

46



**HYDRO POWER DEVELOPMENT CORPORATION OF
ARUNACHAL PRADESH LIMITED**
(A Govt. of Arunachal Pradesh Enterprise)

OFFICE OF THE CHAIRMAN Cum MANAGING DIRECTOR
PARK VIEW APARTMENT, LOWER NITIVIHAR, ITANAGAR-791111
ARUNACHAL PRADESH
Ph. 0360-2292510 Fax. 0360-2292569 (F)
Website: www.hpdcapl.com email: cmdhpdcapl@gmail.com

No.HPDC/Est-133/2021-22 /796

Dated Itanagar, 13th December, 2021

To,

Creduce Technologies Private Limited
A 608, Shilp Aaron
Near Pakwan, Sindhu Bhavan Road
SG Highway, Ahmedabad,
Gujarat, India - 380054

Sub: Carbon Credits registration, Verification and Carbon Asset Management for Hydro Power Project under Compliance or Voluntary Carbon Credits mechanism, for 2X1.5 MW Hydro Power Project by **Hydro Power Development Corporation of Arunachal Pradesh Limited, Itanagar.**

Sir,

We refer to our communication, We are now pleased to place this work order for captioned services for our Hydro Power Project consisting of 2 X 1.5 MW Hydro Power Project capacity Hydro project, as per the following understanding:

Terms of Agreement

Hydro Power Development Corporation of Arunachal Pradesh Limited, Itanagar, Project Activity and Products and Services Undertaken by CTPL

1. **Hydro Power Development Corporation of Arunachal Pradesh Limited, Itanagar (HPDCAPL)** hereby engages **Creduce Technologies Private Limited ('CTPL')** as Consultant and Service Provider for captioned services, (more particularly described/ illustrated in Para 2 and 3 hereafter) for the following project activity:

Project Activity: Captive Hydro Power Project of 2 X 1.5 MW Hydro Power Project capacity for Generating electrical power up by HPDCAPL.

2. Overall objective of HPDCAPL assigning this work to CTPL is to get one-point assured service for getting their Hydro power project registered with UCR / VOLUNTARY Board and other National/ International agencies for UCR / VOLUNTARY benefits, and for getting subsequent processes smoothly carried out for CER/VER for entire project life on continuing basis. CTPL's team has gone

(45)

through the merits of HPDCAPL's case in detail and assures HPDCAPL that the above-mentioned project activity is eligible for getting registered for UCR / VOLUNTARY benefits and for continuing UCR / VOLUNTARY benefits for the project life.

3. Scope of CTPL work shall include each and every activity and work required to be done to achieve the aforesaid overall objective including (but not limited to) registration of the project for UCR / VOLUNTARY benefits with UCR / VOLUNTARY Board and other agencies (Such as Designated National Authority – MOEF) and subsequent processes and transactions. Partial list of typical work/ activities involved is illustrated below:
- a) Collection of required data / information from HPDCAPL and technology/ machine supplier
 - b) Preparation of project information note & project description (PD) / PDD
 - c) Assistance to the Validator / Verifier at the Site Visit
 - d) Submission of the satisfactory replies to the CARs (Corrective Action requests) / CLs (Clarifications) raised by the Validator / Verifier based on the protocols.
 - e) Submission of above note to potential emission reduction buyers
 - f) Follow-up and secure their sanctions
 - g) Assistance towards signing emission reduction purchase agreement, as per the terms & conditions prevailing at the time of signing
 - h) To provide required consultancy services and act as Broker for successful transactions between HPDCAPL and one or more buyers for CER/VERs and other agreed products, if any.
 - i) Facilitating services of an escrow agent, preparation of escrow deed and operation of the same to effectuate conclusion of transactions and deposits/ payments in relation to CER/VERs/ other products (if any), as issued by the UCR / VOLUNTARY Executive Board or such other relevant body.
 - j) Any other work/ activities required for overall objective as aforesaid.
4. Third party validator (DOE) shall be an internationally recognized (UCR / VOLUNTARY BOARD authorized) body and CTPL would finalize the DOE after discussion with HPDCAPL and due consent from them.

Time-frame

5. CTPL undertakes to complete the assignment up to the registration with UCR / VOLUNTARY BOARD. Various activity completion milestones are identified as follows:

Signing of Contract & Documentation	0 to 30 Days
PIN / PDD Preparation / Financial Analysis / Web Hosting	30 Days to 90 Days
Host Country Approval*	90 Days to 120 Days
Validation Contract Signing	120 Days to 120 Days

Signed by (HPDCAPL)

2

Signed by (CTPL)

Chairman cum Managing Director
Hydro Power Development Corporation of
Arunachal Pradesh Ltd., Itanagar

44

Site Visit / Draft Validation report / Final Validation report*	120 Days to 300 Days
Technical review*	300 Days to 360 Days
Successful RFR With UCR / VOLUNTARY BOARD	360 Days onwards
*The Timelines mentioned here are based on timely processing by the External Independent Agencies such as Validators and MOEF, and CTPL assumes no responsibility for delays by such agencies beyond CTPL's control.	

6. CTPL will be responsible for adhering to the time schedule required under UCR / VOLUNTARY BOARD guidelines and rules and practices followed by them. CTPL has confirmed with HPDCAPL approximately a six month time schedule as stated in para 5 above, which, if required will be compressed to adhere to the requirements of UCR / VOLUNTARY BOARD for successful and timely registration. CTPL shall submit to HPDCAPL a fortnightly report regarding the status of the project.

Fees, Taxes, Expenses, Costs and Terms of Payment

7. Registration Fees and Expenses: HPDCAPL agrees to pay to CTPL a total sum of **Rs. 6,00,000/- (Rupees Six Lakhs Only)** as total amount towards professional fees and **Validation Fees, Travel and Sojourn costs and all Third Party Expenses up to Project Registration.** GST on professional fees as applicable (currently 18%) which will be payable extra by HPDCAPL. This shall cover the entire scope of services to be rendered by CTPL up to registration with UCR / VOLUNTARY BOARD.

For the sake of clarity, it may be mentioned that Travel and Sojourn Costs include the following for CTPL as well as DOE among others:

- Information collection from the clients office
- Local Stakeholder meeting & associated cost
- Meeting with the NUCRA & associated cost for expediting the issuance of the HCA.
- Validation Site Visit by the Validator
- First, Subsequent and Final meetings to close issues with the Validator

8. Post-Registration Fees and Expenses: HPDCAPL agrees to pay to CTPL a success fee or brokerage amounting to 3% calculated on Gross realization from transactions of sale of sand other products if any.

Verification Fees and Expenses and Travel and Sojourn Costs associated with verification and sale transactions will be collectively incurred will be paid by HPDCAPL, **Which will 'Paid At actual' at the time of verification.**

CTPL shall not be entitled to any other sums under this Agreement unless separately agreed with HPDCAPL in writing.

9. Total Terms of Payment - Registration Fees and All Other Expenses:

Signed by (HPDCAPL)

Signed by (CTPL)

Chairman cum Managing Director
Hydro Power Development Corporation of
Arunachal Pradesh Ltd., Itanagar

43

The agreed fees in Para 7 & 8 above are payable by HPDCAPL to CTPL as per following schedule, together with pro-rata GST as applicable:

Payment Particular	Frequency	Amount	Payable at
Fees for Project Registration	One Time Fees	3,00,000	Upon Successful Project Registration
		3,00,000	Payable Upon Fees Once Received For Project Credit Issuance & Trading
Monitoring & Verification Fees for Carbon Credits Issuance after Registration	Recurring upon every M&V	Inclusive	Inclusive in the fees for the first Issuance. Payable at actual for other subsequent issuances.
Trading Brokerage	Recurring upon every time Credits are traded	3% of the Gross Receivables from the Sale of Carbon Credits	After Sale of Carbon Credits

10. **General:** CTPL will submit to HPDCAPL invoice and statement of expenses (with appropriate receipts/ vouchers documents supporting the expenses) in respect of any fee or brokerage or expenses within 5 working days of occurrence of respective milestone or expense. Payment of said invoice or statement of expenses will be due within 7 working days of receipt of the said invoice by HPDCAPL.

Other Terms and Conditions

11. HPDCAPL agrees to cooperate with CTPL during the term of this Agreement to provide them with all such assistance, information and support as is reasonably necessary to enable CTPL to provide the Service to us.



Signed by (HPDCAPL)

Chairman cum Managing Director
Hydro Power Development Corporation of
Arunachal Pradesh Ltd., Itanagar



Signed by (CTPL)

(42)

12. It is expressly understood that the conclusion of any transaction will be within HPDCAPL's sole discretion. CTPL undertakes to act diligently in a professional manner in good faith in the performance of its services without undertaking any fiduciary position.
13. CTPL shall maintain secrecy and confidentiality regarding all data/ information provided by HPDCAPL for the project. Likewise any information of a counterparty or 'bundle' participant disclosed to HPDCAPL by CTPL or about the fees payable by HPDCAPL to CTPL under this agreement shall be kept confidential by HPDCAPL. CTPL may discretely disseminate bids, offers, specifications and other information from HPDCAPL solely for valid performance under this agreement such as getting the project registered with UCR / VOLUNTARY BOARD or to enter into a transaction contract or such other under this agreement.
14. All the Commitments made by CTPL in this agreement are subject to the present carbon market scenario. CTPL makes no representations or warranties that CER/VERs or other products if any will be tradable in the absence of legislation to that effect or the terms on which they may be tradable and CTPL does not accept any liability other than products and services explicitly committed above.
15. This Agreement shall inure to the benefit of, and be binding upon HPDCAPL, CTPL and their respective permitted successors and assigns. Either party may assign its rights and obligations hereunder to an Affiliate or to another entity that is purchasing it or a material part thereof upon notice to the other party but without their consent.
16. All communications shall be sent by either party to the other at the addresses set out herein, or at such other addresses as may have been notified to the sending party by the receiving party. Any communication sent out to that address will be considered to be effective if given upon dispatch, or if sent by other means, when delivered at the relevant address.
17. This agreement shall be governed by and construed in all respects in accordance with the laws of India. Both the parties agree that jurisdiction for all legal matters and disputes will be limited to the Gujarat High Court at Ahmedabad.
18. Force Majeure: Assignment will be governed by the Standard Force Majeure clause.
19. This Agreement takes effect from the date of execution and shall remain in force and effect for the crediting period as defined by the UCR / VOLUNTARY BOARD (Minimum of Seven years from the Date of registration, Which will be renewed after completion of Seven (7) years).

Signed by (HPDCAPL)
Chairman cum Managing Director
Hydro Power Development Corporation of
Arunachal Pradesh Ltd., Itanagar

5

Signed by (CTPL)

41

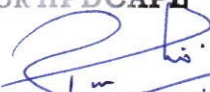
20. HPDCAPL and CTPL hereby confirm that both have agreed to all the terms and conditions of this agreement and that any such terms and conditions in CTPL proposal or other communications exchanged till date as are not covered above or have been contrary to the terms and conditions of this agreement stand withdrawn.

We request you to go through the above agreement and kindly return the duplicate copy of this agreement letter duly signed and sealed as a token of your acceptance of the same.

Thanking you,

Yours truly

FOR HPDCAPL


Chairman cum Managing Director
Hydro Power Development Corporation of
Arunachal Pradesh Ltd., Itanagar
Chairman cum Managing Director


We confirm the acceptance of the above agreement and the terms and conditions contained therein at the place and on the day as recorded below.

FOR CREDUCE TECHNOLOGIES
PRIVATE LIMITED


Mr. SHAILENDRA SINGH RAO
(Director)

Place: Itanagar
Date: 13th December 2021


Signed by (HPDCAPL)
Chairman cum Managing Director
Hydro Power Development Corporation of
Arunachal Pradesh Ltd., Itanagar


Signed by (CTPL)



Project Concept Note (PCN)
CARBON OFFSET UNIT (CoU) PROJECT

BASIC INFORMATION	
Title of the project activity	3 MW Small Scale Hydro Power project in Jemeithang, Arunachal Pradesh, India
Scale of the project activity	Small Scale
Completion date of the PCN	14/12/2021
Project participants	Creduce Technologies Private Limited (Representator) Hydro Power Development Corporation of Arunachal Pradesh Limited (Project Proponent)
Host Party	India
Applied methodologies and standardized baselines	Applied Baseline Methodology: AMS-I.D : "Grid connected renewable electricity generation", version 18 Standardized Methodology: Not Applicable.
Sectoral scopes	01 Energy industries (Renewable/Non-Renewable Sources)
Estimated amount of total GHG emission reductions	To be estimated during verification [An ex-ante estimate is 9,809 CoUs per year]

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190

SATURDAY, 18 DECEMBER, 2021

HPDCAPL becomes first ever entity from state to receive UCR issued carbon credits

Bengia Ajum

ITANAGAR, 17 Dec: In a first of its kind, the Hydro Power Development Corporation of Arunachal Pradesh Limited (HPDCAPL) has become the first renewable energy-producing entity of Arunachal Pradesh to claim Carbon Credits (CC). The corporation will receive the Carbon Credits issued by the Universal Carbon Registry (UCR). The HPDCAPL recently inked an MOU with

one of India's largest renewable energy and Carbon Credits Advisory company Creduce Technologies Private Ltd., based in Ahmedabad, Gujarat.

Earlier on the 2nd of this month, the 3-megawatt Sumbachu SHP (small hydropower) - the first hydropower project executed by the HPDCAPL at Zemithang in Tawang district was inaugurated by Chief Minister Pema Khandu.

Days after its inauguration, the HPDCAPL has

fetches the carbon registration under UCR for the Sumbachu SHP. The project is expected to contribute to the removal of 6600 tons of carbon emissions from the environment every year.

While talking to this daily, Toko Onuj, chairman-cum-managing director HPDCAPL claimed that this move will aid the mission of achieving net-zero emissions by the year 2070 as announced by Prime Minister Narendra Modi during

the COP26 summit.

"Taking cognizance of the Prime Minister's announcement at COP26, besides our own upcoming projects, the HPDCAPL is also set to facilitate other hydro electric projects in the state to register, claim and utilize carbon credits. Now that the Corporation is poised to receive carbon credits, it shall fetch Rs. 25 Lakhs in additional revenue every year for the state," said Toko Onuj. (Contd. on P-3)

The Arunachal Times, Saturday, 18 December, 2021

HPDCAPL becomes...

(From P-1) Further, he shared that the corporation took the decision to avail carbon credits benefits under the voluntary carbon market for alignment with new rules emerging from the Paris Climate Agreement in an effort to scale the market impact.

"With clear science indicating an urgent need to decarbonize the global economy alongside a growing willingness among companies to commit to climate action, the voluntary carbon market is poised to become a major solution to the climate change challenge. Also, we intend to play a major role by becoming the supplier of such voluntary carbon credits to these companies" said the chairman-cum-managing Director, HPDCAPL.