

	<b>HEADS OF TERMS CROSS-BORDER STANDARD OFFER PROGRAMME</b>	Rev.	0
		Effective Date	October 2023

These Heads of Terms set out key principles which are intended to form the basis of a future more detailed agreement between the parties. The terms are not exhaustive and are expressly subject to a written agreement been entered into. The terms are not intended to be legally binding between the parties unless specifically stated otherwise.

The grid capacity allocation rules that give effect to the principle of “first ready, first served” in the area of grid capacity allocation will be applicable as the case may be.

Technical	Proposed Provisions
Capacity	Minimum 20MW dependent on level of technical losses incurred to supply at South African (RSA) border. Evaluated on a case-by-case basis.
Available wheeling path(s) and point(s) of delivery at RSA border(s)	Name of RSA interconnector and path to interconnector from host utility
If the Transmission infrastructure (to facilitate wheeling or evacuation of power to RSA border) is not already in place, what are the technical requirements and timelines?	To be confirmed (TBC) by applicant
For existing plant: Current production level p.a (baseline). Existing power purchase agreement (PPAs) currently being serviced	Plant details TBC by applicant
Load Factor per time-of-supply (TOU)	Ability to generate between 05:00 AM & 22:00 PM
Firm power commitment for PPA	TBC by applicant
Dispatchability of power	TBC by applicant
Commercial Operation date	Preferably 6 months from PPA signature
Metering	RSA Border or plant gate dependent on feasibility and technical constraints
Limitations or conditions related to the supply of power	Where this is an independent power producer (IPP), Connection via the Host Utility. Compliance to Host Utility rules will be required. All power to be scheduled through host utility. Demonstrate that a balancing agreement signed with host utility.
Compliance to host country grid codes and related standards	Ability to schedule on a day-ahead basis
Power must be measurable and incremental	Determination of accurate baseline
Financial	
Commercial Operation date	One year annually renewable PPA not exceeding 3 years

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Price (in time-of-use, where applicable)	A static price, which is reset annually, based on the National Energy Regulator of South Africa (NERSA) approved tariff
Price escalation mechanism	In line with NERSA multi-year price determination (MYPD) increase
Payment terms and conditions	Either IPP or host utility (consider netting off if a prosumer is involved)
Delivery schedule	Payment for metered energy at the agreed point of supply
Currency	South African Rand (ZAR)
Provision for payment adjustments or disputes	Price Indices including but not limited to consumer price indexes (CPI) and any agreed contractual adjustments
<b>Legal</b>	
Parties to the agreement	TBC at negotiation
Project definition	TBC on offer and acceptance
Governing Law and Jurisdiction	South African Law to govern the, execution, the interpretation and enforcement of all applicable contracts.
Conditions precedent	The PPA will be subject to the fulfilment of conditions precedent to the contracting parties' obligations, including governance approvals. All conditions precedent must be satisfied (or waived if relevant). No fictional fulfilment of any condition precedent will be permitted
Compliance to laws	
<p>Compliance to SA laws and regulations including licence to sell energy to Eskom</p> <p>Compliance to Host Utility laws and regulations.</p> <p>Compliance to Southern African Development community (SADC) rules and Southern African Power Pool (SAPP) rules where applicable</p>	<p>Compliance with laws such as but not limited to the South African Constitution, the Electricity Regulation Act, National Energy Regulator Act, Grid Code, Municipal Laws etc.</p> <p>Include Host Utility laws</p> <p>Include applicable SADC rules and SAPP rules</p>
Duration of agreement	To be confirmed on an individual basis
Alternative Supplier/Transmitter/Distributor	If power is not supplied by a SAPP national utility, confirmation is required that all the necessary approvals have been obtained from the host utility including the provision of energy balancing by the utility

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General Obligations	Supply obligations relating to energy (e.g., cross border power exchanges may not be intended so much on set sales) is to enable complementary access to alleviate electricity demands.
Consents and Approvals	If required, all other host country government/ legislative approvals must be obtained
Confidentiality	sharing of information and the treatment of such information e.g., access to metering and reconciliation data
Assignments and Novation	Prohibition and restrictions on assignment, cessions, delegation, and novation
Force Majeure	Acts, events or circumstances of Force Majeure and related exclusions
Dispute resolution	Tiered level of dispute resolution (i) Internal referral; Mediation/Adjudication; Arbitration; and High Court.
Penalties	remedies for non-compliance
General & Miscellaneous	All applicants, including Host Utility, must be in good standing with Eskom
Warranties and Guarantees	These are warranties and guarantees potentially to be provided at contracting stage. TBC at negotiation.
Direct Losses	The Parties' liability to each other. No Party shall have any additional liability to the other Party in respect of any claim.
Change in Control	Consents which are required to authorise such change in control