

# Power Purchase Agreements Workshop

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# Workshop Summary

- The role of the regulator may not be a pleasant one (compromise)
- Indonesian example
- Sanctity of the process is critical

# Legal Issues

- Definitions
- Term of contract
- Time & scope for objections
- Change of governmental regime
- Licenses/reg/governmental approvals
- Termination
  - Grounds
  - Rights
  - Remedies
- Representations & warranties
- Ex parte
- Taxes

# Legal Issues

- Dispute resolution
- Force majeure
- Entire agreement
- Default
- Risk mitigation measures
- Liability insurance
- Representations and warranties
- Notices
- Milestones
- Evaluation criteria
- Scheduled delivery
- Interconnection requirements

# Regulatory Issues

- Evaluation criteria
- Fairness
- Public relations
- Credit worthiness of concerns
  - “Know thy partner”
  - Back up provisions
  - Letters of credit, performance bonds, required deposits
  - Bankruptcy
- Non-performance by awardees
- Role of an independent consultant
- Regulatory approvals
- Clarity of process

# Regulatory Issues

- Risk
- Prompt resolution/decision
- Environmental issues

# Uncertainty= Risk

- Uncertainties about pace, details and future energy market reforms undermine investor confidence