

556270

Kalpa Taru Power Transmission Limited
c/o Ecofys bv
Attn Mr. B. Schulte
Postbus 8408
3503 RK UTRECHT

Senter Den Haag
P.O. box 30732
2509 AC The Hague
The Netherlands

Juliana van Stolberglaan 3
2595 CA The Hague

Tel +31 70 373 50 00
Fax +31 70 373 51 00

Date	Contact person	Our reference	Annexes
	Drs. I.M. Brand +31 70 373 5482	DER0307204	2

Subject:

CER01/65; Biomass in Rajasthan - electricity generation from mustard crop residues

Dear Mr. Schulte,

Senter is pleased to award your offer titled "Biomass in Rajasthan - electricity generation from mustard crop residues", with a contract concerning the delivery of CERs to the Netherlands. This contract is applicable to the annexes pertaining to the contract. In case of any derogation, my written consent is necessary.


Enclosed you will find two copies of the contract. I kindly request to return one of them signed to me within 14 days after date of this letter.

Registration of your project by the UN's Executive Board is a new process. Responsibility for successful registration is with you, as pointed out in the ToR and in article 4.3 of the contract. Nevertheless, I would like to contribute in the cost to adjust your PDD and getting it fully validated to a lump sum payment of EUR [REDACTED] (including VAT). This contribution will be transferred to your account, at the moment we receive a signed copy of this contract and an invoice for the [REDACTED] (see also the delivery schedule in the contract).

For any questions, you can contact Ms. I.M. Brand. Please refer to your project number.

Kind regards,

On behalf of the Minister of Housing, Spatial Planning and the Environment,


Ir. W.J. Zwolve
General Director (a.i.)

CONTRACT

No. CER01/65

The parties,

1. The State of the Netherlands, represented by the Minister of Housing, Spatial Planning and the Environment, acting through the Senter agency, herein legally represented by Ir. W.J. Zwolve, General Director (a.i.), hereafter to be referred to as 'the Netherlands', and
2. The legal entity Kalpa Taru Power Transmission Limited, with registered offices in Mumbai, India herein legally represented by Mr Ajay Munot, listed as its Director in the companies' register, hereafter to be referred to as 'The Contractor',

Referring to the proposal submitted by the Contractor to The Netherlands, with reference E30076.1/BSc dated 24-09-2002, The Netherlands reference CER01/65, titled "Biomass in Rajasthan - electricity generation from mustard crop residues", hereafter to be referred to as 'the CDM project', parties have reached understanding regarding a Contract by which the Netherlands shall purchase CERs resulting from the CDM project (hereinafter: "Contract");

Whereas:

- The Netherlands, as a result of the agreements documented in the framework of the Kyoto Protocol, wishes to purchase CERs;
- The Netherlands has ratified the Kyoto Protocol and is working to comply with the participation requirements for Kyoto Protocol Article 12 projects as laid down in the Marrakech Accords (UNFCCC/CoP7);
- The Contractor wishes to develop the CDM project to realise the generation of CERs;
- In view of the Letter of Approval of the Indian Government, signed by Mr. A.K.Mehta, Director (CC), and in view of the Declaration of Approval, signed by the State Secretary for Housing, Spatial Planning and the Environment, acting as the Designated National Authority of The Netherlands, the Netherlands will be legally entitled to the CERs generated by the CDM project;

Now therefore the Parties hereto agree as follows:

Article 1

1. The Annexes to this contract form an integral part of this contract. The following documents are Annexes to this contract:
 - a. Annex 1: Delivery Schedule;
 - b. Annex 2: The Terms of Reference (ToR), CERUPT 2001, dated November 1st, 2001, in which Senter represents The Netherlands;
 - b. Annex 3: The Tender submitted by the Contractor with reference E30076.1/BSc dated 24-09-2002, which includes a Letter of Approval from the Host Country D.O.No. 1-1/2002/CERUPT;

- c. Annex 4: A statement by the Netherlands Designated National Authority approving the Project as a CDM Project 13-03-2003.
- d. Annex 5: A list of Independent Third Parties as mentioned in Article 3.

All correspondence between the Contractor and the Netherlands shall also be considered as additional evidence, especially with regard to the interpretation of the Terms of Reference (ToR) and revised Project plan of the Contractor.

2. In case of inconsistencies between the Articles of this Contract and any of these Annexes, the Articles of this Contract shall prevail.
3. In case of inconsistencies between these Annexes, the Annex with the lowest number shall prevail.
4. Departures from this Contract are only binding provided both Parties have agreed to them in writing.

Article 2

1. The Contractor will carry out the CDM project as described in its tender with reference E30076.1/BSc dated 24-09-2002 and in accordance with the accompanying project plan. The CDM Project consists of two bio-mass plants, one plant near the village of Padampur in the Ganganagar District (Ganganagar) and one plant near the village Uniara in the Tonk District (Tonk).
2. The Contractor will deliver to The Netherlands the first and following CERs to an amount of 464,781 tonne CO₂ equivalent in accordance with the agreed Delivery Schedule (Annex 1, Delivery schedule A).
3. The Contractor will inform the Netherlands ultimately on July 1st 2004 whether or not Tonk will become operational. If Tonk becomes operational, the Contractor shall perform or procure the performance of all activities that are required under the Kyoto Protocol and any requirements and regulations there under in order to enable the generation of CERs by this plant.

The Contractor will deliver to The Netherlands any CERs that are generated by the two plants until a total of 754,716 tonne CO₂ equivalent has been delivered from the CDM Project to the Netherlands in accordance with the Delivery Schedule (Annex 1, Delivery schedule B).

4. CERs are considered to be delivered when the CERs issued by the Executive Board have been forwarded by the CDM registry administrator to the national register, the interim registry account, or a holding account of the Netherlands at the Secretariat of the UNFCCC.

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5. The Netherlands will pay the Contractor a price of EUR [REDACTED] for each delivered CER up to a total of EUR [REDACTED]. Payments shall be made in accordance with Article 5 of the General Terms and Conditions pertaining to this Contract (i.e. Appendix 7 of Annex 2).
6. Since the crediting period for the CDM Project can not start before the date of registration of the CDM Project, no CERs can be generated prior to the date of registration. Therefore no payments will be made on the basis of monitoring reports with respect to emissions reductions that are generated prior to the date of registration of the CDM Project. If the crediting period for the CDM Project will be shorter than was envisaged pursuant to Annex 3 and this will affect the number of CERs that might be generated by the CDM Project, the Delivery Schedule will be adjusted accordingly as soon as practicable after the date of registration of the CDM Project. The Contractor will not be liable to pay the penalty or any damages as mentioned in Article 2.8 with respect to any CERs that can not be delivered since such CERs correspond to emission reductions that are or should be generated prior to the date of registration of the CDM Project.
7. If the CDM project generates more than 464,781 CERs in case of only Ganganagar and 754,716 CERs in case of Ganganagar and Tonk during the contract period the Contractor must offer the surplus of CERs to the Netherlands before it can offer these CERs to any other party. Surplus shall be offered ultimately one month after a Designated Operational Entity has verified and certified these CERs.

The surplus CERs to a total of 685,470 CERs in case of only Ganganagar and 395,535 CERs in case of Ganganagar and Tonk that are generated shall be offered at EUR [REDACTED]. Any surplus CERs that are generated in excess of this number of CERs shall be offered at the market price at the time of the offer.

The Netherlands is in no way obliged to purchase any surplus of CERs and will decide whether to purchase such surplus CERs within two months after such surplus CERs have been offered to the Netherlands by the Contractor.

Upon a notice of acceptance of the Netherlands the Contractor shall perform or procure the performance of all activities required for CERs to be transferred to the account of the Netherlands. The Netherlands will pay the agreed price for these CERs within two months of the date these CERs have been delivered to the Netherlands.

8. If the Contractor, in any year in which deliveries are due, fails to deliver at least seventy per cent (70%) of the cumulative total number of CERs that are due for delivery in that year, as specified in column A of the Delivery Schedule (Annex 1), the Contractor has to pay a fine of EUR [REDACTED] for each month of non-delivery of the deficient CERs. If the Contractor has informed the Netherlands

that Tonk will be become operational, the Contractor, in any year in which deliveries are due, fails to deliver at least seventy per cent (70%) of the cumulative total number of CERs that are due for delivery in that year as stated in column B of the Delivery Schedule (Annex 1), has to pay a fine of [REDACTED] for each month of non-delivery of the deficient CERs.

Article 2.4a of the General Terms and Conditions pertaining to the Contract (Appendix 7 of Annex 2), obliges the Contractor to report to the Netherlands immediately if a circumstance occurs that hinders or might hinder the implementation of the CDM project in such a way that the timely and complete delivery of the CERs or carrying out his obligations is no longer certain.

In addition to submitting the abovementioned report, the Contractor will submit a report to the Netherlands in which he details the possible consequences of the occurrence of the circumstance on the implementation of the project and on the timely and complete delivery. This report shall also detail the way in which the Contractor will seek to prevent, minimise or mitigate the consequences of the occurrence of the circumstance.

9. If the Contractor considers the occurrence of a circumstance to constitute force majeure as described in Article 3.1 of the General Terms and Conditions pertaining to the Contract (Appendix 7 of Annex 2), he will state this in his report, as well as motivate why this circumstance should be considered to constitute Force Majeure. Drought will be considered as Force Majeure circumstance by the Netherlands immediately on the State Government of Rajasthan officially declaring the districts of Ganganagar and Tonk and/ or Sawai Madhopur district (in case of Tonk Plant) as being drought affected, as per their conventional methodology: If more than 50% of the villages in an area are considered as being effected by drought (such to be judged by Government revenue officers during field visits), then the revenue department of Government of Rajasthan declares the same as a drought area. This is an official Government declaration, giving the drought effected areas access to relief funds. The Contractor will have to send evidence of the state government of Rajasthan declaration to The Netherlands.

Within two months of receiving these reports, the Netherlands will inform the Contractor on the consequences the occurrence of the circumstance might have on the Contract and the obligations of the Contractor hereunder. Any request for a grace period as mentioned above shall not unreasonably be denied by the Netherlands.

The payment of fines in no way reduces the right of the Netherlands to reclaim any advances paid to the Contractor.

The payment of fines does not annul the obligation of the Contractor to deliver the total number of CERs as specified in the Delivery Schedule (Annex 1). The Netherlands are entitled to an adequate compensation for any CER that is not

delivered ultimately on April 1st, 2013.

If the project does not generate the number of CERs that are called for under this Contract, the Contractor may offer CERs that are generated by CDM-projects that use Energy production by using clean, sustainably grown biomass (excluding waste) as their technology and that meet the other criteria as mentioned in the Terms of Reference (Annex 2) to the Netherlands. The Netherlands will inform the Contractor whether or not these CERs will be accepted within two months of offering these CERs.

Upon a notice of acceptance of the Netherlands the Contractor shall perform or procure the performance of all activities required for CERs to be transferred to the account of the Netherlands. The Netherlands will pay the agreed price for these CERs within two months of the date these CERs have been delivered to the Netherlands.

10. According to article 15 (a) of Decision 17/CP.7 of the Marrakech Accords the share of proceeds to assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, as referred to in Article 12, paragraph 8 of the Kyoto Protocol, shall be two per cent of the CERs issued for a CDM project activity. These two per cent of the CERs issued for the project will be deducted at the end of each year of delivery from the generated amount of CERs of that year. The Netherlands will not claim compensation for these none delivered CERs, even if the delivery falls below 70 percent as described in paragraph 5 of article 2.
11. Article 16 and 17 of Decision 17/CP.7 of the Marrakech Accords determines that the level of the share of the proceeds to cover administrative expenses of the clean development mechanism shall be determined by the Conference of the Parties upon the recommendation of the executive board. Until the Conference of the Parties determines a percentage for the share of proceeds for the administrative expenses, the executive board shall charge a fee to recover any project related expenses. If applicable, The Netherlands will reimburse this fee as mentioned in article 16 and 17 of Decision 17/CP.7 of the Marrakech Accords to the Contractor. The Contractor will invoice the Netherlands for these costs. The Netherlands will reimburse these costs within two months of the date the Contractor has submitted to the Netherlands an invoice as well as evidence of the amount paid to cover administrative expenses or any project related expenses as meant in this section.

Article 3

If it seems likely that the Kyoto Protocol will not enter into force before January 1st, 2005, the Netherlands and the Contractor will start consultations on the continuance of this Contract. Upon the mutual written agreement of the Contractor and the Netherlands, the Contract can be cancelled if the Kyoto Protocol does not enter into force. If the Contract will be continued, the following provisions shall

apply:

1. The Contractor will carry out the project as described in its tender E30076.1/BSc dated 24-09-2002 and in accordance with the accompanying project plan;
2. The Contractor will monitor the emissions of the project in accordance with the monitoring protocol that is part of the Project Design Document;
3. The contractor will make monitoring reports that substantiate the emissions reductions generated by the project. These reports should describe the volume of the emission reductions that are generated by the project in an objective and verifiable way. These monitoring reports will be verified by an Independent Third Party. The Netherlands will be exclusively entitled to affect a claim on any title or right that can be claimed as a result of the verification of the emission reductions generated by the project;
4. An Independent Third Party will be an entity that is sufficiently qualified to verify the emission reductions generated by the project and that is listed in Annex 5 to this Contract. This Annex will be added if the Kyoto Protocol does not enter into force;
5. The Contractor will deliver to the Netherlands the right and title to any possible claim by delivering verified monitoring reports to the Netherlands documenting all emission reductions generated until 2013. These reports will state the number of verified emission reductions (VERs). A verified emission reduction will be equal to one tonne CO₂e;
6. The Netherlands will pay the Contractor a price of [REDACTED] for every delivered verified emission reduction.

Article 4

1. The Contractor shall assign a Designated Operational Entity, as one of the prerequisite steps of validating a project in order to make publicly available the Project Design Document regarding the project in accordance with article 23 of Annex II to decision 21/cp.8 contained in document FCCC/CP/2002/7/Add.3: simplified modalities and procedures for small scale clean development mechanism project activities and in the latest format established by the Executive Board.

The Contractor shall submit a copy of the Project Design Document to the Netherlands immediately after the Project Design Document has been made publicly available.

2. The Contractor shall have a Designated Operational Entity submit the validation report concerning the project to the Executive Board in accordance with article 23 of Annex II to decision 21/cp.8 contained in document

15/11/04

FCCC/CP/2002/7/Add.3: simplified modalities and procedures for small scale clean development mechanism project activities in order to have the project registered as a CDM project activity at the Executive Board. The Contractor must submit this validation report to the Executive Board as soon as it is possible to do so.

3. The registration of the project by the Executive Board has to be final within 17 weeks after the opportunity to make the Project Design Document publicly available on the website of the UNFCCC has become operational. In case the Operational Entity is not accredited at the moment the validation report is received by the Executive Board, the registration has to be final within 5 weeks after accreditation of the Operational Entity. If registration is not final within this period or ultimately on this date the Netherlands have the right to cancel this Contract.
4. If this Contract is cancelled due to the project not being registered at the Executive Board as soon as it is possible to do so, the Contractor is obliged to offer to the Netherlands the first right of refusal regarding the purchase of any CERs generated by the CDM project in the period from 2003 until and including 2012.

In case of exercising said right of first refusal The Netherlands shall have the right to purchase CERs to a minimum amount of 754,716 tonne CO₂ equivalent at a price of ██████████ per CER.

5. If the Contractor does not inform the Netherlands on or before July 1st 2004 that Tonk will become operational, then column B of the Delivery Schedule will not become applicable to this Contract. Should Tonk however become operational at some point in time before 31st of December 2012 and starts generating CERs prior to that date, then the Contractor is obliged to offer the Netherlands the first right of refusal regarding the purchase of any CERs arising from the operation of Tonk prior to 2013.
6. If the application of the small scale baseline methodology as approved by the Executive Board leads to the generation of less CERs than mentioned in the delivery schedule (annex 1), the Netherlands and the Contractor should start consultations to adjust the contracted amount and the delivery schedule accordingly. If the application of the baseline calculation from the approved methodology leads to the generation of more than the CERs mentioned in the delivery schedule, this generation will be treated as surplus in accordance with Article 2.7 of this Contract;
7. The Contractor is obliged to pass the obligations mentioned in Article 4.4 and 4.5 onto any future owner of the CDM project.

Article 5

5.1. This Contract shall be governed by Dutch Law.

5.2. The Netherlands and the Contractor shall settle any dispute or controversy between them arising out of this Contract or in connection herewith by arbitration in accordance with the UNCITRAL Arbitration Rules in force at the time the arbitral proceedings commence, subject to the following:

- (i) the number of arbitrators shall be three (3);
- (ii) the appointing authority for the purposes of the UNCITRAL Arbitration Rules shall be the President of the Permanent Court of Arbitration;
- (iii) the place of arbitration shall be the Hague;
- (iv) the language to be used in the arbitral proceedings shall be English;
- (v) the law to be applied by the arbitral tribunal shall be Dutch Law;
- (vi) notwithstanding the provisions of the UNCITRAL Arbitration Rules, the arbitral tribunal shall not be authorised to take any interim measures of protection or provide any pre-award relief against a party and none of the parties may address to any judicial authority a request for any interim measures of protection or pre-award relief against the other party;
- (vii) the arbitral tribunal shall have authority to consider and include in any proceeding, decision or award any dispute or controversy properly brought before it by the parties insofar as such dispute or controversy arises out of this Contract; but subject to the foregoing no other parties or other disputes shall be included in, or consolidated with, the arbitral proceedings.

5.3. Notwithstanding the provisions of this Article, nothing contained in this Contract shall operate or be regarded as a waiver, renunciation or other modification of any immunities, privileges or exemptions of the Netherlands under international conventions or under any applicable laws.

Article 6

This Contract enters into force upon the date it is signed.

Signed on 12/11/2002, in The Hague,

For the State of the Netherlands, the
Minister of Housing, Spatial Planning
~~Limited~~
and the Environment,

Ir. W.J. Zwalve
General Director (a.i.)

The Contractor
Kalpa Taru Power Transmission

Mr. Ajay Munot
Director

Annex 1 to the Contract No. CER01/65

Delivery schedule A

No	Deadline	Annual delivery of CERs from the CDM project (Ganganagar without Tonk)	Annual payments relating to the CDM project (Ganganagar without Tonk)	Cumulative delivery of CERs from the CDM Project (Ganganagar without Tonk)	Cumulative payments relating to the CDM project (Ganganagar without Tonk)	Evidence
1	November 15th 2003	-	-	-	-	Signed copy of this contract
2	April 1 st , 2004	-	-	-	-	Verification report on 2003
3	April 1 st , 2005	45.904	-	45.904	-	Monitoring report on 2004
4	April 1 st , 2006	48.773	-	94.678	-	Verification report on 2004 and 2005
5	April 1 st , 2007	50.208	-	144.886	-	Monitoring report on 2006
6	April 1 st , 2008	50.208	-	195.093	-	Verification report on 2006 and 2007
7	April 1 st , 2009	51.642	-	246.736	-	Monitoring report on 2008
8	April 1 st , 2010	54.511	-	301.247	-	Verification report on 2008 and 2009
9	April 1 st , 2011	54.511	-	355.758	-	Monitoring report on 2010
10	April 1 st , 2012	54.511	-	410.270	-	Verification report on 2010 and 2011
11	April 1 st , 2013	54.511	-	464.781	-	Verification report on 2012
	Total	464.781	-	464.781	-	

Delivery schedule A applies if or for as long as the Tonk plant is not operational. Delivery schedule B will apply from July 1st 2004 if the Contractor has informed the Netherlands on or before that date that Tonk will become operational. If the Contractor has not informed the Netherlands on or before July 1st 2004 that Tonk will become operational, Schedule A will apply.

Delivery schedule B

No	Deadline	Annual delivery of CERs from the CDM project (Ganganagar with Tonk)	Annual payments relating to the CDM project (Ganganagar with Tonk)	Cumulative delivery of CERs from the CDM Project (Ganganagar with Tonk)	Cumulative payments relating to the CDM project (Ganganagar with Tonk)	Evidence
1	November 15th 2003	-	-	-	-	Signed copy of this contract
2	April 1 st , 2004	-	-	-	-	Verification report on 2003
3	April 1 st , 2005	45.904	-	45.904	-	Monitoring report on 2004
4	April 1 st , 2006	66.479	-	112.384	-	Verification report on 2004 and 2005
5	April 1 st , 2007	85.620	-	198.003	-	Monitoring report on 2006
6	April 1 st , 2008	87.833	-	285.836	-	Verification report on 2006 and 2007
7	April 1 st , 2009	90.374	-	376.210	-	Monitoring report on 2008
8	April 1 st , 2010	93.243	-	469.454	-	Verification report on 2008 and 2009
9	April 1 st , 2011	94.350	-	563.803	-	Monitoring report on 2010
10	April 1 st , 2012	94.350	-	658.153	-	Verification report on 2010 and 2011
11	April 1 st , 2013	96.563	-	754.716	-	Verification report on 2012
	Total	754.716	-	754.716	-	

Delivery schedule A applies if or for as long as the Tonk plant is not operational. Delivery schedule B will apply from July 1st 2004 if the Contractor has informed the Netherlands on or before that date that Tonk will become operational. If the Contractor has not informed the Netherlands on or before July 1st 2004 that Tonk will become operational, Schedule A will apply.

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Kalpa Taru Power Transmission Limited (KPTL)
Attn. Mr Ajay Munot
111, Maker Chambers IV,
Nariman Point,
Mumbai – 400 021
INDIA

SenterNovem Den Haag
P.O. Box 93144
2509 AC The Hague
The Netherlands

Juliana van Stolberglaan 3

Phone +31 70 373 50 00
Telefax +31 70 373 51 00

Internet www.senternovem.nl

Date	Contact	Our reference	Enclosures
24 NOV. 2005	L. Hua +31 70 3735 240	DER0552659	2

Subject:

CER01/65; *Biomass in Rajasthan - electricity generation from mustard crop residues*

Dear Mr. Munot,

In reply to your e-mails dated 5th of September and 14th November 2005 please take note of the following.

Let me start with apologising for the late response to your email of 5 September 2005 and that consequently you had to postpone your visit to the Netherlands.

In 2003 Kalpa Taru and the State of the Netherlands signed the Contract of the CDM-project, by which Kalpa Taru will supply the generated CERs to the Netherlands and the Netherlands will act as the exclusive buyer of the CERs. Pursuant to Article 2.1 the project consists of the bio-mass plants Ganganagar and Tonk. Furthermore, article 2, para 3 stipulates that the contractor will inform the Netherlands ultimately on July, 1, 2004 whether or not Tonk will become operational. Para 3 of said article further stipulates the volume of CERs resulting from the project the contractor will deliver. Paras 5 and 7 of said article address the purchase price of EUR [REDACTED] for these CERs.

With your letter dated 21 June 2004 you informed SenterNovem about your postponement of the investment decision with respect to the Tonk plant. Your conclusion that we did not respond to that letter is indeed correct. Consequently, you could have considered your postponement of the investment decision as accepted by us. However, the lack of a confirmative response on this letter by all means does not imply a decision from my side to defer from the CERs resulting from the Tonk plant.

At the beginning of August 2005 we were informed on our request that a definitive positive decision was made on the implementation of the Tonk plant by February / March 2005 and a separated PDD

was being prepared. We requested for an updated PDD, however, we just by coincidence found out that a PDD for the Tonk plant was published on the UN FCCC website for public comment.

With this letter I would like to inform you that in line with the above mentioned articles of the Contract we would like you, as contractor, to comply with the contract we agreed upon in 2003. This implies that the contractor will deliver the contracted amount of CERs resulting from both Ganganagar and Tonk for the agreed purchase price of EUR [REDACTED].

Let me also take advance of the opportunity to address the other arguments you raised in your e-mails of 5 September and 14 November 2005.

In your e-mails you claim that the emission reductions that are generated prior to the registration of the CDM-Project "Biomass in Rajasthan – electricity generation from mustard crop residues" (hereinafter called as the CDM-project) are not covered by the Contract (also mentioned as ERPA). You refer to article 2.6 of the Contract which states that *"no payments will be made on the basis of monitoring reports with respect to the emission reductions that are generated prior to the date of registration of the CDM-project."*

Under the CERUPT program SenterNovem as acting agency for The State of the Netherlands will only pay for emission reductions which eventually lead to CERs (Certified Emission Reductions). So the Contract just covers the purchase of CERs generated by the CDM-project.

Contrary to what article 2.6 of the Contract states it is currently possible to generate CERs before the date of registration of a CDM-project, (see Decision 18/CP.9 of December 2003; Guidance to the Executive Board of the clean development mechanism). This contradiction is due to the fact that at the time we entered into the Contract the Marrakech Accords clearly stated that a project could not have a crediting period that commenced prior to the registration of a project (see Article 12 and 13 of Decision 17/CP.7)

However, this situation does not effect your obligation to deliver CERs to the State of the Netherlands. It was anticipated that the rules for Clean Development Mechanism project activities would be supplemented and might be changed. In article 4.3 of the Terms of Reference (Annex 2 to the Contract) in Appendix 7: General terms and conditions pertaining to the contract, it is stated that *"the Contract is subject to changes or supplementation by any international agreements between the parties listed in the Kyoto protocol (CoP agreements)."* Article 2.6 of the Contract is a clear example of a provision that is affected by a change in the rules governing the CDM. Article 2.6 has been made redundant by the adoption of Decision 18/CP.9. Therefore, Kalpa Taru has the obligation to deliver the CERs generated prior to the registration date. The Contract obliges you to deliver the first and following CERs generated by the CDM-project. So the CERs have to be delivered to the account of the Netherlands.

Furthermore, the PDD of October 2004 as published on the UNFCCC website for the Ganganagar-project states that the project is expected to generate 294,828 CERs to the end of 2012. Delivery Schedule A (Annex 1 to the Contract) indicates a number of 464,781 CERs to be delivered. We are however willing to reconsider the initially agreed delivery schedule, which adjusted version you may find attached. Also the first verification report for the Ganganagar project does not cover a period of a whole calendar year. We think it is therefore fair that you submit to us before or on April 1st 2006 a monitoring report on the emission reductions generated in the second half of 2005. From thereon reporting should follow the calendar years with monitoring and/or verification reports in accordance with the Delivery Schedule Ganganagar.


Enclosed you will find a draft for Contract amendment no. 1 concerning the Ganganagar Delivery Schedule. In line with the actual status of the Tonk plant we also drafted Contract amendment no.2

concerning a new Delivery Schedule for Tonk based on the new PDD validated on 26 October 2005. I kindly request you to inform me in writing by 13 December 2005 at the latest whether these amendments are acceptable for you. Upon receipt of your acceptance **or in the absence of a written reaction from your side by aforementioned date**, I will send you two signed originals of the Contract amendments for signing. If you do not agree, both you and I have to comply to the terms and conditions of the originally agreed contract of 2003.

We hope that this letter will resolve any unclarities or misunderstanding between us and that we will be able to settle this matter timely for your Board meeting in January next year. If you need any further clarification please feel free to contact us at any time.

Yours sincerely,

On behalf of the Minister of Housing, Spatial Planning and the Environment,



R.W. Boerée
Director Energy and Climate Change

CONTRACT AMENDMENT No. 1.

THE PARTIES:

1. The State of the Netherlands, represented by the Minister of Housing, Spatial Planning and the Environment, acting through the SenterNovem agency, herein legally represented by drs. R. W. Boérée, Director Energy and Climate, hereafter to be referred to as 'the Netherlands',

and

2. The legal entity Kalpa Taru Power Transmission Limited, with registered offices in Mumbai, India herein legally represented by Mr Ajay Munot, listed as its Director in the companies' register, hereafter to be referred to as 'The Contractor'.

WHEREAS:

The Parties wish to adjust the Contract No. CER01/65, dated on December 9th, 2003, as a result of the decision by the UNFCCC EB concerning the applied approved methodology.

HEREBY DECLARE THAT:

In accordance with article 4 of Appendix 7 of The Terms of Reference, CERUPT 2001, dated November 1st, 2001, the Parties agree to the following amendment:

The Contractor will deliver to the Netherlands the first and following CERs to an amount of 294,828 tonne CO₂ equivalent in accordance with the agreed Delivery Schedule for Ganganagar (Annex 1). The delivery schedule A agreed on 9 December 2003 is hereby terminated.

All other terms remain unchanged.

Thus agreed and signed in duplicate on the last of the two dates stated below.

The Hague, (date)

(place), (date)

For the State of the Netherlands, the
Minister of Housing, Spatial Planning
and the Environment,

The Contractor
Kalpa Taru Power Transmission Limited

.....

.....

Mr. R.W. Boérée
Director Energy and Climate Change

Mr. Ajay Munot
Director

Annex 1 Delivery Schedule Ganganagar

No	Deadline	Annual delivery of CERs from the CDM project (Ganganagar without Tonk)	Annual payments in EUR relating to the CDM project (Ganganagar without Tonk) (EUR)	Cumulative delivery of CERs from the CDM Project (Ganganagar without Tonk)	Cumulative payments in EUR relating to the CDM project (Ganganagar without Tonk) (EUR)	Evidence
1	December 9th 2003	-	-	-	-	Signed copy of the Contract
2	April 1 st , 2004	10,010		10,010		
3	April 1 st , 2005					
4	April 1 st , 2006	24,314		34,324		Monitoring and Verification report 2003, 2004 and first half of 2005 (1 January - 30 June 2005)
5	April 1 st , 2007	32,563		66,887		Monitoring report second half of 2005 (1 July 2005 to 31 December 2005)
6	April 1 st , 2008	32,563		99,450		Verification report on second half of 2005 and 2006
7	April 1 st , 2009	32,563		132,013		Monitoring report 2007
8	April 1 st , 2010	32,563		164,576		Verification report 2007 and 2008
9	April 1 st , 2011	32,563		197,139		Monitoring report 2009
10	April 1 st , 2012	32,563		229,702		Verification report 2009 and 2010
11	April 1 st , 2013	32,563		262,265		Monitoring report 2011
	Total	294,828		294,828		Verification report 2011 and 2012

SenterNovem

CONTRACT AMENDMENT No. 2.

THE PARTIES:

1. The State of the Netherlands, represented by the Minister of Housing, Spatial Planning and the Environment, acting through the SenterNovem agency, herein legally represented by drs. R.W. Boerée, Director Energy and Climate, hereafter to be referred to as 'the Netherlands',

and

2. The legal entity Kalpa Taru Power Transmission Limited, with registered offices in Mumbai, India herein legally represented by Mr Ajay Munot, listed as its Director in the companies' register, hereafter to be referred to as 'The Contractor'.

WHEREAS:

The Parties wish to adjust the Contract No. CER01/65, dated on December 9th, 2003, as a result of the decision of UNFCCC EB on the applied approved methodology and the decision on investment and construction of the Tonk project.

HEREBY DECLARE THAT:

In accordance with article 4 of Appendix 7 of The Terms of Reference, CERUPT 2001, dated November 1st, 2001, the Parties agree to the following amendment:

The Contractor will deliver to the Netherlands the first and following CERs to an amount of 168,760 tonnes CO₂ equivalent in accordance with the agreed Delivery Schedule Tonk (Annex 2). The delivery schedule B agreed on 9 December 2003 is hereby terminated.

All other terms remain unchanged.

Thus agreed and signed in duplicate on the last of the two dates stated below.

The Hague, (date)

(place), (date)

For the State of the Netherlands, the
Minister of Housing, Spatial Planning
and the Environment,

The Contractor
Kalpa Taru Power Transmission Limited

.....

.....

Mr. R.W. Boerée
Director Energy and Climate Change

Mr. Ajay Munot
Director

Annex 2 Delivery Schedule Tonk

No.	Deadline	Annual delivery of CERs from the CDM Project (Tonk)	Annual Payments relating to the CDM project (Tonk) (EUR)	Cumulative delivery of CERs from the CDM Project (Tonk)	Cumulative Payments relating to the CDM project (EUR)	Evidence
1	December 9th 2003					
2	April 1st 2007	25,669		25,669		Signed copy of the Contract
3	April 1st 2008	33,021		58,690		Monitoring and verification report 2006
4	April 1st 2009	11,007		69,697		Monitoring report 2007
5	April 1st 2010	33,021		102,718		Verification report 2007 and 2008
6	April 1st 2011	33,021		135,739		Monitoring report 2009
7	April 1st 2012	33,021		168,760		Verification report 2009 and 2010
8	April 1st 2013	33,021		201,781		Monitoring 2011
	Total	201,781		201,781		Verification report 2011 and 2012