



Luthra and Luthra
LAW OFFICES INDIA



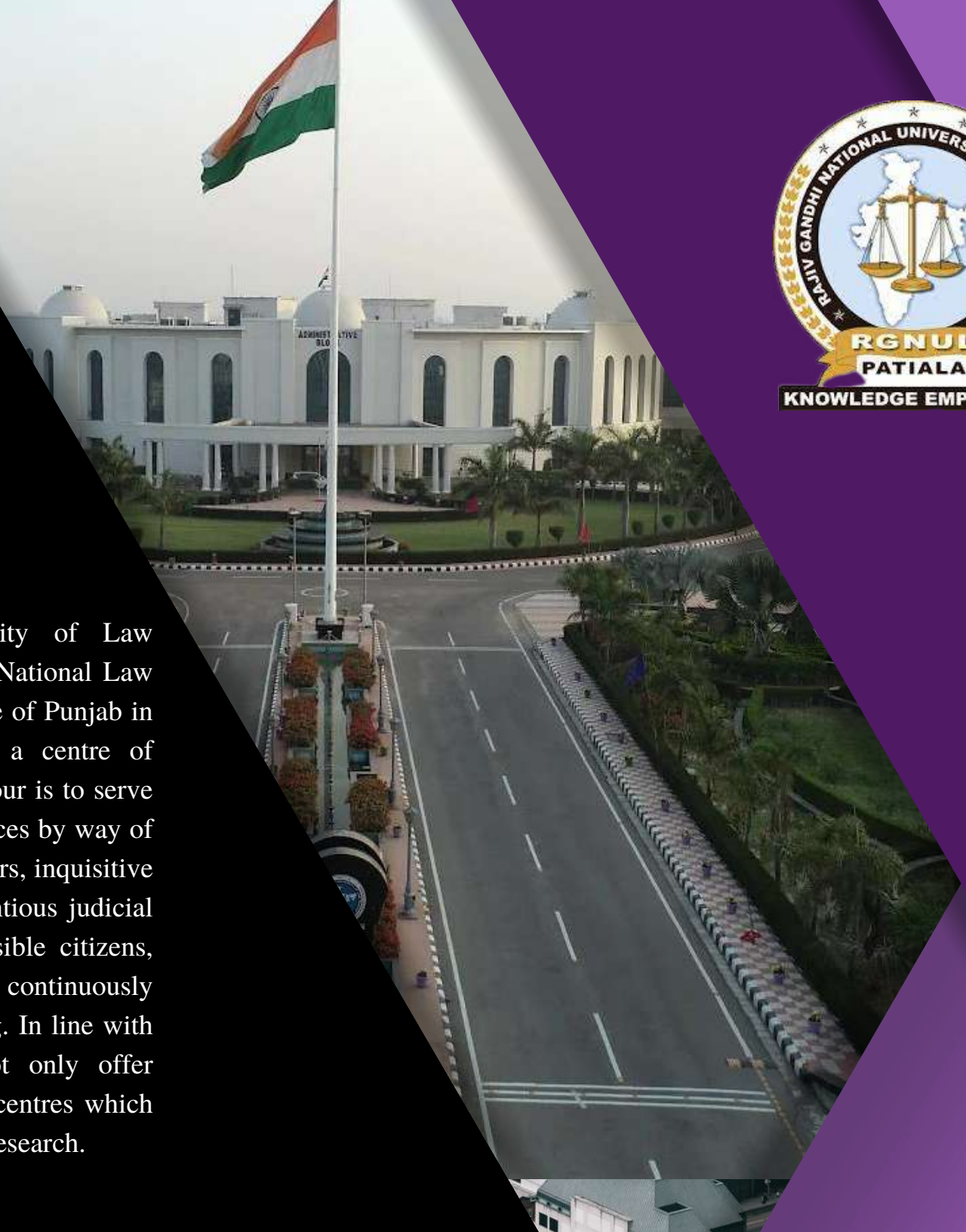
3RD RGNUL -
Luthra and Luthra
LAW OFFICES INDIA
ENERGY LAW
AGREEMENT
DRAFTING
COMPETITION, 2023

Organized by:
Centre for Advanced Studies in Energy Laws (CASEL), RGNUL
In collaboration with
Luthra and Luthra
LAW OFFICES INDIA

ABOUT THE UNIVERSITY

-RGNUL-

The Rajiv Gandhi National University of Law (RGNUL), Punjab was established as a National Law University by a legislative act of the state of Punjab in 2006 in order to fulfil the need for a centre of excellence in legal education. Its endeavour is to serve the society through reforms in legal services by way of preparing professionally competent lawyers, inquisitive researchers, able administrators, conscientious judicial officers, and above all, socially responsible citizens, who shall be whole- heartedly and continuously engaged in the process of nation building. In line with its objectives, the University does not only offer various courses but also fosters various centres which aim to promote legal excellence through research.



ABOUT

The **Centre for Advanced Studies in Energy Laws (CASEL)** was established in 2016 with the objective to cater to the need for research in Energy Law, an area of law which is becoming increasingly important and pivotal in the conversations about sustainability and the future. The Centre, since its inception, has evolved constructively with a special focus on organizing various workshops and sensitization Programmes.

Apart from focusing on renewable energy resources, CASEL also aims to undertake research and critically analyze various energy-related legislations in India, annual reports of the Bureau of Energy Efficiency and other such organisations etc. and suggest amendments to the same. In 2016, a Five-Day Training Programme on 'Contract Management' for the Officers of Punjab State Transmission Corporation Limited was organized by CASEL. In 2017-18, CASEL, along with the Construction and Maintenance Wing of the University took up an initiative to install solar panels for electricity generation around the University campus. The Centre forwarded the inputs on the agreement between the University and Azure power Corporation for said installation and power generation. In September 2018, One day 'Police Sensitization Programme' was organized by CASEL, wherein the students and faculty members visited police stations in the district of Patiala and conducted a programme on various technical aspects related to electricity laws, environmental and other allied laws. In April 2019, CASEL, in collaboration with National Law School of India University (NLSIU), Bengaluru under the aegis of United Nations Development Programme (UNDP), Ministry of Environment, Forests and Climate Change, Government of India and the Global Environment Facility's Global Access and Benefit sharing Project organized a Two Day Advanced Workshop on Strengthening Human Resources, Legal Frameworks and Institutional Capacities to implement the Nagoya Protocol. recently conducted a three-day workshop on 'Exploring the Dynamics of Energy Sector and a Research Outcome Dissemination Series (RODS).

CASEL

ABOUT *Luthra and Luthra* LAW OFFICES INDIA

Luthra & Luthra Restructuring and Insolvency Advisors LLP is registered as Insolvency Professional Entity (IPE) with Insolvency and Bankruptcy Board of India (IBBI) vide Registration no. IBBI/IPE/0080. The designated partners of IPE are registered Insolvency Professionals (IP) under Insolvency and Bankruptcy Code, 2016 (IBC) having expertise and rich experience to advice on / carry out all aspects of Insolvency Resolution, Restructuring, Bankruptcy & Liquidation.

The IPE is founded by the Partners of Luthra & Luthra LLP Chartered Accountants, a five decade old Premier Firm. The partners have rich experiences in different industry verticals and have provided services in the areas of Audit, IFRS, Domestic & International Taxation, Company Law, RBI and FEMA matters and representation before various regulatory authorities viz. NCLT, NCLAT, ITAT etc. The partners have also acted as knowledge partners to various organisations in variety of professional matters. The partners are also eminent speakers on diverse professional matters on various public platforms.



ABOUT THE COMPETITION

The competition is a flagship event of the Centre which seeks to create an interface between energy law and agreement drafting. The growth of Energy Sector around the world is unprecedented, more specifically in India and Power Purchase Agreements (PPAs) between energy providers and users have led to diversification and evolvement of energy law. The Agreements are said to enhance power from renewable sources and overcome the paucity faced due to the use of traditional funding sources. Over the period, PPA funding has expanded the solar capacity of various companies by ten times. Hence, the progress of such agreements has proven to be a framework of financial stability.

Energy law agreement drafting competition is a unique competition that seeks to enhance the learning of participants about energy law and contract drafting. The previous two editions of this competition saw participation of over 150+ teams pan India. The third edition of the flagship event of the Centre seeks to further develop the interest of law students in energy law drafting. The proposition is drafted by eminent experts keeping in mind the challenges and practical nuances of energy law agreements. The competition seeks to challenge the innovation and creativity of the participants to come up with comprehensive agreements.





***Prof. (Dr.) Anand
Pawar***

VICE CHANCELLOR
(OFFG.) & REGISTRAR
RGNUL, PUNJAB

Message from the "Vice Chancellor"

The art of drafting legal documents is a fundamental skill that every aspiring lawyer must master. Law students must recognize the significance of this skill, as it forms the cornerstone of their future legal careers. Contracts, serving as the backbone of numerous legal transactions and relationships, demand proficiency in drafting, interpreting, and negotiating agreements.

Here at RGNUL, we are committed to nurturing the legal minds of tomorrow. We appreciate the importance of practical exposure in the realm of law. In alignment with this vision, we are delighted to extend an exceptional opportunity to young, aspiring legal professionals to hone the skill of agreement drafting in field of energy law required for a successful career in the legal field.

The 3rd Edition of RGNUL Luthra & Luthra Law Offices Agreement Drafting Competition is designed to offer the participants hands-on experience in contract drafting, allowing them to develop their abilities and understanding in this crucial area of energy law. The previous two editions have seen huge success and participation from students across the country. The third edition will take forward this legacy and present excellent learning opportunities to participants.

I wish good luck to the Participants, May the Best team wins!



Luthra and Luthra
LAW OFFICES INDIA



Ruchi Chopra

AVP - CORPORATE
COMMUNICATIONS

Luthra and Luthra
LAW OFFICES INDIA

"Note from the HR"

The skill of drafting is of paramount importance in law. It equips them with a foundational skill crucial for their future legal careers. Contracts are at the core of nearly all legal transactions and relationships, making proficiency in drafting, interpreting, and negotiating agreements vital. Moreover, with growing investments in Energy law, legal expertise is essential for navigating complex contracts, and environmental regulations, and ensuring responsible energy development in an evolving energy landscape.

Luthra & Luthra Law Offices is immensely delighted to collaborate with Centre for Advanced Studies in Energy law (CASEL), RGNUL for the third edition of their flagship competition. The two editions have been seen participation from over 150 participants making it a huge success. This third edition will present an excellent opportunity to participants to gain practical experience in energy law and contract drafting. They will also get a platform to connect with like-minded experts and win attractive prizes and gain valuable experience.



ELIGIBILITY

The Competition is open to all undergraduate law students enrolled in any recognised educational institution within or outside India.

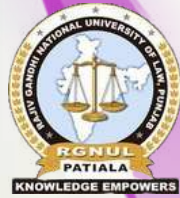
SUBMISSION GUIDELINES

1. Participants may register individually or in a team of two (2).
2. The agreement shall be drafted on the basis of the Problem Statement.
3. The agreement shall be drafted in English language only.
4. The agreement shall not exceed more than five (5) A4-sized typewritten pages, excluding the cover page and the signature page. Five (5) marks shall be deducted as penalty for each page exceeding the page limit.
5. The document containing the agreement shall not reveal the identity of the participants, in any manner whatsoever.
6. Soliciting assistance from industry professionals with or without consideration is strictly prohibited.
7. Formatting: Font style – Times New Roman, font size – 12, line spacing – 1.5, justified alignment, paragraph spacing - 0 pt. before and after, 1 inch margin on all sides.
8. Participants are encouraged to use modern agreement drafting techniques that focus on the use of plain English.
9. Submissions shall be made in .doc or .docx format only.
10. Submissions shall be made by sending an email to casel@rgnul.ac.in with the subject “Submission for Agreement Drafting Competition: [Team Code]”.
11. Clarifications on the Problem Statement shall be sent to casel@rgnul.ac.in with the subject “Clarifications on the Problem Statement: [Team Code]”.

ELIGIBILITY & SUBMISSION GUIDELINES



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PRIZE MONEY

1st Prize : Rs. 20,000 /-

1st Runner Up : Rs. 15,000 /-

2nd Runner Up : Rs. 10,000 /-

TIMELINE

Opening of Registration: 23rd Sep 2023

Last Date of Registration: 10th Oct 2023

Late date for seeking Clarifications: 15th Oct 2023

Last date of Submission: 30th Oct 2023

Announcement of Results: 15th Nov 2023

REGISTRATION

Registration fee: Rs. 1000/-

Payment link: [Click here](#)

Participants can register [here](#)

PARAMETER	MAXIMUM MARKS
Comprehensive understanding of the Problem Statement, responsiveness to client's needs and interests, and identification of issues	30
Understanding of applicable law	20
Creativity	20
Plain language and cogent usage of words	10
Structure and coherence between clauses of the agreement	10
Formatting	10
TOTAL	100

MARKING

CRITERIA

~ OC ~



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PROBLEM STATEMENT

BRIEF BACKGROUND

1. A Corporate Power Purchase Agreement (PPA) allows corporate consumers to purchase power on a long-term basis directly from renewable energy generators without being co located. This is a rapidly growing alternative model of purchasing power as compared to the traditional model where a utility (discoms) purchases power from lots of generators, transports it on the electricity grid and then on-supplies power to consumers. Corporate PPAs have become the preferred route for corporates to secure renewable energy supplies and in recent times their numbers have proliferated. As per reports, in 2019 India was the second largest growth market for corporate PPAs after USA and witnessed an increase of 1.4 GW through corporate PPAs. Corporate PPAs offers many advantages for both corporate and the energy generator which includes security of energy supplies, protection against fluctuations in wholesale power prices, help in achieving sustainability targets, diversifying the customer mix of energy generators, etc.

2. The Grand Horizon Hotel Limited (GHHL) headquartered in Chandigarh, Punjab is a renowned hospitality conglomerate in India and commands a significant presence in India's hotel Industry. It operates a chain of 50 luxurious hotels across India. Its most prominent and flagship hotel is the Great Grand Horizon, a 6 floor 100 Rooms 5 Star heritage hotel, located in Chandigarh. It is considered one of the finest hotels in India and has been in operation since 1912. The hotel consumes an average 30,000 kWh of electricity per day. In order to minimize its environmental impact, meet sustainability goals and reduce its carbon footprint, the GHHL wants to procure 100% of the power demand of the Great Grand Horizon through renewable energy.

3. EcoPower Solutions Pvt. Ltd. is an energy generator specializing in renewable energy production through both wind and solar energy projects. It is headquartered in Chandigarh, Punjab and operates a 50 MW hybrid (solar and wind) power plant in Bhatinda, Punjab. 51% of the Power generated by Eco Powers Solutions is tied up with discoms – Punjab State Power Corporation Limited (27%) and Uttar Haryana Bijli Vitran Nigam (UHBVNL) (24%) and the rest 49% it offers to the Corporate Customers. The EcoPower Solutions Pvt. Ltd. was approached by the Grand Horizon Hotels Limited for supply of 11 GWh of electricity annually to Great Grand Horizon Hotel. Both the companies are desirous to enter into a Corporate Power Purchase Agreement for a period of 25 years.

4. Punjab State Power Corporation Limited (PSPCL) is the electricity generating and distributing company of the Government of Punjab. It manages electricity grid infrastructure in the State of Punjab and serves as the distribution utility in Punjab. It plays a crucial role in facilitating Corporate Power Purchase Agreements. The electricity generated by the EcoPower Solutions Pvt Ltd. will be injected into the electricity grid operated by the PSPCL at a specific injection point. The Great Grand Horizon will draw the electricity from the grid as usual. The Power Purchase Agreement will ensure that the amount of electricity purchased from the EcoPowers Pvt Ltd. is deducted from the grid consumption of Great Grand Horizon. For this service the PSPCL charges a rate of INR 1.5 per kWh of electricity consumed.

THE DEAL:

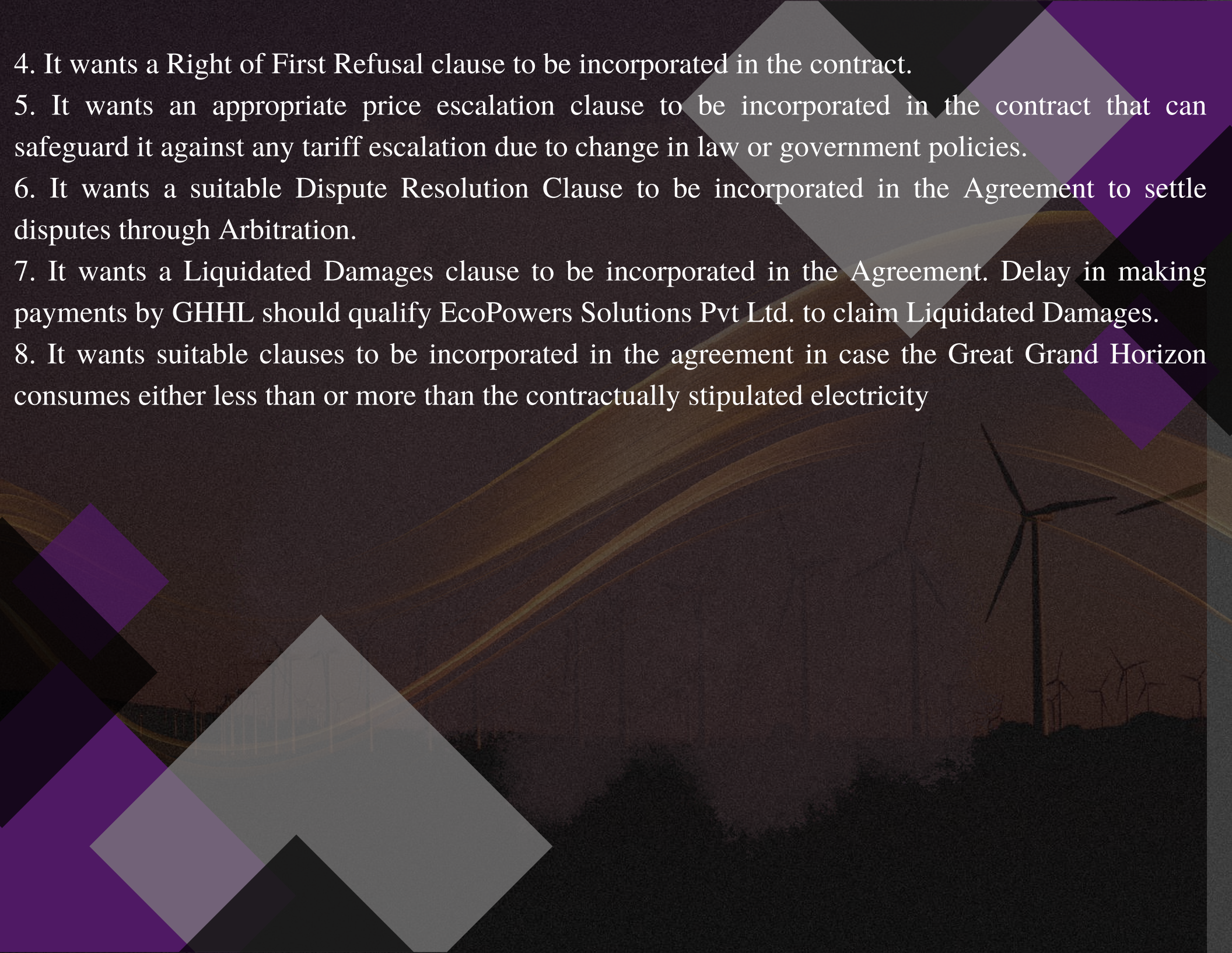
1. GHHL has agreed to purchase 11 GWh of renewable energy annually (30,000 kWh per day) generated by EcoPower Solutions Pvt. Ltd. from its hybrid power plant in Bhatinda at the rate of INR 8 per kWh for a period of 25 years for its flagship hotel the Great Grand Horizon. The tariff is subject to annual revision.

2. The contract can be extended by the parties for a further period of 25 years and can also be cancelled at the instance of any party by giving an eight (8) months' notice.
3. PSPCL as the discom in Punjab as agreed to facilitate this arrangement at the service cost of INR 1.5 kWh of electricity consumed.
4. The billing and invoicing process will be facilitated by PSPCL to ensure accurate calculations and timely payments.
5. Further GHHL wants PSPCL to ensure the seamless flow of electricity from the EcoPower Solutions Pvt Ltd to the Great Grand Horizon.
6. GHHL wants EcoPowers Solutions Pvt Ltd to provide it with Renewable Energy Certificates (REC) for the electricity purchased that will enable GHHL to demonstrate its renewable energy consumption and sustainability goals.

Clients Instructions (EcoPowers Solutions Pvt. Ltd)

While your client, EcoPowers Solutions Pvt. Ltd, has agreed to the abovementioned deal, it has concerns regarding a few issues. The major concerns have been listed below -

1. It should not be held responsible for disruption in power supply due to grid failure. Incorporate a suitable clause that deals with this issue.
2. It wants the exclusive right to supply power to the Great Grand Horizon. GHHL should not approach any other power generator to supply the power for the duration of the contract. GHHL disagrees with this. Hence the PPA should include a suitable clause that is acceptable to both the parties.
3. It wants a wide Force Majeure clause to be incorporated in the agreement that can safeguard issues with power generations due to Covid-19 like pandemics

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- The background of the slide features a photograph of a wind farm at dusk or dawn. The sky is a deep, dark purple, and the silhouettes of the wind turbines are visible against the horizon. Overlaid on this image are several large, semi-transparent geometric shapes in shades of purple and grey, creating a modern, abstract design.
4. It wants a Right of First Refusal clause to be incorporated in the contract.
 5. It wants an appropriate price escalation clause to be incorporated in the contract that can safeguard it against any tariff escalation due to change in law or government policies.
 6. It wants a suitable Dispute Resolution Clause to be incorporated in the Agreement to settle disputes through Arbitration.
 7. It wants a Liquidated Damages clause to be incorporated in the Agreement. Delay in making payments by GHHL should qualify EcoPowers Solutions Pvt Ltd. to claim Liquidated Damages.
 8. It wants suitable clauses to be incorporated in the agreement in case the Great Grand Horizon consumes either less than or more than the contractually stipulated electricity