



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Electricity Supply Agreement

2014



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Agreement specifications

- Agreement is formed between Georgian HPP and off taker ;
- Agreement is based on EFET 2007 model Agreement.
- Quantity agreed between the parties (MW/h)
- Obligation for delivery and acceptance at delivery point in accordance with DAP



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Scheduling

- **Hourly schedule** -hourly Schedule for the delivery and acceptance of electricity for every 24-hour calendar day of each Settlement Period.
- **Day Ahead Schedule**-The Parties may amend a Schedule no later than time agreed under agreement



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Metering and Reporting

- Meters;
- Delivery – Acceptance Act;
- Disputes;
- Documentation of actual delivery and receipt.



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Pricing

- Contract Price shall be denominated in Euro (€) unless otherwise agreed by the parties
- The Contract Price means the price per MWh for electricity delivered and accepted during a particular Settlement Period for which the Buyer shall compensate the Seller



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Invoicing and Payment

- **Invoice** – sent to buyer by seller for the total quantity of electricity delivered during settlement period;
- **Payment** – buyer is obliged to transfer invoiced amount upon completion of calculation period ;
- **Invoice amendments**- in case if seller agrees with comments from buyer;
- **Disputed amounts**- after settlement of dispute, amount is given back to buyer or put as a credit.



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Non-Performance Due to Force Majeure

- Definition of Force Majeure;
- Release From Delivery and Acceptance Obligations;
- Notification and Mitigation of Force Majeure;
- Effects of Force Majeure on Other Party.



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Remedies for Failure to Deliver and Accept

- **Failure to Deliver** – seller pays the buyer compensation for undelivered electricity;
- **The Failure to Accept-** buyer reimburses all damages under compensation formula set by contract;
- **Suspension of Delivery .**



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Term of agreement and termination rights

- Term of agreement;
- Expiration Date;
- Termination for material reason;
- Definition of material reason.



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Calculation of the Termination Amount

- Early termination amount;
- Settlement amount.



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Confidentiality

- Confidentiality Obligation;
- Exclusions from Confidential Information.



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Governing Law and Arbitration

- Governing Law;
- Arbitration.



USAID
FROM THE AMERICAN PEOPLE

**HYDRO POWER AND ENERGY
PLANNING PROJECT (HPEP)**

Thank You!

Elene Ghubianuri

Head of Legal Unit

Deloitte Consulting LLP

USAID-funded Hydro Power and Energy Planning (HPEP)

eghubianuri@dcop-hpep.ge

For ESA Template and more details

Please visit www.hydropower.ge