## **Agreement for CAPEX – Solar grid-connected system • Template**

**Model Agreement**

**Between**

**Applicant and the vendor for installation of grid-connected solar system in residential house/commercial property/factory of the applicant under simplified CAPEX model of Solar Grid-Connected System Programme**

This agreement is executed on …… ***[Day]***…..***[Month]***…..***[Year]*** for design, supply, installation, testing, commissioning, and **[*………*]** years comprehensive maintenance of the grid-connected solar system to be installed under the simplified **CAPEX model** of the solar grid-connected programme.

**Between**

……………………………………………. ***[Name of applicant]*** having residential/commercial/factory electricity connection with consumer number……………… from ………………………... at ………………………………………………………………….. (Hereinafter referred to as applicant).

**And**

……………………………………………………….. ***[Name of vendor]*** is registered with the ……………………(hereinafter referred to as vendor) and is having registered/functional office at ………………………………………………. (hereinafter referred to as vendor).

Both the applicant and the vendor are jointly referred to as Parties.

# Whereas

* The applicant intends to install a grid-connected solar system under the simplified CAPEX model of the solar grid-connected programme.
* The vendor is a qualified registered solar company for the supply and installation of grid-connected solar systems. The vendor satisfies all the existing regulations pertaining to electrical safety and license in the respective state and it is not debarred or blacklisted from undertaking any such installations by any government agency.
* Both parties mutually agreed and understand their roles and responsibilities and have no liability to any other agency/firm/stakeholder.

# GENERAL TERMS

* The applicant hereby represents and warrants that the applicant has the sole legal capacity to enter into this agreement and authorise the construction, installation, and commissioning of the grid-connected solar PV system which is inclusive of the balance of system (“**BoS**”) on the applicant’s premises (“**Applicant site**”). The vendor reserves its right to verify ownership of the applicant site and the applicant covenants to cooperate and provide all information and documentation required by the vendor for the same.
* The vendor may propose changes to the scope, nature, and or schedule of the services being performed under this agreement. All proposed changes must be mutually agreed between the parties. If parties fail to agree on the variation proposed, either Party may terminate this agreement by serving notice as per clause 13.
* The applicant understands and agrees that future changes in load, electricity usage patterns and/or electricity tariffs may affect the economics of the solar grid-connected system and these factors have not been and cannot be considered in any analysis or quotation provided by the vendor or its authorized persons (*defined below*).

# SOLAR GRID-CONNECTED SYSTEM

* The total capacity of the solar grid-connected system will be a minimum ……. kWP.
* The solar modules, inverters, and balance of system will confirm to minimum specifications and other requirements of NEPQA.
* Solar modules of make, ……. model, ……. WP capacity each and ……. % efficiency will be procured and installed by the vendor.
* The solar inverter of ……. make, ……. model, ……. kW rated output capacity will be procured and installed by the vendor.
* Module mounting structure has to withstand minimum wind load pressure as specified by guidelines.
* Other balance of system installations shall be as per best industry practice with all safety and protection gears installed by the vendor.

# PRICE AND PAYMENT TERMS

The cost of the solar grid-connected system will be Rs. \_\_\_\_\_\_ (to be decided mutually). The applicant shall pay the total cost to the vendor as under:

1. ***[XX%]*** as an advance on confirmation of the order;
2. ***[XX%]*** against proforma invoice (PI) before dispatch of solar panels, inverters, and other balance of system items to be delivered;
3. ***[XX%]*** after installation and commissioning of the solar grid-connected system.

The order value and payment terms are fixed and will not be subject to any adjustment except as approved in writing by the vendor. The payment shall be made only through the bankers’ cheque / online payment portal as intimated by the vendor. No cash payments shall be accepted by the vendor or its authorized person.

# REPRESENTATIONS MADE BY THE APPLICANT

The applicant acknowledges and agrees that:

* Any timeline or schedule shared by the vendor for the provision of services and delivery of the solar grid-connected system is only an estimate and the vendor will not be liable for any delay that is not attributable to the vendor; all information disclosed by the applicant to the vendor in connection with the supply of the solar grid-connected system (or any part thereof), services and generation estimation (including, without limitation, the load profile and power bill) are true and accurate, and acknowledges that vendor has relied on the information produced by the applicant to customize the solar grid-connected system layout and balance of system design for the purposes of this agreement;
* All descriptive specifications, illustrations, drawings, data, dimensions, quotations, fact sheets, price lists, and any advertising material circulated/published/provided by the vendor are approximate only;
* Any drawings, pre-feasibility report, specifications, and plans composed by the vendor shall require the applicant’s approval within 5 (five) days of its receipt by electronic mail to the vendor and if the applicant does not respond within this period, the drawings, specifications, or plans shall be final and deemed to have been approved by the applicant;
* The applicant shall not use the grid-connected solar PV system or any part thereof, other than in accordance with the product manufacturer’s specifications, and covenants that any risk arising from misuse or/and misappropriate use shall be to the account of the applicant alone.
* The applicant represents, warrants, and covenants that:

1. All electrical and plumbing infrastructure at the applicant site conform to applicable laws;
2. The applicant has the legal capacity to permit unfettered access to the vendor and its authorized persons for the execution and performance of this agreement;
3. The applicant has and will provide requisite power, water, and other requisite resources and storage facilities for the construction, installation, operation, and maintenance of the solar grid-connected system;
4. The applicant will provide support for site fabrication of structure, assembly, and fitting of module mounting structure at the applicant site;
5. the applicant will ensure that the applicant site is shadow-free and free of all encumbrances during the lifetime of the solar grid-connected system;
6. Applicant should ensure that the applicant regularly cleans and ensures accessibility and safety to the solar grid-connected system, as required by vendor, and dusting frequency in the premises;
7. The vendor is entitled to permit geo-tagging of the applicant site as a vendor installation site;
8. Unless otherwise intimated by the applicant in writing, vendor is entitled to take photographs, videos, and testimonials of the applicant and the applicant site, and to create content which will become the property of vendor and the same can be freely used by vendor as part of its promotional and marketing activities across all platforms as it deems fit;
9. The applicant validates the stability of the applicant site for the installation of the solar grid-connected system.

# MAINTENANCE

* Vendor shall provide ***[……….]*** years of free workmanship maintenance. The vendor shall visit the applicant’s premises at least once every quarter after the commissioning of the solar grid-connected system for maintenance purposes.
* During such maintenance visits, the vendor shall check all nuts and bolts, fuses, earth resistance, and other consumables in respect of the solar grid-connected system to ensure that it is in good working condition.
* Cleaning requirement/expectation from the applicant side – applicant responsibility, minimum expectation from the applicant that it will be cleaned regularly as per the dusting frequency.

# ACCESS AND RIGHT OF ENTRY

The Applicant hereby grants permission to the vendor and its authorized personnel, representatives, associates, officers, employees, financing agents, and subcontractors (“**Authorized persons**”) to enter the applicant site for:

1. conducting feasibility study;
2. storing the solar grid-connected system /any part thereof;
3. installing the solar grid-connected system;
4. inspecting the solar grid-connected system;
5. conducting repairs and maintenance to the solar grid-connected system;
6. removing the solar grid-connected system (or any part thereof), if necessary for any reason whatsoever;
7. Such other matters are as necessary to execute and perform its rights and obligations under this agreement.

The applicant shall ensure that third-party consents necessary for the authorized persons to access the applicant site are obtained before the commencement of services under this agreement.

# WARRANTIES

**Product warranty:** The applicant shall be entitled to the manufacturer’s warranty. any warranty concerning the solar grid-connected system supplied to the applicant by the vendor under this agreement is limited to the warranty given by the manufacturer of the solar grid-connected system (or any part thereof) to the vendor.

**Installation warranty:** The vendor warrants that all installations shall be free from workmanship defects or BOS defects for five years from the date of installation of the solar grid-connected system. The warranty is limited to the Vendor rectifying the workmanship or balance of system defects at the vendor’s expense in respect of those defects reported by the applicant, in writing. the applicant is obliged and liable to report such defects within 15 (fifteen) days of the occurrence of such defects.

Subject to manufacturer warranty, the vendor warrants that the solar modules supplied herein shall have tolerance within a five percent range (+/-5%). The peak-power point voltage and the peak-power point current of any supplied solar module and/or any module string (series connected modules) shall not vary by more than 5% (five percent) from the respective arithmetic means for all modules and/or for all module strings, as the case may be, provided the solar grid-connected system is properly maintained and the applicant site is free from shadow at the time of operation of the solar grid-connected system.

Exceptions for warranty:

1. Any attempt by any person other than the vendor or its authorised persons to adjust, modify, repair, or provide maintenance to the solar grid-connected system, shall disentitle the applicant of the warranty provided by the vendor hereunder.
2. The vendor shall not be liable for any degeneration or damage to the solar grid-connected system due to any action or inaction on the part of the applicant.
3. The vendor shall not be bound or liable to remedy any damage, fault, failure or malfunction of the solar grid-connected system owing to external causes, including but not limited to accidents, misuse, neglect, if usage and/or storage and/or installation are non-confirming to product instructions, modifications by the applicant leading to shading or accessibility issues, failure to perform required maintenance, normal wear and tear, force majeure event, or negligence or default attributable to the applicant.
4. The vendor shall not be liable to repair or remedy any accessories or paSGT added to the solar grid-connected system that were not originally sourced by the vendor to the applicant.

# PERFORMANCE GUARANTEE

***[The vendor guarantees a minimum system performance ratio of 75% as per the performance ratio test carried out in adherence to IEC 61724 or equivalent BIS for five years.]***

# INSURANCE

The vendor may, at its sole discretion, obtain insurance covering risks of loss/damage to the solar grid-connected system (any part thereof) during transit from the vendor’s warehouse until delivery to the applicant site and until installation and commissioning.

Thereafter, all risk shall pass on to the applicant and the applicant may accordingly procure relevant insurance.

# CANCELLATION

The applicant may cancel the order placed on the vendor within 7 (seven) days from the date of remittance of advance money or the date of order acceptance, whichever is earlier (“**Order confirmation**”) by serving notice as per clause 13.

If the applicant cancels the order after the expiry of 7 (seven) days from the date of the order form, the applicant shall be liable to pay the vendor, a cancellation fee of ***[XX%]*** of the total order value *plus* costs and expenses incurred by the vendor, including, costs for labour, design, return of products, administrative costs, subvention costs.

Notwithstanding the aforesaid, the applicant shall not be entitled to cancel the order form after the vendor has dispatched the solar grid-connected system (or any part thereof, including BOS) to the applicant site. If the applicant chooses to terminate the order form after dispatch, the entire amount paid by the applicant to date shall be forfeited by the vendor.

# LIMITATION OF LIABILITY AND INDEMNITY

To the extent that terms implied by law apply to the solar grid-connected system and the services rendered under this agreement, the vendor’s liability for any breach of those terms is limited to:

1. Repairing or replacing the solar grid-connected system /any part thereof, as applicable; or
2. Refund of the money paid by the applicant to the vendor, if the vendor cannot fulfil the order.

# SUSPENSION AND TERMINATION

If the applicant fails to pay any sum due under this agreement on the due date, the vendor may, in addition to its other rights under this agreement, suspend its obligations under this agreement until all outstanding amounts (including interest due) are paid.

# NOTICES

Any notice or other communication under this agreement to the vendor and or to the applicant shall be in writing, in the English language, and shall be delivered or sent: (a) by electronic mail and/or (b) by hand delivery or registered post/courier, at the registered address of applicant/vendor.

# FORCE MAJEURE EVENT

Neither party shall be in default due to any delay or failure to perform its/his/her/their obligations under this agreement which arises from or is a consequence of the occurrence of an event which is beyond the reasonable control of such party, and which makes the performance of its/his/her/their obligations under this agreement impossible or so impractical as reasonably to be considered impossible in the circumstances and includes, but is not limited to, war, riot, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, pandemic, epidemic, embargo, strikes, lockouts, labour difficulties, other industrial action, acts of government, unavailability of equipment from a vendor, changes requested by the applicant (“**Force majeure event**”).

# GOVERNING LAW AND DISPUTE RESOLUTION

The interpretation and enforcement of this Agreement shall be governed by the laws of Nepal. In the event of any dispute, controversy, or difference between the parties arising out of, or relating to this agreement (“**Dispute**”), both parties shall make an effort to resolve the dispute in good faith, failing which, any party to the dispute shall be entitled to refer the dispute to arbitration to resolve the dispute in the manner set out in this clause. The rights and obligations of the parties under this agreement shall remain in full force and effect pending the award in such arbitration proceeding.

The arbitration proceeding shall be governed by the provisions of the Arbitration and Conciliation Act, 1996, and shall be settled by a sole arbitrator mutually appointed by the parties.

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| Applicant | Vendor |
| Name: ………………………………………  Designation: ……………………………….  Organisation: ………………………………  Signature: …………………………………. | Name: ………………………………………  Designation: ……………………………….  Organisation: ………………………………  Signature: …………………………………. |
| Witness 1 | Witness 2 |
| Name: ………………………………………  Designation: ……………………………….  Organisation: ………………………………  Signature: ………………………………….. | Name: ………………………………………  Designation: ……………………………….  Organisation: ………………………………  Signature: …………………………………. |