SCHEDULE 11

CONTRACT TEMPLATE FOR ISOLATED MINI-GRID

THIS AGREEMENT is made on this [**DATE**]

BETWEEN

[NAME OF DISTRIBUTION LICENSEE], a company duly incorporated under the laws of the Federal Republic of Nigeria and having its registered office at [OFFICE ADDRESS] (hereinafter called the "Distribution licensee", which expression shall, where the context so admits, include its successors-in-title and permitted assigns) of the first part;

AND

[NAME], a company duly incorporated under the laws of the Federal Republic of Nigeria and having its registered office at [**OFFICE ADDRESS**] (hereinafter called the "**Mini-Grid Operator**" which expression shall, where the context so admits, include its successors-in-title and assigns) of the first part.

AND

[NAME], a legally authorised representative of [**NAME OF COMMUNITY**] in his capacity as [Community Head] of a community in an Unserved Area, (hereinafter called the "**Community Representatives**") of the second part.

OR

[NAME], an 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 COMMUNITY/CHAIRMAN OF THE LOCAL GOVERNMENT AREA**] a community in an Unserved Area, hereinafter called the "**Community**", of the second part.

[Either of the above copied options may be used depending on whether the Community is represented by a natural person or an entity.]

In this Agreement, the Distribution licensee, the Mini-Grid Operator and Community/Community Representative are referred to collectively as "**Parties**" and individually as "**Party**".

RECITAL/ BACKGROUND

A. The Mini-Grid Operator is in the business of constructing, operating, and maintaining mini-grids.

B. The Mini-Grid Operator seeks to develop a mini-grid and supply electricity to the Community from electricity generated by the mini-grid (the "**Project**").

C. In view of the above, this Agreement sets out the terms and conditions under which the Mini-Grid Operator shall supply electricity to the Community.

1. DEFINITIONS AND INTERPRETATIONS

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

"Applicable Laws"	means the Constitution of the Federal Republic of Nigeria, 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.
"**Effective Date**"	means date of execution of this Agreement or as agreed otherwise by the Parties.
"**Community**"	[Name and location of Community, including the Local Government Area]
"**Community Power Committee**" **or** "**CPC"**	means a committee established by the Community to coordinate all electricity customers in the Community, to address enquiries and complaints.
"**Distribution licensee**"	means an electricity distribution company Licensed by the Commission.
"**Qualified Customers"**	means those customers that are deemed qualified pursuant to Clause 1.1.
"KERC"	means the Kogi State Electricity Regulatory Commission.
"**Material Adverse Action**"	means any act, decision, order, regulation, ruling, or other action taken by authority or agency that has a significant adverse impact on the rights, obligations, operations, or financial condition of a party under an agreement. This action may include, but is not limited to, the enactment or modification of laws, regulations, policies, or restrictions that materially affect the party's ability to perform its obligations, obtain necessary permits or approvals, or operate its business in a manner consistent with the original intent of the agreement.

"Mini-grid tariff tool" means the standardized spreadsheets in Schedule 13 of the mini-grid Regulation.

"**Technical Codes**" shall have the same meaning in the mini-grid Regulation.

1.2 In this Agreement, except where the context otherwise requires:

i. any reference to "this Agreement" includes the Schedules and Annexures to it, each of which forms part of this Agreement for all purposes;

If a period is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;

If a period is specified as to a given day, or to the day of an act or event, it shall be calculated inclusive of that day;

2. COMMENCEMENT AND TERM

2.1 This Agreement shall commence on the Effective Date.

2.2 Subject to the earlier termination in accordance with this Agreement:

a. the initial duration of this Agreement shall be [12] months from the Effective Date to undertake the activities in Clause 5.1 ("**Initial Term**");

b. upon expiration of the Initial Term, this Agreement will be automatically renewed for a period of 20 years ("**Subsequent Term**").

c. From the Effective Date, any exclusivity agreement entered into between the parties in respect of this Project, if not terminated, will be deemed to have been terminated.

3. MINI-GRID PROJECT

1.1 The [TECHNOLOGY FOR THE MINI-GRID] system, which supplies electricity at a low voltage to a distribution network, shall be used.

1.2 The Parties acknowledge that the decision as to who qualifies as a Qualified Customer to be supplied electricity is dependent on the technical design of the mini-grid system and the economic evaluation of the feasibility study already carried out by the Mini-Grid Operator, with the full consent of the Community and the Community Power Committee ("**CPC**").

1.3 Where new components are to be integrated, this shall be mutually agreed and understood between the Parties.

1.4 The Parties acknowledge that -

a. The Mini-Grid Operator is a [private and profit-oriented company], supplying electricity to either unserved or underserved communities and invest its own funds into projects to generate profits from the sale of electricity to customers; and

b. The Mini-Grid Operator is committed to the provision and supply of a long-term and high-quality electricity service, which is contingent upon regular payments from customers.

4. **LAND**

4.1 The Parties shall jointly identify suitable land within the Community for the mini-grid project according to the criteria of the Mini-Grid Operator;

4.2 The Community may at its own expense procure the land identified pursuant to Clause 4.1 above which may be leased to the Mini-Grid Operator at no cost to the Mini-Grid Operator or a nominal fee as may be agreed by both parties; and

4.3 The Community and the Mini-Grid Operator shall execute a separate agreement for the lease arrangement in Clause 4.1 above.

5. **DUTIES AND OBLIGATIONS OF THE PARTIES**

5.1 Subject to the terms of this Agreement, the Mini-Grid Operator shall:

a. During the Initial Term, carry out the project planning, acquire the necessary permissions to install, operate, and maintain the energy system;

b. plan, design, procure, install, commission, operate, and maintain the power station and the distribution network;

c. sell electricity generated to the customers who are deemed qualified pursuant to Clause 3.2 above ("**Qualified Customers"**);

d. provide reliable and satisfactory energy services to the Qualified Customers within the Community; and

e. carry out its operations in accordance with Good Industry Practice, Technical Codes and the standards and requirements set out in this Agreement.

6. Subject to the terms of this Agreement, the Community/Community Representatives shall:

6.1 ensure the prompt payment of their bills as stipulated in this Agreement and

6.2 ensure that the Community establishes a Community Power Committee ("**CPC**") to coordinate all electricity customers, to address enquiries, complaints and all other matters relating to electricity service.

7. TARIFF

Tariff Model and Tariff

7.1 The Parties acknowledge that:

a. the tariff will be calculated either by:

i. using the mini-grid tariff model and approved by the Commission; or

ii. in case of Registered mini-grids, by an agreement between the Registered Mini-grid Operator and the Community/Community Representatives, with customers consuming not less than 60% of the electrical output of the mini-grid.

7.2 The Mini-Grid Operator's goal is to offer the lowest possible tariffs to its customers based on efficient technology and operational practices.

7.3 The tariff is lower than the cost of alternative sources of energy currently being used by the Community

7.4 Based on Clauses 7 above, the Parties agree that the tariff shall be [XXXX] based on: [Insert the methodology adopted]

8. Change in Tariffs

8.1 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 Community, the Mini-Grid Operator, or by the Commission.

8.2 The Parties agree to give sufficient notice to each other where it intends to change its tariffs and apply to the Commission for an adjustment of tariff.

9. METERS AND INDOOR INSTALLATIONS

9.1 Energy meters with [Specification of Meters] shall be installed at each Qualified Customer's premises.

9.2 The financing method for the indoor installation packages shall be agreed between the Parties on a case-by-case basis with the consent of the Commission.

9.3 The payment of electricity shall be subject to the subscribed method of payment for each customer.

10. COMMUNITY POWER COMMITTEE

The Community/Community Representatives shall facilitate the establishment of a CPC, which may:

a. support the Mini-Grid Operator in all mini-grid project-related activities that are not detrimental to the community;

b. assist in providing labor for the construction of the mini-grid project.

c. assist financially to cover the capital cost of some assets required for the mini-grid project.

d. assist in acquiring the necessary permits to install, operate and maintain the energy system.

e. convey and communicate the community's issues to the mini-grid operator and vice versa.

f. collect on behalf of the mini-grid operator fees for the electricity used for public lighting and transfer such fees collected to the mini-grid operator, where applicable;

g. take the necessary measures against theft or vandalism of equipment; and

h. assist the mini-grid operator in identifying suitable personnel for power station guards, electricians, and locally based sales agents.

11. CHANGE IN LAW

11.1 If a change in law occurs which directly or indirectly severely affects a Party's rights and obligations under this Agreement, either of the Parties may, by written notification, require negotiations of an amendment to this Agreement on a best-efforts basis to restore the original economic balance between the Parties under this Agreement.

11.2 The following events shall always give right to such negotiations as stipulated in Clause10.1 above:

a. regulatory change which renders the activities encompasses by this Agreement illegal or impossible.

b. enforced/mandatory decrease in tariff.

11.3 an enforced/mandatory change in the legal and regulatory environment of the country of operation that prohibits the performance of the terms of this Agreement.

11.4 If no agreement has been reached by 60 days after the written notification was issued, both Parties shall have the right to terminate this Agreement.

11.5 If one Party learns that a Regulatory Change will occur or is likely to occur, that Party must notify the other Party promptly.

12. TERMINATION

12.1 The Agreement may terminate upon mutual agreement by the Parties.

12.2 With the consent of the Community, the Community Representatives may terminate this Agreement by giving 30 (thirty) days' written notice to the Mini-Grid Operator where:

a. The Distribution licensee decides to re-integrate the mini-grid into the main-grid before the expiration of the Term;

b. The Mini-Grid Operator's Permit expires and is not renewed within [30] days of the expiration or the Mini-Grid Permit is cancelled by the Commission;

c. The Mini-Grid Operator abandons the Project for a period of more than three [3] consecutive months;

d. The installation of the power system has not commenced within 12 months after the execution of this Agreement;

e. the Mini-Grid Operator becomes unable to pay its debts (as defined by section 4 of the Bankruptcy Act 1979 and section 572 of the Companies and Allied Matters Act 2020) 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;

f. the Mini-grid Operator commits a breach of Clause 5.1 (c) and/or Clause 5.1.(d) and fails to remedy the breach within 14 days (or as agreed between the Parties) following receipt of the notice of breach executed by at least 50% of all the Qualified Customers within the Community.

12.3 The Mini-grid Operator may terminate this Agreement by giving 30 (thirty) days written notice to the Community Representative if:

a. it decides not to pursue the Project;

b. the Community Representatives commits a breach of Clause 5.2 which has an adverse effect on the Project and fails to remedy this breach within 30 thirty days (or as agreed between the Parties) of receiving the notice of breach; and

c. there are repeated incidents of vandalism, thefts of electricity which endanger the financial viability of the Mini-Grid Operator's energy supply and has an adverse effect on the Project.

12.4 Where termination occurs pursuant to Clause 11.3.1, the Mini-Grid Operator shall undertake such restorations to the land and environment required to restore it to good condition.

12.5 Upon termination, the Mini-Grid Operator shall at its own cost remove the Mini-Grid assets and infrastructure.

12.6 Upon the termination, the Mini-grid operator shall notify the Commission and the Distribution licensee, in writing, within fifteen (15) days of the termination and the reasons for the termination thereof.

13. NOTICES

13.1 All notices or other documents to be furnished by the Parties under or in connection with this Agreement shall be written in English and sent to the addresses stated above and marked for the attention of the persons designated in this clause. Notices and other documents may be sent by hand delivery, registered post, courier, or email, provided that proceedings arising out of or in connection with this Agreement may not be served by email.

13.2 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):

If to Mini-Grid Operator:

Attention:_____

Tel:_____

E-mail address:_____

If to Representative of Community Representative:

Attention:_____

Tel:_____

E-mail address:_____

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

14. AMENDMENT

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

15. WAIVER

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.

16. COSTS

Each Party shall bear its own cost of or in connection with the preparation, negotiation, and execution of this Agreement.

17. 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 the same instrument.

18. SEVERABILITY

18.1 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.

18.2 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.

19. CONFIDENTIAL INFORMATION

19.1 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 of the execution of the mini-grid project, unless:

a. The disclosure is expressly assented to in writing by the Party to which the Confidential Information belongs;
b. The disclosure is subject to a legal obligation of disclosure,

19.2 Each Party, after consultation with the others, shall adopt reasonable procedures to preserve the Confidential Information of the other Parties.

19.3 No information shall constitute Confidential Information if:

a. 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;

b. The information has at the relevant time, already become 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;

c. 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 on it, or by any equivalent laws or regulations of institutions or other equivalent authorities in jurisdictions outside Nigeria; or

d. The information is expressly stated in writing to be non-confidential.

20. CONFLICT OF INTEREST

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

21. ENTIRE AGREEMENT

21.1 Each Party acknowledges that, in entering into this Agreement, it does not rely on, and shall have no remedy in respect of, any statement, representation, assurance or warranty of any person other than as expressly set out in this Agreement.

21.2 Nothing in this Clause 18 operates to limit or exclude any liability or fraud.

22. SUCCESSORS AND ASSIGNS

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

23. GOVERNING LAW AND DISPUTE RESOLUTION

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.

24. Dispute Resolution

Except as otherwise provided in this Agreement, any dispute of whatever nature which may arise between all or any of the Parties out of or in connection with this Agreement shall be dealt with in accordance with the procedure set out in the Dispute Resolution Mechanism set out by the Commission.

IN WITNESS *whereof this Agreement was executed the day and year first above written.*

For **[DISTRIBUTION LICENSEE]**

Signed at ..... on this ..... day of ..... 20.....

By:

Name:

WITNESSES

1. _____

2. _____

For **[MINI-GRID OPERATOR]**

Signed at ..... on this ..... day of ..... 20.....

By:

Name:

WITNESSES

3. _____

4. _____

For **[CONNECTED COMMUNITY /REPRESENTATIVE OF CONNECTED COMMUNITY]**

Signed at ..... on this ..... day of ..... 20...

By:

Name:

WITNESSES

1. _____

2. _____