

1 PARTIES TO THE MEMORANDUM

This MOU is between the following two parties

1. UREDA - Govt. of Uttarakhand (UREDA)
2. Energy Efficiency Services Limited (EESL)

2 BACKGROUND

UREDA has invited EESL to facilitate supply, installation, service & maintenance of LED streetlight fixtures including their post-installation maintenance & warranty replacement during the project period. In response thereto, EESL has agreed to facilitate installation of the latest LED street light technology as replacements to the existing conventional streetlight fixture (i.e. concept & scope of the project) and shall facilitate the achievement of energy savings, rectification work based on consumer complaints and establishing project monitoring cell in coordination with the respective ULB.

NOW THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this MoU, the sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

- **Price Discovery:** The total investment per ULB will be calculated based on the inventory of lights provided and will be determined through a competitive bidding process that includes maintenance and warranties for 5 years, and remote monitoring.
- **Annuity of EESL:** Principles of calculation of annuity of EESL will be as under:
 - Capital cost – as determined through e-bidding
 - Debt:equity – 80:20
 - Debt interest cost – 11% (capped)
 - Equity return – 14% post tax
 - PMC – 3% one time
 - AMC – 4% annual
- **Maintenance:** The expenditure of the ULB for maintenance of the lights will be zero as EESL will undertake maintenance of the street lights for 5 years.

UREDA, Govt. of Uttarakhand

EESL

Director
Uttarakhand Renewable Energy
Development Agency (UREDA)
Dehradun (Uttarakhand)