units (kWh) generated from solar power plants.

3. JOINT RESPONSIBILITIES :-

- a. The Parties agree to evolve measures to facilitate meaningful and productive cooperation for achieving common objectives of the Parties in mutually beneficial areas as identified above.
- b. The joint measures shall be mutually determined from time to time.
- c. The Parties shall conduct discussions and negotiations in good faith while exploring techno-commercial feasibility for development of such projects and shall endeavour to take a final decision regarding their implementation in a reasonable time.
- d. The Parties shall also endeavour to undertake such promotional activities, as may be required, to promote development of Solar Power Projects.

4. IMPLEMENTATION OF PROPOSED PROJECT ON LAKE SIDE VIP ROAD :-

- a. MPUVNL, shall prepare and submit a project report for implementation of this project on RESCO model, after detailed site survey, and after ascertaining its technical feasibility with DISCOM's distribution network.
- b. MPUVNL, shall prepare and float an RfP for discovery of competitive tariff and selection of eligible developer for this project.
- c. MPUVNL, as counter party, shall facilitate execution of Power Purchase Agreement (PPA) between BMC and the selected developer on the tariff discovered by competitive bidding for this project.
- d. MPUVNL shall provide State Financial Assistance and Central Financial Incentive to the selected developer, as prescribed in the RFP.
- e. BMC shall purchase power from the selected developer for a period of 25 years.

6. SOLAR CITY CELL :-

- 6.1 For the purpose of coordinating activities between the Parties, a Solar City Cell shall be formed immediately upon execution of this MoU. The Solar City Cell shall be responsible for coordination and monitoring the progress of activities as agreed in this MoU and for facilitating support from MPUVNL and BMC.
- 6.2 BMC and MPUVNL may consult with each other, whenever it may be appropriate and necessary, on the matters covered by this Memorandum and will use their best endeavors to ensure that employees and other staff of both the organization cooperate in good faith with one another.

7. SHARING OF EXPENSES:-

All expenses incurred towards carrying out feasibility studies and other studies pertaining projects as envisaged under this MoU and decided by the JCT shall be discussed mutually and may be either met through funds received under solar city program or by MPUVNL.

8. PROCEDURES FOR AMENDMENT, CANCELLATION, ARBITRATION AND EXCLUSIVITY :-

- 8.1 This MoU shall come into force for all purposes and intents, from the date it is executed and can be amended on mutual consent.
- 8.2 Either of the two parties can, at any time during the period of the Memorandum, rescind the same after giving a notice in writing, recording valid, cogent and justifiable reasons for doing so. The notice will not be less than one month prior to the actual date of rescinding this Memorandum. However, if any act needs to be performed, which though started before the rescission and which needs to be completed, shall be finished by that party by whom it is to be performed, to the extent it is possible, and it shall not be open to that party to complain that it shall not perform the incomplete acts.
- 8.3 In case of any dispute or difference arising between the parties arising out of or in relation to this Memorandum, the same shall be referred to the Principal Secretary / Secretary of Dept. of New and Renewable Energy / Dept. of Urban Administration & Development Department, Govt. of Madhya Pradesh. The Laws of India shall govern this Memorandum.

9. ADDRESS FOR COMUNICATION:-

For M.P. Urja Vikas Nigam Ltd.

Managing Director,
M.P. Urja Vikas Nigam Ltd.

"Urja Bhawan", Shivaji Nagar,

Bhopal 462016 M.P.

E-mail:- md

For Bhopal Municipal Corporation Ltd.

Commissioner,

Bhopal Municipal Corporation,

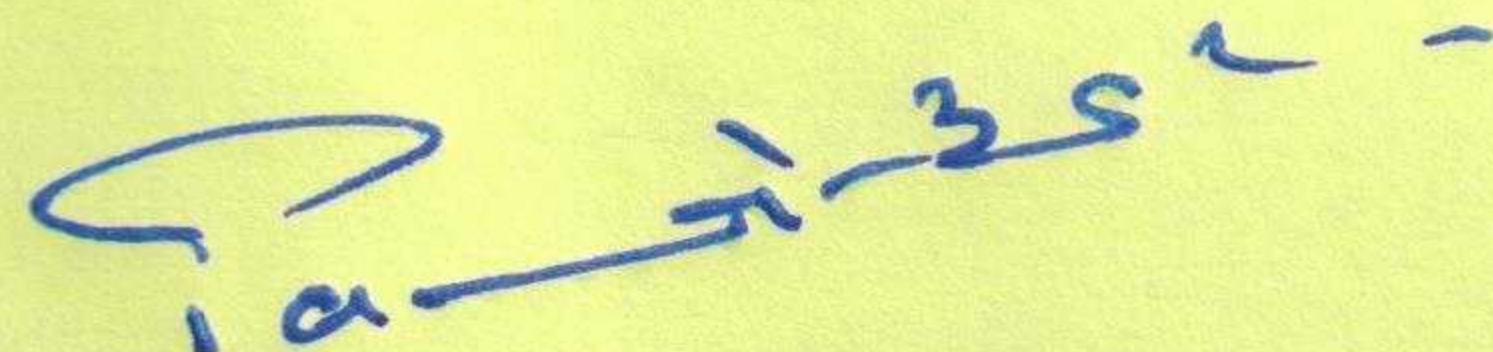
Harshvardhan Nagar,

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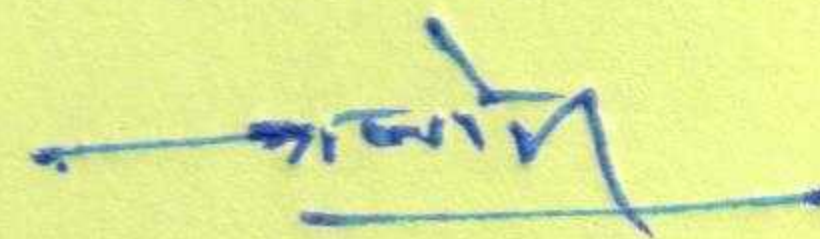
IN WITNESS WHEREOF, the Parties by their duly authorized representatives have caused this MoU to be executed as of the day and year first above written.



Name: Vijendra Singh Sisodiya

Designation: Chairman, MPUVNL

Executed for MPUVNL



Name: Alok Sharma

Designation: Mayor, BMC

Executed for BMC

Witness

1.

2.