

ANNEXURE-IV TO AMENDMENT-1

During the demonstration of yearly CUF, any shortfall from committed CUF will be penalized @ INR 5.65/unit for each unit shortfall. The CUF shall be evaluated as per the formula mentioned Section VII, Scope of Work and Technical Specifications. Shortfall in CUF during any year may be compensated against excess CUF during previous or subsequent years subject to total CUF over the O&M Period being in accordance with the committed CUF. LD levied, if any, on account of shortfall in CUF in any year shall be refunded when the same is compensated through excess CUF in subsequent years. Determination of penalties on account of shortfall, if any, shall be made after such adjustment, up to adjusted CUF not already accounted in an earlier year.

If the Contractor fails to achieve 10 year cumulative CUF at the end of O&M period, then the Contractor will pay compensation to Owner an amount equal to the Net Present Value (NPV) of the estimated revenue loss due to shortfall in CUF for 11th to 25th year calculated at a discount factor of 9.08% as below.

$$COM = \sum_{n=1}^{15} \left[\frac{(Eg - Ea)}{10} \times C \right] \frac{1}{(1 + 0.0908)^n}$$

Where, COM is the compensation payable to Owner in INR

Eg is 10 year cumulative guaranteed generation with reference to the committed CUF in kWh

Ea is 10 year cumulative actual generation in kWh

C is tariff of INR 5.65/unit