NSO
National System Operator

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நஷனல் சிஸ்டம் ஒப்பரேட்டர் (பிரைவட்) லிமிட்டட்
NATIONAL SYSTEM OPERATOR (PRIVATE) LIMITED

Your ref: My ref: NSO/RE&ESCP/ST/General Date: August 13, 2026

PUBLIC UTILITIES COMMISSION OF SRI LANKA
24 AUG 2026
5104

Chairman,
Public Utilities Commission of Sri Lanka,
6th Floor, BOC Merchant Tower,
No.28, St, Michael's Road,
Colombo 3.

Dear Sir,

Subject: Forwarding the Revised Standardized Power Purchase Agreement (SPPA) for Review and Approval

In line with the restructured entities of CEB, NSO has revised the existing Standardized Power Purchase Agreement (SPPA).

In view of the functions of the Public Utilities Commission of Sri Lanka (PUCSL) under the **Sri Lanka Electricity Act, No. 36 of 2024 (as amended)**, including the functions specified under **Section 5(3)(n)** relating to the review and approval of commercial terms of new generation capacity undertaken by the National System Operator, the revised SPPA is forwarded herewith for your **review and approval**.

Your approval is kindly requested to facilitate the finalization of the revised SPPA.

Annex I – Revised Standardized Power Purchase Agreement (SPPA)

Yours faithfully,
NATIONAL SYSTEM OPERATOR (PVT) LTD

Eng. W. M. K. D. S. Fernando
Chief Executive Officer (Covering)

DDG (ZS)
DL 24/08/2026
D(EFA) FOAA, Please with D(FEA) & ADC (Legal) as well
24/08/2026

Copy :

1.	*Chairman - NSO*	-	*f.i.pl.*
2.	*CTO – NSO*	-	*f.i.pl.*
3.	*CTO – EDL (Pvt) Ltd*	-	*f.i.pl.*

Annex 1

National System Operator

STANDARDISED
POWER PURCHASE AGREEMENT

BETWEEN

NATIONAL SYSTEM OPERATOR (PVT) LTD

AND

-------------- (PVT) LTD

-------------------------(Project Name/Plant Name)

Maximum Allowed Power at Termination Point, ...MW

Site Ref: --------------------------------

Technology: Wind Power/Mini-hydro/ Solar/......(as applicable)

.... 2026

CONTENTS

STANDARDIZED AGREEMENT FOR PURCHASE OF ELECTRICAL ENERGY BETWEEN NATIONAL SYSTEM OPERATOR (PVT) LTD AND ------------------------ (PRIVATE) LIMITED ---------------------- (Project Name/Plant Name) Technology: Wind/Minihydro/Solar....(as applicable) Maximum Allowed Power at Termination Point, ... MW

Site Ref: ------------------------------

This Agreement is made and entered into at Colombo on this .... day of .... **2026** by and between **National System Operator (Pvt) Ltd (PV 00337141)**, a limited liability company incorporated in Sri Lanka under the Companies Act No. 7 of 2007 and designated as the successor to the Ceylon Electricity Board under the Sri Lanka Electricity Act, No. 36 of 2024 as amended and having its head office at 7th Floor, No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo in the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as "**NSO**"), and ---------------------------- **(Private) Limited (PV-------------)** a limited liability company duly incorporated in Sri Lanka under the Companies Act No. 7 of 2007 and having its registered office at ---------------------------- **(Address)** (hereafter referred to as the "**Seller**" which term or expression where the context so requires means and includes the said ---------------------------------- **(Private) Limited** and its successors and assigns, as permitted hereby).

WHEREAS, the Seller has submitted a proposal for sale to NSO of electrical energy from a small power production facility in Sri Lanka;

AND WHEREAS, the Seller's Project and tender of electrical energy for sale qualifies under the procurement guidelines for the renewable energy power plants, which is approved by the Government;

AND WHEREAS, NSO is authorized to purchase electrical energy under applicable law and regulations of the Democratic Socialist Republic of Sri Lanka;

AND WHEREAS, the Seller is a company duly incorporated and validly existing under the laws of the Democratic Socialist Republic of Sri Lanka, has all requisite corporate and legal authority to execute this Agreement, and is permitted by applicable laws and regulations to sell independently produced power;

AND WHEREAS, the Seller wishes to sell and to deliver, and NSO wishes to purchase and to accept delivery of, the offered electrical energy to be produced by the Seller from the Facility described in Appendix B, all pursuant to the terms and conditions as set forth in this Agreement;

AND WHEREAS, NSO is a company duly incorporated that is not able to assert any defences of sovereign immunity to enforcement of contracts with private entities.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the Seller and NSO hereby agree as follows:

ARTICLE 1 DEFINITIONS & INTERPRETATIONS

1.1. Definitions

Except as provided herein, in this Agreement and in the recitals, the following terms shall have the meanings set forth below, when used with initial capitalization, whether in the singular or in the plural.

"Affected Period" has the meaning given to that term in Article 6 (h);

"Agreement" means this document, including its appendices and all documents, regulations, or standards incorporated by reference, as such may be amended from time to time;

"Appendix A" means the appendix to this document defining the tariff applicable for sale of Energy Output to NSO by the Seller;

"Appendix B" means the appendix to this document setting out key specifications of the Seller's Facility;

"Appendix C" means the appendix to this document defining the technical standards for testing the Facility for the purpose of demonstrating whether or not the Facility satisfies the grid connection requirements of NSO;

"Appendix D" means the appendix to this document showing a sample Monthly Invoice format;

"AWPR" means the Average Weighted Prime Lending Rate published by the Central Bank of Sri Lanka;

"Backup Meter" means the backup meter and the associated metering equipment procured, installed, owned and maintained by Distribution Licensee at the Metering Point to measure and record the delivery and receipt of Energy Output and Energy Input, all in accordance with Article 4.5;

"CEB Guide for Grid Interconnection of Embedded Generators" means the CEB guide for grid interconnection of embedded generators published in year 2000 by CEB and its addendum or any subsequent version specifying the mandatory requirements to be satisfied by embedded generators connected to National System;

"Commercial Operation Date" means the effective date of commercial operation as established in the Interconnection Certificate that will be issued by DL in accordance with the CEB Guide for Interconnection of Embedded Generators (2000) as amended, upon the successful completion of witnessing of testing and commissioning of the Facility by NSO;

"Competent Authority" means the Government or any authority, ministry or department under the control of the Government and any court or tribunal in Sri Lanka;

"Contract Year" means the twelve-month period beginning with the Commercial Operation Date and each succeeding twelve-month period;

"Construction Notice" means the notice issued by the Seller to NSO pursuant to Clause 2.2 (e) which signals the commencement of the construction activities of the Facility and Grid Interconnection Line;

"Construction Performance Bond" means the unconditional and irrevocable bond number .... in the amount LKR ....issued by ...., which is a security provided by the Seller to NSO to ensure the accomplishment of the commercial operation of the Facility on or before the milestone set out in Article 11(a);

"Day" means a 24-hour period beginning immediately after and ending at 12.00 midnight Sri Lanka time;

"Distribution Code" means the code approved by the PUCSL, as amended from time to time, specifying the technical, operational, connection, metering, and other requirements applicable to the planning, operation, maintenance, and use of the Distribution System.

"Distribution Licensee or DL" means a person or entity holding a valid distribution license issued under the Sri Lanka Electricity Act, No. 36 of 2024 as amended, authorized to own, operate, and maintain a distribution system for the supply of electricity within a defined service area, and includes its successors and permitted assigns;

"Due Date" means the date occurring sixty (60) Days after the date on which the NSO receives the Monthly Invoice from the Seller for Energy Output delivered to and accepted by NSO under the terms of this Agreement and pursuant to Article 5.2 (b);

"Emergency" means a condition or situation, that represents a threat to the integrity of the National System or its customers, or is likely to endanger life or property;

"Energy Input" means the amount of Electrical Energy import to the Facility from National Grid under the agreement entered into between the Seller and the DL;

"Energy Output" means the amount of electrical energy generated by the Facility and delivered to NSO at Termination Point under this Agreement;

"Energy Permit" means the permit to generate electricity through renewable energy sources, issued by Sri Lanka Sustainable Energy Authority under section 18 of Sustainable Energy Authority Act No.35 of 2007;

"Equity" means equity contribution to the cost of Project up to the Commercial Operation Date, declared by the Seller in accordance with Article 2.2 (d);

"Escrow Account" means an interest earning account to be established by the Parties as required in Article 2.2 (p);

"Event of Default" has the meaning given to that term in Article 3.2 (a);

"Facility" means all of the Seller's equipment and appurtenant land at a single site or parcel of land with all permanent buildings up to the Termination Point, utilized to produce and deliver Energy Output, including but not limited to, Seller's generating, metering, protective and auxiliary equipment and power lines of the .... (mini-hydro/wind/solar/biomass) power plant having a capacity specified in Appendix B, whether completed or at any stage of construction;

"Financing Agreements" means any and all of the agreements executed between the Seller and the Lenders for the making available to the Seller of debt financing for construction and completion of the Facility and Grid Interconnection Line up and until the Commercial Operating Date, and the security documents and other ancillary undertakings in favour of the Lenders entered into in connection with such agreements;

"Financial Closure" means the date on which the conditions precedent to initial drawdown have been satisfied or waived and initial drawdown has been made under the Financing Agreements;

"Force Majeure" shall have the meaning set forth in Article 6;

"Government" means the Government of the Democratic Socialist Republic of Sri Lanka;

"Grid Code" means the grid code of the NSO, that has been formulated in terms of the provisions of Section 10(15) of the Sri Lanka Electricity Act No 36 of 2024 as amended, which require the licensees to implement and maintain technical or operational codes in relation to the transmission system;

"Grid Interconnection Line" means the distribution line which connects the Termination Point to the Grid Point enabling the Seller to deliver electrical energy generated by the Facility to NSO;

"Grid Point" means the connection stud of the last line side isolator located on the National System existing at the time of execution of the Agreement depicted as "G" on the diagram in Exhibit A, up to which point all the developing costs shall be borne by the Seller;

"IEC Standards" means the relevant standards published by International Electro technical Commission of No. 3, rue de Varembé, P.O.Box 131,CH-1211 Geneva 20, Switzerland;

"Interconnection Certificate" means the certificate issued by DL in accordance with CEB Guide for Grid Interconnection of Embedded Generators, Sri Lanka (published in 2000) and its addendum or any subsequent version.

"Interconnection Guidelines" means the guidelines for interconnection of renewable energy power plants to National System as defined by the Grid Code, and the CEB Guide for Grid Interconnection of Embedded Generators, Sri Lanka (published in 2000) and its addendum or any subsequent version of these or a reasonable and prudent substitute guidance or standard adopted by NSO to apply to interconnection of the facilities of Small Power Producers;

"Laws of Sri Lanka" means, in relation to this Agreement, all laws in force in Sri Lanka (including any political sub-division thereof) and includes subsidiary legislation (including all rules, regulations, orders and directives) made or issued by any Competent Authority pursuant to or under any such law, and any decree or judicial decision given or pronounced by any court of competent jurisdiction;

"Lender" means the banks, and /or financial institutions and/or other persons providing credit facilities to the Seller pursuant to the Financing Agreements;

"Maximum Allowed Power" means [......] MW which is the limit of the maximum power, contractually allowable to flow from the Facility to the National System at the Termination Point, which is achieved by means of power limiting devices installed by the Seller as required under Paragraph 8 of Appendix B;

"Meters" means the Primary Meter and the Backup Meter;

"Metering Point" means the point where Distribution Licensee fixes its metering equipment for the measurement of Energy Output and Energy Input. and the title to electrical energy passes to NSO. The Metering Point is shown as Point M on Exhibit A;

"Month" or "month" means a calendar month;

"Monthly Invoice" has the meaning given to that term in Article 5.2 (b);

"Must Run Facility" means the Seller has operating control over the amount and timing of electrical energy to be generated by the Facility, subject only to Emergencies and such directions as may be issued by NSO for the protection and operation of the National System as set out in Article 2.4;

"MW" means a megawatt or 1000 kilowatts;

"National System" means the power distribution system and transmission system, including all power distribution lines, transmission lines, transformers and associated equipment, relays and switching equipment, protective devices and safety and communications equipment owned and/or operated by the Distribution and/or Transmission Licensee on the opposite side of the Termination Point;

"NSCC" means National System Control Center of NSO;

"Party" means the Seller or NSO or their respective successors and assigns, and "Parties" means both of them;

"Primary Meter" means the primary meter and the associated metering equipment procured, installed, owned and maintained by Distribution Licensee at the Metering Point to measure and record the delivery and receipt of Energy Output and Energy Input, all in accordance with Article 4.5;

"Prime Rate" means the monthly AWPR as announced from time to time by the Central Bank of Sri Lanka for Rupee amounts, and in force on such date and, for the purpose of this Agreement, a change in any such rate shall be effective on, or from date on which it is announced or, if such announcement provides for such change to come into effect on a later date, on and from such later date;

"Project" means the design, financing, procurement, construction, testing, commissioning, completion, ownership, management, long-term operation, repair and maintenance of the Facility;

"Provincial Distribution Control Centre" means Provincial Distribution Control Centre of DL;

"Prudent Utility Practice" means accepted international practices, standards and engineering and operational considerations, including but not limited to, manufacturers' recommendations and the exercise of reasonable skill, diligence, foresight, and prudence that would be exercised or generally followed by a skilled and experienced operator in the operation and maintenance of facilities similar to the Facility;

"PUCSL" means the Public Utilities Commission which is the electricity regulatory authority of the Democratic Socialist Republic of Sri Lanka, or his delegate;

"Sales Taxes" means any and all forms of sales taxation and value added taxes, duties and levies of whatever kind and nature which the Seller by the Laws of Sri Lanka is obligated to collect on the sale of electrical energy;

"Scheduled Outage" means an outage which is scheduled in advance for the purpose of performing maintenance on the Facility;

"Small Power Producer" means the owner or operator of a Facility having an installed generating capacity of not more than 10 MW and capable of generating electricity from renewable energy sources for sale of its energy output;

"Standardized Tariff" means the tariff determined by the PUCSL for the procurement electrical energy from renewable energy sources;

" " means the rate payable by NSO to the Seller, for purchase of each kWh of electrical energy under this Agreement, as described in Appendix A;

"Term" shall have the meaning set forth in Article 3.1;

"Termination Point" means the connection stud of the last Facility side isolator located on the National System, depicted as "T" on the diagram in Exhibit A up to which point the Seller owns all equipment except the portions marked as DL's property, that the Seller has to operate and maintain at his expense;

"Treasury Bond Rate" means the Treasury Bond Rate published by the Central Bank of Sri Lanka;

"Unscheduled Outage" means an outage, which is not a Scheduled Outage; and

"Year" means a year according to the Gregorian calendar.

1.2 Interpretations

In this Agreement (including the recitals) unless the context otherwise requires:

(a) Agree: provisions including the word "agree", "agreed" or "agreement" require the agreement to be recorded in writing;

(b) Notice, certificate, determination, consent or approval: where provision is made for the giving of any notice, certificate, determination, consent or approval by any person that notice, certificate, determination, consent or approval shall be in writing, and the words "notifies", "certifies", "determined", "consent" or "approved" shall be construed accordingly;

(c) Definitions: words, phrases and expressions defined in Article 1.1 shall have the defined meaning in the whole of this Agreement including the recitals;

(d) Headings: the headings in this Agreement are for ease of reference only and shall not be deemed part of or be taken into consideration in the interpretation or construction of this Agreement;

(e) Include and Including: the words "include" and" including" is to be construed as being at all times followed by the words "without limitation";

(f) Negative Obligations: any obligation not to do anything includes an obligation not to permit or cause that thing to be done;

(g) Persons: references to persons include references to individuals, companies, corporations, partnerships, consortiums, firms, joint ventures, associations, trusts, organizations, governmental or other regulatory bodies or authorities or any other legal entities and their permitted successors and assigns;

(h) Plural and Singular: words importing the singular shall include the plural and vice versa where the context requires;

(i) Masculine and Feminine: words importing the masculine include the feminine and neuter and vice versa where the context requires;

(j) Appendix and Exhibit: the words "Appendix" and "Exhibit" are used in this Agreement to refer to any Appendix and Exhibit respectively of this Agreement unless a specific reference is made to an appendix or exhibit in any other document;

(k) Article: the word "Article" is used in this Agreement to refer to any article in the body of this Agreement unless a specific reference is made to an article in any other document; and

(l) Paragraph: the word "Paragraph" is used in this Agreement to refer to any paragraph in the Appendixes and Exhibits of this Agreement unless a specific reference is made to a paragraph in any other document.

ARTICLE 2 SALE AND PURCHASE OF ENERGY OUTPUT

2.1 <u>Sale and purchase of Energy Output</u>

The Seller shall deliver and sell, and NSO shall accept and purchase the electrical Energy Output generated by the Facility, which the Seller shall maintain its status as a Small Power Producer, and the Energy Output of the Facility shall be in accordance with Paragraph 8 of Appendix B.

2.2 <u>Obligations of the Seller</u>

(a) The Seller prior to signing of the agreement shall obtain all the necessary permissions and clearances for the construction and operation of the Facility including maintaining the validity of the Energy Permit issued by Sri Lanka Sustainable Energy Authority for entire Term of the Agreement. The Generation License issued by PUCSL for entire Term of the Agreement shall be obtained and produced to NSO prior to commencement of witnessing of testing and commissioning of the Facility by NSO.

(b) The Seller shall comply strictly with Interconnection Guidelines and all standards applicable to interconnection of similar facilities. The Seller shall make all arrangements at its own expense necessary to make available the Energy Output to NSO at the Grid Point. Seller shall cooperate with the relevant DL in these arrangements.

(c) The Seller shall, within four (4) Months from the date of execution of this Agreement, submit to the NSO evidence of Financial Closure in the form of a certificate, endorsed by the Seller and the Lenders, confirming that financing for the Project has been secured in accordance with the provisions of the Financing Agreements, the conditions required for first drawdown of funds thereunder have either been satisfied or waived by the Lenders.

(d) The Seller shall deliver to NSO evidence in the form of a certificate endorsed by the Seller and all its shareholders confirming the invested Equity in the Project, within three (3) Months from Commercial Operation Date including details of by whom such Equity is invested;

(e) The Seller shall within five (5) Months from the date of execution of this Agreement, submit to NSO the Construction Notice and commence the construction activities thereof;

(f) The Seller shall submit the implementation plan of the Project to achieve the Commercial Operation Date, within one (1) Month from the date of submission of the Construction Notice to NSO;

(g) The Seller shall notify DL and NSO in writing at least thirty (30) Days prior to commencement of pre- testing of the Facility. Upon completion of construction of the Facility and Grid Interconnection Line, the Seller shall notify NSO and DL as set out in Article 4.3(a). The Seller if required may purchase energy from National System for construction purposes after signing an agreement with the relevant DL. All costs and expenses for the use of such services shall be borne by the Seller. Insufficient, interrupted or unavailable electricity supply for construction purposes shall not constitute a breach by NSO under this Agreement.

(h) (i) Solar Power Plants *[as applicable]*

Prior to the Commercial Operation Date and thereafter on or before 1st December of each subsequent Year, the Seller shall furnish to NSO an annual forecast that includes the following: (i) anticipated monthly generation (kWh), mean solar irradiance level (W/m2), available capacity (kW), and ii) Scheduled Outages for each Year; provided, however, the Seller shall have no liability to NSO in the event that the actual amount of electrical energy delivered to NSO, available capacity or the times of said delivery, differ from the amounts or times shown in said forecasts.

The Seller shall provide NSO the following monthly data for the preceding Month within fourteen (14) Days of the current Month; (i) half hourly irradiance level (W/m2) measured at site, (ii) half hourly energy generation (kWh), throughout the commercial operation period of this Agreement, in a suitable electronic format.

(ii) Mini-hydro Power Plants *[as applicable]*

Prior to the Commercial Operation Date and thereafter on or before 1st December of each subsequent Year, the Seller shall furnish to NSO an annual forecast that includes the following: (i) anticipated monthly generation (kWh), available capacity (kW), and (ii) Scheduled Outages for each Year; provided, however, the Seller shall have no liability to NSO and shall be subject to no penalty in the event that the actual amount of electrical energy delivered to NSO, or the times of said delivery, differ from the amounts or times shown in said forecasts.

The Seller shall provide NSO the following monthly data for the preceding Month within fourteen (14) Days of the current Month; (i) daily rainfall measured in mm at site, (ii) half hourly energy generation (kWh), throughout the commercial operation period of this Agreement, in a suitable electronic format.

(iii) Wind Power Plants *[as applicable]*

Prior to the Commercial Operation Date and thereafter on or before 1st December of each subsequent Year, the Seller shall furnish to NSO an annual forecast that includes the following: (i) anticipated monthly generation (kWh), mean wind speed (m/s), available capacity (kW), and ii) Scheduled Outages for each Year; provided, however, the Seller shall have no liability to NSO in the event that the actual amount of electrical energy delivered to NSO, available capacity or the times of said delivery, differ from the amounts or times shown in said forecasts.

The Seller shall provide the NSO following monthly data for the preceding Month within fourteen (14) Days of the current Month; (i) half hourly wind speed (m/s) & direction measured at site, (ii) half hourly energy generation (kWh), throughout the commercial operation period of this Agreement, in a suitable electronic format.

(iv) Biomass and Agricultural & Industrial Waste *[as applicable]*

Prior to the Commercial Operation Date and thereafter on or before 1st December of each subsequent Year, the Seller shall furnish to NSO an annual forecast that includes the following: (i) anticipated monthly generation (kWh), available capacity (kW), and (ii) Scheduled Outages for each year; provided, however, the Seller shall have no liability to NSO and shall be subject to no penalty in the event that the actual amount of electrical energy delivered to NSO, or the times of said delivery, differ from the amounts or times shown in said forecasts.

The Seller shall provide the NSO following monthly data for the preceding Month within fourteen (14) Days of the current Month; half hourly energy generation (kWh), throughout the commercial operation period of this Agreement, in a suitable electronic format.

(v) Excess Power from Agricultural/Industrial Waste of the same industry [as applicable]

Prior to the Commercial Operation Date and thereafter on or before 1st December of each subsequent Year, the Seller shall furnish to NSO an annual forecast that includes the following: (i) anticipated monthly generation (kWh), available capacity (kW), and (ii) Scheduled Outages for each year; provided, however, the Seller shall have no liability to NSO and shall be subject to no penalty in the event that the actual amount of electrical energy delivered to NSO, or the times of said delivery, differ from the amounts or times shown in said forecasts.

The Seller shall provide the NSO following monthly data for the preceding Month within fourteen (14) Days of the current Month; half hourly energy generation (kWh), throughout the commercial operation period of this Agreement, in a suitable electronic format.

(i) The Seller shall maintain the Facility according to Prudent Utility Practice to ensure that the Maximum Allowed Power at the Termination Point, as stated in Appendix B (expressed in kW) is available throughout the period of commercial operation.

(j) Seller shall coordinate with DL to renew the validity of the Interconnection Certificate for the period as specified in the CEB Guide for Grid Interconnection of Embedded Generators subjected to the relevant laws and regulations.

(k) The Seller shall notify NSO one month in advance any deviation of the yearly Scheduled Outages submitted under Article 2.2 (h), including a non-binding estimate of expected length, and as soon as possible, of any Unscheduled Outages, including a non-binding estimate of expected length.

(l) Notwithstanding that the Seller's Facility is a Must Run Facility, whenever National System or the systems with which it is directly interconnected experiences an Emergency, or whenever it is necessary to aid in the restoration of service on National System or on the systems with which it is directly or indirectly interconnected or to maintain the reliable operation of National System, NSO may, in its sole discretion, curtail or interrupt taking delivery of all or a portion of Energy Output thereunder, provided such curtailment or interruption shall continue only for so long as it is reasonably necessary under Prudent Utility Practice, and accordingly the Seller shall abide by and comply with such actions and instructions of NSO.

The Seller's Facility shall have the capability of being remotely curtailed its power output by NSCC of NSO, which is applicable only for Solar and Wind power plants where the Maximum Allowed Power of 1MW and above.

(m) The Seller's Facility shall have the capability to be monitored from the NSCC where the Maximum Allowed Power at Termination Point is greater than or equal to 1MW and to be monitored from the relevant Provincial Distribution Control Centre of DL where that of those power plants is less than 1MW.

(n) Intentionally left blank

(o) The Seller shall dispose the equipment of the Facility in compliance with the prevalent environmental regulations within six (6) Months from the expiry of the Term of this Agreement unless extended the Term of this Agreement with the mutual agreement of Seller and NSO.

(p) As security for the Seller's continuous obligation to maintain the Maximum Allowed Power at the Termination Point of the Facility and to ensure the disposal of the Seller's equipment of the Facility in accordance with this Agreement, the Seller shall, not later than thirty (30) Days after the Commercial Operation Date, at its sole cost and expense arrange to establish the Escrow Account by the Parties with a bank acceptable to NSO with viewing access for balance and interest of the account and valid for the period of the Term, that will grow with the money to be deposited by deducting 2% of the monthly payment for Energy Output due to the Seller, by NSO in accordance with Article 5.2 (b) (vi).

(q) The Seller shall not enter into carbon selling agreement with a third party nor shall have the right to claim ownership of carbon credits for the renewable energy resource.

(r) The Seller shall submit the degradation curves related to the generating equipment of the Facility for the Term from the manufacturers' manuals prior to commissioning of the Facility.

(s) The Seller shall coordinate with the relevant DL for all arrangements required for the grid interconnection, energization, witness testing, and commissioning of the Facility.

2.3 NSO's obligations

(a) NSO's obligations to make payments as described herein, shall continue during the Term of this Agreement, and shall only be excused in the event of Force Majeure arising under Article 6 herein.

(b) NSO shall not assert the Seller's liability for, and the Seller shall not be liable to NSO for, any direct damages resulting from the Seller's accidental and non-negligent failure in meeting the Energy Output. Without NSO's prior written approval, the said limitation of the Seller's liability shall not apply where the Seller deliberately reduces Energy Output for the purpose of selling or attempting to sell electrical energy to any third party, or for the purpose of producing any other form of energy capable of being produced at the Facility.

(c) NSO does not undertake any obligations or liability whatsoever of the Facility of the Seller.

(d) NSO shall not be liable for delays, interruptions, failures or omissions solely attributable to the relevant DL or other licensee, where performance of any obligation under this Agreement requires coordination with the relevant DL or any other licensee.

2.4 Interruptions and Curtailments

(a) NSO may interrupt, reduce or refuse to purchase and accept delivery of all or a portion of Energy Output from the Facility, to the extent that such interruption, reduction or refusal is necessary, in NSO's sole discretion, under Emergencies, to maintain reliable operation of the National System or under Prudent Utility Practice.

(b) Notwithstanding that the Facility is a Must Run Facility, NSO shall not be obligated to purchase or take Energy Output if the Facility is not operated and maintained in a manner consistent with Prudent Utility Practice in accordance with Article 4.

(c) NSCC may remotely curtail power output of the Facility, for Solar and Wind power plants where the Maximum Allowed Power of 1 MW and above to maintain reliable operation of the National System.

ARTICLE 3 TERM AND TERMINATION OF THE AGREEMENT

3.1 Term

As of the date and when signed below by all Parties, this Agreement shall commence and, subject to Article 6 (h) and the termination provisions set forth in this Agreement, shall continue for a period of **twenty (20)** years, beginning on the Commercial Operation Date in accordance with express provisions of this Agreement (the "Term"). Notwithstanding the foregoing, the applicable provisions of this Agreement shall remain in effect after termination hereof to the extent necessary to provide for final billings, billing adjustments, payments, and effectuation of all rights hereunder.

3.2 Events of Default

(a) Events of default hereunder shall be each or any of the following events ("Events of Default"):

(i) The Seller fails to achieve any of the milestones set forth in Article 11(a) (i), (ii), (iii) and (iv).

(ii) The Seller fails to complete, abandons, or cancels construction of the Facility or the Grid Interconnection Line.

(iii) The Seller, during the period from Contract Year nine to Contract Year fifteen fails to deliver to the NSO an aggregate Energy Output equal to seven (7) times of annual average Energy Output delivered during the period from Contract Year one to Contract Year eight, subject to consideration of any degradation effect of the power-generating equipment. Such degradation shall be substantiated with degradation curves and any supporting technical materials from the manufacturers' manuals, and shall be taken into account upon submission of the same, unless remediation of such degradation is deemed infeasible according to industry practice.

(iv) Where the Seller fails to achieve 80% of the minimum guaranteed annual Energy Output as specified in Paragraph 9 (b) of Appendix B for two consecutive Years or for any three Years during the period of commercial operation under this Agreement, subject to the provisions of Article 6.

(v) The Seller fails to maintain the validity of the Energy Permit issued by Sri Lanka Sustainable Energy Authority, or Generation License issued by PUCSL for the entire Term.

(vi) The adjudged bankruptcy, dissolution, or liquidation of either Party, in which case the bankrupt, dissolved, or liquidated Party shall be deemed to be the Party in default hereunder.

(vii) Without reasonable excuse, the failure of any Party to make an undisputed payment when due and non-payment continues for more than one hundred and twenty (120) days.

(viii) Except for all the circumstances referred to in Articles in 3.2 (a) (i) to (vii), either Party fails to perform or observe any of the terms, conditions, or provisions of this Agreement and the appendices hereto, resulting in a material breach of the Agreement, and such failure shall not be rectified or cured within sixty (60) days after written notice thereof from the non-defaulting Party, provided, however, that if such failure cannot reasonably be cured within such sixty (60) day period, such further period, not to exceed one (1) year after written notice thereof, as reasonably shall be required to effect such cure, provided that agreement for such further period is reached by both Parties and the defaulting Party commences within such sixty (60) day period to effect such cure and at all times thereafter proceeds diligently to complete such cure as quickly as possible, subject to the provisions of Article 6.

(b) Termination

(i) Upon the occurrence of an Event of Default, in each and every case, the non-defaulting Party shall serve the Notice of Default to the defaulting Party and the defaulting Party may pursue any remedies provided for in this Agreement or under law within thirty (30) Days thereof, and non-defaulting Party may terminate this Agreement by giving sixty (60) Days from serving the Notice of Termination to the other Party , provided that should NSO claim any Event of Default against the Seller, it shall notify and afford the Seller's Lenders reasonable time, access and opportunity to remedy the event giving rise to the default, and shall cooperate with the Seller's Lenders to this end.

(ii) Upon the occurrence of Force Majeure affecting either Party in accordance with the provisions in Article 6(i).

3.3. Recourse to Construction Performance Bond *[if applicable]*

In the event that the Seller fails to achieve the milestones set forth in Article 11 (a) and NSO terminates this Agreement pursuant to Article 3.2 (b) prior to Commercial Operation Date NSO has the right to cause the Construction Performance Bond to be forfeited to NSO.

3.4 Recourse under Escrow Account

Where NSO terminates this Agreement after Commercial Operation Date due to an Event of Default of the Seller pursuant to Article 3.2 (b) above, NSO shall be entitled to fully claim the total balance of the Escrow Account or entitled to fully claim the total balance in case of the Seller not adhering to disposal of the equipment of the Facility in compliance with the prevalent environmental regulations.

ARTICLE 4 CONSTRUCTION; INTERCONNECTION; OPERATION; METERING

4.1 Approvals

(a) The seller shall obtain and remain in compliance with all Governmental approvals, licenses, lease agreements, permits, and certificates necessary for the construction, and operation of the Facility for the Term of this Agreement.

(b) The Seller shall obtain all licenses, permits, approvals and registrations necessary, imposed or required by the Government of Sri Lanka and/or any other agency or any local authority in Sri Lanka and shall comply with all legal requirements relating thereto, to enable the Seller to construct, develop, manage, maintain and operate the Facility in accordance with this Agreement.

(c) The Seller shall obtain all customs clearances and approvals for the importation and transportation of all equipment necessary for the design, construction, operation and maintenance of the Facility and the design and construction of the Grid Interconnection Line as applicable.

(d) The Seller shall obtain all necessary visas and work permits from Government agencies or departments in Sri Lanka to enable the Seller's expatriate officers and staff to work in Sri Lanka for the duration of their assignment.

4.2 Standards

(a) Applicable standards and Grid Code for equipment, transmission, and distribution including the Interconnection Guidelines shall apply to the Facility.

(b) The Facility shall be operated by the Seller in a manner consistent with Prudent Utility Practice.

4.3 Testing

(a) Pre-Testing

On completion of construction of the Facility and Grid Interconnection Line the Seller shall coordinate with Distribution Licensee to energize the Grid Interconnection Line for conducting the pre-testing.

The Seller shall submit to NSO the pretesting completion report, confirmation from the DL on Grid Interconnection Line energization, energy meter test report, the technical details of the Facility and Grid interconnection Line as specified in Appendix C.

Seller shall notify NSO and DL prior to fourteen (14) working Days for witness the testing and commissioning upon fulfilling the above requirements.

(b) Witnessing of Testing and Commissioning

NSO shall witness the testing and commissioning of the Facility, conducted by the chartered engineer acceptable to NSO, nominated by the Seller. The Seller shall coordinate with the relevant Distribution Licensee to arrange its participation, together with NSO, in witnessing the testing and commissioning activities of the Facility. The Parties shall meet and agree to the procedures, standards, protective settings and a program for the testing of the Facility in accordance with Appendix C hereto.

Seller shall coordinate with DL to obtain the Interconnection Certificate in accordance with the CEB Guide for Grid Interconnection of Embedded Generators, as amended, upon the successful completion of the witnessing of the testing and commissioning of the Facility.

The pre-testing and the witnessing of the testing and commissioning of the Facility shall be as per the technical standards set out in Appendix C hereof, and incorporated by reference herein, at the expense of the Seller.

4.4 Inspection of Seller's equipment

With or without reasonable prior notice, NSO has the right to inspect the Seller's equipment of the Facility to ensure compliance with Prudent Utility Practice and the Interconnection Guidelines during the period of commercial operation. Such access shall not interfere with the Seller's normal business operations. If, in the opinion of NSO, the Seller's equipment is not being so operated and maintained, NSO shall notify the Seller of any such discrepancies which the Seller shall correct promptly. Until such correction, NSO is not required to accept and pay for Energy Output.

4.5 Metering

(a) The Seller shall coordinate with DL to procure and install Meters employed for the purposes of measurement and billing under this Agreement, at the sole cost and expense of the Seller. Distribution Licensee shall own Meters and maintain at Distribution Licensee's cost

(b) Energy and other metering required to measure the power transfer between the Parties shall be at the Termination Point provided that an alternative metering point may be agreed between NSO and the Seller.

(c) At least sixty (60) Days prior to the anticipated commissioning date the Seller shall notify DL to install the Meters. The metering equipment shall be installed at the Metering Point depicted as "M" in Exhibit A at least thirty (30) Days prior to the anticipated commissioning date. The Seller shall attend and observe such installation. The metering equipment shall be sealable. The Seller shall provide a lockable cubicle for the Metering Equipment in accordance with applicable standards.

(d) Once the Meters have been installed, Seller shall coordinate with DL to be tested prior to the anticipated commissioning date, in accordance with Prudent Utility Practice, in the presence of both Parties.

(e) The Seller shall provide NSO and DL access to the Facility at all reasonable times with or without prior notice for the purpose of reading or inspecting Meters, examining the operation of the Facility or other purposes reasonably related to performance under the terms of this Agreement. Such access shall not interfere with the Seller's normal business operations. All personnel shall follow safety and procedural rules while on the Facility premises.

(f) The Meters shall be tested at least annually, at the Seller's expense, in accordance with Prudent Utility Practice. At any reasonable time, either Party may request additional tests of the accuracy of any metering equipment. Party requesting such additional tests shall bear the cost. The results of meter calibrations or tests shall be available for examination by the Parties at all reasonable times. If meter was not found faulty, NSO shall refund the testing charges to the Seller for additional tests requested by the NSO, except annual tests of Meters. If, at any time, any metering equipment is found to be inaccurate as specified in the Grid Code, Seller shall arrange for such metering equipment to be made accurate or replaced as soon as possible at its own cost. Each Party shall be present for breaking the seals, testing, recalibration and sealing of Meters. If either Party believes that there has been a meter failure or stoppage, it shall immediately notify the other. Seller shall arrange through the relevant DL for the investigation and take corrective action if so required.

(g) Seller shall arrange for the testing and calibration of meters, and any verification of meter accuracy, be performed pursuant to IEC Standards, by DL or by a mutually agreed upon qualified independent third party. Calibration shall occur before use of the meters. All meters shall be sealed and locked by both Parties after calibration.

4.6 Grid Interconnection Line

Seller shall design and construct the Grid Interconnection Line with prior approval and under the supervision of DL as per DL technical standards and IEC Standards at the cost and expense of the Seller so as to be available to transmit the electrical energy generated by the Facility as of the Commercial Operation Date.

NSO shall not be responsible for, nor have any liability arising from, any delay in the completion of the Grid Interconnection Line or any resulting delay in achieving the milestones specified in Article 11(a)(iii).

4.7 Protective Apparatus

(a) Seller shall install at its own expense such protective apparatus as reasonably required by NSO to protect the National System against any damage due to fluctuations or variations in voltage, power, current and frequency of the Energy Output, and so as to satisfy the specification of the Facility at the Termination Point set out in Paragraph 8 of Appendix B herein. Performance of all protection relays shall be within the scope of protection product family standard IEC 60255.

(b) During the commercial operation period if the Seller decides to replace equipment including protective apparatus, the Seller shall promptly inform and submit specifications of the revised design to NSO and obtain a written approval. NSO shall review the revised design and notify the Seller within fourteen (14) working Days of the receipt of all specifications related to such revised design. Any flaws perceived by NSO in such revised design shall be described in the written notice. Any additions or modifications required by NSO shall be incorporated by the Seller.

ARTICLE 5 DELIVERY AND ACCEPTANCE OF ENERGY OUTPUT, BILLING AND PAYMENT

5.1 Title to Energy

NSO shall accept all Energy Output that substantially satisfies the specification of the Facility for quality of electrical energy at the Termination Point set out in Paragraph 8 of Appendix B herein, and title to such Energy Output shall pass from the Seller to NSO at the Termination Point. Where these specifications are not substantially satisfied, NSO may reject such Energy Output where it could reasonably damage National System, by disconnecting the Facility from the National System.

5.2 Billing

(a) NSO and the Seller shall jointly read its Meters provided as in Article 4.5 (a) at the end of each Month for determination of the Energy Output delivered under the terms of this Agreement including time and date of the reading.

(b) The Seller shall invoice NSO on or before 10th of each Month commencing from the Commercial Operation Date (each such invoice, a "Monthly Invoice"), and each Monthly Invoice shall show intermediate calculations and shall itemize the following (in each case for the preceding Month) showing their sub-components separately, where applicable, so as to enable the amounts due to be verified;

(h) Applicable Tariff for the preceding Month in accordance with Appendix A (in LKR/kWh)

(ii) Number of units delivered for the preceding Month (in kWh)

(iii) Maximum apparent power for the preceding Month (in kVA)

(iv) Subtotal for Energy Output delivered (in the preceding Month (LKR)

(v) Escrow Account No., bank name and branch, established in terms of Article 2.2 (p)

(vi) Deduction of 2 % of the subtotal, to be deposited in the Escrow Account by NSO (LKR)

(vii) Sales Taxes for subtotal, if applicable in terms of Article 5.2 (j)

(viii) The total sum payable by NSO.

(A sample Monthly Invoice format setting out the intermediate calculations is set forth in Appendix D)

(c) NSO shall pay the Seller on or before the Due Date the Tariff as calculated pursuant to the provisions of Appendix A for all Energy Output that is not disputed in good faith pursuant to Article 8. Any undisputed amounts unpaid after the Due Date shall bear interest at the Prime Rate. Either Party may dispute any billing error, amount, or other alternative billing information pursuant to subpart (e) of this section by written notification to the other Party within one (1) year of receipt of a Monthly Invoice. If any dispute on payment either Party shall notify in writing within one (1) year of the date of payment. If dispute resolution is in favour of the Seller, NSO shall pay such unpaid disputed amount plus interest at the Prime Rate, from the Due Date to the date payment is made. If resolution is in favour of NSO, the Seller shall refund any payment received of such disputed amount plus interest at the Prime Rate, from the original Due Date to the date the refund is made. All such payments shall be due within fifteen (15) working Days of the date of such resolution.

(d) Other Sums Due and Payable by Either Party

(i) Either Party shall submit invoices separately to the other Party for any other sums due such as accumulated interest on late payments and payable by either Party to the other Party under this Agreement.

(ii) In the case of interest on undisputed late payments either Party shall submit such invoices claiming interest within one (1) Month from the date of receipt of relevant payment.

(iii) In the case of interest on disputed late payments either Party shall submit such invoices within seven (7) working Days from the date of relevant resolution.

(iv) Either Party shall not undertake to make the payments under item (i) of Article 5.2(d), in case of failure to submit the invoice on or before the time periods stated under items (ii) and (iii) of Article 5.2(d).

(e) Availability of a valid Interconnection Certificate is a prerequisite to initiate the payment to the Seller for Monthly Invoices. Without the valid Interconnection Certificate NSO is not required to accept and pay to the Seller for Energy Output.

(f) To determine the amount of electrical energy delivered and accepted, billing and payment will be based on the first available, of the following metering or estimation options in order of preference:

(i) The Primary Meter measurement(s) when that meter satisfies for the period at issue the accuracy standard in Article 4.5(f); or

(ii) The Backup Meter measurement(s) when that meter satisfies the accuracy standard in Article 4.5(f) for the period of issue; or

(iii) Where all above Meters fail to accurately register electrical energy delivered and accepted, the average monthly electrical energy delivered and accepted during the period of such Meter failure shall be established using the data in the following order of preference,

1. Saved data in the Main Meter,
2. Saved data in the Backup Meter,
3. Recorded data received from the Main Meter to the NSCC,
4. Recorded data received from Backup Meter to the NSCC,
5. The average monthly electrical energy delivered and accepted during the same corresponding months in previous years (up to the maximum available) prior to Meter failure, or if the Facility is less than twelve months from the Commercial Operation Date, the average electrical energy delivered and accepted during the last available Month prior to Meter failure, as adjusted or normalized for outages.

(g) Meter Systems Operating Outside the Prescribed Limits

During a test, if a metering system is found to be operating outside the limits of accuracy as specified in Article 4.5(f), NSO shall arrange for the following actions to be implemented:

(i) If the test was routine, restore the metering systems to operate within the prescribed limits of accuracy as soon as reasonably practicable. No compensation shall be payable to either Party.

(ii) If the test was conducted upon notification by NSO to the Seller, Seller shall coordinate with DL and restore the metering systems to operate within the prescribed limits of accuracy as soon as reasonably practicable. Revise all charges on the basis of test results. The period for revision shall be from the date NSO informed the Seller in writing of the suspected malfunctioning up to the date of testing.

(iii) If the test was conducted upon notification by the Seller to NSO, Seller shall coordinate with DL and restore the metering systems to operate within the prescribed limits of accuracy as soon as reasonably practicable. Refund all payments by the Seller as testing charges. Revise all charges on the basis of test results. The period for revision shall be from the date the Seller has made its written complaint to NSO up to the time of testing.

(h) NSO may set off amounts owed by NSO to the Seller regarding the Facility against amounts owed by the Seller to NSO regarding the Facility under this Agreement.

(i) The Seller may interrupt, reduce or refuse to make available Energy Output to NSO only to the extent that the Seller reasonably determines that such interruption, reduction, or refusal is necessary in order to install equipment in, make repairs, replacements, investigations and inspections of, or perform maintenance on the Facility which directly affect, the Energy Output. The Seller shall, prior to initiating any interruption, reduction or refusal of Energy Output, use its best efforts to provide NSO a minimum of twenty-four (24) hours advance notice, such notice to include an explanation of the cause of the interruption, and an estimate of the start and duration of the interruption.

(j) All payments made under this Agreement shall be calculated as per the Tariff in Appendix A of this Agreement. Any applicable Sales Taxes that is payable will then be added to such payments.

ARTICLE 6 FORCE MAJEURE

(a) For purposes of this Agreement, the term "Force Majeure" shall mean any exceptional event and circumstance or a combination of exceptional events and circumstances:

(i) which are not within the reasonable control and not due to the failure, negligence or persistent disregard of the Party whose performance is materially and adversely affected or becomes impracticable;

(ii) which the Party affected despite all reasonable efforts could not have prevented or overcome or mitigate its effects with reasonable diligence and foresight by using Prudent Utility Practice; and

(iii) which the Party claiming Force Majeure could not reasonably have provided against before entering into this Agreement.

(b) Force Majeure may include the following exceptional events or circumstances, so long as all conditions set out in Article 6 (a) are satisfied:

(i) Any Act of God, fire, explosion, excessive lightening, rains, floods, tidal wave, epidemic, tsunami or earthquake;

(ii) Civil disturbance, insurrection, rebellion, hostilities, public disorder or public disobedience, sabotage, riot, embargo, blockade, quarantine, labour dispute, strikes, lockouts, acts of war or the public enemy whether or not war is declared excluding such events which are site specific and attributable to the Seller;

(iii) The dissolution or reorganization the authority of NSO by any authority of the Government such that it cannot perform its obligations hereunder.

(c) Any obligations of either Party which arose before the occurrence of the Force Majeure event causing non-performance shall not be excused as a result of the occurrence of a Force Majeure event. The late payment of money owed is not excused by Force Majeure. No event resulting from a failure of a Party to operate and maintain their respective plant and equipment in accordance with Prudent Utility Practice shall be deemed to be an event of Force Majeure.

(d) The adversely affected non-performing Party invoking the Force Majeure shall not be in default if such Party :

(i) As soon as is reasonably practicable but no later than two (2) Business days after the date on which the Party knew or should reasonably have known of the occurrence of the event or circumstances claimed to be Force Majeure, provide notice in writing to the other Party of the occurrence of the Force Majeure, headed in bold print: Force MAJEURE NOTICE-IF NOT DISPUTED WILL BE DEEMED TO BE ACCEPTED, giving full particulars of the event or circumstances causing its failure to perform its obligations under the Agreement, an estimation of its expected duration and the probable impact on the performance of its obligations hereunder, and submitting good and satisfactory evidence of the existence of the Force Majeure,

(ii) Exercise all reasonable efforts to continue to perform its obligations hereunder,

(iii) Expeditiously take action to correct or cure the Force Majeure and submit good and satisfactory evidence that it is making all reasonable efforts to correct or cure the Force Majeure,

(iv) Exercise all reasonable efforts to mitigate or limit damages to the other Party, to the extent such action will not adversely affect its own interests, and

(v) Provide prompt notice to the other Party of the cessation of the Force Majeure.

(e) Failure to give Force Majeure notice as stated in Article 6 (d) (i) will prevent the Party from claiming that the event or circumstances are Force Majeure.

(f) The Party receiving the notice referred to in Article 6 (d) (i) will within fourteen (14) working Days of receipt of receiving the notice, notify the other Party in writing whether it accepts that a situation of Force Majeure exists or whether it wishes to dispute the claim. If a Party wishes to dispute the claim, then the dispute will be resolved in accordance with Article 8 of this Agreement. Failure to so notify will be deemed acceptance that Force Majeure exists.

(g) If a Party is rendered wholly or partly unable to perform its duties and obligations under this Agreement because of a Force Majeure event, that Party shall be excused to the extent necessary from whatever performance is affected by the Force Majeure event to the extent so affected, subject to the provisions in Article 6 (i).

(h) In the case of Force Majeure affecting NSO or the Seller at any time on or after the Commercial Operation Date, subject to the provisions in Article 6 (i) the Term shall be extended by the number of Days equal to the number of Days during which NSO was wholly unable to receive electrical energy from the Facility or the Seller was wholly or partially unable to deliver electrical energy from the Facility, by virtue of such Force Majeure (the "Affected Period"), provided that, where the Seller was partially able to deliver electrical energy, such extension shall be reduced by a proportion equal to the proportion which the availability of the Facility for power generation during the Affected Period bears in relation to the availability of the Facility for power generation which would have been achieved but for such Force Majeure (as determined by agreement of the Parties) within seven (7) working Days of cessation thereof.

(i) Notwithstanding the foregoing, if a Party is prevented from substantially performing its obligations under this Agreement for a period of one (1) year due to the occurrence of a Force Majeure event, the other Party may terminate the Agreement by ninety (90) Days written notice given any time thereafter to the non performing Party, unless substantial performance is resumed prior to the expiration of the ninety (90) day period.

ARTICLE 7 RELATIONSHIP OF PARTIES; LIMITATION OF LIABILITY; INDEMNIFICATION

(a) The Parties do not intend to create any rights, or grant any remedies to, any third party beneficiary of this Agreement.

(b) Nothing in this Agreement shall be construed as creating any relationship between the Parties other than that of independent contractors for the sale and purchase of electrical energy generated at the Facility. No agency relationship of any kind is created by this Agreement.

(c) Notwithstanding subpart (d) hereof or any other provision of this Agreement to the contrary, neither NSO nor the Seller nor their respective officers, directors, agents, employees, parent, subsidiaries or affiliates shall be liable or responsible to the other party or its parent, subsidiaries, affiliates, officers, directors, agents, employees, successors or assigns, or their respective insurers, for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, including, without limitation, claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement).

(d) Each Party shall defend, indemnify and save the other party, its officers, directors, agents, employees and affiliates, harmless from and against any and all claims, liabilities, actions, demands, judgments, losses, costs, expenses (including reasonable attorney's fee), suits, actions or damages arising by reason of bodily Injury, death, or damage to property sustained by any person or entity (whether or not a party to this Agreement) caused by or sustained by an act of negligence or willful misconduct by an officer, director, subcontractor, agent or employee of the other Party.

(e) If NSO and the Seller are both determined to have been negligent in a manner addressed by subpart (d) above, the obligations of the Seller and NSO shall be appropriately adjusted based on the percentage of the responsibility of each Party for such negligence. The percentage of the responsibility of each Party shall be determined by a mutually agreed qualified independent third party.

(f) The Seller shall accept all liability and release NSO from and indemnify NSO against any liability for faults or damage to the National electrical system and the public, as a result of the operation of the Seller's equipment.

ARTICLE 8 DISPUTE RESOLUTION

(a) The parties agree that if there is any dispute or difference between them arising out of the Agreement or in the interpretation of any of the provisions thereof they shall endeavour to meet in an effort to resolve such dispute by discussion, within sixty (60) Days (Conciliation Period) of such dispute arising, failing such resolution then the parties in dispute shall refer at their costs the dispute to a mutually agreed expert with experience in the field of power generation or related field or referred to the Public Utilities Commission of Sri Lanka to resolve the matter. Where such dispute is not resolved as aforesaid at the end of ninety (90) Days after the conciliation period then the provisions of 8(b) shall apply.

(b) Any dispute that is not resolved under 8(a) above may be submitted by either party to arbitration for final settlement under the Arbitration Act No. 11 of 1995.

(c) The performance of the contract may continue during arbitration proceedings as far as possible.

(d) All proceedings and hearings of the Arbitration shall be held in Sri Lanka in English language.

ARTICLE 9 DELEGATION AND ASSIGNMENT

This Agreement shall inure to the benefit of and bind the respective successors, assigns, and delegates of the Parties. No assignment or delegation by either Party of any of its rights, duties, or obligations here under shall be made or become effective without the prior written consent of the other Party in each case being obtained, which consent shall not be unreasonably withheld by either Party or its successors in interest.

ARTICLE 10 MISCELLANEOUS PROVISIONS

(a) This Agreement may not be modified or amended except in writing signed on behalf of both Parties by their duly authorized officers.

(b) This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof, and all previous agreements, discussions, communications and correspondences with respect to the subject matter hereof are superseded by the execution of this Agreement.

(c) The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the Democratic Socialist Republic of Sri Lanka.

(d) There shall be no implied waivers under this Agreement. The failure of either Party to require compliance with any provision of this Agreement shall not affect that Party's right to later enforce the same. It is agreed that the express waiver by either Party of performance of any of the terms of this Agreement or of any breach thereof shall not be held or deemed to be an implied waiver by that Party of any subsequent failure to perform the same or any other term or condition of this Agreement or of any breach thereof.

(e) If any clause of this Agreement is ruled invalid by a court of competent jurisdiction, it shall not affect the remainder of the Agreement if it can be construed to effect its essential purpose without the invalid clause.

(f) Any notice, invoice, or other communication which is required or permitted by this Agreement, except as otherwise provided herein, shall be in writing and delivered by personal service, telecopy, or mailed postage prepaid, properly addressed as follows:

(i) In the case of the Seller to: the person, the Seller, and address as indicated on the signature execution line below.
(ii) In the case of NSO to: Chief Executive Officer, National System Operator (Pvt) Ltd, 4th Floor, No. 50, Sir Chittampalam A Gardiner, Mawatha, Colombo 2, Sri Lanka.

Another address or addressee may be specified in a notice duly given as provided. Each notice, invoice or other communication which shall be mailed, delivered or transmitted in the manner described above shall be deemed sufficiently given and received for all purposes at such time as it is delivered to the addressee or at such time as delivery is refused by the addressee upon presentation.

ARTICLE 11 MILESTONES

(a) Milestones

(i) The Seller shall have a period of **four (4) Months** for fulfilling the requirements specified in Clause 2.2 (c) from the date hereof;

(ii) The Seller shall have a period of **five (5) Months** for commencement of construction activities by fulfilling the requirements specified in Clause 2.2 (e) from the date hereof;

(iii) The Seller shall have a period of **twelve (12) Months** (*for solar PV*), **twenty four (24) Months** (*for other RE technologies*) for achieving the completion of the construction, testing and commissioning of the Facility and Grid Interconnection Line from the date hereof and

(iv) The Seller shall have a period of **one (01) month** after achieving the Milestone (iii) above, to achieve the Commercial Operation Date.

(b) Notwithstanding any extension of time granted pursuant to Article 6, the aggregate duration of all Force Majeure periods occurring between the Effective Date of this Agreement and the Commercial Operation Date, whether consecutive or non-consecutive, shall not exceed one (1) year for the purpose of extending the milestones specified in Article 11. Any Force Majeure period in excess of such aggregate one (1) year period shall not entitle the Seller to a further extension of the milestones.

In witness whereof the Parties have executed this Agreement and one other of the same tenor, by affixing their respective common seals, as of the ……………………..**2026.**

NATIONAL SYSTEM OPERATOR (PVT) LTD			**THE SELLER**		
	Seal			Seal	
1	By		1	By	
	Name			Name	
	Title	Chairman		Title	Director
2	By		2	By	
	Name			Name	
	Title	Board Member		Title	Director
	Witness 1			Witness 1	
	Witness 2			Witness 2	

APPENDIX A

TARIFF FOR DELIVERY OF ENERGY OUTPUT

Tariff for -------- Technology

Project Name/Plant Name:----------------- Power Project
Site Ref. ---------------------------------------

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1. **Payment for Energy Output**

[To be inserted as applicable]

2. **Methodology of Calculation**

[To be inserted as applicable]

The tariff specified above shall be applicable only if the Seller achieves the Commercial Operation Date (COD) within the period stipulated in Article 11(iii) of this Agreement, provided that, for the purpose of calculating such period, any period corresponding to the notice period under Article 3(b) and any period of extension granted under Article 6 (Force Majeure) shall be excluded.

If the Seller fails to achieve the Commercial Operation Date within the period stipulated in Article 11(iii), and NSO agrees to extend the COD by executing an addendum to this Agreement, the applicable tariff shall be the lower of:

(a) the tariff specified in this Appendix A; and

(b) the prevailing feed-in tariff applicable to the relevant technology on the date of execution of the addendum to the SPPA.

APPENDIX B

[applicable for Solar PV]

SPECIFICATIONS OF THE SELLER'S FACILTY

NAME OF THE FACILITY	:	
SITE REF.		

1. LOCATION OF FACILITY:

Postal Address	:	
Telephone	:	
Route	:	

2. SOURCE AND TECHNOLOGY

TYPE OF SOURCE	:	Solar Power
TYPE OF POWER GENERATION TECHNOLOGY	:	Solar Photovoltaic

3. SOLAR MODULE SPECIFICATION AND INSTALLED CAPACITY:

Type and Model	:	
Capacity of a Solar Module (indicate capacity in kW)	:	
Number of Solar Modules	:	
Installed Capacity (indicate in kW, DC)	:	

4. INVERTER SPECIFICATION:

Type and Model	:	
No. of Inverters	:	
Output Voltage (indicate in V)	:	
Power Rating of an Inverter (indicate in kVA)	:	
Power Factor (Settable range)	:	
Method of output power control	:	
Method of output voltage control	:	

5. TRANSFORMER(S) SPECIFICATION:

Type and Model	:	
Number of Transformers	:	
Capacity of a Transformer (indicate in kVA)	:	
Primary / Secondary Voltage (indicate in kV)	:	

6. GRID INTERCONNECTION LINE SPECIFICATION

Conductor Type	:	
Number of Circuits	:	
Route Length (indicate in m)	:	
Tower Type (Concrete pole/Lattice tower)	:	

7. PROTECTION EQUIPMENT

Compliance	:	As specified in the CEB Guide for Grid Interconnection of Embedded Generator (2000) and as amended

8. QUALITY OF ELECTRICAL ENERGY AT THE TERMINATION POINT

Voltage	:	33 kV +/- 10%
Maximum Allowed Power at Termination Point (indicate in MW, AC)	:	
Maximum Line Current (indicate in A)	:	
Method adopted to limit the maximum power output	:	
Frequency	:	50 Hz
Power Factor (Operational)	:	.... (Settable at any point within the range of 0.9 lagging to 0.9 leading, if required by NSO)

9. ESTIMATED ANNUAL ENERGY OUTPUT

a. Maximum estimated annual Energy Output

Month	kWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

b. Minimum guaranteed annual Energy Output (*Submission of justification is required)*

Month	KWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

APPENDIX B *(applicable for Wind)*

SPECIFICATIONS OF THE SELLER'S FACILTY

NAME OF THE FACILITY	:	
SITE REF.		

1. LOCATION OF FACILITY:

Postal Address	:	
Telephone	:	
Route	:	

2. SOURCE AND TECHNOLOGY

TYPE OF SOURCE	:	Wind Power
TYPE OF POWER GENERATION TECHNOLOGY	:	Wind Turbine Generator

3. WIND TURBINE SPECIFICATION AND INSTALLED CAPACITY:

Type and Model	:	
Capacity of a Wind Turbine (indicate capacity in kW)	:	
Number of Wind Turbines	:	
Installed Capacity (indicate in kW)	:	

4. GENERATOR/INVERTER SPECIFICATION:

Type and Model	:	
No. of Generators/Inverters	:	
Output Voltage (indicate in V)	:	
Power Rating of a Generator/Inverter (indicate in kVA)	:	
Power Factor (Settable range)	:	
Method of output power control	:	
Method of output voltage control	:	

5. TRANSFORMER(S) SPECIFICATION:

Type and Model	:	
Number of Transformers	:	
Capacity of a Transformer (indicate in kVA)	:	
Primary / Secondary Voltage (indicate in kV)	:	

6. GRID INTERCONNECTION LINE SPECIFICATION

Conductor Type	:	
Number of Circuits	:	
Route Length (indicate in m)	:	
Tower Type (Concrete pole/Lattice tower)	:	

7. PROTECTION EQUIPMENT

Compliance	:	As specified in the CEB Guide for Grid Interconnection of Embedded Generator (2000) and as amended

8. QUALITY OF ELECTRICAL ENERGY AT THE TERMINATION POINT

Voltage	:	33 kV +/- 10%
Maximum Allowed Power at Termination Point (indicate in MW)	:	
Maximum Line Current (indicate in A)	:	
Method adopted to limit the maximum power output	:	
Frequency	:	50 Hz
Power Factor (Operational)	:	.... (Settable at any point within the range of 0.8 lagging to 0.95 leading, if required by NSO. If specific reactive power support is not requested by NSO then 0.98 leading to 1.0)
Maximum Ramp Rate (indicate in MW/minute)	:	

9. ESTIMATED ANNUAL ENERGY OUTPUT

a. Maximum estimated annual Energy Output

Month	kWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

b. Minimum guaranteed annual Energy Output *(Submission of justification is required)*

Month	KWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

APPENDIX B *(applicable for Mini Hydro)*

SPECIFICATIONS OF THE SELLER'S FACILTY

NAME OF THE FACILITY	:	
SITE REF.		

1. LOCATION OF FACILITY:

Postal Address	:	
Telephone	:	
Route	:	

2. SOURCE AND TECHNOLOGY

ENERGY SOURCE *(indicate stream name)*	:	
TYPE OF POWER GENERATION TECHNOLOGY	:	Hydro Power

3. TURBINE SPECIFICATION AND INSTALLED CAPACITY:

Type and Model	:	
Capacity of Turbine (indicate capacities in kW)	:	
Number of Turbines	:	
Installed Capacity (indicate in kW)	:	

4. GENERATOR SPECIFICATION:

Type and Model	:	
No. of Generators	:	
Output Voltage (indicate in V)	:	
Power Rating (indicate in kVA)	:	
Power Factor (Settable range)	:	
Method of output power control	:	
Method of output voltage control	:	

5. TRANSFORMER(S) SPECIFICATION:

Type and Model	:	
Number of Transformers	:	
Unit Capacity (indicate in kVA)	:	
Primary / Secondary Voltage (indicate in kV)	:	

6. GRID INTERCONNECTION LINE SPECIFICATION

Conductor Type	:	
Number of Circuits	:	
Route Length (indicate in m)	:	
Tower Type (Concrete pole/Lattice tower)	:	

7. PROTECTION EQUIPMENT

Compliance	:	As specified in the CEB Guide for Grid Interconnection of Embedded Generator (2000) and as amended

8. QUALITY OF ELECTRICAL ENERGY AT THE TERMINATION POINT

Voltage	:	33 kV +/- 10%	400 V +/- 10%
Maximum Allowed Power at Termination Point (indicate in MW)	:		
Maximum Line Current (indicate in A)	:		
Method adopted to limit the maximum power output	:		
Frequency	:	50 Hz	
Power Factor (Operational)	:		

9. ESTIMATED ANNUAL ENERGY OUTPUT

a. Maximum estimated annual Energy Output

Month	kWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

b. Minimum guaranteed annual Energy Output *(Submission of justification is required)*

Month	KWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

APPENDIX B *(applicable for Biomass/ Agri & Industrial Waste)*

SPECIFICATIONS OF THE SELLER'S FACILTY

NAME OF THE FACILITY	:	
SITE REF.		

1. LOCATION OF FACILITY:

Postal Address	:	
Telephone	:	
Route	:	

2. SOURCE AND TECHNOLOGY

ENERGY SOURCE	:	
TYPE OF POWER GENERATION TECHNOLOGY	:	

3. TURBINE SPECIFICATION AND INSTALLED CAPACITY:

Type and Model	:	
Capacity of Turbine (indicate capacities in kW)	:	
Number of Turbines	:	
Installed Capacity (indicate in kW)	:	

4. GENERATOR SPECIFICATION:

Type and Model	:	
No. of Generators	:	
Output Voltage (indicate in V)	:	
Power Rating (indicate in kVA)	:	
Power Factor (Settable range)	:	
Method of output power control	:	
Method of output voltage control	:	

5. TRANSFORMER(S) SPECIFICATION:

Type and Model	:	
Number of Transformers	:	
Unit Capacity (indicate in kVA)	:	
Primary / Secondary Voltage (indicate in kV)	:	

6. GRID INTERCONNECTION LINE SPECIFICATION

Conductor Type	:	
Number of Circuits	:	
Route Length (indicate in m)	:	
Tower Type (Concrete pole/Lattice tower)	:	

7. PROTECTION EQUIPMENT

Compliance	:	As specified in the CEB Guide for Grid Interconnection of Embedded Generator (2000) and as amended

8. QUALITY OF ELECTRICAL ENERGY AT THE TERMINATION POINT

Voltage	:	33 kV +/- 10%
Maximum Allowed Power at Termination Point (indicate in MW)	:	
Maximum Line Current (indicate in A)	:	
Method adopted to limit the maximum power output	:	
Frequency	:	50 Hz
Power Factor (Operational)	:	

9. ESTIMATED ANNUAL ENERGY OUTPUT

a. Maximum estimated annual Energy Output

Month	kWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

b. Minimum guaranteed annual Energy Output (*Submission of justification is required)*

Month	KWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

APPENDIX C

TECHNICAL STANDARDS AND REQUIREMENTS FOR TESTING AND COMMISSIONING OF THE FACILITY

(a) Technical Standards

1. The Engineering Recommendation G59/3 or G99/1 or the latest applicable recommendation or subsequent amendments and connected documents thereto of The Energy Networks Association, 4 More London Riverside, London, United Kingdom
2. CEB Gride Code and CEB Guide for Grid Interconnection of Embedded Generators, Sri Lanka (2000) as amended.
3. Any subsequent written agreement comes into force between the Seller and NSO on testing the Facility.

(b) Technical Requirements for witnessing testing and commissioning of the Facility

The Seller shall fulfill the following requirements and submit to NSO the details herein as required under Article 4.3 (a).

1. Detailed as built drawings (Single Line Diagram indicating all protection schemes & equipment model no.) certified by a Chartered Electrical Engineer.
2. Detailed protection arrangement drawing indicating the type of protections and setting implemented on the protection relay, certified by a Chartered Electrical Engineer.
3. Physical layout of the power plant certified by a Chartered Electrical Engineer.
4. Settings of each inverter (if applicable) certified by a Chartered Electrical Engineer.
5. Power factor settings & Mode (*e.g., Voltage Control, etc.*) of each inverter/generator and the resultant power factor of the entire power plant at the termination point including confirmed methodology adopted to achieve the same, certified by a Chartered Electrical Engineer.
6. A report on the mechanism of implementation of **inter-tripping protection** scheme (if applicable) certified by a Chartered Electrical Engineer.
7. A report on the mechanism of providing necessary controlling facility to limit the output variation using applicable **Ramp Rate** (if applicable) certified by a Chartered Electrical Engineer.
8. Methodology of limiting the output power to **Maximum Allowed Power at the Termination Point**, certified by a Chartered Electrical Engineer.
9. Measured earth resistance (Transformer Neutral - Ground **(shall be <= 35Ω),** Transformer body - Ground) **(shall be <= 10Ω).**
10. Methodology on providing the online data provision to National System Control Center (NSCC), NSO for remote monitoring of generation data.

11. A report on the mechanism of implementation of remote controlling facility from National System Control Centre (NSCC), NSO for **the main circuit breaker** (if applicable), certified by a Chartered Electrical Engineer.

12. Detailed arrangements made for **direct communication facility** (if applicable) at the Power Plant control desk on a 24-hour basis per day.

13. Nomination of the Chartered Electrical Engineer with details, who conduct the commissioning tests.

14. A certificate confirming the successful completion of pre-testing as per Technical Standards in (a) above and confirming the compliance of all the electrical constructions and installations of the project to applicable standards by a Chartered Electrical Engineer & the expected date of commissioning.

15. Documentary proof on opening a bulk supply account with the relevant Distribution Licensee commercial engineer for the power plant premises.

APPENDIX D

Sample Monthly Invoice Format

Payment for Electricity Generated by Private Power Projects

Procedure for payment for Private Power generation would be as follows:

a. The meter reading should be taken jointly by the Area Engineer, <Arear> and a representative of the power plant every month.

b. An invoice indicating the number of units generated and the total amount payable at the approved rate should be prepared by the seller as per the given format in quadruplicate as follows, (Developer may have any more additional copies)

1.	**Original**	**-**	**White**
2.	**Duplicate**	**-**	**Yellow**
3.	**Triplicate**	**-**	**Pink**
4.	**Quadruplicate**	**-**	**Green**

The invoice such prepared should be forwarded to the Area Engineer, <Arear>.

c. Area Engineer, <Arear> will certify the invoice readings and return the First Two copies **(White & Yellow)** back to the **Seller** and keep the balance two copies **(Pink & Green)** with him. The Area Engineer, <Arear> should fax the copy of the certified invoice to Deputy General Manager (Energy Purchases Transmission) immediately **(Fax No: 011 2344774)**. The **pink copy** of the certified invoice is to be posted to **Deputy General Manager (Energy Purchases Transmission)** thereafter. The **green copy** of the invoice is to be kept with the **Area Engineer, <Area>.**

d. The seller should send the First Two copies **(White & Yellow)** to Deputy General Manager (Energy Purchases Transmission) **for the payment**.

e. The **Deputy General Manager (Energy Purchases Transmission)** would make arrangements to make the **payments** for the energy generated and supplied to the National system for each month on or before the **'due date'**

f. Reference code given to your **Power Project** is **<Reference Code>** and this number should be quoted in all your future correspondence and in the invoices.

g. Also **an electricity bill** will be issued monthly for the **energy consumed** by the power station **from the national grid** on appropriate **general-purpose tariff** of either **ordinary or bulk supply** account as per the load and you will be requested to sign an agreement by the Area Engineer, <Area> for the same.

<Division No> <Folio No>

<Developer's Name>
<Address>
<TP No>

Company Vat No: .... 7000 **Ref Code: <Reference Code>**

<Project Name>

Deputy General Manager CEB VAT No: 409000010 7000
Energy Purchases Transmission, 6th Floor, CEB (HQ), Colombo 02.

INVOICE FOR THE MONTH OF .... 20....

No. of Generators: XX Total Gen. Capacity: XX kVA Trans.Capacity: XX kVA
Power as per SPPA: XX kW Turbine Rate: XX kW Meter No: XX

Time of Day Tariff		Present Readings	Previous Readings	M.F	Energy Sent to National Grid (KWh)
		Date	Date		
Day	R1	....	....		....
Peak	R2	....	....		....
Off Peak	R3	....	....		....
Total	RU	....	....		....
		Eligible Total			....

I certify that the above readings were taken in the presence of developer/representative of the developer at .... hours on .... and .... kWh was sent to the national grid during the above mentioned .... day period.

....	....	....................20.........
Signature Area Engineer (Space for Area Engineer's Seal)	Name (Area Engineer)	Date of Certification

Applicable Tariff for The Preceding Month in Accordance with Appendix A	LKR/ kWh	....
Number Of Units Delivered for The Preceding Month	kWh	....
Maximum Apparent Power for The Preceding Month	kVA	....
Subtotal for Energy Output Delivered in The Preceding Month	LKR	....
Escrow Account No., Bank Name and Branch	Acc No	....
	Bank Name	....
	Branch	....
Deduction of 2% of The Subtotal, to be Deposited in Escrow Account by CEB	LKR	....
Sales Taxes for Subtotal (if applicable)	LKR	....
The Total Sum Payable by CEB	**LKR**	....

Total amount payable for the month of ………………… 20…… is Rupees ……………………………………

………

(Rs…………………………)

…………………………	…………………………..	…………………………
Developer's Signature (Space for Developer's Seal)	Name of the Developer	Date of Certification

NOTE: THE SELLER SHALL INVOICE TO CEB ON OR BEFORE 15TH OF EACH MONTH.

Exhibit A

<u>INFORMATION TO BE INDICATED IN THE SINGLE LINE DIAGRAM</u>

1. The following are to be indicated in the Single-Line diagram:

   (a). Grid Point "G", Termination Point "T" and Metering Point "M"
   (b). Limits of Ownership for NSO & Seller
   (c). All protection equipment
   (d). Location of seller's energy metering equipment (if any)

2. VOLTAGE AT THE GRID POINT = 33kV (+10%, -10%)

3. VOLTAGE AT THE TERMINATION POINT = 33kV (+10%, -10%)

Single line diagram is given in page xx.

Note:

At this point Distribution Licensee fixes its metering equipment for the measurement of Energy Output and the title of electrical energy passes to NSO.

SINGLE LINE DIAGRAM OF THE SMALL POWER PRODUCTION FACILITY

ROUTE MAP (1: 50,000) AND PROJECT LOCATION