**TRIPARTITE AGREEMENT**

**BETWEEN**

**[INSERT NAME] (DISTRIBUTION LICENSEE)**

**AND**

**[INSERT NAME]**

**(MINI-GRID OPERATOR)**

**AND**

**[INSERT NAME]**

**(CONNECTED CLUSTER)**

**FOR THE DEVELOPMENT AND DEPLOYMENT OF [INSERT SIZE] INTERCONNECTED SOLAR PV, [INSERT SIZE] BATTERY STORAGE AND [INSERT SIZE] BACK-UP GENSET SOLUTION (INTERCONNECTED MINI-GRID) AT [INSERT LOCATION AND STATE]**

# CONTRACT SUMMARY

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| --- | --- |
| **Nature of Contract** | This is a tripartite agreement between the operator of the Mini-Grid (“Mini-Grid **Operator**”), distribution licensee (the “**DisCo**”) and the cluster (**“Connected Cluster**”) for the development of an interconnected solar PV+ battery diesel distribution energy system for usage by the Customer. Under this agreement, the Operator seeks to construct and operate a Mini-Grid and connect to the DisCo’s distribution network for the supply of power to the Connected Cluster |
| **Term** | XX years with an option to terminate subject to the terms of the termination clause. Upon expiry of the Term, Parties also have an option to renew on terms to be mutually agreed. |
| **Pricing** | * The Mini-Grid Operator shall purchase and pay a DisCo Grid Tariff (for all electricity from the DisCo while the customers at the Connected Cluster shall pay for all electricity consumed from both the Mini-Grid Operator and the DisCo grid through a blended tariff.
* Should the Disco’s supply to the Connected Cluster fall below the Grid Availability Standard of X%[[1]](#footnote-2), the DisCo is liable to pay the Mini-Grid Operator a fee (Recoverable Expenditure).
 |
| **Billing** | The Mini-Grid Operator is responsible for billing and collecting of customers within the Connected Cluster |
| **Escalation Mechanism** | The tariffs and minimum consumption are adjustable and subject to changes in the market conditions (changes to the inflation rate, for example, all other indexes are stated in the schedule). The Disco Grid Tariff shall also be adjusted when there is a grid tariff/ band. |
| **Availability Standards** | * The Mini-Grid Operator is responsible for providing the Connected Cluster with XX% power availability between the hours of [X:XXam-X:XXpm] while the Disco is responsible for providing the Connected Cluster with XX% power availability between the hours of [X:XXpm-X:XXam].
* The Mini-Grid Operator is also responsible for providing backup to the DisCo’s performance.
* Failure of either Party to meet the respective availability standards attracts pre-determined consequences (including penalties and termination).
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| **Color Coding** | * Information, Values(X) and Clauses of the agreement are highlighted yellow as it requires both parties to provide the right information, and include the accepted values and align on the clauses
 |

**THIS** **AGREEMENT** is made on this \_\_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_

**BETWEEN**

XXXXXX, a company duly incorporated under the laws of the Federal Republic of Nigeria with registration number RC XXXXX having its registered office at XXXXX (hereinafter called the “Disco” which expression shall where the context so admits include its successors-in-title and assigns) of the first part;

**AND**

XXXXXX, a company duly incorporated under the laws of the Federal Republic of Nigeria with registration number RC XXXXX having its registered office at XXXXXX (hereinafter called the “Mini-Grid Operator” which expression shall where the context so admits include its successors-in-title and assigns) of the second part;

**AND**

[XXXXX] a legally authorised representative of [XXXXXXXX] connected to the Mini-Grid hereinafter called the “Cluster Representative” who is responsible for representing the cluster in this Agreement and performing the duties listed herein to the best of their ability.

**OR**

[XXXXX] a Company/Association duly incorporated/registered under the laws of the Federal Republic of Nigeria and having its registered office at [OFFICE ADDRESS], acting as the legally authorised representative of [NAME OF CLUSTER] connected to the Mini-Grid hereinafter called the “Connected Cluster”.

In this Agreement, the DisCo, Mini-Grid Operator and ClusterRepresentative/Connected Cluster are referred to collectively as “**Parties**” and individually as “**Party**”.

**RECITAL/ BACKGROUND**

1. The DisCo is an electricity distribution licensee, issued a Distribution License by the Nigerian Electricity Regulatory Commission (NERC) (the “**Commission**”) pursuant to Section 67 of the Electric Power Sector Reform Act 2005 (“**EPSRA**”) to distribute and trade (retail supply) electricity within XXXX Distribution Zone comprising [location] which includes the Distribution Network.
2. The Mini-Grid Operator is in the business of constructing, operating and maintaining mini-grids in Nigeria.
3. The Mini-Grid Operator seeks to connect to DisCo’s Distribution Network described in Schedule 2 below and operate as an Interconnected Mini-Grid, supplying electricity to the Connected Cluster under the terms and conditions set out in this Agreement. The DisCo has agreed to delineate part of its Distribution Network (described in Schedule 1 and Schedule 2) to be operated as part of a Mini-Grid.
4. The DisCo has agreed to delineate part of its Distribution Network (described in Schedule 2) to be connected with the Mini-Grid and operated as an Interconnected Mini-Grid.
5. The Connected Cluster has fully authorised the Interconnected Cluster Representative to enter into this Agreement on behalf of the Connected Cluster.
6. The Agreement sets out the conditions for the connection and operation in Recital C above, which include but are not limited to the following: i) the usage rights for the DisCo’s network infrastructure, ii) the construction and ownership rights for additional infrastructure, iii) the tariff for electricity generated and supplied by the Mini-Grid Operator, iv) the availability of stable nominal voltage at connection point of the generator with the DisCo’s Network and v) the agreement of the Connected Cluster to purchase electricity from the Mini-Grid.

**NOW THEREFORE,** in view of the foregoing and in consideration of the mutual benefits to bederived contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

1. **DEFINITIONS AND INTERPRETATIONS**
	1. **Definition**

In this Agreement each of the following words and expressions shall have the following meanings:

|  |  |
| --- | --- |
| **“[DisCo]”** | means [full name], which will be fulfilling all duties and obligations of “the DisCo” in this Agreement. |
| “**Agreement**” | means this Tripartite Agreement. |
| “**Applicable Laws**” | means the Constitution of the Federal Republic of Nigeria (1999 as amended), any national, state or local law, statute, bye-law, ordinance, decree, directive, regulation, standard, circular, guideline, rule, code, delegated or subordinated legislation, judicial act or decision, judgment, order, proclamation, directive, executive order, other legislative measure, binding actions or enactments of the Federal Republic of Nigeria or any other relevant authority in Nigeria currently in force and as may be amended or supplemented from time to time. |
| **“Assets and Infrastructure”** | means those assets and infrastructure that form what is being referred to as the Interconnected Network and/or Generation Assets, as applicable. |
| **“ATC&C losses”** | means Aggregate Technical, Commercial and Collection losses that Disco  experiences on its feeders. Technical losses refer to the line losses and other losses within the actual Distribution Network. Commercial losses refer to energy theft or energy that is used and not accounted for. Collections losses refers to the delta in energy sold to customers and energy collected from customers. |
| **“Authorization”**  | means any applicable approval, consent, exemption (including waiver), license, order or permit of or duly issued by or from any Relevant Authority required for the due performance by any Party of any covenant or obligation hereunder and includes the Authorizations already obtained prior to the date of this Agreement. |
| **“Bank Guarantee for the Disco”** | a bank guarantee (in a form and from a bank with a credit rating acceptable to the DisCo) provided by the Mini-Grid Operator for the benefit of the DisCo and for the monetary value of 3 months of estimated net payments to the DisCo for the DisCo Grid Tariff paid to the DisCo during the Grid Availability Standard and the Usage Fee paid to the DisCo during the Mini-Grid Availability Standard. |
| **“Blended Cluster Tariff”** | refers to the tariff the Connected Cluster customers shall pay the Mini-Grid Operator for all electricity provided by both the Generation Assets and the DisCo’s Distribution Network as defined in Clause 9.1. |
| **“Business Day”** | means any day other than a weekend or public holiday in Nigeria. |
| **“Change in Law”**   | means:(a) the adoption, promulgation, bringing into effect, repeal, amendment, reinterpretation, change in application, change in interpretation or modification after the date of this Agreement of any Applicable Laws by any Relevant Authority; (b) the imposition of any material condition not required as of the date hereof in connection with the issuance, renewal or modification of any Authorization by any Relevant Authority; or(c) the change or modification of the Distribution License by the Relevant Authority or the imposition of other obligations imposing a cost on the DisCo; which in case of any of the above establishes a material increase in cost, material reduction in revenue, or material delay in schedule or makes unenforceable, invalid or void any material obligation of the Parties. |
| **“Commission”** | means the Nigeria Electricity Regulatory Commission. |
| **“Cluster Representative”** | means the legally authorised representative of **[Name of Cluster]** connected to the Mini-Grid.  |
| **“Confidential Information”** | means all information of or pertaining to any of the Parties, disclosed from time to time during the course of this Agreement, which under all the circumstances must be treated as confidential and or proprietary. Confidential Information shall include but not limited to information relating to the Parties finances, internal processes, specifications, methods, designs, formulae, products and services, intellectual property, technology and business activities, of and concerning either of the Parties. |
| **“Connected Cluster”** | means all residential, commercial, and industrial electricity users in **[Insert Cluster name].** |
| **“Customer Point(s) of Interconnection”** | means the point of electricity delivery to the Connected Cluster customers, including electricity from both the Generation Assets and the DisCo’s Distribution Network. |
| **“Customer Metering Systems”** | all meters and metering devices, equipment, electrical circuitry, recording equipment, communications equipment and related equipment used for measuring electricity delivered to the Connected Cluster customers by the Generation Assets of the Mini-Grid Operator or from the Distribution Network of the DisCo. |
| **“Date of Commercial Operation”** | means the date after which all testing and commissioning has been completed in accordance with Good Industry Practices and is the initiation date to which the Mini-Grid Operator can start producing electricity for sale to the Connected Cluster pursuant to this Agreement. |
| **“Default Interest Rate”** | means the rate of 2% per annum above Central Bank ofNigeria Monetary Policy Rate or such equivalent rate as may be agreed between the Mini-Grid Operator and the DisCo. |
| **“Distribution Network”** | means any connection of cables, service lines and overhead lines, electrical apparatus/equipment and having design voltage of 33kV and below used to transport electric power on a distribution system, and is owned and operated by the DisCo. This Distribution Network is owned by AEDC and leased by the Mini-Grid Operator. |
| **“DisCo Extraordinary Backup Tariff”** | refers to the [X4] tariff for the hours supplied by the Mini-Grid Operator when the DisCo does not meet the Grid Availability Standard during a given month and charged to the DisCo. This tariff is based on the cost of the fossil fuel and the agreed maintenance cost when such tariff is applicable. |
| **“DisCo Grid Tariff”**  | refers to the tariff [X2] NGN/kWh the Mini-Grid Operator shall purchase electricity from the DisCo for resale to the Connected Cluster, whereby [X2] is the value provided in Schedule 5. |
| **“Due Date”** | shall have the meaning defined in Clause 13.5. |
| **“Effective Date”** | means seven days following the fulfilment of the condition in Clause 2 of this agreement or as agreed otherwise by the Parties. |
| **“Electricity Supply Discrepancy”** | means the difference between the Grid Availability Standard hours and the actual number of hours the DisCo’s Distribution Network was available to meet the power capacity needs of the Connected Cluster (if the Grid Availability Standard was not met), multiplied by the total kWh consumed by the Connected Cluster in the given calendar month and divided by the total hours in that same month (as detailed in Clause 12.6.1.2). |
| **“Generation Assets”** | means the generation assets owned by the Mini-GridOperator, including but not limited to solar photovoltaics, batteries, fossil fuel gensets, that forms part of the Mini-Grid**.**  |
| **“Generation Assets Site”** | located as specified in the map in Schedule 3, which is the site owned by the Landowner. The location of the Generation Assets Site for this Agreement is **[ADDRESS].** |
| **“Grid Availability Standard”** | means the hours, within a 24-hour basis according to calendar day, wherein the DisCo provides electricity supply to the Connected Cluster at the Grid Point(s) of Interconnection. |
| **“Grid Point(s) of Interconnection”** | means the point at which the DisCo’s Distribution Network interconnects to the Mini-Grid, Interconnected Network, or Connected Cluster; the point of electricity delivery from the DisCo’s Distribution Network to the Mini-Grid. |
| **“Good Industry Practices”** | means those practices, skills, diligence, prudence, methods, equipment, specifications and standards of safety and performance employed by experienced international contractors or concessionaires engaged in the execution of projects similar to the project to be executed under this Agreement, under the same or similar circumstances and conditions, which in the exercise of reasonable judgment in light of the facts known at the time the judgment was made, are considered good, safe and prudent practice commensurate with standards of safety, performance, dependability, efficiency and economy. |
| **“Initial Term”** | means the initial term length of the Agreement (15 years). |
| **“Interconnected Network”** | means the section of Distribution Network being operated and maintained by the Mini-Grid Operator in exchange for the Usage Fee and the connections to the Connected Cluster within the geographical bounds provided in the map in Schedule 1. |
| **“Landowner”** | means the legal owner of the site where the Generation Assets are physically located (the Generation Assets Site). The Landowner in this Agreement is **[NAME].** |
| **“Market Conditions”** | means the macro-economic and Connected Cluster -specific conditions that all tariffs in this document are based on. If the Market Conditions go above or below the thresholds detailed in Schedule 5 of the Agreement, it can trigger the Parties to apply for a tariff adjustment per the terms of the Agreement. |
| **“Maximum Capacity”** | means the maximum amount of electricity expressed in kW or kVA which can be transmitted from the Mini-Grid Operator’s Generation Assets to the Interconnected Network. |
| **“Metering Code”** | means the Nigeria Metering Code approved by the Commission for use in measuring the flow of energy within the transmission and distribution systems in Nigeria. |
| **“Metering Systems”** | means the Grid Metering System (as defined in Clause 16.1) and/or the Customer Metering Systems (as defined in Clause 16.2), as the case may be. |
| **“Mini-Grid”** | means the electricity supply system, including the Generation Assets and Customer Metering Systems and cabling between the Generation Assets and the Customer Point(s) of Interconnection and associated and ancillary plant and equipment, situated on the Landowner’s site, connected to the DisCo’s Distribution Network, and supplying power from both the Generation Assets and the Distribution Network to the Customer Point(s) of Interconnection within the Interconnected Network area defined in Schedule 1. |
| **“Mini-Grid Availability Standard”** | means the level of availability of power defined in Clause 8.4 from the Mini-Grid to the Connected Cluster. |
| **“Mini-Grid Operator”** | means as defined in the preamble of this Agreement.  |
| **“Mini-Grid** **Regulations”** | means the NERC Mini-Grid Regulations, 2023and any such amendments or Regulation as may be in force from time to time. |
| **“MYTO Tariff”** | means the NERC approved tariff that DisCos charge customers within their service territory |
| **“Optional Blended Cluster Lower Reliability Tariff”** | means an optional Blended Cluster Tariff in addition to the main Blended Cluster Tariff that can be used for those customers who wish to be part of a demand response program and receive lower reliability as needed by the Mini-Grid Operator (as detailed in Clause 9.2). |
| **“Optional Blended Cluster Time of Use Tariff”** | means an optional Blended Cluster Tariff that utilizes time of use rates (as detailed in Clause 9.3). |
| **“Optional Electricity Resale”** | means the option for the Mini-Grid Operator to resell excess electricity to the DisCo pursuant to Clause 10.5. |
| **“Permit”**  | means a permit or equivalent granted by the Commission to the Mini-Grid Operator for the construction, operation and/or maintenance and ownership of the Mini-Grid. |
| **“Project”** | means:1. the development, financing, design, engineering, procurement, manufacture, factory testing, transportation, construction, erection, installation, equipping, completion, testing, commissioning, insurance, ownership, operation, maintenance and decommissioning of the Mini-Grid;
2. the supply and sale of the electricity to the Connected Cluster; and
3. all activities incidental to any of the foregoing in accordance with this Agreement.
 |
| **“Recoverable Expenditure”** | means the amount recoverable by the Mini-Grid Operator from the DisCo, subtracted from the Usage Fee, in the event that the DisCo is unable to meet their daily Grid Availability Standard.  |
| **“Relevant Authority”**  | means any court, local, national or supranational agency, inspectorate, minister, ministry, administrative or regulatory body, authority, industry body, official or public or statutory person, including the Commission, having (in each case) jurisdiction by Applicable Laws over either or both of the Parties, this Agreement, the Mini-Grid or other aspects of the subject matter of this Agreement and in each case within Nigeria. |
| **“Renewal Term”** | means any term length that this Agreement is extended past the Initial Term, which shall be defined in Clause 3.5. |
| **“Scheduled Maintenance Outage”** | means a planned interruption of the Disco’s Distribution Network or Mini-Grid Operator’s Mini-Grid capability or any material part thereof that: a) has been scheduled by either the Disco or the Mini-Grid Operator and agreed to by the other Party; or b) is for inspection, testing, preventive maintenance, corrective maintenance, repairs, replacement or improvement of the distribution of electricity from the Generation Assets.  |
| **“Technical Codes”** | shall have the same meaning in the Mini-Grid Regulations. |
| **“Transmission Network Failure”**  | means that the DisCo, outside of its control, does not receive electricity supply from the transmission system substation that supplies the distribution feeder that supplies the Connected Customer for more than 15 consecutive days. |
| **“Unscheduled Outag**e” | means an unforeseen total or partial interruption of either the DisCo’s Distribution Network providing electricity to the Connected Cluster, Distribution Network within the Connected Cluster or the Mini-Grid Operator Generation Assets unable to deliver electricity during period as stated in Clause 15. |
| **“Usage Fee”**  | means the fee paid by the Mini-Grid Operator to the DisCo for use of the Distribution Network within the Interconnected Network per kWh. |
| **“Value of Failure to Accept DisCo Power”** | is calculated by dividing the total number of kWh’s consumed in the given calendar day by 24 hours, multiplied by the number of hours the Mini-Grid Operator failed to accept, then multiplying it by the DisCo Grid Tariff, pursuant to Clause 8.5.1. |

* 1. **Interpretation**

In this Agreement, except where the context otherwise requires:

* + 1. Any reference to “this Agreement” includes the Schedules and Annexures to it, each of which forms part of this Agreement for all purposes, and where any such Schedule or Annexure conflicts with the provision of this Agreement, the relevant provisions of this Agreement (excluding the Schedules and Annexures) shall apply;
		2. a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
		3. words in the singular shall include the plural and vice versa;
		4. a reference to a Clause, paragraph, Annexure or Schedule shall be a reference to a Clause, paragraph, Annexure or Schedule (as the case may be) of or to this Agreement;
		5. a reference to this Agreement and any other document referred to in this Agreement is a reference to such document as amended, varied, or supplemented at any time;
		6. if a period of time is specified as **from** a given day or from the day of an act or event, it shall be calculated exclusive of that day;
		7. if a period of time is specified as **to** a given day or to the day of an act or event, it shall be calculated inclusive of that day;
		8. a reference to "writing" or "written" shall include any legible reproduction of words delivered in permanent and tangible form (including email);
		9. a reference to "includes" or "including" shall mean "includes without limitation" or "including without limitation";
		10. the headings in this Agreement are for convenience only and shall not affect its interpretation.
1. **CONDITIONS PRECEDENT**
	1. This Agreement shall become effective (the “**Effective Date**”) after the following conditions precedent are met.
		1. Permit approval by the Commission after the submission of the application by the Mini-Grid operator.
		2. Mini-Grid Operator shall provide a Bank Guarantee acceptable to the DisCo as detailed in this Agreement[[2]](#footnote-3)
		3. The Mini-Grid Operator shall ensure an exclusivity agreement has been signed with the cluster as a requirement for the approval process with the Commission.
		4. The mutual understanding by the DisCo and the Mini Grid Operator of a workable arrangement regarding any outstanding debt repayment for the Connected Cluster. This should be documented and shall be used to finalize the debt recovery schedule or separate agreement.
		5. The DisCo have concluded and documented all the technical procedure required to deliver electricity to the Mini Grid Operator.
2. **COMMENCEMENT AND TERM**
	1. This Agreement shall commence on the Effective Date
	2. The sale of electricity from the Mini-Grid Operator to the Connected Cluster and the sale of electricity from the DisCo to the Mini-Grid Operator shall commence on the Date of Commercial Operation, at which time any supply agreement between the Connected Cluster and DisCo is suspended.
	3. The **Date of Commercial Operation** shall be within 12 months of the Effective Date, except where the parties agree otherwise in writing.  All required testing to ensure compliance with the distribution code and ensure the sale of electricity to the Connected cluster from the DisCo and the Mini Grid can be delivered
	4. Subject to the earlier termination in accordance with Clause 19 of this Agreement, the **Initial Term** of this Agreement shall be fifteen (15) years from the Date of Commercial Operation.
	5. Except where the Parties agree otherwise in writing, this Agreement will automatically be extended for a successive (1) year period (**“Renewal Term”**) at the end of the Initial Term or any subsequent Renewal Terms unless a Party provides the Parties with written notice 90 days prior to the expiration of the Initial Term or a subsequent Renewal Term of its intent not to extend this Agreement.
	6. From the Effective Date, any exclusivity agreement entered between the Parties with respect to this mini-grid, if not terminated, will be deemed to have been terminated.
3. **RIGHT OF USAGE OF THE DISTRIBUTION NETWORK WITHIN THE INTERCONNECTED NETWORK**
	1. The DisCo hereby grants the Mini-Grid Operator an exclusive right of usage of the Distribution Network defined in Schedule 2 and as agreed in this Agreement for the charges applicable to the use of the Distribution Network within the Interconnected Network for the duration of the Initial Term or any subsequent Renewal Term (the Usage Fee as defined in Clause 11.1) provided the Mini-Grid Operator is not in breach of any terms of this contract.
	2. The Mini-Grid Operator confirms that it has undertaken an analysis of the physical condition of the Distribution Network impacting the Connected Cluster and confirms that, save for those listed as deficient in Schedule 2 below, the Assets and Infrastructure of the DisCo within the Distribution Network within the Interconnected Network are in good condition and conform with the requirements in the Technical Codes.
	3. Pursuant to Clause 4.1, the Mini-Grid Operator shall have the following rights:
		1. Carry out such repairs to the Distribution Network within the Interconnected Network that are required to perform its obligations under this Agreement;
		2. Select service providers assigned to perform distribution network upgrades should be registered service providers with DisCo. Where the service provider is not registered due to its type of service, it should be vetted by the DisCo before being approved by the Mini-Grid Operator for distribution activities.
		3. Make new connections to, expand and/or extend the Interconnected Network. These connections and extensions shall be in accordance with the requirements of the Technical Codes and the consent of the DisCo; such consent is not to be unreasonably withheld.
		4. Provide technical equipment to improve reliability in accordance with the requirements of the Technical Codes for the Connected Cluster
		5. To connect such a number of generators up to a total Generation Capacity of XXXX to the Distribution Network sufficient to cover the demand by the Connected Cluster within the Maximum Capacity and the technical limits of the Distribution Network.
4. **DUTIES AND OBLIGATIONS OF THE PARTIES**
	1. Subject to the terms of this Agreement, the DisCo shall:
		1. Pay the compensation prescribed in Clause 19.4 and Clause 19.5 in the event of termination which occurs pursuant to Clause 19.3.1, Clause 19.3.2, Clause 19.3.3, Clause 19.3.4, or Clause 19.3.5 of this Agreement**;**
		2. Make available to the Mini-Grid Operator such information and documents in its possession and control and such assistance as reasonably required for the performance of its obligations under this Agreement;
		3. Provide the Mini-Grid Operator with a copy of its expansion plan of the Distribution Network and, as relates to the Interconnected Network, a copy of all existing operational procedures, plans and regulations applicable to the Distribution Network, which are available to the DisCos.
		4. Promptly provide to the Mini-Grid Operator, in relation to the Distribution Network, all technical and operational information in the DisCo’s possession or produced by or provided to the DisCo during the Term. If the Mini-Grid Operator identifies technical and operational information that should be available in relation to the Distribution Network but is not in the DisCo’s possession and is required by the Mini-Grid Operator in order to perform in accordance with this Agreement, the DisCo and the Mini-Grid Operator shall in co-operation use reasonable endeavors to obtain such information;
		5. Introduce the Mini-Grid Operator to the points of contact at the Disco who will ensure the DisCo’s stated duties are met;
		6. Notify the Mini-Grid Operator of any activity that will prevent the DisCo from performing its regular duties at least 24 hrs. in advance. The DisCo shall inform the Mini-Grid Operator of the cause of the activity and the foreseen duration of the DisCo’s inability to perform its duties. The DisCo shall provide the Mini-Grid Operator with updates if the activity’s duration is longer than initially foreseen as soon as possible and
		7. Supply the Connected Cluster from the Distribution Network for the duration of hours agreed upon in this Agreement (the Grid Availability Standard).
	2. Subject to the terms of this Agreement, the Mini-Grid Operator shall:
		1. Where termination occurs, pursuant to Clause 19.1.1, Clause 19.1.2, Clause 19.1.3, Clause 19.1.4, Clause 19.1.5, Clause 19.1.6, Clause 19.2.1, Clause 19.2.2, Clause 19.2.3, or Clause 19.2.4, the Mini-Grid Operator shall pay compensation(s) prescribed in Clause 19.5.2.1;
		2. Undertake such restorations to the Landowner’s land, rooftop, and environment required to restore the Generation Assets Site to good condition in the event of termination of this Agreement in accordance with terms of the lease with the Landowner or as otherwise agreed by the Parties;
		3. Develop, finance, build, own, and operate generation assets within the Interconnected Network to supply electricity to the Connected Cluster at the Generation Assets Site location set out in in the map in Schedule 3 and diagram in Schedule 4;
		4. Operate the Interconnected Network and ensure that it has an availability of power as required in Clause 8.4, or the applicable and agreed upon availability of power if an Optional Lower Reliability Tariff is agreed to by the Parties in Schedule 5 per Clause 9.2;
		5. Operate, maintain and carry out such repairs to the mini-grid in the course of its operations to maintain its reliability requirements and in accordance with the Technical Codes, including the responsibility to refuel and maintain backup diesel generators as needed;
		6. Ensure that new connections, installations and extensions made pursuant to Clause 4.3.2 conform with the requirement in the Technical Codes and this Agreement;
		7. Buy electricity from the DisCo for resale to the Connected Cluster during the Grid Availability Standard hours per Clause 8.1;
		8. Bill the Connected Cluster customers for all electricity received monthly (from both the DisCo’s Distribution Network supply and the Generation Assets in the mini-grid) collect the respective amount from the Connected Cluster customers, and then settle with the DisCo for electricity received from the DisCo’s Distribution Network minus any payments due from the DisCo pursuant to this Agreement;
		9. Make the Connected Cluster customers aware of the change in service occurring on the Date of Commercial Operation and implications to the customer’s bill, electricity reliability, and other relevant aspects of the project. Subject to the Mini-Grid Operator’s discretion, this may be a verbal and/or written communication.
		10. Mini-Grid Operator should establish the required security measures that are to prevent any vandalism and/or electricity theft within the Interconnected Network and on the Generation Assets Site;
		11. Obtain the necessary Authorizations, including those required from the Commission required by the Mini-Grid Operator to undertake the activities in Clause 4.3 above;
		12. Carry out its obligations under this Agreement in accordance with the Mini-Grid Regulations, Good Industry Practice, Technical Codes and the Applicable Laws of any Relevant Authority, including the Commission;
		13. Make the necessary repairs to the Distribution Network Assets and Infrastructure within the Interconnected Network listed in Schedule 6 and shall ensure that such repairs conform to the requirements of the Technical Codes and
		14. Use Schedule 6 to document the necessary repairs and upgrades to the Distribution Network Assets and Infrastructure within the Interconnected Network, when the repair was made, their costs, and the proportion of financial and labour resources contributed by the Mini-Grid Operator.
		15. Report reliability metrics to the DisCo in writing on a monthly basis, by the 15th day of the following month for the first six months of operations and quarterly thereafter
		16. The Mini-Grid Operator shall not remove the installed DisCo meter of the customers in the connected community, except if such removal is required for the connection of its meter. The Mini-Grid Operator shall seek permission from the customer and provide the uninstalled meter to the customer.
	3. As desired and appropriate, the Mini-Grid Operator may use commercially reasonable efforts to assist the DisCo in debt recovery efforts of existing debts to the DisCo owed by customers in the Connected Cluster pursuant to the schedule.
	4. With written notice to the Parties, the Mini-Grid Operator can subcontract the Distribution Network repair and upgrade activities outlined in Clause 7, minor activities (such as refueling diesel generators), and other activities as agreed up by the Parties, but the Mini-Grid Operator bears the responsibility for meeting its terms of this Agreement.
	5. Subject to the terms of this Agreement, the Cluster Representative shall:
		1. Ensure sufficient land is provided within the Connected Cluster, as will be required by the Mini-Grid Operator, for the installation and operation of the Generation Assets as depicted in the map in Schedule 3 and diagram in Schedule 4 below;
		2. Ensure that the land/location provided pursuant to Clause 5.5.1 above shall be provided at a nominal fee agreed upon by the Mini-Grid Operator and the Landowner through a separate lease agreement, as all costs (including cost of land acquisition or lease) are recoverable from the Blended Cluster Tariff;
		3. Ensure that other than the nominal fee imposed pursuant to Clause 5.5.2 above, the Mini-Grid Operator shall not be required to make any further payments in respect of the usage of the land/location;
		4. Facilitate Connected Cluster customer awareness of the mini-grid and payment of the Blended Cluster Tariff as stipulated in this Agreement;
		5. Facilitate customer outreach and engagement between customers in the Connected Cluster and the Mini-Grid Operator;
		6. Facilitate the resolution of internal disputes amongst members of the Connected Cluster and ensure an enabling work environment free of any harassment of, or encumbrances to, the personnel or agents of the Mini-Grid Operator during and after the construction of the project;
		7. Support the Mini-Grid developer in pursuit and operation of any security measures that are reasonably necessary and required by the Mini-Grid Operator to prevent any vandalism and/or electricity theft within the Interconnected Network; and
		8. Coordinate with the Mini-Grid Operator, the DisCo and Relevant Authorities as needed to execute this Agreement.
5. **OWNERSHIP OF THE NEW INSTALLATIONS**
	1. The cost of the repairs in Clause 4.3.1 and new connections or extensions under Clause 4.3.2 shall be borne solely by the Mini-Grid Operator, except where Clause 6.1.1 applies.
		1. Where the initial cost of repairs, new connections and/or extensions made to the Distribution Network in pursuance to Clauses 4.3.1 and 4.3.2 is above 35% of the total capital expenditure (CapEx) of procuring and installing the Generation Assets, the Mini-Grid Operator shall be entitled to fully recover the reasonably and properly incurred costs above the 35% threshold from the DisCo within the Initial Term. The Mini-Grid Operator warrants that all estimated costs for such works provided to the DisCo prior to the date of this Agreement are based on Good Industry Practices and market rates . The actual costs will be reviewed by the DisCo within 60 days of receiving details of such costs for approval by the DisCo (including all supporting evidence detailing such costs as requested by the DisCo; substantiation for any deviation from the estimated costs; and evidence that such costs were incurred in line with Good Industry Practice) for recovery by the Mini-Grid Operator in accordance with this Agreement. The DisCo shall owe the Mini-Grid Operator monthly the amount in Schedule 7 until the total sum amount of the approved actual costs that are above the 35% threshold and agreed by the Parties in writing is paid off in full. The cost shall be deducted from the DisCo monthly usage fee.
	2. If the DisCo paid a portion of the capital costs for any new installations, improvements, extensions, and expansions to the Distribution Network within the Interconnected Network Distribution and did not receive reimbursement from the Mini-Grid Operator, or if the DisCo reimbursed the Mini-Grid Operator for any new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network Distribution, then the amount paid by the DisCo shall be subtracted from the depreciated rate of the Metering System
	3. The Generation Assets and Metering Systems provided by the Mini-Grid Operator to shall remain the property of the Mini-Grid Operator until after the initial term, and after the required investment is recovered. The meters may be purchased by the DisCo at a depreciated rate (as guided by NERC depreciation parameters) at the end of the Initial.
6. **CONNECTION OF THE GENERATION ASSETS TO THE DISTRIBUTION NETWORK AND EXPANSION OF THE DISTRIBUTION NETWORK**

**Generation Assets Connections**

* 1. The cost for the connection of the Mini-Grid Operator’s Generation Assets to the Distribution Network shall be borne by the Mini-Grid Operator.
	2. Except where Parties agree to do otherwise in writing, the Mini-Grid Operator shall install the Generation Assets, connect them to the Distribution Network and construct all the foundations, buildings, fencing as well as roads and other infrastructure required for installing, securing, and accessing the Generation Assets, including adequate labelling
	3. The cost for the connection of the Mini-Grid Operator’s Generation Assets to the Distribution Network shall be borne by the Mini-Grid Operator.
	4. Except where Parties agree to do otherwise in writing, the cost of the constructions undertaken by the Mini-Grid Operator pursuant to Clause 7.1 above shall be borne by the Mini-Grid Operator.
	5. The Generation Assets shall be as depicted in Schedule 3 and Schedule 4.
	6. Except where Parties agree to do otherwise in writing, the Mini-Grid Operator shall at its own cost maintain the Generation Assets for its generation activities and operations.

**Distribution Network Maintenance and Upgrades**

* 1. The Mini-Grid Operator is responsible for financing and executing all maintenance and repairs on the Distribution Network within the Interconnected Network during the Initial Term and Renewable Term(s) of this Agreement unless agreed otherwise in writing by the Parties.
	2. The DisCo shall review all Distribution Network upgrade costs reported to the DisCo through Schedule 6 based on industry and market rates within 60 days of the Mini-Grid Operator sending the DisCo updates on Schedule 6 before execution.
	3. The Mini-Grid Operator shall provide the DisCo with any updates to Schedule 6 within 30 days of any upgrades or repairs being made to the Interconnected Network.
	4. The Mini-Grid Operator shall use Schedule 6 to document the necessary repairs to the Distribution Network within the Interconnected Network, when the repair was made, the costs, and the proportion of financial and labor resources contributed by the Mini-Grid Operator.
	5. Where the Mini-Grid Operator does not have the technical abilities or knowledge to safely perform the necessary repair, the Mini-Grid Operator shall notify the DisCo and the DisCo shall make every reasonable effort to make itself available to assist the Mini-Grid Operator to execute the repair as quickly as reasonably possible and at least within three (3) days or as otherwise agreed in writing.
	6. Mini-Grid Operator should understand the safety procedure of the DisCo required in conducting network maintenance and upgrade

**Expansion of the Distribution Network**

* 1. Subject to the approval of the Commission and except where the DisCo and Mini-Grid Operator agree otherwise, the Mini-Grid Operator shall bear the costs for any extensions of the Distribution Network it undertakes within the Interconnected Network.
	2. Mini-Grid Operator shall recover all costs associated with the expansion of the Distribution Network within the Interconnected Network within the Initial Term of the project.
	3. Subject to the approval of the Commission, and except where the DisCo and Mini-Grid Operator agree otherwise, the DisCo shall bear the costs for any Distribution Network upgrades or maintenance required external of the Interconnected Network to meet the DisCo’s reliability requirements outlined in Clause 8.
1. **AVAILABILITY OF ELECTRICITY FROM THE DISTRIBUTION NETWORK AND MINI-GRID**
	1. The DisCo undertakes to the Mini-Grid Operator that the Distribution Network shall be available for a cumulative time period of XX hours daily to supply electricity to the Connected Cluster after the Date of Commercial Operation subject to the terms of Clause 12.6. These hours do not need to be continuous, but must reach XX cumulative hours of available power per day at the power quality levels in Clause 8.2 to be considered appropriately available. This availability is defined as the **Grid Availability Standard**.
	2. For the purpose of clarity, power is considered as available from the DisCo’s Distribution Network if the grid voltage and frequency at the **Grid Point(s) of Interconnection** does not deviate more than plus/minus 2.5% from the nominal values as specified in Schedule 8, and as defined in the Nigeria Grid Code 2014.
	3. The Mini-Grid Operator shall ensure that its Generation Assets will provide electricity supply at all other times of the day to augment the DisCo’s Distribution Network electricity supply and ensure reliable electricity per Clause 8.4.
	4. The Mini-Grid Operator warrants to the Connected Cluster an availability of power to meet the Connected Cluster’s capacity requirements 95% of the time at all times of day (averaged annually) after the Date of Commercial Operation, which constitutes the **Mini-Grid Availability Standard**. For the purpose of clarity, power is considered as available to the Connected Cluster if the voltage and frequency of the Interconnected Network, measured at common point(s) of measurement in the Interconnected Network, as supplied by the Distribution Network and the Mini-Grid, does not deviate more than plus/minus 2.5% from the nominal values as specified in Schedule 8.
	5. The Mini-Grid Operator shall accept electricity supply from the DisCo’s Distribution Network for the number of hours outlined in the Grid Availability Standard, or the number of hours provided by the DisCo if it is less than the Grid Availability Standard, each calendar day.
		1. When after the Date of Commercial Operation, the Mini-Grid Operator fails to take electricity supply from the DisCo’s Distribution Network up to and including the number of hours outlined in the Grid Availability Standard, in a given calendar day, the Mini-Grid Operator shall owe the DisCo a **Value of Failure to Accept DisCo Power**. The Value of Failure to Accept DisCo Power for a given day shall be calculated by dividing the total number of kWh’s consumed in the given calendar day by 24 hours, multiplied by the number of hours the Mini-Grid Operator failed to accept, then multiplying it by the DisCo Grid Tariff provided in Clause 10.1. The energy data log of the mini-grid operator smart inverter system from its generation assets will be used as a check system to determine the hours in which the Mini-Grid Operator failed to accept DisCo power. The Mini-Grid Operator will also provide access to the DisCo to its Energy Data logging platform for monitoring.

$$Value of Failure to Accept DisCo Power \left[NGN\right]=Total kWh Consumed in the Calendar Day\left[kWh\right] ÷24 Hours ×Hours MiniGrid Operator Failed to Accept ×DisCo Grid Tariff [\frac{NGN}{kWh}]$$

* + 1. The hours the Mini-Grid Operator failed to accept is calculated by subtracting the number of hours of DisCo electricity supply the Mini-Grid Operator accepted from the number of hours outlined in the Grid Availability Standard, or from the number of hours provided by the DisCo if it is less than the Grid Availability Standard, in a given calendar day.
		2. The Mini-Grid Operator may also take electricity supply from the DisCo’s Distribution Network for more than the number of hours outlined in the Grid Availability Standard, but is not required to accept the excess electricity at any time. If the Mini-Grid Operator accepts extra electricity above the number of hours outlined in the Grid Availability Standard, the Mini-Grid Operator would compensate the DisCo the respective DisCo Grid Tariff per Clause 10.1.
		3. The Mini-Grid Operator shall pay the DisCo both the Value of Failure to Accept DisCo Power and the Usage Fee for electricity it generates and sells from its Generation Assets for the same corresponding kWh’s. Where this occurs, the Mini-Grid Operator still supplies electricity to the connected cluster through its generation assets.
	1. If the Mini-Grid Operator uses an Optional Lower Reliability Tariff per Clause 9.2, the Grid Availability Standard will only apply to Connected Cluster customers who do not opt into the Optional Lower Reliability Tariff option. The Mini-Grid Operator shall meet the availability of power requirements as stipulated in the Optional Lower Reliability Tariff clause in Schedule 5.
1. **SALE OF ELECTRICITY BETWEEN THE MINI-GRID OPERATOR AND THE CONNECTED CLUSTER**
	1. The Mini-Grid Operator shall sell electricity to the customers within the Connected Cluster at [X1] NGN/kWh (the “**Blended Cluster Tariff**”), where [X1] is set in Schedule 5, except where agreed otherwise in this Agreement.
	2. The Mini-Grid Operator has the option to utilize an **Optional Lower Reliability Tariff**, which allows some Connected Cluster customers to opt into receiving less reliability power at a lower tariff than the Blended Cluster Tariff.
		1. The Mini-Grid Operator shall inform the DisCo if it chooses to offer an Optional Lower Reliability Tariff prior to offering it to the Connected Cluster customers.
		2. The Mini-Grid Operator shall provide the Connected Cluster customers with information in writing about the guaranteed reliability of electricity supply if they opt into the Optional Lower Reliability Tariff prior to the Connected Cluster customers signing up for the option.
		3. If an Optional Lower Reliability Tariff is used by the Mini-Grid Operator, the lower reliability tariffs, the reliability metrics, how the lower reliability tariffs will be adjusted over the term of this Agreement, how the customer can opt back to the Blended Cluster Tariff, and other pertinent information is detailed in the Optional Lower Reliability Tariff clause in Schedule 5.
		4. If the Cluster Representative receives complaints from the Connected Cluster customers who opted into the Optional Lower Reliability Tariff, the Cluster Representative shall report this to the Mini-Grid Operator and DisCo in writing to resolve. Alternatively, if the DisCo receives complaints from the Cluster Representative or Connected Cluster customers who opted into the Optional Lower Reliability Tariff, the DisCo shall report this to the Mini-Grid Operator in writing to resolve. If the DisCo or Cluster Representative does not feel it is resolved within 30 days of notifying the Mini-Grid Operator, the DisCo and/or Cluster Representative is entitled to enter into Dispute Resolution pursuant to Clause 32.
	3. The Mini-Grid Operator has the option to utilize an **Optional Blended Cluster Time of Use Tariff**, which allows the Mini-Grid Operator to bill Connected Cluster customers tariffs that vary based on the time of day according to an Optional Blended Cluster Time of Use Tariff schedule agreed to by the Parties in writing in Schedule 5.
		1. The Optional Blended Cluster Time of Use Tariffshall not be used by the Mini-Grid Operator inappropriately as a way to inadvertently increase tariffs to the Connected Cluster.
		2. The Mini-Grid Operator shall inform the DisCo if it chooses to offer an Optional Blended Cluster Time of Use Tariffprior to offering it to the Connected Cluster customers.
		3. The Mini-Grid Operator shall provide the Connected Cluster customers with information in writing about the Blended Cluster Time of Use Tariff prior to the Connected Cluster agreeing to the option. If an Optional Blended Cluster Time of Use Tariff is used by the Mini-Grid Operator, the Blended Cluster Time of Use Tariff, how Connected Cluster customers’ tariffs will be calculated, how the Time of Use tariffs will be adjusted over the term of this Agreement, how the customer can opt back to the Blended Cluster Tariff, and other pertinent information is in the Optional Blended Cluster Time of Use Tariff clause in Schedule 5.
2. **SALE OF ELECTRICITY BETWEEN THE DISCO AND THE MINI-GRID OPERATOR**
	1. After the Date of Commercial Operation, the Mini-Grid Operator shall purchase electricity from the DisCo for resale to the Connected Cluster for [X2] NGN/kWh (the “**DisCo Grid Tariff**”) whereby [X2] is the value provided in Schedule 5.
	2. Where grid supply from the Distribution Network made available by the DisCo exceeds the Grid Availability Standard in a given day, the Mini-Grid Operator is not required to accept power supply above the number of hours agreed upon in Clause 8.1.
	3. Notwithstanding the provision of Clause 8.1 above, where the DisCo seeks to increase the agreed number of hours of availability of grid supply (above the Grid Availability Standard) to the Connected Cluster, the DisCo shall inform and obtain the approval of the Mini-Grid Operator in writing.
		1. For an addendum to this Agreement to allow the DisCo to supply more hours than agreed upon in this Agreement in the Grid Availability Standard, the DisCo and Mini-Grid Operator must complete the steps listed in Schedule 9.
	4. The Mini-Grid Operator and DisCo have the right to agree to and add an **Optional Electricity Resale** clause through an addendum to this Agreement, where the Mini-Grid Operator resells excess electricity generated by the Mini-Grid to the DisCo’s Distribution Network. If Optional Electricity Resale is agreed to by the Mini-Grid Operator and DisCo, the Parties shall add an Optional Electricity Resale clause in an addendum to this Agreement that includes the resale of electricity tariff, how the resale of electricity will be measured, how the resale of electricity tariff will be adjusted over the term of this Agreement, and other pertinent information.
		1. If the Mini-Grid Operator and the DisCo pursue Optional Electricity Resale, the Blended Cluster Tariff shall be re-reviewed based on updated system economics. Suppose it is determined by the Parties that the Blended Cluster Tariff should be lowered to account for the resale of excess electricity. In that case, a new Blended Cluster Tariff shall be provided as an addendum to this Agreement and signed by the Parties.
3. **DISTRIBUTION NETWORK USAGE FEE AND PAYMENT TERMS**
	1. Pursuant to the rights granted in Clauses 4 above, the Mini-Grid Operator shall pay a value to the DisCo of [X3] NGN per kWh (the “**Usage Fee**”) for use/lease of the Distribution Network within the Interconnected Network when applicable, whereby [X3] is the value provided in Schedule 10.
	2. The Usage Fee applies to all electricity delivered by the Generation Assets of the Mini-Grid Operator to the Connected Cluster, except for as stipulate d in Clause 8.5.4.
	3. Except where stated otherwise in this Agreement, the Usage Fee will only apply to electricity delivered by the Generation Assets of the Mini-Grid Operator. It will not apply to distributing electricity provided by the DisCo within the Interconnected Network.
4. **UNDERPERFORMANCE**

**Underperformance by the Mini-Grid Operator**

* 1. If power is not available at the power voltage and frequency levels defined in Clause 8.4, then the Mini-Grid Operator will remedy the situation within three (3) Business Days or as otherwise agreed by the Mini-Grid Operator, the DisCo, and the Cluster Representative.
	2. In the event the Mini-Grid Operator is found to provide less than an average of XX% but more than XX% power availability over 12 consecutive months after the Date of Commercial Operation, the Parties shall agree to reduce the Blended Tariff for six months by XX Naira per kWh or other amount agreed to by the Parties within 45 days of the Mini-Grid Operator reporting its annual reliability metrics to the Parties. If the Parties cannot agree to a remedy, the Parties can enter Dispute Resolution pursuant to Clause 32.
	3. In the event, the Mini-Grid Operator is providing less than an average of 95% power availability, according to monthly reliability data metrics or reported by the Connected Cluster. The DisCo shall provide written notice to the Mini-Grid Operator for resolution. If the Mini-Grid Operator fails to resolve the issue within 30 days, the Mini-Grid Operator shall be required to reduce the Blended Tariff for three months by XX Naira per kWh agreed by the Parties within 30 days of the Mini-Grid Operator reporting the monthly reliability metrics to the DisCo.
	4. Where the Mini-Grid Operator fails to meet the availability of power requirements as stipulated in the Optional Lower Reliability Tariff clause in Schedule 5 pursuant to Clause 8.6, the Mini-Grid Operator shall be required to reduce the relevant tariffs for six months by XX Naira per kWh agreed by the Parties within 45 days of the Mini-Grid Operator reporting the monthly reliability metrics to the DisCo.
	5. Where the installation of the Mini-Grid has not been completed and is not in commercial operation (in other words, the Date of Commercial Operation does not occur) within 18 months after the Effective Date of this Agreement (or otherwise agreed in writing between the Parties), or the Mini-Grid has been completed but not yet in commercial operation by 18 months from the Effective Date, the DisCo shall be entitled to liquidated damages in the sum of the difference between the DisCo current revenue from the Connected Cluster and the projected revenue per month**,** unless otherwise agreed by the Parties in writing, in the first invoice paid to the DisCo.

**Underperformance by the DisCo**

* 1. Where electricity is not made available by the DisCo from the Distribution Network during the Grid Availability Standard as required in Clause 8.1, the Mini-Grid Operator shall be entitled to supply electricity to the Connected Cluster from its Generation Assets and shall still pay the Usage Fee to the DisCo.
	2. If power availability from the DisCo’s Distribution Network is below the Grid Availability Standard in a given calendar day after the Date of Commercial Operation, the DisCo will be liable to pay the Mini-Grid Operator the **Recoverable Expenditure** (which is summed each month). The Recoverable Expenditure is the amount that the DisCo is liable to the Mini-Grid Operator to offset Mini-Grid Operator costs for running the Generation Assets during unsupplied hours during the Grid Availability Standard. The Recoverable Expenditure will be subtracted from the amount the Mini-Grid Operator owes the DisCo for the Usage Fee each month, and any outstanding value will be carried to a future month,
		1. The Recoverable Expenditure for a given month is calculated by multiplying the DisCo Extraordinary Backup Tariff by the Electricity Supply Discrepancy for a given month.

$$Recoverable Expenditure \left[NGN\right]=DisCo Extraordinary Backup Tariff\left[\frac{NGN}{kWh}\right]×Electricity Supply Discrepency [kWh]$$

* + - 1. The **DisCo Extraordinary Backup Tariff** is NGN [X4]/kWh (whereby [X4] is the value provided in Schedule 5.
			2. The **Electricity Supply Discrepancy** for a given calendar day is the difference between the Grid Availability Standard (x hours) and the actual number of hours the DisCo’s Distribution Network was available to meet the power capacity needs of the Connected Cluster (if the Grid Availability Standard was not met), multiplied by the total kWh consumed by the Connected Cluster in the given calendar month and divided by the total hours in that same month.

$$Electricity Supply Discrepancy \left[kWh\right]=\left(x Hours-Number of Hours DisCo Distribution Network Was Available [Hours]\right)×(Total kWh Consumed by Connected Cluster in the Calendar Month \left[kWh\right] ÷Total Hours in the Calendar Month [Hours])$$

* 1. The Recoverable Expenditure will be subtracted from the amount the Mini-Grid Operator owes the DisCo for the Usage Fee each month.
		1. When the Recoverable Expenditure is greater than the sum of the amount the Mini-Grid Operator owes the DisCo for the Usage Fee for a given month, the remaining liability the DisCo owes the Mini-Grid Operator will be carried over to the subsequent invoice(s) in the following month(s) until the full amount is recovered as outlined in Clause 13. At the end of the Initial Term or any Renewal Terms (as applicable), DisCo will settle any debts owed to the Mini-Grid Operator for the Electricity Supply Discrepancy within 60 days of receiving an invoice from the Mini-Grid Operator.
	2. The Mini-Grid Operator will still owe the Usage Fee to the DisCo for electricity delivered by the Generation Assets of the Mini-Grid Operator to the Connected Cluster even if it is supplied to back up the DisCo’s underperformance of electricity supply. The Recoverable Expenditure owed to the Mini-Grid Operator and the Usage Fee owed to the DisCo will be balanced during the payment process outlined in Clause 13.
1. **PAYMENT TERMS**
	1. By the 5th Business Day following the last day of the month for each month of the Agreement period, the Mini-Grid Operator shall provide the DisCo with a schedule for the prior month detailing any amounts due by the DisCo to the Mini-Grid Operator, including any Recoverable Expenditure as detailed in Clause 12.6, as well as the amount of kWh’s generated and supplied using the Generation Assets so the DisCo can calculate the Usage Fee.
	2. By the 10th Business Day following the last day of the month for each month of the Agreement period, the DisCo shall provide the Mini-Grid Operator with an invoice for the prior month detailing the net amount the Mini-Grid Operator owes the DisCo or the DisCo owes the Mini-Grid Operator. The invoice will detail the amount of electricity the Mini-Grid Operator purchased from the DisCo, the total Usage Fee the Mini-Grid Operator owes the DisCo for use of the Distribution Network within the Interconnected Network, and any amounts due by the DisCo from the schedule detailed in Clause 13.1.
	3. When the Recoverable Expenditure is greater than the amount the Mini-Grid Operator owes the DisCo for the Usage Fee for a given month, the remaining liability the DisCo owes the Mini-Grid Operator will be carried over to the subsequent invoice(s) in the following month(s) until the full amount is recovered.
	4. When the amount the DisCo owes the Mini-Grid Operator is greater than the amount the Mini-Grid Operator owes the DisCo, the remaining liability the DisCo owes the Mini-Grid Operator will be carried over to the subsequent invoice(s) until the full amount is recovered. At the end of the Initial Term or any Renewal Terms (as applicable), the DisCo will settle any debts owed to the Mini-Grid Operator for the Electricity Supply Discrepancy within 60 days of the Mini-Grid Operator by discounting the total amount payable to the the DisCo.
	5. The net amount the Mini-Grid Operator owes the DisCo shall be payable into a bank account designated by the DisCo by the 10th Business Day following the issuance of an invoice from the DisCo each month (the “**Due Date**”).
	6. Where the Mini-Grid Operator fails to pay the DisCo for the net of any amounts due to the DisCo pursuant to Clause 13.5, on the day it is due and payable, interest shall accrue at the Default Interest Rate on the unpaid balance from the date on which payment is due until the date on which payment is received by the DisCo.
	7. By the 30th day following the last day of the month for each month of the Agreement period, the Mini-Grid Operator shall provide the Connected Cluster customers with bills for electricity supplied during the prior month.
	8. By the 30th day following the issuance of bills from the Mini-Grid Operator, the Connected Cluster customers shall pay the Mini-Grid Operator for any amounts due to the Mini-Grid Operator pursuant to Clause 13.7.
	9. Prior[[3]](#footnote-4) to the Effective Date, or other date agreed to by the DisCo and Mini-Grid Operator, the Mini-Grid Operator will obtain and provide the DisCo with a bank guarantee (in a form and from a bank with a credit rating acceptable to the DisCo) for the monetary amount of 3 months of estimated net payments encompassing the Grid Tariff for the Grid Availability Standard to the DisCo (“**Bank Guarantee for the DisCo**”) and maintain such a Bank Guarantee for the rest of the term of the Agreement. This numeric value of the Bank Guarantee will be updated every two years based on historical data.
		1. The Mini-Grid Operator shall provide a Bank Guarantee which shall:
			1. Name the Disco as the beneficiary thereof;
			2. be valid and effective for as long as the Mini-Grid Operator has any binding obligation under this Agreement, provided that each instrument issued in the form of the Bank Guarantee shall cover the cost of energy to be supplied by the Disco to be collected by the DisCo for a period of two months;
			3. not prohibit the DisCo from assigning or transferring its rights under the Bank Guarantee as part of a security package in a bona fide financing transaction with any lender or other institution providing financing to the DisCo;
			4. provide that the beneficiary thereof may make multiple drawings upon it; and
			5. be issued by an acceptable commercial bank as instructed by the Disco.
		2. The Bank Guarantee shall be replenished by the Mini-Grid Operator up to its full value each time there is a draw down by DisCo within fourteen (14) days of such draw down. The Mini-Grid Operator has the obligation to inform the DisCo in writing that the Bank Guarantee has been replenished.
		3. The Mini-Grid Operator acknowledges that the DisCo shall be entitled to draw on the Bank Guarantee provided above without any recourse to the Mini-Grid Operator, if Mini-Grid Operator fails to pay on the Due Date any sum owing to the DisCo under this Agreement. The DisCo shall notify the Mini-Grid operator of how much will be withdrawn.
	10. If the DisCo withdraws funds from the Bank Guarantee for an unwarranted amount, the Mini-Grid Operator shall notify the DisCo and the DisCo will have thirty (30) days from the Mini-Grid Operator issuing the notification to remedy the problem. If the DisCo and Mini-Grid Operator cannot agree to a remedy within thirty (30) days, the Mini-Grid Operator’s requirement to replenish the Bank Guarantee is suspended until a resolution is agreed upon and the Parties may enter Dispute Resolution pursuant to Clause 32.
2. **TARIFF ADJUSTMENTS**
	1. The Mini-Grid Operator shall provide electricity to the Connected Cluster at tariffs agreed by the Parties in this Agreement and as outlined in Schedule 5, approved by the Commission and compliant with the Mini-Grid Regulations.
	2. Parties agree that the initial Blended Cluster Tariff referred to in Clause 9.1 (except where subject to Clause 14.3), the DisCo Extraordinary Backup Tariff referred to in Clause 12.6.1.1, and the Grid Availability Standard referred to in Clause 8.1 shall not be subject to review or adjustment until after the first years of this Agreement commencing on the Date of the Commercial Operation, unless agreed to by all Parties.
	3. Notwithstanding any provision of this Agreement to the contrary, where there is a Commission-approved change to the DisCo Grid Tariff through annual, minor or extraordinary reviews or where the Grid Availability Standard is changed by the Parties which effects which Multi-Year Tariff Order (MYTO) Tariff Band the Connected Cluster falls under, the Parties have the right to review the Blended Cluster Tariff referred to in Clause 9.1 and the Usage Fee referred to in Clause 11.1 within 100 days of the change in order to reflect such change(s). Subsequently, the Parties can modify the Blended Cluster Tariff in proportion to the DisCo Grid Tariff change and the amount of electricity from the DisCo’s Distribution Network consumed by the Connected Cluster.
	4. The current state of the Market Conditions detailed in Schedule 5 will be reviewed by the Parties every X years. If the Market Conditions in Schedule 5 exceed the High Threshold or go below the Low Thresholds set out in Section 1.4 of Schedule 5 at that time, the Parties agree to review and adjust the Blended Cluster Tariff schedule referred to in Clause 9.1, the DisCo Extraordinary Backup Tariff referred to in Clause 12.6.1.1, and the Grid Availability Standard referred to in Clause 8.1 in order to reflect such change(s).
	5. The Parties can adjust the Grid Availability Standard either through the procedure in Clause 14.4 or the procedure in Clause 10.3, which details how the Parties can agree to increase the Grid Availability Standard at any time.
	6. The Optional Lower Reliability Tariff detailed in Clause 9.2, the Optional Time of Use Tariff detailed in Clause 9.3, the resale tariff agreed to pursuant to the Optional Electricity Resale detailed in Clause 10.5 shall only be adjusted if either:
		1. Upon the X-year review of the Market Conditions conducted pursuant to Clause 14.4, the Market Conditions in Schedule 5 exceed the High Threshold or go below the Low Thresholds set out in Section 1.4 of Schedule 5; or
		2. An alternative tariff review schedule is agreed to in Schedule 5 for the tariffs listed above in Clause 14.5.
	7. The Blended Cluster Tariff and other relevant tariffs in this Agreement can be adjusted according to Clause 14.3, Clause 14.4, and Clause 14.5 and any relevant procedures in the Mini-Grid Regulations. Where there is a conflict between the Mini-Grid Regulations and this Tripartite Agreement, this Tripartite Agreement takes precedence.
	8. The Parties agree that an inspection of accounts for the purpose of an adjustment of tariffs may be carried out by the Commission. This inspection may be initiated by the Cluster Representative, the Mini-Grid Operator or by the Commission.
	9. Parties shall keep a historical record of accounts beginning on the Effective Date and commensurate to the Initial Term and any Renewal Terms of the Agreement and keep this available for 5 years after termination of the Agreement.
3. **SCHEDULED MAINTENANCE OUTAGES AND UNSCHEDULED OUTAGES**

**Scheduled Maintenance Outages**

* 1. The Mini-Grid Operator is entitled to Scheduled Maintenance Outages for the Interconnected Network at its own cost. The schedule for Scheduled Maintenance Outages shall be established as follows:
		1. The Mini-Grid Operator shall give the Connected Cluster notice of the outage at least 3 days in advance.
		2. The Mini-Grid Operator shall give the DisCo notice of the outage at least 3 days in advance, and the DisCo shall try to supply power in accordance with its Grid Availability Standard outside of those hours, where possible.
	2. The DisCo is entitled to Scheduled Maintenance Outages within the Distribution Network to ensure reliability from its supply feeder to the Connected Cluster. The schedule for Scheduled Maintenance Outages shall be established as follows:
		1. Following the agreed Grid Availability Standard in Clause 8.1, Scheduled Maintenance Outages shall not interfere with the Grid Availability Standard. The DisCo shall give the Mini-Grid Operator notice of the outage at least 3 days in advance. The DisCo shall inform the Mini-Grid Operator of the cause of the activity and the foreseen duration of the DisCo’s inability to perform its duties. The DisCo shall provide the Mini-Grid operator with updates if the activity’s duration is longer than initially foreseen as soon as possible.
	3. Both the Mini-Grid Operator and the DisCo shall cooperate and use their reasonable endeavours to accommodate any reasonable request by a Party to reschedule any Scheduled Maintenance Outage provided:
		1. such request would not defer maintenance required at a particular time by Good Industry Practices;
		2. the Party requesting a schedule change agrees to compensate the other Parties for any reasonable additional costs and expenses;

for the avoidance of doubt, any of the Parties shall be entitled to reschedule a Scheduled Maintenance Outage(s) without compensating the other Parties if and to the extent that such rescheduling meets the conditions in Clauses 15.3.1 and 15.3.2 above, and the rescheduling is required for health or safety reasons, to avoid damage (or the threat of imminent damage) to the Assets and Infrastructure or any other equipment, or if such rescheduling is required by Good Industry Practices.

**Unscheduled and Forced Outages**

* 1. Either Party shall advise each other of the need of any Unscheduled Outage, together with the proposed commencement date, in arrears if the interruption was immediate and estimated duration of the work to be undertaken to restore delivery shall be provided.
	2. If the interruption is not immediate, Parties shall agree the period during which such Unscheduled Outage may be undertaken.
1. **METERING SYSTEM**
	1. The Mini-Grid Operator at its cost and expense shall, in compliance with the Metering Code, procure and maintain all meters and metering devices, equipment, electrical circuitry, recording equipment, communications equipment and related equipment used for measuring electricity delivered by the DisCo’s Distribution Network at the Grid Point(s) of Interconnection (collectively referred to as the “Grid Metering System”). The Mini-Grid Operator shall coordinate with the DisCo to install the Grid Metering System as needed. The DisCo shall install the Grid Metering System within 30 days of it being requested by the Mini-Grid Operator and shall coordinate the date of installation with the Mini-Grid Operator in advance.
		1. The Mini-Grid Operator and DisCo shall make every endeavor to mutually agree upon the metering technology that works for both Parties. Where the Parties cannot agree, the DisCo’s preferences take precedence, but the Mini-Grid Operator has the right to procure and have a second meter installed in this case.
	2. The Mini-Grid Operator at its cost and expense shall in compliance with the Metering Code and the Technical Code to procure, install and maintain all meters and metering devices, equipment, electrical circuitry, recording equipment, communications equipment and related equipment used for measuring electricity delivered to the Connected Cluster customers at the Customer Point(s) of Interconnection by both the Generation Assets of the Mini-Grid Operator and the DisCo’s Distribution Network (collectively referred to as the “**Customer Metering Systems**”). The Mini-Grid Operator shall have the right to choose the Customer Metering Systems technology used, as long as it complies with the Metering Code and Technical Code.
	3. **Compliance, Integrity and Accuracy of Metering Systems**
		1. The specifications, operation and measurement of the Metering System’s accuracy shall comply with the standards and specifications set out in the Metering Code and applicable regulations, and with Applicable Law and Good Industry Practices.
		2. Any additional meters the Mini-Grid Operator maintains for operational purposes shall conform to the Metering Code.
		3. Upon request by the DisCo or the Mini-Grid Operator, upon five (5) days notice and not more frequently than once per calendar month, the DisCo or Mini-Grid Operator may request an inspection or test of the Metering Systems.
		4. Upon request by the Mini-Grid Operator on a reasonable notice and not more frequently than once per calendar month, the Mini-Grid Operator may request an inspection of the Metering Systems used for measuring electricity supplied by the Distribution Network in order to test the integrity and accuracy of the Metering Systems as it relates to the calculation of the Usage Fee.
			1. The DisCo has the obligation to remedy defective or inaccurate metering equipment within 30 days of discovery.
		5. Parties agree that the Mini-Grid Operator may, at its own cost and expense, install and maintain its own Metering Systems at the power station for the purpose of measuring the accuracy and integrity of the DisCo’s Metering Systems.
		6. Both the Mini-Grid Operator and the DisCo undertake not to tamper with or otherwise interfere in anyway with any part of the Metering Systems and shall use reasonable precautions in accordance with Applicable Law, Good Industry Practices, the Market Rules and the Metering Code to ensure that the Metering System is secure and is not tampered with by any other person.
		7. If, at any time, any Party discovers that any part of the Metering Systems has been tampered with, or as a result of any other action or inaction any part of the Metering System may be unfit for its purpose, that Party shall report such event to the other Parties for necessary action.
2. **REPRESENTATION AND WARRANTIES**
	1. Each Party represents and warrants to the other Parties, on the date of this Agreement, and continuing throughout the Term that:
		1. it is duly organized under the Applicable Laws of its jurisdiction of formation and that it has the requisite legal power and authority to enter into, and carry out its obligations under, this Agreement;
		2. it shall continue to have all necessary institutional power and authority (legal and regulatory) to carry on its business as presently conducted and to perform its obligations under this Agreement;
		3. the execution and delivery of this Agreement and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate actions on its part;
		4. this Agreement constitutes legal, valid and binding obligations enforceable against it in accordance with the terms hereof;
		5. the execution of this Agreement is not prohibited by its constituent documents nor does its execution contravene provisions of any Applicable Law;
		6. the execution, delivery, and performance of this Agreement have been duly authorized by all requisite actions and will not constitute a violation of:
			1. any statute, judgment order, decree or regulation of any court, commission, government authority or arbitral tribunal applicable or relating to itself, its assets or its functions, or
			2. any other documents, or to the best of its knowledge any indenture, contract or agreement to which it is a party or by which it may be bound.
		7. there are no actions, suits or proceedings pending or, to the best of its knowledge threatened against it before any court, government authority or arbitral tribunal that could reasonably be expected to restrain it from performing or result in a material adverse effect on its ability to perform its duties and obligations under this Agreement; and
		8. no representation or warranty made by it herein contains any untrue or misleading statement.
3. **TERMINATION**
	1. **Termination by Connected Cluster**

Where the Parties have made all reasonable efforts to resolve a dispute utilizing the Dispute Resolution practices in Clause 32, where the Connected Cluster still wishes to terminate this agreement, and with the written or otherwise officially recorded consent of a majority of the qualified customers within the Connected Cluster, the Cluster Representative may terminate this Agreement on written notice to the Mini-Grid Operator where;

* + 1. the Mini-Grid Operator’s Permit expires and is not renewed within 60 days of the expiration or the Permit is cancelled by the Commission;
		2. the Mini-Grid Operator abandons the project for a period of more than 3 consecutive months after the Date of Commercial Operation;
		3. the installation of the Mini-Grid has not been completed and is not in commercial operation (in other words, the Date of Commercial Operation does not occur) within 18 months after the Effective Date of this Agreement (or as agreed between the Parties);
		4. the Mini-Grid Operator becomes unable to pay its debts (as defined by Section 4 of the Bankruptcy Act 1979 and Section 409 of the Companies and Allied Matters Act 2004) or makes any arrangement or composition with its creditors generally or has a receiver, manager, liquidator, administrator or trustee in bankruptcy appointed or suffers any event analogous to the foregoing in any jurisdiction;
		5. the Mini-Grid Operator is found to commit a breach of this Agreement which in the case of a breach which is capable of remedy has not been remedied within 30 days (or as agreed between the Parties) after receiving the notice of breach from the Connected Cluster; or
		6. the Mini-Grid Operator is found to provide less than an average of XX% power availability as specified in rates over 12 consecutive months after the Date of Commercial Operation, and the Mini-Grid Operator and Cluster Representative fail to agree to a remedy within 30 days (or as agreed between the Parties) after the Mini-Grid Operator receives the notice of breach.
	1. **Termination by DisCo**

Where the DisCo has made all reasonable efforts to resolve a dispute utilizing the Dispute Resolution practices in Clause 32, where the DisCo still wishes to terminate this agreement, and with written notice to the other Parties, the DisCo may terminate this Agreement where;

* + 1. the DisCo re-integrates the Connected Cluster into the DisCo’s Distribution Network before the expiration of the Initial Term or during a Renewal Term, which may only be invoked in the event of the following:
			1. the Mini-Grid Operator fails to pay any amount due to the DisCo, provided that the DisCo has given the Mini-Grid Operator not less than 30 days’ notice of such failure and the non-payment has not been cured within such 30 day period;
			2. the Mini-Grid Operator commits a breach of this Agreement, other than that provided in Clause 18.2.1.1 above, which in the case of a breach which is capable of remedy has not been remedied within 30 days (or such other period as may be agreed by the Mini-Grid Operator and the DisCo) of the DisCo notifying the Mini-Grid Operator of the breach.
		2. the Mini-Grid Operator becomes insolvent and unable to pay its debts (as defined by section 4 of the Bankruptcy Act 1979 and section 409 of the Companies and Allied Matters Act 2004) or makes any arrangement or composition with its creditors generally or has a receiver, manager, liquidator, administrator or trustee in bankruptcy appointed or suffers any event analogous to the foregoing in any jurisdiction;
		3. any representation made by the Mini-Grid Operator under this Agreement is not true and correct in all material respects and this has a material adverse effect on the DisCo or the performance of the Mini-Grid’s Operation under this Agreement; or
		4. the Mini-Grid Operator fails to put in place and maintain a Bank Guarantee in accordance with Clause 13.9 or, in respect of any Bank Guarantee provided:
			1. a payment due under such Bank Guarantee is not paid when due, and remains unpaid 5 Business Days after the Mini-Grid Operator’s receipt of a notice referring to this Clause 19.2.4.1; or
			2. such Bank Guarantee fails or ceases to be in full force and effect (other than in accordance with its terms and the terms of this Agreement) and/or the Mini-Grid Operator and/or the applicable provider of the Bank Guarantee disaffirms, disclaims, repudiates or rejects in whole or in part or challenges the validity of such Bank Guarantee and no replacement Bank Guarantee has been procured by the Mini-Grid Operator and provided to the DisCo within 10 Business Days of the first to occur of: (a) such Bank Guarantee having ceased to be in full force and effect; or (b) the date on which the Mini-Grid Operator and/or the applicable provider of the Bank Guarantee challenged the validity of such Bank Guarantee, as applicable.
	1. **Termination by Mini-Grid Operator**

Where the Mini-Grid Operator has made all reasonable efforts to resolve a dispute utilizing the Dispute Resolution practices in Clause 32, where the Mini-Grid Operator still wishes to terminate this agreement, and with written notice to the other Parties, the Mini-Grid Operator may terminate this Agreement where;

* + 1. The DisCo does not provide an average of XX hours of daily power for any 3 consecutive months (where the power availability is averaged over the 3 months) and Parties do not agree to a remedy within 60 days (or such other period as may be agreed by the Mini-Grid Operator and the DisCo) of the Mini-Grid Operatornotifying the DisCo of the breach.
		2. The DisCo’s License to operate within the Nigeria Electricity Market expires and is not renewed within 60 days of its expiration or the DisCo’s License is cancelled by the Commission;
		3. The DisCo becomes unable to pay its debts (as defined by section 4 of the Bankruptcy Act 1979 and section 409 of the Companies and Allied Matters Act 2004) or makes any arrangement or composition with its creditors generally or has a receiver, manager, liquidator, administrator or trustee in bankruptcy appointed or suffers any event analogous to the foregoing in any jurisdiction;
		4. the DisCo commits a breach of this Agreement which in the case of a breach which is capable of remedy has not been remedied within 30 days (or such other period as may be agreed by the Mini-Grid Operator and the DisCo) of the Mini-Grid Operator notifying the DisCo of the breach;
		5. Any of the representations made by the DisCo under this Agreement is not true and correct in all material respects and this has a material adverse effect on the Mini-Grid Operator or the performance of the DisCo’s obligations under this Agreement.
		6. the Connected Cluster commits a material breach of Clause 5.5 which has an adverse effect on the project and fails to remedy this breach within 30 working days (or as agreed between the Parties) of receiving the notice of breach; and
		7. there are repeated incidents of vandalism and/or thefts of electricity which endangers the financial viability of the Mini-Grid Operator’s energy supply and has a material adverse effect on the project.
		8. Any of the representations made by the Connected Cluster under this Agreement is not true and correct in all material respects and this has a material adverse effect on the Mini-Grid Operator or the performance of the Connected Cluster’s obligations under this Agreement.
	1. **Termination of DisCo Obligations**
		1. Where the DisCo is at fault for termination, the DisCo’s obligations can be prematurely terminated in lieu of terminating the Agreement:
			1. Where termination occurs pursuant to Clause 18.3.1, Clause 18.3.2, Clause 18.3.3, Clause 18.3.4, or Clause 18.3.5, the DisCo shall pay compensation to the Mini-Grid Operator as provided in the Mini-Grid Regulations and/or the amount stipulated by the Commission;
			2. Where termination occurs pursuant to Clause 19.3.1, Clause 19.3.2, Clause 19.3.3, Clause 19.3.4, or Clause 19.3.5, the DisCo’s obligation to provide electricity to the Connected Cluster per this Agreement is terminated, but the Mini-Grid Operator and the Connected Cluster remain obligated by this Agreement on the following basis;
				1. The Mini-Grid Operator shall remain obligated to provide electricity for sale to the Connected Cluster for at least XX hours a day (which is 24 hours minus the Grid Availability Standard) and the Mini-Grid will operate like an isolated mini-grid that is not connected to the DisCo’s Distribution Network;
				2. The DisCo shall remain a party to this Agreement but their specific supply obligations as described in Section 8 are terminated and any consequences for not meeting their Grid Availability Standard and/or specific supply obligations are nullified;
				3. The Mini-Grid Operator shall be obligated to pay a Usage Fee per the Usage Fee schedule in Schedule 10 for all electricity generated and sold by the Mini-Grid Operator’s Generation Assets (calculated using the number of kWh’s billed to the Connected Cluster customers each month); if a either the Mini-Grid Operator and DisCo have reason to request modifying the Usage Fee, the Mini-Grid Operator and DisCo have 60 days to renegotiate an alternative Usage Fee before the Parties will enter Dispute Resolution;
				4. The Connected Cluster shall purchase electricity from the Mini-Grid Operator at the Blended Cluster Tariff;
				5. The Mini-Grid Operator shall charge the Blended Cluster Tariff per the Blended Cluster Tariff schedule in Schedule 5 until the Connected Cluster and the Mini-Grid Operator negotiate and agree upon a revised tariff and revised Mini-Grid Availability Standard ;
				6. The Connected Cluster and the Mini-Grid Operator shall negotiate and agree upon a revised Blended Cluster Tariff and a revised Mini-Grid Availability Standard within 60 days (or such other period as may be agreed by the Mini-Grid Operator and the Connected Cluster) of the DisCo’s obligation terminating; and
				7. The Connected Cluster and Mini-Grid Operator shall have the opportunity to agree to expand the Mini-Grid Availability Hours to include additional hours of the day, or an alternative arrangement to increase supply to the Connected Cluster from the Mini-Grid.
	2. **Consequences of Termination**
		1. Transfer of ownership of Distribution Network infrastructure within the Interconnected Network upon termination:
			1. If the DisCo’s obligation is terminated or the Agreement is terminated pursuant to Clause 19.3.1, Clause 19.3.2, Clause 19.3.3, Clause 19.3.4, or Clause 19.3.5, the DisCo shall repay the Mini-Grid Operator any outstanding amount owed to the Mini-Grid Operator pursuant to Clause 6.1 for the accelerated repayment of a portion of the new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network financed by the Mini-Grid Operator detailed in Schedule 6 within 12 months of the Mini-Grid Operator notifying the DisCo’s that the DisCo’s obligations are terminated (or other period agreed upon by the Mini-Grid Operator and DisCo).
			2. Upon the termination of this Agreement, the DisCo is obligated to compensate the Mini-Grid Operator for the new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network at their respective book values pursuant to Clause 6, even if the DisCo’s obligations to supply electricity under this Agreement were prematurely terminated at an earlier prior date.
			3. If the Agreement is terminated where the Mini-Grid Operator is at fault pursuant to Clause 18.1.1, Clause 18.1.2, Clause 18.1.3, Clause 18.1.4, Clause 18.1.5, Clause 18.1.6, Clause 18.2.1, Clause 18.2.2, Clause 18.2.3, or Clause 18.2.4, the DisCo is not obligated to repay the Mini-Grid Operator any outstanding amount owed for the new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network at their respective book values pursuant to Clause 6 or continue repaying the accelerated repayment of a portion of the new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network pursuant to Clause 6.1 from the date of termination, unless otherwise stipulated by the Commission.
			4. If the Agreement is terminated where the Connected Cluster is at fault pursuant to Clause 18.3.6, Clause 18.3.7, or Clause 18.3.8, the DisCo shall pay the Mini-Grid Operator half of the remaining book value for the new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network described in Clause 6.2 and recorded using Schedule 6 within 12 months of the Agreement terminating.
		2. The consequences of termination by the Mini-Grid Operator and the Connected Cluster shall be as follows:
			1. Where the Mini-Grid Operator is at fault:
				1. Where termination occurs, pursuant to Clause 18.1.1, Clause 18.1.2, Clause 18.1.3, Clause 18.1.4, Clause 18.1.5, Clause 18.1.6, Clause 18.2.1, Clause 18.2.2, Clause 18.2.3, or Clause 18.2.4 the Mini-Grid Operator shall undertake such restorations to the Landowner’s land, rooftop, and environment required to restore it back to good condition and shall pay compensation to the Connected Cluster in an amount agreed to by the Parties and/or the Commission and in accordance with the Mini-Grid Regulations.
				2. The Commission shall determine or agree to how the termination fee in Clause 18.5.2.1.1 shall be distributed to the Connected Cluster customers.
				3. In addition to the termination fee paid to the Connected Cluster pursuant to Clause 18.5.2.1.1, the Mini-Grid Operator shall pay 10% of the monetary amount of the final termination fee referred to in Clause 18.5.2.1 to the DisCo.
			2. Where the Connected Cluster is at fault:
				1. Where termination occurs, pursuant to Clause 18.3.6, Clause 18.3.7, or Clause 18.3.8, the Connected Cluster shall have the option to:
				2. purchase the Mini-Grid at book value from the Mini-Grid Operator;
				3. pay to the Mini-Grid Operator other compensation as agreed to by the Parties and/or the Commission to purchase the Mini-Grid from the Mini-Grid Operator; or
				4. Mini-Grid Operator to remove the Mini-Grid’s Generation Assets and infrastructure which it does not intend to transfer to another Party.
		3. The DisCo may set off any liability of the Mini-Grid Operator to pay the amount the Mini-Grid Operator owes the DisCo for electricity supplied from the Distribution Network or any other costs (where applicable) to the DisCo against any compensation due from the DisCo to the Mini-Grid Operator.
		4. The Mini-Grid Operator may set off any liability of the DisCo to pay the amount the DisCo owes the Mini-Grid Operator for Electricity Recoverable Expenditure or any other costs (where applicable) to the Mini-Grid Operator against any compensation due from the Mini-Grid Operator to the DisCo.
		5. Where termination occurs due to the fault of the Mini-Grid Operator, the DisCo would immediately re-integrate the Connected Cluster order to provide electricity supply for as long as necessary until or if another Mini-Grid Operator is ready to take over operations.
	3. Upon termination, the Mini-Grid Operator shall:
		1. at its own cost remove the Mini-Grid’s Generation Assets and infrastructure which it does not intend to transfer to the DisCo or Connected Cluster, or transfer the Generation Assets to the DisCo at  book value or other agreed upon amount; if the DisCo and Mini-Grid Operator do not agree to a transfer value within 60 days, the Mini-Grid Operator can agree with the Connected Cluster to transfer the Generation Assets to the Connected Cluster at book value or other agreed upon amount; and
		2. at its own cost, disconnect any connection of its Generation Assets from the Distribution Network and restore the connections which existed prior to the connection of its generators or alternative arrangement agreed upon by the Parties.
	4. On the termination date, the Mini-Grid Operator shall:
		1. deliver to the DisCo all materials, documents, records, data and other information of whatever nature in the Mini-Grid-Operator’s possession, custody or power belonging to the DisCo and relating to the Distribution Network and Grid Point(s) of Interconnection, and the performance of the obligations under this Agreement and required for the continued operation and maintenance of the Distribution Network;
		2. deliver to the Cluster Representative all materials, documents, records, data and other information of whatever nature in the Mini-Grid-Operator’s possession, custody or power belonging to the Connected Cluster and relating to the Generation Assets and Grid Point(s) of Interconnection, and the performance of the obligations under this Agreement and required for the continued operation and maintenance of the Generation Assets if transferred to the Connected Cluster.
1. **FORCE MAJEURE**
	1. A party is not liable for failure to perform its obligations if such failure is as a result of:
		1. natural disasters (including but not limited to fire, flood, earthquake, and storm);
		2. war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, government sanction, epidemics including disease outbreaks, pandemics, blockage, embargo, labour dispute, strike (excluding any labour dispute and/or strikes by staff of either the DisCo or Mini-Grid Operator) (“**Force Majeure event**”); or
		3. **Transmission Network Failure** caused by the Transmission Company of Nigeria (TCN) that prevents the DisCo from providing electricity supply for more than 15 consecutive days.
	2. Force Majeure due to a Transmission Network Failure outside of the DisCo’s control is defined as the DisCo not receiving electricity supply from the Transmission Company of Nigeria (TCN) at the transmission system substation that supplies the distribution feeder that supplies the Connected Cluster for at least 15 consecutive days and which can be verified from TCN. In this case, the DisCo shall notify the Parties as soon as possible or within seven (7) days of the event and provide evidence of the hours during which the Transmission Network Failure caused the DisCo to not be able to meet its obligation to supply power.
	3. If any Force Majeure occurs by reason of which a Party is unable to perform any of its obligations under this Agreement (or any part thereof), the Party shall inform the other Parties immediately and within seven (7) days of the occurrence of a Force Majeure with full particulars thereof and the consequences thereof.
	4. The Party affected by the Force Majeure event must take all reasonable steps to alleviate its effects, must resume performance as soon as reasonably practicable and must immediately notify the other Party that the Event of Force Majeure has ended. Any Party shall be at liberty to terminate this Agreement forthwith where the Force Majeure continues for a period not less than XX Calendar Days.
	5. In the event of a Force Majeure, the Parties have the opportunity to renegotiate a temporary new reliability standard for the DisCo and the Mini-Grid Operator, or adjust the tariff during the event. If the reliability or tariff is renegotiated, all Parties shall sign an Addendum to this Agreement and make copies of the Addendum available to all Parties and the Commission.
2. **CONFIDENTIAL INFORMATION**
	1. A Party shall not intentionally disclose or allow to be disclosed to any third party any Confidential Information concerning the other Parties or any information obtained under this Agreement and in furtherance to the execution of the Mini-Grid unless:
		1. the disclosure is expressly assented to in writing by the Party to which the Confidential Information belongs;
		2. the disclosure is subject to a legal obligation of disclosure
		3. the Cluster Representative is disclosing information relevant to the mini-grid’s operation to customers in the Connected Cluster, as agreed upon by all Parties.
	2. Each Party, after consultation with the others, shall adopt reasonable procedures to preserve the Confidential Information of the other Parties.
	3. No information shall constitute Confidential Information if:
		1. the information is generic in nature, or has at the relevant time become public knowledge or has been in the public domain, other than as a result of disclosure by the Parties or their representative;
		2. the information has at the relevant time become, already in the possession of the Parties free from any obligation of confidentiality to either of the Parties or any other person and has not been acquired by any person in breach of any obligations of confidentiality;
		3. the information is required to be disclosed by law or order of any court, tribunal or agency of competent jurisdiction or by any governmental body, department or agency having jurisdiction of it or by any equivalent laws or regulations of institutions or other equivalent authorities in jurisdictions outside Nigeria; or
		4. the information is expressly stated in writing to be non-confidential.
3. **CONFLICT OF INTEREST**

The Parties to this Agreement declare that there is no existing current fiduciary or pecuniary conflict of interest which would affect their entry into this Agreement.

1. **AMENDMENT**

No amendments to this Agreement shall be effective unless it is in writing and signed by the Parties or their authorized representatives.

1. **ADDENDUM**

No addendums to this Agreement shall be effective unless it is in writing and signed by the Parties or their authorized representatives.

1. **WAIVERS**

Save where expressly set out herein to the contrary, a waiver of any term or provision of this Agreement shall only be effective if given by a written instrument executed by the Party waiving the provision of this Agreement and no forbearance, indulgence or inaction by any Party at any time to require performance of any of the provisions of this Agreement nor any single or partial exercise of any such right shall, in any way, affect, depreciate or prejudice the right of such Party to require performance of that provision in the future.

1. **NOTICES**
	1. All notices or other documents to be furnished by the Parties under or in connection with this Agreement shall be in English language and shall be sent to the addresses stated above and marked for the attention of the persons designated in this Clause 26. Notices and other documents may be sent by hand delivery, registered post, courier or email, provided that lawsuits arising out of or in connection with this Agreement may not be served by email.
	2. The addresses and contacts for the service of notices and other documents are as follows (or such other address or contacts as may be subsequently notified by the relevant Party in accordance with this Clause 26):

If to **DisCo**:

Address:

Attention: [insert]

Tel: [insert phone number]

E-mail Address: [insert]

If to **Mini-Grid Operator**:

Address:

Attention: [insert]

Tel: [insert phone number]

E-mail Address: [insert]

If to **Cluster Representative**:

Address:

Attention: [insert]

Tel: [insert phone number]

E-mail Address: [insert]

Each Party shall notify the other in writing promptly of any change in the above address or contact person.

1. **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 shall together constitute one and the same instrument.

1. **SEVERABILITY**
	1. If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.
	2. If one Party gives notice to the other of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.
2. **ENTIRE AGREEMENT**
	1. This Agreement constitutes the entire Agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
	2. Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.
3. **SUCCESSORS AND ASSIGNS**

This Agreement is binding upon, and inures to the benefit of, the parties and their respective successors and assigns.

1. **COST**

Except as otherwise agreed, each Party shall bear its own costs incurred in connection with the negotiations, preparation and execution of this Agreement.

1. **GOVERNING LAW AND DISPUTE RESOLUTION**
	1. **Governing Law**

This Agreement and any disputes or claims arising out of or in connection with its subject matter or formation including non-contractual disputes or claims) are governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

* 1. **Dispute Resolution**

Except as otherwise expressly provided in this Agreement, any dispute between the Parties under this Agreement shall be resolved amicably by the Parties.

* + 1. In the event that such dispute cannot be resolved within one (1) month, Parties shall resort to the procedure set out in the Commission’s Dispute Resolution Mechanism pursuant to Section 25 and Annex 10 of the Mini-Grid Regulations.
		2. The Parties acknowledge and agree that, except as expressly provided in this Agreement, the provisions of Annex 10 (Dispute Resolution Mechanism) of the Mini-Grid Regulations constitute the sole remedy of the Parties.
		3. Parties have a time period of twelve (12) months after an infraction occurs to bring attention to the infraction to all parties and begin resolving the dispute using the method outlined in Clause 32.3.1. If a Party does not move toward amicable dispute resolution within twelve (12) months of the infraction, they cannot seek reparations from the other Parties.
1. **INFORMATION AND DATA PROTECTION**
	1. Any information and data provided by a Party (hereinafter referred to as “**the Data Provider**”) to another Party (hereinafter referred to as “the Data User”) and used by the Data User directly or indirectly in the performance of the Agreement shall remain at all times the property of the Data Provider. It shall be identified, clearly marked and recorded as such by the Data User on all media and in all documentation.
	2. The Data User shall take all reasonable precautions to preserve the integrity and prevent any corruption or loss, damage or destruction of the Data Provider’s data and information.
	3. In the event of termination of this Agreement, the Data User shall when directed to do so by the Data Provider, instruct all its agents and sub-contractors to, erase all information and data provided by the Data Provider and all copies of any part of the information and data provided by the Data Provider from the Data User’s systems and magnetic data.
	4. The Data User agrees to comply and have adequate measures in place to ensure that its staff, advisor, financier, consultant etc. complies at all times with the provisions and obligations contained in the Nigeria Data Protection Regulations 2019 (and as may be amended from time to time).
	5. All personal data acquired by the Data User from the Data Provider shall only be used for the purposes of this Agreement and shall not be further processed or disclosed without the consent of the Data Provider.
	6. Nothing in this Agreement shall oblige a Party in this Agreement to disclose any information to another party if it is of the view that to do so would be a breach of the Nigerian Data Protection Regulation 2019.
	7. Each party shall indemnify and hold the other harmless for any breach of the Nigeria data protection Regulation 2019 and other relevant Regulations pertaining to this clause and Data Protection which renders the innocent party liable for any costs, fines, claims or expenses howsoever arising.
	8. In fulfilment of their obligations under this Clause the Mini-Grid Operator and the DisCo shall have in place and will maintain at all times the Information Standards which will deal comprehensively with the protection of the confidentiality, integrity and security of all and any information supplied to them.
	9. Parties shall ensure that there are audit and accounting procedures in place to deal with the requirements of this Clause.
	10. Parties shall ensure that their staff, consultants, privies, financiers, advisors etc. are reliably trained to ensure awareness of (and compliance with) their obligations under this Clause.
	11. Further to this undertaking, the Mini-Grid Operator and the DisCo agree to:
		1. Provide each other with such information and access to their premises (upon giving reasonable notice) as may be reasonably required to satisfy themselves that the obligations referred to in the clause are complied with.
		2. Make such application for a change in their notification and take such other steps as may be reasonably practicable to afford the each other’s access to information, which is reasonably required in connection with or for any purpose connected with the rights and obligations under this Agreement.
		3. Take all reasonable steps to ensure that all their agents, partners and sub-contractors comply with all the provisions set out above whenever they are processing each other’s Customers/Staff Personal information or data relating to this contract.
2. **INDEMNIFICATION**
	1. Each Party respectively, as an Indemnifying Party, shall indemnify, defend, and hold harmless the other Party, as an Indemnified Party, from and against all losses or damages relating to third party claims arising from:
		1. the breach of any representation, covenant or obligations of the Indemnifying Party under this Agreement; and
		2. any other act, omission or event for which the Indemnifying Party is liable pursuant to this Agreement.
3. MUTUAL NON-CIRCUMVENTION CLAUSE
	1. Each Party hereby irrevocably agrees and warrants that it and its Affiliates shall not, directly or indirectly, interfere with, circumvent, attempt to circumvent, avoid or bypass other Parties to this Agreement, or obviate or interfere with the relationship of any Party and its contacts for the purpose of gaining any benefit, whether such benefit is monetary or otherwise.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement the day and year first above written.

Signed by the within named

**[DISCO’s NAME]**

**...............................................**  **..............................................**

**[PLACEHOLDER] [PLACEHOLDER]**

**[Placeholder Title] [Placeholder Title]**

The common seal of the within named

**[MINI-GRID OPERATOR NAME]**

Has hereunto been affixed in the presence of:

**...............................................**  **..............................................**

**[PLACEHOLDER] [PLACEHOLDER]**

**[Placeholder Title] [Placeholder Title]**

The common seal of the within named

Cluster Representative of **[CONNECTED CLUSTER]**

Has hereunto been affixed in the presence of:

**...............................................**  **..............................................**

**[PLACEHOLDER] [PLACEHOLDER]**

**[Placeholder Title] [Placeholder Title]**

**SCHEDULE 1 – MAP OF THE INTERCONNECTED NETWORK AND INTERCONNECTION PLAN**

[Placeholder for diagrams or maps of the Interconnected Network to be added by the Mini-Grid Operator. The diagrams/maps shall include, at a minimum, a schematic or single line diagram depicting the Connected Cluster customers, the interconnection with the DisCo’s Distribution Network (Grid Point(s) of Interconnection), the DisCo’s supply feeder(s), and the Generation Assets interconnection.]

Global Positioning System (GPS) Coordinates of Interconnected Network:

1. [insert boundary coordinates]

GPS Coordinates of the DisCo’s feeder that supplies the Mini-Grid:

1. [insert]

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 2 – LIST OF DISTRIBUTION NETWORK ASSETS AND INFRASTRUCTURE IN THE INTERCONNECTED NETWORK**

[Placeholder for Mini-Grid Operator to add a list of Distribution Network Assets and Infrastructure in the Interconnected Network, including the status of the assets (e.g., deficient or not).]

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 3 – MAP OF THE GENERATION ASSETS SITE AND THE LAYOUT OF THE GENERATION ASSETS ON THE SITE**

[Placeholder for Mini-Grid Operator to add a map of the layout of the Generation Assets on the Generation Assets Site. The Landowner should provide the Mini-Grid Operator survey plan and geographic coordinates where needed and available.]

GPS Coordinates of Generation Assets:

1. [insert]
2. [insert]
3. [insert]
4. [insert]

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 4 – DIAGRAM AND DETAILS OF FIXED INFRASTRUCTURE FOR GENERATION ASSETS**

[Placeholder - To be added by Mini-Grid Operator. Details on generation assets to be installed, including relevant spec sheets.]

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 5 – TARIFFS AND MARKET CONDITIONS**

* 1. **Blended Cluster Tariff:** The Connected Cluster customers shall pay the Mini-Grid Operator for electrical energy at the price of NGN[X1] per kWh (“**Blended Cluster Tariff**”) delivered and measured with the Metering System at the Customer Point(s) of Interconnection, which includes all electricity delivered to the Connected Cluster customers whether it’s from the Mini-Grid or the DisCo’s Distribution Network. The Blended Cluster Tariff is the tariff all customers in the Cluster shall pay for all electricity received. The Blended Cluster Tariff shall be reflective of all Mini-Grid Costs, including the Usage Fee, which can be rate based in the Connected Cluster’s Blended Cluster Tariff. The Blended Tariffs factor in assumed Market Conditions over the period of the Initial Term of the Agreement, such as inflation.

|  |  |
| --- | --- |
| **Year** | **Blended Cluster Tariff**(NGN/kWh) |
| Year 1 [, pending contract Effective Date] | [Connected Cluster] |
| Year X |  |

* 1. **DisCo Grid Tariff:** The Mini-Grid Operator shall pay the DisCo for electrical energy at the price of NGN[X2] per kWh delivered and measured with the Metering System at the Grid Point(s) of Interconnection (“**DisCo Grid Tariff**”). The DisCo Grid Tariff shall be in accordance with the schedule as shown below which is subject to the DisCo MYTO tariff order. This tariff istied to Tariff Band X (average of X hours of supply per day) for a non-maximum demand (non-MD)/maximum demand (MD) customer under MYTO 2020 Tariff, unless the definition of Tariff Band X changes or is eliminated or the Grid Availability Standard is modified by the Parties. The DisCo Grid Tariff will be updated pursuant to Clause 14.3 where there is a Commission approved change to the DisCo Grid Tariff through annual, minor or extraordinary reviews.

|  |  |
| --- | --- |
| **Year** | **DisCo Grid Tariff (N/kWh)** |
| Year 1 [pending Date of Commercial Operation] |  |
| Year 2 |  |
| Year 3 |  |
| Year 4 |  |
| Year 5 |  |

* 1. **DisCo Extraordinary Backup Tariff:** The DisCo Extraordinary Backup Tariff of NGN [X4]/kWh in Clause 12.6.1.1 is below. The DisCo Extraordinary Backup Tariffs factor in assumed Market Conditions over the period of the Initial Term of the Agreement, such as inflation.

|  |  |
| --- | --- |
| **Year** | **DisCo Extraordinary Backup Tariff (N/kWh)** |
| Year 1 [pending Date of Commercial Operation] |  |
| Year X |  |

The DisCo Extraordinary Backup Tariff is calculated based on following formula: X

* 1. **Market Condition Thresholds:** The Market Conditions and their respective Low Thresholds and High Thresholds referred to throughout this Agreement are below.

|  |  |
| --- | --- |
| **Market Condition Variable** | **% Change in Market Condition (Increase or Decrease)** |
| Nigerian Naira Inflation Annual (calculated over 3 years), according to the Nigerian National Bureau of Statistics[[4]](#footnote-5) | ± 8% |
| Change in Foreign Exchange Rate between the Nigerian Naira and the United States Dollar, according to Nigerian Central Bank official exchange rate as may be reflected in the I & E Window, as communicated by FMDQ (Financial Markets Dealers Quotation) OTC Plc | ±5% |
| Diesel Fuel Price Change (based on the actual average purchase price of diesel demonstrated through invoices from the Operator over 3 consecutive months) | ± 2.5%  |
| Change in Interconnected Customer consumption habits, resulting in needing more or less electricity or usage of diesel generator than planned  | ± 20%  |
| Availability of grid supply from the DisCo’s Distribution Network during Grid Priority Hours Averaged over 3 Years (% of time grid is available) | Low Threshold: XX%High Threshold: XX% |

* 1. **OPTIONAL Lower Reliability Tariff:** If the Mini-Grid Operator agreed upon a Lower Reliability Tariff with the Connected Cluster per Clause 9.2, the Lower Reliability Tariff schedule is provided in the below table. Connected Cluster customers shall self-select to enter a demand response program if the DisCo’s Distribution Network does not supply power or the Mini-Grid is unable to meet demand for any extenuating circumstance. The Lower Reliability Tariff applies to customers who have agreed in writing to opt into the Optional Lower Reliability Tariff option.

**[Placeholder for the Lower Reliability Tariff schedule]**

The reliability metrics, how the lower reliability tariffs will be adjusted over the term of this Agreement, and other pertinent information about the Optional Lower Reliability Tariff is detailed below:

**[Placeholder for additional details]**

* 1. **OPTIONAL Blended Cluster Time of Use Tariff:** If the Parties agreed to a Blended Cluster Time of Use Tariff per Clause 9.3, the Blended Cluster Time of Use Tariff schedule is provided in the below table. The Blended Cluster Time of Use Tariff would replace the Blended Cluster Tariff.

**[Placeholder for the Blended Cluster Time of Use Tariff schedule]**

How the Connected Cluster customers’ tariffs will be calculated, how the Time of Use Tariffs will be adjusted over the term of this Agreement, and other pertinent information is detailed below.

**[Placeholder for additional details]**

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 6– DISTRIBUTION NETWORK INFRASTRUCTURE TO BE INSTALLED OR REPAIRED BY THE MINI-GRID OPERATOR**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Asset**  | **Quantity**  | **Specification**  | **Condition**[[5]](#footnote-6) | **Cost per Asset (NGN)** | **Total Costs of Assets (NGN)** |
|  |  |  |  |  | [Cost per Asset multiplied by Quantity] |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Total capital cost:** NGN [X]

Signature DisCo:

Signature Operator:

**SCHEDULE 7 – REPAYMENT OF DISTRIBUTION NETWORK UPGRADES AND IMPROVEMENT REQUIRED ABOVE 35% OF PROJECT CAPEX**

Pursuant to Clause 6.1, the DisCo will incur a liability to the Mini-Grid Operator monthly for approximately the first 7.5 years of the Project for the amount below until the Mini-Grid Operator has paid off the total value in Clause 6.1.[[6]](#footnote-7)

|  |  |
| --- | --- |
| **Year** | **Monthly Liability (NGN per month)** |
| Year 1  |  |
| Year 2 | [adjusted for 12% inflation] |
| Year 3 | [adjusted for 12% inflation] |
| Year 4 | [adjusted for 12% inflation] |
| Year 5 | [adjusted for 12% inflation] |
| Year 6 | [adjusted for 12% inflation] |
| Year 7 | [adjusted for 12% inflation] |

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 8 *–* BOUNDARY VALUES OF THE DISTRIBUTION NETWORK**

The DisCo’s Distribution Network is considered as available if the grid voltage and frequency at the Grid Point(s) of Interconnection does not deviate more than +/- 2.5% from the following values.

Power is considered as available to the Connect Cluster customers if the voltage and frequency of the Interconnected Network, measured at common point(s) of measurement in the Interconnected Network, as supplied by the Distribution Network and the Mini-Grid does not deviate more than +/- 2.5% from the following values.

Grid Voltage Nominal Value: 400 V

Grid Frequency Nominal Value: 50 Hz

In case of complaints, by either the Minigrid Operator or the Connected Cluster, these values shall be checked by the DisCo at least 2 times in a period of one month and with a time interval between the 2 measures of at least 5 days at the Grid Point(s) of Interconnection, and confirmed by the Mini-Grid Operator.

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 9 – ITEMS THAT MUST BE AGREED UPON FOR AN ADDENDUM TO THIS AGREEMENT FOR THE DISCO TO SUPPLY MORE HOURS THAN CURRENTLY AGREED UPON IN THE GRID AVAILABILITY STANDARD**

1. The DisCo has met its Grid Availability Standard at least 99% of the calendar days in a year for one year.
2. The DisCo has made any improvements to the DisCo’s Distribution Network which would be required to increase its Grid Availability Standard.
3. The change does not result in an increase in tariffs for the Connected Cluster.
4. The resultant impacts to the Mini-Grid system will not create an economic loss for the Mini-Grid Operator.
5. The Mini-Grid Operator agrees in writing to the change in the number of hours the DisCo will supply the Connected Cluster daily (the Grid Availability Standard).

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 10 – USAGE FEE**

Pursuant to Clause 11 of this Agreement, the Mini-Grid Operator shall be required to pay a usage fee to the DisCo of [X3] per kWh (“**Usage Fee**”) for usage of the Distribution Network within the Interconnected Network. The Usage Fee per year is in the table below for the Initial Term. Any subsequent Renewal Terms will use the Usage Fee in Year 15 unless otherwise agreed in writing by the Parties.

|  |  |
| --- | --- |
| **Year** | **Usage Fee (N/kWh)** |
| Year 1 [pending contract Effective Date] |  |
| Year 2 |  |
| Year 3 |  |
| Year 4 |  |
| Year X |  |

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 11 – DEBT RECOVERY**

* 1. As desired and appropriate, the Mini-Grid Operator may use commercially reasonable efforts to assist the DisCo in debt recovery efforts of existing debts to the DisCo owed by customers in the Connected Cluster by enabling any billing and metering program required in the Connected Cluster to achieve this.
		1. Any existing debts owed by customers in the Connected Cluster that the DisCo wishes for the Mini-Grid Operator to assist in recovery must be agreed upon and stated in the table below. Any outstanding cluster debts to the DisCo that are not captured in the table shall not be included in the Mini-Grid Operator’s debt recovery efforts. **Disco must also ensure that all debts have been accepted by the Connected Cluster**
		2. The Mini-Grid operator may place a bill rider on the Blended Cluster Tariff which may be added to customer’s in the Connected Cluster’s monthly bills to assist with DisCo debt recovery efforts.
		3. If the Mini-Grid Operator chooses to assist with the existing DisCo debt recovery, the Mini-Grid Operator shall be rewarded with a debt collection commission by the rates indicated in the table below.
		4. The Mini-Grid Operator shall remit any debts collected upon recovery to the DisCo along with the payments for the next billing cycle.
		5. The Mini-Grid Operator shall not assume any existing debt that the Connected Cluster owes the DisCo.
		6. The Mini-Grid Operator is not obligated to compensate the DisCo for debt recovery by using payments the Mini-Grid Operator receives from customers in the Connected Cluster for electricity provided by the mini-grid or the Distribution Network

Debt Recovery Fees Rate

The following table provides an overview of the Mini-Grid Operator’s monthly Commission for assisting—as appropriate and desired-- the DisCo with collections of outstanding debts owed to the DisCo by the Connected Cluster

|  |  |  |
| --- | --- | --- |
| **Debt Recovery Band** | **DisCo Debt Recovered in N Collected per Month/Billing Cycle** |  **Commission (%) to Mini-Grid Operator** |
| First |  N XX to N XX  |  |
| Next |  N XX to N XX |  |
| Next |  N XX to N XX |  |
| Next |  N XX to N XX |  |
| Next |  N XX to N XX |  |
| Over |  N XX to N XX |  |

The list of all outstanding debts that qualify for debt recovery assistance and have been provided by the DisCo **before** **the Effective Date of this Agreement** are below, itemized at the individual customer level.

[Placeholder for list of debts within the Connected Cluster, itemized at the individual customer level.]

Signature DisCo:

Signature Mini-Grid Operator:

**SCHEDULE 12 – PROJECT IMPLEMENTATION PLAN**

[Placeholder – to be added by Mini-Grid Operator]

Signature DisCo:

Signature Mini-Grid Operator:

Signature Cluster Representative:

**SCHEDULE 13 – CUSTOMER MANAGEMENT**

1. Mini-Grid Operator shall provide the DisCo access to the energy and vending platform, from the date of commercial operations and at all times during the term of this Agreement. This will enable the DisCo to track each customer's energy usage, affordability rate[[7]](#footnote-8)and mini-grid utilization[[8]](#footnote-9)
2. Pursuant to Clause 18, the mini-grid operator shall within forty-eight (48) hours of termination of this Agreement, provide various information to the DisCo to ensure the customers can be integrated back into the suitable service band as provided in the table below:

|  |  |
| --- | --- |
| **Items**  | **Customer Care**  |
| 1 | Details of each customer (Name, Phone number, Geotag, Meter number) |
| 2 | Total number of connected customers in the community (residential and business) |
| 3 | List of unresolved complaints  |
|  | **Technical Services**  |
| 4 | Provide an updated single line diagram  |
| 5 | List of unresolved network challenges  |
| 6 | Provide an asset register with their geo locations  |
|  | **Commercial Services**  |
| 7 | Provide a list of bypass meters during the contract term  |
| 8 | Provide list of non-connected/disconnected customers  |

Pursuant to Clause 6, the mini-grid developer will provide DisCo full access to the metering system, including the Decoder Key Change Tokens, and all required support to DisCo in integrating the meters into the DisCos vending platform.

The Mini-Grid Developer understands that the conditions contained in this Schedule 13 are very key to the seamless re-integration of the interconnected cluster into Disco’s network, and hereby agrees that the DisCo shall in addition to other remedies due to it under this Agreement, reserve the right to withhold the payment of the book value of the assets to the Mini-Grid Developer if the Mini-Grid Developer fails to comply with the provisions of this Schedule 13.

Signature DisCo:

Signature Mini-Grid Operator:

1. 90% is recommended but needs to be agreed between both Disco and the operator as the availability will be evaluated based on the agreed hours of supply from the grid [↑](#footnote-ref-2)
2. Only if this is accepted by both parties [↑](#footnote-ref-3)
3. Parties should refer to the term sheet to determine if a bank guarantee should be included for this particular transaction [↑](#footnote-ref-4)
4. The inflation and diesel fuel price thresholds are based on historical data from movement in the Consumer Price Index of the Nigerian National Bureau of Statistics. [↑](#footnote-ref-5)
5. Equipment condition is regarded as either ‘working,’ ‘partially working’, ‘faulty’ and ‘offline’. All assets must be ‘working.’ [↑](#footnote-ref-6)
6. This table should be completed by the Mini-Grid Operator and AEDC after a Preferred Bidder is selected and the technical design is finalized. [↑](#footnote-ref-7)
7. It is essential for a DisCo to monitor its customers for proper integration once the tripartite agreement term expires. [↑](#footnote-ref-8)
8. The data will enable the DisCo to determine if it should enter another agreement with the mini-grid operator for delivering its excess energy to another community along the feeder or within the same area. [↑](#footnote-ref-9)