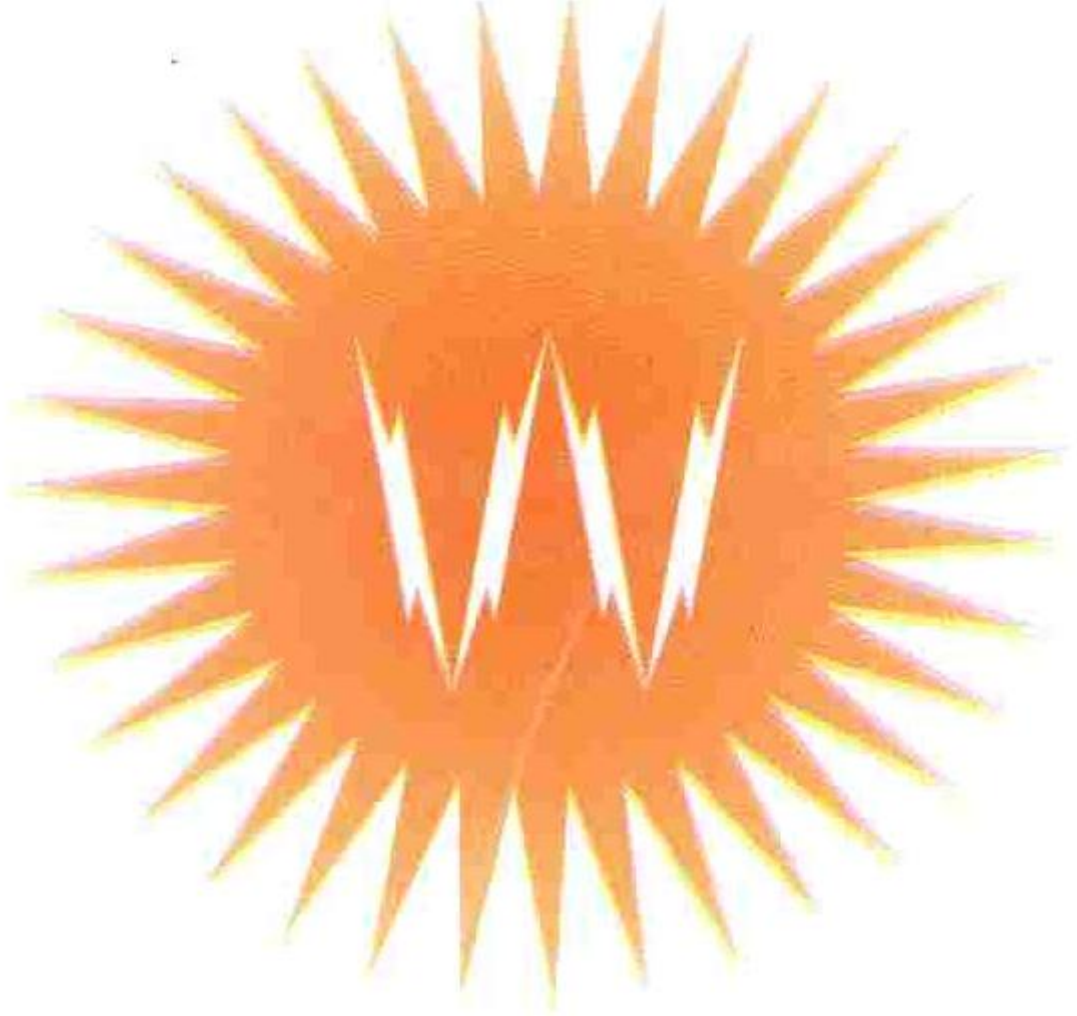


Tender Specification No. Bachat Lamp/10-11  
Expression of Interest Issued vide Letter No. 8628 dated 12.05.2010

MADHYA PRADESH PASHCHIM KSHETRA VIDYUT VITRANN CO. LTD.  
INDORE



Office of the C.M.D.(WZ)  
GPH Campus Polo Ground Indore 452003  
Phone 0731-6510550 Fax 0731-2421040

**The contents of this document are subject to modification based on views obtained  
from the participants in prebid conference.**

## Expression of Interest:-

The M.P.P.K.V.V.Co. Ltd. Indore, a company wholly owned by the Government of Madhya Pradesh, is a licensee for distribution of Electricity in Indore and Ujjain Revenue Divisions of the State envisage to promote large scale Energy Conservation and for this purpose proposes implementing an approved methodology or small scale methodology pursuant to the Clean Development Mechanism of the Kyoto Protocol applied to residential lighting for the reduction of greenhouse gas emissions, resulting in sustainable energy savings in the jurisdiction of the Company.

The M.P.P.K.V.V.Co. Ltd., therefore, desires to appoint an agency for implementing the CDM based CFL scheme the "Bachat Lamp Yojna" of Govt. of India. The M.P.P.K.V.V.Co. Ltd., therefore, desires to appoint an agency for implementing the CDM based CFL scheme the "Bachat Lamp Yojna" of Govt. of India to develop Energy Efficiency (Conservation) projects in lighting applications for domestic consumers in rural and urban areas of the Company.

The M.P.P.K.V.V.Co. Ltd. , therefore, invites offers from interested manufacturers of CFL , Traders for implementing the project who are in the list of CFL manufacturers or traders and have shown intent to participate in CDM based CFL scheme Bachat Lamp Yojana with the Bureau of Energy Efficiency.

**The date of submission of intent is 28<sup>th</sup> Jun' 2010 up to 15:00 hrs and should be forwarded to the Chief Engineer (Corporate Office) O/O C.M.D.(WZ) Polo Ground Indore 452003. Fax 0731-2421040 email [sevswz@gmail.com](mailto:sevswz@gmail.com).**

The broad outline of the scheme is as under:-

1. The role of Agency :

- a. The Agency shall be responsible to capture the Certified Emission Reductions arising from the Project & takes all associated risks of fluctuating Carbon Market & CDM cycle management.
- b. M.P.P.K.V.V.Co. Ltd. will only provide data for project Conceptualization, validation, and verification besides access to Rural Distribution and Marketing Support by its officers, and district authorities to the extent possible.
- c. The Bureau of Energy Efficiency (Hereinafter referred to as "BEE") a statutory body formed under the Energy Conservation Act, 2001 for promoting energy conservation and efficiency in the country will be the supervisory and monitoring body for the "Clean development Mechanism of the Kyoto Protocol (CDM) project.

2. Obligations of Implementing agency shall be to

- a. make their best efforts to register the project as a CDM project with the Executive Board of the UNFCCC, based on the data and information supplied by the utility and shall keep the Utility informed prior to the registration of the project.
- b. exercise reasonable care, skill and diligence in providing the project services and shall be responsible for provision of the Project Services in Schedule 1.
- c. endeavour to complete the Services in line with the time targets in Schedule 2.
- d. from net CERs received, after paying all taxes, charges, imposts, administration fees and Share of Proceeds relating to the issuance, creation, registration, sale and transfer of the CERs, arrange to credit or transfer to M.P.P.K.V.V.Co. Ltd. an "agreed percentage of the CERs" to be known as "CER of Utility", for exclusivity granted by the utility to agency.  
*The M.P.P.K.V.V.Co. Ltd. as well as the Agency shall be free to sell these CERs generated from the project as and when they desire to do so. The agency will be the focal point for all communications with the CDM EB relating to the issuance and transfer of CERs.*
- e. ensure to start the supply of discounted quality CFLs to electricity consumers within 3-6 months. They will also ensure to supply the CFLs to required consumers timely and in quantum within three months from the date of UNFCCC registration so that the demand during peak hours may reduce significantly.
- f. pay fee for initial registration of the project with the CDM Executive Board. Any subsequent fees payable to the CDM Executive Board will also be payable by the Agency.
- g. bear the fee for any Preliminary Feasibility Study ("Pre-FS").

- h. bear the cost if a Designated Operational Entity is appointed to conduct Validation services for the Project.
  - i. bear the cost If a Designated Operational Entity is appointed to conduct Verification and Certification services for the Project.
  - j. commence the supply of CFL lamp (lamps) within 3 to 6 months from the date of the agreement, or from the date of supply of information by M.P.P.K.V.V.Co.Ltd. mentioned above whichever is later.
  - k. be liable for all taxes, charges, imposts, administration fees and Share of Proceeds relating to the issuance, creation, registration, sale and transfer of the CERs and relating to all services products supplied under this project.
3. Obligation of M.P.P.K.V.V.Co. Ltd.

The M.P.P.K.V.V.Co. Ltd. will

- (a) make available to the Agency all reasonable information, documents and other details, and also assist in the permissions required, for the successful implementation of the project **but will not make any Cash payments at any stage of the project**
- (b) provide Consumer Data Base and related information for its divisions and circles.
- (c) provide Technical data for Transmission and Distribution Losses, data trends and support for Project Conceptualisation, Validation and Verification besides access to rural distribution and marketing support by officers of the utility and district authorities to the extent possible.
- (d) provide the data base of the consumers and their access to develop project document for successful registration of the project as a CDM Project with CDM Executive Board of the UNFCCC.
- (e) ensure complete conformance to Project Operating Procedures, given in Schedule 3 and ensure that Energy Conservation Evidence is created at all stages of the project.
- (f) Make available, subject to compliance with applicable laws, if any, all information / data in relation to the households participating in each CPA or district, including but not limited to:
  - (i) identifying information for households, including representatives' name(s), address and applicable Project or CPA area
  - (ii) average electricity consumption of various electricity consumption class, preferably over the past one(1) to three(3) years and to provide a database of all households to include name of users / consumer number / addresses / average electricity consumption;
- (g) Make information available as may be required to Agency &/or BEE as the monitoring agency, if it is selected for that purpose;
- (h) Assist in making information available as may be required for Validation or Verification of a CPA and/or Project developed under this arrangement and for all other purposes required

for the registration of, monitoring of and issuance of CERs to CPAs / PDDs implemented under the Project, as may be requested by Agency

- (i) Assist in selection of project sample groups, project sample buffer groups and project cross-check group;
- (j) Provide information on relevant grid parameters like Voltages, Transmission Losses, Distribution Losses, affecting baseline actual energy conservation in this project;
- (k) Assist in the distribution of CFL bulbs and replacement of incandescent bulbs for CFLs, through its network channels, across the Region, in accordance with the terms and condition agreed.
- (l) Assist in preparing estimation of technical distribution losses for the electricity grid; and
- (m) Provide any other assistance and support that may be required in the implementation and execution of the Project, as mutually agreed by the agency and Utility.
- (n) Assist for the implementation of the project and for the registration of the project as a CDM project with UNFCCC, up to the limit/extent, so that there is no financial burden of any type on M.P.P.K.V.V.Co. Ltd. and also will not involve themselves in any legal matter arising out of the implementation of the project and the same shall be the sole responsibility of Agency.

#### 4. Change in Scope of Services

- (a) If M.P.P.K.V.V.Co. Ltd. or the Agency becomes aware of any matter which is likely to result in a change of the scope or timing of the Services, then such Party shall give notice to the other Party of the matter as soon as practicable, with details of the change.
- (b) Where notice is given the Parties shall negotiate in good faith to agree on the amended terms and conditions on which the Services are to be provided to the extent found feasible.
- (c) In case of any lacuna or omission in the agreement to be signed afterward, at any point, it shall be mutually discussed and settled between parties.

#### 5. Commencement of Work

The Agency shall commence the work as defined in the schedules given below in this document.

#### 6. Duration of project

- a. Projects shall remain in force for the duration of CDM project. The time period for claiming CERs shall be 7 years from the date of Registration of project by Executive Board of UNFCCC, however, this work shall remain in force until the Utility has received full payments. Neither Party will terminate the Agreement except in the cases provided in

clause 9 or if utility finds any substantial deficit in services provided by agency in its view, as per clause 8.

- b. Notwithstanding Clause 6 a if the Project requires a New Baseline and Monitoring Methodology Application, this Agreement shall cease to be in force when:
  - i. six months have passed from the date hereof without a New Baseline and Monitoring Methodology Application relevant to the Project being formulated and submitted to the Methodology Panel of the Executive Board; or
  - ii. twelve months have passed from the date hereof without the New Baseline and Monitoring Methodology Application relevant to the Project being approved by the Methodology Panel of the Executive Board.
- iii. The term of the Agreement is extended by mutual consent of the Parties.

## 7. Liability

M.P.P.K.V.V.Co. Ltd. shall not be liable to the Agency or any other party for the sum availed by Agency for implementation of the project or if any losses are incurred in the implementation of the project.

## 8. Termination of the Agreement

The agreement shall terminate if

- a. the Agency becomes insolvent or is presumed to be insolvent under any Law. In the event of termination of this agreement, Agency shall continue to accrue all CERs from CFLs distributed by it till the time the duration of CDM project expires.
- b. the services are not rectified within one month of notice, followed by a 2<sup>nd</sup> notice for rectification by M.P.P.K.V.V.Co. Ltd to comply with the quality and standards set out in this regard. The utility may terminate the agreement by giving written notice thereof if the agency fails to comply the terms of agreement in this regard.
- c. The expiration or termination of this Agreement shall not affect any rights, obligations and remedies of either Party which have accrued or shall thereafter be accrued. All provisions which are intended to survive this Agreement shall survive termination of this agreement.

## 9. Force Majeure

If performance of any its obligations ,made under the contract is prevented, restricted or interfered with by reason of war or natural calamities like earthquakes, floods, fire, riots, strikes, acts of terrorism, or any law by Govt., or regulation, or equivalent act or condition whatsoever beyond its reasonable control (each such occurrence being hereinafter refer to as a "Force Majeure"), then such parties shall be excused from such performance to the extent of such prevention, restriction or interference .However, the effected Party shall give prompt notice to the other party of such Force Majeure, including a description in reasonable details of the cause

of the Force Majeure. The effected party shall use reasonable efforts to avoid or remove such cause of non performance and shall continue performance hereunder whenever such causes are removed.

## 10. Fees and Payment

- i. M.P.P.K.V.V.Co. Ltd. will not make any payments at any stage of the project for the services rendered by Agency, except the agreed percentage of the Certified Emissions Reductions or Carbon Credits so generated from the project as per PDD.
- ii. M.P.P.K.V.V.Co. Ltd. will receive the agreed share of percentage of the Certified Emissions Reductions or Carbon Credits so generated from the project.
- iii. Agency shall be the focal point for all communications with CDM EB relating to the issuance and transfer of CERs.

## 11. Warranties and Obligations

a. The Agency shall warrant that:

I.he is taking the appropriate steps for the Project, and that it will carry out the entire CDM project activity;

b. M.P.P.K.V.V.Co. Ltd. shall warrant that:

- I. The utility will not engage in to similar Lighting Energy Efficiency Project with any other agency as long as the performance of agency towards providing the services is not unsatisfactory, as per **clause 8** . however the utility will be free to engage in directly or indirectly with any other agency for a CDM or similar project for products other than CFLs e.g. for Capacitors, Motors, Ballast etc.
- II. The utility will take effective steps to prevent any personnel of M.P.P.K.V.V.Co. Ltd. who is, reported by the agency as, involved in mismanagement of CFLs or any project assets.
- III. The utility will not claim any CERs other than the **"CER of Utility"** , from this project, and will not create or allow to exist any interest or encumbrance over the fees or their eligible share of CERs generated from the project for the Agency.

c. No Assignment

- I. Neither M.P.P.K.V.V.Co. Ltd. nor the Agency shall assign its respective rights or obligations under this project without a prior written consent of the other Party. However both parties shall be free to assign its rights and obligations to its own subsidiaries for successful implementation of the project

## 12. Agreement

The M.P.P.K.V.V.Co. Ltd. the Agency and BEE will enter in to Agreement for execution of this project. The Agreement shall be governed by and construed in accordance with law prevailing in India.

## 13. Dispute Resolution

All disputes, controversies or differences which may arise between the Parties hereto, out of or in relation to the Agreement that cannot be amicably settled within a period of three (3) months from the day first request made by one Party to the other Party to discuss, shall be resolved with the help of an Officer so appointed by the C.M.D.(WZ) of M.P.P.K.V.V.Co. Ltd. . In case the dispute is not settled within 90days from date of request the parties shall take steps in accordance with the Madhya Pradesh Madhyastha Adiniyam 1983 for settlement of disputes.

## 14. Miscellaneous

The Agency, in its brochures, presentations, mass media interviews and advertisements may state that it has provided the Services to M.P.P.K.V.V.Co. Ltd. M.P.P.K.V.V.Co. Ltd. will authorises the agency to use it's logo and insignia on the communications to be made to public for this project or in PDD.

## 15. Terms and abbreviations used

**"BEE" - Bureau of Energy Efficiency** means the Bureau of Energy Efficiency, an agency under Ministry of Power, Government of India, responsible for Regulations & activities relating to Energy Conservation Act 2001 in India.

**"CER" - Certified Emission Reduction** has the meaning given to it under the Kyoto Protocol.

**"CR" - Crediting Period:** is the period, which is approved by CDM-EB, UNFCCC for this project,

**"Certification"** means the process of certifying the quantity of CERs created by a CDM project activity in accordance with the procedures set forth in the Marrakesh Accords on the Kyoto Protocol and CDM rules issued by the Executive Board (EB).

**"CFL" - Compact Fluorescent Lamps** has the meaning as per Indian Standard IS:15111 with amendments up to Nov 2009 ,if any.

**"CDM" - Clean Development Mechanism** has the meaning given to it under the Kyoto Protocol.

**"CO<sub>2</sub>e"** means carbon dioxide equivalent – the base reference for the measurement of Global Warming Potential of Greenhouse Gases in units of carbon dioxide equivalent.

**"CPA" -CDM Project Activity** means the CDM project activity consisting of a well defined geographic area and households so as to qualify for CDM under UNFCCC methodology requirements of small scale methodology as part of a larger Programme of Activity (PoA).

**"DOE" -Designated Operational Entity** means the independent third Party as defined in Articles 26 and 27 of the Annex (Modalities and procedures for a Clean Development Mechanism) of the Marrakesh Accords on the Kyoto Protocol.

"Discom" shall mean M.P.P.K.V.V.Co. Ltd.

"**EB**" - **Executive Board** means the organization defined in Section the Modalities and procedures for a Clean Development Mechanism of the Marrakesh Accords on the Kyoto Protocol.

"**EB Registration**" means registering a CDM project activity in the EB registry in accordance with the procedures set forth in the Marrakesh Accords on the Kyoto Protocol and CDM rules issued by the EB.

"**Global Warming Potential**" means the measure used by the Intergovernmental Panel on Climate Change to measure the global warming effect of a unit of Greenhouse Gases compared to a unit of carbon dioxide.

"**GHGs**" - **Greenhouse Gases** mean carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), sulphur hexafluoride (SF<sub>6</sub>), perfluorocarbons (PFCs) and hydrofluorocarbons (HFCs) or any one or more of other substance from time to time listed under Annex A of the Kyoto Protocol or any instrument or agreement that amends, succeeds or replaces it.

"**Host Country Confirmation**" means confirming that a proposed CDM project activity contributes to the sustainable development of its host country in accordance with the procedures set forth in the Marrakesh Accords on the Kyoto Protocol and CDM rules issued by the EB.

"**ICL**" - **Incandescent Lamps** means electric lamps that create light by heating a thin filament where in almost all of the energy is lost as emitted heat .

"**Intergovernmental Panel on Climate Change**" means the Intergovernmental Panel on Climate Change established in 1988 jointly by the World Meteorological Organization and the United Nations Environment Programme, and its successors.

"**Kyoto Protocol**" means the Kyoto Protocol to the UNFCCC.

"**Law**" means common law, judgment, legislation or any other legislative or regulatory measure of jurisdiction applicable in the state of Madhya Pradesh and includes any amendment, modification or re-enactment.

"**Monitoring Plan**" means a plan to be included in the Project Design Document (PDD) for defining the procedures to monitor the amount of CERs from a CDM activity in accordance with the procedures set forth in the Marrakesh Accords on the Kyoto protocol and CDM rules issued by the EB.

"**PDD**" - **Project Design Document** is the document as described in Appendix B of the Annex (Modalities and procedures for a Clean Development Mechanism) of the Marrakesh Accords on the Kyoto Protocol.

"**Services**" means the services to be provided by the Agency to m.

"**Share of Proceeds**" refers to any share of proceeds from certified Clean Development Mechanism project activities as may be imposed under Article 12(8) of the Kyoto Protocol.

"UNFCCC" is the United Nations Framework Convention on Climate Change adopted in New York on 9 May 1992 or any instrument that amends, succeeds or replaces it.

"Validation" means the process of the independent evaluation of a proposed CDM project activity in accordance with the procedures set forth in the Marrakesh Accords on the Kyoto Protocol and CDM rules issued by the EB.

"Verification" means the process undertaken in accordance with the procedures set forth in the Marrakesh Accords on the Kyoto Protocol to determine whether and to what extent a CDM project activity has actually achieved reduction in GHG emissions and thereby given rise to CERs.

## 16. Criterion for the Selection of Agency

From net CERs received, after paying all taxes, charges, imposts, administration fees and Share of Proceeds relating to the issuance, creation, registration, sale and transfer of the CERs, the Agency shall arrange to credit or transfer to M.P.P.K.V.V.Co. Ltd. a percentage of the CERs\_ to be known as "CER of Utility".

The agency offering the highest "CER of Utility" shall be awarded this work.

[Based on the expression of interest and discussions with the interested Agencies the bid documents will be finalised. Bidder should be in the list of CFL manufacturers or traders who have shown intent to participate in CDM based CFL scheme Bachat Lamp Yojana with the Bureau of Energy Efficiency]

## Schedule 1: Project Services

### A. Management of the Project for CDM Financing

1. Revenue and cost estimates for the CDM
2. Scheduling for CDM steps
3. Raising Project Equity, Loans & Working Capital Finance for the Project

### B. Development of the Project Design Document (PDD)

1. Identify, engage & pay for PDD preparation agency. Formal analysis of relevant factors including but not limited to:
  - i. Additionality
  - ii. Contribution to host country ( State ) sustainable development
  - iii. Baseline emissions
  - iv. Project emissions
  - v. Leakage
  - vi. Expected GHG reduction (CER amount)
2. Assistance in the development of a Monitoring Plan to be included in the PDD
3. Development of new baseline and monitoring methodologies (if needed)
4. Production of a PDD

### C. Obtaining Necessary Approvals

1. Submission of a new baseline and monitoring methodology application to the CDM Methodology Panel, if relevant approved methodologies are unavailable
2. Appointing and paying for Validation by a Designated Operational Entity (DOE)
3. Host Country Approval for the Project from National CDM Authority
4. Registration with the CDM Executive Board (EB)

### D. Implementation of the Project

1. **CFL price:** Agency shall develop energy efficiency (energy conservation) project in lighting applications throughout the area of M.P.P.K.V.V.Co. Ltd. , by providing CFLs on discounted / subsidized price as agreed to domestic and/or commercial consumers in Urban/Rural areas, fully on its own costs & risks. Such discounted CFLs should be issued/ sold to consumers who come with the electricity bills and return the GLS bulbs/CFLs/Fluorescent tubes. However, the price of CFLs shall be decided within the range as agreed with M.P.P.K.V.V.Co. Ltd.
2. **Number of Consumers:** The above category of consumers of M.P.P.K.V.V.Co. Ltd. enrolled, under this project, is estimated to be 2.4 million.
3. **Quality CFLs:** The Agency will use only BIS certified CFLs under this project CFLs of 6000 or more hours burning life with power factor of more than 0.85 can only be used. The Agency shall

be free to choose from, identify and bring in most competitive CFL suppliers & most cost effective product, from India or abroad.

4. Disposal of the Returned bulbs: Agency shall be responsible for final disposal of the GLS bulbs/Fluorescent tubes and fused GFLs received back in such manner so as to ensure that disposal of these may not affect human being or land.
5. **CFL Distribution:** Agency may use networks of existing incandescent bulb distributors, for this purpose, particularly in the urban areas. It may also Create its own Distribution, Import, Supply, Logistics and Monitoring network in Madhya Pradesh .
6. **ICL & CFL Storage & Disposal:** Final disposal of collected ICLs, fluorescent tubes and failed CFLs shall be responsibility of the Agency. M.P.P.K.V.V.Co. Ltd. may provide adequate support in all districts by way of providing storage space that may be required for safe and temporary storage of these ICLs, Fluorescent tubes & CFLs under the security of the Agency for disposal.
7. New Housing : In case of new housing discounted CFLs may be provided if the CDM Methodology permits.
8. CFL Discounts: The Agency shall not ask M.P.P.K.V.V.Co. Ltd. to contribute towards CFL discounts.
9. Monitoring Plans: The Agency shall Prepare Sampling Plans and Monitoring Plans and achieve all verification data with support of M.P.P.K.V.V.Co. Ltd. . Prepare & finalize detailed operating & monitoring procedures in line with UNFCCC approved Methodologies.
10. Project Management: Planning, Implementing, distributing and Monitoring CFL supplied in each district CPA of M.P.P.K.V.V.Co. Ltd. district by District as per Project Activity Plan & monitoring plan. Continue above steps till all Incandescent bulbs are replaced by CFLs or 2011, whichever is earlier.
11. M.P.P.K.V.V.Co. Ltd. shall assist/cooperate with Agency to the extent there is no financial burden of any type on the utility.

The exact services provided by Agency will depend upon the modalities and procedures adopted for the development and formal approval of CDM activities under the UNFCCC framework. In case of any major changes in above services, which is in its view considered as a major change, then M.P.P.K.V.V.Co. Ltd. will have right to reconsider the entire proposal. regarding its continuance. Where modalities and procedures are not fully clear at the time of providing the Services then Agency will advise on the steps which in its view will best maximize energy Conservation from the Project.

## Schedule 2: CDM Steps and Schedules

The major CDM steps are outlined below.

- I. PDD Production
- II. Evaluation by a Designated Operational Entity (DOE)
- III. Public comments on the UNFCCC website
- IV. Host country approval
- V. Registration

The projected schedule for the above steps would be carried out sequentially/simultaneously so as to start/initiate making available discounted CFLs distribution within 3 to 6 months from the date of Agreement.

### Projected Schedule

- 2010 – Sign off of Agency M.P.P.K.V.V.Co. Ltd. MOU
- 2010 – Preparation of Project Design Documentation, Project Validation & Host Country Approval .
- 2010 – Registration of Project by UNFCCC.
- 2010 – Discounted CFL distribution to consumers of domestic/commercial light and fan in rural/urban areas immediately after UNFCCC Registration to such quantum so that reflection in required significant reduction of load in peak hours is achieved.
- 2011 - Completion of project of Discounted CFL distribution to all L&F consumer of M.P.P.K.V.V.Co. Ltd. and project verification.

### Schedule 3: Project Operating Procedures

- i. Project Coordinator: M.P.P.K.V.V.Co. Ltd. and Agency will both appoint or designate a Project Coordinator, who will coordinate all project activities between them. All routine communications by M.P.P.K.V.V.Co. Ltd. will be addressed to the coordinator. The Agency will address to the respective Superintending Engineer (O&M) of the Circle or the Project coordinator as the case may be.
- ii. CDM Project Approval & Related Steps: primarily the responsibility will be of the Agency.
- iii. Project Monitoring Plan & Implementation: As per approved UNFCCC monitoring methodologies, M.P.P.K.V.V.Co. Ltd. will assist the Agency to the extent feasible for setting the procedure for monitoring of project in each Circle involved
  - a. Stake Holders Consultation in one village or Pre Sampling of 200 Households
  - b. Establishment of Project Activity Plan
  - c. Establishment of baseline and a project sample group( PSG)-
  - d. Sampling & Monitoring, electronic data creation & achievingThis plan will be detailed jointly & finalized after the PDD is prepared.
- iv. Consumer Awareness: Market awareness will be created directly by Agency in consultation with M.P.P.K.V.V.Co. Ltd. , primarily through print Media & through its district offices.
- v. All District Head Quarters at a TIME: This project will cover all districts of M.P.P.K.V.V.Co. Ltd. , however should be made to create awareness so that the follow up actions of supplying CFLs may also be met and CFLs/products/related warranty services are delivered soon after the campaigns. A registration form/coupons/pamphlet for discounted CFLs may also be given to each consumer at the time of his presentation of latest electricity bill payment. All Districts will be covered by Dec 2010.
- vi. Infrastructure & Training: Agency will provide Infrastructure facilities for each district office including One Laptop (with CD writer), One Digital Camera, & training on the CDM, Project Procedures etc. for concerned District staff of Agency or staff of M.P.P.K.V.V.Co. Ltd. at Districts and to the Coordinator who is responsible for ICL & CFL distribution & Storage.
- vii. **Sourcing & Approval of CFLs:** only CFLs having life of 6000 burning hours or more will be allowed. This will be primarily the responsibility of Agency who will ensure that highest Quality CFLs are procured and distributed under this project.
- viii. **Energy conserved Data:** M.P.P.K.V.V.Co. Ltd. may support for providing the verification data for energy conserved to the DOEs that will be appointed for this project, even though they will not be responsible for DOE payments. This may be done by way of keeping record of Consumer numbers and monthly billing information of that consumer before and after CFL sales.

- ix. Destroying of Old Bulbs:** All incandescent bulbs, fused CFLs and Fluorescent tubes that will be returned at the time of CFL purchased by a consumer; will have to be destroyed systematically in such a way so that these may not affect to human being or land . Records shall be maintained by Agency for them.
- x. SCRAP Handling:** All the scrap of returned CFL or incandescent bulbs, that are collected & destroyed, will be suitably handled by Agency on their cost.
- xi. Pricing & Unable to Deliver Products:** It is the obligation of Agency to ensure that CFLs will be sold at prices not higher than the price mentioned in Para-D(1) of schedule-1. Price of CFLs will not be dependent on the Carbon Market fluctuations.
- xii. Discounted CFL Distribution & Control:** This is the area with several concerns associated with theft, leakage, resale of CFLs so that no energy is actually saved but CFLs get sold instead. Many of the procedures have to revolve around avoiding such loss of CFLs and some of the items that are required to be considered & implemented are as under
  - a. All CFLs under this project will have to be given a special marking like Bar Code/Hologram/RFID/Not for Sale/ Agency LOGO etc.
  - b. All CFLs may also carry a special pack so that a set of TWO or four pack is delivered to a household in general.
  - c. All house holds will be issued /sold discounted CFLs STRICTLY on production of Electricity bill of particular month in original, against their consumer number only.
  - d. Agency will not be under obligation to issue CFLs to such consumers or under any such transaction which is not as per Project Design Document or that of UNFCCC approved methodology.
  - e. All house holds will be issued/ sold discounted CFLs STRICTLY against collection of Incandescent bulbs/CFLs/Fluorescent tubes of the same Lumen. As an example a 60W ICL will be collected and a discounted 11W CFL will be issued.
  - f. In the event of any non conformance to c, d above, the discounted amount will be adjusted from the distributor or replacing agency in the next settlement without any notice, however M.P.P.K.V.V.Co. Ltd. will not be involved in this matter.
  - g. All Warranty claims will be settled directly between Households and CFL suppliers.
  - h. No house hold or consumer will be given replacement of CFL more than once, in the warranty period and M.P.P.K.V.V.Co. Ltd. will not be responsible for resolving any dispute, if any.
  - i. Any CFL issued under this scheme if found to be sold in other channels, will warrant the consumer to pay the difference back to Agency however M.P.P.K.V.V.Co. Ltd. does not take any responsibility for such type of recovery & will not be involved in any legal matter.

- j. These procedures will keep evolving as the project progresses & will be finalized, frozen, jointly signed & released to all concerned who will have to contribute & implement these procedures.
- k. Particularly concerned staff of M.P.P.K.V.V.Co. Ltd. , across the area will be trained in implementing these procedures.

**xiii. Review & Rectification Work**

- a. Where M.P.P.K.V.V.Co. Ltd. is able to establish that any damage to the transmission and distribution system of state has been caused due to non conformance with respect to specified power factor and harmonics as generated by the discounted CFL (of power factor more than 0.85) supplied by Agency then utility may notify agency in writing of the same and call upon them to take corrective steps/actions immediately.
- b. M.P.P.K.V.V.Co. Ltd. shall review this project performance in 6 months from the date of signing of the agreement. Where the Utility is reasonably of the opinion that any part of the Services is deficient and needs to be rectified, then it will be informed to the Agency in writing.
- c. Within reasonable time of 4 months, after receipt of a notice the Agency shall take all necessary steps, to rectify the deficiency in the Services identified by utility. In case no remedy is worked out within 4 months time agency, it shall be treated as unsatisfactory performance, and M.P.P.K.V.V.Co. Ltd. will have the right to get this work done in that particular district from other agency. M.P.P.K.V.V.Co. Ltd. will not have any responsibility or liability towards the loss to defaulting agency in that particular district.
- d. M.P.P.K.V.V.Co. Ltd. will have the right to engage in to similar residential &/or commercial, in urban/rural consumers related lighting energy efficiency project for a given district, with any other agency under the following conditions :
  - (i) In case of unsatisfactory performance or operation of the existing project taken up by agency,
  - (ii) Failure of agency to start to provide/make available, the CFL conforming to IS: 15111 at agreed discounted/subsidized price to electricity consumers in urban/rural areas for domestic/commercial uses with regard to this lighting project, as per provisions made above.
  - (iii) If Agency does not provide CFLs at large scale within 6 months of CDM-EB Registration or within 12 months from the date of agreement whichever is later.
  - (iv) If a more energy efficient technology comes up in future, then M.P.P.K.V.V.Co. Ltd. , will adopt the new technology in place of the CFL project in the subsequent crediting periods of this project and

- (v) Notwithstanding the above clauses, M.P.P.K.V.V.Co. Ltd. reserves the right to engage any other agency also on the same/better terms and conditions during the pendency of this Agreement.
- (vi) In case another agency is appointed for a given district, the CERs relating to CFLs supplied till then will remain with the Agency in the same ratio as agreed.
- (vii) In the event that Utility does not issue a notice within two month of delivery of the particular Services then the Utility will be deemed to be fully satisfied with the Services provided and shall have no further right to rectification or repetition of the Services.

### **Offer letter by the bidder.**

To,  
The Chief Engineer (Corporate Office),  
Office of the C.M.D.(WZ) ,  
M.P.P.K.V.V.Co. Ltd. ,  
Indore.

Subject:- Implementation of the CDM based CFL scheme the "Bachat Lamp Yojna" of Govt. of India.

Reference:- Your bid document specification No. Bachat Lamp/10-11 Expression of Interest issued vide letter  
No. 8628 dated 12.05.2010.

Dear Sir,

The terms and conditions referred in the bid document specification No. Bachat Lamp/10-11 have been studied by me and I/We agree to execute the work in accordance with the same.

I hereby agree to offer the from net CERs received, after paying all taxes, charges, imposts, administration fees and Share of Proceeds relating to the issuance, creation, registration, sale and transfer of the CERs, arrange to credit or transfer to M.P.P.K.V.V.Co. Ltd. "CER of Utility", for exclusivity granted by the utility to agency @.....

Signature of Authorized signatory of the bidder.