



BOTSWANA POWER CORPORATION

TENDER NO. 2273/17

**REQUEST FOR PROPOSAL RELATING TO THE
DEVELOPMENT, FINANCING, CONSTRUCTION,
OPERATION AND MAINTENANCE OF 12 SOLAR
PHOTOVOLTAIC POWER PROJECTS**

PART I

GENERAL INSTRUCTIONS TO BIDDER

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PART I

GENERAL INSTRUCTIONS TO BIDDER

1. Introduction

1.1 Introduction

The Republic of Botswana's electricity demand which currently stands at approximately 500MW is met from its coal fired power station (Morupule B – 600MW installed capacity) and diesel powered generation with a capacity of 195MW. This generation capacity is augmented with power imports mainly from Eskom of South Africa.

A 132MW coal fired power station (Morupule A) is under commissioning after a comprehensive refurbishment and pollution abatement project which should be completed at the end of 2018. Given the abundant coal resources in the country, Botswana has been pursuing the development of coal fired power station in the past.

However the country needs to honour its commitment under the United Nations Framework Convention on Climate Change (UNFCCC) as outlined below. The United Nations Framework Convention on Climate Change (UNFCCC) is an international environmental treaty adopted in May 1992 and entered into force in March 1994, after a sufficient number of countries had ratified it. The UNFCCC objective is to "stabilize gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system". Botswana signed the UNFCCC treaty in June 1992 and ratified it in January 1994.

In pursuance of the UNFCCC climate change goals, many countries have signed the Paris Agreement which deals with greenhouse gas emissions mitigation, adaptation and finance starting in the year 2020. In the Paris Agreement, each country determines, plans and regularly reports its own contribution it should make in order to mitigate global warming. While there is no mechanism to force a country to set a specific target by a specific date, each target should go beyond previously set targets.

Botswana issued its percentage of greenhouse gases for ratification as 0.02% which was signed in April 2016, ratified in November 2016 and came into force in December 2016. In pursuance of climate change goals, the Government of Botswana (GoB) through the Botswana Power Corporation (BPC) is driving the development of solar energy projects. In this regard, BPC floated two expressions of interest (EOIs) in June 2017, one for the development of a 100MW Solar PV grid connected plant and the other for off grid solar PV plants both projects being realised using an independent power producer (IPP) structure.

In addition to the above stated projects currently under procurement, GoB and BPC would like to accelerate the development of renewable energy sources in the country and take advantage of funding mechanisms such as the Green Climate Fund (GCF) which is established to support low emission and resilient developments.

In line with the above, BPC has connections listed in Annex 1 to this Part 1 of this RFP for the development of twelve (12) grid connected solar PV plants (Accelerated Green Energy Initiative - AGEI). The respective capacities of the solar PV plants (AGEI) are indicated in the said Annex.

Given the above, BPC is inviting proposals from selected bidders to tender for the development of the solar PV power plants under the AGEI.

This initiative is in line with National Energy Policy goal of providing affordable, reliable and adequate supply of energy for sustainable development, as well as improving access to and efficient use of energy resources.

1.2 Project Objectives

The key objectives for the Project are to:

- improve security and reliability of energy supply;
- increase share of new and renewable sources of energy in the energy supply mix of Botswana;
- offset Botswana's carbon footprint; and
- achieve operation of the each of the solar PV power plants by 2020.

1.3 Definition of Terms

For the purposes of this Request for Proposal, the following capitalised terms shall have the following meanings (whether used in singular or in plural). Capitalised terms used in this Request for Proposal but not specifically defined herein shall have the meanings provided for such terms in the Power Purchase Agreement or other relevant Core Agreement.

“**Addendum**” means an amendment or modification of the RFP made by BPC in accordance with Section 3.6 (*Addenda to RFP*) of this Part I of the RFP.

“**Applicable Grid Rules**” means the South Africa Grid Code for Renewable Power Plants v9.

“**BERA**” means the Botswana Energy Regulatory Authority as established pursuant to the Botswana Energy Regulatory Authority Act 2016.

“**Bidder**” means a Qualified Entity which submits a Proposal.

“**Bidder Consortium**” means where a Bidder is a consortium, joint venture or partnership, collectively all the members of such consortium, joint venture or partnership.

“**Bidder’s Model**” means the financial model to be prepared and submitted by the Bidder and described in more detail in Section 5.2.5 (*Bidder’s Model*) of this Part I of the RFP.

“**BPC**” means the Botswana Power Corporation.

“**BPC Tender Regulations**” means the tender regulations issued by the Botswana Power Corporation from time to time.

“**Botswana**” means The Republic of Botswana.

“**BWP**” or “**Pula**” denotes the lawful currency of Botswana.

“**Closing Date**” has the meaning given to it in the PPA.

“**COD**” or “**Commercial Operation Date**” has the meaning as defined in the PPA.

“**Company**” means the counterparty to the PPA not being BPC as the Offtaker thereunder.

“**Confidentiality Agreement**” means the confidentiality agreement in the form required by BPC and signed by Bidder prior to being provided with the RFP.

“**Connection Agreement**” means the agreement(s) of such name to be entered into between BPC and the Company.

“**Core Agreements**” means the Power Purchase Agreement(s), Connection Agreement(s) and, if required, Lease Direct Agreement(s), copies of which are included in Part III of the RFP.

“**Day**” means the twenty four (24) hour period in Botswana beginning and ending at 00:00 hours.

“**Deadline for Submission of Proposals**” has the meaning set forth in Section 3.8 (*Deadline for Submission of Proposals*) of this Part I of the RFP.

“**Development Costs**” means the relevant element of the Total Project Costs incurred by the Successful Bidder until Financial Closing.

“**Development Security**” has the meaning as defined in the PPA.

“Delivery Point(s)” means the substations identified in Annex 1 of the RFP and described in more detail in the Network Study Report attached to the RFP.

“Energy Charge” has the meaning given to it in Section 1.1 of Appendix 8 (*Calculation of Payment*) of the PPA.

“Energy Payment” means the payment due in respect of Net Electrical Energy to be calculated and determined in accordance with the PPA.

“Environmental Requirements” means the requirements relating to the environment under and in accordance with the Law including those laws and agreements referred to in Section 2.4 (*Regulatory Framework and Core Agreements*).

“EPC Contract” means the lump sum, turnkey contract(s) to be entered into between the Company and the EPC Contractor(s) for the works and services as provided for therein.

“EPC Contractor” means the contractor(s) retained by the Company (as identified in the Proposal or, in the event of any change(s) thereto, as otherwise approved by the Offtaker pursuant to the PPA) to perform the obligations of the counterparty under the EPC Contract not being the Company.

“Financial Closing” means the amounts to fund the Total Project Costs in the aggregate have been provided or committed and evidence thereof, satisfactory to BPC, has been provided by the Bidder.

“Generator” has the meaning as defined in the PPA.

“Good Industry Practice” has the meaning as defined in the PPA.

“Government” or **“GoB”** means the Government of the Republic of Botswana.

“Independent Energy Yield Assessment” means the independent energy yield assessment report to be provided by the Bidder with its Proposal in accordance with Formsheets H (*Technical Approach & Methodology*).

“Independent Solar Resource Assessment” means the solar resource assessment report to be provided by the Bidder with its Proposal in accordance with Formsheets H (*Technical Approach & Methodology*).

“Interfaces” means the Delivery Points and other points of connection and/or interfaces as detailed in the Connection Agreement(s).

“IPP” means independent power producer.

“IPP Licence” means the independent power producer licence to be obtained by the Bidder in Botswana in accordance with the Law.

“kWh” means kilowatt hours.

“kWp” means kilowatt peak and is the nominal peak power under standard test conditions.

“Late Proposal” has the meaning set forth in Section 3.9 (*Late Proposal*) of this Part I of the RFP.

“Law” has the meaning given to it in the PPA

“Lease” means the agreement(s) to be entered into by the Company and the counterparty (or parties) thereto, the form of which is subject to review and approval by BPC.

“Letter of Commitment” means the letter referred to in Section 4.2 (*Letter of Commitment*) of this Part I of the RFP.

“Liquidated Damages” or **“LDs”** means the liquidated damages payable for any delay(s) in a Plant achieving the Commercial Operation Date, as further described in clause 7 of the PPA and referred to in Section 5.1.3 (*Commissioning of each Plant*) of this Part 1 of the RFP.

“LongStop Date” means the date that is 180 Days after the Scheduled Commercial Operation Date for the relevant Plant (as such period may from time to time be extended under and in accordance with the PPA).

“MW” means megawatt.

“MWp” means megawatt peak and is the nominal peak power under standard test conditions.

“Notification” means the notification to each of the Bidders which have been shortlisted as issued by BPC under Section 3.17.1 (*Notification of Shortlisted Bidders*) of this Part I of the RFP.

“O&M Contract” means the contract(s) between the Company and the O&M Contractor(s) for the works and services provided for therein including the management, operation, maintenance and repair of the Plant.

“O&M Contractor” means the contractor(s) engaged by the Company (as set out in the Proposal or, in the event of any change thereto, as otherwise approved by the Offtaker pursuant to the PPA) under the O&M Contract.

“Offtaker” has the meaning as defined in the PPA.

“Opening of Proposals” means the date and time specified in Section 3.11 (*Opening of Proposals*) of this Part I of the RFP.

“Operating Period” means the operating period from the Commercial Operation Date of a Plant until the last Day of the Term of the PPA relating to such Plant.

“Period of Validity” means the period as described in Section 3.10 (*Period of Validity of Proposal*) of this Part I of the RFP.

“Person” means any individual, partnership, corporation, limited liability company, joint stock company, joint venture, association, trust, unincorporated organisation, governmental instrumentality, or other entity.

“Plant” means the electricity generating facility using photovoltaic technology and associated facilities and infrastructure to be built, owned and operated on a Site and any part thereof, as context may require.

“Power Purchase Agreement” or **“PPA”** means the agreement between the Offtaker and the Company, the form of which is included in Part III of the RFP.

“Pre Operation Period” means in respect of a Plant the period from and including the Day following the Closing Date until and including the Day immediately preceding the Commercial Operation Date for such Plant.

“Project” means the development, financing, design, engineering, procurement, manufacture, factory testing, transportation, construction, erection, installation, equipping, completion, testing, commissioning, insurance, ownership, operation, maintenance and decommissioning of a Plant, the use of the Site in accordance with the Leases, the sale of the electricity dispatched pursuant to the PPA and all activities incidental to any of the foregoing.

“Project Agreements” means in relation to a Plant, the PPA, the Lease, the Lease Direct Agreement, the EPC Contract(s), the O&M Contract(s) and the Connection Agreement together with the agreements related thereto (such as guarantees, direct agreements, collateral warranties and/or bonds).

“Project Implementation Schedule” means the schedule for implementation of the Project proposed by the Bidder in accordance with the requirements of Formsheet G (*Project Execution Plan*) of Part II of the RFP.

“Proposal” means the proposal delivered by a Bidder (and any agreed amendments, variations or supplements thereto) all in response and in accordance with this RFP.

“PV” means photovoltaic.

“Qualified Entity” means either an individual company or a consortium, joint venture or partnership meeting the requirements specified in the RFP.

“RFP” means this Request for Proposal and any additions or amendments thereto made in accordance with this RFP.

“SAPP Rules” means those rules of the Southern Africa Power Pool related to system security and emergencies in force from time to time.

“Scheduled Commercial Operation Date” means the date for the achievement of the Commercial Operation Date in respect of a Plant as specified in Formsheet G (*Project Execution Plan*) and in turn in Appendix 1 (*Implementation Schedule*) of the PPA (as may from time to time be amended in accordance with the PPA).

“Shortlisted Bidders” means the Bidder(s) to whom BPC has issued a Notification pursuant to Section 3.17.1 (*Notification of Shortlisted Bidders*) of this Part I of the RFP.

“Signature Date” means the date of signature of the relevant Power Purchase Agreement.

“Site” has the meaning as relevant given to it in each PPA.

“Substation” has the meaning set out in the relevant Connection Agreement.

“Successful Bidder” has the meaning specified in Section 3.19 (*Execution of Project Agreements*) of this Part I of the RFP.

“Total Project Costs” means all costs as set out in Formsheet E (*Total Project Costs*).

1.4 Confidentiality

The RFP and the information contained herein are confidential and the property of BPC. The Bidder must not disclose the information contained herein to any third party without the written consent of the BPC other than to (i) its direct shareholders, directors, officers or employees, or (ii) its legal, financial and/or technical advisers, to the extent necessary to prepare its Proposal in response to the RFP. In each case, prior to making such disclosure, the Bidder shall obtain confidentiality undertakings from these third parties on the same terms as the confidentiality obligations which the Bidder owes to BPC in relation to the RFP.

1.5 Disclaimer

The information presented in the RFP is furnished solely for the purpose of assisting each prospective Bidder in making its own evaluation of the Project and does not purport to be all inclusive or to contain all the information that the Bidder may require. The Bidder shall make its own investigations, projections and conclusions and consult their own advisers to verify independently the information contained in the RFP and the Network Study Report, and to obtain any additional information that they may require, prior to submitting a Proposal. Neither BPC (nor the GoB) in or any of their respective advisers makes any representation or warranty as to the completeness of the RFP or the Network Study Report nor have they any liability for any representations (express or implied) contained in, or omissions from, the RFP.

2. Project Information & Concept

2.1 Project Concept

2.2 Project Description

The Project comprises of the development, permitting, financing, design, engineering, procurement, construction, testing, commissioning, completion, insurance, ownership, operation and maintenance and decommissioning of the Plants.

The Bidder is free to propose the technology and design for each Plant considering and in any event complying with international best practices, design and environmental conditions and the provisions of the RFP.

2.3 Technical Requirements

The Plant at each of the Sites shall use ground mounted PV technology connected to central inverter/transformer stations and shall be designed in such a way that the maximum power output (active power) measured at the Electrical Delivery Point shall not exceed the relevant limit thereon at any time.

The Plant will be designed, manufactured and configured in such a way that it will exhibit high efficiency, availability and reliability with minimum energy generation costs, so that such Plant shall be suitable in every respect for continuous operation at maximum power output under the climatic conditions particular to each Site.

The Plant will be compliant to the Applicable Grid Rules

The Company will be required to decommission and dismantle each the Plants at the end of Term as provided for and in accordance with the Law and the requirements set out in the PPA.

Network Study

The network study report attached in Part III of this RFP ("Network Study Report") is to be reviewed by the Bidder. The report indicates the results of the grid integration studies for the potential Sites.

The Bidder should consider the results of the report in preparation of its Proposal, in particular the impact(s) on the Grid resulting from the connection of the Plant(s). The Successful Bidder will be expected to perform full detailed grid impact and grid code compliance studies for review by and approval of BPC.

The Bidder shall provide a proposal for connection into existing substation(s).

2.4 Regulatory Framework and Core Agreements

The central components of the regulatory framework in Botswana relevant to the Project are:

- Botswana Energy Regulatory Authority Act 2016
- Electricity Supply Act 2007 (CAP.73:01)
 - Electricity Supply Amendment Act No. 20 of 2007;
 - Electricity (Licensing) Regulations of 1993;
- BPC Act (CAP. 74:01)

- BPC Tender Regulations
- Tribal Land Act (CAP. 32:02)
 - Tribal Land Regulations of 1973
- Environmental Impact Assessment Act (CAP. 65:07)
- Citizen Economic Empowerment Policy (CEEP)
- Economic Diversification Drive (EDD)

2.4.1 Compliance with all Botswana Laws

The Bidders shall at all times comply with the laws of Botswana.

2.4.2 Bidder/Company responsible for all Permits/Licences/Regulatory Compliance

The Bidders shall obtain all Permits and Licences applicable to the Project and Project Agreements under the Laws, including the IPP Licence.

2.4.3 Power Purchase Agreement

The PPA, the form of which is set out in Part III of this RFP, will provide for the supply by the Generator and the purchase of electricity by the Offtaker in accordance with the terms thereof.

The Term of the PPA shall commence on the date of execution thereof and shall expire on that date being twenty five (25) years from the Commercial Operation Date for the relevant Plant.

2.4.4 Connection Agreement(s)

The Connection Agreement(s) will be between the Generator and BPC as the operator of the Grid and will be entered into on or before the Closing Date.

2.4.5 Site Selection

The Bidder will be required to select and secure the Site(s) and provide evidence of having secured the Site(s) as part of its Proposal. The Bidder shall demonstrate evidence of having secured the Site(s) by having entered into duly executed and enforceable option agreements, lease agreements and/or conditional lease agreements with the relevant landowner(s)/lessor(s) and shall include details thereof in Formsheet M (*Bidder's Site Selection*).

If the Bidder is to secure the land for the Site(s) by entering into a lease agreement with the relevant landowner/lessor, the Bidder shall procure that the landowner/lessor enters into a Lease Direct Agreement with BPC in the form set out in Part III of this RFP.

3. Bidding Process & Form of Bids

3.1 Compliance with the RfP

The RFP establishes a single format to be followed by all Bidders submitting Proposals to facilitate and ensure a uniform and impartial evaluation and ranking of each Proposal. The Bidder shall submit its Proposal in accordance with the requirements of the RFP and shall complete all data and formsheets and provide all information required in the order and format as specified in the RFP (including as set out in section 3.4 below). Without limiting any of its other rights, BPC expressly reserves the right to reject any Proposal which does not meet such requirements.

Any proposed deviation(s) from the requirements of the RFP or proposed modification(s) to the Core Agreements shall be clearly indicated and explained by the Bidder. Deviations and modifications are discouraged and BPC reserves the right to reject any Proposal which is not substantially responsive.

The Bidder may submit a Proposal for any and all of the twelve (12) solar PV plants which are the subject of this RFP. The Bidder shall submit separate proposals for each of the Plants. A Successful Bidder may be awarded no more than three (3) Plants.

Subject to the above, BPC otherwise reserves the right to notify Shortlisted Bidders, select Successful Bidders and enter into the contracts in respect of the Plant(s) which are the subject of the award in full or in part at its sole discretion.

3.2 Language

The Proposal prepared by the Bidder and all correspondence and documents relating thereto shall be in the English language.

3.3 Form of Submission

Proposal submission requirements of the Pre-Bid documents and Proposal documents are as follows:

Original – one (1) set of hard copy and soft copy in one (1) USB Drive; and

Copies – two (2) sets of hard copies and three (3) sets of soft copies in individual USB Drives.

These shall be additional to and submitted, in the form described in this Section 3 (Bidding Process & Form of Bids) of this Part I of the RFP at the following address:

BPC Re- Tender 2273/17
 Botswana Power Corporation
 Supply Chain Procurement Office
 Plot 1222
 Nkrumah Road
 Gaborone
 Botswana

For the attention of Supply Chain Manager - Mr. Boitshepo Puleng

Only the submission of printed Proposals (together with the above mentioned soft copies) shall be acceptable. Neither telefax nor telex submittal will be accepted.

Proposals should preferably be submitted by hand although Proposals submitted by registered mail will be accepted if received by BPC at the address above in their entirety on or before the Deadline for Submission of Proposals.

In case of any discrepancy between a soft copy and a hard copy of the Proposal submitted by the Bidder, the hard copy of the Proposal shall prevail.

The original Proposal submitted by the Bidder shall include the original of the Letter of Commitment, signed by a person or persons duly authorised to bind the Bidder to the Proposal and any resulting agreement(s). If the Proposal is submitted by two (2) or more entities as members of a Bidder Consortium, a duly authorised person or persons of each such member shall sign the Letter of Commitment. In each case, a power of attorney or if applicable other evidence authorizing such persons to sign the Letter of Commitment shall be provided.

The Bidder shall seal the original Proposal and each copy thereof in boxes or containers, clearly labelled indicating the name of the Project.

The original of the Letter of Commitment shall be sealed in a separate envelope marked in a similar manner as the boxes or containers above and shall be attached to the outside of the box or container (described above) containing the Bidder's original Proposal.

All Proposal documents shall be securely bound and shall become the property of BPC upon submission. BPC shall not return the original or copies of the Proposal submitted by the Bidder.

3.4 The Proposal Documents

The Proposal prepared by the Bidder shall be comprised of the following:

3.4.1 Proposal Documents Volume 1 (Envelope 1)

Part 1 – Qualifications & Compliance

- (1) Letter of Commitment
- (2) Statement of Technical Qualifications
- (3) Statement of Financial Qualifications
- (4) Provision of audited financial statements for the financial year ended not more than 12 months before the date of submission of the Proposal
- (5) Site Selection evidence documentation in accordance with the RFP

Part 2 – Technical and Financial Proposal

Detailed technical information and description of the Project including scope and limits of the Project and all information as required by Formsheet H (*Technical Approach & Methodology*) of Part II of the RFP.

(1) Project Data

Project data in accordance with the Formsheets in Part II of the RFP in hard copy and soft copy in MS Word format:

- performance guarantee data for the Plant (Formsheet C (*Performance Guarantee Data*) of Part II of the RFP);
- plant technical data for the Plant (Formsheet H (*Technical Approach & Methodology*) of Part II of the RFP);
- Independent Solar Resource Assessment report; and
- Independent Energy Yield Assessment report and original files (PV system, OND, PAN, etc.).

(2) Project Implementation

Project Implementation Schedule in accordance with the requirements of Formsheets G (*Project Execution Plan*) of Part II of the RFP.

(3) Core Agreements

Copy of the form of each of the PPA, Connection Agreement and/or Lease Direct Agreement, if applicable, marked up to show proposed modifications (if any) in accordance with Section 5.2.7 (*Core Agreements*) of this Part I of the RFP.

(4) Project Costs and Financial Data

Project cost estimates for the Plant (Formsheets E (*Total Project Costs*) of Part II of the RFP);

Financial data for the Project (Formsheets F (*Financial Data*) of Part II of the RFP); and

(5) Insurance

The details of the insurances to be put in place for the Project in accordance with Formsheets J (*Insurance Programme*) of Part II of the RFP.

(6) Local Content

The Bidder shall provide detailed plans for the implementation of the Citizen Economic Empowerment Policy and Economic Diversification Drive demonstrating effective implementation of such policies and impact in respect to local content, social & gender initiatives and economic development for local communities. The plans shall be provided by the Bidder with Formsheets D (*Local Content*).

3.4.2 Proposal Documents Volume 2 - Proposed Energy Charge (Envelope 2)

The proposed Energy Charge and supporting values for payment calculations, including:

- the proposed tariff amount(s);
- the Bidder's Model and supporting explanations and assumptions (as defined in Section 5.2.5 (*Bidder's Model*) of this Part I of the RFP);

3.5 Requests for Clarifications

If a Bidder has any doubt as to the meaning or intent of any sections of or requires additional information in relation to this RFP, such Bidder may in writing request such clarification(s) and/or information from BPC.

Such written requests for clarification(s) and/or information shall be submitted by e-mail to sysanjibuk@bpc.bw no less than ten (10) days before the relevant deadline for the submission of any such request(s) as identified below.

BPC will endeavour to respond to each request for clarification or information within two (2) weeks from the receipt of such a request.

In the interest of fairness, BPC will make all clarification(s) and information available to all Bidders without identifying the Bidder requesting the clarification(s) and/or information.

3.6 Addenda to the RFP

At any time, but no later than ten (10) days prior to the Deadline for Submission of Proposals, BPC may amend or modify the RFP in any respect through the issuance of one or more addenda (each an "Addendum"). All Addenda issued by BPC shall constitute part of the RFP and shall not give rise to any right for a Bidder to claim any costs as result of or in connection with such change.

3.7 Timeline

Milestone	Indicative Date
Release of RFP	26th November 2018
Initial clarification(s)	03rd December 2018
Release of Addenda (if necessary)	
Deadline for submission of any further clarification(s)	08th February 2019
Deadline for submission of Proposals	29th March 2019
Opening of Proposals submitted	29th March 2019
Notification of Shortlisted Bidders	27th July 2019
Selection of Successful Bidders	30th August 2019

3.8 Deadline for Submission of Proposals

All Proposals must be received by BPC at the address specified in Section 3.3 (*Form of Submission*) of this Part I of the RFP, by no later than **29th March 2019, Botswana time on 10:00hrs** (the "Deadline for Submission of Proposals"). BPC may in its sole discretion extend the Deadline for Submission of Proposals by issuing an Addendum to the RFP at any time.

3.9 Non-Acceptance of Late Proposals

Any Proposal received after the Deadline for Submission of Proposals (a "Late Proposal") shall be returned unopened to the Bidder. A Late Proposal shall not be considered under any circumstances, including circumstances beyond the Bidder's control.

3.10 Period of Validity of Proposal

Each Proposal shall remain valid for a period of at least one hundred and eighty (180) Days, commencing on the Deadline for Submission of Proposals, which period shall be specified in the Letter of Commitment (the "Period of Validity"). A Proposal stated to be valid for a shorter period than the Period of Validity shall be considered by BPC as substantially nonresponsive. A Proposal may not be withdrawn during the Period of Validity.

BPC may request a Bidder to consent to an extension of the relevant Period of Validity. Both the request for an extension and the response shall be in writing.

3.11 Opening of Proposals

All Proposals received by BPC shall remain sealed in BPC's possession until after the Deadline for Submission of Proposals.

BPC will open Envelope 1 of the Proposals submitted in accordance with Section 3.4.1 of the RFP on **29th March 2019** at Supply Chain Procurement Office Plot 1222, Nkrumah Road, Gaborone at approximately 10:00hrs Botswana time (“the Opening”). BPC will then open Envelope 2 of those Proposals which have passed the evaluation stages 1 and 2, and reached stage 3 of the evaluation procedure as provided for in Section 3.16 of the RFP.

A maximum of two (2) representatives of each Bidder may attend. Attendees of the Opening shall maintain proper decorum and silence throughout the session.

Except as may be required by law or a court or governmental authority with relevant jurisdiction, no information relating to any clarification, determination of responsiveness, evaluation and/or comparison of Proposals and/or recommendations concerning the award of the Project shall be disclosed to Bidders or any other person not officially involved in the same, until the award of the Project to the Successful Bidder has been announced by BPC.

Any attempt by a Bidder (or any agent or representative acting on its behalf) to influence BPC and/or any of its advisers during clarification, determination of responsiveness, evaluation and comparison of Proposals and/or in any decisions concerning the award of the Project, may result in the rejection of such Bidder’s Proposal.

3.12 Determination of Responsiveness

BPC shall evaluate only those Proposals determined by BPC to be ‘substantially responsive’ to the requirements of the RFP.

For the purpose of this section and the RFP, a ‘substantially responsive’ Proposal shall be a Proposal that conforms to the terms, conditions and requirements of the RFP without material deviation. A deviation to or reservation from the terms, conditions and/or requirements of the RFP constitutes a material deviation if it affects the scope, quality, and/or performance of the Project or any part thereof in any substantial way or limits in any substantial way BPC’s or any other party’s rights or the Bidder’s obligations under any of the Core Agreements..

3.13 Cost of Bidding

Each Bidder shall bear all costs and expenses in relation to or otherwise associated with the preparation and/ submission of its Proposal and agrees that BPC shall, under no circumstances, be responsible or liable for any such costs, regardless of the conduct, outcome or cancellation of the bidding, evaluation and/or selection process.

The Bidder shall be responsible for all costs associated with the provision of responses to requests from BPC for information and/or preparation for and attendance at any Bidders’ conference, the site visit and/or meeting(s) requested by BPC.

3.14 Right to Accept any and to Reject any or all Proposals

BPC reserves the absolute right to accept or reject any Proposal or to annul or cancel the bidding process and reject any and/or all Proposals at any time without any liability of BPC to the Bidder or any other party and without any obligation to inform the Bidder of the grounds for any such action. Each Bidder hereby waives all and any rights to claim any such costs and/or losses arising as a result.

3.15 Clarification of Proposals

BPC may request additional information, clarification(s) and verification(s) with respect to any of the content of or referred to in the Proposal. The Bidder is required to respond, in writing, to any such request within **five (5) Days** of receipt of the request or such shorter or longer period as may be specified in the request.

To assist in the evaluation and/or comparison of Proposals, BPC may also require the Bidder to make a presentation in relation to its Proposal and attend meetings at the cost of the Bidder to be held at BPC's offices in Botswana.

3.16 Evaluation of Proposals

3.16.1 Evaluation Procedure

The Bidder shall submit its Proposal in two envelopes. Envelope one shall include the information listed under Section 3.4.1 of the RFP and envelope two shall include the information listed under Section 3.4.2 of the RFP.

3.16.2 Evaluation Criteria

In order for BPC to evaluate the Bidder's Proposal, the Bidder will have to demonstrate that it meets the Compliance and Technical and Financial Qualification requirements below and provide such information in accordance with Formsheets B (*Legal Form and Organisation of the Bidder*), N (Statement of Technical Qualifications) and O (Statement of Financial Qualifications).

3.16.3 Technical and Financial Evaluation Criteria

Only the Bidders that comply with the requirements set out in Stage 1A and Stage 1B below shall proceed to the Stage 2 of evaluation and receive a score in accordance with their technical proposal:

Stage 1A : Compliance Requirement – Pass/fail
(i) Letter of Commitment - Formsheet A: Letter of Commitment
(ii) Provision of audited financial statements for the Bidder (or in the case of a consortium, each member thereof) for financial year 2016, 2017, and 2018 (if full year report for 2018 is not available, an interim financial statement for the first half of 2018 is required). The financial statements should include a consolidated balance sheet, consolidated income statement and consolidated cash flow statements.
(iii) Site Selection evidence documentation in accordance with the RFP - Formsheet M: Bidder's Site Selection
<i>Only Bidders that satisfy the compliance stage will proceed to the next evaluation stage.</i>

Stage 1B: Qualification – Pass/fail**1.1 Statement of Technical Qualifications – Formsheets N: Statement of Technical Qualifications****(i) Bidder's track record - Bidder's Development and Project Financing Experience**

The Bidder is required to demonstrate its or, in the case of a consortium, the Lead Member's development and project financing experience by listing those operational independent power projects in which it has acted as developer (or as a project shareholder leading the development process including/financing).

The Bidder is required to provide evidence of having successfully developed (until financial close and operation) an independent power project or similar with a capacity of 1MW or more within the last three (3) years connected to the national power grid in the country in which such project is located.

The evidence provided by the Bidder shall include information in relation to its role in the development process (including financing) for each plant and the exact GPS location and capacity (size).

(ii) EPC Contractor track record

The Bidder is required to provide evidence of the proposed EPC Contractor's track record demonstrating construction of at least one solar PV plant with a capacity of 1MW or more developed and commissioned within the last three (3) years and connected to the national power grid in the country in which such project is located.

The evidence provided by the Bidder shall include information in relation to the management of the design, procurement and construction for each plant and the exact GPS location and capacity (size).

(iii) O&M Contractor track record

The Bidder is required to provide evidence of the proposed O&M Contractor's track record demonstrating operation and maintenance of at least one solar PV plant with a capacity of 1MW or more within the last three (3) years connected to the national power grid in the country in which such project is located. The evidence provided by the Bidder shall include information in relation to the operation and maintenance for each plant and the exact GPS location and capacity (size).

1.2 Statement of Financial Qualifications – Formsheets O: Statement of Financial Qualifications

(i) The Bidder (or, in the case of a consortium, the Lead Member) shall include the following information in its qualification statement:

- one or more private power generation projects in respect of which it has successfully raised equity financing of either at least US\$0.375 million in the past five (5) years; and
- one or more private power generation project in respect of which it has successfully raised debt financing of either at least US\$ 1.125 million in the past five (5) years.

(ii) The Bidder (or, in the case of a consortium, the Lead Member and/or as provided below) shall demonstrate the following parameters derived from the certified audited accounts having the threshold values as indicated below:

- tangible Net Worth Shall be more than or equal to US\$ 1.5 million in each of the last three (3) fiscal years.
- tangible Net Worth to Assets Ratio shall be more than 15% in last three (3) fiscal years

In the case of a consortium, the relevant tangible Net Worth requirement may also be on a proportionate shareholding basis, calculated for each member of the consortium as US\$ 1.5 million multiplied by the percentage of such member's equity share commitment in the consortium and divided by 100%.

Only Bidders that satisfy the qualification stage will proceed to the next evaluation stage.

Stage 2: Technical and Financial Evaluation Criteria	Formsheets	Score 100 points
2.1 Technical Criteria		
Technical Approach and Methodology The Bidder is required to demonstrate its understanding of the Project by submitting a detailed approach and methodology for Project development to achieve the Closing Date	Formsheets H Technical Approach and Methodology	20
Project Execution Plan The Bidder shall as part of its proposal suggest the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the BPC), and delivery dates of the reports	Formsheets G Project Execution Plan	20
Absence of deviations from Core Agreements The Bidder to indicate, if applicable, any proposed deviations to the following Core Agreements: <ul style="list-style-type: none"> • Power Purchase Agreement • Connection Agreement • Lease Direct Agreement (if applicable) 	Formsheets I Form of Proposed Deviations	10
2.2 Financial Criteria		
Financial Plan & Financial Term Sheet: Adequacy of cost estimates (construction costs, operation and maintenance costs)	Formsheets K Financing Plan	20
Amount of committed financing proposed by the Bidder	Formsheets F Financial Data	15

Stage 2: Technical and Financial Evaluation Criteria	Formsheets	Score 100 points
Deliverability of financing plan	Financial Model	5
Local Content Local Content, Social & Gender Issues, Economic Development Issues	Formsheet D Local Content	5
<i>The Bidders shall obtain a minimum of 30 points from each of the technical and financial sections and at least 75 points in the aggregate to advance to the final stage of the evaluation procedure.</i>		
Stage 3 Energy Charge – Price Ranking Evaluation Criteria		
Bidder Ranking Proposals will be ranked based on tariff offered		

3.16.3.1 Energy Charge – Price Ranking

The Bidders that have proceeded to the final evaluation stage shall be ranked in accordance to the price of the tariffs proposed. BPC may notify and invite for negotiations any Bidder whose proposal passes stages 1 and 2 and reaches stage 3 of the evaluation procedure.

3.17 Notification of Shortlisted Bidders

3.17.1 Notification of Shortlisted Bidders

BPC will issue a notification (the “Notification”) to one or more Bidders (each, a “Shortlisted Bidder”) informing the relevant Bidder that it has been shortlisted. It is the intention of BPC to keep the Proposals of each of the Shortlisted Bidders open for detailed discussions and negotiations until such time as BPC has executed the PPA with one of the Shortlisted Bidders and the Closing Date and Financial Closing have occurred.

Each Shortlisted Bidder shall acknowledge receipt of the Notification, in writing, within five (5) Days from the date of the issuance thereof.

3.17.2 Notification to Unsuccessful Bidders

Upon selection of and notification to the Shortlisted Bidder(s), BPC will promptly notify each Bidder which is not a Shortlisted Bidder.

3.18 Negotiations

BPC will negotiate with a Shortlisted Bidder and may at the same time and/or subsequently also choose to negotiate with all or any of the other Shortlisted Bidders.

3.19 Execution of Project Agreements

The Bidder agrees to immediately proceed with finalisation and completion of all agreements and satisfy all conditions precedent to the Closing Date so that no delay will occur to the Project implementation.

The Company shall execute the PPA and the other Project Agreements within four (4) weeks of the date of notification of the Successful Bidder representatives with proper powers of attorney shall attend BPC's offices for the purpose of executing such agreements.

The Successful Bidder (and the Company) shall be responsible for the preparation of a complete set of the executed Project Agreements and related documents and their submission to the Offtaker and any government authorities in the number agreed and/or required by the Laws of Botswana.

The Successful Bidder (and the Company) shall be responsible for any costs or expenses incurred by it in or relating to negotiating, executing, translating and registering (to the extent applicable) the Project Agreements and related documents, and in the preparation of originals and copies thereof and for achieving the Closing Date. The Successful Bidder agrees that BPC shall be under no obligation in any circumstances to reimburse the Successful Bidder for any such costs or expenses.

4. Instructions to Bidders (Volume 1 – Part I Compliance & Qualifications)

4.1 Bidder and Company Requirements

Formsheet B (*Legal Form and Organisation of the Bidder*) of Part II of the RFP is to be completed by the Bidder and submitted as a part of its Proposal.

The Bidder, and if applicable each member of the Bidder Consortium, shall be an entity duly organised, existing and registered and in good standing under the laws of its country of domicile.

As part of its Proposal, the Bidder must furnish evidence of its legal structure as a single company or a consortium, joint venture or partnership (as the case may be) including information with respect to (i) the legal relationship among the members and (ii) the role and responsibility of each member, together with a certified copy of the complete consortium, joint venture or partnership agreement, signed by all parties and with powers of attorney authorising the execution of such agreement (which shall be authenticated in accordance with the laws of Botswana).

Each Bidder Consortium must identify one member of that Bidder Consortium as the lead member of the Bidder Consortium ("Lead Member") to act as the main point of contact and manager of the Bidder Consortium, which member shall have the authority to act on behalf of Bidder Consortium in relation to this RFP and the Project and to act and receive instructions on behalf of all Bidder Consortium members.

The Company is to be incorporated and registered in Botswana and is to be formed by the Successful Bidder to undertake the Project. It is the responsibility of the Successful Bidder to incorporate the Company as a private company incorporated under the laws of Botswana. In the event of a Bidder Consortium, the Lead Member shall hold at least 51% of the shareholding in the Company at all times (with any proposed change thereto being subject to the prior consent of BPC).

4.2 Letter of Commitment

The Bidder is required to submit a Letter of Commitment in the form set out in Formsheet A (*Form of Letter of Commitment*) of Part II of the RFP with the information regarding the Bidder's organisation and (if applicable) all Bidder Consortium members in accordance with Section 4.1 (*Bidder and Company Requirements*) of Part I of this RFP, including:

- powers of attorney authorising the persons who executed the Letter of Commitment to bind the Bidder to the Proposal, which powers of attorney shall be notarised and authenticated by the consular authorities of the Botswana in accordance with the laws of Botswana;
- copies of organisational documents (e.g., memoranda and articles of association) of the Bidder and, in the case of a Bidder Consortium certified copies of any contracts such as partnership, joint venture or shareholders' agreement; and
- completed Formsheet B (*Legal Form and Organisation of the Bidder*) of Part II of the RFP.
- completed Formsheet N (*Statement of Technical Qualifications*) of Part II of the RFP.
- completed Formsheet O (*Statement of Financial Qualifications*) of Part II of the RFP.

4.3 Statement of Technical Qualifications

The Bidder is required to submit a Statement of Technical Qualifications confirming compliance with the below:

Technical Parameters	Criteria
Bidder's track record	The Bidder must have successfully developed until financial close and operation an independent power project or similar with a capacity of 1MW or more within the last three (3) years connected to the national power grid in the country in which such project is located.
EPC Contractor track record	The EPC Contractor must have constructed at least one solar PV plant with a capacity of 1MW or more developed and commissioned within the last three (3) years and connected to the national power grid in the country in which such project is located.
O&M Contractor track record	The O&M Contractor must have operated and maintained at least one solar PV power plant with a capacity of 1MW or more within the last three (3) years connected to the national power grid in the country in which such project is located.

4.4 Statement of Financial Qualifications

The Bidder is required to submit a Statement of financial qualifications confirming compliance with the requirements below.

Financial Parameters	Criteria
The financial qualification requirements to be met by the Bidder (or Lead Member, if applicable)	<p>The Bidder (or, in the case of a Bidder Consortium, the Lead Member) shall include the following information in its Financial Qualification Statement:</p> <ul style="list-style-type: none"> • one or more private power generation projects in respect of which it has successfully raised equity financing of at least US\$ 0.375 million in the past five (5) years; and • one or more private power generation project in respect of which it has successfully raised debt financing of at least US\$ 1.125 million in the past five (5) years.
<p>The Bidder is required to submit a Statement of Financial Qualifications confirming compliance with the criteria in this table.</p> <p>The Bidder or, in the case of a consortium, the Lead Member or as provided for below shall demonstrate the following parameters derived from the certified audited accounts having the threshold values as indicated below.</p>	
Tangible Net Worth	shall be more or equal to USD 1.5 million in each of the last three (3) fiscal years.
Tangible Net Worth to Assets Ratio	shall be more than 15% in last (3) fiscal years
<p>In the case of a Bidder Consortium, the Net Worth requirement may also be on a proportionate shareholding basis, calculated for each member of the consortium as US\$ 1.5 million multiplied by the percentage of such member's equity share commitment in the Consortium and divided by 100%.</p>	

5. Instruction to Bidders (Volume 1 – Part I Technical & Financial Proposals)

5.1 Technical Requirements

5.1.1 Technical Information

The Bidder shall provide in its Proposal all technical information and data in accordance with Formsheets H (*Technical Approach & Methodology*) of Part II of the RFP.

The Bidder shall guarantee, as part of its Proposal, the performance guarantee data specified in Formsheets C (*Performance Guarantee Data*) of Part II of the RFP.

5.1.2 Preliminary Project Requirements

Each of the Plants shall be designed, installed, commissioned, tested and operated in accordance with in the PPA, relevant national regulations and Laws and relevant international standards, including those listed in the PPA.

The Project shall in addition comply with the following technical requirements:

- all equipment shall be new and unused and manufactured by reputable manufacturers with experience in at least two projects of similar size, subject to any stricter requirements set out in this RFP.
- each Plant shall be designed:
 - with a design life of not less than 25 years;
 - for the climatic conditions, environmental restrictions/requirements and soil conditions at the relevant Site; and
 - to enable compliance with all the requirements of the PPA.
- each Plant shall be designed, constructed, installed, operated, maintained and decommissioned for compliance with applicable laws on environmental, safety, labour, social and security matters.
- all procedures and protocols shall be in compliance with ISO9001 and ISO14001 and OHSAS 18001 as a minimum

5.1.3 Commissioning and Completion of each Plant

In order to achieve its Commercial Operation Date, each Plant is required to be successfully tested and put into commercial operation in accordance with the procedures set forth in Appendix 6 of the PPA.

Each Plant is required to achieve the Commercial Operation Date by the relevant Scheduled Commercial Operation Date.

If a Plant fails to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date therefor, liquidated damages for delay will be payable to the Offtaker in respect of the period running from Scheduled Commercial Operation Date until the earlier of (i) the Commercial Operation Date and (ii) the Long Stop Date in relation to such Plant, all as provided for in and subject to the terms of the PPA.

5.1.4 Permitting and Environmental

It is the responsibility of the Successful Bidder and the Company to obtain all consents, permits and licences necessary to construct, commission, test, operate and maintain each Plant and to ensure that the relevant time(s) required for obtaining or the costs of such consents, permits and/or licences are

provided and/or allowed for in its Proposal. It is emphasised that the responsibility for identifying and obtaining such necessary consents, permits and licences rests solely with the Successful Bidder and the Company.

5.1.5 Environmental Requirements

The Company shall comply with and satisfy the requirements of:

- the laws of Botswana; and
- the Environmental Requirements

5.1.6 Engineering, Procurement and Construction

The Bidder shall comply with all good engineering practices in preparing for and carrying out the design, procurement construction, commissioning and testing of each of the Plants and other works required.

In the Proposal, the Bidder shall describe the organisation of the engineering works, site works (including site component(s)) and inspection and testing programme and its designated contractors and subcontractors.

BPC shall have access to each of the manufacturing and construction works on prearranged visits to satisfy itself regarding the quality and anticipated performance of each of the Plants.

The EPC Contract shall be entered into between the Company and the EPC Contractor on or before the Closing Date in a form approved by BPC.

Formsheet H (*Technical Approach & Methodology*) of Part II of the RFP lists the documentation that, as a minimum, the EPC Contractor is required to submit to the Company and to BPC for information and review during the engineering, design, construction and testing phases.

5.1.7 Operation and Maintenance

The O&M Contract to be entered into between the Company and the O&M Contractor on or before the Closing Date shall be in a form approved by BPC.

If the Company will be providing O&M services through in-house resources ('In-house O&M'), the Company is required to provide a comprehensive term sheet and O&M plan, including details regarding maintenance, overhaul, specialist repair services, equipment procurement and resourcing plan to be approved by BPC on or before the Closing Date.

5.1.8 Labour Requirements and Workers' Permits

The Company is required to comply with and procure that all its contractors, suppliers and agents comply with the Laws relating to employment in force in Botswana and, for any personnel who are not nationals from Botswana, the immigration Laws in force in the Botswana.

Without prejudice to the requirement to comply with the Laws of Botswana, the Company, the EPC Contractor(s) and the O&M Contractor(s) are each required to use their respective best efforts to employ Botswana nationals during the construction and/or operation of the Plant.

5.1.9 Dispatch and Scheduled Maintenance

The dispatch of each Plant shall be controlled by the Offtaker and governed by the PPA, the Applicable Grid Rules and the SAPP Rules and the Bidder shall ensure that each Plant is fully dispatchable within the technical limits for the Plant.

Maintenance and repair schedules shall be developed and agreed in advance by the Company and the Offtaker and in any event to accord with the requirements of the PPA.

5.1.10 Connection Agreements

The Bidder must take into consideration that the Applicable Grid Rules must be adhered to in carrying out the Project and in particular the general design, technical and operational requirements that allow connection to the Grid.

In addition, the interconnection conditions as set out in the relevant Connection Agreement set out specific requirements for the connection of a Plant to the Grid at the relevant Delivery Point(s) located at the relevant Substation(s).

5.1.11 Project Milestones

The Bidder must describe in its Proposal the detailed timeline for achieving the Closing Date.

5.2 Insurance and Financial Requirements

5.2.1 Insurance

5.2.1.1 General Requirements

The provision of insurance coverage during the construction and operation of the Plant shall be the responsibility of the Successful Bidder and the Company and shall comply with the following:

- the Project Agreements;
- Laws of Botswana; and
- Good Industry Practice.

5.2.1.2 Insurance Submission Requirements

The Bidder is required to provide Formsheets J (*Insurance Programme*) of Part II – a summary insurance programme tailored to the risks associated with the construction and operation of the Project.

5.2.2 Total Project Costs

In Formsheets E (*Total Project Costs*) of Part II of the RFP, the Bidder is required to provide a detailed breakdown of the Total Project Costs for the Project identifying the following costs.

5.2.2.1 Construction Costs

The construction costs detailed for the Plant shall include all costs relating to construction and all costs of engineering, construction, testing and commissioning.

5.2.2.2 Development Costs and Fees

The Development Costs shall include any or all costs of internal and external advisory services, independent due diligence costs, all costs associated with financing, title deeds, travel, accommodation and other out of pocket expenses and any development fee incurred.

5.2.2.3 Operating and Maintenance Costs

A breakdown of operating and maintenance costs for the Plant for the Operating Period for both the services carried out by the O&M Contractor and by the Company itself.

5.2.3 Financing of Total Project Costs

5.2.3.1 Capital Structure

The Total Project Costs set out in Formsheet E (*Total Project Costs*) of Part II of the RFP shall be funded with evidence thereof to be provided as part of the Proposal to the satisfaction of BPC.

5.2.3.2 Financing Proposal

The Bidder shall ensure that the Energy Charge forming part of the Bidder's Proposal is firm and that the Bidder is fully responsible for delivering the requisite funding.

The Proposal shall include a statement detailing the Bidder's and in due course the Company's financial ability to complete the Project.

The Bidder shall clearly demonstrate in its Proposal how the funding requirements of the Project will be met, including:

- an overview of the funding structure and the rationale for the selection of the preferred funding structure identifying and describing each applicable funding source;
- the legal identity of any parties proposed to provide funding, their roles, responsibility and relationship with the Bidder;
- evidence of commitments from each of the funding source(s) to provide funding as and when required, a description of the terms of the funding and the timing for drawdown from each funding source.

The financing proposal submitted by the Bidder should be based on terms and conditions which deliver best value for money and are at the same time deliverable without exposing BPC to any financing risks during the term of the Project.

The Bidder's financing assumptions shall be credible, market acceptable and deliverable. BPC reserves the right as part of its evaluation to amend any assumption that BPC considers to be not credible and/or not deliverable.

5.2.3.3 Fixed interest rate

It is expected that any and all debt finance for the Project will be at fixed interest rates. Thus the Bidder is expected to accept full movement of interest rates and there will be no adjustment to the Energy Payments or otherwise for changes in interest rates at or after Financial Close.

5.2.3.4 Formsheet Submission Requirements

The quantum, timing and sources of debt financing must be set out by the Bidder in the relevant sections of Formsheet F (*Financial Data*) of Part II of the RFP.

5.2.4 Financiers

Following Notification to each Shortlisted Bidder as set forth in section 3.17.1 (*Notification of Shortlisted Bidders*), responsibility for negotiating the financing terms, conditions and documentation with the financiers (if any), remains with the Bidder although BPC shall have the right (through the Bidder) to comment upon and approve the finance and related documentation prior to execution thereof.

5.2.5 Bidder's Model

The Bidder shall include as part of its Proposal a fully functional copy of the financial model (the "Bidder's Model") in a single Excel file format on a USB Drive. The Bidder's Model must be capable of re-performing all calculations required by the RFP and shall be:

- consistent with all technical information, and cost estimates stated in the Formsheets C (*Performance Guarantee Data*), E (*Total Project Costs*), F (*Financial Data*), G (*Project Implementation Schedule*) and K (*Financing Plan*) of Part II of the RFP;
- consistent with the terms, conditions and assumptions of the PPA; and
- consistent with the terms and conditions set out in the terms of funding provided to comply with Section 5.2.3.2 above.

The Specific Yield assumptions used in the Bidder's Model shall be credible and consistent with the solar resource and specific yield assessment report in Formsheet C (*Performance Guarantee Data*) of Part II of the RFP.

The Net Electrical Energy of each Plant in the Bidder's Model shall be net of the auxiliary power consumption.

The Bidder's Model shall contain worksheets which contain all calculations required by Formsheets E (*Total Project Costs*) and F (*Financial Data*) of Part II of the RFP.

The Bidder's Model shall be structured so that the period from the day following the Closing Date until the Scheduled Commercial Operation Date is forecast on a monthly basis. For the period after the Commercial Operation Date, forecasts shall be made on an annual basis.

The Bidder shall supply detailed operating instructions for the Bidder's Model, setting out a summary of the layout of the Bidder's Model and describing the function and usage of any features which are not self-explanatory, especially items such as calculation macros and complex formulae. These operating instructions shall describe in detail the procedure for resolving the Bidder's Model when undergoing a change in assumptions and running the sensitivities specified in the relevant section below.

Outputs

Financial projections for the Proposal must include, at a minimum, the following in addition to what is required to be included in the "Formsheets" worksheet:

- cash flow statement;
- profit and loss account;
- balance sheet;
- a schedule of movements on financing;
- a schedule of the Project's IRR (nominal and real) prior to inclusion of the impact of financing; and
- a schedule of the Equity IRR over the project life (nominal and real).

These financial projections shall be presented on an annual basis with the exception of the schedule of movements on financing which is to be provided on a semi-annual basis.

Sensitivities

The Bidder's Model shall allow for the following sensitivities to be tested, within reasonable bounds:

- inflation;
- interest rates; and
- specific yield.

As part of the evaluation process, BPC may also be employing its own evaluation model. The analysis required to be performed by the Bidder's Model will be supplementary to that conducted on any evaluation model conducted by BPC.

5.2.6 Shareholder Equity Internal Rate of Return

The Bidder's Model shall confirm that the base case Equity IRR to Shareholders ("Shareholders' Equity IRR") is calculated from the Distributable Cash to Equity, inclusive of any development fee or similar.

The calculation of the Shareholders' Equity IRR shall clearly demonstrate the projected Equity IRR for each Shareholder and shall be done using a monthly period up to each Scheduled Commercial Operation Date taking account of any debt repayment for the periods after each Scheduled Commercial Operation Date as set out in the relevant sections of Formsheet F (*Financial Data*) of Part II of the RFP.

The terminal value assigned to the Project assets at the end of the Term of the PPA and included in the Project/Equity IRR calculation shall be zero.

5.2.7 Core Agreements

Drafts of the Core Agreements are included in Part III of the RFP. The Bidder must include in its Proposal either (i) a statement that it accepts the Core Agreements in their entirety as part of the Proposal or (ii) or if it does not, mark-up(s) or rider(s) and, in each case, brief commentary explaining the reason for the proposed revision (with the revised drafting as relevant) to be submitted in Formsheet I (*Proposed Deviations*) of Part II of the RFP.

The Bidder will be evaluated on, amongst other things, the extent of its compliance with the terms and conditions set forth in the Core Agreements. Any significant exception(s) qualifications or deviations proposed to the Core Agreements may render a Proposal to be substantially non-responsive.

5.2.8 Guidelines for Calculation of Payments

On and from the relevant Commercial Operation Date, the Energy Charge for Net Energy Output supplied at the Delivery Point shall be calculated in accordance with the form of PPA set out in Part III of the RFP.

5.2.8.1 Calculation of Energy Charge

The Bidder is required to calculate the Energy Charge for the Net Electrical Output based on:

- the payment calculation formula set forth in Appendix 8 of the PPA;
- the proposed Energy Charge; and
- the assumptions and evaluation conditions as stated in this RFP.

ANNEX 1

PLANT LOCATIONS/DELIVERY POINTS AND CAPACITIES			
	Substation	Location/GPS coordinates [Latitude , Longitude]	PV Plant Maximum Rating AC [Kw]
1.	Kasane Main 66/11kV	Kasane – [25.55628, -24.39925]	4000
2.	Serowe 66/11kV	Serowe – [26.72066, -22.41524]	4000
3.	Maun 132/11kV	Maun – [23.43224, -20.02190]	4000
4.	Ghanzi 132/11kV	Ghanzi – [21.61883, -21.69742]	4000
5.	Charles Hill 33/11kV	Charles Hill – [20.06143, -22.27490]	400
6.	Kang 66/33/11kV	Kang – [22.75726, -23.68074]	1000
7.	Tutume 66/11kV	Tutume – [27.03785, -20.47790]	2000
8.	Tsabong 132/11kV	Tsabong – [22.41918, -26.04438]	4000
9.	Woodhall 132/33/11kV	Lobatse – [25.68521, -25.18133]	4000
10.	Molepolole 132/33kv	Molepolole – [25.55628, -24.39925]	4000
11.	Bobonong 66/33kV	Bobonong – [28.44651, -21.99677]	3000
12.	Shakawe 33/11kV	Shakawe – [21.83757, -18.39087]	1000

PART II

PROPOSAL FORMSHEETS

Formsheet A	Form of Letter of Commitment
Formsheet B	Legal Form and Organisation of the Bidder
Formsheet C	Performance Guarantee Data
Formsheet D	Local Content
Formsheet E	Total Project Costs
Formsheet F	Financial Data
Formsheet G	Project Execution Plan
Formsheet H	Technical Approach & Methodology
Formsheet I	Proposed Deviations
Formsheet J	Insurance Programme
Formsheet K	Financing Plan
Formsheet L	Form of Financier Acknowledgement Letter
Formsheet M	Bidder's Site Selection
Formsheet N	Statement of Technical Qualifications
Formsheet O	Statement of Financial Qualifications

Formsheet A: Letter of Commitment

[LETTERHEAD OF BIDDER]

BPC Re-Tender 2273/17

Botswana Power Corporation [Date]
Supply Chain Procurement Office
Plot 1222
Nkrumah Road
Gaborone
Botswana

The undersigned (the **Bidder**), hereby submits a Proposal in response to the Request for Proposal relating to Re -Tender No. 2273/17 issued by Botswana Power Corporation (**BPC**) on [●] and as may have been further amended from time to time (**RFP**). Terms starting with a capital letter and not defined in this commitment letter shall have the meaning given to them in the RFP.

The Bidder hereby confirms and warrants to BPC that the Proposal shall remain valid for a period of at least 180 Days commencing on the [*Deadline for Submission of Proposals – insert date*].

In accordance with Section 4.2 of the RFP, the Bidder has attached to this letter the following information:

- powers of attorney authorising the persons who executed the Letter of Commitment to bind the Bidder to the Proposal, notarised and authenticated by the consular authorities of the Botswana in accordance with the laws of Botswana;
- copies of organisational documents of the Bidder [*and, in the case of a Bidder Consortium and copies of organisational documents of each of the consortium members certified copies of any contracts such as partnership, joint venture or shareholders’ agreement*]¹ pursuant to Formsheet B (*Legal Form and Organisation of the Bidder*) of Part II of the RFP.
- completed Formsheet N (*Statement of Technical Qualifications*) of Part II of the RFP.
- completed Formsheet O (*Statement of Financial Qualifications*) of Part II of the RFP.

Yours sincerely,

Name of Bidder:

By:

Title:

Date:

OR

¹ Section to be removed if the Bidder is a single entity instead of a Consortium.

Bidder Consortium Member:

By:

Title:

Date:

Bidder Consortium Member:

By:

Title:

Date:

[Repeat as necessary]

**Formsheet B: Legal Form and Organisation of
the Bidder**

No.	Item	Entries
1	Name of Bidder ⁽¹⁾	
2	Legal Form of Bidder ⁽²⁾	
3	Organisational Structure and Chart of Bidder (Attached) (chart should include all consortium members, contractors and subcontractors)	
4	Memorandum and Articles of Association and Joint Venture Agreement ⁽³⁾ (Attached)	

(1) in case of a consortium, names of all consortium members shall be included

(2) e.g. company, partnership, cooperation, consortium, joint venture, etc.

(3) or similar agreement (e.g. shareholders agreement, consortium agreement as relevant depending upon the form of the Bidder)

**Formsheet B: Legal Form and Organisation of
the Bidder**

To include information on all members of the consortium, if applicable.

No.	Item	Member 1 (Lead Member)	Member 2	Member 3
1	Name			
2	Nationality			
3	Home Office Address			
4	Regional Office Address			
5	Name, Position and Title of Contact Person			
6	Telephone / Fax			
7	Value of Contribution (Share of Total Equity)			
8	Main Activity in Project (*)			

(*) This item should refer to the main activity or business of each member in the Project, e.g. construction, design, engineering, project management, equipment supply, operation and maintenance.

Bidder shall produce additional formsheets for additional members, as necessary.

**Formsheet B: Legal Form and Organisation of
the Bidder**

1. Development Plan

Bidders are required to demonstrate their understanding of the Project by submitting a detailed approach and methodology for the Project development to achieve the Financial Close along with the following:

- Development Plan (this document can be submitted in the format which the Bidder deems appropriate);
- Timeline; and
- Gantt chart.

**Formsheet B: Legal Form, Organisation and
Qualification of the Bidder**

2. Development Team

Bidders are also required to submit the details of the development team who shall be earmarked for the development of the Project including their qualification, experience and current location. Bidders are encouraged to provide an organization chart for the proposed team along with the information in the below table.

No	Name	Designation	Qualification	Expertise	Experience (Years)	Current Location	Specific Role in the Development of this Project

Formsheet C: Performance Guarantee Data

Year	Guaranteed Performance Ratio at COD	T_{mod} ($^{\circ}$C)
January	☐	☐
February	☐	☐
March	☐	☐
April	☐	☐
May	☐	☐
June	☐	☐
July	☐	☐
August	☐	☐
September	☐	☐
October	☐	☐
November	☐	☐
December	☐	☐
Year	☐	☐

Guaranteed yearly PV Module Degradation = ☐ / year

Formsheet D: Local Content

The Bidder to provide detailed plan(s) indicating specific actions, timelines, milestones and expected results to be undertaken by the Bidder for the implementation of the Citizen Economic Empowerment Policy and Economic Diversification Drive.

1. Citizen Economic Empowerment Policy;
2. Economic Diversification Drive; and
3. Additional initiatives for direct impact on economic diversification, empowerment, development and collaboration with the communities surrounding each of the Site(s).

Formsheet E : Total project cost

	BWP	USD
Total EPC	-	-
Total EPC (Including taxes)	-	-
Total Project Cost	-	-

No.	Item	Total Input Costs	
		BWP	USD
The spare will be subcomponents of the main header			
1	Construction Cost		
1.1	[Spare]	-	-
1.2	[Spare]	-	-
1.3	[Spare]	-	-
1.4	[Spare]	-	-
1.5	[Spare]	-	-
1.6	[Spare]	-	-
1.7	[Spare]	-	-
1.8	[Spare]	-	-
1.9	[Spare]	-	-
Total Construction cost		-	-
2	OTHER TRANSMISSION Works		
2.1	Substation	-	-
2.12	[Spare]	-	-
Total		-	-
3	Duties & Levy		
3.1	[Spare]	-	-
3.2	[Spare]	-	-
3.3	[Spare]	-	-
3.4	[Spare]	-	-
3.5	[Spare]	-	-
3.6	[spare]	-	-
Total		-	-
Total EPC Costs		-	-
4	Total Owner's Contingencies	-	-
5	Development Costs		

5.1	[Spare]	-	-
5.2	[Spare]	-	-
5.3	[Spare]	-	-
5.4	[Spare]	-	-
5.5	[Spare]	-	-
5.6	[Spare]	-	-
5.7	[Spare]	-	-
5.8	[Spare]	-	-
5.9	[Spare]	-	-
Total Project Development Costs		-	-
6	Performance Security		
6.1	[Spare]	-	-
6.2	[Spare]	-	-
6.3	[Spare]	-	-
Total Performance Security Cost		-	-
Owner's Cost Prior to PCOD			
7	Cost incurred by Project Company		
7.1	[Spare]	-	-
7.2	[Spare]	-	-
7.3	[Spare]	-	-
7.4	[Spare]	-	-
7.5	[Spare]	-	-
7.6	[Spare]	-	-
7.7	[Spare]	-	-
Total Cost incurred by Project Company		-	-
8	O&M Mobilization Cost		
8.1	[Spare]	-	-
8.2	[Spare]	-	-
8.3	[Spare]	-	-
8.4	[Spare]	-	-
Total O&M Cost incurred by O&M Contractor		-	-
TOTAL PRE-FINANCING PROJECT BUDGET		-	-
9	Financing Cost		
9.1	[Spare]	-	-
9.2	[Spare]	-	-
9.3	[Spare]	-	-
9.4	[Spare]	-	-

9.5	[Spare]	-	-
9.6	[Spare]	-	-
9.7	[Spare]	-	-
9.8	[Spare]	-	-
9.9	[Spare]	-	-
9.10	[Spare]	-	-
9.11	[Spare]	-	-
Total Financing Costs		-	-
10	Prefunded working capital	-	-
11	Reserve Accounts		
11.1	[Spare]	-	-
11.2	[Spare]	-	-
11.3	[Spare]	-	-
Total Reserve Accounts		-	-
TOTAL PROJECT COST		-	-

Formsheet E : Breakdown of operation and maintenance cost

Particulars	BWP %	USD %	Escalable (1) / Non Escalable (2)	Unit
Beginning of period				
End of period				
Cost incurred by Project Company				
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
Cost incurred by O&M Operator (unescalated)				
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
[Spare]	100.0%	0.0%	1	USD / period
Subordinated fees (unescalated)				
[Spare]	100.0%	0.0%	1	USD / period
Variable Costs (unescalated)				
[Spare]	100.0%	0.0%	1	USD/MWh
[Spare]	100.0%	0.0%	1	USD/MWh
[Spare]	100.0%	0.0%	1	USD/MWh
[Spare]	100.0%	0.0%	1	USD/MWh
[Spare]	100.0%	0.0%	1	USD/MWh
[Spare]	100.0%	0.0%	1	USD/MWh
[Spare]	100.0%	0.0%	1	USD/MWh
[Spare]	100.0%	0.0%	1	USD/MWh

Formsheet F : Levelised Cost of Electricity (LCOE)

Contract Year		
Beginning Period		
Ending Period		
Total Energy Charge Payments	BWP	0
Total Early Generation Revenue (EGR) Payments	BWP	0
Total Payments	BWP	0
Net Electrical Energy	MWh	0
Time Elapsed	28-Feb-19	
Discount Factor	8.00%	
Discounted Capacity Recovery Charge	BWP	0
Discounted Energy Production	MWh	0
Levelized Cost of Electricity	BWP/kWh	0

Formsheet F : Project schedule

Project Commissioning Schedule		Months	Dates
1	Model Starting Date		1-Jan-19
2	Supporting Dates Bid Submission Date Months to Financial Close from Bid Submission Date Scheduled Financial Closing Date		28-Feb-19 0 28-Feb-19
3	Construction & Commissioning - Site 1 Construction Duration months - (Post Financial Close date) From: To: (Project Commercial Operation Date)	- 0	- - 28-Feb-19 28-Feb-19
4	Construction & Commissioning - Plant Project Commercial Operation Date Initial Commercial Operation Date	-	- 28-Feb-19 28-Feb-19

Currency Related Assumptions	Local
Local - Foreign Currency Conversion Rate (BWP-USD)*	10.70

Formsheet F : Debt assumption

Debt Financing	[Spare]	[Spare]	[Spare]	[Spare]	[Spare]	[Spare]
Facility amount						
Currency	MN BWP	MN BWP	MN BWP	MN USD	MN BWP	MN BWP
Facility Available (in MN USD)	0.00	0.00	0.00	0.00	0.00	0.00
Facility available (in MN BWP)	0.00	0.00	0.00	0.00	0.00	0.00
Fees:						
Upfront Fee charged by Lenders	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commitment Fees	%	0.00%	0.00%	0.00%	0.00%	0.00%
ECA Premium				Upfront		
	Upfront			0.00%		
	Tenor			0.00%		
Covered Tranche Charges						
MIGA Annual Premium Rate on Current Account					0	0
MIGA annual premium rate on standby account					0	0
MIGA Cover - Post FC (years)					0	0
MIGA % Cover					0.00%	0.00%
Common Agency Fees	USD/Annum					
Agency Fee during Construction	-					
Agency Fee during Operation	-					
DSCR Requirements						
DSCR - Base Case	0.00	0.00	0.00	0.00	0.00	0.00

DSCR - Distribution Test			0.00	0.00	0.00	0.00	0.00	0.00
DSRA	Months		6.00	6.00	6.00	6.00	6.00	6.00
DSRA Pre Fund Amount	%		100%	100%	100%	100%	100%	100%
Repayment								
Repayment Method			Sculpted	Sculpted	Sculpted	Sculpted	Sculpted	Sculpted
Moratorium			0 months	0 months	0 months	0 months	0 months	0 months
Tenor (Post COD) - sculpted			0.00	0.00	0.00	0.00	0.00	0.00
SWAP Rates (Applicable)								
Period 1	31-Aug-19	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 2	31-Oct-20	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 3	31-Oct-25	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 4	31-Oct-30	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 5	31-Oct-35	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 6	31-Oct-40	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	31-Oct-40							
Margins								
Period 1	31-Aug-19	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 2	31-Oct-20	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 3	31-Oct-25	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 4	31-Oct-30	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 5	31-Oct-35	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 6	31-Oct-40	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Credit Spread (over SWAP Rates)

Credit Spread	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Hedging Ratios

Period 1	31-Aug-19	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 2	31-Oct-20	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 3	31-Oct-25	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 4	31-Oct-30	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 5	31-Oct-35	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Period 6	31-Oct-40	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

SWAP Rate Assumptions	For Senior and Standby Facilities				
	From	To	SWAP %	SWAP	SWAP Rate
SWAP 1	28-Feb-19	31-Oct-20	0.00%	[0 year]	0.00%
SWAP 2	28-Feb-19	31-Oct-25	0.00%	[0 year]	0.00%
SWAP 3	28-Feb-19	31-Oct-30	0.00%	[0 year]	0.00%
SWAP 4	28-Feb-19	31-Oct-35	0.00%	[0 year]	0.00%

SWAP 5	28-Feb-19	31-Oct-40	0.00%	[0 year]	0.00%
Rollover SWAP 6	31-Oct-40	31-Oct-40	0.00%	[0 year]	0.00%
Rollover SWAP 7	31-Oct-40	31-Oct-40	0.00%	[0 year]	0.00%

SWAP Rate Assumptions					
	Bid Rate	Ask Rate	Average	Margin	Applicable Rate
17 Year	0.00%	0.00%	0.00%	0.00%	0.00%
16 Year	0.00%	0.00%	0.00%	0.00%	0.00%
11 Year	0.00%	0.00%	0.00%	0.00%	0.00%
7 Year	0.00%	0.00%	0.00%	0.00%	0.00%
6 Year	0.00%	0.00%	0.00%	0.00%	0.00%
5 Year	0.00%	0.00%	0.00%	0.00%	0.00%
3 year	0.00%	0.00%	0.00%	0.00%	0.00%
1 year	0.00%	0.00%	0.00%	0.00%	0.00%
6 Month	0.00%	0.00%	0.00%	0.00%	0.00%

Formsheet F : Financing assumption

Bidder Co. Ownership	% Holding
BPC	0.00%
Private Partner	100.00%
[Spare]	0.00%
[Spare]	0.00%
[Spare]	0.00%
[Spare]	0.00%
Total	100.00%

Equity IRR Assumptions (Pre -withholding Tax)	Target IRR
BPC	0.00%
Private Partner	0.00%
[Spare]	0.00%
[Spare]	0.00%
[Spare]	0.00%
[Spare]	0.00%

Other Equity Assumptions	USD	BWP
Early Generation Revenue Contribution	Project Cost	
Early Generation Revenue Output	-	-
Cash Equity Amount	-	-
Cash Equity Stand-By	-	-
Switch for Equity Infusion method		Pro-rata

DEBT FINANCING ASSUMPTIONS

Funding Assumptions	USD	BWP
Total Project Cost	-	-
Grant Fund	-	-
Total Funds Available (Excluding Grant)	-	-
Senior Debt Proportion	0.00%	-
Junior Debt Proportion	0.00%	-
Equity Proportion	100.00%	-
<u>Debt Details (Base Facility)</u>		
[Spare]	0.00%	-
[Spare]	0.00%	-
[Spare]	0.00%	-
[Spare]	0.00%	-

[Spare]	0.00%	-	-
[Spare]	0.00%	-	-
Total Stand By Facility amount		-	-
<u>Debt Details (Stand by Facility)</u>			
Standby Debt (USD Facility)	0.00%	-	-
Standby Commercial Banks (BWP Facility)	0.00%	-	-
Standby Commercial Banks (USD Facility)	0.00%	-	-

Formsheet F : Generation assumption

GENERATION ASSUMPTIONS

AC Output		MW	0.00
Peak Power		MWp	0.00
Plant Availability		%	0.00%
Grid Availability		%	0.00%
Degradation - Year 1 (per half year)		%	0.00%
Degradation - Years 2 onwards (per half year)		%	0.00%
Annual Net Generation	P50	GWh	0.00
	P90	GWh	0.00

SEASONALITY ASSUMPTIONS

Generation Number		P50
First Year Generation	MWh	-

	Month	Net Generation (MWh)	Generation (%)
1	Jan	0.00	0.00%
2	Feb	0.00	0.00%
3	Mar	0.00	0.00%
4	Apr	0.00	0.00%
5	May	0.00	0.00%
6	Jun	0.00	0.00%
7	Jul	0.00	0.00%
8	Aug	0.00	0.00%
9	Sep	0.00	0.00%
10	Oct	0.00	0.00%
11	Nov	0.00	0.00%
12	Dec	0.00	0.00%
	Total	0	0.00%

Formsheet F : Uses and Sources of Funds

Uses of Funds	BWP	USD	%
Construction Cost	-	-	0.00%
OTHER TRANSMISSION Works	-	-	0.00%
Duties & Levy	-	-	0.00%
Total Owner's Contingencies	-	-	0.00%
Development Costs	-	-	0.00%
Performance Security	-	-	0.00%
Cost incurred by Project Company	-	-	0.00%
O&M Mobilization Cost	-	-	0.00%
Financing Cost	-	-	0.00%
Prefunded working capital	-	-	0.00%
Reserve Accounts	-	-	0.00%
Total Uses	0.00	0.00	0.00%

Sources of Funds	BWP	USD	%
Share Capital (Upfront & Cash Equity)			
BPC	-	0	0.00%
Private Partner	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
Total Share Capital	0	0	0.00%
Cash Equity Stand-By			
BPC	-	0	0.00%
Private Partner	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
Total Cash Equity Stand-By	0	0	0.00%
Net Operating Cashflow prior to PCOD	-	0	0.00%
Senior Debt			
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%

[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
Sub-Total	-	0	0.00%
Junior & Stand by Debt			
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
[Spare]	-	0	0.00%
Sub-Total	0	0	0.00%
Grant			
[Spare]	-	0	0.00%
Sub-Total	0	0	0.00%
Total Sources	0.00	0.00	0.0%

Formsheet F : Monthly draw down schedule of total project costs

Construction Draw Down Schedule		Site 1		Owner Costs			O&M Mobilization Cost	Others, Reserve	
Date	Month	EPC - Site 1	Contingency - Site 1	Insurance	Dev Costs	Dev Fee	Prior to PCOD	other cost	Prefunded W/c
28-Feb-19	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Mar-19	1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Apr-19	2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-May-19	3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Jun-19	4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jul-19	5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Aug-19	6	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Sep-19	7	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Oct-19	8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Nov-19	9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Dec-19	10	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jan-20	11	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29-Feb-20	12	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Mar-20	13	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Apr-20	14	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-May-20	15	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Jun-20	16	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jul-20	17	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Aug-20	18	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Sep-20	19	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

31-Oct-20	20	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Nov-20	21	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Dec-20	22	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jan-21	23	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28-Feb-21	24	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Mar-21	25	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Apr-21	26	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Formsheet F : Monthly disbursement of sources of funds of total project costs

Date	Month	Share Capital (Upfront & Cash Equity)	Senior Debt	Junior & Stand by Debt	Grant	Net Operating Cashflow prior to PCOD	[Spare]	[Spare]	[Spare]
28-Feb-19	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Mar-19	1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Apr-19	2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-May-19	3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Jun-19	4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jul-19	5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Aug-19	6	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Sep-19	7	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Oct-19	8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Nov-19	9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Dec-19	10	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jan-20	11	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29-Feb-20	12	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Mar-20	13	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Apr-20	14	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-May-20	15	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

30-Jun-20	16	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jul-20	17	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Aug-20	18	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Sep-20	19	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Oct-20	20	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Nov-20	21	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Dec-20	22	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Jan-21	23	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28-Feb-21	24	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31-Mar-21	25	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30-Apr-21	26	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Formsheet F : Cash Flow Statement

Beginning Period	01 Jan 2019				
Ending Period	29 Feb 2044				
Total Energy Charge Payments	-				
Total EGR Payments	-				
Interest Income	-				
Other Income	-				
Total Income	-				
Fixed O&M Cost	-				
Variable O&M Cost - by O&M Operator	-	-	-	-	-
<u>Land Lease Payments Expense</u>	-	-	-	-	-
Total Operating Expenses	-				

Operating Margin	-
Taxes	-
Change in Working Capital Requirement	-
Operating Cashflows	-
CAPEX	-
Net Cash Flow after Capex	-
Additional Shareholders Equity	-
Net Cashflow before financing	-
Drawdown - Equity/Debt	-
Drawdown/Repayment of Working Capital Facility	-
Funding/Release of Working Capital	-
Cashflow for Senior Facilities	-
Principal Repayment	-
Interest Payments	-
Other Financing Costs	-
Cashflow after debt service	-
Net Increase/Decrease of Debt Service Reserve Account	-
Net Increase/Decrease of O&M Reseve Account	-

Net Cash Flow for distribution	-
Dividends Paid	-
EoP Cash Balance	-

Formsheet G: Project Execution Plan**Project Execution Plan**

The Bidder shall provide the following information:	
1	A description of how the Bidder plans to perform the various functions (e.g. detailed design, procurement including purchasing, expediting and inspection, construction, commissioning, testing and training) and the offices where the various portions of the work will be performed;
2	Evidence of the Bidder 's ability to use innovative and flexible approaches in the implementation of the Project;
3	Evidence of the Bidder's thorough understanding of the construction industry in Botswana;
4	A description of how all work will be actively coordinated and managed by the Bidder;
5	A project programme detailing engineering, procurement and construction;

Implementation Schedule

The Bidder shall complete the table below with the date for each milestone.

No.	Milestones	Date
1	Effective Date	<input type="text"/>
2	Closing Date	<input type="text"/>
3	Financial Closing Date	<input type="text"/>
4	Notice to Proceed – EPC Contractor (NTP)	<input type="text"/>
5	Start of Site Mobilisation	<input type="text"/>
6	Start of Site Construction	<input type="text"/>
7	Completion of Interconnection Works	<input type="text"/>
8	Commissioning of Interconnection Works	<input type="text"/>
9	Mechanical Completion of Plant	<input type="text"/>
10	Energization of Plant	<input type="text"/>
11	Start-up Tests	<input type="text"/>
12	Performance Tests	<input type="text"/>
13	Scheduled Commercial Operation Date (COD)	<input type="text"/>

Formsheet H: Technical Approach & Methodology

The Bidder shall as part of its Proposal show understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output.:	
1.1	Construction approach, Phases of construction, Commissioning and operation of plants constructed at the various phases.
1.2	Standards, codes and regulations
	Confirmation that the project will be carried out according to the relevant international standards, codes and regulations), which will be applied for the design and construction of Plant, equipment and facilities, for civil works and for testing of the Plant.
1.3	System Performances
	Expected monthly Plant Performance Ratio as per Formsheet E (Total Project Costs) of the RFP; Inverter Efficiency & Transformer Efficiency Chart; Capacity Utilisation Factor for the plants Diagram illustrating the capacities of the Plant, unit/inverter, PV modules versus the ambient temperature ranges at various relative humidities
1.3	Independent Assessments
The Bidder shall provide the following independent reports and documentation as specified in the RFP:	
	Independent Solar Resource Assessment report as per RFP; Independent Energy Yield Assessment report and original files (PVsyst, OND, PAN, etc.) as per RFP; and Detailed justification of losses considered and configuration of proposed design. Calculation of overall Plant Availability and PR and comparing with expected Plant Availability and Guaranteed PR
1.4	Drawings and Diagrams to be submitted with Bid
The Bidder shall provide the following drawings as a minimum with their Bid:	
	Plant general arrangements drawing. General arrangement drawing showing Plant, including solar fields, distribution of modules, position of combiner boxes, Inverters, roads, platforms, access, fence, security system, shared facilities, meteorological stations and Switchyard up to the POC including the interconnection works; Functional diagrams of SCADA/DCS systems.
1.5	Quality Assurance Documentation
The Bidder shall provide:	
	A statement of intent for the adoption of a documented quality system and the requirements therefor;
1.6	Health and Safety Policy
The Bidder shall provide construction, health and safety organisation and safety procedures and describe how they will be used on the Project, including:	

	Bidder's construction, health and safety policy;				
	<p>Proposed field health and safety organisation for the Project, including a description of how the Bidder normally implements construction safety at the work site;</p> <p>Details of the Bidder's field health and safety programme including induction and training programmes, safety meetings, publicity, safety motivation and incentive plans, safety inspection, medical facilities, site security and sanitation;</p> <p>Methods the Bidder will use to maintain open communications with subcontractors on health and safety matters;</p> <p>Bidder's procedures for recording site safety statistics including those of its subcontractors, details of its site safety record for the previous three years and the method used to compile this information; and</p> <p>Details of the Bidder's knowledge and experience of health and safety legislation in Botswana.</p>				
1.6	Services, Procedures and Documents				
	The Bidder shall confirm that all necessary surveys and investigations are included and shall list those proposed together with the timing therefor.				

Formsheet I: Form of Proposed Deviations

The Bidder shall note any deviations or clarifications to the Core Agreements listed on Part III of the RFP by completing a deviation Formsheet in the format presented below for each document, clearly indicating and explaining the reasons for all deviations. Deviations not listed in this Formsheet will not be considered by BPC. Deviations are discouraged and BPC reserves the right to reject any Proposal as non-compliant in its sole discretion.

	RFP Reference				Proposed Deviation	Reasons for/explanation of Proposed Deviation
	Document Reference	Section	Page No	Clause / Para		
1					<u>Relevant requirement</u> <i>[title]</i> [Relevant text] <u>Bidder's deviation</u> [Bidder's proposed text]	
2						
3						

Formsheet J: Insurance Programme

The Bidder shall complete the table below providing details of the insurances to be put in place for the Project, as per the requirements of the draft PPA. The Bidder must provide a written confirmation as part of this Formsheet that the general insurance programme is acceptable to Bidder's Financiers and the lenders' insurance adviser as the basis for insuring the Project.

Please note that Bidder's general insurance programme set out in the table below should at least meet or exceed the programme set out in Appendix 3 (*Minimum Insurance Requirements*) of the draft Power Purchase Agreement. The proposed cost of general and other insurance shall be supported by an up-to-date indicative quote from a reputable international insurance broker for insurance for the period from Closing Date until the Scheduled Commercial Operation Date.

No.	Type of Insurance	Coverage	Amount Insured	Coverage Period
1	All Risks Physical Damage Insurance (following Acts of Sabotage or Terrorism) during construction phase			
2	All Risks Physical Damage Insurance (following Acts of Sabotage or Terrorism) during the operational phase			
3	All Risks Physical Damage Insurance during construction phase			
4	All Risks Physical Damage Insurance during the operational phase			
5	Third Party General Liability Insurance during construction phase			
6	Third Party General Liability Insurance during the operational phase			

7	Marine Cargo Insurance			
8	Automobile Liability Insurance			

9	Workmen's Compensation Insurance			
10	[Bidder to add as appropriate]			
11	[Bidder to add as appropriate]			
12	[Bidder to add as appropriate]			
13	[Bidder to add as appropriate]			
14	[Bidder to add as appropriate]			

Attachment:

Written confirmation that the general insurance programme is acceptable to Bidder's Financiers and written confirmation from the lenders' insurance adviser as the basis for insuring the Project.

Formsheet K: Financing Plan

The Bidder should provide details on this Formsheet K of the proposed funding for Total Project Costs (including cost overruns) set out in Formsheet E (*Total Project Costs*) of Part II of the RFP.

Bidders are required to propose a Financing Plan that:

- ensures the Total Project Costs are fully-funded prior to signing the PPA and that the Closing Date can be achieved;
- identifies each separate debt tranche required to finance the balance of the funding requirement and, to the extent possible, the identity of the providers of finance; and
- indicates the tenor, fees and applicable commission rates / margins in respect of each separate tranche of financing.

Please see below the minimum requirements related to the Financing Plan

1. Financing Plan Structure

The Financing Plan shall provide the details on how the Bidder proposes to fund the total Project Costs with equity and debt. The Financing Plan shall be consistent with the information given under Financial Formsheets E (*Total Project Cost*) and F (*Financial Data*).

2. Related Finance

The Bidder is to provide particular reference to whether certain finance as proposed in Section 1 of this Formsheet is tied to the supply of certain goods or services, investment or other resources required by the Project.

3. Foreign Exchange and Interest Rate Risk

The Bidders in its Financing Plan shall provide details on how they plan to mitigate the interest or exchange rate risk during the construction period and the operation period. BPC expects the debt finance for the Project to be committed in fixed interest rates.

4. Financial Covenants

The Bidder shall also provide details on the financial covenants (such as gearing ratio, debt service coverage ratios, loan life coverage ratio, requirement of offshore account, etc.) which the lenders expect in respect of the Project. The Bidder is to provide an explanation on how the Project's cash flows are able to perform under these requirements.

5. Support Letters

Financier Acknowledgement Letter (Formsheet L) from Financiers shall be provided for an amount not less than debt proposed.

The Bidder shall also provide a tabulation of:

- Name(s) of financial institution(s) for which Financier Acknowledgement Letter have been obtained;
- The potential role(s) of each Financier;
- Facility under which it is proposed the Financiers might participate;
- Amounts up to which each Financier is expected to lend.

6. Project Finance

The Financing Plan shall provide the leverage for the Project from the date of execution of the Core Agreements and should indicate the evolution of this leverage during the construction period and the operation period.

a. Shareholders' Equity

The Financing Plan shall clearly indicate the extent to which the Project will be financed by the Company's shareholders which shall be tabulated to show the following details:

- the amount that each shareholder proposes to contribute;
- the proposed currencies of its commitment;
- the timing of its equity contributions during the Project's construction;
- the degree to which stand-by finance will be made available to the Company by the shareholders.

b. Debt Finance

The Bidder shall also furnish details of the expected debt finance for the Project, giving full details of:

- amount of the debt facility;
- type of debt facility (e.g commercial loan, export credit);
- currency of debt facility;
- interest rate basis (e.g. LIBOR);
- whether interest is fixed or floating rate;
- margin;
- up-front fee;
- commitment fee;
- any other fees or charges associated with the debt facility;
- grace period for loan principal (in months);
- repayment period (in months);
- average life of the debt facility;
- repayment type (e.g. equal payments of principal, based on constant debt coverage ratio).

Other relevant details shall also be specified.

Formsheet L: Form of Financier Acknowledgement Letter

Part A – Financiers other than DFI/ECA

[On letterhead of Financier²]

[Date]

Botswana Power Corporation,
Supply Chain Procurement Office,
Plot 1222, Nkrumah Road,
Gaborone,
Botswana

Dear Sir,

As one of [Bidder's] Financiers, we have reviewed in its entirety Request for Proposals dated [●] issued by Botswana Power Corporation ("BPC") (as amended, modified, supplemented or varied from time to time, the "RFP") in relation to (12) grid connected solar PV plants (Accelerated Green Energy Initiative - AGEI) being developed in Botswana. As part of such review, we have reviewed in detail with [Bidder] and [Financiers' counsel] the marked up version of the Core Agreements as part of Section 3 of Part 2 of [Bidder's] Proposal to BPC dated [●] ("Draft Agreements").

We hereby confirm that we require no modifications to, and have no issues with, the Core Agreements, except as clearly marked by [Bidder] on the Proposed Deviations Formsheet (Formsheet I).

We further confirm that the [Bidder's] yield forecast assumptions are acceptable to both ourselves and the Financiers' technical adviser and is not subject to any further due diligence and also the general insurance programme is acceptable to both ourselves and our insurance adviser as the basis for insuring the Project.

[We have also presented the transaction to our credit authorities and senior management and confirm we commit to provide a Development Security (as defined in the RFP) for the amount of [●] to BPC and financing to the Company, if required, in the event that [insert name of Bidder] is selected as the Preferred Bidder and is finally awarded the Project by BPC.]

Yours sincerely,

Signed by

.....

Financier authorised signatory

² If more than one bank, each bank to provide a Financier Acknowledgement Letter

Part B – DFI/ECA

The Bidder to provide a letter of interest or a letter of support from Development Financial Institution (“DFI”) or an Export Credit Agency (“ECA”) supporting the Proposal specifying amongst other things:

- level of approval obtained;
- expected time for the completion of credit committee approval; and
- that have reviewed in detail marked up version of the Core Agreements as part of Section 3 of Volume 2 of [*Bidder's*] Proposal to BPC dated [•] (“Core Agreements”) and that require no modifications to, and have no issues with, the Core Agreements, except as clearly marked by [*Bidder*] on the Proposed Deviations Formsheets (Formsheets I).

Formsheet M: Bidder's Site Selection

12 Solar Photovoltaic Power Projects

The Bidder shall demonstrate evidence of having secured the Site(s) by entering into duly executed and enforceable option agreements, lease agreements and/or conditional lease agreements with the relevant landowner(s)/lessor(s) and shall include details thereof as below:

1. Bidder to provide certified copies of duly executed agreement(s), and
2. Relevant agreement(s) to be executed before a Notary Public in Botswana.

If the Bidder is to secure the land for the Site(s) by entering into a lease agreement(s) with the relevant landowner(s)/lessor(s), the Bidder shall procure that each landowner/lessor enters into a Lease Direct Agreement with BPC in the form set out in Part III of this RFP.

The Bidder will provide a confirmation letter from each landowner/lessor agreeing to enter into a Lease Direct Agreement substantially in the form set out in Part III of this RFP.

Formsheet N: Statement of Technical Qualifications

1. Statement of Project Development Qualifications

The Bidder is required to submit the details of Project Development Qualifications by populating the table below.

No.	Project Name	Capacity (MW)	Financial Close Date	Commercial Operation Date	Shareholding (%)	Greenfield / Brownfield	Project Location / Country	Scope of Work in Project Development			
								EPC and O&M	Project Financing	Project Documents	Commentary ³

³ The Bidder shall demonstrate its role in project development and include details of financing structure.

2. EPC Contractor Experience

The Bidder shall complete the table below to demonstrate the experience of the proposed EPC Contractor.

No.	Project Name	Capacity (MW)	Project Location / Country	Financial Close Date	Commercial Operation Date	Scope of Work

3. O & M Experience

The Bidder shall complete the table below to demonstrate experience of the proposed O&M Contractor.

No.	Project Name	Location / Country	Capacity	Commercial Operation Date	Availability of Plant to Date ⁴	Performance Ratio to Date ¹	O&M Experience (years)	Scope Of Works
1								
2								
3								
4								
5								
6								
7								

⁴ Plant Availability and Performance Ratio shall be demonstrated through an independent assessment.

Formsheet O: Statement of Financial Qualifications

1. Statement of Financial Qualifications

The Bidder is required to submit the details of its Financial Qualifications by populating the table below.

In case the Bidder is a consortium, each consortium member should must submit a duly completed copy of this Formsheet. If the Bidder or any member of the Bidder Consortium intends to seek parent company/sister company/subsidiary support, a summary of the parent company/sister company/subsidiary proposed is required as per the Formsheet.

Company Name								
Financial Year	Unaudited (2018)		2017		2016		2015	
Information Requirement	Base Currency [Specify]	USD Equivalent⁵	Base Currency [Specify]	USD Equivalent	Base Currency [Specify]	USD Equivalent	Base Currency [Specify]	USD Equivalent
1. Total assets								
2. Total Intangible assets								
3. Total Debt to third parties								
4. Total short term debt								
5. Total long term debt								
6. Tangible Net Worth								
7. Total Debt (both long term and short term)/Tangible Net Worth								
8. Tangible Net Worth/Assets								
9. Total shareholder funds/ Tangible Net Worth								

⁵ Convert from local currency to USD using the exchange rate prevalent on the date of the financial statement

10. Turnover								
11. Net income								
12. Company Auditor								
13. GAAP used to present above figures (e.g. US)								

2. Statement of Raising Equity and Debt Financing

The Bidder is required to provide a list of small scale IPP or infrastructure projects (minimum project cost of \$ 1.5 M) of which the Bidder has developed a financing package (non or limited recourse financing) in the last five years.

Company Name:						
Project Financing Experience						
Project	Project 1	Project 2	Project 3	Project 5	Project 6	Project 7
Sector						
Location						
Shareholders						
Role of Applicant						
Total project cost(US \$ millions)						
Debt Finance Raised (US \$ millions)						
Source of Debt Finance						
Lead arranger for Debt						
Equity Size (US \$ millions)						
Date of Financial Close						
Date of COD						

PART III
CORE AGREEMENTS AND PROJECT INFORMATION

- 1 Core Agreements
 - (a) Power Purchase Agreement
 - (b) Connection Agreement
 - (c) Lease Direct Agreement (if required)
- 2 Project Information
 - (a) Network Study Report

CORE AGREEMENTS AND PROJECT INFORMATION

(a) Power Purchase Agreement

DATED [●]

BOTSWANA POWER CORPORATION

AND

[●]

[●] MW SOLAR PHOTOVOLTAIC POWER PROJECT
POWER PURCHASE AGREEMENT

Annex and Appendices

Annex

Appendix 1 Implementation Schedule

Appendix 2 Minimum Insurance Requirements

Appendix 3 Conditions Precedent to Closing Date

Appendix 4 Form of Development Security

Appendix 5 Testing

Appendix 6 Documents to be delivered after the Effective Date

Appendix 7 Sample Form of PPA Direct Agreement

Appendix 8 Calculation of Payment

Appendix 9 Invoicing Procedures

Appendix 10 Consequences of Termination

Appendix 11 Environmental Requirements

Appendix 12 Applicable Grid Rules

Appendix 13 Form of Offtaker L/C

THIS AGREEMENT is made the day of 201

BETWEEN:

BOTSWANA POWER CORPORATION, a corporation established in terms of the Botswana Power Corporation Act, CAP 74:01 with its registered office at Motlakase House, Macheng Way, PO Box 48, Gaborone, Botswana (the "**Offtaker**"); and

[●] a [●] duly organised and existing under the laws of Botswana with its registered office at [●] and its principal office at [●] (the "**Generator**").

WHEREAS:

The Generator intends to design, finance, construct, own, operate and maintain a solar photovoltaic electric generating plant at the Site and, for that purpose, has entered or will enter into this Agreement; and

The Generator wishes to sell to the Offtaker and the Offtaker wishes to purchase from the Generator the Net Electrical Energy generated by the Plant pursuant to and on the terms and conditions set forth in this Agreement.

NOW THEREFORE, the Parties agree as follows:

DEFINITIONS AND INTERPRETATION

Definitions

1 The capitalised terms used in this Agreement (including the Recitals above) shall have the following meanings:

"Abandonment" means:

in relation to any period prior to the Commercial Operation Date and, if requested by the Offtaker so to demonstrate, any failure by the Generator to demonstrate to the Offtaker its ability to perform its obligations under this Agreement so as to achieve the Commercial Operation Date on or before the Long-Stop Date; and

during the Commercial Operation Period;

a persistent failure or failures by the Generator to perform its obligations under this Agreement; or

a failure by the Generator to resume and continue the performance of all of its obligations under this Agreement within a reasonable period following the cessation of a Force Majeure Event or an Offtaker Failure;

* and "**Abandoned**" shall be construed accordingly.

"Acceptance Requirements" has the meaning given to it in Appendix 5 (*Testing*);

"Actual Performance Ratio" has the meaning given to it in Appendix 5 (*Testing*);

"Affected Party" has the meaning given to it in Clause 0;

"**Affiliate**" means, in relation to a person, a company or entity that directly or indirectly controls, or is controlled by, or is under common control with, that person. For the purposes of this definition, "**control**" shall mean:

ownership or control (whether directly or otherwise) of fifty percent (50%) or more of the equity share capital, voting capital or the like of the controlled entity; or

ownership of equity share capital, voting capital, or the like by contract or otherwise, conferring control of, power to control the composition of, or power to appoint, a majority of the members of the board of directors, board of management, or other equivalent or analogous body of the controlled entity;

"**Agreement**" means this Power Purchase Agreement including the Annex and the Appendices;

2 "**Annex**" means the annex to and forming part of this Agreement;

3 "**Appendix**" means an appendix to and forming part of this Agreement;

4 "**Applicable Grid Rules**" means the rules referred to in Appendix 12 (*Applicable Grid Rules*) as may be amended from time to time;

"**Approvals**" means all permits, licenses, consents, authorisations, approvals, no objection certificates, registrations, grants, acknowledgements or agreements required under the Law and obtained or to be obtained from a GoB Authority for a Plant or the Project;

"**BERA**" means the Botswana Energy Regulatory Authority as established pursuant to the BERA Act;

"**Billing Period**" means:

the period from the Commercial Operation Date until the first Day of the following month;

each successive period of one (1) month thereafter; or

the period from the first Day after the penultimate Billing Period within the Term to the last Day of the Term;

"**Business Day**" means any Day:

that is not a Saturday, Sunday or a Botswana Gazetted Public Holiday; and

during which banks are generally open for business in Botswana;

"**Botswana**" means the Republic of Botswana;

"**Botswana Energy Regulatory Authority Act**" or "**BERA Act**" means the Botswana Energy Regulatory Authority Act No 12 of 2016;

"**Botswana Gazetted Public Holiday**" means any public holiday in Botswana as published in the Botswana Government Gazette;

"**Botswana Insurer**" means an insurance company registered in Botswana which issues all or any of the insurance policies required under this Agreement;

"**Change in Law**" means any of the following events occurring after the Signature Date:

the introduction, adoption, enactment or promulgation of any new Law after the date of this Agreement by a GoB Authority;

the change or repeal of any Law existing at the date of this Agreement by any GoB Authority;

the introduction, adoption, change or repeal after the date of this Agreement by any GoB Authority of any material condition in any Approval or in connection with the issuance, renewal, or modification of any Approval; and/or

any change, modification, amendment or repeal of the SAPP Rules and/or Applicable Grid Rules after the date of this Agreement.

"Claim" means any suit, action, legal or administrative proceeding, claim, demand, for or relating to any loss, damage, liability, fine, cost and expense of whatsoever kind or nature;

"Closing Date" has the meaning given to it in Clause 0;

"Closing Date Delay Event" means any of the following events occurring prior to the Closing Date which is not attributable to the Generator:

an Offtaker Failure; and

a Local Political Force Majeure Event;

"Commercial Operation Date" means the Day following the date on which the Offtaker has issued to the Generator a Commercial Operation Date Certificate for the Plant, pursuant to Appendix 6 (*Testing*);

"Commercial Operation Date Application" has the meaning given to it in Appendix 5 (*Testing*);

"Commercial Operation Period" means the period from the Commercial Operation Date until the end of the Term;

5 **"Conditions Precedent"** means the conditions precedent specified in Appendix 3 (*Conditions Precedent to Closing Date*);

"Confidential Information" has the meaning given to it in Clause 0;

"Connection Agreement" means the agreement to be entered into between the Generator and Botswana Power Corporation in its capacity as System Operator for the connection of the Plant to the Grid;

"Connection Facilities" has the meaning giving to it in the Connection Agreement;

"Contractors" means the Construction Contractor, the O&M Contractor and any other contractors or other entities engaged by the Generator, the Construction Contractor and/or the O&M Contractor to provide works and/or services in connection with the Project;

"Contract Year" means:

a twelve (12) Month period commencing on the Commercial Operation Date; and

each successive twelve (12) Month period thereafter;

6 provided always that the final Contract Year shall end on the last Day of the Term;

7 **"Construction Contract"** means the agreement to be entered into by the Generator and a Construction Contractor for the design, manufacture, construction, commissioning and testing of the Plant as well as the rectification of any defects therein;

8 **"Construction Contractor"** means the party or parties to a Construction Contract (other than the Generator) in each case as approved in advance by the Offtaker;

"Day" means the twenty-four (24) hour period beginning and ending at 00:00 hours;

"Decommissioning" has the meaning given to it in Clause 0;

"Deemed Energy Payment" has the meaning given to it in Appendix 8 (*Calculation of Payment*);

"Development Security" means the irrevocable and unconditional bank guarantee (and any replacement thereof) in the form set out in Appendix 4 (*Form of Development Security*) issued in favour of the Offtaker by a bank or banks licensed to do business in Botswana and holding a credit rating equal to or higher than the Minimum Credit Rating;

"Disengage" means the movement of any switch or other device so as to prevent the transmission of electricity (and **"Disengagement"** shall be construed accordingly);

"Delivery Point" has the meaning giving to it in the Connection Agreement;

"Dispute" means a dispute, controversy, difference or Claim between the Parties arising under, out of or in relation to this Agreement;

"Early Power Period" means the period from and including the Commercial Operation Date to and including the Scheduled Commercial Operation Date;

"Effective Date" means the date on which all of the Conditions Precedents are met or waived in accordance with Clause 0 and the Closing Date occurs;

9 **"Electricity Supply Act"** means the Electricity Supply Act No14 of 2016;

"Emergency" means a condition or situation that materially and adversely affects or endangers or is likely to materially and adversely affect or endanger the ability of a Party to maintain safe, adequate and continuous electrical service to its customers and/or the security of persons, plant, property or equipment;

"Energy Charge Rate" has the meaning given to it in Appendix 8 (*Calculation of Payment*);

"Energy Payment" has the meaning given to it in Appendix 8 (*Calculation of Payment*);

"Environmental Law" means any Law relating to:

the protection of the environment or harm to, or the protection of, human, animal or plant life, the air, or to any water body or system;

the release, or threatened release, of Hazardous Substances including investigations, monitoring and abatement of such release; or

the manufacture, handling, transport, use, treatment, storage or disposal of Hazardous Substances;

10 **"Environmental Requirements"** means the requirements in relation to the environment under the Law and/or the Project Agreements;

"Equity" means the capital of the Generator attributable to its shareholders in each case in respect of their investment in the Generator;

"Estimated Performance Ratio" has the meaning given to it in Appendix 8 (*Calculation of Payment*);

"Event of Default" means, as the context requires, a Generator Event of Default or an Offtaker Event of Default;

"Event of Loss" means an event or series of events that causes all or any portion(s) of a Plant to be damaged, destroyed or rendered unfit for operation as provided for in this Agreement;

"Financial Model" means the financial model for the Project prepared by the Generator, as agreed by the Generator and the Offtaker prior to the Effective Date, as may be updated from time to time in accordance with this Agreement;

["Financing Documents" means the loan agreement and other financing or security documents, interest rate hedging agreements and guarantees relating to the construction and financing (including financing of working capital requirements, Refinancing and the provision of any letters of credit) of the Plant or any part thereof;

"Financing Party" means any person providing any debt, credit guarantee, hedging facilities, bond or capital market financing or Refinancing under the Financing Documents, including any agent or trustee for such person;]

"Force Majeure Event" has the meaning given to it in Clause 0;

"Generator Event of Default" has the meaning given to it in Clause 0;

"Generator Meter" has the meaning given to it in Clause 0;

11 **"Generator Metering Point"** has the meaning giving to it in the Connection Agreement;

"Generator Parties" has the meaning given to it in Clause 0;

"GoB" means the Government of Botswana;

"GoB Authority" means the GoB or any tier of government in Botswana, any ministry, department, agency, regulatory body (including the Botswana Energy Regulatory Authority) or public or statutory person under the direct or indirect control of the GoB and any court, tribunal, judicial or quasi-judicial body or any independent regulatory authority or committee having jurisdiction under or with respect to the Law but expressly excluding any GoB Corporation;

"GoB Corporation" means a corporate entity wholly-owned or, if partially owned, controlled by a GoB Authority, including the Offtaker and each of their respective permitted successors or assigns (in each case whether or not such entities are controlled by a GoB Authority);

"Good Industry Practice" means in relation to any activity conducted by or obligation of either Party hereto as contemplated by or provided for in this Agreement, the exercise of the degree of skill, diligence, prudence and construction, operating and/or maintenance (as relevant) practices that would reasonably and ordinarily be expected from a skilled and experienced professional organisation performing (as the case may be) engineering, construction, operation and/or maintenance works and/or services for a buyer or generator of electricity in the international power generation industry engaged in the same or similar type of undertaking under the same or similar circumstances;

"Grid" means the system of electrical transmission circuits, transformers, switch gear and other equipment (including the Connection Facilities) within Botswana;

"Grid Failure" means any disruption in the ability of the Grid to receive and take delivery at the Delivery Point of Net Electrical Energy generated by the Plant, save as a result of a breach by the Generator of its obligations under this Agreement;

"Hazardous Substance" means any material, substance, constituent, chemical, mixture, intermediate product, by-product or waste product which is defined as a hazardous waste,

hazardous material, toxic substance or toxic pollutant under or as such is regulated by Environmental Law(s);

"Implementation Schedule" means the implementation schedule for the Project set out in Appendix 1 (*Implementation Schedule*), as may be revised from time to time pursuant to this Agreement;

"Increased Costs" means any costs relating to the Project incurred or suffered by the Generator and resulting from any of the circumstances described in Clause 0 unless and to the extent covered by Insurance Proceeds received or to be received;

"Insolvency Event" means, in respect of a person:

the passing of a resolution for the bankruptcy, insolvency, receivership, administration, winding-up, liquidation or other similar proceeding relating to that person;

the appointment of an administrator, receiver, trustee, liquidator, custodian or similar person in respect of that person in a proceeding referred to in paragraph (a) of this definition, which appointment has not been stayed or set aside within sixty (60) Days of such appointment; and

the making by a competent authority of an order for the winding-up or otherwise confirming the bankruptcy, insolvency, receivership, administration or liquidation of that person, which order has not been set aside or stayed within sixty (60) Days of such making;

"Insurance Policies" has the meaning given to it in Clause 0;

"Insurance Proceeds" has the meaning given to it in Clause 0;

"Invoice" means an invoice issued by a Party in accordance with Clause 0;

"Invoicing Procedures" means those procedures set out in Appendix 9 (*Invoicing Procedures*);

"IPP Licence" means the Independent Power Producer Licence in respect of the Plant, issued or to be issued to the Generator by BERA;

12 **"IPP Licence Event"** means the termination, revocation or withdrawal of an IPP Licence by BERA;

"kWh" means kilowatt hours;

13 **"kV"** means kilovolt;

"Law" means the laws of Botswana, including:

any applicable statute, act or other law, treaty, regulation or by-law, rule, code, direction or decree adopted or promulgated by any GoB Authority;

any resolution, customary or common law, treaty, or directive having the force of law in Botswana;

any binding or enforceable judgement, decision, order, ruling or interpretation by a GoB Authority having jurisdiction over the matter in question; and

any Approval from any GoB Authority.

14 **"Lease Direct Agreement"** means an agreement of such name between the lessor of the Site and the Offtaker, if required;

"**Local Political Force Majeure Event**" has the meaning given to it in Clause 0;

"**Long-Stop Closing Date**" means the date as described in the Annex (as such date may be extended in accordance with Clause 0);

"**Long-Stop Date**" means the date as described in the Annex (as such date may be extended in accordance with this Agreement);

"**Maximum Power Output**" has the meaning given to it in [●];

"**Meter Discrepancy**" has the meaning given to it in Clause 0;

15 "Meter Test Organisation" has the meaning given to it in Clause 0;

"**Minimum Credit Rating**" has the meaning given to it in the Annex;

"**Modification**" means an addition or modification to or change in or replacement or renewal of plant, equipment, machinery or facilities forming part of the Project used by the Generator for purposes of, or incidental to the generation and delivery of electrical energy to the Grid (other than in the ordinary course of operation of any part thereof) which is approved in writing by the Offtaker in accordance with this Agreement;

"**Month**" means a calendar month beginning on the first (1st) Day of the month and ending at 00:00 hours on the first (1st) Day of the next month;

"**Net Electrical Energy**" has the meaning given to it in [Appendix 8 (*Calculation of Payment*)];

"**O&M Contract**" means the agreement(s) between the Generator and the O&M Contractor(s) for the management, operation, maintenance and/or repair of the Plant;

"**O&M Contractor**" means the person(s) engaged by the Generator, as approved in accordance with the IPP Licence and by the Offtaker under this Agreement, to manage, operate, maintain and/or repair a Plant in accordance with the O&M Contract(s);

"**Offtaker Event of Default**" has the meaning given to it in Clause 0;

"**Offtaker Failure**" means a failure by Offtaker to perform its obligations under this Agreement except where and to the extent caused by (i) any Force Majeure Event(s) and/or (ii) any failure(s) by the Generator to perform its obligations under this Agreement;

"**Offtaker L/C**" means an irrevocable standby letter of credit, which the Offtaker shall establish with a bank in Botswana having a Required Credit Rating, in favour of the Generator to support the Offtaker's obligations to make payments under this Agreement. The Offtaker L/C shall be substantially in the form set out in Appendix 13 (*Form of Offtaker L/C*);

"**Offtaker L/C Amount**" means the amount in Pula equal to [●] [*being [3] months' expected revenues under the PPA*];

"**Offtaker Meter**" has the meaning given to it in Clause 0;

16 "Offtaker Metering Point" has the meaning given to it in the Connection Agreement;

"**Offtaker Parties**" has the meaning given to it in Clause 0;

"**Other Force Majeure Event**" has the meaning given to it in Clause 0;

"**Parties**" means the Offtaker and the Generator and "**Party**" means either of them;

"**Pass**" means the successful completion of a test in accordance with this Agreement including the provisions of and the procedures specified in or to be established under Appendix 6 (*Testing*) and "**Passed**" shall have a corresponding meaning;

"**Payment Date**" has the meaning given to it in Clause 0;

"**Performance Guarantee**" has the meaning given to it in Appendix 5 (*Testing*);

"**Performance Ratio**" has the meaning given to it in Appendix 5 (*Testing*);

"**Periodic Meter Test**" has the meaning given to it in Clause 0;

17 "**Plant**" means a [●] MW facility generating electricity using photovoltaic technology and associated facilities and infrastructure located at the Site including any Modification(s);

"**PPA Direct Agreement**" means the direct agreement substantially in the form set out in Appendix 8 (*Form of PPA Direct Agreement*) to be entered into between Offtaker, the Generator and the Financing Party or Parties (or any agent, trustee or representative), if required;

"**Project**" means:

the development, financing, design, engineering, procurement, manufacture, testing, transportation, construction, erection, installation, completion, testing, commissioning of the Plant and Connection Facilities and the insurance, ownership, operation, maintenance and decommissioning of the Plant;

the use by the Generator of the Site so as not to breach any agreement(s) and/or licence(s) in relation thereto and/or the Law;

the generation of electrical energy and export of Net Electrical Energy; and

all activities incidental to any of the foregoing;

"**Project Agreements**" means this Agreement and the agreements listed in the Annex;

"**Pula**" or "**BWP**" denotes the lawful currency of Botswana;

"**Recipient**" has the meaning given to it in Clause 0;

"**Reference Interest Rate**" has the meaning set out in the Annex;

"**Refinancing**" means any amendment to, or novation, variation, supplement or replacement of any Financing Document (or any similar action), which has the effect of restructuring, replacing or substituting the Senior Debt;

"**Refinancing Gain**" has the meaning given to it in Clause 0;

"**Requested Meter Test**" has the meaning given to it in Clause 0;

"**Required Credit Rating**" has the meaning set out in the Annex;

"**SAPP Rules**" means those rules of the Southern Africa Power Pool.

"**Savings**" means any increase in revenues and/or any saving or reduction in costs and/or expenses resulting from any of the circumstances described in Clause 0 which is or will be realised by the Generator;

"Scheduled Commercial Operation Date" means the date specified in the Annex for the achievement of the Commercial Operation Date (as such date may be amended in accordance with this Agreement);

"Security Replacement Event" means in respect of the Development Security:

- (a) the occurrence of an Insolvency Event in respect of the institution issuing the Development Security;
- (b) the institution issuing the Development Security suffering a decrease in its rating to less than the Minimum Credit Rating; and/or
- (c) the Development Security becoming invalid or unenforceable;

"Senior Debt" has the meaning given to it in Appendix 10 (*Consequences of Termination*);

"Signature Date" means the date by which both Parties have signed this Agreement;

"Site" has the meaning given to it in the Annex;

"System Operator" means the Botswana Power Corporation in its capacity as operator of the Grid or such other entity as is responsible for the operation for the Grid;

"Taxes" means any tax, charge, impost, tariff, duty or fee of any kind charged, imposed or levied by a GoB Authority including any interest or penalties thereon;

"Term" has the meaning given to it in Clause 0;

"Termination Amount" means the amount payable on termination (if any) by Offtaker to the Generator, as determined in accordance with Appendix 10 (*Consequences of Termination*);

"Termination Date" means the date of termination of this Agreement in accordance with Clause 0;

"Testing Delay" means any of the following events, except to the extent caused by a Force Majeure Event, where such event delays the implementation of the Project by the Generator in accordance with the Implementation Schedule:

- (a) a failure or delay by the Offtaker in giving its approval to the Generator to:
 - (i) energise or back-feed high voltage power under Clause 0; or
 - (ii) synchronise a Plant to the Grid in accordance with Clause 0; or
- (b) the Offtaker fails to enable Dispatch from the Plant(s) in accordance with Appendix 5 (*Testing*) provided always that the Generator has notified the Offtaker of the required load for such Dispatch in accordance with Appendix 5 (*Testing*);

Interpretation

18 The following rules of construction and interpretation apply to this Agreement:

a reference to a "Clause", "Section", "Appendix" or "Annex" is a reference to a clause, section, appendix or annex of or to this Agreement or the relevant part thereof unless specifically provided otherwise;

an "employee" of any person includes any other person or agent who is engaged or has been engaged by such person as an employee;

the words "herein" and "hereunder", and words of similar import, refer to the entirety of this Agreement and not only to the Clause in which such use occurs unless specifically provided otherwise;

any reference to "including" or "includes" shall be deemed to be qualified by a reference to "without limitation";

a "person" includes any individual, company, corporation, firm, partnership, joint venture, association (whether a body corporate or an unincorporated association of persons) or any government institution, department or establishment and a person shall be construed as including a reference to its successor(s), permitted assign(s) and permitted transferee(s);

reference to "this Agreement" or any other agreement or document shall be construed as a reference to such agreement or document as amended, modified or supplemented and in effect from time to time and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms;

words importing the singular number include the plural and vice versa and words importing a gender include the other gender;

the descriptive headings in this Agreement are for convenience of reference only and not for purposes of construction or interpretation of its provisions;

periods of time refer to the Gregorian calendar and reference to a time of Day shall be construed as a reference to the time of Day in Gaborone, Botswana;

where an obligation of a Party to make payment under this Agreement falls on a Day other than a Business Day, the time for making such payment shall be extended to the next Business Day;

this Agreement is to be read and construed as a whole and anything mentioned in any of the documents comprising this Agreement shall be of like effect as if stated or mentioned in all of them.

In the event of a conflict between the Clauses and the remainder of this Agreement, the Parties shall endeavour to resolve the conflict by reading this Agreement as a whole and the provision that is more specific to the subject matter shall govern. If, notwithstanding the Parties' endeavours to resolve the conflict, the conflict continues to persist, the Agreement shall be interpreted in accordance with the following order of priority:

Clauses 0 to 0;

Annex;

Appendix 5 (Testing); and

the other Appendices.

TERM

Initial Term

19 The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall expire on that date falling after the Commercial Operation Date as described in the Annex, unless otherwise terminated earlier or extended in accordance with the provisions of this Agreement.

Extension

20 The Term may be extended for an additional period if, not later than twenty-four (24) Months prior to the expiry of the Term, either Party provides the other with notice requesting that the Parties enter into good faith negotiations to extend the Term and, not later than eighteen (18) Months prior to the expiry of the Term, the Parties agree and record the terms of such extension.

CONDITIONS PRECEDENT TO THE CLOSING DATE

Closing Date

21 Each Party shall ensure that on or before the Long-Stop Closing Date, the Conditions Precedent are satisfied by it or waived by the other Party (as applicable in accordance with Appendix 3 (*Conditions Precedent to Closing Date*)), the date on which all of the Conditions Precedent are satisfied or waived being the "**Closing Date**".

Reports Prior to Closing Date

22 Prior to the Closing Date, the Generator shall report to the Offtaker on the status of the satisfaction of the Conditions Precedent on a regular basis and, in any event, if and when requested by the Offtaker.

Extension of the Long-Stop Closing Date

If the achievement of the Closing Date is or is reasonably likely to be delayed due to the occurrence of Closing Date Delay Event then:

the Long-Stop Closing Date; and

the Implementation Schedule,

* shall be equitably adjusted, taking into account the delay which the Generator demonstrates to the Offtaker is attributable to such Closing Date Delay Event.

Without prejudice to the Offtaker's rights to terminate this Agreement under Clause 0, the remedies set out in this Clause 0 and Clause 0 shall be the Generator's sole and exclusive remedies with respect to any delay to or failure to achieve the Closing Date due to any Closing Date Delay Event.

DEVELOPMENT SECURITY

Delivery of the Development Security

The Generator shall deliver the Development Security to the Offtaker on or before the Signature Date.

Replacement of the Development Security

Where the Development Security is subject to a fixed expiry date which is earlier than the date until which the Development Security is required to remain in force in accordance with this Agreement, the Generator shall amend or replace the Development Security with a duly executed Development Security not less than thirty (30) Days prior to such fixed expiry date.

Any replacement Development Security shall be on identical terms as the replaced Development Security except that:

its amount shall be equal to the available balance of the Development Security on replacement; and

the expiry date of the replacement Development Security shall occur not less than ninety (90) Days after the Long-Stop Date and not less than thirty (30) Days after the Commercial Operation Date.

On the occurrence of a Security Replacement Event, the Generator shall, within thirty (30) Days of such Security Replacement Event, provide a replacement Development Security to the Offtaker.

If the Generator fails to provide a replacement Development Security by the time specified in Clause 0 or Clause 0 as applicable, the Offtaker may issue a demand under the Development Security in respect of the full amount available thereunder and shall be entitled to hold such amount under this Agreement until either (i) a replacement Development Security which complies with the requirements of this Agreement is provided or (ii) the Offtaker is required to return such amount in accordance with Clause 0, whereupon such amount shall be returned to the Generator without any obligation to account for or pay any interest thereon.

Return of the Development Security

Subject to any claim(s) made pursuant to the Development Security (and/or against any funds held as security in accordance with Clause 0), the Offtaker shall return the Development Security (or any such funds held as security) to the Generator within thirty (30) Days of the Commercial Operation Date or ninety (90) Days of any termination of the Agreement, provided that all amounts owing or claimed from the Generator to the Offtaker under this Agreement have been paid.

APPROVALS

Generator's Approvals

The Generator shall apply for, obtain, maintain and renew all Approvals required to be obtained in the name of the Generator for and/or in connection with the transactions contemplated by this Agreement.

The Generator shall pay all fees and charges in connection with the Approvals it is required to obtain at the time required for payment by Law.

The Generator shall from time to time deliver to the Offtaker copies of all Approvals that have been issued to the Generator and not previously delivered to Offtaker.

The Generator shall co-operate with and provide reasonable assistance to the Offtaker (if requested) in relation to any application(s) by the Offtaker for the Approvals it is required to obtain.

Offtaker's Approvals

The Offtaker shall apply for, obtain, maintain and renew all Approvals that are required to be obtained in the name of Offtaker for and/or in connection with the transactions contemplated by this Agreement.

The Offtaker shall co-operate with and provide reasonable assistance to the Generator (if requested) in relation to applications by the Generator for the Approvals it is required to obtain.

CONSTRUCTION

Construction of the Plant

The Generator shall develop, finance, design, engineer, procure, manufacture, factory test, transport, construct, erect, install, equip, commission, test and complete the Plant and the

Connection Facilities and otherwise implement the Project all in accordance with this Agreement Good Industry Practice, relevant Approvals and the Law. The Generator warrants that the Plant and the Connection Facilities shall be constructed, commissioned, tested and completed in accordance with this Agreement and that the Commercial Operation Date for the Plant will be achieved on or before the Scheduled Commercial Operation Date.

Changes to the Plant

If the Generator wishes to effect any change(s) in the design, specifications or other characteristics of the Plant and/or the Connection Facilities as previously approved by the Offtaker, the Generator shall notify and obtain the prior written approval of the Offtaker.

If the Offtaker wishes to request any change(s) to the design, specifications or other characteristics of the Plant and/or the Connection Facilities as previously approved by the Offtaker, the Generator agrees to implement the same provided that:

such request must have, as its purpose an improvement required by or desirable in accordance with Good Industry Practice or a modification to ensure the Plant and/or the Connection Facilities is or are constructed, installed and equipped suitably for the use intended;

such request is in sufficient detail to enable the Generator to prepare revisions to the design, specifications and/or other characteristics of the Plant and/or the Connection Facilities and/or the Implementation Schedule taking account of such changes;

before effecting the change(s) set out in such request, the Parties have agreed on an adjustment of the Implementation Schedule and/or either an adjustment to the Energy Charge Rate and/or the payment of a lump-sum to take into account any additional costs or savings resulting from such request in each case to the extent that would result from the implementation of the change(s) requested; and

any such request by the Offtaker shall not represent an endorsement by the Offtaker of the design, warranty of safety, durability or reliability of the Plant and/or the Connection Facilities.

Utilities

23 The Generator shall be responsible for procuring at its cost all electricity, water, fuel and all other utilities required to perform its obligations under this Agreement with respect to the Plant and/or the Connection Facilities.

CONSTRUCTION SCHEDULE

Implementation Schedule

The Generator warrants that the Plant and the Connection Facilities will be constructed, commissioned, tested and completed and the Project will be implemented in accordance with the Implementation Schedule.

The Generator shall promptly inform the Offtaker of any actual or anticipated material deviation(s) from the dates stipulated in the Implementation Schedule within seven (7) Days of becoming aware of any material deviations from the Implementation Schedule. The Generator shall provide to the Offtaker, a remedial programme setting out the actions to be taken by the Generator to mitigate the adverse effect of any such deviation(s) on the Generator's ability to undertake the Project in accordance with the Implementation Schedule.

The Generator may achieve Commercial Operation Date prior to the Scheduled Commercial Operation Date, provided that the Offtaker shall only be obliged to provide energy for initial synchronisation in accordance with Clause 0.

Extension of Milestone Dates

If the achievement of the Commercial Operation Date has or is reasonably likely to be delayed due to an Offtaker Failure or a Force Majeure Event, then, the Implementation Schedule (including the Scheduled Commercial Operation Date), and the Long-Stop Date, if or to the extent that any such event occurs after the Scheduled Commercial Operation Date, shall be equitably adjusted taking into account the delay which the Generator demonstrates to the Offtaker is attributable to such event and the ability of the Generator to reschedule its activities to avoid and/or minimise any resulting delay(s) and provided that, as a condition to any entitlement to any such adjustment, the Generator shall comply with Clause 0.

If any of the events listed in Clause 0 occur, the Generator shall:

as soon as reasonably practicable and in any event no later than ten (10) Days after the Generator first became aware of the occurrence of such event give notice to the Offtaker of such event which it alleges gives rise to any adjustment under Clause 0, an estimate of its likely duration and the impact on the Generator's ability to achieve the Commercial Operation Date by the applicable Scheduled Commercial Operation Date;

within ten (10) Days of the date of a notice issued pursuant to Clause 0, provide a report to Offtaker concerning such event and its effects, including particulars of each event, an estimate of its duration or (to the extent ongoing) likely duration, the impact on the Generator's ability to achieve the Commercial Operation Date by the applicable Scheduled Commercial Operation Date, and a statement of the actions taken and to be taken in order to comply with its obligations under Clause 0; and

from time to time thereafter at reasonable intervals and in any event upon request from the Offtaker, provide updates as to the matters set out in Clause 0.

The Generator shall take all reasonable steps to avoid, prevent, reduce to a minimum and/or otherwise mitigate the effect of any delay caused by any of the events listed in Clause 0, including alternative sources of services, equipment and/or materials and as soon as reasonably possible and in accordance with Good Industry Practice, ensure the resumption of its obligations under this Agreement.

Liquidated Damages for Delay

The Generator acknowledges that the Offtaker will suffer actual losses if the Generator fails to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.

The Generator warrants that it will achieve the Commercial Operation Date by the Scheduled Commercial Operation Date and that if the Generator fails to do so, the Generator shall be liable for and shall pay to the Offtaker liquidated damages at the applicable rate specified in the Annex to the Offtaker for each Day (and pro rata for any part thereof) falling within the period commencing on the Scheduled Commercial Operation Date until the Commercial Operation Date is achieved.

If the Generator fails to pay any liquidated damages payable under this Clause 0 when due, the Offtaker may (but shall not be obliged to) deduct such amounts from any payment(s) due or to become due pursuant to Clause 0 and/or may make a claim on and retain such amount from the Development Security.

The Parties agree that the rates of liquidated damages referred to in this Clause 0 are not extravagant, exorbitant or unconscionable nor impose a detriment out of all proportion to the interests of the Offtaker.

If any of the remainder of this Clause 0 is found for any reason to be void, invalid or otherwise inoperative so as to disentitle the Offtaker from claiming liquidated damages under this Clause 0, the Offtaker shall be entitled to claim against the Generator general damages at law subject to the limitation that such damages must not exceed the amounts referred to in Clause 0 for any Day of delay (or any part thereof) excluding any interest which the Offtaker may be entitled to receive in addition to and calculated on such damages and provided that the exclusions on the liabilities of the Generator set out in Clause 0 shall not apply.

SYNCHRONISATION, ENERGISATION AND ACCEPTANCE TESTS

Initial Synchronisation and Energisation

The earliest date for initial synchronisation of the Plant is set out in the Annex. The Generator shall not propose a date for initial synchronisation prior to such date without the Offtaker's prior written approval.

The Generator shall notify the Offtaker of the proposed date for initial synchronisation of the Plant to the Grid at least thirty (30) Days prior to such proposed date. The Generator shall confirm the proposed date for initial synchronisation for the Plant with the Offtaker no later than seven (7) Days prior to the date therefor.

The Generator shall not synchronise the Plant to the Grid without the prior written approval of the Offtaker (which approval shall not be unreasonably withheld or delayed).

The Generator shall notify the Offtaker of the initial energisation no later than thirty (30) Days prior to the proposed date for energising the main step-up transformers and back-feeding power to the Plant. No later than seven (7) Days prior to the proposed date for energisation for the Plant, the Generator shall give to the Offtaker a further notice confirming the date of initial energisation and requesting the provision of back-feed high voltage power for the Plant and such information as the Offtaker may require to enable it to confirm that the Plant is ready for connection to the Grid.

The Generator shall not be permitted to energise the Plant using power from the Grid without the prior written approval of the Offtaker (such approval not to be unreasonably withheld or delayed).

The Offtaker shall be responsible for metering back-feed power supplied for the Plant from the Grid through the Delivery Point in accordance with this Clause 0.

Test Procedures and Testing

24 The Generator shall develop and implement the Test Procedures for tests to be carried out on the Plant prior to the commencement of the Commercial Operation Period and shall carry out and Pass all of the Acceptance Tests for the Plant in accordance with Appendix 5 (*Testing*).

OPERATION AND MAINTENANCE

Operation and Maintenance Obligations

The Generator shall:

operate, maintain and repair the Plant in accordance with this Agreement, Good Industry Practice, the Law including all relevant Approvals, the SAPP Rules and the Applicable Grid Rules subject to the Dispatch Instructions;

employ in and at the Plant all safety devices and safety practices required by this Agreement, all relevant Approvals and the Law, all Insurance Policies and Good Industry Practice; and

operate and maintain and repair the Plant so as to prevent the release and/or leaching of any Hazardous Substances over, under, in or otherwise affecting the Site and/or the surrounding environs.

The Plant shall be Dispatched in accordance with the ability of the Plant to generate and deliver Net Electrical Energy, this Agreement (in particular Clause 0) the Law, the Applicable Grid Rules and the SAPP Rules in order to allow the Offtaker to receive the Net Electrical Energy at the Delivery Point.

Scheduled Maintenance

The Generator shall plan all scheduled maintenance for Plant in accordance with the procedures set out in the Applicable Grid Rules and so as to maximise the availability of the Plant.

The Generator shall otherwise only schedule an outage of the Plant in accordance with the short-notice outage procedure set out in the Applicable Grid Rules and the SAPP Rules and ensure that the return to service of the Plant following an outage shall also be carried out in accordance with the Applicable Grid Rules and the SAPP Rules.

Extended Planned Outages

If the Generator requires a Planned Outage for a Plant longer than twelve 12 weeks, it shall make a request to the Offtaker for approval (such approval not to be unreasonably withheld or delayed) not later than twelve (12) weeks prior to the anticipated start of such Planned Outage.

Any request for a Planned Outage for a Plant by the Generator under Clause 0 shall contain the following information:

the part(s) of the Plant which will be affected by the Planned Outage;

the reasons for the Planned Outage; and

the anticipated start and end dates of the Planned Outage.

Emergency Disengagement

If, in the reasonable opinion of the Offtaker, an Emergency exists and affects the Grid and/or the Plant, the Offtaker shall have the right to Disengage the relevant equipment which is the subject of or is otherwise required as a result of such Emergency.

If, in the reasonable opinion of the Generator, the condition or manner of operation of the Grid gives rise to an Emergency affecting the Plant, the Generator shall have the right to Disengage the relevant equipment which is the subject or is otherwise required as a result of such Emergency.

The Offtaker shall Re-engage the equipment and the Generator shall Re-engage the relevant equipment as applicable in each case as soon as practicable after the circumstances leading to any Disengagement under this Clause 0 have ceased to exist.

Test Procedures during Commercial Operation Period

The Generator shall develop the test procedures for testing the Plant during the Commercial Operation Period and submit them to the Offtaker for approval in accordance with Appendix 5 (*Testing*).

The Generator shall test the Plant during the Commercial Operation Period in accordance with the requirements of Appendix 5 (*Testing*) and the test procedures developed and approved pursuant to Clause 0.

Dispatch Instructions and Deemed Energy Payment(s)

The Offtaker shall have the sole right and discretion to schedule and Dispatch the Net Electrical Energy generated by the Plant and delivered to the Grid, provided that the Offtaker shall Dispatch the Plant in a manner that is consistent with:

the Applicable Grid Rules and the SAPP Rules;

the requirements of the Grid;

Good Industry Practice; and

all Laws including relevant Approvals.

If during the Commercial Operation Period, a Dispatch Instruction from the Offtaker requires the Generator to limit or reduce the Net Electrical Energy generated or delivered by the Plant, then, subject to Clause 0, the Generator shall be entitled to Deemed Energy Payment(s) in respect of the shortfall in Net Electrical Energy as a result of such Dispatch Instruction, which payment(s) shall be calculated in accordance with Appendix 8 (*Calculation of Payment*) provided always that the Generator is able to demonstrate that the Plant was capable of producing and would have produced such levels of Net Electrical Energy during such period(s) of limitation or reduction.

The Generator agrees that its sole and exclusive remedy for any limitation on or reduction to the generation or delivery of Net Electrical Energy and/or failure by the Offtaker to accept and purchase any Net Electrical Energy in accordance with this Agreement is a claim for a Deemed Energy Payment in accordance with Clause 0.

The Generator shall not be entitled to any claim under this Clause 0 (for compensation or otherwise) in respect of any limitation on or reduction to the generation or delivery of Net Electrical Energy by the Plant if and to the extent that arises as a consequence of the Generator failing to operate the Plant in accordance with, or otherwise to comply with, this Agreement.

SALE AND PURCHASE

Net Electrical Energy

Subject to Clauses 0 and 0 and Appendix 6 (*Testing*), during any Acceptance Test prior to the Commercial Operation Date, the Generator may deliver to the Offtaker and the Offtaker shall accept the Net Electrical Energy generated or produced during such Acceptance Tests but the Generator shall not be entitled to and the Offtaker shall not be obliged to make any payment for any such Net Electrical Energy.

Subject to Clause 0:

during an Early Power Period, the Generator shall, for the consideration as calculated in accordance with Appendix 8 (*Calculation of Payment*), deliver and sell to the Offtaker the Net Electrical Energy generated by the Plant and delivered during such Early Power Period in accordance with the Agreement. The Energy Charge Rate for Net Electrical Energy delivered during the Early Power Period shall be [●] percent of the Energy Charge Rate; and

during the Commercial Operation Period, the Generator shall for the consideration as calculated in accordance with Appendix 8 (*Calculation of Payment*) and the remainder of this Agreement, deliver and sell to the Offtaker the Net Electrical

Energy generated by the Plant and delivered in accordance with the Agreement.

The Generator warrants and guarantees that the Plant shall not exceed at any point the Maximum Power Output for the Plant and the Offtaker shall not be obliged to accept any Net Electrical Energy generated and delivered in excess of the Maximum Power Output for the Plant.

Risk of Loss

25 The risk of loss of any Net Electrical Energy delivered shall pass from the Generator to the Offtaker at the Delivery Point.

INVOICING AND PAYMENT

Invoices issued by the Generator

26 As soon as possible after the end of each Billing Period, the Generator shall issue to the Offtaker itemised Invoices for such Billing Period, in accordance with Appendix 9 (*Invoicing Procedures*) and accompanied by all supporting documents.

Invoices issued by the Offtaker

Subject to Clause 0, as soon as possible after the end of the Billing Period or, if such amounts accrue prior to the Commercial Operation Date, as soon as possible after the end of the Month within which such amounts accrue, the Offtaker shall issue an Invoice to the Generator (together with supporting documentation) in relation to any amounts due and payable by the Generator under this Agreement.

The Offtaker may issue an Invoice to the Generator at any time in respect of and after any liquidated damages accrue pursuant to Clause 0.

Payment Date

27 Each Invoice shall be due and payable on or before the date (the "**Payment Date**") which is the number of Days specified in the Annex after the date on which such Invoice submitted in accordance with this Agreement is received by the receiving Party.

Method of Payment

28 Payment of all Invoices shall be made by the receiving Party by wire transfer of immediately available funds in BWP to such account as specified by the issuing Party for such purpose.

Disputed Payments

If a Party receiving an Invoice disputes the amount of such Invoice in whole or in part, then such Party shall promptly give notice to the other Party of such dispute, specifying the reason for the dispute and the amount(s) disputed and pay to the other Party the undisputed amount(s) contained in such Invoice on or before the relevant Payment Date.

No previously undisputed Invoice or payment may be disputed by the Generator more than sixty (60) Days after the Payment Date therefor or the Offtaker more than three hundred and sixty-five (365) Days after the Payment Date therefor.

The Parties shall use their reasonable endeavours to resolve any payment dispute by amicable negotiation provided that if the Parties are unable to resolve the dispute within ten (10) Days of the notice referred to in Clause 0, then either Party may refer the dispute for resolution in accordance with Clause 0.

Set-Off

29 The Offtaker may make a deduction, set-off or counterclaim from or against any amount due to the Generator under this Agreement as permitted by Law or as provided for in this Agreement.

Interest on late payments

30 Any amount properly due from one Party to the other pursuant to this Agreement and remaining unpaid after the date on which such amount is payable shall bear interest to accrue from day to day at a rate equal to one per cent (1%) per annum above the Reference Interest Rate from time to time, from the date on which such amount is payable until the date on which the amount due is actually received by the payee.

Overpayment

31 Subject to Clause 0, if it is agreed or determined that a Party has paid any amount not required to be paid under this Agreement (referred to below as an "overpayment"), the Party who has received the overpayment shall repay the other Party the full amount of such overpayment, together with interest thereon (in accordance with Clause 0) accrued from the Day such overpayment was paid to the date on which the amount of such overpayment is fully repaid.

Provision of the Offtaker L/C

The Offtaker shall cause the Offtaker L/C to be delivered to the Generator on the later of the Scheduled Commercial Operation Date and the Commercial Operation Date, and shall maintain the Offtaker L/C from the date first delivered until the end of the Term.

The Offtaker shall, within twenty (20) Days after receiving notice from the Generator that:

the issuer of the then-effective Offtaker L/C ceases to have a Required Credit Rating;

the expiry date of the Offtaker L/C will occur in the next thirty (30) Days (provided this is a date falling within the Term); or

the Generator has made a draw or draws on the Offtaker L/C, up to an amount equal to the Offtaker L/C Amount,

replace or replenish the Offtaker L/C (as applicable) to an amount not less than the Offtaker L/C Amount and with an issuer that has a Required Credit Rating.

Generator's Right to Draw on Offtaker L/C

The Generator shall, provided that it has given at least five (5) Business Days' notice to GoB and the Offtaker of its intention to draw, be entitled to draw on the Offtaker L/C on any day on which any amounts properly due from the Offtaker under this Agreement remain unpaid (unless such amount is subject to a dispute under Clause 0). The amount that the Generator may draw on the Offtaker L/C shall be equal to the sum of the unpaid and undisputed amounts or, where such unpaid and undisputed amount exceeds the remaining balance of the Offtaker L/C, the amount available under the Offtaker L/C.

The Generator shall, on the same day as the Generator makes a draw on the Offtaker L/C, provide notice to the Offtaker that the Generator is exercising its right to draw on the Offtaker L/C. This notice shall be in addition to the notice provided five (5) Business Days in advance of the draw. Should the Generator determine that any amount it has drawn under the Offtaker L/C was drawn in error, the Generator shall immediately notify the Offtaker and shall return the funds to the Offtaker with interest at the Reference Interest Rate.

METERING

Installation of Meters and Ancillary Equipment

The Generator shall provide, install and maintain in good order and repair at each of the Generator Metering Points one (1) meter (each, together with any monitors and associated circuits, a "**Generator Meter**") each with an accuracy of $\pm 0.2\%$ and otherwise in conformity with the Connection Agreement to measure the flow of electricity at the Generator Metering Point. The Generator Meter shall be the property of the Generator who shall be responsible for the cost of maintenance, repair, replacement, and calibration thereof.

The Offtaker shall provide, install and maintain in good order and repair at the Offtaker Metering Points one (1) meter (each, together with any monitors and associated circuits, a "**Offtaker Meter**") each with an accuracy of $\pm 0.2\%$ and otherwise in conformity with the Connection Agreement to measure the flow of electricity at each of the Offtaker Metering Point. The Offtaker Meter shall be the property of the Offtaker who shall be responsible for the cost of maintenance, repair, replacement, and calibration thereof.

Meter Reading and Reconciliation

Subject to Clause 0, the Offtaker Meter shall be used for the purposes of determining delivered Net Electrical Energy.

If the Offtaker Meter is unavailable for any reason, including due to a Periodic Meter Test or a Requested Meter Test or any remedial work required following the same, the Generator Meter shall be used in the determination of Net Electrical Energy until the Offtaker Meter is available again.

The Offtaker may use any Generator Meter to cross-check the Offtaker Meter and if the readings from the Generator Meter differ from the Offtaker Meter by more than $\pm 0.4\%$, the Offtaker shall notify the Generator of the same (such difference being a "**Meter Discrepancy**") together with the details of such Meter Discrepancy.

Inspection and Testing of Meters

Periodic Inspection and Testing

Each Party shall at its own expense inspect, calibrate and test for accuracy the Generator Meter and the Offtaker Meter respectively upon installation and at least once in every twelve (12) months thereafter or more frequently as per the manufacturer's instructions (each such test, a "**Periodic Meter Test**").

Each Party shall give at least fourteen (14) Days prior written notice to the other Party of such Party's intention to conduct a Periodic Meter Test and the Parties shall agree a mutually convenient time for the carrying out of such Periodic Meter Test.

Each Periodic Meter Test shall be conducted by an independent meter testing organisation with the necessary industry accreditations (a "**Meter Test Organisation**") and the relevant Meters shall be considered to be working properly if the accuracy of such Meters remains within the range of $\pm 0.2\%$.

If upon conducting any Periodic Meter Test the accuracy of any of the Meters is found not to be within the range of $\pm 0.2\%$, such Meters will be repaired or replaced as soon as practicably possible at the expense of the Party which owns such Meters and the provisions of Clause 0 shall apply.

Requested Inspection and Testing

Each of the Parties may, no more frequently than one (1) time in any six (6) month period, request the performance by the other Party of an inspection, calibration and test of the Meter owned by the other Party. In addition, the Offtaker may request the performance of a test of the Generator Meter if there is a Meter Discrepancy and the Offtaker has notified the Generator thereof (each such test referred to in this Clause 0 being a "**Requested Meter Test**").

The Party that has been requested to conduct a Requested Meter Test shall within seven (7) Days of receipt of such request notify the other Party of the date and time that such Party shall conduct the Requested Meter Test which shall be within seven (7) Days of such notice.

The Requested Meter Test of the relevant Meter(s) shall be conducted by a Meter Test Organisation and the relevant Meter(s) shall be considered to be working properly if the accuracy of such Meter(s) remains within the range of $\pm 0.2\%$, in which case the cost of conducting the Requested Meter Test shall be paid by the Party that requested such Requested Meter Test.

If, upon conducting any Requested Meter Test, the accuracy of any Meter is found not to be within the range of $\pm 0.2\%$, the cost of conducting the Requested Meter Test shall be paid by the Party who owns the relevant Meter and the relevant Meter will be repaired, or replaced and recalibrated as soon as practicably possible at the expense of the Party that owns the Meter, and the provisions of Clause 0 shall apply.

Inaccuracy of Meters

If, during any Meter Test, the Generator Meter or the Offtaker Meter is found to be inaccurate by more than $\pm 0.2\%$, then for the purposes of this Agreement a reasonable adjustment in accordance with Good Industry Practice shall be made correcting all measurements made during the period during which such inaccurate measurements were made by such Meter.

A net reconciliation payment shall be due from one Party to the other following the recalculation of amounts payable under this Agreement to reflect the reasonable adjustment determined in accordance with Clause 0. Such payment shall be paid within thirty (30) Days of receipt by the relevant Party of an invoice therefor.

Records

32 Each Party shall keep complete and accurate records of all Meter readings and details of all maintenance carried out upon their respective Meters. Such records may be inspected by the other Party during normal business hours upon reasonable advance written notice. Each Party shall keep the records referred to in Clause 0 until three (3) years after the end of the Term.

DOCUMENTS, RECORDS, REPORTING AND AUDIT

Delivery of Documents

33 The Generator shall deliver to the Offtaker as soon as possible after the Effective Date or the Closing Date (as applicable) but in any event not later than the time for delivery thereof, each of the documents to be delivered in accordance with Appendix 6 (*Documents to be delivered after the Effective Date*).

Drawings, Test Results, Documentation, Records

Until the end of the Term, the Generator shall maintain at the Site, in an orderly manner and in accordance with Good Industry Practice, complete and up-to-date copies of all:

operations and maintenance manuals and other technical documentation (including electronic files) for all items of equipment incorporated into the Plant, as identified in Appendix 6 (*Documents to be Delivered after the Effective Date*). The Generator shall maintain on Site drafts of the foregoing manuals and documents from the date that the relevant items of equipment commence start-up and testing until such time as final version(s) are available;

test results (including electronic files) for all tests performed on the Plant in accordance with this Agreement, the Construction Contract and the O&M Contract(s);

as-built drawings (including electronic files) for the Plant; and

detailed technical documents (including electronic files) related to the design, engineering, construction, commissioning, testing, operation and/or maintenance of the Plant.

The Generator shall keep accurate and up to date records of any accident or other occurrence at the Site that results in any injury to persons and/or damage to property.

The Generator shall keep a daily operations log for the Plant and in relation to any outages or deratings, circuit breaker trip operations and/or any significant events related to the foregoing.

Monitoring Rights

Without prejudice to Appendix 5 (*Testing*), in order to enable the Offtaker to determine whether the Generator has complied with its obligations under this Agreement, the Offtaker (and its appointed representative(s)) may access the Site during normal business hours upon reasonable notice to the Generator and observe and inspect the Project and the performance by the Generator of its obligations under this Agreement.

Without prejudice to Appendix 5 (*Testing*), in the case of any work being undertaken in connection with the Project at a place other than the Site, including the manufacture or fabrication of equipment or supplies, the Offtaker may inspect and observe such work and the places where such work is being carried out in the presence of the Generator's representative at any and all locations at which such work is being undertaken.

The Generator shall ensure that the Construction Contract and the O&M Contract provide for such rights as described in this Clause 0 and oblige the Construction Contractor and the O&M Contractor to require that their contracts with subcontractors and suppliers also provide for such rights.

Reporting

34 The Generator shall provide to the Offtaker a report describing the occurrence of any act or condition affecting the Plant and/or the Project or the Generator's ability to perform any of its obligations under this Agreement and/or any other Project Agreements promptly upon becoming aware thereof.

Books, Data, Records and Audit Rights

The Generator shall maintain books, data and records in accordance with the Law and this Agreement. Without prejudice to Clause 0, all books, data and records referred to in Clause 0 shall be maintained by the Generator for a minimum period of sixty (60) Months after the creation of such book, data or record and for any additional period of

time required by Law. Upon the expiry of the foregoing period(s), prior to disposing of, deleting or destroying any books, data or records, the Generator shall provide the Offtaker with at least sixty (60) Days prior notice of its intention to so do and the Offtaker shall have the right to acquire such books, data and records in lieu of such disposal, deletion or destruction by providing to the Generator notice of its intention to acquire the same within thirty (30) Days of the date of receipt of the initial notice provided by the Generator under this Agreement.

The Offtaker (and its duly appointed representatives) may upon prior notice to the Generator, examine, audit and/or make copies of the Generator's books, data and records referred to in Clause 0 and Clause 0, including in relation to testing, metering, invoicing, payments, Claims, termination payments, reimbursements and any other charges to the Offtaker.

Nature of Reviews, Inspections or Audit

The Generator agrees that:

any review or approval by the Offtaker of the Project Agreements, any testing procedures or any other agreement, document, instrument, drawing, specification or design proposed by the Generator in accordance with this Agreement;

any attendance, inspection, observation or review under Clause 0 or Appendix 6 (Testing); and

any receipt, review or audit by the Offtaker (or its representatives) of any books, data, records or other documentation or information pursuant to Clause 0,

35 shall not:

relieve the Generator from any liability in respect of or under any such Project Agreement, testing procedures, operating procedures, or any other document, instrument, drawing, specification or design and/or for any failure to comply with the Law, any Approval or this Agreement with respect thereto;

represent an endorsement by the Offtaker of the design, safety, durability and/or reliability of the Plant (or any part thereof) and/or the accuracy and completeness of any books, data or records; and/or

permit the Generator to represent to any third party that, as a result of any inspection, observation, review or audit, the Offtaker is responsible for the Generator's obligations under this Agreement or the accuracy and completeness of any books, data or records reviewed.

Neither the Offtaker nor any of its representatives or any of its or their advisers shall be liable to the Generator or any other person by reason of their review or approval of an agreement, document, instrument, drawing, specification and/or design, and/or any inspection or observation.

GENERAL COVENANTS

Security

36 The Generator shall be responsible for the provision of all customary measures required to ensure the protection and security of the Plant and the Site as required:

under the Law including the Approvals;

by any GoB Authority; and/or

in order to comply with Good Industry Practice.

Contractors

The appointment of any Contractor(s) shall not relieve the Generator of any of its obligations under this Agreement.

As context may require, references in this Agreement to the Generator shall be deemed to include one or more Construction Contractor, O&M Contractor and/or any other Contractor(s) and any act or omission of a Contractor shall be deemed to be an act or omission of the Generator for the purposes of this Agreement.

Project Agreements

Subject to Clause 0 and promptly following the execution and delivery thereof, the Generator shall deliver to the Offtaker copies of any material amendments, modifications or supplements to or waivers under any of the Project Agreements.

Not later than thirty (30) Days prior to the execution by the Generator of any amendments, modifications or supplements to, or consent to any change of any provision of, or waiver under, a Construction Contract and/or an O&M Contract that would result in:

a change of Construction Contractor or O&M Contractor;

a material change to the scope of work of the Construction Contractor or an O&M Contractor;

a change to the critical path schedule under the Construction Contract, to the extent such change could affect the ability of the Generator to comply with the Implementation Schedule or a major piece of equipment as to either its manufacturer or country of origin; or

a material change to the performance standards to which a Construction Contractor or an O&M Contractor is subject,

37 then the Generator shall deliver to the Offtaker a notice setting out the terms of any of the foregoing in reasonable detail. The Generator may not enter into any such amendments, modifications or supplement(s) or grant any such consents waivers without the prior approval of the Offtaker which approval shall not be unreasonably withheld or delayed.

Refinancing

The Generator shall notify the Offtaker if it proposes to implement a Refinancing, and provide the Offtaker with the full details of the proposed Refinancing, at least sixty (60) days prior to the proposed date on which the Refinancing will complete. Such details shall include the following:

a copy of the Financial Model reflecting the proposed Refinancing;

the basis for the assumptions used in the updated Financial Model;

copies of the Financing Documents, showing proposed changes to implement the Refinancing; and

a certificate from the Generator's auditors in respect of the updated Financial Model, satisfactory to the Offtaker.

If the proposed Refinancing is expected to result in a benefit to the Generator in terms of a reduction in the costs of its financial indebtedness under the Financing Documents (for

example, through a reduction in margin, cost of debt, interest rate or other charges, a deferral of repayments or an extension of the term of such financial indebtedness) or a financial gain to the Generator or Shareholders (a **Refinancing Gain**), the Parties shall meet to agree a reduction to the applicable Energy Charge Rate, commensurate to the reduction in finance cost or financial gain, so that the benefit of any Refinancing Gain is shared equally between the Generator and the Offtaker.

The Generator shall not implement a Refinancing without:

the prior written consent of the Offtaker; and

agreement being reached and recorded between the Generator and the Offtaker on the sharing of any Refinancing Gains generated from such Refinancing, as required pursuant to Clause 0.

INSURANCE

Insurance Policies

The Generator, at its sole cost and expense, shall obtain and maintain in effect such insurance policies and coverage as is required by the Law, Good Industry Practice, Appendix 2 (*Minimum Insurance Requirements*) and this Clause 0 (the "**Insurance Policies**"). Such insurance policies and coverage may be changed from time to time with the prior consent of the Offtaker which consent shall not be unreasonably withheld or delayed.

All and any Insurance Policies placed by the Generator shall be placed through a competitive process with insurance companies registered in Botswana and with reinsurance with reputable underwriters approved by the Offtaker such approval not to be unreasonably withheld or delayed.

Policy Endorsements

The Generator shall cause the insurers to include the following endorsements on the Insurance Policies:

the Offtaker shall be an additional insured, other than under the Generator's Insurance Policies relating to workmen's compensation and automobile liability;

the Offtaker shall receive no less than thirty (30) Days' prior notice of any cancellation of any of the Insurance Policies except in the event of non-payment of premium in which case the prior notice of cancellation period shall be no less than ten (10) Days;

the insurance shall be primary with respect to the interests of the Offtaker (and, in respect of comprehensive and commercial general liability and any excess and/or umbrella liability policies only, its directors, officers, employees and agents); and

a cross liability clause shall be made a part of the relevant Insurance Policy to provide that, in the event of claims being made by reason of:

personal or bodily injury suffered by any employee or employees of one insured thereunder for which another insured thereunder is or may be liable; or

damage to property belonging to any insured thereunder for which another insured thereunder is or may be liable,

* then the policy shall cover such insured against whom a claim is made (or may be made) in the same manner as if separate policies had been issued to each insured thereunder, except with respect to the limit(s) of insurance.

The Generator shall cause its insurers to waive all rights of subrogation against the Offtaker and its directors, officers, employees, agents and contractors and the Generator (and directors, officers, its employees, agents and Contractors) in respect of a claim arising under its Insurance Policies.

Evidence of Cover

No later than thirty (30) Days after the date on which any of the Insurance Policies and coverage is required to be in effect in accordance with Clause 0 are issued or renewed in accordance with their terms, the Generator shall cause its insurers to provide the Offtaker with certificates of insurance evidencing the terms and conditions of such Insurance Policy and coverage.

The Generator shall also provide the Offtaker with copies of receipts or statements from the Generator's insurers evidencing payment by the Generator of the premia in respect of such Insurance Policies and cover.

Compliance with Insurance Obligations

Failure by the Generator to obtain the insurance coverage or certificates of insurance required under this Clause 0 shall not relieve the Generator of its other obligations under this Clause 0.

If the Generator fails to procure or maintain any Insurance Policy and coverage required in breach of this Clause 0, then the Offtaker shall have the right to procure such insurance at the Generator's expense, provided that the Offtaker shall have given at least twenty (20) Days' prior notice to the Generator of its intention to exercise such right, unless such intention arises from non-payment by the Generator of any premium(s) for existing insurance in which case the Offtaker shall provide at least five (5) Days' prior notice of such intention.

If the Generator fails to reimburse the Offtaker for such premium/premia within seven (7) Days of being notified so to do, the Offtaker shall be entitled to payment of and/or to deduct such amount or amounts from amount(s) due in respect of the following Billing Period(s) until the full amount of the premium/premia shall have been deducted.

Application of Proceeds

38 Subject to Clause 0, the Generator shall apply any and all insurance proceeds received by it in connection with damage to and/or loss of a Plant toward the repair, reconstruction or replacement of such Plant as required to remedy such damage and/or loss in accordance with the provisions of this Agreement.

FORCE MAJEURE EVENTS

Definition of Force Majeure Event

A "**Force Majeure Event**" means any circumstance, event or condition (or combination thereof) which is beyond the reasonable control, directly or indirectly, of the Affected Party but only to the extent that:

such circumstance, event or condition, despite the exercise of diligence, cannot be prevented, avoided or overcome by the Affected Party;

such circumstance, event or condition prevents the performance by the Affected Party of any or all of its obligations under or pursuant to this Agreement (save for payment obligations);

the Affected Party has taken all reasonable precautions, due care and measures to prevent or avoid the effect of such circumstance, event or condition on its ability to perform its obligations under this Agreement;

such circumstance, event or condition is not the direct or indirect result of a breach or failure by the Affected Party to perform any of its obligations under this Agreement or any other Project Agreement;

such circumstance, event or condition is without fault or negligence of the Affected Party; and

the Affected Party has given the other Party notice in accordance with Clause 0.

A "**Force Majeure Event**" shall include a Local Political Force Majeure Event and an Other Force Majeure Event, each as defined below, but only to the extent it satisfies the requirements in this Clause 0.

Definition of Local Political Force Majeure Event

A "**Local Political Force Majeure Event**" means each of the following events that occurs within or directly involves Botswana:

acts of war (whether declared or not), invasion, armed conflict, act of foreign enemy or blockade;

acts of rebellion, riot, civil commotion, strikes of a political nature, act or campaign of terrorism, or sabotage of a political nature;

strikes, works to rule or go-slows which are widespread or nationwide (other than solely by employees of the Affected Party, its Contractors or their respective Affiliates);

Expropriation;

a Grid Failure in each case to the extent is caused by any of the events described in this Clause 0; or

a Change in Law.

Definition of Other Force Majeure Event

An "**Other Force Majeure Event**" means any circumstance, event or condition (other than a Local Political Force Majeure Event), to the extent that each satisfies the requirements of Clause 0, including each of the following:

lightning, fire, earthquake, unusual flood, cyclone, tornado, tsunami, typhoon or other natural disaster or act of God;

epidemic or plague;

accident, explosion or chemical contamination; or

each of the following events that occurs outside Botswana and does not directly involve Botswana:

acts of war (whether declared or not), invasion, armed conflict, act of foreign enemy or blockade;

acts of rebellion, riot, civil commotion, strikes of a political nature, act or campaign of terrorism, or sabotage of a political nature; or

strikes, works to rule or go-slows which are widespread or nationwide (other than solely by employees of the Affected Party, its Contractors or their respective Affiliates).

Certain Events not Force Majeure Events

39 Notwithstanding that a Force Majeure Event may otherwise exist, the provisions of this Clause 0 shall not excuse:

failure to make a payment of money under this Agreement;

any failure to take into account any conditions at the Site and/or land adjoining the Site;

late performance by the Generator caused by the failure of the Generator or a Contractor to engage qualified subcontractors and suppliers or to hire an adequate number of personnel or labour;

inability to obtain or maintain adequate funding for the Project;

mechanical or electrical breakdown or failure of equipment, machinery or plant owned or operated by either Party due to the manner in which the equipment, machinery or plant has been operated or maintained; and

delays resulting from foreseeable weather conditions or other foreseeable adverse conditions.

Claiming Relief

If a Party (the "**Affected Party**") wishes to invoke a Force Majeure Event as a cause for delay or failure in performance of any of its obligations under this Agreement, it shall:

as soon as reasonably practicable and, in any event, no later than ten (10) Days after the Affected Party first had knowledge of the occurrence of the Force Majeure Event, give notice to the other Party of the circumstance, event or condition which it alleges constitutes the Force Majeure Event and an estimate of its likely duration;

within ten (10) Days of the date of a notice issued pursuant to Clause 00, provide a report concerning the Force Majeure Event and its effects, including particulars of the circumstance, event or condition, a general description of the obligations likely to be affected, an estimate of its likely duration and a statement of the actions to be taken in order to comply with its obligations under this Clause 0;

within three (3) Days following the cessation of any Force Majeure Event, submit to the other Party reasonable proof of the nature of such delay and its effect upon the performance of its obligations under this Agreement; and

from time to time at reasonable intervals and upon any reasonable request from the other Party, provide updates as to the matters set out in Clause 00.

The Affected Party shall:

use all reasonable endeavours to prevent, reduce to a minimum and/or mitigate the effect of any delay occasioned by any Force Majeure Event; and

as soon as reasonably possible, ensure the resumption of normal performance of this Agreement after the cessation of any Force Majeure Event or its effects.

Effect of a Force Majeure Event on Obligations

40 The Affected Party shall not be liable for any delay or failure in performing its obligations under this Agreement due to a Force Majeure Event, provided that no relief shall be granted to the Affected Party pursuant to this Clause 0 to the extent that such failure or delay would have nevertheless been experienced by the Affected Party had the Force Majeure Event not occurred

or was caused by the failure of the Affected Party to comply with its obligations under Clause 00.

Effect of a Force Majeure Event on Implementation Schedule and Costs

41 If a Force Majeure Event causes, or is reasonably likely to cause, a delay in the achievement of the Commercial Operation Date, Clause 0 shall apply. If the Generator has incurred or suffered any Increased Cost or incurred any Saving as a result of a Local Political Force Majeure Event, Clause 0 shall apply.

Effect of a Local Political Force Majeure Event on the Term

42 If a Local Political Force Majeure Event occurs during the Commercial Operation Period, the Term shall be extended on a day-for-day basis to the extent of any delay resulting from such Local Political Force Majeure Event, up to a maximum aggregate of three hundred and sixty five (365) Days, provided that the Term shall not be extended in respect of periods for which the Generator has received Deemed Energy Payments in accordance with Clause 0.

INCREASED COSTS OR SAVINGS

Claim for Increased Costs or Savings

If:

either Party believes that a Local Political Force Majeure Event or Change in Law has occurred that has resulted in Increased Costs or Savings; or

the Generator believes that Increased Costs have been caused by:

a failure to achieve the Closing Date by the Long-Stop Closing Date due to a Closing Date Delay Event; or

an Offtaker Failure,

43 then such Party shall promptly issue a notice to the other Party specifying the details of such Increased Costs or Savings and the event or occurrence giving rise to such Increased Costs or Savings, together with reasonable evidence thereof.

The Party that has made a claim for Increased Costs or Savings under Clause 0 may thereafter, from time to time (but, in any event, not later than thirty (30) Days after the Party giving such notice knew of such additional Increased Costs or Savings) deliver to the other Party additional notices identifying further Increased Costs or Savings that have resulted or are reasonably expected to result from the same circumstance(s). The Generator shall use all reasonable endeavours to minimise any Increased Costs and maximise any Savings.

To the extent that a claim for Increased Costs or Savings under Clauses 0 or 0 is agreed or, if disputed, is determined:

if the Increased Cost occurs prior to the Commercial Operation Date the Generator shall, to the extent available under the terms of the Financing Documents, draw on any funds under the Financing Documents to fund such Increased Costs;

if the Increased Cost occurs prior to the Commercial Operation Date and the funds as described in paragraph (a) above are not available or occur, during the Commercial Operation Period, the Generator shall use its best efforts to raise additional capital to fund such Increased Costs; and

the Offtaker shall propose to the Generator a mechanism to adjust the Energy Charge Rate and/or an extension to the Term, which takes account of all relevant

circumstances and is structured so as to put the Generator into a neutral financial position and results in the Generator deriving neither gain nor loss as a consequence of the relevant event giving rise to the claim under this Clause 0.

The Parties shall use reasonable endeavours to agree upon the appropriate adjustment to the Energy Charge Rate and/or an extension to the Term pursuant to Clause 0 within thirty (30) Days of the Generator's receipt of the Offtaker's proposal under Clause 0, failing which, any Dispute may be referred for determination by an Expert in accordance with Clause 0.

Claims in Aggregate

44 Neither Party shall be entitled to assert any claim for Increased Costs or Savings under this Clause 0:

in respect of any individual claim for Increased Costs or Savings under any one of the circumstances described in Clauses 0 or 0 for an aggregate amount which is less than the threshold level set out in the Annex; and

until such time as the aggregate of all accrued and outstanding claims of such Party under this Clause 0 exceed the equivalent of the threshold level set out in the Annex,

at which time all accrued and outstanding claims of such Party may be asserted, provided that once such claims have been asserted, no future claims may be asserted until such time as all future claims again exceed such amount in the aggregate.

REINSTATEMENT OF THE PLANT

Obligation to Reinstate

If an Event of Loss occurs, the Generator shall:

immediately take all necessary action, consistent with the relevant Approval(s) and Law, to secure and make safe the affected parts of the Plant, the Connection Facilities and/or the relevant area at the Site(s); and

remedy the Plant and/or the Connection Facilities in accordance with this Clause 0, using all Insurance Proceeds actually received together with any other amounts that are available to the Generator for such remedial work(s).

Unless the Generator is not required to remedy the Plant and/or the Connection Facilities pursuant to this Clause 0, the Generator shall promptly commence any remedial work(s) and shall diligently pursue the same to completion. Before the Generator shall commence any such remedial work(s), and at all times during the course of such remedial work(s), the Generator shall pay the Offtaker all amounts due to the Offtaker under this Agreement.

Receipt and Use of Insurance Proceeds

45 As soon as possible after the occurrence of an Event of Loss, the Generator shall:

diligently pursue all of its rights to realise or receive insurance proceeds (other than proceeds from delay in start-up or business interruption insurance), and all rights to compensation from any person, with respect to such Event of Loss (such proceeds and compensation, the "**Insurance Proceeds**");

deposit and hold all Insurance Proceeds (including financial instruments) received by the Generator, in a restoration account segregated from all other funds of the Generator (the "**Restoration Account**"); and

not release, distribute, pay or otherwise use the Insurance Proceeds until either the Parties agree on the application of the Insurance Proceeds or a determination is made in accordance with Clause 0.

Determination

As soon as reasonably practicable but no later than the date of receipt by the Generator of any of the Insurance Proceeds, the Generator shall make a good faith determination, which shall be evidenced by a certificate of a responsible officer of the Generator and delivered to the Offtaker within five (5) Days of such determination, as to whether:

the Plant or such portion thereof that has been affected by the Event of Loss can be remedied to permit operation of the Plant or such portion thereof on a commercially feasible basis; and

the Insurance Proceeds, together with any other amounts that are available to the Generator for such remedial works, are sufficient to permit such remedial works.

The certificate, shall also set out a good faith estimate of the total cost of such remedial works.

Application of Insurance Proceeds

If the Plant cannot be remedied to permit operation on a commercially feasible basis or the Insurance Proceeds, together with any other amounts that are available to the Generator for such remedial works, are not sufficient for such remedial works, then all of the Insurance Proceeds shall be distributed in the following order of priority and either Party may elect to terminate this Agreement in accordance with Clause 0:

to the payment of costs and expenses actually incurred and duly evidenced by the Generator in the performance of its obligations under Clause 0;

to the payment of any amount due to the Offtaker under this Agreement; and

to the Generator or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

If only a portion of the Plant can be remedied to permit operation on a commercially feasible basis and the Insurance Proceeds, together with any other amounts that are available to the Generator for such remedial works, are sufficient to enable such rebuilding, repair and/or restoration, then:

the amount equal to the estimate of the total cost of such remedial works agreed by the Parties or determined pursuant to Clause 0 shall be deposited in the Restoration Account (to the extent not already held in the Restoration Account) and be applied towards the costs of remedial works; and

the amount, if any, by which all of the Insurance Proceeds exceed the estimate of the total cost shall be distributed in the following order of priority:

to the payment of any amount due to the Offtaker under this Agreement; and

to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct or to the Generator;

If the Plant can be remedied to permit operation on a commercially feasible basis and the Insurance Proceeds, together with any other amounts that are available to the Generator for such remedial works, are sufficient to enable such remedial works, then:

all of the Insurance Proceeds, together with such other amounts as are available to the Generator for such remedial works, shall be deposited in the Restoration Account (to the extent not already held in the Restoration Account) and be applied toward the costs of the remedial works; and

any amount remaining in the Restoration Account after the Plant is remedied shall be distributed in the following order of priority:

to the payment of any amount due to the Offtaker under this Agreement; and

to the Generator or to whomever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

TERMINATION

Termination Before the Closing Date

If the Generator fails to deliver the Development Security in accordance with Clause 0, the Offtaker may give notice to the Generator of such failure and the date upon which the Offtaker proposes to terminate the Agreement in its entirety, which date shall be no less than fourteen (14) Days after the date of such notice. If the Generator fails to deliver the Development Security before such period expires, the Offtaker may terminate this Agreement by notice to the Generator.

If the Closing Date is not achieved on or before the Long-Stop Closing Date for any reason other than due to an Offtaker Failure, then the Offtaker may terminate this Agreement by issuing a notice of termination to the Generator, whereupon this Agreement shall terminate on the date of termination specified therein and the provisions of Clause 0 shall apply.

If the Closing Date is not achieved on or before the Long-Stop Closing Date solely due to an Offtaker Failure, either Party may terminate this Agreement on no less than thirty (30) Days' notice to the other Party, whereupon this Agreement shall terminate on the date of termination specified therein with no liability accruing for either Party. The Offtaker shall return the Development Security to the Generator in accordance with Clause 0.

Generator Event of Default

46 Each of the following events shall constitute a "**Generator Event of Default**":

a failure by the Generator to achieve the Commercial Operation Date on or before the Long-Stop Date;

Abandonment;

a failure by the Generator to obtain and maintain any of the Approvals required in order for it to perform its obligations pursuant to this Agreement;

a failure by the Generator to pay any liquidated damages payable under Clause 0 on or before the relevant Payment Date or any other amount due under this Agreement within sixty (60) Days of the Payment Date therefor;

during the Commercial Operation Period, for any rolling twelve (12) month period, the Actual Performance Ratio of a Plant is lower than ninety-five percent (95%) of the Guaranteed Performance Ratio required in accordance with Appendix 6 (*Testing*) for that period;

a failure by the Generator to operate or make available the Plant during the Commercial Operation Period for a period of more than two (2) consecutive Days in any such period, or five (5) Days in aggregate, in any Contract Year without the prior consent of the Offtaker;

a material breach by the Generator of its obligations under this Agreement (other than those referred to in Clause 0 to 0) which if capable of remedy is not remedied within sixty (60) Days after notice from the Offtaker to the Generator stating that a breach has occurred, identifying the breach and demanding the remedy thereof, provided that if such breach cannot be cured within sixty (60) Days after notice from Offtaker, the Generator shall be afforded a further period of thirty (30) Days within which to cure such breach, provided always that the Generator throughout such period, has exercised and continues to exercise all efforts to cure the breach;

an IPP Licence Event occurs not caused by an Offtaker Failure; and

the occurrence of an Insolvency Event in respect of the Generator.

Offtaker Event of Default

47 Each of the following events shall constitute an "**Offtaker Event of Default**":

a failure by Offtaker to pay any Energy Payment or Deemed Energy Payment within sixty (60) Days of the relevant Payment Date, which sum is not subject to a bona fide dispute and has not been recovered by the Generator pursuant to the Offtaker L/C ;

a failure by Offtaker to make any payment under this Agreement other than an Energy Payment or a Deemed Energy Payment within ninety (90) Days of the relevant Payment Date therefor, which sum is not subject to a bona fide dispute and has not been recovered by the Generator pursuant to the Offtaker L/C;

a failure by Offtaker to reinstate or replenish the Offtaker L/C as required following any draw by the Generator for an amount properly due to the Generator under this Agreement or otherwise as required under Clause 0, and either such amount remains unpaid or the Offtaker L/C is not reinstated as required at the expiry of thirty (30) Days following the date on which the Generator gives written notice to the Offtaker of such payment default or draw on the Offtaker L/C;

an IPP Licence Event occurs caused by an Offtaker Failure; or

the occurrence of an Insolvency Event in respect of Offtaker.

Termination due to an Event of Default

48 Upon the occurrence of an Event of Default, the Party that is not the subject of such event (the "**Non-Defaulting Party**") may terminate this Agreement by issuing a notice of termination to the other Party (the "**Defaulting Party**"), specifying in reasonable detail the relevant Event of Default giving rise to such notice and the date upon which the Agreement will terminate. This Agreement shall terminate on the date specified in such notice.

Termination following a Prolonged Force Majeure Event

Subject to Clause 0:

the Generator shall have the right to terminate this Agreement if a Local Political Force Majeure Event prevents the Offtaker from performing any of its obligations under this Agreement for a continuous period of three hundred and sixty-five (365) Days, provided that, if the Offtaker pays the Deemed Energy Payments beyond such three hundred and sixty-five (365) Day period, the Generator shall not have the right to terminate this Agreement pursuant to this Clause 0(a).

the Offtaker shall have the right to terminate this Agreement if one or more Local Political Force Majeure Event(s) prevent(s) the Offtaker or the Generator from performing any of their respective obligations under this Agreement relating to the Plant for a continuous period of three hundred and sixty-five (365) Days;

either Party shall have the right to terminate this Agreement if:

one or more Other Force Majeure Event(s) prevent(s) the Offtaker from performing any of its obligations under this Agreement relating to the Plant for a continuous period of three hundred and sixty-five (365) Days; or

one or more Other Force Majeure Event(s) prevent(s) the Generator from performing any of its obligations under this Agreement relating to the Plant for a continuous period of three hundred and sixty-five (365) Days.

Subject to Clause 0, either Party may terminate this Agreement if it is agreed that the Plant cannot be remedied pursuant Clause 0, if the relevant Event of Loss is caused by a Force Majeure Event.

If a Party wishes to exercise any of its rights to terminate this Agreement pursuant to Clause 0 or 0, it shall issue a notice of termination to the other Party specifying the date on which the Party giving such notice proposes to terminate this Agreement, which date shall not be less than sixty (60) Days from the date of such notice. Upon the occurrence of such date, provided that the event giving rise to such notice of termination is continuing, this Agreement shall terminate on such date.

CONSEQUENCES OF TERMINATION

If this Agreement has been terminated by the Offtaker in accordance with Clause 0, the Offtaker may make a claim on and retain the full amount of the Development Security or retain any amount held in respect of the Development Security pursuant to Clause 0. The Parties agree that the full amount of the Development Security is not an extravagant, exorbitant or unconscionable amount or imposes a detriment out of proportion to the interests of the Offtaker if this Agreement is terminated in accordance with Clause 0.

If this Agreement is terminated by the Offtaker due to a Generator Event of Default, the Offtaker shall have the right but not the obligation to purchase the Generator's right, title and interest in the Project for the applicable Termination Amount.

If this Agreement is terminated by the Generator due to an Offtaker Event of Default, the Offtaker shall have the obligation if requested by the Generator to purchase the Generator's right, title and interest in the Project for the applicable Termination Amount.

If this Agreement is terminated by the Generator pursuant to Clause 0, then the Offtaker shall have the obligation if requested by the Generator to purchase the Generator's right, title and interest in the Project for the applicable Termination Amount

If this Agreement is terminated by the Offtaker pursuant to Clause 0 or either Party pursuant to Clause 0, if the Event of Loss was caused by a Local Political Force Majeure Event, then the Offtaker shall have the obligation if requested by the Generator to purchase the Generator's right, title and interest in the Project for the applicable Termination Amount.

If this Agreement is terminated after the Closing Date by either Party pursuant to Clause 0 or pursuant to Clause 0 if the Event of Loss was caused by a Force Majeure Event other than an Local Political Force Majeure, then the Offtaker shall have the right but not the obligation to purchase the Generator's right, title and interest in the Project for the applicable Termination Amount.

Where the Offtaker has the right to elect whether to purchase the Generator's right, title and interest in the Project or the Generator has the right to request that the Offtaker purchase the Generator's right, title and interest in the Project in accordance with this Clause 0, the Offtaker or the Generator as relevant may only exercise such right by issuing notice to the other within ninety (90) Days of the date of the applicable Termination Notice, and the obligations relating to the payment for, and transfer of, the Project in Appendix 10 (Consequences of Termination) shall apply.

Reinstatement of the Site

Following termination or expiry of this Agreement, save where the Plant has been transferred to the Offtaker (or to a designee of the Offtaker), the Generator shall within twelve (12) months of the date of the expiry or termination of this Agreement decommission, dismantle and remove the Plant from the Site and return the Site to the Lessor in a state which, in substantial terms, is comparable to the state in which the Lessor has handed over the Site ("**Decommissioning**") to the Generator on the Effective Date.

The Generator shall carry out such decommissioning and dismantlement in accordance with this Agreement and the the IPP Licence and the Offtaker may notify the Generator in writing that it wishes to keep the access roads for its own use after termination of this Agreement which election shall be communicated to the Generator in writing within thirty (30) Days after termination of this Agreement, in which event the Generator shall not be obliged to remove the access roads and the Offtaker shall not have a claim against the Generator in this regard whatsoever under any Project Agreement.

The Generator will be responsible for all costs and expenses with respect to any rehabilitation and remediation which may be required on a Site or to the Offtaker's property.

Exclusive Rights and Remedies

49 Clause 0 sets out the sole and exclusive grounds on which either Party may terminate this Agreement. Except as otherwise provided in this Agreement, upon the termination of this Agreement the Parties shall have no further obligations or liabilities under this Agreement, save that those obligations or liabilities that arose on or before the date or as a result of termination, shall survive until satisfied in full.

Survival

50 The provisions of Clauses 0, 0, 0, 0, 0, 0, 0, 0, 0 and 0 (and any other Clauses or Appendices referenced therein) shall survive the termination of this Agreement.

INDEMNITIES

Indemnification by the Generator

51 The Generator shall indemnify the Offtaker (and its Affiliates and contractors and its or their respective shareholders, directors, officers, employees, agents or representatives (collectively the "**Offtaker Parties**")) from and against all Claims made against or suffered by Offtaker or any of the Offtaker Parties in relation to any loss of or damage to property or death or injury to persons (except for workers' compensation claims) resulting from any negligent act or omission of the Generator or any of the Generator Parties or that otherwise arises out of or is connected with the performance of this Agreement, except to the extent attributable to the negligence or misconduct of Offtaker or any of the Offtaker Parties or any Offtaker Failure;

Indemnification by the Offtaker

52 The Offtaker shall indemnify the Generator (and its Affiliates and Contractors and its or their respective shareholders, directors, officers, employees, agents or representatives (collectively the "**Generator Parties**")) from and against all Claims made against or suffered by the Generator or any of the Generator Parties in relation to any loss of or damage to property

or death or injury to persons (except for workers' compensation claims), resulting from any negligent act or omission of the Offtaker or any Offtaker Parties, except to the extent such loss, damage, injury or death is attributable to the negligence or misconduct of the Generator or any of the Generator Parties or breach by the Generator of this Agreement.

Liability

53 To the extent permitted under the Law and save as provided for in Clause 0, neither Party shall be liable to the other in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive, or exemplary damages, except as expressly provided herein or pursuant to any claim for an indemnity.

Mitigation

54 The Parties shall use all reasonable endeavours to mitigate any loss, cost or expense they may suffer as a result of any breach of the other Party's obligations under this Agreement.

ASSIGNMENT

Assignment with Consent

55 Save as expressly provided in this Clause 0, neither Party shall be entitled to assign or transfer its rights or obligations under this Agreement without the prior consent of the other Party.

Assignment to Financing Parties

56 The Generator shall have the right to assign or charge its rights under this Agreement to the Financing Parties or to any security agent or trustee nominated by the Financing Parties. The Offtaker agrees to enter into the PPA Direct Agreement with the Financing Parties as the Generator may reasonably request in connection with the financing or refinancing of the Project.

REPRESENTATIONS AND WARRANTIES

Generator Representations and Warranties

57 The Generator represents and warrants to Offtaker as follows:

it is duly incorporated and is validly existing and in good standing under the Laws of Botswana;

it has the power and authority to enter into and perform its obligations under this Agreement;

this Agreement has been duly authorised, executed and delivered by it and constitutes legal, valid and binding obligation upon it;

there is no pending or threatened litigation or claim which would materially impair the Generator's ability to perform its obligations under this Agreement; and

the performance of its obligations under this Agreement will not result in the breach of any term or provision of, or constitute a default under, any judgment, decree, indenture, mortgage or other agreement or instrument to which it is a party or by which it is bound, nor will such performance conflict with any charter, by-law or similar provision applicable to the Generator.

The Generator undertakes that it shall not, during the Term engage in any business activity other than as reasonably required to perform its obligations and enjoy its rights under

this Agreement or enter into any agreement of merger, consolidation or amalgamation with any entity.

Offtaker Representations and Warranties

58 The Offtaker represents and warrants to the Generator as follows:

it is duly established and is validly existing and in good standing under the Laws of Botswana;

it has the power and authority to enter into and perform its obligations under this Agreement;

this Agreement has been duly authorised, executed and delivered by it and constitutes its legal, valid and binding obligation;

there is no pending or threatened litigation or claim which would materially impair Offtaker's ability to perform its obligations under this Agreement; and

the performance of its obligations under this Agreement will not result in the breach of any term or provision of, or constitute a default under, any judgment, decree, indenture, mortgage or other agreement or instrument to which it is a party or by which it is bound, nor will such performance conflict with any decree, charter, by-law or similar provision applicable to the Offtaker.

GOVERNING LAW

59 This Agreement shall be governed by and construed in accordance with the Laws of Botswana.

DISPUTE RESOLUTION

Senior Executives

Any Dispute between the Parties shall be resolved in accordance with the dispute resolution procedures in this Clause 0.

Any Dispute shall first be submitted to the Chief Executive Officer (or equivalent senior executive officer) of each Party (together, the "Senior Executives") for resolution.

Either Party shall give to the other written notice (a "**Dispute Notice**") setting out the material particulars of the Dispute and requesting the Senior Executives to meet within fourteen (14) days of the date of the receipt of a Dispute Notice by the relevant Party.

The Senior Executives will attempt in good faith and use their reasonable endeavours at all times to resolve the Dispute amicably.

If no written agreement recording the resolution of the Dispute is signed by the Parties within sixty (60) days of receipt of a Dispute Notice or such longer period as may be mutually agreed by such Senior Executives in writing, then the provisions of Clause 0 or 0 shall apply, as applicable.

Expert Determination

Subject to Clause 0, where a Dispute arises between the Parties:

under any clause or proviso of this Agreement which provides for determination by reference to an Expert or;

which otherwise relates to technical issues concerning the construction, testing or commissioning of a Plant or any invoicing or metering under this Agreement,

either may refer the Dispute for determination by an independent expert (an “**Expert**”) in accordance with the following provisions of this Clause 0

The Party referring the Dispute for determination by an Expert (the “**Applicant**”) may apply, in writing, to the LCIA to appoint an Expert to determine the Dispute (the “**Application**”), enclosing a copy of this Agreement and a brief statement describing the nature and circumstances of the Dispute and setting out any matters that the Applicant wishes to bring to the attention of the LCIA for the purposes of selecting the Expert, with simultaneous copy of the Application to the other Party.

The Expert Determination shall be administered by the LCIA, which shall also be the appointing authority for the purpose of appointing the Expert and for determining any challenge to the Expert brought in accordance with this Clause.

The LCIA’s charges shall be in accordance with its schedule of arbitration fees and costs, as in force at the time of the Application (the “**Schedule of Costs**”).

Within thirty (30) days of service of the Application, the other Party shall send to the LCIA, with simultaneous copy to the Applicant, a reply to any matters raised by the Applicant in the Application (the “**Reply**”).

The LCIA shall endeavour to appoint the Expert within thirty (30) days of service of the Reply, or as soon as reasonably practicable thereafter.

The Expert shall be appointed by the LCIA from the Botswana Institute of Chartered Accountants or the Law Society of Botswana.

Prior to appointment, the Expert shall provide the LCIA with a written résumé of his past and present professional positions; shall agree in writing a fee rate conforming to the Schedule of Costs and shall sign a declaration to the effect that there are no circumstances known to him likely to give rise to justifiable doubts as to his independence and impartiality.

The Expert shall assume a continuing duty to disclose any such circumstances to the LCIA and to the Parties, if such circumstances should arise after the date of such declaration and before the Expert Determination is concluded.

The Expert shall act as an expert and not as an arbitrator.

The filing of written submissions in addition to the Application and the Reply shall be upon the application of a Party and at the discretion of the Expert.

The Expert shall fix a date, time and venue for a hearing, which shall be no later than thirty (30) days after the latest date on which any written submission may be served, pursuant to Clause 0 or no later than ninety (90) days after the appointment of the Expert, if no further written submissions are to be filed.

Otherwise, the Expert may adopt such procedures, and may conduct the Expert Determination in such manner, as he considers appropriate.

The Expert shall endeavour to issue his decision within fourteen (14) days of the hearing, or as soon as reasonably practicable thereafter.

The decision of the Expert shall (unless fraud or manifest error is shown by either/any of the Parties) be final and binding on the Parties.

All communications concerning the Expert Determination, shall be copied to the LCIA and, once appointed, to the Expert.

All communications shall be by fax and/or email, with hard copy following by post.

Time limits herein may be extended only by written agreement between the Parties, or by the Expert.

An Expert may be challenged by any Party if circumstances exist that give rise to justifiable doubts as to his impartiality or independence. In such circumstances the challenge shall be brought, by written notice to the LCIA, within sixty (60) days of the appointment of the Expert or within thirty (30) days of the challenging party becoming aware of the circumstances giving rise to the challenge.

Unless the challenged Expert withdraws, or whichever of the Parties has not brought the challenge agree to the challenge, within thirty (30) days of the date of the challenge, the LCIA shall decide the challenge and, if appropriate, shall appoint a replacement Expert.

The costs of the Expert Determination shall be in accordance with the schedule of costs and shall be borne in such proportions as the Expert shall determine, in his absolute discretion.

The Expert Determination and all information and documents provided for the purpose of the Expert Determination, and the Determination, shall be, and shall remain, private and confidential, unless agreed in writing by all of the Parties, or required by law.

Arbitration

If a Dispute cannot be settled by the Senior Executives, as described in Clause 0, then the Dispute may be referred to and finally resolved by arbitration under the London Court of International Arbitration (LCIA) Rules, which Rules are deemed to be incorporated by reference to this Clause as amended by the provisions of this Clause 0.

The arbitration proceedings shall be conducted, and the award shall be rendered, in the English language.

The arbitration tribunal shall consist of one arbitrator. If a Party does not nominate an arbitrator in accordance with the LCIA Rules or if the Parties fail to agree on the arbitrator to be appointed, the relevant arbitrator shall be appointed by the LCIA Court in accordance with the LCIA Rules.

Upon the request of a Party and with the consent of the other Party and of all other parties to any Project Agreement under which an arbitration has been commenced, an arbitral tribunal constituted under this Agreement may, unless consolidation would prejudice the rights of any party, consolidate an arbitration commenced hereunder with an arbitration commenced and pending under any of the Project Agreement if the arbitration proceedings raise common questions of law or fact. If two or more arbitral tribunals under these Project Agreement issue consolidation orders, the order issued first shall prevail.

The seat, or legal place, of the arbitration shall be London, England, and all arbitration hearings shall be held in Johannesburg, Republic of South Africa.

Any arbitral award issued under this Clause 0 shall be final and binding upon the Parties and shall be the sole and exclusive remedy between the Parties regarding the arbitrated dispute, and each Party undertakes to comply with and to carry out any such arbitral award, fully and without delay. The Parties expressly waive to the fullest extent permitted by law or under equity any rights of appeal to the courts of any jurisdiction with respect to any award of arbitration pursuant to this Clause 0.

Notwithstanding the other provisions of this Clause 0, nothing shall preclude a party from approaching a competent court for, and the Parties do not intend to deprive any competent court of its jurisdiction to issue, a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings, or an order regarding

the recognition and/or enforcement of any award. Any interim or provisional relief ordered by any competent court may subsequently be vacated, continued or modified by the arbitral tribunal on the application of either Party.

The arbitration agreement shall be governed and construed in accordance with the law of England.

MISCELLANEOUS

Compliance with Laws

60 The Generator and Offtaker agree that Law shall govern their performance of this Agreement and each respectively shall comply in all material aspects with, and shall keep in full force and effect, all Laws applying to (including Approvals required for) the performance of their respective obligations under this Agreement.

Notices

Any notice from one Party to the other in relation to this Agreement shall be in the English language, made in writing, and delivered by hand, courier or by facsimile to the person designated by the other Party to receive such communications, as follows:

- 61 **Offtaker**
- 62 Address: [●]
*
*
*
- 63 Attention: [●]
- 64 E-mail: [●]
- 65 **Generator**
- 66 Address: [●]
* [●]
* [●]
* [●]
- 67 Attention: [●]
- 68 E-mail: [●]

A notice shall be deemed to have been made or delivered:

in the case of any communication made by letter, when delivered by hand, by recognised courier or by mail (registered return receipt requested) at the address set out in Clause 0; and

in the case of any communication made by e-mail, when received at the address set out in Clause 0.

If a Party changes its notice details set out in Clause 0, it shall provide the other Party with prompt notice of any such changes prior to effecting the same.

Amendments

69 This Agreement may be amended only with the written agreement of both Parties.

No Implied Waiver

70 The failure by either Party to insist upon strict performance of any provisions of this Agreement shall not be construed as a waiver of any such provisions or the relinquishment of any such right for the future. Any waiver given by either Party of its rights under this Agreement must be in writing.

No Third Party Beneficiaries

71 Save in relation to the Offtaker Parties under Clause 0 and the Generator Parties under Clause 0, the terms and provisions of this Agreement are intended solely for the benefit of each Party and their respective permitted successors and assigns and it is not the intention of the Parties to confer any rights upon any third parties.

Confidentiality

During the term of this Agreement and after termination or expiry of this Agreement for any reason whatsoever each Party shall:

keep the Confidential Information confidential;

not disclose the Confidential Information to any other person who is not a Party other than with the prior consent of the other Parties or in accordance with Clause 0; and

not use the Confidential Information for any purpose other than the performance of its obligations under this Agreement.

During the term of this Agreement and after termination or expiry of this Agreement for any reason, a Party may disclose the Confidential Information:

to its direct shareholders provided that in no circumstances shall disclosure to the public be permitted pursuant to this Clause 0, directors, officers or employees (each a "**Recipient**") to the extent necessary to achieve the purposes of this Agreement, provided that the disclosing Party shall procure that each Recipient is made aware of and complies with all the disclosing Party's obligations of confidentiality under this Agreement as if the Recipient was a party to this Agreement;

if and to the extent required to disclose such information by judicial or administrative process or otherwise in accordance with any Law or the rules of any recognised stock exchange applicable to the disclosing Party;

with the consent of the other Parties (not to be unreasonably withheld or delayed), in the interests of attracting debt and/or equity financing for the Project;

to its legal, financial and/or technical advisers or pursuant to the Financing Documents, provided that prior to making such disclosure, the disclosing Party obtains confidentiality undertaking on terms no less onerous than those set out in this Clause 0 from the person to whom the Confidential Information is to be disclosed; or

in a legal action or proceeding brought by the disclosing Party in pursuit of its rights or in exercise of its remedies.

The obligations contained in Clauses 0 and 0 shall not apply to any Confidential Information which:

is or comes into the public domain other than through breach of this Agreement by the disclosing Party and/or breach of its obligations as to confidentiality by any Recipient;

can be shown by the disclosing Party (to the reasonable satisfaction of the other Party) to have been known to the disclosing Party independently; or

has come lawfully into the possession of the disclosing Party from a third party.

This prohibition shall not forbid a Party, with the prior written consent of the other Party, from issuing press releases containing Confidential Information in relation to the progress of the Project.

For the purposes of this Clause 0, "**Confidential Information**" means this Agreement and all information concerning the Project and the other Party (or its Affiliates), whether in writing, verbally or by any other means, or acquired directly or indirectly before or after the Effective Date.

Invalidity

72 The Parties hereby agree to use good faith efforts to negotiate an equitable adjustment to any provisions of this Agreement determined to be invalid or unenforceable with a view towards effecting the purposes of this Agreement, and the validity or enforceability of the remaining provisions of this Agreement shall not be affected by such determination.

Sovereign Immunity

Each of the Parties hereby unconditionally and irrevocably agrees to the binding submission of any Dispute to arbitration in accordance with Clause 0 and not to claim, invoke or permit to be invoked on its behalf or for its benefit any right it may have under the Laws of Botswana, or of any other state or jurisdiction, to prevent, delay, hinder, nullify or in any other way obstruct the submission of any Dispute to arbitration as set out in Clause 0.

Each of the Parties hereby unconditionally and irrevocably agrees to accept any award rendered by the arbitral tribunal as set out in Clause 0 and any judgment entered thereon by a court of competent jurisdiction as final and binding, and not to claim, invoke or permit to be invoked on its behalf or for its benefit any right it may have under the Laws of Botswana, or of any other state or jurisdiction, to prevent, delay, hinder, nullify or in any other way obstruct the enforcement or execution of any award rendered by an arbitral tribunal as set out in Clause 0 and any judgment entered thereon by a court of competent jurisdiction.

Further Assurances

73 The Parties shall at all times do all such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order to perform and carry out the provisions of this Agreement.

Relationship of the Parties

74 Nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture between the Parties. Each Party shall be liable individually and severally for its own obligations under this Agreement.

Binding Effect

75 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns.

Expenses

76 Each Party shall pay its own costs and expenses (including the fees and expenses of its agents, representatives, advisors, counsel and accountants) necessary for the negotiation, execution, delivery, performance of and compliance with this Agreement.

Language

77 This Agreement is being executed in the English language.

Entire Agreement

78 This Agreement and its Appendices constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all previous understandings, representations, or agreements between the Parties, whether written or oral.

Counterparts

79 The Parties may execute this Agreement in counterparts, which shall, in the aggregate, when signed by both Parties constitute one and the same instrument; and thereafter, each counterpart shall be deemed to be an original instrument as against any Party who has signed it.

80 **IN WITNESS WHEREOF**, the Parties, intending to be legally bound, have caused this Agreement to be executed by their duly authorised representatives as of the date first written above.

BOTSWANA POWER CORPORATION

By:
Name:
Title:

Witnessed:

By:
Name:
Title:

[GENERATOR]

By:

Name:
Title:

Witnessed:

By:
Name:
Title:

Annex

- 1 Long-Stop Closing Date means [●] Days after the Signature Date.
- 2 Minimum Credit Rating means a minimum credit rating on the relevant person's senior unsecured long-term debt of [●], as determined Moody's Investors Services Inc., and [●] as determined by Standard & Poor's, a division of McGraw-Hill Companies Inc.
- 3 Project Agreements:
 - this Agreement;
 - Construction Contract
 - O&M Contract
 - PPA Direct Agreement (if required)
 - Lease Direct Agreement (if required)
- 4 Reference Interest Rate means the prime rate of interest (expressed as a percentage rate per annum) at which [●] lends on overdraft in Pula, as published by that bank from time to time, provided that in respect of any day for which there is no such rate published the applicable rate shall be that prevailing in respect of the last day for which such rate was published.
- 5 Required Credit Rating means a credit rating on the relevant person's senior unsecured long-term debt in less than [●], as determined by Moody's Investors Services Inc., and [●] as determined by Standard & Poor's, a division of McGraw-Hill Companies Inc.
- 6 Scheduled Commercial Operation Date means [●].
- 7 Site means [*ref to/attach plan as required*].
- 8 Term – (Clause 2): expiry date of the Term is 25 years after the Commercial Operation Date.
- 9 Liquidated Damages for Delay – (Clause 7): means [●] per Day.
- 10 Earliest date for synchronisation of the Plant – (Clause 8): means [●].
- 11 Payment Date – (Clause 11.3): means [●] Days after receipt of the relevant invoice.
- 12 Claim thresholds – Clause 17.2.1: [●]
 - Clause 17.2.2: [●]

Appendix 1 Implementation Schedule

This Appendix 1 (Implementation Schedule) to be prepared by the Generator based on the dates below subject to the approval of Offtaker.

Plant

Milestones	Date
[To include Scheduled Commercial Operation Date]	

Appendix 2 Minimum Insurance Requirements

1 Definitions

Capitalised terms not otherwise defined in this Appendix 2 (*Minimum Insurance Requirements*) shall have the meanings given to them in Clause 1.1 (*Definitions*) of the Agreement.

2 General

The Generator shall obtain and maintain or cause to be obtained and maintained insurance policies from financially sound and reputable insurers (and, where appropriate, reinsurers) that generally contain provisions which are standard in the international insurance market with respect to power generation facilities of a similar size, technology and location of the Plant. The insurance policies shall provide at least the types of insurance coverage and terms described in Clause 15 (*Insurance*) of the Agreement and in Section 3 of this Appendix 2 (*Minimum Insurance Requirements*).

3 Insurance Coverage

3.1 Construction and Erection All Risks Insurance (CAR):

Coverage: This insurance shall cover physical loss of or damage to the permanent and temporary works of each Plant under construction by the Generator, the Construction Contractor(s) and/or subcontractors, including materials and equipment supplied for incorporation therein. The scope of coverage is to be "All Risks" subject to standard exclusions and sub-limits, including coverage for defective design to the extent available.

Amount Insured: [●]% of replacement value of each Plant.

Insured: Generator, contractors & sub-contractors, consultants, suppliers, vendors, Offtaker and Financing Parties (if any).

Coverage Period: From the earlier of the notice to proceed under the Construction Contract, the Closing Date or the commencement of construction activity at the Site, until the expiry of all warranty periods for the Plants under the Construction Contract.

General:

- Cover extended to include debris removal, extra expenses and strikes, riots & civil commotion. Cover shall include transit within Botswana of locally procured goods and materials.
- Claims will be paid in the currency in which the cost and/or loss is incurred. The insurers and reinsurers to waive all rights of subrogation against each insured party.

- Defective design coverage is to be DE4.
- The sum insured should be on a full replacement cost basis.

3.2 All Risks Physical Damage Insurance (following Acts of Political Sabotage or Terrorism)

Coverage: This insurance provides indemnity against the costs to repair or replace insured property damaged by an act of political sabotage or terrorism. Policy wording is to dovetail with any exclusions under the policy wording for the Construction and Erection All Risks insurance.

Amount Insured: The higher of (i) [●]; or (ii) the maximum cover available provided the cost of such cover does not exceed the cost of the foregoing cover at the date hereof (indexed).

Insured: Generator, Offtaker and Financing Parties

Coverage Period: In parallel with the requirements of the Construction and Erection All Risks insurance.

3.3 Third Party General Liability Insurance

Coverage: This insurance shall cover legal liability for damage to property of or bodily injury to third parties arising out of the construction of the Plants.

Amount Insured: A minimum of [●] per occurrence and unlimited in aggregate per annum. The amount insured shall be indexed [●] annually.

Insured: Generator, contractors & sub-contractors, consultants, suppliers, vendors and Offtaker.

Coverage Period: From the commencement of construction activities at the Site, the notice to proceed under the Construction Contract or the Closing Date, whichever is the earlier, until the Commercial Operation Date.

General: Including cross liability provision.

3.4 Marine Cargo Insurance:

Coverage: This insurance shall cover physical loss of or damage to the materials, equipment, machinery, spares, supplies and other items for incorporation or consumption in the Plant occurring during transportation, including loading and unloading thereof at the Site. The scope of coverage is to be "All Risks" (and to include door-to-door transportation and concealed damage).

Amount Insured: Replacement value of the relevant item(s).

Insured: Generator, contractors and subcontractors, suppliers, Offtaker and Financing Parties (if any).

Coverage Period: From the earlier of the notice to proceed under the Construction Contract or the Closing Date until the expiry of all warranty periods for the Plant under the Construction Contract.

3.5 Delay-Start Up (CAR and Marine Cargo) (include requirements if mandatory)

3.6 All Risks Physical Damage Insurance during the operational phase (OAR):

Coverage: This insurance shall cover risk of physical loss or damage to the Plants, including machinery breakdown occurring during the period of insurance by any cause not otherwise excluded.

Amount Insured: [●]% of replacement value of each Plant subject to indexation as provided below.

Insured: Generator, O&M Contractor, Offtaker and Financing Parties

Coverage Period: From the Commercial Operation Date until the expiry of the Term.

Indexation: Sums insured shall be adjusted annually based on the replacement value at the time of the adjustment with provision for escalation likely to reflect expected increases in such amount over the next year.

3.7 All Risks Physical Damage Insurance (following Acts of Sabotage or Terrorism) during the operational phase

Coverage: This insurance provides indemnity against the costs to repair or replace insured property damaged by an act of (political) sabotage or terrorism. Policy wording is to dovetail with any exclusions under the policy wording for Construction and All Risks Insurance and All Risks Physical Damage Insurance.

Amount Insured: The higher of (i) [●]; or (ii) the maximum cover available provided the cost of such cover does not exceed the cost of the foregoing cover at the date hereof (indexed).

Insured: Generator, Offtaker and Financing Parties (if any).

Coverage Period: From the Commercial Operation Date until the expiry of the Term.

3.8 Third Party Liability Insurance during the Operational Phase:

Coverage: This insurance shall cover legal liability for damage to property of or bodily injury to third parties arising out of the construction of the Plant and the ownership, operation and/or maintenance of the Plant.

Amount Insured: A minimum of [●] per occurrence and unlimited in aggregate per annum. The amount insured shall be indexed [●] annually.

Insured: Generator, O&M Contractor, Offtaker and Financing Parties (if any).

Coverage Period: Annually during the Commercial Operation Period.

General: Including the following:

- cross liability provision
- a waiver of subrogation in favour of each party insured from the insurers and the reinsurers;
- sudden and accidental seepage, pollution and contamination, and the costs incurred of cleaning up.

3.9 Business Interruption Insurance (OAR) [include requirements if mandatory]**3.10 Automobile Liability Insurance:**

Coverage: This insurance shall cover liability for damage to property of or bodily injury to third parties arising out of the ownership, use and maintenance of motor vehicles owned by the Generator.

Amount Insured: The amount required under the Law.

Coverage Period: Annually from the earlier of the commencement of construction activities at the Site, the notice to proceed under the Construction Contract or the Closing Date until the expiry of the Term.

3.11 Workmen's Compensation Insurance:

Coverage: This insurance shall cover workmen's compensation for affected employees as required under the Law.

Amount Insured: The amount required under the Law.

Coverage Period: Annually, from the earlier of the commencement of construction activities at the Site, the notice to proceed under the Construction Contract or the Closing Date until the expiry of the Term.

General: To include a waiver of subrogation in favour of each party insured hereunder from the insurers and the reinsurers.

Appendix 3

Conditions Precedent to Closing Date

1 Generator's Responsibility

It shall be a condition precedent to the Closing Date that each of the following is supplied to the Offtaker, unless any such condition precedent is waived in writing by Offtaker:

- 1.1 *the Development Security in favour of Offtaker in the form set out in Appendix 3 (Form of Development Security);*
- 1.2 *true and complete and updated copies of the memorandum and articles of association, commercial registration certificate and trade licence of the Generator, in each case certified by an authorised representative of the Generator;*
- 1.3 *true and complete copies of resolutions adopted by the Generator's board of directors authorising the execution, delivery and performance by the Generator of this Agreement and the Shareholders' Agreement, in each case certified by an authorised representative of the Generator;*
- 1.4 *true and complete copies of resolutions adopted by the Generator's board of directors authorising the execution, delivery and performance by the Generator of the Lease, the Construction Contract and the O&M Contract, in each case certified by an authorised representative of the Generator;*
- 1.5 *true and complete copies of all Project Agreements executed by the Generator, the Company, the Construction Contractor(s), the O&M Contractor(s) as applicable, in each case certified by an authorised representative of the Generator;*
- 1.6 *true and complete copies of all Approvals which are required to have been obtained in the name of the Generator by the Closing Date in connection with the performance of this Agreement and/or the other Project Agreements, in each case certified by an authorised representative of the Generator;*
- 1.7 *a true and complete copy of the IPP Licence, certified by an authorised representative of the Generator;*
- 1.8 *provision to the Offtaker of each of the documents and agreements listed in Appendix 6 (Documents to be Delivered after the Effective Date) that are required to be delivered to the Offtaker prior to the Closing Date in form and substance satisfactory to the Offtaker;*
- 1.9 *a certificate from the Financing Parties, in form and substance satisfactory to the Offtaker, confirming that all conditions to Financial Closing, but for the occurrence of the Closing Date, have been satisfied or waived;*

- 1.10 *true and complete copies of (i) the organisational documents of the Construction Contractor(s) and (ii) the resolutions adopted by the board(s) of directors of the Construction Contractor(s) authorising the execution, delivery and performance by the Construction Contractor(s) of the Construction Contract(s), in each case certified by an authorised representative of each of the Construction Contractor(s);*
- 1.11 *true and complete copies of the parent company guarantee(s) and bond(s) provided by or on behalf of the Construction Contractor(s) in accordance with the Construction Contract(s) and (ii) the full and unconditional notice to the Construction Contractor(s) to proceed with construction in accordance with the provisions of the Construction Contract(s), in each case certified by an authorised representative of the Generator;*
- 1.12 *true and complete copies of (i) the organisational documents of the O&M Contractor(s) and (ii) the resolutions adopted by the board of directors O&M Contractor(s) authorising the execution, delivery and performance by the O&M Contractor(s) of the O&M Contract(s), in each case certified by an authorised representative of the Generator;*
- 1.13 *true and complete copies of the parent company guarantee(s) and bond(s) provided by or on behalf of the O&M Contractor(s) in accordance with the O&M Contract, in each case certified by an authorised representative of the Generator;*
- 1.14 *certificates of insurance evidencing to the satisfaction of the Offtaker that the Insurance Policies and coverage required by Clause 15 (Insurance) and Appendix 2 (Minimum Insurance Requirements) to be in effect on the Closing Date are in full force and effect; and*
- 1.15 *a legal opinion or legal opinions from qualified external legal advisers of the relevant company concerning due constitution, capacity and authority (and due authorisation of the signatories) of each of the Generator, the Construction Contractor(s) and O&M Contractor(s) and each entity providing any guarantee or bond in respect of the relevant Project Agreements to which such entities are a party to enter into the same, and the authorisation, validity, and enforceability of each of the Project Agreements to which each such person is a party, in form and substance satisfactory to the Offtaker.*

[Any other relevant conditions precedent.]

2 Offtaker's Responsibility

It shall be a condition precedent to the Closing Date that each of the following is supplied to the Generator, unless any such condition precedent is waived in writing by the Generator:

- 2.1 *in relation to Offtaker:*

a certificate of a duly authorised officer on behalf of the Offtaker attaching a true and complete copy of a board or shareholders' resolution or other necessary authorisations (if any) approving the execution, delivery and performance of this Agreement and authorising a named person or persons to sign, execute and deliver each of the Relevant Documents and any documents to be delivered pursuant thereto; and

2.2 *true and complete copies of all Approvals which are required to have been obtained in the name of the Offtaker by the Closing Date in connection with the execution, delivery and commencement of performance of this Agreement and the transactions contemplated under it;*

a legal opinion with respect to (i) the capacity of Offtaker to enter into the Relevant Documents, and (ii) the due authorisation of the signatories for Offtaker of the Relevant

Appendix 4

Form of Development Security

To: Botswana Power Corporation

Motlakase House,

Macheng Way,

PO Box 48,

Gaborone,

Botswana

Letter of Guarantee No. _____

Date: _____

Whereas, [name of Generator], (the " Generator ") [has entered into a Power Purchase Agreement with you dated [•] 201 (the "Power Purchase Agreement")/ intends to enter into a Power Purchase Agreement with you] in relation to a [•] MW power generation project (the "Project") at [•], and to make available and supply to you electrical energy on terms and conditions agreed to between you and the Generator in the Power Purchase Agreement.

Capitalised terms not otherwise defined herein shall have the respective meaning ascribed to them in the Power Purchase Agreement.

We, [name of issuing bank], do hereby guarantee unconditionally and irrevocably to pay you, under one or more requests, claims or demands, the sums set out in Section 1 below, in accordance with the following terms and conditions:

- 1 Immediately upon receipt of your written request stating that the Generator has failed to comply with any of its obligations under the Power Purchase Agreement, notwithstanding any objection of the Generator or of any other person, we shall pay you such amount(s) which you may demand, provided that such amount(s) shall not exceed a total of [□] (the "Guaranteed Amount"), by transfer to your account with any bank in Botswana as notified to us.
- 2 Any payments made upon your request shall be net and free of and without any present and future deductions such as for the payment of any taxes, executions, duties, expenses, fees, deductions or retentions regardless of the nature thereof or the authority levying the same.
- 3 The undertakings in this guarantee constitute direct, unconditional and irrevocable obligations on our part. We shall not be exonerated from all or any part of such obligations for any reason or cause whatsoever, such as changes in the terms and conditions of the Power Purchase Agreement or change in the scope of the Project or nature of the work or services required to be executed by the Generator or the failure to perform or the carrying out of any act or procedure by you or by a third party that would exempt or release us from our obligations and liabilities stipulated in this guarantee.
- 4 No request, claim or demand by you under this guarantee shall prejudice your right to make further requests, claims or demands hereunder.
- 5 This guarantee shall remain valid and effective until date falling [•] months from the date of the Development Security. According to the terms of this guarantee, if you give us a written and signed notice on or before the date of expiration of this guarantee or any subsequent extension thereof pursuant to the stipulation to extend the guarantee, we shall: (i) automatically extend the guarantee for the period requested or (ii) pay you the undrawn amount of this guarantee.

Any dispute concerning this guarantee will be determined in accordance with the laws of Botswana.

Authorised signatories

Appendix 5 Testing

1 Definitions and Interpretation

1.1 Definitions

The following capitalised terms used in this 0 (*Testing*) shall have the following meanings:

"**Acceptance Requirements**" means the Acceptance Requirements as further described in Section 9;

"**Actual Energy Output**" has the meaning given to it in Section 1.1 of Appendix 9 (*Calculation of Payment*);

"**Actual Performance Ratio**" shall be calculated in accordance with Section 8.3(a);

"**Annual Performance Ratio Test**" means the testing conducted by the Generator to determine the Performance Ratio of the Plant, as further described in Section 10;

"**Capacity Test**" means the testing conducted by the Generator to determine the Installed Capacity of the Plant, as further described in Section 5;

"**Commercial Operation Date Application**" has the meaning given to it in Section 8.5(a);

"**DCS**" means the Distributed Control System of the Plant;

"**Factory Acceptance Tests**" means any inspections or tests to be performed by the Generator on the major equipment and systems intended to form part of the Plant;

"**Final Performance Test Report**" means the final report on the results of the Performance Tests to be delivered by the Generator to the Offtaker in accordance with Section 3.9;

"**GPOA**" means global plane of array irradiation kWh/m²;

"**Guaranteed Performance Ratio**" means the performance ratio guaranteed by the Generator for each Contract Year of the Term and as provided in Table 1;

"**IEC**" has the meaning given to it in Section 3.6(a)(iii);

"**Interruption**" has the meaning given to it in Section 6.2(a)(ii);

"**Installed Capacity**" shall be calculated in accordance with Section 4.1(d);

"**Mechanical Completion**" means when the Plant has Passed the Mechanical Completion Tests;

"**Mechanical Completion Certificate**" means the certificate issued by the Generator after successful execution of the Mechanical Completion Tests;

"**Mechanical Completion Tests**" means all mechanical tests, and inspections to be performed by the Generator once the construction of the Plant has been completed as further described in Section 5;

"**Minimum Acceptance Requirements**" means a Performance Ratio of at least 95% of the Estimated Performance Ratio (on monthly basis);

"**On-Site Tests**" means all tests to be performed by the Generator on the Plant at the Site, including the Acceptance Tests;

"**Performance Guarantee**" has the meaning given to it in Section 10.4;

"**Performance Ratio**" means the ratio of the actual and theoretically possible (at STC) energy outputs of the Plant;

"**Performance Test**" means the tests to be performed by the Generator to determine the actual Performance Ratio of the Plant as further described in Section 8;

"**Reliability Run**" means the tests to be performed by the Generator as further described in Section 7;

"**Start-up Tests**" means the start-up and operational testing to be performed by the Generator as further described in Section 6;

"**STC**" means standard test conditions light spectrum according to AM 1.5, global irradiance 1000 W/m², module temperature 25°C;

"**Test Schedule**" has the meaning given to it in Section 3.1(b); and

2.3 Interpretation

Unless otherwise specified in this 0 (*Testing*), any reference to a "**Section**" shall be a reference to the relevant Section in this 0 (*Testing*).

3 General

3.1 Test Procedures

- (a) The Generator shall develop "**Test Procedures**" for the Acceptance Tests for the Plant in accordance with this 0 (*Testing*).
- (b) No later than ninety (90) Days prior to the proposed commencement of the first On-Site Test to be carried out by the Generator on the Plant, in accordance with this 0 (*Testing*), the Generator shall submit to the Offtaker all Test Procedures for the On-Site Tests to be carried out on the Plant, in accordance with this 0 (*Testing*), which shall include:
 - (i) a test schedule for all On-Site Tests, including the scheduled dates and times for all On-Site Test ("**Test Schedule**");
 - (ii) the test standards;
 - (iii) the type of inspection and On-Site Tests;
 - (iv) check lists;
 - (v) a description of instrumentation to be used during the On-Site Tests and for the On-Site Test results. All test instruments shall be provided with up-to-date valid calibration certificates issued by an independent testing laboratory. The difference between the relevant certification date(s) and the actual On-Site Tests start date shall not be greater than one (1) year.
 - (vi) a list of the On-Site Tests which are to be witnessed by third parties and the identity of such third parties;
 - (vii) the quality control procedures;
 - (viii) manpower allocation and deployment schedule for performing the On-Site Tests;

- (ix) criteria, which if met or exceeded, would result in the relevant On-Site Test being considered to have been Passed, including those criteria specified in this 0 (*Testing*); and
 - (x) the forms of On-Site Test records and reports.
- (c) The Offtaker may, within forty-five (45) Days after receipt of the relevant Test Procedures, request the Generator to amend the Test Procedures to include additional tests (and the Generator shall give effect to any such request), which in the opinion of Offtaker should be carried out to establish that the Plant is installed and capable of being operated according to the design, performance and operation requirements specified under this Agreement and is capable of attaining the requirements of this 0 (*Testing*).
- (d) No On-Site Test or Factory Acceptance Tests required to be performed under this 0 (*Testing*) shall be performed without agreed Test Procedures.

3.2 Test Programme

- (a) The overall testing programme for the Plant shall consist of the following:
- (i) Factory Acceptance Tests;
 - (ii) Mechanical Completion Tests (including the Capacity Test);
 - (iii) Start-up Tests;
 - (iv) Reliability Run;
 - (v) Performance Tests; and
 - (vi) Annual Performance Ratio Tests.
- (b) The Generator shall give the Offtaker a schedule for all Factory Acceptance Tests no later than ninety (90) Days before the commencement of any of the Factory Acceptance Tests.

3.3 Changes to the Test Schedules

- (a) If the Generator wishes to change the dates or times for (A) any Factory Acceptance Test set out in a schedule provided under Section 3.2(b) or (B) any On-Site Tests set out in a Test Schedule, the Generator shall give notice to the Offtaker as follows:
- (i) for changes to any Factory Acceptance Tests, at least fifteen (15) Days prior notice; and
 - (ii) for changes to any On-Site Tests, at least ten (10) Days prior notice.
- (b) Any notice given under this 0 (*Testing*) shall be given before 2.00 pm on a Business Day, otherwise it shall be deemed to have been given on the following Business Day.
- (c) All On-Site Tests (other than the Reliability Run) shall take place on a Business Day between 8.00am and 6.00pm, provided that where an On-Site Test has started during normal working hours and has extended beyond normal working hours, it shall be acceptable to complete such On-Site Test outside normal working hours on such Business Day.

3.4 Right to Witness

The Offtaker reserves the right to witness and have one or more representatives present during all testing performed by the Generator on the Project, including all Factory Acceptance Tests and all On-Site Tests.

3.5 Dispatch during Acceptance Tests

The Generator shall notify the Offtaker at least three (3) Days in advance of the required load in connection with any Acceptance Tests and of the level and duration of such required load (including the hourly base load requirements for the duration of the Acceptance Tests) and the Offtaker shall cause the Plant to be dispatched to allow the Generator to conduct such Acceptance Tests, subject always to the Dispatch Instructions and the Applicable Grid Rules.

3.6 Carrying out of Acceptance Tests

- (a) The Generator shall ensure that all On-Site Tests are carried out in accordance with:
- (i) the Test Procedures (including the Test Schedules, as amended from time to time);
 - (ii) the Grid Rules;
 - (iii) the standards of specified by the relevant equipment manufacturer(s); and
 - (iv) Good Industry Practice.

3.7 Environmental Requirements

The Generator shall, in carrying out any On-Site Tests, ensure that the Plant complies with the Law and this Agreement. Any failure to do so shall result in the relevant On-Site Tests not being Passed.

3.8 Uncertainty of the Tests

- (a) A maximum permitted uncertainty for any test (except test involving solar irradiation measurement) to be valid shall be plus or minus 0.12%. For any tests requiring solar irradiation measurements, the maximum permitted uncertainty shall not be more than plus or minus 3.8%.
- (b) The testing uncertainty shall only be a measure of the measurement accuracy of the test instrumentation and shall not be a tolerance or additional allowance on the relevant pass/fail criteria.

3.9 Test Reports and Results

The Generator shall submit to the Offtaker:

- (a) all test reports and results in relation to any On-Site Test, other than the Final Performance Test Report, within ten (10) Days after completion of such On-Site Test;
- (b) the Final Performance Test Report, within five (5) Days after completion of a Performance Test; and
- (c) all Factory Acceptance Tests and Capacity Test reports, within five (5) Days after completion of each test,

including, in each case, where such On-Site Test, Factory Acceptance Test or Capacity Test has not been Passed.

3.10 Certification of On-Site Tests

- (a) On each occasion when the Generator considers that it has Passed any of the On-Site Tests in accordance with the relevant Test Procedures and this Agreement, the Generator shall so notify the Offtaker and request the Offtaker to confirm that the relevant On-Site Test has been Passed and shall provide the Offtaker with all relevant supporting documentation.

- (b) Within five (5) Days of receipt of each notice and all relevant supporting documentation from the Generator under Section 3.10(a), the Offtaker shall:
 - (i) notify the Generator that the relevant On-Site Test has been Passed; or
 - (ii) notify the Generator of any failure to Pass any of the relevant On-Site Tests and the reasons therefor, in which case the Generator shall promptly rectify the cause of such failure and repeat the relevant On-Site Test(s), and the procedure in this Section 3.10 shall be repeated.

4 Factory Acceptance Tests

- 4.1 The following items shall be inspected at the manufacturer's premises prior to shipment:
- (a) main step-up transformer;
 - (b) 11/33/66 kV underground cable;
 - (c) HV switchgears; and
 - (d) inverters and Plant controller.
- 4.2 In addition to type tests and tests according to relevant standards, the Factory Acceptance Tests of the inverters and the Plant controller, shall comply with the requirements of this Agreement, the Connection Agreement, the Law and the Applicable Grid Rules
- 4.3 If satisfactory, the factory inspection shall be concluded by the issue of a letter by the Generator. The Generator shall provide a copy of such letter to the Offtaker confirming compliance with the Factory Acceptance Tests.

5 Mechanical Completion Tests

Upon completion of the construction of the Plant, the Generator shall provide the report on construction completion to the Offtaker.

5.1 Mechanical Completion Tests

- (a) The Mechanical Completion Tests shall verify that the Plant has been built according to the requirements of this Agreement and the Construction Contract and that there are no technical shortcomings nor visual defects. The Mechanical Completion Tests shall include:
 - (i) DC system inspection;
 - (ii) AC system inspection;
 - (iii) electrical equipment to interface/interconnection to Offtaker Substation;
 - (iv) proper laying of cables;
 - (v) installation of safety equipments such as surge arrestors, earthing;
 - (vi) inspection of mounting structure and tracking system, if any;
 - (vii) civil works;
 - (viii) mechanical systems i.e. HVAC, fire protection, drainage, etc.;
 - (ix) I&C systems i.e. DCS, telecommunication, SCADA and TCC1/TCC2 interface equipment, etc.;

- (x) all works carried out to the applicable Laws and standards;
 - (xi) proper connection and labelling of components;
 - (xii) installation of security systems (such as fences and alarms); and
 - (xiii) installation of meteorological measurement system.
- (b) The purpose of the Capacity Test is the measurement of the real peak power of the PV modules to prove the effective power to be installed at the Plant and corresponding Installed Capacity. The Capacity Test shall be done before the modules are delivered to the Site according to specifications of the relevant equipment manufacturer(s) and completed before the Mechanical Completion.
- (c) For evaluating the Installed Capacity, a representative sample of PV modules to be installed in the Plant shall be chosen and sent for testing to an accredited laboratory (laboratory to be chosen by the Offtaker).
- (d) Considering a number m of tested modules, the following formula shall be used for assessing the Installed Capacity in kWp:

$$\text{Installed Capacity} = \frac{\sum_m (P_n)}{1000 * m} \cdot N_{\text{mod}}$$

Where:

P_n = measured power in Wp per each tested modules in laboratory;

m = overall number of tested PV modules

n = each tested PV module; and

N_{mod} = total number of (to be) installed PV modules in the Plant.

- (e) The Generator shall provide a Mechanical Completion Certificate to the Offtaker along with the Mechanical Completion Tests reports which shall be reviewed by the Offtaker.
- (f) The approval of Mechanical Completion by the Offtaker pursuant to Section 4.1(a) above shall be mandatory before the start of any Start-up Tests, Reliability Run and Performance Tests.

6 Start-up Tests

6.1 Start-up Tests

The Start-up Tests shall be performed after Mechanical Completion is achieved. Start-up Tests are On-Site Tests. The Start-up Tests shall be performed according to requirements in IEC 62446 and IEC 60364-6.

The Start-up Tests shall include:

- (a) Modules and DC start-up tests:
 - (i) continuity tests;
 - (ii) polarity tests;
 - (iii) earthing tests

- (iv) PV string open circuit/short circuit tests;
 - (v) PV string I-V curve;
 - (vi) array insulation tests;
 - (vii) IR-camera tests;
 - (viii) SCADA test; and
 - (ix) test tracking mechanism under real conditions; backtracking capability, if applicable.
- (b) Inverter start-up tests according to the manual/instructions of the relevant inverter manufacturer. Inverters shall be tested under different operation modes, namely:
- (i) Loss of control power;
 - (ii) Loss of array;
 - (iii) Anti islanding;
 - (iv) Array utilization/maximum power point (“**MPP**”) tracking;
 - (v) Harmonic distortion;
 - (vi) Power factor;
 - (vii) Active/reactive power;
 - (viii) Closed loop plant controller; and
 - (ix) Test of basic network management functions (frequency and automatic voltage regulation).
- (c) The Start-up Tests shall also include:
- (i) Fire fighting system tests;
 - (ii) Fire protection system tests;
 - (iii) HVAC system tests;
 - (iv) Pre-energisation tests;
 - (v) Protection systems/settings, in accordance with agreed design and the requirements of the power interconnection system;
 - (vi) Connection to the Grid and back energisation in accordance with Clause 8.1 of this Agreement, the Connection Agreement and the Applicable Grid Rules;
 - (vii) Start-up and operational testing of the Plant's distributed control system, meteorological station, interface with the SCMS and SCADA;
 - (viii) Initial synchronisation in accordance with Section 5, Clause 8.1 of this Agreement, the Connection Agreement and the Applicable Grid Rules;
 - (ix) Demonstration of the capabilities of the Plant to operate at rated voltage and frequency and at power factors and reactive conditions as specified in the applicable Grid Code; and

- (x) High voltage equipment operation to verify and check high voltage electrical equipment according to the relevant IEC standards, comprising a minimum of:
 - (A) High voltage tests on the main circuits;
 - (B) Dielectric tests on auxiliary circuits;
 - (C) Measurement of resistance of the main circuit;
 - (D) Gas tightness test, if applicable;
 - (E) Partial discharge measurement; and
 - (F) Measurement of sulphur hexafluoride (SF₆) gas condition, if applicable.

7 Reliability Run

7.1 General

After the Generator has notified the Offtaker that the Plant has Passed its Start-up Tests in accordance with Section 3.10(a) and, the Generator shall commence the Reliability Run in accordance with the Test Schedule.

7.2 Reliability Run

- (a) Without limiting the Generator's other obligations under this Agreement, the Plant shall meet the following conditions to Pass the Reliability Run:
 - (i) The Plant shall operate continuously for a period of seventy-two (72) consecutive hours; and
 - (ii) No loss of availability ("**Interruption**") shall occur during the Reliability Run, except to the extent that the Generator demonstrates that such Interruption was due to causes beyond the Generator's responsibility or control.
- (b) If an Interruption occurs during the Reliability Run, other than where such Interruption was due to causes beyond the Generator's responsibility or control, the Reliability Run shall be restarted.
- (c) If an Interruption occurs during the Reliability Run due to causes beyond the Generator's responsibility or control, the Reliability Run shall be extended for a period equal to the duration of such Interruption, provided that, should the aggregate duration of all such Interruption(s) exceed six (6) hours, the Reliability Run shall be restarted.

8 Performance Tests

8.1 General

The purpose of the Performance Tests is to prove that the Plant is able to generate energy continuously and with an Actual Performance Ratio in line with the monthly Estimated Performance Ratio.

8.2 Performance Test Conditions

- (a) After the Generator has notified the Offtaker in accordance with Section 3.10(a) that the Plant has Passed the Start-up Tests and Reliability Run, the Generator shall carry out the Performance Tests on the Plant in accordance with the Test Schedule.

- (b) During the Performance Test, the Offtaker shall make all efforts to maintain the frequency, load, power factor and Grid voltage steady.
- (c) The Generator shall give the Offtaker not less than seven (7) Days notice of the proposed date and time of the Performance Test for the Plant. The Offtaker may, by notice to the Generator within seventy-two (72) hours of the Generator's notice, reschedule the date of the Performance Test for the Plant by up to five (5) Days from the date notified by the Generator and any resulting delay shall not be considered to be a Testing Delay nor an Offtaker Failure.
- (d) The tests shall last not less than ten (10) consecutive Days, the following criteria shall be met:
- (i) At least five (5) Days with irradiance measured on the plane of the array greater than 500 W/m² for three (3) contiguous hours;
 - (ii) For at least five (5) days, the daily total irradiation on the plane of the array exceeds 4.5 kWh/m². For the avoidance of doubt, these days may be the same as those in the first condition (500 W/m² for three (3) contiguous hours);
 - (iii) In the event that the five (5) days are not reached with the required irradiation levels, the testing period will be extended until the irradiation criteria are achieved; and
 - (iv) Availability of the PV Plant and the Grid shall be 100%.
- (e) The Performance Test will be carried out for a period of ten (10) consecutive days. In the event that the Plant is not fully available for some time during the test period, the respective data set will be skipped and the test period will be extended in order to obtain a full set of data for an equivalent of ten (10) Days period with 100% availability.
- (f) The Performance Test shall be repeated in case more than [five (5) Days] have been omitted except those Days, that were omitted due to circumstances that are not responsibility of Generator (e.g. where interruptions are caused by interruptions of Offtaker).
- (g) Normal operation and maintenance of the Plant will be allowed during the Performance Test.

8.3 Performance Test Procedure

- (a) The Actual Performance Ratio (APR) shall be calculated as follows:

$$APR = \frac{\sum_j \left(AEO_j \cdot \left(1 - \frac{\beta}{100} \cdot (T_{mod_n} - T_{meas_j}) \right) \right)}{P_{nom} \times \sum_j GPOA_j}$$

Where:

- AEO_j = Actual Energy Output as metered at the Electrical Delivery Point (in kWh) over each metering interval j;
- P_{nom} = the Installed Capacity or peak power of the of the Plant in kWp at STC;
- GPOA_j = Irradiation in kWh/ m² measured per each metering interval j with an on-site pyranometer with an identical inclination than the modules. If the modules are tracked, also the pyranometer has to be tracked the same way;

- APR = the actual performance ratio during the testing period;
- TMeas_j = the average module temperature measured during each Metering Interval j by the temperature sensors placed on the reverse side of the modules (in °C); and
- TMod = the average monthly module temperature expected as set out in Table 3 of Appendix 10 (Calculation of Payment).

In case of multiple measurement instruments (pyrometers, temperature sensors) installed at the Plant, the average value of the instruments shall be considered in the equation above.

- (b) Without limiting the Generator's other obligations under this Agreement, the Plant shall meet the following condition to Pass its Performance Tests:
- (i) The Actual Performance Ratio achieves at least [95%] of the respective monthly Estimated Performance Ratio. In case the measurement period covers Days in two different Months, then a weighted average (depending upon number of measurement Days in each Month) of the respective Estimated Performance Ratio shall be used. For the sake of clarity, no additional adjustment shall be made to the measured Actual Performance Ratio in terms of measurement errors.

8.4 Performance Test Report

- (a) The Generator shall compile and submit test protocols, including all information necessary to evaluate the results, to the Offtaker in accordance with Section 2.9(b).
- (b) The reports to be provided under Section 3.9 in relation to any Performance Test(s) shall include the data as recorded during the Performance Test(s), valid calibration certificates for all instrumentation used during the Performance Test(s).

8.5 Certification

- (a) When the Generator is satisfied with the results of the Performance Tests, and:
- (i) it has Passed the Factory Acceptance Tests, the Mechanical Completion Tests (including the Capacity Test), Start-up Tests and the Reliability Run;
- (ii) it considers that it has Passed the Performance Test; and
- (iii) it considers that it has satisfied the relevant Acceptance Requirements,

the Generator shall so notify the Offtaker and request the Offtaker to confirm that the Commercial Operation Date has been achieved, and shall provide Offtaker with all relevant supporting documentation (together, a "**Commercial Operation Date Application**").

- (b) Within ten (10) Days of receipt of a Commercial Operation Date Application, the Offtaker shall either:
- (i) confirm that the Commercial Operation Date has occurred if it agrees, acting reasonably, that the criteria set out in Sections 8.5(a)(i) to 8.5(a)(iii) have been satisfied; or
- (ii) notify the Generator of any failure to achieve the criteria set out in Sections 8.5(a)(i) to 8.5(a)(iii) (and the failure to achieve the Commercial Operation Date), and the reasons therefor, in which case the Generator shall promptly rectify the cause of such failure and, to the extent necessary, repeat the Performance Test, and the procedure in this Section 8.5 shall be repeated.

9 Acceptance Requirements

9.1 Acceptance Requirements

As a condition to achieving the Commercial Operation Date, the Generator shall notify the Offtaker (together with all supporting documentation) that the following requirements (the "**Acceptance Requirements**") have been satisfied:

- (a) all Approvals required for the operation and maintenance of the Plant are in full force and effect;
- (b) all survey reports and studies required to have been carried out and completed;
- (c) the communications infrastructure between the Plant and the Offtaker have been successfully tested and are fully operational; and
- (d) all as-built documentation comply with this Agreement has been delivered to the Offtaker. The as-built documentation shall include the following:
 - (i) site layout, project layout, plot plan;
 - (ii) detailed single line diagrams;
 - (iii) technical specifications of components and relevant certificates;
 - (iv) relevant component warranties and guarantees;
 - (v) survey reports and studies;
 - (vi) safety requirements; and
 - (vii) operation and maintenance manuals.

10 Annual Tests

10.1 Purpose

The Annual Performance Ratio Test shall be performed on an annual basis at the end of each Contract Year and shall compare the annual Actual Plant Performance Ratio against the annual Guaranteed Performance Ratio.

10.2 Test Procedure

- (a) The Generator shall provide the annual value of Guaranteed Performance Ratio for each Contract Year of the Term of this Agreement. The annual Guaranteed Performance Ratio shall include the effect of the system degradation.

Contract Year	PR_G	Contract Year	PR_G

Table 1: Guaranteed Performance Ratio (PR_G)

- (b) The annual Actual Plant Performance Ratio shall be evaluated based on the on site measurement and compared with the annual Guaranteed Performance Ratio value for respective Contract Year.

- (c) The annual Actual Plant Performance Ratio shall be calculated using the following equations over the past Contract Year:

$$PR = \frac{Y_f}{Y_r}$$

$$Y_f = \frac{AEO}{P_{Nom}} \frac{[kWh]}{[kWp]}$$

$$Y_r = \frac{GPOA}{G_{STC}} \frac{[kWh/m^2]}{[kW/m^2]}$$

Where

Y_f = Final Plant yield (representing the number of hours that the system would need to operate at its rated output power P_{Nom} to contribute the same energy to the grid as was monitored)

Y_r = Reference yield (representing the number of hours during which the solar radiation would need to be at STC irradiance levels in order to contribute the same incident energy as was monitored)

AEO = means the annual Net Electrical Energy injected into the grid at the Electrical Delivery Point during a complete Contract Year in [kWh];

P_{Nom} = it is the Installed Capacity of the Plant as per Section 4.1(d);

$GPOA$ = Annual irradiation measured on the module plane of array [kWh/m²]

G_{STC} = Irradiance at STC [1kW/m²]

10.3 Test Results and Report

- (a) The Generator shall compile and submit a test report, including all information reasonably necessary to evaluate the results, to the Offtaker within thirty (30) Days after the end of each Contract Year.
- (b) The report shall include the data as recorded during the past Contract Year, evaluation results along with the valid calibration certificates for all instrumentation used during the Annual Performance Ratio Test.

10.4 Annual Performance Ratio Test - Performance Guarantee

- (a) To Pass the Annual Performance Ratio Test, the Actual Plant Performance Ratio shall be:
- (i) 70% or greater than 70% of Guaranteed Performance Ratio in the respective Contract Year; and
- (ii) 85% or greater than 85% of the respective Guaranteed Performance Ratio for three consecutive Contract Years,

together the "**Performance Guarantee**".

10.5 Certification

- (a) Within twenty (20) Days of receipt of each test report and all supporting documentation from the Generator relating to Annual Performance Ratio Test, the Offtaker shall notify the Generator that:
 - (i) it accepts the Annual Performance Ratio Test, as applicable, set out in the test report; or
 - (ii) it disputes the Annual Performance Ratio Test set out in the test report and the reasons therefor.

Appendix 6
Documents to be Delivered after the Effective Date

This Appendix 6 (Documents to be Delivered after the Effective Date) will be prepared at the time of contract negotiations and be subject to the approval of Offtaker.

It shall contain separate parts for (i) documents to be delivered before the Closing Date and (ii) documents to be delivered after the Closing Date (together with dates by which such documents must be delivered).

Appendix 7
Sample Form of PPA Direct Agreement

DATED [●]

BOTSWANA POWER CORPORATION

AND

[●]

AND

[●]

[●] MW SOLAR PHOTOVOLTAIC POWER PROJECT
POWER PURCHASE AGREEMENT DIRECT AGREEMENT

THIS AGREEMENT is made between:

(1) **BOTSWANA POWER CORPORATION**, a corporation established in terms of the Botswana Power Corporation Act, CAP 74:01, with its registered office at Motlakase House, Macheng Way, PO Box 48, Gaborone, Botswana (the "**Offtaker**");

(2) [●] a company duly organised and existing under the laws of Botswana with its registered office at [●] and its principal office at [●] (the "**Generator**"); and

[●], a company incorporated in [●], with its registered office [●] and company number [●] (the "**Security Trustee**").

(each a "**Party**" and collectively the "**Parties**").

WHEREAS:

(A) The Generator and the Offtaker have entered into the PPA in relation to the Project.

Pursuant to the Financing Documents, the Finance Party have agreed to make the Facilities available to the Generator for the purpose of financing part of the Project.

It is a condition precedent to the Facilities being made available that the parties enter into this Agreement.

NOW IT IS HEREBY AGREED as follows:

Definitions and Interpretation

Definitions

- In this Agreement (including the recitals above), unless the context otherwise requires:

"**Account Bank**" means [●].

"**Additional Obligor**" has the meaning given to it in Clause 0 (*Step-in Notice*).

"**Assumption Date**" has the meaning given to it in Clause 0 (*Assumption Date*).

"**Botswana**" means the Republic of Botswana.

"**PPA**" means the power purchase agreement dated [●] and entered into by the Generator and the Offtaker.

- "**BERA**" means the Botswana Energy Regulatory Authority.

"**Offtaker Enforcement Action**" means:

the taking of any steps to wind up the Generator or its equivalent in any jurisdiction;

the taking of any steps to appoint an administrator, liquidator, receiver, custodian or other similar official of the Generator or its equivalent or any part of its undertaking or assets in any jurisdiction; or

commencing or continuing any execution or distress or other legal process or proceedings against the Generator or its property; or

the taking of any Offtaker PPA Action.

"Offtaker PPA Action" means any step to terminate, repudiate, rescind, suspend or cancel the PPA or to suspend performance of any material obligation under the PPA.

"Offtaker PPA Notice" has the meaning given to it in Clause 0 (*Offtaker PPA Notice*).

"Cure Proposal" has the meaning given to it in Clause 0 (*Assumption Date*).

"Effective Date" has the meaning given to it in Clause 0 (*Novation procedure*).

"Event of Default" means [*generic reference to the events of default or certain of the events of default under the Financing Documents to be inserted*].

"Finance Party" means any person providing any debt, credit guarantee, hedging facilities, bond or capital market financing or refinancing under the Financing Documents, including any agent or trustee for such person.

"Financing Documents" means the loan agreement and other financing or security documents, interest rate hedging agreements and guarantees relating to the construction and permanent financing (including financing of working capital requirements, refinancing and the provision of any letters of credit) of the Plant or any part thereof.

"Insolvency Event of Default" means [*to be inserted from the Financing Documents*].

"IPP Licence" means the Independent Power Producer Licence issued or to be issued to the Generator by BERA.

"Law" means the laws of, or having application in or to Botswana, including: (a) any applicable statute, act or other law, treaty, regulation or by-law, rule, code, direction or decree adopted or promulgated by any GoB Authority; (b) any resolution, customary or common law, treaty, or directive having the force of law in Botswana; (c) any binding or enforceable judgement, decision, order, ruling or interpretation by a GoB Authority having jurisdiction over the matter in question; and (d) any Approval from any GoB Authority.

"Proposed Novation Notice" has the meaning given to it in Clause 0 (*Novation Proposal*).

"Proposed Substitute" has the meaning given to it in Clause 0 (*Novation Proposal*).

"Qualifying Transferee" means a company, incorporated in accordance with the laws of Botswana, that has the legal capacity, power and authority to become a party to and perform the obligations of the Generator under the PPA and which is a legal entity which, at the time of transfer:

has the financial standing sufficient for it to meet the financial obligations of the Generator under the PPA; and

has appropriate qualifications, prior experience in the operation of solar photovoltaic power stations, technical competence and non-financial resources to perform the obligations of the Generator under the PPA.

"Revival Date" has the meaning given to it in Clause 0 (*Revival of Remedies*).

"**Secured Parties**" means [●].⁶

"**Security**" means [●].⁷

"**Generator Event of Default**" has the meaning given to such term in the PPA.

"**Step-in Notice**" has the meaning given to it in Clause 0 (*Step-in Notice*).

"**Step-in Period**" means, in relation to an Additional Obligor, the period from and including the Assumption Date to and including the Step-out Date relating to such Additional Obligor.

"**Step-out Date**" has the meaning given to it in Clause 0 (*Step-out Date*).

"**Step-out Notice**" has the meaning given to it in Clause 0 (*Step-out Date*).

"**Suspension Period**" means the period beginning on the date a Offtaker PPA Notice is given and ending on the date falling [●] business days after such date, as may be extended in accordance with Clause 5.1 (*Suspension Period*).

Interpretation

Capitalised terms defined in the PPA have, unless expressly defined in this Agreement, the same meaning in this Agreement.

Any reference in this Agreement to:

reference to "this Agreement" or any other agreement or document shall be construed as a reference to such agreement or document as amended, modified or supplemented and in effect from time to time and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms;

a reference to a "Clause" or "Schedule" is a reference to a clause or schedule of or to this Agreement or the relevant part thereof unless specifically provided otherwise;

an "employee" of any person includes any other person or agent who is engaged or has been engaged directly or indirectly by such person as an employee

the words "herein" and "hereunder", and words of similar import, refer to the entirety of this Agreement and not only to the Clause in which such use occurs unless specifically provided otherwise;

any reference to "including" or "includes" shall be deemed to be qualified by a reference to "without limitation";

a "person" includes any individual, company, corporation, firm, partnership, joint venture, association (whether a body corporate or an unincorporated association of persons) or any government institution, department or establishment and a person shall be construed as including a reference to its successors, permitted assigns and permitted transferees;

⁶ Note: Conform to Financing Documents.

⁷ Note: Conform to Financing Documents.

General

- Save where the contrary is indicated, any reference in this Agreement to:
 - words importing the singular number include the plural and vice versa, and words importing a gender include the other gender;
 - periods of time refer to the Gregorian calendar and reference to a time of day shall be construed as a reference to the time of day in Gaborone, Botswana;
 - where an obligation of a Party to make payment under this Agreement falls on a Day other than a Business Day, such time for performance shall be extended to the next Business Day
 - this Agreement is to be read and construed as a whole and anything mentioned in any of the documents comprising this Agreement shall be of like effect as if stated or mentioned in all of them; and
 - the Schedules to this Agreement form part of this Agreement and will be of full force and effect as though they were expressly set out in the body of this Agreement.

Acknowledgement, Consent and Warranty

Consent to Assignment and Security

- The Offtaker consents to the assignment, and acknowledges receipt of the notice of such assignment, by way of Security by the Generator to the Security Trustee of all of the Generator's rights, title, interest in and to and the benefit of the Generator under the PPA.

Acknowledgements and agreements

The Offtaker acknowledges that none of the Secured Parties assumes any liabilities or obligations under the PPA.

Except as permitted under this Agreement, the Offtaker agrees not to terminate the PPA solely in connection with the exercise of the rights of the Security Trustee under or enforcement of the Security referred to in Clause 0 (*Consent to Assignment and Security*) or over the shares in the Generator.

Undertakings and confirmations

The Offtaker confirms to the Security Trustee it has not received notice of any other assignment or charge by any of the Generator under the PPA.

The Offtaker agrees and accepts that the Security Trustee may disclose to each of the Secured Parties and their advisors any information it receives under this Agreement.

Offtaker PPA Notice

Offtaker PPA Notice

- If the Offtaker intends to take any Offtaker Enforcement Action, it shall give the Security Trustee prior written notice (copied to the Generator) specifying the grounds for such Offtaker Enforcement Action (such notice, a "Offtaker PPA Notice").

Statement of Amounts Due or Other Default

- A Offtaker PPA Notice shall include statements by the Offtaker of:
 - all amounts due and payable to the Offtaker under the PPA on or before the date of the Offtaker PPA Notice but remaining unpaid at such date;
 - the nature and, to the best of the Offtaker's knowledge and belief, the amount of any monetary claim asserted by the Offtaker under or arising out of the PPA against the Generator;
 - where the Offtaker intends to terminate or suspend the PPA due to some default or breach of condition of the PPA or due to Force Majeure:
 - the provisions of the PPA alleged to have been breached or not fulfilled or (if applicable) the details of the event of Force Majeure, together with the provision of the PPA under which termination or suspension is intended to take place;
 - (if applicable) the steps reasonably required to remedy the specified breaches or conditions not fulfilled provided that such breach or condition is capable of remedy;
 - the time within which the specified steps can reasonably be expected to be taken;
 - (if applicable) the amount of damages claimed and the manner in which they have been calculated; and
 - (if applicable) the relief to be sought.

Warranty of Accuracy

The Offtaker warrants to the Security Trustee that any statements submitted by it under Clause 0 (*Statement of Amounts Due or Other Default*) shall be prepared in good faith and are, to the best of the Offtaker's knowledge and belief, true, complete and accurate statements of the amounts to which the Offtaker considers itself to be entitled.

Statements to be Conclusive Evidence

- Without prejudice to the rights of the Offtaker to pursue any claims against the Generator following the Revival Date (if any), for the purpose of determining the extent of the liability of the Additional Obligor pursuant to Clause 0 (*Assumption Date*) in respect of matters occurring prior to the Offtaker PPA Notice, submission by the Offtaker of the statements under Clause 0 (*Statement of Amounts Due or Other Default*) shall be conclusive evidence in favour of any Additional Obligor that the Offtaker has waived and abandoned all claims arising out of or in connection with the PPA prior to the date of the Offtaker PPA Notice other than those disclosed in those statements.

Suspension of Remedies

Suspension Period

The Offtaker undertakes not to take any Offtaker Enforcement Action during the Suspension Period (including Offtaker PPA Action, other than Offtaker PPA Action during the Step-in Period if the Additional Obligor is in breach of its obligations under Clause 6.3.3(a) or 6.3.3(b)).

Upon the delivery of a Step-in Notice by the Security Trustee in accordance with Clause 6.1 (*Step-in Notice*), the Suspension Period shall be extended until the earlier of:

the Effective Date; and

the Step-out Date.

Cure

- If at any time during a Suspension Period all the breach(es) or failure(s) or cause(s) giving rise to the Offtaker's right to issue a Offtaker PPA Notice is cured, the Offtaker PPA Notice relating thereto shall be of no further effect.

Step In and Step Out

Step-in Notice

- At any time:
 - on or after the occurrence of an Event of Default (whilst the same is continuing unremedied or unwaived) until the Revival Date (if any); or
 - during a Suspension Period,
- the Security Trustee may give notice (a "**Step-in Notice**") to the Generator and the Offtaker in respect of a step-in by:
 - itself;
 - a judicial manager of the Generator appointed under a Security Document and pursuant to an order for the judicial management of the Generator; or
 - a company or companies substantially the whole of whose issued share capital is owned by the Security Trustee or any of the Secured Parties; or
 - any other reasonably suitable third person (having regard to such person's qualifications, experience, technical competence and financial and non-financial resources) nominated by the Security Trustee and approved by the Offtaker in accordance with Clause 0 (*Approval in Case of Third Person*),
- (each an "**Additional Obligor**"), stating that the Additional Obligor is to become an obligor (jointly and severally with the Generator) in respect of the Generator's obligations under the PPA on and as from the Assumption Date.

Approval in Case of Third Person

In the event of a proposed Additional Obligor that is a third person under Clause 0, a Step-in Notice shall not take effect unless approved by the Offtaker. The Offtaker shall not unreasonably withhold or delay such approval. The Offtaker shall only be entitled to withhold approval if the Offtaker notifies the Security Trustee within thirty (30) days of receipt by the Offtaker of a Step-in Notice. The Offtaker shall be deemed to have unreasonably withheld approval if the proposed Additional Obligor is a Qualifying Transferee.

BERA Approval

A Step-in Notice shall not take effect unless approved by BERA in cases where such approval is required under or in order to comply with the terms of the IPP Licence.

Assumption Date

On and from the date specified in the Step-in Notice or, in case of approval required from the Offtaker and/or BERA, on and from the date on which the Security Trustee has notified the Generator and the Offtaker of the receipt of such approval(s) (or on and from such later date as

the Offtaker and the Security Trustee may agree and notify to the Generator) (the "**Assumption Date**"), the Additional Obligor:

is jointly and severally liable with the Generator for the performance of all the Generator's obligations under the PPA; and

is entitled to exercise the rights of the Generator under the PPA; and

shall be obliged to take all necessary steps to remedy any prior and continuing breach of or failure under the PPA:

in the case of payment obligations notified pursuant to Clause 4.2.1, within [30] days of the Assumption Date; or

in the case of any non-payment obligation(s) (other than any obligation(s) which is or are personal to the Generator, such as breaches of representations, which it is not possible for the Additional Obligor to remedy) notified pursuant to Clause 0, within [●]days of the Assumption Date if such non-payment obligation can be remedied within [●]days or, if it cannot, within the time period set out in a proposal prepared by the Additional Obligor for curing the breach of such non-payment obligation (a "**Cure Proposal**"). The Cure Proposal shall be delivered within [●] business days of the Assumption Date (or such longer period as the Offtaker and the Security Trustee agree) and shall set out a period or periods for such a cure that are as short as reasonably practicable in the light of the non-payment obligation to be cured.

Joint Obligations

- On and from the Assumption Date, the Offtaker shall owe its obligations under the PPA to the Generator and the Additional Obligor jointly but, so far as practicable, the Offtaker shall perform such obligations only in favour of the Additional Obligor and shall deal solely with the Additional Obligor. The performance by the Offtaker in favour of, the Additional Obligor alone shall be a good discharge to both the Generator and the Additional Obligor. The Additional Obligor shall be bound by all actions taken by the Offtaker or the Generator and notices given by or to the Offtaker prior to the Assumption Date.

Step-out Date

The Additional Obligor may, at any time, give the Generator and the Offtaker written notice (a "**Step-out Notice**") terminating the Additional Obligor's obligations under the PPA (without affecting the continuation of the Generator's obligations towards the Offtaker thereunder) on a certain date (the "**Step-out Date**"), being the date falling [●]days after the date of the Step-out Notice.

As from the Step-out Date, the Additional Obligor shall be released from all obligations under the PPA except for obligations which have already arisen or which arise as a result of the action(s) or inaction(s) of the Additional Obligor on or before the Step-out Date.

Novation

Novation Proposal

At any time:

on or after the occurrence of an Event of Default (whilst the same is continuing unremedied or unwaived) until the Revival Date (if any);

during a Suspension Period; or

during a Step-in Period,

- the Security Trustee may give notice (a "**Proposed Novation Notice**") to the Offtaker that it wishes another person (a "**Proposed Substitute**") to assume the rights and obligations of the Generator under the PPA.

Consent

- Subject to Clause 7.3, a transfer (by novation or otherwise) in accordance with the Proposed Novation Notice shall only be effective with the Offtaker's consent (such consent not to be unreasonably withheld or delayed) and the approval of BERA in cases where such approval is required under or in order to comply with the terms of the IPP Licence. The Security Trustee shall (as soon as practicable but not later than [●] days after a request therefor) supply the Offtaker with such information as the Offtaker reasonably requires to enable it to decide whether to grant such consent or approval and the Offtaker shall consider such information expeditiously and inform the Security Trustee promptly if the Offtaker or BERA requires further information.

Novation procedure

A novation contemplated in a Proposed Novation Notice shall be effected by the delivery to the Offtaker of a duly completed and duly executed agreement in the form set forth at Schedule 1 (*Form of Novation Agreement*) (the "**Novation Agreement**") within [●] days after the receipt by the Security Trustee of the consent of the Offtaker pursuant to and the approach of BERA as provided for in Clause 0 (*Consent*).

On the first day after the date of delivery of such Novation Agreement to the Offtaker (the "**Effective Date**"):

the Proposed Substitute shall become a party to the PPA in place of the Generator and/or any Additional Obligor, who shall be released from its or their obligations and liabilities under, and cease to be a party to, the PPA (thereafter such Proposed Substitute shall be treated as if it had originally been named as a party to the PPA in place of the Generator with the rights, benefits, powers, discretions, obligations and liabilities of the Generator under the PPA; and

the Offtaker shall owe its obligations under the PPA to such Proposed Substitute in place of the Generator and/or any Additional Obligor.

Enforcement Action Following Novation

- The Offtaker shall not, following the Effective Date, take any Offtaker Enforcement Action in respect of events or circumstances arising before the Effective Date than:

in respect of any amount due and payable by the Generator at the Effective Date which was disclosed by the Offtaker pursuant to Clause 0 (*Statement of Amounts Due or Other Default*), if such amount is not paid within [30] days after the Effective Date; and

in respect of any breach or default occurring prior to the Effective Date which was disclosed by the Offtaker pursuant to Clause 0 (*Statement of Amounts Due or Other Default*), if such breach or default is not remedied or cured in all material respects as soon as reasonably practicable after the Effective Date taking into account the nature of such breach or default.

Revocation

- The Security Trustee may, at any time before the applicable Effective Date, revoke a Proposed Novation Notice by giving written notice to the Offtaker, and may at any time thereafter (provided any of the grounds in Clause 0 (*Novation Proposal*) apply) deliver another Proposed Novation Notice to the Offtaker, in which case the procedures set out in Clauses 0 to 0 shall apply in respect of such Proposed Novation Notice. Any such revocation shall not end or reduce the Suspension Period nor extend the Suspension Period.

Revival of Remedies

If a Offtaker PPA Notice has been given, the grounds for that notice are continuing and:

no Step-in Notice or Proposed Novation Notice has been given prior to the end of the Suspension Period; or

a Step-out Date occurs,

- then, on and after the day after the last day of the Suspension Period or if earlier the Step-out Date (the "**Revival Date**"), the Offtaker shall be entitled to:

act upon any and all grounds for termination in respect of any breach(es) of or failure(s) under the PPA not remedied or waived;

pursue any and all claims and exercise any and all remedies against the Generator; and

take any other Offtaker Enforcement Action.

Benefit of this Agreement

- The Security Trustee will hold the benefit of this Agreement, and any amounts recovered under this Agreement, both for itself and for and on behalf of the Secured Parties. Nothing in this Agreement constitutes the Security Trustee as agent, trustee or fiduciary of the Generator or BPC.

Governing Law

- This Agreement and all non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with the Laws of Botswana. ***[NOTE TO BPC: governing law has been changed from English law to the laws of Botswana to follow the PPA. It is likely that the Lenders will push back on this. Please let us know if you would like us to revert back to English law.]***

Dispute Resolution

Arbitration

Any dispute arising out of or in connection with this Agreement (including a dispute relating to non-contractual obligations arising out of or in connection with this Agreement or a dispute regarding the existence, validity or termination of this Agreement) (a "Dispute") that is not resolved amicably within [30] days of notification by a Party to the other Parties of such Dispute, shall be resolved by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration (respectively the "**LCIA**" and the "**Rules**"). The arbitration proceedings shall be conducted, and the award shall be rendered, in the English language.

There shall be three (3) arbitrators for the resolution of a dispute. Each Party shall select one (1) arbitrator within thirty (30) days of a request by a Party for arbitration pursuant to this Clause 12.1. The two arbitrators thus appointed shall, within

thirty (30) days of the selection of the second arbitrator, select the third (3rd) arbitrator, which three (3) arbitrators shall serve as the arbitration tribunal for resolution of the dispute. If a Party does not select an arbitrator where it is entitled to do so within thirty (30) days of a request for arbitration by a Party, or if the two Party-appointed arbitrators fail to agree on the third (3rd) arbitrator, such arbitrator shall at the request of a Party that has appointed an arbitrator be appointed by the LCIA.

Upon the request of a Party and with the consent of all other parties, including those not a party to this Agreement, an arbitral tribunal constituted under this Agreement may, unless consolidation would prejudice the rights of any party, consolidate an arbitration commenced hereunder with arbitration under any of the Project Agreements if the arbitration proceedings raise common questions of law or fact. If two or more arbitral tribunals under these agreements issue consolidation orders, the order issued first shall prevail.

[The seat, or legal place, of the arbitration shall be Gaborone, Botswana, and all arbitration hearings shall be held in Gaborone, Botswana.]

Notwithstanding the other provisions of this Clause 12.1, the Parties do not intend to deprive any competent court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings, or to issue an order regarding the recognition and/or enforcement of any award. Any interim or provisional relief ordered by any competent court may subsequently be vacated, continued, or modified by the arbitral tribunal on the application of either Party.

Any arbitral award issued under this Clause 12.1 shall be final and binding upon the Parties and shall be the sole and exclusive remedy between the Parties regarding the arbitrated Dispute, and each Party undertakes to comply with and to carry out any such arbitral award, fully and without delay. The Parties expressly waive to the fullest extent permitted by law or under equity any rights of appeal to the courts of any jurisdiction with respect to any award of arbitration pursuant to this Clause 12.1. The Parties expressly agree that any rights of appeal that may not be waived by a Party shall be exercisable by a Party only (i) after the award has been fully implemented under this Clause 12.1 or (ii) if such Party must pay an amount under such award, after such Party has either paid such amount to the other Party or deposited the amount of the award with the tribunal or a court of competent jurisdiction.

[The governing law of the arbitration agreement shall be the Laws of Botswana.]

Waiver of immunity

- The Offtaker unconditionally and irrevocably:
 - agrees that should any proceedings be brought by the Generator against the Offtaker or its assets in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, the Offtaker will not claim immunity from such proceedings with respect to itself or its assets;
 - waives any right of immunity which it or any of its assets now has or may acquire in the future in any jurisdiction; and
 - consents generally in respect of the enforcement of any judgement against it in any proceedings in connection with this Agreement in any jurisdiction (including, without limitation, the making, enforcement or execution against or in respect of any property whatsoever irrespective of its use or intended use).

Notices

Service of notices

- Save as otherwise expressly provided in this Agreement, all notices, documents or other communications which are required or permitted hereunder shall be in writing and considered given when received by fax or delivered by an internationally recognised courier company that provides confirmation service, addressed as follows:

If to BPC

Attention :

Address :

Fax No. :

If to the Generator

Attention :

Address :

Fax No. :

If to the Security Trustee

Attention :

Address :

Fax No. :

Effectiveness

- Any such communication, document or notice to be made or delivered under or in connection with this Agreement will be deemed to be given or received:

if delivered by courier, at the time when the same is delivered to the relevant Party as shown on the delivery receipt; or

if sent by fax, when a fax confirmation is received, unless the day the fax confirmation is received is not a business day, in which case it will be deemed to be given or received on the next business day.

Change of Address

- Either of the Parties may, upon not less than ten (10) days prior notice to the other Party, change the address to which such notices and communications to it are to be faxed or delivered.

Discharge Date

- This Agreement shall remain in effect until the [Discharge date] whereupon it shall terminate automatically.

Miscellaneous

No Assignment

- Neither the Offtaker, the Generator or the Security Trustee shall assign or transfer any part of its respective rights or obligations under this Agreement without the consent of the other Parties, provided that the Security Trustee may assign or transfer its rights and obligations to any successor Security Trustee under the Financing Documents without the consent of the Offtaker or Generator.

Amendments

- This Agreement may not be amended except by written agreement between the Parties and no other purported amendment shall be effective.

No Waiver

- No waiver by a Party of any default or defaults by another Party in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults whether of a like or different character or shall be effective unless in writing duly executed by a duly authorised representative of such Parties.

Relationship of the Parties

- This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties or to impose any partnership obligations or liability upon the Parties and none of the Parties shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

Entire Agreement

- This Agreement contains the entire agreement between the Parties relating to the subject matter of this Agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous agreement or understanding (whether written or oral) among the Parties.

Third Party Rights

- The terms and provisions of this Agreement are intended solely for the benefit of each Party and their respective permitted successors and assigns and it is not the intention of the Parties to confer any rights upon any third parties.

No Reliance

- Each Party acknowledges that it has not been induced to enter into this Agreement or has it relied upon any representation, warranty, undertaking, promise or assurance not expressly incorporated into this Agreement.

Language

- The language of this Agreement shall be English and all documents, notices, waivers and all other written communications or otherwise between the Parties in connection with this Agreement shall be in English.

Successors and Assigns

- This Agreement shall be binding upon, and endure to the benefit of the Parties and their respective successors and permitted assigns.

Counterparts

- This Agreement may be signed in any number of counterparts, all of which when signed shall constitute one and the same instrument. Any Party may enter into this Agreement by signing any such counterpart.

Severance

- If any provision of this Agreement or part of it is rendered invalid, illegal or unenforceable in any respect under any law:

the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby; and

the Parties shall promptly negotiate in good faith new provisions to eliminate the invalidity, illegality or unenforceability and to restore this Agreement as near as possible to its original intent and effect.

THIS AGREEMENT has been executed as a deed and delivered on the date stated at the beginning of this Agreement.

SCHEDULE 1
FORM OF NOVATION AGREEMENT

THIS AGREEMENT is dated [●]:

- (1) **BOTSWANA POWER CORPORATION**, a corporation established in terms of the Botswana Power Corporation Act, CAP 74:01, with its registered office at [Motlakase House, Macheng Way, PO Box 48, Gaborone, Botswana] (the "**Offtaker**");
- (2) [_____], a company incorporated under the laws of Botswana, with its registered office at _____, Gaborone, Botswana and company number _____ (the "**Generator**"); and
- (3) [_____], a company incorporated _____, with its registered office at _____ and company number _____ (the "**Substitute Generator**").

BACKGROUND

- (A) The Offtaker, the Generator and [_____] as Security Trustee (the "**Security Trustee**") have entered into an agreement (the "**PPA Direct Agreement**") dated [_____] pursuant to which the Security Trustee has the right to require the rights and obligations of the Generator to be novated to a Proposed Substitute.
- (B) The Substitute Generator has been identified and approved as the Proposed Substitute in accordance with clause 7 (*Novation*) of the PPA Direct Agreement.
- (C) This is the Novation Agreement referred to in clause 7.4.1 (*Novation Procedure*) of the PPA Direct Agreement).

IT IS AGREED as follows:

1. Definitions and Interpretation

- Unless a contrary indication appears, words and expressions defined in the PPA Direct Agreement have the same meanings in this Agreement.

2. Generator Release and Discharge

- With effect from the date of this Agreement, the Offtaker releases and discharges the Generator from all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed, owing to the Offtaker and arising out of or in respect of the PPA.

3. Borrower Release and Discharge

- With effect from the date of this Agreement, the Generator releases and discharges the Offtaker from all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed, owing to the Generator and arising out of or in respect of the PPA.

4. Substitute Generator Assumption of Liabilities

- The Substitute Generator agrees to assume all the liabilities, duties and obligations of the Generator of every description contained in the PPA, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and agrees to perform all the duties and to discharge all the liabilities and obligations of the Generator under the PPA and to be bound by their terms

and conditions in every way as if the Substitute Generator were named in the PPA as a party in place of the Generator from the date of this Agreement.

5. Offtaker Agreement to Perform

- The Offtaker agrees to perform all its duties and to discharge all its obligations under the PPA and to be bound by all the terms and conditions of the PPA in every way as if the Substitute Generator were named in the PPA as a party in place of the Generator from the date of this Agreement. Without limiting the generality of the foregoing, the Offtaker acknowledges and agrees that the Substitute Generator shall have the right to enforce the PPA and pursue all claims and demands (future or existing) whatsoever arising out of or in respect of the PPA arising on or subsequent to the date of this Agreement.

6. Replacement of Generator by Substitute Generator

- As from the date of this Agreement, reference to the Generator (by whatsoever name known) in the PPA shall be deleted and replaced by reference to the Substitute Generator.

7. Outstanding Offtaker Claims

- The Offtaker shall not take any Offtaker Enforcement Action by reason of any event notified in a Offtaker PPA Notice or any act or omission by the Security Trustee, the Additional Obligor and/or the Generator occurring prior to the date of this Agreement; provided that the foregoing shall be without prejudice to the Offtaker's remedies under clause 7.4 (*Enforcement Action Following Novation*) of the PPA Direct Agreement.

8. Continuance of PPA

- It is hereby agreed and declared that the PPA shall continue in full force and effect and that, as from the date of this Agreement, their terms and conditions have only changed to the extent set out in this Agreement.

9. Further Assurance

- The Parties shall perform, execute and deliver such further acts and documents as may be required by law or reasonably requested by each other to implement the purposes of and to perfect this Agreement.

10. Amendments and Waivers

- This Agreement may not be amended, waived, supplemented or otherwise unless in writing and signed by or on behalf of the parties.

11. Counterparts

- This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original but all the counterparts together shall constitute one and the same instrument.

12. Third Party Beneficiaries

- This Agreement does not create any rights under the Contracts (Rights of Third Parties) Act 1999 enforceable by any person who is not a party to it.

13. Notices

- Any notices to be served on the Substitute Generator pursuant to the PPA shall be served, in accordance with clause [●] of the PPA, to:

- [insert Substitute Generator contact details]

14. **Governing Law and Jurisdiction**

- This Agreement is governed by and shall be construed in accordance with the laws of Botswana and the Parties hereby submit to the dispute resolution provisions in accordance with the provisions of clause [●] of the PPA, the provisions of which shall be deemed incorporated herein, mutatis mutandis, with reference to this Agreement.

[Appropriate signature blocks to be inserted.]

SIGNATURE PAGES

EXECUTED as a DEED by:

BPC

BOTSWANA POWER CORPORATION

By:

By:

Name:

Name:

Title:

Title:

EXECUTED as a DEED by:

The Generator

[_____]

By:

By:

Name:

Name:

Title:

Title:

EXECUTED as a DEED by:

The Security Trustee

[_____]

By:

By:

Name:

Name:

Title:

Title:

Appendix 8 Calculation of Payment

1 General

1.1 Definitions and Interpretation

Except as otherwise defined herein or as the context may otherwise require, any capitalised term used in this Appendix 8 (Calculation of Payment) shall have the meaning set out in the Power Purchase Agreement (the "**Agreement**") to which this Appendix 8 (Calculation of Payment) is attached.

Unless otherwise specified, references to "**Section**" or "**Table**" in this Appendix 8 (**Calculation of Payment**) are references to "Section" or "Table" of this Appendix 8 (**Calculation of Payment**).

When used in Appendix 8 (**Calculation of Payment**), the defined terms set forth below shall have the following meanings:

"**Actual Energy Output**" means the Net Electrical Energy as metered at the Delivery Point (in kWh) for a defined period of time;

"**Botswana CPI**" means the long term Consumer Price Index of Botswana, as declared on the website of Bank of Botswana;

"**Deemed Energy Payment**" means the payment by the Offtaker to the Generator pursuant to the Agreement in respect of Deemed Net Electrical Energy calculated in accordance with Section 4;

"**Deemed Net Electrical Energy**" means the electrical energy deemed to be delivered in accordance with the Agreement and determined in accordance with Section 4.1 and calculated in accordance with Section 4.2;

"**Early Generation Period Energy Charge Rate**" means the price of electricity charged by the Generator to the Offtaker for electricity supplied prior to the relevant Scheduled Commercial Operation for the Plant Date and determined in accordance with Section 2.2;

"**Energy Charge Rate**" means the price of electricity charged by the Generator to the Offtaker, in accordance with Section 2.1;

"**Energy Payment**" means the payment by the Offtaker to the Generator in respect of Net Electrical Energy calculated and determined in accordance with Section 2;

"**Estimated Performance Ratio**" means the performance ratio for the Plant as set out in Table 1;

"**Installed Capacity**" has the meaning given to it in section 1.1 of Appendix 6 (Testing);

"**Metering Interval**" means 10 minutes;

"**Meteorological Measurement Equipment**" means measuring instruments such as pyranometer, module temperature sensor, energy meter and the reading of which will be used to calculate Deemed Net Electrical Energy, Net Electrical Energy and Revised Performance Ratio;

"**Net Electrical Energy**" means the Net Electrical Energy delivered to and metered at the Delivery Point by Generator to Off taker and after deducting any electricity imported at the Delivery Point (in kWh) in Billing Period n;

"**Revised Performance Ratio**" or "**RPR**" means the Revised Performance Ratio for the Plant as determined in accordance with Section 4.4;

“**STC**” has the meaning given to it in section 1.1 of Appendix 6 (Testing); and

“**Total Energy Payment**” means the Energy Payment and/or Deemed Energy Payment, as calculated and determined in accordance with Section 2.3.

1.2 Rounding in Calculations

In making the calculations required in this Appendix 8 (Calculation of Payment), values shall be calculated to five (5) decimal places of accuracy.

2 Term and Structure of Energy Payments

2.1 Energy Charge Rate

The Energy Charge Rate for each kWh of electrical energy supplied at the Delivery Point to the Offtaker on and following the Commercial Operation Date is as follows:

Energy Charge Rate = [•] BWP/kWh

2.2 Early Generation Period Energy Charge Rate

The Early Generation Period Energy Charge Rate will be 50% of the Energy Charge Rate.

2.3 Payment calculation

The Offtaker shall pay to the Generator the Energy Payments in respect of Net Electrical Energy plus any Deemed Energy Payments in respects of Deemed Net Electrical Energy due in respect of each Billing Period.

The Total Energy Payments to be made by the Offtaker to the Generator for Billing Period n shall be calculated as follows:

$$TEP_n = ECR_k * (E_{nact} + E_{ndmd}) * IF_k * [(Y\%) * \frac{Er_n}{Er} + (1 - Y\%) * 1]$$

Where:

TEP_n = Total Energy Payment in Billing Period n (in BWP)

ECR_n = Energy Charge Rate in BWP/kWh

E_{nact} = Net Electrical Energy delivered by the Plant(s) in KWh in Billing Period “n”

E_{ndmd} = Deemed Net Electrical Energy in KWh in Billing Period “n”

IF_k = Indexation factor in Contract Year k, as determined in accordance with Section 3

Y = Foreign exchange adjustment % linked to BWP/USD exchange rate ([•]%)

([•] % will be based on the percentage of the USD cost compared to the Total Project Cost estimated at Financial Close)

Er_n = Exchange Rate BWP/USD at the date on which the relevant payment is made

Er = Fixed Exchange Rate BWP/USD on [Date of RfP release]

3 Indexation of Energy Charge Rate

$$IF_k = IF_{k-1} * (1 + X_k\%)$$

Where:

IF_k = Indexation factor applicable in Contract Year k

IF_{k-1} = Indexation factor applicable in Contract Year k-1

A lower reference factor and an upper reference factor will be applicable depending on the Botswana CPI

if [•]% of Botswana CPI is equal to or between the Lower Reference Rate or Upper Reference Factor, then equal to [•]% of Botswana CPI.

if [•]% of Botswana CPI is less than the Lower Reference Rate, then equal to Lower Reference Rate

if [•]% of Botswana CPI is more than the Upper Reference Rate, then equal to Upper Reference Rate

where,

Lower reference factor = [•]

Upper reference factor = [•]

4 Deemed Net Electrical Energy

4.1 Methodology for determining Deemed Net Electrical Energy

The Deemed Net Electrical Energy in respect of a Plant shall be determined for each applicable period within a Billing Period based on the actual solar irradiation on plane of array recorded by the Meteorological Measurement Equipment and PV module temperature measured in the circumstances provided under Clauses 9.6 in each case in relation to the relevant Plant:

- (a) from the Estimated Performance Ratio until the Revised Performance Ratio has been determined in accordance with Section 4.4 of this Appendix;
- (b) from the second year of operation, the Revised Performance Ratio, in each Metering Interval.

4.2 Calculation of Deemed Net Electrical Energy

Deemed Net Electrical Energy shall be determined as follows:

$$E_{ndmd} = \sum_j E_{module_{j,n}} * PR_m$$

Where:

E_{ndmd} = Deemed Net Electrical Energy in respect of a Plant in Billing Period n (in kWh);

E_{module_jn} = Calculated energy at the module level as determined based on the formula set out in Section 4.3 in each metering interval j during which the Energy Output has been deemed to be delivered in accordance with Clause 9.6 in Billing Period n;

j = Metering Interval;

n = Billing Period n;

m = Calendar month m coinciding with Billing Period n;

PR_m = Estimated Performance Ratio PR_{est,m} (in %) in Billing Period n as set out in Table 1 below or annually Revised Plant Performance Ratio RPR_m (in %) 12 months after COD;

	OPERATIONAL YEAR																									
Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
January																										
February																										
March																										
April																										
May																										
June																										
July																										
August																										
September																										
October																										
November																										
December																										

Table 1: Estimated Performance Ratio ($PR_{est,m}$)

Note: The Estimated Performance Ratio and annual degradation further provided by the Bidder as part of its Proposal.

4.3 Calculated energy at the module level

The calculated energy at the module level shall be determined as follows:

$$E_{module_j} = PA * \left(\frac{G_j}{1000} * \frac{MI}{60} * \frac{\eta_{STC}}{100} * \left(1 - \frac{\beta}{100} * (T_{mod_n} - T_{meas_j}) \right) \right)$$

Where:

E_{module_j} = Calculated energy at the module level as determined based on the formula set out in this section in each Metering Interval j (in kWh);

PA = Plane of array area of the Plant (in m²) that is available for generation or that would have been available for generation other than for those in accordance with Clause 9.6.

η_{STC} = Module efficiency at Standard Test Conditions as per module data sheet (in %);

G_j = solar irradiance (in W/m²) is the average irradiance measured during the metering interval j by the sensors placed in the plane of array. If such measured data is not available for the period in question, the corresponding data from the preceding year should be used;

β = the temperature coefficient from the module's data sheet (in %/°C);

MI = the Metering Interval;

T_{meas_j} = the monthly average module temperature measured during the each Metering Interval j by the temperature sensors placed on the reverse side of the modules (in °C); and

T_{mod_n} = the average monthly module temperature expected as set out in Table 2

Month	TMod _m
January	
February	
March	
April	
May	
June	
July	
August	
September	

Month	TMod _m
October	
November	
December	

Table 2: Average monthly module temperature

4.4 Determination of the Revised Performance Ratio following Commercial Operation Date

The Revised Performance Ratio will be determined by measurements during the first calendar year following Commercial Operation Date and will, provided that the Revised Performance Ratio is lower than the respective Estimated Performance Ratio, replace the Estimated Performance Ratio from the second Contract Year after the Commercial Operation Date onwards for the determination of the Deemed Energy during the following Contract Year. This means: during the second Contract Year the RPR is based on the PV Plant’s performance of the first Contract Year, on the third Contract Year the RPR is based on the PV Plant’s performance of the second Contract Year and so forth. The Contractor will submit the new set of monthly RPR values for Offtaker’s approval at the end of each Contract Year. The Revised Performance Ratio shall be determined based on the following principles:

- (a) for every Metering Interval during each Billing Period;
- (b) the Meteorological Measurement Equipment will record the average irradiance level for each installed irradiation sensors in the plane of array;
- (c) the Actual Energy Output as metered at the Electrical Delivery Point.

In case the average measured irradiance in the plane of array is lower than 50 W/m² such Metering Interval will not be considered for calculating the Revised Performance Ratio. Where one or more sensors are not available due to:

- a) any sensor failure; or
- b) any communication failure

the average will be calculated from the data produced by the remaining functioning sensors and where no data is available for a period of time, such time periods will not be eligible periods to be considered in the evaluation. In the case of sensor or solar data unavailability the Parties can mutually agree to apply appropriate satellite data for the calculations.

$$RPR_m = \sum_j AEO_{j,m} / \sum_j E_{module_{j,m}}$$

RPR_m = Revised Performance Ratio as determined for each calendar month m

E_{module_jm} = Calculated Energy Output at the module level in each metering interval j in each calendar month m based on the formula set out in Section 4.3 (in kWh);

AEO_jm = Actual Energy Output as metered at the Delivery Point (in kWh)

m = Calendar month

j = each Metering Interval of 10 minutes

Appendix 9 Invoicing Procedures

1 Definitions and Interpretation

1.1 Definitions

Capitalised terms not otherwise defined in this Appendix 9 (*Invoicing Procedures*) shall have the meanings given to them in the Agreement.

2 Preparation of invoices

2.1 The Generator shall prepare Invoices, as set out in this section 2.

2.2 The Invoice shall show:

- (a) the Net Electrical Energy delivered during the relevant Billing Period, and any amounts to be paid by the Offtaker in relation to such dispatched Net Electrical Energy for such Billing Period;
- (b) the Deemed Net Electrical Energy deemed to be delivered during the relevant Billing Period, and any amounts to be paid by Offtaker in relation to such Deemed Net Electrical Energy for such Billing Period; and
- (c) supporting documentation to enable the Offtaker to verify its contents, including, but not limited to, the total counter reading, the total reverse counter reading, the daily output report for each day's output broken down into hourly output during the Billing Period.

2.3 The Invoice shall state the total amount due for payment in respect of such Billing Period.

2.4 The Generator shall provide to the Offtaker a format for the Invoices, which shall contain all necessary information, for approval by the Offtaker.

Appendix 10 Consequences of Termination

1 Definitions and Interpretation

Definitions

The following capitalised terms used in this Appendix 10 (Consequences of Termination) shall have the following meanings:

"Account Balance" means the aggregate amount of cash held by the Generator as of the Calculation Date, the net cash proceeds upon liquidation of any authorised investments made pursuant to the Financing Documents and the credit balance of any accounts maintained with any bank or other financial institution and any proceeds from insurance policies which the Generator is entitled to realise or receive;

"Accrued Interest" means interest accrued pursuant to the Financing Documents on the Principal Amount as at the Calculation Date;

"Calculation Date" means the date of the termination of the Agreement;

"Insurance Proceeds" means any amounts (in any currency) from any insurance policies which the Generator is entitled to realise and/or receive;

"Pre-payment Costs" means an amount as at the Calculation Date equal to the sum of any reasonable (a) interest period breakage costs, (b) interest rate hedging breakage costs, and (c) other breakage costs, in each case payable by the Generator to the Financing Parties as a result of a pre-payment under the Financing Documents, provided that any positive payments received by or on behalf of the Financing Parties as a result of a breakage of interest rate hedging agreements or otherwise shall be applied in reduction of the amount of the relevant value;

"Principal Amount" means the amount required to repay the principal amount of the Senior Debt outstanding as at the Calculation Date provided that the Principal Amount shall not include any principal amount of the Senior Debt deferred or not paid within a reasonable time by the Generator unless such deferral or non-payment is the result of late payment or non-payment by Offtaker of any Energy Payments;

"Senior Creditor Claims" means an amount equal to the sum of (a) the Principal Amount, (b) Accrued Interest, and (c) Pre-payment Costs less the Account Balance;

"Senior Debt" means all amounts required to be paid or repaid by the Generator pursuant to the Financing Documents, (but excluding any equity bridge loans or indebtedness raised to fund or constituting equity), and any additional Financing Documents relating to working capital facilities to be entered into following the date of financial close pursuant to the Financing Documents provided always that the amount to be repaid under such facilities on the Calculation Date shall in no event be greater than the amount shown for the corresponding date on Attachment A (Maximum Total Senior Debt Schedule) to this 0 (Consequences of Termination);

"Shareholders' Contributions" means the aggregate amounts of equity actually contributed the shareholders to the Generator as at the Calculation Date;

"Shareholders' Distributions" means all payments to the Shareholders attributable to their Shareholders' Contributions whether such payments are by way of dividends, interest, return of capital or repayment of loans;

"Shareholders' Equity Commitments" means the maximum aggregate amounts of Equity required to be paid by or on behalf of the Shareholders to the Generator pursuant to the Shareholders' Agreement;

"Termination Amount" means the value payable pursuant to this Appendix 10 (Consequences of Termination) corresponding to the relevant PPA Termination Event as described below;

"Termination Costs" means (a) all Taxes and any other costs imposed on the Generator by a GoB Authority as a result of termination of this Agreement, payment by Offtaker of any sums under this 0 (Consequences of Termination) and/or the transfer by the Generator of its right, title and interests in the Project to the Offtaker, (b) amounts due and payable by the Generator to the Construction Contractor(s) upon termination of the Construction Contract(s) for work properly completed by the Construction Contractor(s) and not yet paid for by the Generator, if any, and (d) all amounts due and payable under the O&M Contract(s) in respect of services provided thereunder as at the date of termination in each case, for which no amount of principal of Senior Debt or drawing of Equity has been incurred;

"Value A" means the following amounts:

- Principal Amount,
- MINUS Shareholder Contributions outstanding, and
- MINUS Insurance Proceeds.

"Value B" means the following amounts:

- Principal Amount,
- Shareholders' Contributions (plus Shareholders' Distributions due but not paid, subject to a cap),
- Termination Costs, and
- MINUS Insurance Proceeds.

2 Value of the Project on Termination

No.	PPA Termination Event	Termination Amount
1	A Generator Event of Default pursuant to Clause 19.2 of the Agreement, resulting in the Offtaker terminating the Agreement pursuant to and in accordance with Clause 19.4 of the Agreement	Value A
2	An Offtaker Event of Default pursuant to Clause 19.2 of the Agreement, resulting in the Generator terminating the Agreement pursuant to and in accordance with Clause 19.4 of the Agreement	Value B
3	A prolonged Local Political Force Majeure Event(s) preventing the Offtaker from performing any of its obligations under the Agreement, resulting in the Generator terminating the PPA pursuant to and in accordance with Clause 19.5.1(a) of the Agreement	Value A

4	A prolonged Local Political Force Majeure Event(s) preventing either Party from performing any of its obligations under the Agreement in relation to the Plant, resulting in the Offtaker terminating the Agreement pursuant to and in accordance with Clause 19.5.1(b) of the Agreement	Value B
5	A prolonged Other Force Majeure Event(s) preventing either Party from performing any of its obligations under the Agreement in relation to the Plant, resulting in either Party terminating the Agreement pursuant to and in accordance with Clause 19.5.1(c) of the Agreement	Value A
6	An Event of Loss resulting in the Parties agreeing that the Plant cannot be remedied pursuant to Clause 18.4.1 of the Agreement:	
a	where the Force Majeure Event which caused the Event of Loss is a Local Political Force Majeure Event; or	Value B
b	where the Force Majeure Event which caused the Event of Loss is an Other Force Majeure Event, resulting in either Party terminating the Agreement pursuant to and in accordance with Clause 19.5.2 of the Agreement	Value A

3 Computation

In calculating a Termination Amount pursuant to this 0 (Consequences of Termination), there shall be no double-counting of any components or sub-components making up such Termination Amount.

4 Payments

All amounts payable pursuant to this 0 (Consequences of Termination) shall be paid in BWP in immediately available funds within thirty (30) Days of receipt of an invoice therefor.

5 Transfer of the Project

Immediately upon payment by the Offtaker of the relevant Termination Amount, the Generator shall transfer to the Offtaker, free and clear of all liens and encumbrances, all of the Generator's right, title and interest in the Project, including insofar as they are part of or used in the Project, all of the Generator's right, title and interest in:

- (a) all raw materials, consumables and spare parts;
- (b) all tangible personal property;
- (c) all intangible personal property, including patents, patent licenses, patent applications, tradenames, trademarks, trademark registrations and applications, trade secrets, copyrights, know-how, and any other intellectual property rights;
- (d) all buildings and fixtures;
- (e) the Site (including the Lease);
- (f) computerised and non-computerised records, reports, data, files, and information;

- (g) all drawings, test results, and documents relating to the Project;
- (h) all warranties of equipment, materials and work;
- (i) all contract rights and insurance policies;
- (j) all work in progress under contracts with vendors, suppliers, contractors and subcontractors; and
- (k) all rights with respect to any insurance proceeds payable to or for the account of the Generator, but unpaid at the date of termination of the Agreement, in respect of the Generator's right, title and interest in the Project.

**Attachment A
To Appendix 10
Maximum Total Senior Debt Schedule**

(all figures expressed in BWP)

Date	Balance Outstanding for Period Ending	Date	Balance Outstanding for Period Ending

The amounts set out in the table above represent the maximum amount payable by the Offtaker on a Calculation Date in respect of the aggregate Principal outstanding under any term loan facilities and/or capital market instruments as described in the definition of "Senior Debt" and set out in the relevant Financing Documents.

A Calculation Date not corresponding to a date set out in the table above should be interpreted as falling on the last Day of the relevant period in which the Calculation Date occurs.

Appendix 11
Environmental Requirements

Appendix 12
Applicable Grid Rules

APPENDIX 13
Form of off taker letter of credit

[Letterhead of Issuing Bank]

IRREVOCABLE

LETTER OF CREDIT

No. [_____]

[DATE]

Beneficiary: [Generator]

[address]

Applicant: Botswana Power Corporation

[address]

At the request and for the account of Botswana Power Corporation (the “**Applicant**”), we hereby establish this Irrevocable Standby Revolving Letter of Credit (this “**Letter of Credit**”) for the Stated Amount, as defined below, for the benefit of _____ [Project Company] (the “**Beneficiary**”).

The Beneficiary is the Generator under the Power Purchase Agreement between the Applicant and the Beneficiary, dated as of _____, ____, 201_ (as amended, amended and restated, modified, or supplemented from time to time, the “**Power Purchase Agreement**”).

Capitalized terms used but not otherwise defined in this Letter of Credit shall have the meaning assigned to such terms in the Power Purchase Agreement.

“**Stated Amount**” means [*an amount equal to 3 months of expected tariff payment denominated in [BWP]*].

On and after the date of this Letter of Credit, drawings under this Letter of Credit may be made by the Beneficiary from time to time by presentation to us at [address of presentment] (“**Issuer’s Desk**”), of your sight draft [*in the form of a certificate in the form of Annex A*], appropriately completed and purportedly signed by an authorized officer of Beneficiary (a “**Certificate**”).

We shall not be obliged to check the authenticity of any signature on a Certificate. Our only obligation with regard to a drawing under this Letter of Credit shall be to examine the Certificate presented and to pay in accordance therewith, and we shall not be obliged to make any inquiry in connection with the presentation of a Certificate.

Drawings hereunder may be made by the Beneficiary from time to time prior to the expiry of this Letter of Credit at any time during our business hours at Issuer’s Desk, on any day the Issuer’s Desk is open for business (a “**Banking Day**”).

If any draw certificate or presentation does not, in any instance, conform to the terms and conditions of a Certificate under this Letter of Credit, we shall give you prompt notice that funds will not be disbursed with respect to such draw certificate or presentation stating the reasons therefor and that we will, upon your instructions, hold any documents at your disposal or return the same to you.

Upon being notified that such draw certificate or presentation does not conform to the terms and conditions of a Certificate under this Letter of Credit and that funds have not been disbursed, you may attempt to correct any such non-conforming draw certificate or presentation; provided, however, that any Certificate submitted to correct a non-conforming draw certificate or presentation must be presented or made prior to the expiry of this Letter of Credit.

Only the Beneficiary may make drawings under this Letter of Credit. All drawings will be paid in Pula to the account designated by Beneficiary in the Certificate.

Multiple drawings may be made under this Letter of Credit by presentation of multiple Certificates.

Upon payment of any such drawing, the Stated Amount shall be reduced by the amount of such drawing; [amounts reimbursed to us by the Applicant shall, on the next Banking Day, increase the Stated Amount to an amount not to exceed the Initial Stated Amount. Upon request of either the Applicant or the Beneficiary, we shall confirm the then-applicable Stated Amount. No drawing hereunder shall exceed the then-applicable Stated Amount.]

This Letter of Credit shall expire on our close of business on [●] (as extended from time to time in accordance with the terms set forth in the next paragraph, the “**Expiration Date**”).

This Letter of Credit shall automatically be extended for an additional 12 month period from the Expiration Date and thereafter each anniversary thereof (each such date, being an “**Extension Date**”) unless we shall have notified you in writing at least 30 days prior to the then relevant Extension Date that we have elected not to renew this Letter of Credit for the following 12 month period. Notwithstanding anything to the contrary contained in this Letter of Credit, the Expiration Date shall be no later than [*date of the end of the term of the PPA*].]

Any Certificate shall be submitted to and all communications with respect to this Letter of Credit shall be made at the Issuer’s Desk and shall specifically refer to the number of this Letter of Credit.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified, or limited by reference to any document, instrument, or agreement referred to or to which this Letter of Credit relates, and, except as provided in the first paragraph of this Letter of Credit with respect to the use herein of terms defined in the Power Purchase Agreement, any such reference shall not be deemed to incorporate hereby by reference any such document, instrument, or agreement.

This Letter of Credit shall be subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the “UCP”). As to matters not covered by the UCP and to the extent not inconsistent with the UCP, this Letter of Credit shall be governed by and construed in accordance with the laws of Botswana.

[_____]
as Issuing Bank

By: _____

Name:

Title:

Address:

ANNEX A
Form of Certificate

CORE AGREEMENTS AND PROJECT INFORMATION

(b) **Connection Agreement**

Dated

[●]

BOTSWANA POWER CORPORATION

and

[●]

Note:

(i) Drafting based on certain facilities being constructed and completed by the Generator and then transferred to BPC as the TSO;

PREAMBLE

THIS CONNECTION AGREEMENT dated [●] is made by and between:

- (1) **BOTSWANA POWER CORPORATION**, a corporation established in terms of the Botswana Power Corporation Act, CAP 74:01 with its registered office at Motlakase House, Macheng Way, PO Box 48, Gaborone, Botswana (the "**BPC**"); and
- (2) [●], a company duly organised and existing under the laws of Botswana with its registered office at [●] and its principal office at [●] (the "**Generator**"),

(together referred to as the "**Parties**" and "**Party**" shall mean either of them).

RECITALS:

- (A) BPC owns and operates the Transmission System (as defined herein) and may enter into agreements with legal entities licensed to undertake the generation of electrical energy (i) for the connection of their licensed power plants to the Transmission System; (ii) for the use by such licensed entities of the Transmission System in connection with their generation undertakings; and (iii) for matters relating to the operational interface between such licensed power plants and the Transmission System.
- (B) The Generator shall apply for and be granted of has applied for and will be granted a [*Generation Licence/IPP License*] by the Botswana Energy Regulatory Authority ("**BERA**") under the Botswana Energy Regulatory Authority Act (the "**BERA Act**") and other applicable laws of Botswana.
- (C) The Generator has entered into the Power Purchase Agreement and has applied to BPC for connection of the Generator's Facility (as defined herein) in [*location of the project*] to the Transmission System.
- (D) BPC submitted a connection offer letter to the Generator, which the Generator has accepted (the "**Connection Offer Letter**"), of which an executed copy is attached hereto as Annexure I, such Connection Offer Letter being subject to the coming into effect of this Agreement.
- (E) BPC has agreed to the connection of the Generator's Facility to the Transmission System at the Point of Connection, for the use by the Generator of the Transmission System in connection with the Generator's Facility and for other matters relating to the operational interface between the Generator's Facility and the Transmission System in accordance with this Agreement.
- (F) This Agreement, among others, sets out the terms and conditions upon which (a) the Generator shall undertake the relevant interconnection works which will physically connect the Generator's Facility to the Transmission System; (b) BPC shall permit the Generator to use the Transmission System in connection with the Generator's Facility; and (c) the Parties shall cooperate with each other in relation to the operational interface between the Generator's Facility and the Transmission System.

IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, except where the context requires otherwise, the following capitalised words and expressions shall have the meanings assigned to them below; terms that are not defined

shall have the meaning specified in [*either*] the Power Purchase Agreement [*or the Connection Offer Letter*]:

"Abandonment" means:

- (a) in relation to any period prior to the Transfer Date and, if requested by BPC so to demonstrate, any failure by the Generator to demonstrate to BPC its ability to perform its obligations under this Agreement so as to achieve the Transfer Date on or before the Anticipated Transfer Date; and
- (b) in relation to any period after the Transfer Date:
 - (i) a persistent failure or failures by the Generator to perform its obligations under this Agreement; or
 - (ii) a failure by the Generator to resume and continue the performance of all of its obligations under this Agreement within a reasonable period following the cessation of a Force Majeure Event;

"Affected Party" means a Party affected by a Force Majeure Event;

"Agreement" means this connection agreement between BPC and the Generator;

"Anticipated Transfer Date" means the date falling [thirty (30)] Days before the Anticipated COD on which the Transfer Date is anticipated to occur, as further specified in the Generator's most recent construction programme referred to in Clause 4.1.4;

"Back-up Metering System" has the meaning stated in Annexure 6;

"BPC Event of Default" has the meaning given to it in Clause 16.2;

"BPC Substation" means the [●] substation in [*location of the relevant project substation*] which is owned and operated by BPC;

"BPC Target Connection Date" means the date falling [●] months after the Effective Date;

"Connection" means the connection of the Generator's Facility to the Transmission System;

"Connection Date" means the actual date of connection of the Generator's Facility to the Transmission System;

[**"Connection Offer Letter"** means the connection offer letter from BPC to the Generator, as attached hereto as Annexure 1;]

"Contract Year" means each period of twelve (12) months commencing on the Actual COD and each anniversary period thereof until the end of the term of this Agreement;

"De Energise" means the operation of any isolator, breaker or switch so as to prevent active power and reactive power to be transferred through the Point of Connection from or to the Generator's Facility to or from the Transmission System and "De Energisation" shall be construed accordingly;

"Design Documents" means the detailed design, design criteria, calculations and technical documents in relation to the Interconnection Facilities;

"Disconnect" means the removal of all or any of the Interconnection Facilities to such extent that the Point of Connection can no longer be Energised and "Disconnection" shall be construed accordingly;

"Dispute" means any dispute or difference of any kind whatsoever arising between the Parties in connection with, or arising out of, this Agreement, including any question regarding its existence, validity, interpretation or termination;

"Effective Date" has the meaning given to it in Clause 2.1;

"Energise" means the operation of any isolator, breaker or switch so as to enable reactive power to be transferred through the Point of Connection from or to the Generator's Facility to or from the Transmission System and "Energisation" shall be construed accordingly;

"Event of Default" means a BPC Event of Default or a Generator Event of Default as the case may be;

"Force Majeure Event" means an event or circumstance, or combination of events or circumstances, specified in Clause 15.1;

"Grid Code" means any code in respect of electricity distribution or transmission as published or adopted by the Botswana Electricity Regulatory Authority as established in terms of the Electricity Act and as updated from time to time

"Generator Event of Default" has the meaning given to it in Clause 16.1;

"Generator's Facility" means the [*solar photovoltaic power*] plant to be established by the Generator to generate electricity as specified in the PPA, (including any facilities ancillary thereto), whether completed or at any stage of development and construction, that is or will be connected to the Transmission System at the Point of Connection;

"IPP/ Generation Licence" means the licence to generate electrical energy issued or to be issued to the Generator by BERA under the laws of Botswana;

"Insolvency Event" means, in respect of a person:

- (c) the passing of a resolution for the bankruptcy, insolvency, receivership, administration, winding-up, liquidation or other similar proceeding relating to that person;
- (d) the appointment of an administrator, receiver, trustee, liquidator, custodian or similar person in respect of that person in a proceeding referred to in paragraph (a) of this definition, which appointment has not been stayed or set aside within sixty (60) Days of such appointment; and
- (e) the making by a competent authority of an order for the winding-up or otherwise confirming the bankruptcy, insolvency, receivership, administration or liquidation of that person, which order has not been set aside or stayed within sixty (60) Days of such making;

"Interconnection Facilities" means the interconnection plant and equipment which is procured, designed, installed, constructed and commissioned by the Generator as specified in Annexure 2;

"Maximum Export Capacity" means the maximum capacity specified in MVA to the PPA at the Point of Connection for delivery into the Transmission System;

"Maximum Import Capacity" means the maximum capacity (specified in kVA) in [●] at the Point of Connection for taking power off the Transmission System;

"Metering System" means a set of meters used to measure kW, kVA, kWh, KVAh and kVAh to an accuracy of $\pm 0.2\%$ and situated at or near the Connection Point at which measurement is applied for the purpose of commercial settlement;

"Notice of Termination" has the meaning given to it in Clause 16.3;

"Point of Connection" means the physical point where the Generator's Facility and Transmission System are connected, as specified in Annexure 3;

"Power Purchase Agreement" or **"PPA"** means the power purchase agreement for the sale of electrical energy generated at the Generator's Facility by the Generator to BPC dated on or around the date hereof;

"Required Warranties" has the meaning given to it in Clause 8.1;

"Scheduled Connection Date" means the date specified in the Generator's most recent construction programme referred to in Clause 4.1.4 upon which the Connection Date is anticipated to take place;

"Scheduled Transmission System Outage" means an interruption in the transmission capacity of the Transmission System as scheduled in advance by BPC;

"Signature Date" means the date on which the last Party signs this Agreement;

"Transfer Date" means the date on which the Interconnection Facilities are transferred to BPC pursuant to Clause 9 (*Transfer and Ownership of Interconnection Facilities*);

"Transmission System" means the electrical transmission and distribution system in Botswana operated by BPC ; and

"Unscheduled Transmission System Outage" means any period when the Transmission System is out of service as a result of an unforeseen equipment failure or for any other reason.

1.2 Interpretation

In this Agreement, unless provided otherwise:

- 1.2.1 a reference to a "Clause", "Section", "Appendix" or "Annexure" is a reference to a clause, section, appendix or annexure of or to this Agreement or the relevant part thereof unless specifically provided otherwise;
- 1.2.2 an "employee" of any person includes any other person or agent who is engaged or has been engaged directly or indirectly by such person as an employee;
- 1.2.3 the words "herein" and "hereunder", and words of similar import, refer to the entirety of this Agreement and not only to the clause in which such use occurs unless specifically provided otherwise;
- 1.2.4 any reference to "including" or "includes" shall be deemed to be qualified by a reference to "without limitation";

- 1.2.5 a "person" includes any individual, company, corporation, firm, partnership, joint venture, association (whether a body corporate or an unincorporated association of persons) or any government institution, department or establishment and a person shall be construed as including a reference to its successors, permitted assigns and permitted transferees;
- 1.2.6 reference to "this Agreement" or any other agreement or document shall be construed as a reference to such agreement or document as amended, modified or supplemented and in effect from time to time and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms;
- 1.2.7 words importing the singular number include the plural and vice versa, and words importing a gender include the other gender;
- 1.2.8 the descriptive headings in this Agreement are for convenience of reference only and not for purposes of construction or interpretation of its provisions;
- 1.2.9 periods of time refer to the Gregorian calendar and reference to a time of Day shall be construed as a reference to the time of Day in Gaborone, Botswana;
- 1.2.10 where an obligation of a Party to make payment under this Agreement falls on a Day other than a Day, such time for performance shall be extended to the next Day;
- 1.2.11 this Agreement is to be read and construed as a whole and anything mentioned in any of the documents comprising this Agreement shall be of like effect as if stated or mentioned in all of them; and
- 1.2.12 in the case of conflict between the provisions of the PPA and this Agreement, the provisions of the PPA shall prevail.

2 DURATION OF AGREEMENT

- 2.1 The provisions of Clauses 1, 3 and 15 to 24 (inclusive) shall take effect on and from the Signature Date. The remaining provisions of this Agreement [*and the Connection Offer Letter*] shall take effect upon the date on which all conditions precedent to the effectiveness of the PPA have been satisfied or waived (the "**Effective Date**").
- 2.2 This Agreement, unless terminated earlier by either Party in accordance with the provisions of this Agreement, shall terminate on the date of termination of the PPA.

3 SCOPE OF THIS AGREEMENT

This Agreement makes provision for: (a) the Connection; (b) BPC permitting the Generator to use the Transmission System in connection with the Generator's Facility in accordance with this Agreement and the PPA; and (c) the cooperation between the Parties in relation to the operational interface between the Generator's Facility and the Transmission System; provided that this Agreement shall not govern any other services provided by BPC to the Generator or by the Generator to BPC unless specifically contained herein.

4 RESPONSIBILITIES OF GENERATOR

- 4.1 Subject to the terms and conditions of this Agreement and its Generation Licence the Generator shall, acting in accordance with Good Industry Practice:
- 4.1.1 design, engineer, procure, supply, erect, deliver, construct, install, test, commission, and hand over to BPC for ownership, operation and maintenance, the Interconnection Facilities and the Backup Metering System, and carry out the works necessary to enable the connection of the Generator's Facility to the Transmission System, in all material respects in accordance with the Grid Code and the PPA;
 - 4.1.2 subject to Clause 11.1, ensure that the Interconnection Facilities are compliant with the Grid Code's requirements for connections to the Transmission System;
 - 4.1.3 obtain and maintain all Permits in connection with the design, engineering, procurement, supply, erection, delivery, construction, installation, testing, and commissioning, of the Interconnection Facilities, and the export of electrical energy into the Transmission System at the Point of Connection; and
 - 4.1.4 provide to BPC Monthly updates on the Generator's progress in constructing and commissioning the Interconnection Facilities within the construction programme provided under Clause 5.1(b) of the PPA.
- 4.2 If, according to the most recent construction programme provided by the Generator to BPC pursuant to Clause 4.1.4, the Scheduled Connection Date precedes the BPC Target Connection Date, the Generator shall notify BPC that it proposes to connect the Generator's Facility prior to the BPC Target Connection Date. If BPC objects to the Generator connecting the Generator's Facility prior to the BPC Target Connection Date, it shall notify the Generator within [●(●)] Days of receipt of the Generator's notice. If the Generator receives an objection notice from BPC, it shall defer the Scheduled Connection Date until the BPC Target Connection Date (or a date thereafter selected by the Generator).⁸

5 RESPONSIBILITIES OF BPC

- 5.1 BPC shall:
- 5.1.1 cooperate with the Generator during the installation, construction, testing, commissioning and Energisation of the Interconnection Facilities;
 - 5.1.2 enable the Generator to commission and Energise the Interconnection Facilities, and connect the Generator's Facility to the Transmission System in accordance with the Generator's construction programme and the PPA; and
 - 5.1.3 negotiate the transfer agreement referred to in Clause 9.5 in good faith and otherwise ensure that it is able to accept the transfer of the Interconnection Facilities on the Anticipated Transfer Date.

6 NOTICE OF DELAYS

Except as permitted pursuant to Clause 4.2, as soon as a Party becomes aware of any fact, matter or thing that may delay the Connection Date beyond the Scheduled Connection Date, that Party shall as soon as reasonably practicable notify the other Party in writing of the delay, the reasons

⁸ Note: include any additional requirements: right of Construction (e.g., methodology, and/or approval rights on the relevant contractors).

for the delay, the measures that the notifying Party proposes to take to mitigate the impact of the delay, and an estimate of the likely duration of the delay.

7 FINAL DESIGN APPROVAL

- 7.1 Once the final design of the Interconnection Facilities is established, the Generator shall submit the Design Documents to BPC. BPC shall have a period of [● (●)] Days to review the Design Documents from the date of BPC's receipt of the Design Documents.
- 7.2 BPC shall not be required to approve or comment on any of the Design Documents but may give notice to the Generator that a Design Document fails (to the extent stated) to comply with this Agreement. If a Design Document so fails to comply, it shall be rectified, resubmitted and received in accordance with this Clause 7.
- 7.3 Except to the extent that the Parties otherwise agree:
- 7.3.1 execution of the Interconnection Facilities works shall not commence prior to the expiry of the review period for the Design Documents;
- 7.3.2 execution the Interconnection Facilities works shall be in accordance with the Design Documents; and
- 7.3.3 if the Generator wishes to modify any Design Document which has previously been submitted for review, the Generator shall immediately give notice to BPC. Thereafter the Generator shall submit revised documents to BPC in accordance with the above procedure.

8 WARRANTIES

- 8.1 The Generator shall:
- 8.1.1 obtain warranties for the relevant work/parts from contractor(s) and/or supplier(s) in relation to (i) civil and associated works forming part of or otherwise related to the Interconnection Facilities, (ii) all equipment forming part of the Interconnection Facilities, and (iii) all work carried out by a third party in connection with the design, construction and/or commissioning of the Interconnection Facilities, which together are (A) consistent with Good Industry Practice, and (B) no less (in the scope and duration) than the warranties which the Generator would have obtained had the Generator expected to retain risk in and title to the Interconnection Facilities for the duration of the Agreement;
- 8.1.2 ensure that all warranties required pursuant to Clause 8.1.1 above (the "**Required Warranties**") have a term of at least three years from the Transfer Date;
- 8.1.3 in respect of each Required Warranty, ensure that the warranty provider undertakes at it will at its own cost (or the Generator's cost) (i) inspect the relevant works and/or equipment prior to, but no earlier than three months prior to, the end of the three-year warranty period, and (ii) ensure that any defects identified in such inspection are rectified in accordance with Good Industry Practice;
- 8.1.4 ensure that BPC has an option to extend each Required Warranty for at least two (2) years after the initial three year warranty period (at BPC's cost); and
- 8.1.5 ensure that all Required Warranties (and all other rights of the Generator in relation to the Interconnection Facilities and all works and equipment comprised within the

Interconnection Facilities) are transferable to BPC without the consent of the warranty provider (or other contractual counterparty).

9 TRANSFER AND OWNERSHIP OF INTERCONNECTION FACILITIES

- 9.1 The Generator shall test and commission the Interconnection Facilities in accordance with the commissioning and testing procedures set out in Annexure 4.
- 9.2 The Generator shall provide to BPC at least [● (●)] Days' prior written notice of the testing and commissioning of the Interconnection Facilities. BPC's representative shall be present for the purpose of observing any such tests for the duration of the testing programme. Any test shall not proceed if BPC's representative is not present at any such test. The Independent Engineer must be present for testing of the Interconnection Facilities.
- 9.3 The Independent Engineer shall certify the satisfactory completion of the testing and commissioning of the Interconnection Facilities. The Transfer Date shall then occur on the Day following the Day on which the Independent Engineer delivers its certification to the Parties.
- 9.4 On the Transfer Date, the Generator shall transfer title to, and risk in, the Interconnection Facilities to BPC, and BPC shall accept and own the Interconnection Facilities as legal and beneficial owner with all rights, title and interest therein free of any encumbrances, together with all the applicable warranties and guarantees in respect thereof provided under the Construction Contract and the associated land rights.
- 9.5 The Parties shall execute a written agreement to document the transfer of the Interconnection Facilities pursuant to this Clause 9 in accordance with the laws of Botswana to confirm and evidence the transfer of title to the Interconnection Facilities and the associated land rights, together with the risk of loss and the liabilities of ownership and operation thereof, from the Generator to BPC as of the Transfer Date.
- 9.6 On and from the Transfer Date:
- 9.6.1 BPC shall have care, custody and control of the Interconnection Facilities (which shall then become part of the Transmission System), shall own, operate and maintain the Interconnection Facilities in accordance with Good Industry Practice, the laws of Botswana and the PPA, and shall bear the risk of loss and the liabilities of ownership and operation thereof; and
- 9.6.2 the Generator shall not encumber, or attempt to encumber or cause to be encumbered, the Interconnection Facilities.

10 CONNECTION SERVICES

10.1 Connection Services

- 10.1.1 BPC shall make an offer for connection of the Generator's Facility and prescribe a fee of [●] for the connection of the Generator's Facility. The connection of the Generator's Facility shall not be made unless the fee prescribed in this clause has been settled by the Generator in full.⁹
- 10.1.2 The Generator's Facility shall be connected at the Point of Connection so as to enable the Generator to inject power into the Transmission System, up to the Maximum Export

⁹ Note: consider if any other fees are to be payable after transfer and/or in respect of connection in any event.

Capacity and/or to take power from the Transmission System at up to the Maximum Import Capacity.

- 10.1.3 Subject to the terms of this Agreement and the PPA, the Generator shall have the right for the Generator's Facility to be and remain Energised and connected to the Transmission System for the term of this Agreement.
- 10.1.4 Save as permitted by Clause 14 (*De-Energisation*), BPC shall keep the Point of Connection Energised at all times.

10.2 Operation of Generator's Facility and Transmission System

- 10.2.1 BPC shall, at all times, operate the Transmission System and the Backup Metering System in accordance with the laws of Botswana, the Grid Code and otherwise in accordance with Good Industry Practice for the operation of transmission and distribution plant and equipment.
- 10.2.2 The Generator shall operate Generator's Facility and the Metering System in accordance with the laws of Botswana, the Grid Code and otherwise in accordance with Good Industry Practice.
- 10.2.3 The Generator shall:
 - (a) unless with the written approval of BPC, under no circumstances, test, commission or otherwise operate the Generator's Facility or Interconnection Facilities or export any electrical energy from the Generator's Facility prior to the Connection Date;
 - (b) save as per the provisions of this Agreement, not exceed the Maximum Export Capacity when transmitting electrical energy between the Generator's Facility and the Transmission System; and
 - (c) forthwith upon being requested to by BPC by written notice given at any time after the Connection Date, undertake such testing of the Generator's Facility and/or the Interconnection Facilities as is required by the Grid Code.
- 10.2.4 The specifications for the Metering System and Backup Metering System, as well as installation, testing and commissioning procedures, are set out in Annexure 6.

10.3 Maintenance and Outage Coordination

- 10.3.1 BPC shall, at all times, maintain the Transmission System and the Backup Metering System in accordance with Good Industry Practice for the maintenance of transmission and distribution plant and equipment.
- 10.3.2 The Generator shall, at all times, maintain the Generator's Facility and the Metering System in accordance with the PPA and in any case in accordance with Good Industry Practice.
- 10.3.3 The Parties agree that the Transmission System may be unavailable for period(s), during which BPC shall perform Transmission System maintenance or repairs.
- 10.3.4 BPC shall notify the Generator of the anticipated timing of any Scheduled Transmission System Outage(s) for the forthcoming Contract Year, at least [●(●)] Days prior to the commencement of that Contract Year.

- 10.3.5 The Generator shall not be entitled to any payment and/or indemnification from BPC in connection with such Scheduled Transmission System Outages.
- 10.3.6 Subject to having complied with the provisions of this Clause 10.3.4, BPC shall be entitled to shut down the Transmission System from service.
- 10.3.7 Without prejudice to the Generator's rights or remedies under this Agreement, the PPA or the laws of Botswana, BPC shall notify the Generator:
- (a) upon the occurrence of any event resulting in the Transmission System being unable to operate or events affecting the Transmission System stability; and/or
 - (b) if BPC determines that the maintenance of the Transmission System is required prior to the next Scheduled Transmission System Outage scheduled pursuant to Clause 10.3.3 and therefore that an Unscheduled Transmission System Outage is required.
- 10.3.8 Without prejudice to the Generator's rights or remedies under this Agreement, the PPA or the laws of Botswana, in each case BPC shall:
- (a) give the Generator notice of such event as soon as reasonably practicable after the occurrence of such event, or, in the case of an Unscheduled Transmission System Outage, BPC becoming aware of the need for such outage;
 - (b) notify the Generator of the expected duration of the Unscheduled Transmission System Outage; and
 - (c) seek to minimise the duration and effects on the Transmission System of the Unscheduled Transmission System Outage.

11 GRID CODE

11.1 Technical Specifications

The Generator undertakes to comply with the Grid Code. The Generator is entitled to the derogations from the Grid Code specified in Annexure 5.

11.2 Modifications

- 11.2.1 No material modifications that affect the Transmission System may be made to the Interconnection Facilities except in accordance with this Clause 11.2 and subject always to the provisions of the Grid Code, to the extent applicable.
- 11.2.2 If the Generator wishes to modify the Interconnection Facilities, the Generator shall submit to BPC its proposed modification and shall provide to BPC such information as BPC reasonably requires to assess the effect of the proposed modification on the Transmission System, as soon as practically possible.
- 11.2.3 BPC will consider the proposed modification and advise the Generator within [●(●)] Days from the date of such proposal:
- (a) whether BPC will permit the proposed modification unchanged; or
 - (b) whether BPC requires the proposed modification to be changed to avoid adverse effects on the operation of the Transmission System; or

- (c) whether the proposed modification, changed as necessary to avoid adverse effects on the operation of the Transmission System, will result in BPC being required to modify the Transmission System; and
- (d) the estimated cost, if the Transmission System needs to be modified to accommodate the proposed modification to the Interconnection Facilities.

12 PROTECTION AND COMMUNICATION

12.1 Equipment to be Installed

12.1.1 The Generator shall, at its own expense, provide and install as part of the Generator's Facility and in accordance with the Grid Code:

- (a) communication and other equipment, as are reasonably required by BPC for the purposes of operation of the Transmission System. For information purposes only, and without limitation, such equipment may include dial up telephone line connections and/or fibre optic link between the Generator and BPC and via the public telephone network for voice communication and data collection from the Metering Installation as detailed in the Grid Code;
- (b) power supplies for the operation of metering, operational instrumentation, BPC's switchgear, control and protection equipment; and
- (c) control and protection equipment, associated instrument transformers and cabling and power supplies therefor.

12.1.2 Such equipment, transformers, cabling and power supplies shall be maintained by the Generator throughout the term of this Agreement to the reasonable satisfaction of BPC, subject to this being in accordance with Good Industry Practice. The Generator shall provide to BPC such evidence as to the completion of such maintenance as is from time to time required by BPC.

12.2 Signalling and Indications

The Generator shall provide to BPC relevant signalling and indications as required by BPC. Such signalling and indication shall provide BPC with parameters of the Generator's Interconnection Facilities including the status of switchgear, power flows and voltages.

13 RIGHTS OF ACCESS AND EASEMENTS

13.1 Backup Metering System

The Parties agree that, whilst the BPC Substation is located on BPC's land, certain ancillary facilities, equipment, lines, cables and wires included in the Interconnection Facilities (such as tele-control equipment and the Backup Metering System) may be installed by or on behalf of BPC at the Generator's Facility.

13.2 Generator to Grant Consents

The Generator shall at its own expense grant to BPC all consents as are reasonably required to be given by the Generator for the installation, operation, maintenance, inspection, removal of and access to the Backup Metering System and BPC's other plant and equipment situated at or on the Generator's Facility.

13.3 BPC Access at Times to be Agreed

BPC's employees and/or authorised agents and/or subcontractors may, subject to the Generator's prior written approval, enter (at times to be agreed between the Parties) the Generator's Facility to enable BPC to carry out any works, modifications or inspections, or for operating, testing, repairing, renewing, maintaining, isolating, protecting or removing BPC's equipment, material or temporary works, Disconnecting or De-Energising in accordance with this Agreement, monitoring compliance with the terms of this Agreement or the Grid Code, or to enable BPC to fulfil its obligations under this Agreement and the PPA. BPC shall give the Generator [●(●)] Days' notice prior to requiring access to the Generator's premises, such consent to be given or denied (with reasonable justification) within the [●(●)] Days' notice.

13.4 BPC Access at Any Time

In the event of emergency which poses an immediate threat of injury to persons or material loss of or damage to the Transmission System, BPC's employees and/or authorised agents and/or subcontractors shall be entitled to enter the Generator's Facility at any time and, only when in BPC's reasonable opinion such entry is necessary for the prudent operation of the Transmission System, including in respect of De-Energisation of the Connection.

13.5 BPC to grant consents

13.5.1 BPC shall grant all consents and access to the Generator, its employees and/or agents to the BPC Substation, the land adjacent thereto and the access road for the purposes of construction, installing, commissioning, testing, operation and maintenance of the Generator's Facility and/or the Interconnection Facilities.

13.5.2 BPC shall provide reasonable assistance to the Generator in procuring the easements and transmission line corridors required for installation, construction, testing and commissioning of the Interconnection Facilities.

14 DE-ENERGISATION

14.1 Circumstances of De-Energisation

The Point of Connection may be De-Energised:

- 14.1.1 at the request of the Generator;
- 14.1.2 when BPC wishes to De-Energise the Point of Connection to connect new plant or equipment or to carry out maintenance of the Transmission System;
- 14.1.3 if BPC considers it necessary to prevent loss of life or damage to property or if there is reason to believe that the condition of the Point of Connection poses an immediate threat of injury or death to any person;
- 14.1.4 if BPC considers there is an emergency that requires the Point of Connection to be De-Energised to maintain the safe operation of the Transmission System;
- 14.1.5 if the Generator is in breach of the Grid Code, or any relevant safety regulation or requirement in force at the time, and the breach poses a serious and imminent threat to the secure operation of the Transmission System; and/or
- 14.1.6 on the termination of this Agreement.

14.2 Energisation Following De-Energisation

If the Point of Connection has been De-Energised it shall be Energised by BPC as soon as practicable, following:

- 14.2.1 a request from the Generator that it be Energised, if the Point of Connection was initially De-Energised at the Generator's request;
- 14.2.2 the completion of maintenance, if the Point of Connection was De-Energised by BPC to carry out maintenance of the Transmission System;
- 14.2.3 the remedying of a situation causing danger to persons or property if the Point of Connection was De-Energised by BPC to prevent damage or loss to persons or property;
- 14.2.4 the remedying of an emergency situation on the Transmission System, if the Point of Connection was De-Energised by BPC to maintain the safe operation of the Transmission System; and
- 14.2.5 the Generator's remedying of the breach, if the Point of Connection was De-Energised by BPC because of the Generator's breach of the Grid Code or any other relevant safety regulation or other requirements in force at the time.

14.3 Cost of De-Energisation and Energisation

- 14.3.1 The cost of De-Energisation and Energisation shall be borne by the Generator:
 - (a) if the Point of Connection was De-Energised and Energised at the request of the Generator;
 - (b) if the Point of Connection was De-Energised by BPC because the Generator was in breach of the Grid Code or any relevant safety regulation or other requirement in force at the time; or
 - (c) on termination of this Agreement due to the Generator's default.

15 FORCE MAJEURE

15.1 Definition of Force Majeure Event

A "**Force Majeure Event**" means any circumstance, event or condition (or combination thereof) which is beyond the reasonable control, directly or indirectly, of the Affected Party but only to the extent that:

- 15.1.1 such circumstance, event or condition, despite the exercise of diligence, cannot be prevented, avoided or overcome by the Affected Party;
- 15.1.2 such circumstance, event or condition prevents the performance by the Affected Party of any or all of its obligations under or pursuant to this Agreement (save for payment obligations);
- 15.1.3 the Affected Party has taken all reasonable precautions, due care and measures to prevent or avoid the effect of such circumstance, event or condition on its ability to perform its obligations under this Agreement;

- 15.1.4 such circumstance, event or condition is not the direct or indirect result of a breach or failure by the Affected Party to perform any of its obligations under this Agreement or any other Project Agreement;
- 15.1.5 such circumstance, event or condition is without fault or negligence of the Affected Party; and
- 15.1.6 the Affected Party has given the other Party notice in accordance with Clause 15.4.1.

15.2 Force Majeure Events

Force Majeure Events shall include:

- 15.2.1 lightning, fire, earthquake, unusual flood, cyclone, tornado, tsunami, typhoon or other natural disaster or act of God;
- 15.2.2 epidemic or plague;
- 15.2.3 accident, explosion or chemical contamination; and
- 15.2.4 strikes, works to rule or go-slows (other than solely by employees of the Affected Party, its Contractors or their respective Affiliates).

15.3 Certain Events not Force Majeure Events

Notwithstanding that a Force Majeure Event may otherwise exist, the provisions of this Clause 15 (*Force Majeure*) shall not excuse:

- 15.3.1 failure to make a payment of money in accordance with the Party's obligations under this Agreement;
- 15.3.2 any failure to take into account conditions at the Site and/or land adjoining the Site;
- 15.3.3 late performance by the Generator caused by the failure of the Generator or a Contractor to engage qualified subcontractors and suppliers or to hire an adequate number of personnel or labour;
- 15.3.4 inability to obtain or maintain adequate funding for the Project;
- 15.3.5 mechanical or electrical breakdown or failure of equipment, machinery or plant owned or operated by either Party due to the manner in which the equipment, machinery or plant has been operated or maintained; and
- 15.3.6 delays resulting from foreseeable weather conditions or other foreseeable adverse conditions.

15.4 Claiming Relief

- 15.4.1 If a Party (the "**Affected Party**") desires to invoke a Force Majeure Event as a cause for delay or failure in performance of any of its obligations under this Agreement, it shall:
 - (a) as soon as reasonably practicable and, in any event, no later than ten (10) Days after the Affected Party first had knowledge of the occurrence of a Force Majeure Event, give notice to the other Party of the circumstance, event or condition which it alleges constitutes the Force Majeure Event and an estimate of its likely

duration. If the Affected Party does not deliver such notice in accordance with the terms hereof, such Affected Party shall not be entitled to invoke the benefits of this Clause 15 (*Force Majeure*);

- (b) within ten (10) Days of the date of a notice issued pursuant to Clause 15.4.1(a), provide a report concerning the Force Majeure Event and its effects, including particulars of the circumstance, event or condition, a general description of the obligations likely to be affected, an estimate of its likely duration and a statement of the actions to be taken in order to comply with its obligations under this Clause 15 (*Force Majeure*); and
- (c) from time to time at reasonable intervals and upon any reasonable request from the other Party, provide updates as to the matters set out in Clause 15.4.1(b).

15.5 The Affected Party shall:

- 15.5.1 make all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of any delay occasioned by any Force Majeure Event, including recourse to alternate sources of services, equipment and materials;
- 15.5.2 as soon as reasonably possible, and in accordance with Good Industry Practice, ensure the resumption of normal performance of this Agreement after the cessation of any Force Majeure Event or its effects and shall otherwise perform its obligations under this Agreement to the extent not excused under this Clause 15 (*Force Majeure*); and
- 15.5.3 within three (3) Days following the cessation of any Force Majeure Event, submit to the other Party reasonable proof of the nature of such delay and its effect upon the performance of its obligations under this Agreement.

15.6 **Effect of a Force Majeure Event on Obligations**

The Affected Party shall not be liable for any delay or failure in performing its obligations under this Agreement due to a Force Majeure Event, provided that no relief shall be granted to the Affected Party pursuant to this Clause 15 (*Force Majeure*) to the extent that such failure or delay:

- 15.6.1 would have nevertheless been experienced by the Affected Party had the Force Majeure Event not occurred; or
- 15.6.2 was caused by the failure of the Affected Party to comply with its obligations under Clause 15.5.1.

16 **TERMINATION**

16.1 **Generator Event of Default**

Each of the events listed in this Clause 16.1 (Generator Event of Default) is a "**Generator Event of Default**", namely:

- 16.1.1 Abandonment;
- 16.1.2 the termination by BPC of the PPA in accordance with the provisions of the PPA as a consequence of a Generator Event of Default (as defined in the PPA);
- 16.1.3 failure to achieve the Transfer Date by the Anticipated Transfer Date;

- 16.1.4 revocation or lapse of the [IPP/ Generation] Licence arising from any breach by the Generator of the Generation Licence (including any failure by the Generator to perform or observe any of the conditions to which the [IPP/Generation] Licence may be subject);
- 16.1.5 failure by the Generator to make a payment in full of any amount due to BPC under this Agreement within [● (●)] Days of the due date for payment thereof, or failure by the Generator to pay in full a disputed amount owed by the Generator to BPC under this Agreement within [● (●)] Days of resolution of the dispute;
- 16.1.6 Insolvency Event;
- 16.1.7 breach by the Generator of Clause 24.7 (Anti-Corruption Measures);
- 16.1.8 assignment or purported assignment of this Agreement by the Generator except in a manner permitted under Clause 20 (Assignment and Transfer); and
- 16.1.9 any other material breach by the Generator of any provision of this Agreement or the Grid Code or any relevant safety regulation or other requirement in force at the time which is not remedied in full within [● (●)] Days following notice by BPC to the Generator identifying the such other material breach in question in reasonable detail and demanding remedy thereof.

16.2 BPC Event of Default

Each of the events listed in this Clause 16.2 (BPC Event of Default) is a “**BPC Event of Default**”, namely:

- 16.2.1 failure by *BPC* to make a payment in full of any amount due to the Generator under this Agreement within [● (●)] Days of the due date for payment thereof, or failure by BPC to pay a disputed amount owed by BPC to the Generator under this Agreement within [● (●)] Days of resolution of the dispute;
- 16.2.2 the termination by the Generator of the PPA in accordance with the provisions of the PPA as a consequence of an Offtaker Event of Default (as defined in the PPA); and/or
- 16.2.3 *Insolvency Event*.

16.3 Notice of Termination

Upon occurrence of an Event of Default the non-defaulting Party may, at its option, terminate this Agreement by delivering a written notice of its intent to terminate this Agreement to the defaulting Party (such notice, a “**Notice of Termination**”). Any Notice of Termination shall describe in reasonable detail the Event(s) of Default giving rise to the Notice of Termination.

16.4 Other remedies

Nothing in this Clause 16 (*Termination*) shall prevent any Party from availing itself of the usual remedies at law and/or to claim damages arising from such breach.¹⁰

¹⁰ Consequences of termination after Transfer Date subject to/dependent on the provisions of the PPA.

16.5 Termination and Disconnection

BPC shall be entitled to De-Energise and disconnect the Generator's Facility from the Transmission System following the termination of this Agreement.

17 LIABILITY FOR DAMAGE OR LOSS

17.1 Indemnity by BPC

BPC shall indemnify and compensate to the fullest extent permitted by Law, defend and hold harmless the Generator (and its Affiliates and Contractors and its or their respective shareholders, directors, officers, employees, agents or representatives (collectively the "**Generator Parties**")), from and against all Claims made against or suffered by the Generator or any of the Generator Parties in relation to any loss of or damage to property or death or injury to persons (except for workers' compensation claims), resulting from any negligent act or omission of BPC or any BPC Parties, except to the extent such loss, damage, injury or death is attributable to the negligence or misconduct of the Generator or any of the Generator Parties, or breach by the Generator of this Agreement.

17.2 Indemnity by the Generator

17.2.1 The Generator shall indemnify BPC against, and hold BPC harmless from, at all times after the date hereof, any and all losses, and any and all actions, claims and demands in respect of such losses, incurred, suffered, sustained, or required to be paid, directly or indirectly, by, or sought to be imposed upon, BPC:

- (a) for personal injury or death to persons or damage to property arising out of the negligent or intentional acts or omissions of the Generator or breach of representations and warranties by the Generator in connection with this Agreement or relating to electrical energy on the Generator's side of the Point of Connection;
- (b) as a result of any breach of the laws of Botswana by the Generator; or
- (c) as a result of any breach by the Generator of any of its covenants or representations and warranties under this Agreement.

17.3 Joint Negligence

If injury or damage results from the joint or concurrent negligent or intentional acts or omissions of the Parties, each Party shall be liable under this indemnification in proportion to its relative degree of fault.

17.4 Notice of proceedings

Each Party shall promptly notify the other Party of any claim or proceeding in respect of which it is entitled to be indemnified under this Clause 17 (*Liability for Damage or Loss*). Such notice shall be given as soon as reasonably practicable after the relevant Party becomes aware of such claim or proceeding.

17.5 Conduct of proceedings

17.5.1 Each Party shall have the right, but not the obligation, to contest, defend and litigate (and to retain legal advisers of its choice in connection therewith) any claim, action, suit or proceeding by any third party alleged or asserted against it arising out of any matter

in respect of which it is entitled to be indemnified hereunder, and the reasonable costs and expenses thereof shall be subject to the said indemnity.

17.5.2 Notwithstanding the above, the indemnifying Party shall be entitled, at its option, to assume and control the defence of such claim, action, suit or proceeding at its expense and through legal advisers of its choice if it:

- (a) gives notice of its intention to do so to the other Party;
- (b) acknowledges in writing its obligation to indemnify that Party to the full extent provided by this Clause 17 (*Liability for Damage or Loss*); and
- (c) reimburses that Party for the reasonable costs and expenses previously incurred by it prior to the assumption of such defence by the indemnifying Party.

17.5.3 Neither Party shall settle or compromise any claim, action, suit or proceeding in respect of which it is entitled to be indemnified by the other Party without the prior written consent of that Party; provided always that after agreeing in writing to indemnify the indemnified Party, the indemnifying Party may settle or compromise any such claim, action, suit or proceeding without the approval of the indemnified Party.

17.6 Consequential losses

Except as expressly provided in this Agreement or the PPA, in no event shall either Party be liable to the other Party, at law or in equity and whether based on contract, tort or otherwise, for any indirect, incidental, special or consequential loss incurred by such Party or any third party as a result of the performance or non-performance of the obligations imposed pursuant to this Agreement, irrespective of the causes thereof, including fault or negligence.

17.7 Mitigation

A Party suffering any cost, expense, loss or damage for which the other Party may ultimately be liable shall take all reasonable steps to mitigate the same, and any claim brought shall be subject to any defence or counterclaim of the other Party at law.

18 DISPUTE RESOLUTION

18.1 Mutual Discussions

If a Dispute arises, the Parties shall attempt in good faith to settle such Dispute in the first instance within [●(●)] Days by mutual discussions between authorised representatives of each Party. The Parties shall commence such discussions within [●(●)] Days of a written request by either Party. If the parties are not able to settle the Dispute within the time period established in this Clause 18.1, either Party may submit the Dispute to be settled before the relevant courts.

18.2 Jurisdiction

The courts of Botswana have exclusive jurisdiction to settle any dispute arising out of, or in connection with, this Agreement or any other non-contractual obligations connected with it.

19 SOVEREIGN IMMUNITY

BPC agrees not to claim and waives generally and irrevocably all immunity, whether sovereign immunity or other kind of immunity, it or its assets or revenues may otherwise have or acquire in any jurisdiction, including immunity in respect of:

- (a) the competence of any jurisdiction or tribunal or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise);
- (b) the giving of any relief by way of injunction or order for specific performance; and
- (c) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.

20 **ASSIGNMENT AND TRANSFER**

20.1 **The Generator**

This Agreement shall not be assigned or transferred by the Generator to any other party without the prior written consent of BPC.

20.2 **BPC**

This Agreement shall not be assigned or transferred by BPC to any other party without the prior notice to the Generator.

21 **CONFIDENTIALITY**

The provisions of Clause 25.6 (*Confidentiality*) of the PPA are expressly incorporated into this Agreement by reference as if the provisions had all been expressly set out herein. The provisions shall apply *mutatis mutandis* to this Agreement.

22 **SURVIVAL ON TERMINATION**

Termination of this Agreement shall not affect the accrued rights and liabilities of the Parties hereto and the provisions of Clauses 17 to 24 (inclusive) shall continue to have effect notwithstanding the termination of this Agreement provided that provisions of Clause 21 (*Confidentiality*) shall survive for two (2) years from the date of termination of this Agreement.

23 **NOTICES**

23.1 **Giving of Notices**

23.1.1 Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall be in writing and sent by hand or email. Any such notice or other communication shall be addressed as provided in Clause 23.2 and, if so addressed, shall be deemed to have been duly given or made as follows:

- (a) by email, on delivery to the recipient's server provided no error message is received by the sender;
- (b) if sent by hand, upon delivery at the physical address of the relevant Party; and
- (c) by internationally reputable courier, on the date indicated by the courier's delivery tracking system.

23.1.2 Each notice, demand, request, statement, instrument, certificate or other communication given, delivered or made by one Party to the other under or in connection with this Agreement shall be in English.

23.2 Address for Notices

The relevant addressee, address and email address of each Party for the purposes of this Agreement, subject to Clause 23.3, are as follows:

	In the case of BPC	In the case of the Generator
Addresses:	[●]	[●]
Email:	[●]	[●]
Attention:	[●]	[●]

23.3 Notice of Change of Address

Either Party must notify the other Party of a change to its name or relevant address in writing no less than [●(●)] Days before the change is due to take place provided that a change of address must be to an address in Botswana.

24 MISCELLANEOUS

24.1 No Partnership

This Agreement does not create, nor is it evidence of a partnership or joint enterprise of any kind. Rather, the Parties are and shall remain independent and no Party has the power to bind the other for any purpose (except as otherwise specifically provided in this Agreement or the PPA). Nothing contained in this Agreement shall be construed to constitute either Party as any of the other Party's attorney, partner or agent.

24.2 No Waiver of Rights

No delay, neglect, grant or extension of time or forbearance on the part of either Party in enforcing against the other Party any provision of this Agreement shall be deemed to be a waiver of or shall in any way prejudice any right of that Party under this Agreement. No waiver by either Party of any default or defaults by the other Party in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults whether of a like or different character; or shall be effective unless in writing duly executed by a duly authorised representative of the waiving Party. Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions, and provisions of this Agreement nor time or other indulgence granted by one Party to the other whether in writing or not shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement which shall remain in full force and effect.

24.3 No Third Party Rights

This Agreement is intended solely for the benefit of the Parties. Other than as specifically provided for in this Agreement, nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to any person not a Party.

24.4 Severability

Each Party agrees that it will perform its obligations under the terms of this Agreement in accordance with the laws of Botswana now or hereafter in effect. If any Clause or Clauses of this Agreement are found to be illegal or unenforceable, then the Parties shall take all possible steps to re-negotiate and to re-structure this Agreement in such a manner that it will comply with provisions of such laws. If this cannot be done, the offending Clause or Clauses will be removed and regarded as *pro non scripto*, and the remaining Clauses of this Agreement shall remain

binding on the Parties; provided that, where necessary, such remaining Clauses shall be amended as necessary by mutual agreement of the Parties.

24.5 Amendments

This Agreement may be amended or modified only in writing and such amendment shall be executed by the Parties hereto which states specifically that it is intended to amend or modify this Agreement. Subject to the terms of this Agreement and the PPA, in the event of changes to the Grid Code, which require changes to this Agreement, the Parties shall negotiate in good faith to incorporate such changes into this Agreement.

24.6 Counterparts

This Agreement may be executed in any number of identical counterparts, each of which when executed and delivered shall constitute an original, but all the counterparts shall together constitute one and the same agreement. No counterpart shall be effective until each Party has executed at least one part or counterpart.

24.7 Anti-Corruption Measures

Each Party undertakes not to offer, directly or indirectly, advantage to third parties and not to request, promise or accept for its own benefit or that of a third party, illicit gifts with the purpose of obtaining favourable judgement in the performance of this Agreement or in relation to any other matters between the Parties whether or not directly related to this Agreement. Such undertaking shall bind each Party and its directors, officers, employees, authorised agents, contractors, sub-contractors and professional advisers.

24.8 Entire Agreement

This Agreement and the Annexures hereto together represent the entire understanding between the Parties in relation to the subject matter hereof and, except for the Power Purchase Agreement, supersede any or all previous agreements or arrangements between the Parties (whether oral or written). The Parties confirm that they have not entered into this Agreement on the basis of any representation that is not expressly incorporated into this Agreement (or the documents referred to in it).

24.9 Successors and Assigns

This Agreement shall inure to the benefit of, and be binding upon, the Parties hereto and their respective successors and permitted assigns.

24.10 Contracting

Each Party may delegate its obligations or responsibilities under this Agreement to one or more contractors; provided, however, that no such delegation shall relieve the relevant Party of its obligations or responsibilities under this Agreement. Each Party shall contractually require its contractors to have all the required skills and capacity necessary to perform or cause to be performed any tasks that they undertake in a timely and professional manner, utilizing sound engineering principles, project management procedures, supervisory procedures, and generally acceptable industry practices.

24.11 Governing Law

This Agreement, and any dispute or claim arising out of or in connection with it or its formation (including non-contractual disputes or claims), shall be governed, construed and interpreted in accordance with the laws of Botswana.

IN WITNESS whereof the authorised representatives of the Parties have entered into this Agreement on the date first above written.

BPC

Signed for and on behalf of **BOTSWANA POWER CORPORATION**

By:

Name:

Title:

Witnessed:

By:

Name:

Title:

[GENERATOR]

By:

Name:

Title:

Witnessed:

By:

Name:

Title:

ANNEXURE°1
[CONNECTION OFFER LETTER]

ANNEXURE°2
INTERCONNECTION FACILITIES

**ANNEXURE°3
POINT OF CONNECTION**


ANNEXURE°4
INTERCONNECTION TESTING AND COMMISSIONING

ANNEXURE°5
GRID CODE DEROGATIONS

**ANNEXURE°6
METERING**

CORE AGREEMENTS AND PROJECT INFORMATION

(c) Network study Report

 BOTSWANA POWER CORPORATION	TRANSMISSION AND DISTRIBUTION NETWORK PLANNING AND DEVELOPMENT PLANNING
Document Category	NETWORK STUDY
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1. Background

BPC is in the process of nation-wide implementation of solar plant projects through IPPs in an endeavor to realize the aim of increasing the contribution of renewables up to 25% of the energy mix over the next seven years. The government has pledged to reduce the carbon dioxide emissions to zero by 2036. The Government of Botswana, through BPC is undertaking the Accelerated Green Energy Initiative (AGEI) for the development of twelve (12) grid connected Solar PV plants at 12 pre-selected rural villages to realize the abovementioned pledge. The choice of the locations (12 sites) was based on local demand for each specific location. The aim is to have each plant supply the local load by injecting power on the 11kV or 33 kV load bus bar which means during the time the solar plant is generating energy, there would be a reduction of power transfer from the main grid to the area where the solar plant is feeding into. The impact would be to de-load the transmission and distribution network supplying each of the 12 sites which will assist in reducing network losses.

The main objective of this study is to determine the maximum grid hosting capacities of the BPC network at the twelve villages in respect of technical criteria for generator grid connection.

2. Introduction

This PV grid integration study was undertaken in collaboration and at the request of Generation Department – Solar Power Section. The purpose of the study was to determine the sizing of the proposed PV plants at the 12No. pre-selected areas. The 12No. pre-selected areas are as follows:

- Kasane
- Serowe
- Maun
- Ghanzi
- Charles Hill
- Kang
- Tutume
- Tsabong

- Lobatse
- Molepolole
- Bobonong
- Shakawe

The size of the proposed grid tied PV plants were determined in relation to the load and substations' installed capacities and power quality concerns post interconnection of the plants. Operational PV plants' switching events and natural cloud movements or other solar transients move across the PV arrays, inevitably will result in reduction of the output power. If the PV is acting as a major source on the distribution circuit, this power loss can have the effect of depressing the voltage. These sudden drops in distribution voltage resulting from passing clouds was a major concern for the customers. Additionally, the effects of system energization and de-energization with regards to voltage and power flow were also a concern. The proposed integration of PV plants is likely to result in changes in steady-state voltage profile along the circuits and desensitization of substation protection relays with the additional power injections. In order to address these concerns, it was necessary to perform grid impact studies prior to interconnection of the proposed PV plants. These studies included load flow analysis, fault current contribution, short circuit penetration factor calculation, voltage delta/rapid voltage change, and voltage profiling studies. These studies were conducted using the DlgSILENT PowerFactory 2017 software package.

3. Study Assumptions

The proposal of integrating PV plants at the twelve villages is currently at its conceptual design stage. Therefore, most of the information required to undertake the study and reach substantial conclusions is not available.

The following assumptions were adopted for the study:

Network and PV plant modeling

- 4No. PV plants each ranging from 250kVA to 1000kVA at 0.8 pf PV systems for villages with substation installed capacities exceeding 2500kVA
- 4No. PV plants each ranging from 100kVA to 500kVA at 0.8 pf PV systems for villages with substation installed capacities not exceeding 2500kVA
- PV Plant reactive power control parameters aligned to NRS 097 Category B renewable power plants, i.e. power factors ranging between 0.975 lagging and 0.975 leading (Category B: 1 MVA – 20 MVA and RPPs less than 1 MVA connected to the MV)
- Constant Q type local controller of the PV system
- PV Plant availability factor of 0.8
- PV Plant does not have storage

- BPC NMP PowerFactory case file used for study

4. Methodology

In line with the objective of evaluating the technical feasibility of connecting PV plants to the network of the twelve (12) aforementioned villages and determining the grid hosting capacities an incremental sizing approach was adopted in respect to compliance with the technical criteria. A deterministic approach was favored over a probabilistic approach since the study feeds into the technical feasibility that seeks to determine the extreme impacts of the PV integration not the operational day-to-day performance of the network. The following studies and calculations were conducted to determine the maximum amount of PV generation that could be integrated at the substation of the pre-selected 12 villages.

Load flow Analysis

The load flow simulations were implemented using DIgSILENT PowerFactory software in order to determine the thermal loading of branch elements and voltage levels of terminal elements. Load flows were conducted for the projected demand of year 2020.

Short Circuit Calculation and Short Circuit Penetration Factor

Three phase fault levels were calculated at the PCC for each PV plant in order to establish the short circuit penetration factor.

Rapid Voltage Change

A rapid voltage change (RVC) is a quick RMS voltage disturbance occurring between two steady-state conditions, and during which the RMS voltage does not exceed the dip/swell thresholds. The approach adopted for determining RVC involved the calculation of the difference of steady-state voltage before and after a disconnection switching event of the PV plant. Furthermore, an EMT simulation was conducted using the typical opening and closing intervals. The evaluation of RVC results were conducted in line with NRS 048-4 and IEC 61000-4-30.

5. Description of existing network and planned reinforcements or upgrades

Kasane

Kasane Main substation is a 66/11kV transformation substation equipped with 2No. 10MVA on-load tap changer supplying an 11kV indoor switchboard. The existing 11kV 800A busbar rated switchboard at Kasane Main substation, comprising of 5No. circuit breaker panels is old and defective as the breakers are not rackable. The 11kV switchboard, commissioned in 1986/7 is of Stromberg Finland make. There is an ongoing project to replace the 11kV switchboard with a new board with a busbar rating of 1250A.

Serowe

Serowe Substation is a 66/11kV consisting of 2No 15 MVA transformers. The transformers supply an indoor 11kV switchboard with a busbar rating of 1250A.

Maun

Maun Substation is a 132/11kV equipped with 2No. 20MVA OLTC transformers supplying an 11kV indoor switchboard. There is an on-going project to replace the 11kV switchboard at Maun substation.

Furthermore, the on-going North West Transmission Grid Connection project will augment the supplies in the area through the establishment of Mawana 440/220/132kV substation and new Maun 132/11kV substation.

Ghanzi

Ghanzi is supplied through 132kV cross border supply from Namibia and its primary substation is equipped with 2 x 132/11kV 10MVA transformers that is connected through 2No. 11kV 240mm² XLPE cables to a 7 panel board. There are 2No. 11kV overhead lines emanating from the board to supply the Ghanzi township load and 2No. 11kV 70mm² XLPE cables supplying an 11/33kV step up substation equipped with 3.1 MVA transformers. The step up substation supplies Groote Laagte, West Hanahai and New Xade. The on-going North West Transmission Grid Connection project will augment the supplies in the area through the extension of Toteng – Ghanzi 220kV transmission that will initially be energized at 132kV.

Charles Hill

Charles Hill/Mamuno and its catchment area is supplied through a 33kV 50mm² ACSR overhead line cross boarder supply. The 33kV overhead line terminates at Tsootsha with tee-offs to Ncojane/Kole, Karakubis and New Xanagas. All the villages in the catchment are equipped with 33/11kV 500kVA transformers and 11kV feeders emanating from therein for high voltage reticulation. Charles Hill Mains is equipped with a 33/11kV 800kVA transformer.

Kang

Kang substation is a 66/33/11kV equipped with 2No. 5 MVA transformers.

Tutume

Tutume Substation is a 66/11kV consisting of 1No 5 MVA transformers.

Tsabong

Tsabong substation is a 132/11kV equipped with 2No. 10MVA transformers. The substation is supplied through a cross-border supply from Eskom in South Africa.

Lobatse

Lobatse is supplied from Lobatse Main 132/11kV and Woodhall 132/33/11kV substation. The Woodhall substation is equipped with 2No. 10MVA OLTC transformers that supply an 11kV indoor switchboard with a busbar rating of 1250A.

Molepolole

Molepolole and its catchment area is supplied from Molepolole 132/33kv substation comprising of 2No. 40MVA transformers. The Molepolole village is supplied via 2No. 33/11kV substations each equipped with 2No. 5MVA transformers.

Bobonong

Bobonong village is supplied through extension of 66kV 70mm² H-pole overhead line from Sefhophe. The 66kV overhead terminates in Bobonong substation which is equipped with 2No. 5MVA 66/33kV transformers. Three 33kV feeders extend from Bobonong 66/33kV substation to supply loads of Bobonong village, Gobojango village and Molalatau.

The Bobonong village is supplied from Bobonong 33/11kV substation equipped with 2No. 2.5MVA transformers. The substation is located adjacent to Matshekge Senior Secondary School.

Shakawe

Shakawe is supplied through a 33kV hare overhead line cross border from Namibia contracted supply 2.2MVA. Shakawe has two 33/11kV substations, i.e. Shakawe Mains and Shakawe SSS substation. The Shakawe Main substation is equipped with 1No. 33/11kV 800kVA transformer. The substation has two 11kV 50mm² ACSR outgoing feeders supplying Shakawe and the nearby villages, i.e. feeder 1 runs up to Mohembo whilst feeder 2 terminates in Samuchina.

The Shakawe SSS substation consists of 1No. 3MVA 33/11kV transformer and outgoing dedicated feeder to the school.

There is also a link from Maun 11/33kV substation through a 33kV rabbit overhead line feeder that supplies Toteng, Sehithwa, Kareng, Tsau up to Gumare. This alternative feeder is rarely used because of inability to maintain line voltages within limits as the

line is extremely long for power transfer at 33kV. The North West Transmission Grid Connection project is expected to alleviate the capacity constraints in the area through the establishment of the Samuchima 132/33kV substation.

6. Technical Criteria

6.1 Load flow analysis

The steady state analysis results are analyzed against the criteria in the following tables:

TABLE 2: STEADY-STATE SYSTEM VOLTAGE LIMITS

Voltage Level (kV)	System Healthy (p.u.)
33	0.95 – 1.05
66	0.95 – 1.05
132	0.95 – 1.05

TABLE 3: SYSTEM THERMAL LIMITS

Item	System Health
Transformers	100% of nominal rating
Lines	100% of nominal rating

6.2 Fault Level Analysis

Fault level analysis based on the VDE 0102 standard is performed at the distribution and transmission substation busbars (BBs). Maximum single phase and three phase fault levels are evaluated.

6.3 Short-circuit Current Penetration Factor

Maximum short-circuit penetration factor of 5% at each busbar.

6.4 Rapid Voltage Change as per IEC 61000

Maximum RVC of 5% as a result of disconnection/connection of the entire plant.
Maximum RVC of 2% due to internal plant switching operations.

7. PowerFactory simulation results

7.1 Kasane

7.1.1 Thermal Loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a significant reduction in substation transformer loading with increasing levels of penetration as shown in Table 3 below.

7.1.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 3 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.65% was observed with a PV plant rated 4000kW.

7.1.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 2.25%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 3: DIQSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN KASANE

PV Plant Rating [kW]	Substation Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	43.8	10.84	0.56%	0.18%
2000	39.4	10.86	1.13%	0.37%
3000	35.1	10.87	1.69%	0.46%
4000	30.9	10.89	2.25%	0.65%

7.2 Serowe

7.2.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading remain within the limits as per the technical criteria. There would be a significant reduction in substation transformer loading of around 10% if the maximum possible size of 4000kW is implemented as shown in Table 4 below.

7.2.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 4 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.18% was observed with a PV plant rated 4000kW.

7.2.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 1.97%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 4: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN SEROWE

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	43.14	11.04	0.49%	0.36%
2000	40.31	10.94	0.99%	-0.55%
3000	37.54	10.98	1.48%	-0.18%
4000	34.84	11.02	1.97%	0.18%

7.3 Maun

7.3.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 5 below.

7.3.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 5 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.36% was observed with a PV plant rated 4000kW.

7.3.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 1.83%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 5: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN MAUN

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	40.8	11.01	0.46%	0.09%
2000	38.86	11.02	0.91%	0.18%
3000	36.95	11.03	1.37%	0.27%
4000	35.04	11.04	1.83%	0.36%

7.4Ghanzi

7.4.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 6 below.

7.4.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 6 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.36% was observed with a PV plant rated 4000kW.

7.4.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 1.83%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 4: DiqSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN MAUN

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	40.8	11.01	0.46%	0.09%
2000	38.86	11.02	0.91%	0.18%
3000	36.95	11.03	1.37%	0.27%
4000	35.04	11.04	1.83%	0.36%

7.5Charles Hill

7.5.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 7 below.

7.5.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 7 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The installation of an 800kW PV plant result in RVC of 4.56% which is considered significantly high. Therefore, the maximum rating of the PV plant should not exceed 400kW.

7.5.3 Short circuit penetration factor

The PV plant rated 800kW and 1000kW resulted in a short-circuit penetration factor of 8.09% and 10.11% respectively. The short-circuit penetration factors at these ratings are extremely high as they exceed the maximum limit of 5% as per the technical criteria. The PV Plant should be limited to 400kW that resulted in a short-circuit penetration factor of 4.05%.

TABLE 7: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN CHARLES HILL

PV Plant Rating [kW]	Thermal loading [%]	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
400	66.5	11.25	4.05%	2.65%
800	48.55	11.46	8.09%	4.56%
1000	20.8	11.56	10.11%	5.47%

7.6 Kang

7.6.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. The substation transformer loading increase with higher penetration levels due to reverse power flow. This is mainly due to the lower load at Kang Substation as shown in Table 8 below.

7.6.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 8 indicate a significant increase of the busbar voltage as the penetration levels increase. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$ up to 2000kW of PV plant generation, thereafter, it overshoots the planning threshold. The results also show the exceedance of maximum RVC after the installation of PV plants rated more than 2000kW.

7.6.3 Short circuit penetration factor

The PV plant rated 2000kW resulted in a short-circuit penetration factor of 7.09%. The short-circuit penetration factor is considered to be outside the limit of 5% as per the technical criteria.

TABLE 8: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN KANG

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	8.26	11.25	3.54%	2.09%
2000	23.77	11.46	7.09%	3.99%
3000	38.94	11.65	10.63%	5.72%
4000	53.61	11.84	14.18%	7.44%

7.7 Tutume

7.7.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 9 below.

7.7.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 9 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.18% was observed with a PV plant rated 4000kW.

7.7.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 6.22%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 9: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN TUTUME

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	19.87	11.14	1.56%	0.72%
2000	12.7	11.08	3.11%	0.18%
3000	8.59	11.15	4.67%	0.81%
4000	11.17	11.08	6.22%	0.18%

7.8 Tsabong

7.8.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 10 below.

7.8.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 10 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.48% was observed with a PV plant rated 4000kW.

7.8.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 1.83%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 10: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN TSABONG

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	16	10.948	0.46%	0.14%
2000	11.8	10.961	0.92%	0.26%
3000	7.5	10.974	1.37%	0.38%
4000	3.4	10.986	1.83%	0.48%

7.9 Lobatse

7.9.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 11 below.

7.9.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 11 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.36% was observed with a PV plant rated 4000kW.

7.9.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 1.18%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 11: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN LOBATSE

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	4.73	11.00	0.39%	0.09%
2000	2.96	11.01	0.79%	0.18%
3000	2.06	11.02	1.18%	0.27%
4000	2.9	11.03	1.57%	0.36%

7.10 Molepolole

7.10.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 12 below.

7.10.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 12 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.12% was observed with a PV plant rated 4000kW.

7.10.3 *Short circuit penetration factor*

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 1.02%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 12: DigSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN MOLEPOLOLE

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	21.21	32.92	0.26%	0.03%
2000	20.18	32.93	0.51%	0.06%
3000	19.15	32.94	0.77%	0.09%
4000	18.13	32.95	1.02%	0.12%

7.11 Bobonong

7.11.1 *Thermal loading*

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 13 below.

7.11.2 *Voltage Regulation and Rapid Voltage Change*

The steady-state load flow results in Table 13 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 0.36% was observed with a PV plant rated 4000kW.

7.11.3 *Short circuit penetration factor*

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 1.83%. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 13: DigSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN BOBONONG

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
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1000	44.1	32.74	1.06%	0.46%
2000	36.4	32.75	2.12%	0.49%
3000	28.7	32.75	3.18%	0.49%
4000	21.4	32.76	4.24%	0.52%

7.12 Shakawe

7.12.1 Thermal loading

The load flow results after connection of the proposed PV plant the substation thermal loading will not be exceeded. There would be a reduction in substation transformer loading as shown in Table 14 below.

7.12.2 Voltage Regulation and Rapid Voltage Change

The steady-state load flow results in Table 14 indicate a slight improvement of the busbar voltage. The busbar voltage remain within the voltage regulation limits of $\pm 5\%$. The maximum RVC of 3.46% was observed with a PV plant rated 4000kW.

7.12.3 Short circuit penetration factor

The PV plant rated 4000kW resulted in a short-circuit penetration factor of 15.6%, due to the low fault levels as the area is currently far from the source. The short-circuit penetration factor is considered to be well within the limit of 5% as per the technical criteria.

TABLE 14: DIgSILENT POWERFACTORY SIMULATION RESULTS OF THE PROPOSED PV PLANT IN BOBONONG

PV Plant Rating [kW]	Thermal loading	Voltage Regulation [kV]	Short-circuit Penetration Factor	Rapid Voltage Change
1000	21.29	11.08	3.9%	1.00%
2000	48.55	11.17	7.8%	1.82%
3000	75.3	11.27	11.7%	2.73%
4000	101.57	11.35	15.6%	3.46%

8. Conclusions

The main conclusions from this study are given below:

- It is technically feasible to integrate PV plants of various ratings at the pre-selected village main substations.
- The integration of the PV plants will result in improvement of feeder voltage profile as the source is closer to loads when the PV plant is in operation. However, this voltage improvement does not benefit customers during peak periods as the PV plant would have shutdown, mostly due to unavailability of solar irradiation.
- No violation of equipment thermal capacity limits after the connection of the proposed PV plants power plant.
- It is highly unlikely that the connection of the PV plants will result in significant reverse power flows as most of the installations are rated lower than the substation loads.

9. Recommendations

Based on the studies undertaken, the following sizes of PV plants are recommended at the twelve substations.

Substation	PV Plant Maximum Rating [kW]
Kasane	4000
Serowe	4000
Maun	4000
Ghanzi	4000
Charles Hill	400
Kang	1000
Tutume	2000
Tsabong	4000
Lobatse	4000
Molepolole	4000
Bobonong	3000
Shakawe	1000

The following studies upon the submission of more detailed plant information should also be conducted to determine the suitability of connecting the proposed PV plant:

- Power Quality – Harmonics and Flicker Dynamic simulations
- Voltage ride through capability and determining accurate fault levels
- Quai-dynamic simulation to determine the possibility of introducing and leveraging on battery storage
- Solar resource assessment at the pre-selected 12No. location

END.