

(Unofficial Translation)

Model
Power Purchase Agreement
for the Purchase of Power from a Very Small Power Producer
(for the Generation Using Renewable Energy)

between

.....

and

the Provincial Electricity Authority/Metropolitan Electricity Authority

This Power Purchase Agreement is executed and delivered at the Distribution Utility on _____ between _____, represented by _____, with the office located at _____, hereinafter called “the Power Producer,” of the one part, and the Provincial Electricity Authority/Metropolitan Electricity Authority, represented by _____, title: _____, office: _____, located at _____, hereinafter called “the Utility,” of the other part.

WHEREAS both parties agree to purchase and sell electricity under the following terms and conditions:

1. Purchase and Sale of Electricity

1.1 The Power Producer and the Utility shall abide by the terms and conditions pertaining to the purchase of power and system interconnection as stipulated in the Regulations for the Purchase for Power from Very Small Power Producers (for the Generation Using Renewable Energy) and the Regulations for Synchronization of Generators with Net Output under 10 MW to the Distribution Utility System, B.E. 2549 (2006), as detailed in Appendices 1 and 2 attached to this Agreement respectively.

1.2 Appendices 1 and 2 annexed hereto shall form an integral part of this Agreement. In case of inconsistency between the provisions in this Agreement and those in Appendices 1 and 2, the former shall prevail.

1.3 The Utility agrees to purchase and the Power Producer agrees to sell electricity at a maximum capacity of ____ MW at the voltage level of _____ Volt, with the Purchasing Point located at _____, with details of the generation system as specified in the Application for Sale of Electricity and System Interconnection.

1.4 The Utility agrees to sell standby power to the Power Producer at the request of the latter, pursuant to the announcement on the standby power tariff and in line with the standby power purchase agreement between the Utility and the Power Producer.

2. Agreement in Force and Termination

This Agreement shall come into force as from the date of its signing by both parties for a period of one (1) year. The Agreement shall be automatically extended on a continual basis, each time for another period of one (1) year, and shall remain effective unless it is terminated in the event of the following:

2.1 The Power Producer gives a written notice to the Utility of his intention to discontinue the purchase/sale of electricity by terminating the Agreement.

2.2 If one party is in breach of any terms and conditions specified in the Agreement, the non-breaching party shall send a written notice to the breaching party to make necessary correction. If the breaching party fails to make such correction, the non-breaching party is entitled to terminate this Agreement.

3. Power System Interconnection

3.1 The Power Producer will allow the Utility to enter its premises to install, to undertake the maintenance, to change and/or to relocate the power system interconnection equipment after the owner or right holder of the location has been notified.

3.2 The Utility reserves the rights to specify the requirement of additional equipment, at a later stage, both for the Utility's distribution system and for the Power Producer's power plant, to be in line with the technical standards and the pattern of power dispatch of the Utility.

3.3 One party has to notify the other party in advance if any change has been made to its power system, which will affect the protective equipment in the power system of both parties. No action related to the interconnection equipment shall be taken without a written notice to the Utility in advance.

4. Control and Operation of the Power Plant

4.1 The Power Producer must strictly abide by the switching order of the Utility's Control Center for the benefits of the operation and maintenance, except for the case where damage may be caused to the life or property of either party.

4.2 The Power Producer has to submit the information about the amount of fuel consumption per year and the Average Lower Heating Value of the primary and secondary fuels used for electricity generation.

4.3 The Power Producer, using commercial fuels, such as oil, natural gas and coal, as a secondary fuel at a ratio greater than 25% of the total heat consumption for power generation in that given year, must generate electricity efficiently by having the ratio of Primary Energy Saving (PES) at no less than 10% in each year. The PES ratio calculation method is provided in Attachment 2 of the Regulations for the Purchase of Power from Very Small Power Producers (for the Generation Using Cogeneration System). In case of the failure to comply with the requirements about the efficiency of the power generating processes, a fine shall be imposed, pursuant to the calculation method described in Item 4.4.

4.4 In the event that the PES ratio achieved by the Power Producer is less than 10%, the Utility will demand a refund from the revenue from the energy charge that the Utility has paid to the Power Producer in that given year, according to the difference of the PES ratio as required by the Regulations, i.e. 10%, and the actual PES ratio derived from the calculation using the calculation formula specified in the Regulations for the Purchase of Power from Very Small Power Producers (for the Generation Using Cogeneration System).

5. Billing Settlement

5.1 The payment for the purchase/sale of electricity shall be in compliance with the provisions specified in the Regulations for the Purchase of Power from Very Small Power Producers (for the Generation Using Renewable Energy).

5.2 In case the Power Producer fails to make payment within the period specified in the Regulations for the Purchase of Power from Very Small Power Producers, the Utility is entitled to take measures pursuant to the Utility's announcements or regulations.

5.3 In case the Utility fails to make payment within the period specified in the Regulations for the Purchase of Power from Very Small Power Producers, the Utility agrees that the Power Producer charge for the interest of the amount in arrears at the then MOR rate charged by Krung Thai Bank Public Company Limited, as from the date of default until the payment is made in full. In this connection, the imposed interest rate shall not exceed fifteen percent (15%) per annum.

6. Force Majeure

6.1 "Force Majeure" denotes any event of which the happening or pernicious results could not be prevented even though a person against whom it happened or threatened to happen were to take such appropriate care as might be expected from him in his position and in such a situation, and shall include any or several of the following events:

- 6.1.1 acts of the government such as a change to the energy policy of the government;
- 6.1.2 acts of public enemies in a war situation (whether declared or undeclared), blockades, riots, insurrection, commotion, espionage, sabotage, strikes, work stoppages as stated in the labor law, any eviction, earthquakes, storms, fires, floods or explosions; and
- 6.1.3 interruptions in the distribution system resulting from detriments to the distribution system or any devices related to the system interconnection.

6.2 In the event that either party is unable to perform his obligations under this Agreement by reason of Force Majeure under Item 6.1 hereof, such party shall not be held in breach of the Agreement, and the other party shall not claim for any compensation whatsoever.

6.3 The party claiming Force Majeure shall:

6.3.1 notify the other party as soon as practicable of the Force Majeure, together with the detailed information of the event and the period of time necessary to cure the damages resulting from such Force Majeure; and

6.3.2 use, at its own cost, all reasonable efforts to remedy the situation as soon as possible and such implementation must be within the ability of the party.

7. Settlement of Disputes and Arbitration

7.1 Any dispute or difference arising out of, or in connection with, the Agreement or the implementation of any of the provisions of the Agreement which cannot be settled amicably shall be referred to arbitration. If no settlement can be reached by arbitration, the dispute or the difference shall be referred to a Thai court for a final decision.

7.2 Unless both parties agree in the appointment of a single arbitrator, any dispute or difference shall be referred to two (2) arbitrators. Either party shall serve upon the other a notice of intention to submit the dispute or difference to arbitration and specify the name of an arbitrator to be appointed by him. Then, the other party shall appoint the other arbitrator within thirty (30) days after receipt of the said notice. If the two arbitrators are unable to compromise such dispute or difference, an umpire shall be appointed by the two arbitrators within thirty (30) days from the date of disagreement. The umpire so appointed shall resolve the dispute or difference. The arbitration proceedings shall follow either the Rules of Arbitration of the Ministry of Justice's Arbitration Office, *mutatis mutandis*, or the Rules of Arbitration and Conciliation of the International Chamber of Commerce, as agreed by both parties. The arbitration proceedings shall be conducted in the Thai language.

7.3 The appointed arbitrators must have qualifications illustrating expertise in the field of development, debt financing, construction, power plant operation or power plant maintenance and shall not be employees or agents of, or advisors to either party.

7.4 Should either party decline to appoint an arbitrator, or in case the two arbitrators cannot reach an agreement regarding the appointment of an umpire, each party is entitled to refer the matter to a Civil Court for the appointment of arbitrator or umpire as the case may be.

7.5 Any decision or award given by the arbitrators or the umpire, as the case may be, shall be final, conclusive and binding upon the parties hereto. If the arbitrators or the umpire cannot settle the dispute or difference, or the notified party pursuant to Item 7.2 hereof fails to appoint an arbitrator on his side, wishing to exercise the right of institution of court action, then the dispute or difference shall be deferred to the relevant Provincial Court for a decision.

7.6 Each party shall bear the cost of his own arbitrator's service and share equally other cost of all proceedings. In case a single arbitrator or an umpire is appointed, the cost of the single arbitrator's service or the cost of the umpire's service shall be decided by the arbitrator or the umpire, as the case may be.

This Agreement is executed in two identical counterparts -- one for the Power Producer, the other for the Utility. Both parties have thoroughly read and understood the contents hereof and have hereto appended their respective signatures and affixed their seals (if any) in the presence of witnesses.

Power Producer

PEA/MEA

Signature: Power Producer
(.....)
Title

Signature:Utility
(.....)
Title

Signature:Witness
(.....)
Title

Signature:Witness
(.....)
Title