



**On approval of standard forms of contracts of the financial settlement center with power generating companies using renewable energy sources, conventional customers and eligible conventional customers**

*Unofficial translation*

Order of the Minister of Energy of the Republic of Kazakhstan dated December 28, 2017 No. 480. Registered with the Ministry of Justice of the Republic of Kazakhstan on January 17, 2018 No. 16241.

*Unofficial translation*

**On approval of standard forms of contracts of the financial settlement center with power generating companies using renewable energy sources, conventional customers and eligible conventional customers**

In accordance with subparagraph 10) of Article 6 of the Law of the Republic of Kazakhstan “On Supporting the Use of Renewable Energy Sources” as of July 4, 2009, I hereby **ORDER**:

1. To approve:

1) the standard form of a contract of purchase of electrical energy by the financial settlement center from a power generating company using renewable energy sources at auction prices, in accordance with Appendix 1 to this order;

2) the standard form of a contract of sale of electrical energy produced by facilities using renewable energy sources by the financial settlement center to conventional customers, in accordance with Appendix 2 to this order;

3) the standard form of a contract of sale of electrical energy produced by power generating companies using renewable energy sources by the financial settlement center to eligible conventional customers, in accordance with Appendix 3 to this order.

## 2. To invalidate:

1) order № 163 of the Minister of Energy of the Republic of Kazakhstan as of March 2, 2015 “On approval of standard forms of contracts of purchase of electrical energy from a power generating company using renewable energy sources by the financial settlement center at fixed tariffs and tariffs not exceeding the level of the selling price set in the feasibility study of the construction project of a facility using renewable energy sources, which is approved by and agreed with the authorized or local executive body, contracts of sale of electrical energy produced by facilities using renewable energy sources by the financial settlement center to conventional customers” (registered in the Register of State Registration of Regulatory Legal Acts under № 10780, published in the “Adilet” Information and Legal System on August 18, 2015);

2) paragraph 3 of the list of some orders of the Minister of Energy of the Republic of Kazakhstan, which are amended and added pursuant to order № 533 as of December 14, 2016 of the Acting Minister of Energy of the Republic of Kazakhstan “On Amendments and Additions to Certain Orders of the Minister of Energy of the Republic of Kazakhstan” (registered in the Register of State Registration of Regulatory Legal Acts under № 14760, published in electronic form in the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan on February 10, 2017).

3. In accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Renewable Energy Sources Department of the Ministry of Energy of the Republic of Kazakhstan shall:

1) ensure state registration of this order by the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days of the day of state registration of this order, send its Kazakh and Russian hard and soft copies to the Republican State Enterprise With the Right of

Economic Management “Republican Center of Legal Information of the Ministry of Justice of the Republic of Kazakhstan” for its official publication and addition to the Reference Control Bank of Regulatory Legal Acts of the Republic of Kazakhstan;

3) within ten calendar days after the state registration of this order, send its copy to periodicals for its official publication;

4) place this order on the official Internet resource of the Ministry of Energy of the Republic of Kazakhstan;

5) within ten working days after the state registration of this order by the Ministry of Justice of the Republic of Kazakhstan, submit information on the implementation of measures provided for in subparagraphs 2), 3) and 4) of this paragraph to the Legal Department of the Ministry of Energy of the Republic of Kazakhstan.

4. Control over execution of this order shall be entrusted to the supervising vice-minister of energy of the Republic of Kazakhstan.

5. This order shall take effect ten calendar days after the day of its first official publication

*Minister of Energy of the Republic of Kazakhstan*

*K.Bozumbayev*

“AGREED”

Minister of National Economy of

the Republic of Kazakhstan

\_\_\_\_\_ T. Suleimenov

" \_\_\_ " \_\_\_ 2017

Appendix 1 to order  
№ 480 as of December 28, 2017  
of the Minister of Energy of the  
Republic of Kazakhstan  
Standard form

**Contract of purchase of electrical energy by the financial settlement center from a power generating company using renewable energy sources at auction prices**

Footnote. The contract as amended by order № 360 of the Minister of Energy of the Republic of Kazakhstan as of 11.09.2018 (shall take effect twenty one calendar days after its first official publication).

№ \_\_\_\_\_

\_\_\_\_\_

(full name of the financial settlement center)

registered at the address: Republic of Kazakhstan,

\_\_\_\_\_, BIN: \_\_\_\_\_, represented

by \_\_\_\_\_

\_\_\_\_\_

(legal address) (position, last and first names, patronymic)

acting by virtue of \_\_\_\_\_

(ground for creation of powers)

hereinafter referred to as the “Buyer”, on the one part, and \_\_\_\_\_  
\_\_\_\_\_

(the company’s full name)

registered at the address: \_\_\_\_\_  
,

(place of business)

BIN: \_\_\_\_\_, represented by \_\_\_\_\_  
→

(position, last and first names, patronymic)

acting by virtue of \_\_\_\_\_,

(ground for creation of powers)

hereinafter referred to as the “Seller” on the other part, collectively referred to as the “Parties”, and individually as the “Party”, with respect to:

1) Law of the Republic of Kazakhstan №165-VI “On Supporting the Use of Renewable Energy Sources” (hereinafter referred to as the Law) as of July 4, 2009;

2) Rules for centralized purchasing and selling of electrical energy produced by facilities using renewable energy sources by the financial settlement center, approved by order №164 of the Minister of Energy of the Republic of Kazakhstan as of March 2, 2015 (registered in

the Register of State Registration of Regulatory Legal Acts under № 10662) (hereinafter referred to as the Rules);

3) Rules for determining fixed tariffs and ceiling auction prices, approved by Decree № 271 of the Government of the Republic of Kazakhstan as of March 27, 2014;

4) the Seller's application for the conclusion of this contract (incoming № \_\_\_\_\_ as of “ \_\_\_\_\_ ” \_\_\_\_\_ 20\_\_ ) (Appendix to the Rules);

5) excluded by order № 360 of the Minister of Energy of the Republic of Kazakhstan as of 11.09.2018 (shall take effect twenty one calendar days after its first official publication).

6) the Seller's intention to sell electrical energy produced by a facility using renewable energy sources (hereinafter referred to as RES) to the Buyer at an auction price, entered into this contract for the purchase of electrical energy (hereinafter referred to as the Contract) as follows.

## **1. Terms and definitions**

1. The following basic concepts are used in this Contract:

1) Contract - this contract for the purchase of electrical energy, concluded between the Seller and the Buyer;

2) RES power station - a facility using renewable energy sources, producing the supplied electrical energy;

3) supplied electrical energy - all electrical energy produced by a power plant in compliance with the norms and requirements of the legislation of the Republic of Kazakhstan, delivered to a delivery point;

4) delivery point - a point of the power plant's connection to electrical networks of an electric power transmission company;

5) commercial meter - a technical device intended for commercial metering of electrical power, electrical or heat energy, which is permitted for use in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

6) delivery month - a calendar month of actual delivery of supplied electrical energy from facilities using renewable energy sources, running from 00.00 of the first day of a relevant month until 24.00 of the last day of the relevant month, based on the results of which final calculations of the volume of purchase and sale of supplied electrical energy are made;

7) working day - a business day for the Buyer;

8) the date of commencement of commercial operation of the power plant - the date of commencement of integrated test of electrical installations of the power plant;

9) the National Dispatch Center of the System Operator (hereinafter referred to as SO NDC) - a structural unit of the System Operator responsible for the operations management of the Kazakhstan UES and reliability of its work, as well as the balancing and ensuring the quality of electrical energy;

10) the system operator - a national company that performs centralized operational dispatch management, ensures parallel operation with energy systems of other countries, maintains balance in the energy system, provides system services and purchases support services from the wholesale electricity market entities, and also transfers electrical energy through the national electrical grid, maintains it and keeps up its operational readiness;

11) the automated system for commercial metering of electrical energy (hereinafter referred to as the ASCME) - a set of measuring instruments and a hardware-software complex for measuring, collecting, processing, storing and transmitting electricity metering data;

12) auction price - a price for the purchase of electrical energy produced by a RES facility by the financial settlement center, determined pursuant to the results of auction biddings and not exceeding the level of a relevant ceiling auction price.

Other concepts used in the Contract are applied in accordance with the legislation of the Republic of Kazakhstan on supporting the use of renewable energy sources and the electric power industry.

## **2. Scope of the Contract**

2. Under this Contract, the Seller shall sell and the Buyer shall buy the entire amount of electrical energy produced at the Seller's power station and delivered to the delivery point. The Seller will produce electrical energy at the following RES power plant (hereinafter referred to as the power plant):

1) the name – \_\_\_\_\_;

2) the type of the power plant (depending on the type of the renewable energy source used) - \_\_\_\_\_ (with regard to solar power plants, indicate additionally the type of photovoltaic module and the country of origin of the silicon used);

3) the sites on which the power plant is located - cadastral number: - \_\_\_\_\_, the total area of the land plot is \_\_\_\_\_ hectares;

4) the total installed capacity of the generating equipment of the power plant, (MW);

5) the predicted utilization rate of the installed capacity of the power plant \_\_\_\_;

6) the point of connection to the electrical network - \_\_\_\_\_.

3. The price of electrical energy under the Contract shall be its auction price, which is \_\_\_\_ (\_\_\_\_\_) for 1 (one) kilowatt-hour of electrical energy, ex. VAT. The annual

indexation of the auction price shall be carried out in accordance with the procedure established by the Rules for determining fixed tariffs and ceiling auction prices, approved by the Government of the Republic of Kazakhstan on \_\_\_\_\_ № \_\_\_\_).

4. A change in the value of the auction price as a result of its indexation, or in the procedure for indexation of the auction price, shall be fixed by signing an additional agreement to the Contract with the indication of the commencing date of application of relevant changes, which is determined in accordance with the Rules for determining the fixed tariff and ceiling auction prices.

### **3. Metering of the volume of electrical energy and payment for it**

5. The volume of electrical energy supplied shall be metered on the basis of readings of the Seller's commercial meters installed at a delivery point.

6. After the ASCME at the Buyer's facility is put into operation, the Buyer shall have the right to use the ASCME data to meter and determine the volumes of electrical energy supplied by the Seller and for commercial settlements between the Seller and the Buyer.

7. Financial settlement of electricity imbalances from RES facilities, including a power plant, shall be carried out by the Buyer in accordance with the Rules for the functioning of the electricity balancing market, approved by order №112 of the Minister of Energy of the Republic of Kazakhstan as of February 20, 2015 (registered in the State Registration Register of Regulatory Legal Acts under № 10532).

8. In controversial cases, the final document for mutual settlements between the Parties shall be the actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan, provided by the SO NDC.

9. The Buyer shall not pay for electrical energy that was produced by the power plant and supplied to the network of the electric power transmission company during the period of absence or malfunction of commercial meters installed at the delivery point and the Parties shall not take it into account in mutual settlements. In this case, the fact and period of absence

or malfunction of meters at the Seller's shall be confirmed by a relevant certificate of the electric power transmission company, to whose networks the power plant is connected.

10. The Buyer shall pay for electrical energy within fifteen working days of the payment deadline set for conventional customers on the basis of an invoice issued by the Seller and a volume reconciliation statement.

#### **4. Rights and obligations of the Parties**

11. The Seller shall be obliged to:

1) on a monthly basis, on or before the fifth day of a month following a delivery month, provide the Buyer with information on actual daily volumes of production of electrical energy, its output to the networks;

2) on a monthly basis, on or before the fifth day of a month following a delivery month, provide the Buyer with a volume reconciliation statement and an invoice for the actual volume of electrical energy supplied to electrical networks;

3) annually, from January 1 through January 31, conduct reconciliation of mutual settlements for the past financial year;

4) on a monthly basis, ten calendar days before a delivery month, provide the financial settlement center with information on the forecast volumes of production of electrical energy, its output to the networks;

5) annually, by the 20th of December, send information on the forecast volumes of production of electrical energy, its output to the networks for the coming year, broken down by months;

6) in the event of termination of the Contract at its own initiative, notify the Buyer thereof in writing, one month before the intended date of termination;

- 7) immediately notify the Buyer of the change of its name, legal address, business address and other details required for the performance of the Contract;
- 8) prior to the commencement of commercial operation of the power plant, ensure the ASCME operation at its RES facility. The ASCME shall be able to remotely transmit data to regional dispatch centers of the system operator;
- 9) within 10 (ten) working days of signing the acceptance certificate for the plan of commercial metering of electrical energy and prior to the commencement of the integrated test of a facility using renewable energy sources, provide the Financial Settlement Center with a copy of the acceptance certificate for the plan of commercial metering of electrical energy, including the layout of commercial and technical meters at the RES facility, signed by the electric power transmission company and the Seller for the RES facility, in respect of which the Contract is concluded;
- 10) in case of phased commissioning of power installations of the RES facility, provide a copy of the interim report of integrated testing of power installations of the RES facility within 5 (five) working days of its signing, within the delivery month of integrated testing;
- 11) 10 (ten) calendar days prior to the start of the integrated test, provide a copy of the integrated test program agreed by the system operator and a copy of the ASCME commissioning certificate;
- 12) ensure compliance with daily schedules of electricity production in accordance with the legislation of the Republic of Kazakhstan;
- 13) in the event that the installed capacity of the power plant is at least one megawatt, comply with the operating modes of the generating plants of the power station specified by the system operator in accordance with the legislation of the Republic of Kazakhstan;
- 14) provide a copy of readings of commercial meters of electrical energy, signed by the RES facility and the electric power transmission company, to whose electrical networks the

RES facility is connected, in the form agreed with the financial settlement center – on or before the seventh day of a month following a delivery month;

15) provide the financial settlement center with a copy of the notice of the commencement of construction and installation works at the RES facility, in respect of which the Contract is concluded, which was sent to a state body for state architectural and construction control - within 12 (twelve) months of the date of signing the Contract for solar power plants, within 18 (eighteen) months of the date of signing the Contract for wind and biogas power plants, within 24 (twenty four) months of the date of signing the Contract for hydroelectric power plants;

16) provide the financial settlement center with a copy of the RES facility commissioning certificate, approved in accordance with the procedure established by the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities, in respect of which the Contract is concluded - within 24 (twenty four) months of the date of signing the Contract for solar power plants, within 36 (thirty six) months of the date of signing the Contract for wind and biogas power plants, within 48 (forty eight) months of the date of signing the Contract for hydroelectric power plants;

In this case, the specified deadlines shall be extended by 1 (one) calendar year if, before the expiry of the deadline provided for in part one of this subparagraph, the authorized organization (person) carrying out technical supervision, in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities, confirms the implementation of at least 70% of the total scope of construction and installation works at the RES facility;

17) provide the financial settlement center with a copy of the certificate of delineation of balance sheet attribution and operational responsibility of the Parties, signed by the energy power transmission company and the Seller for the RES facility, in respect of which the Contract is concluded - within 10 (ten) working days of the date of signing the certificate of delineation of balance sheet attribution and operational responsibility of the Parties and prior to the start of the integrated test of the RES facility;

18) provide the financial settlement center with a copy of the acceptance certificate for the plan of commercial metering of electrical energy, including the layout of the commercial and

technical meters at the RES facility, signed by the electric power transmission company and the Seller for the RES facility, in respect of which the Contract is concluded - within 10 (ten) working days of the date of signing the acceptance certificate for the plan of commercial metering of electrical energy and prior to the start of the integrated test of the RES facility;

19) upon request of the financial settlement center, provide information on the progress of construction of the RES facility.

20) provide the Buyer with financial security for the performance of the Contract in the amount of \_\_\_\_\_ within 30 (thirty) calendar days of the date of signing this Contract, in accordance with the requirements of paragraph 95 of the Rules;

21) annually, on or before November 1, provide information on the availability of loan obligations in foreign currency obtained for the implementation of the construction project of the RES facility;

22) immediately notify the Buyer of the Seller's merger, bankruptcy or liquidation;

23) build a RES power plant using new generating installations (unused before).

12. The Buyer shall be obliged to:

1) within 15 (fifteen) calendar days of the date of receipt of a volume reconciliation statement from the Seller, sign it or, if it does not agree with the Seller's data on the volume of supplied electrical energy, within the same time period, send a written reasoned refusal to the Seller with mandatory attachment of documents substantiating its refusal;

2) pay the Seller for the entire volume of electrical energy supplied in the month specified in a relevant volume reconciliation statement, within fifteen working days upon the expiry of the payment deadline set for conventional customers;

3) annually, from January 1 through January 31, reconcile mutual settlements for the past financial year;

4) immediately notify the Seller of the change of its name, legal address, business address and other details required for the performance of the Contract;

5) in case of commissioning of the RES facility within the time period specified in subparagraph 16) of paragraph 11 of the Contract, return the financial security for the performance of the Contract or part thereof, within 10 working days of the receipt of a written request;

6) immediately notify the Seller of the Buyer's merger, bankruptcy or liquidation.

13. Seller shall have the right to:

1) require the Buyer to comply with the terms of the Contract;

2) carry out current or capital repairs of the power plant, including the replacement of the main generating equipment, provided that the total installed capacity of the generating equipment of the power plant specified in the Contract is not increased;

3) assign its existing and future rights and claims to the Buyer arising from the Contract, upon notice to the Buyer prior to the conclusion of a relevant agreement of assignment of rights of claim;

4) fully assign their rights and obligations under the Contract to a third party in the event of alienation of the power plant to the same person. In this case, the rights and obligations under the Contract are transferred to a third party together with the rights to the power station.

14. The Buyer shall have the right to:

1) require the Seller to comply with the terms of the Contract;

2) deduct the amount of overpayment from the amounts due to the Seller in future payments if, following the settlement of the Parties' disputes on the volume of electrical energy supplied in a delivery month, the fact of the Buyer's payment of the excess amount to the Seller is established;

3) require the fulfillment of other obligations of the Seller in accordance with the Contract and the legislation of the Republic of Kazakhstan on renewable energy sources and the electric power industry.

## **5. Liabilities of the Parties**

15. In case of the Seller's violation of the deadline for providing a copy of the notice of commencement of construction and installation works at the RES facility in accordance with subparagraph 15) of paragraph 11 of the Contract for more than 6 months, the Buyer shall withhold 30% of the financial security for the performance of the Contract as required by paragraph 98 of the Rules, of which it notifies the Seller in writing.

16. If the Seller violates the deadline for providing a copy of the RES facility commissioning certificate in accordance with subparagraph 16) of paragraph 11 of this Contract, the Buyer shall withhold 100% of the amount of financial security for the performance of the Contract in accordance with paragraph 98 of the Rules, of which it notifies the Seller in writing. In this case, in the event of withholding a part of financial security for the performance of the Contract in accordance with paragraph 15 of this Contract, it shall withhold 70% of the amount of financial security for the performance of the Contract in the manner prescribed by paragraph 98 of the Rules.

17. For the delay in payments provided for in the Contract, the Buyer at the request of the Seller shall pay it a penalty in the amount of 0.1% (zero point one tenth percent) of the overdue amount for each calendar day of delay, but not more than 10% (ten percent) of the overdue amount.

18. For violation of obligations under the Contract, the Parties shall be liable in accordance with the legislation of the Republic of Kazakhstan and the terms of the Contract.

19. The terms of the Contract may only be modified by mutual agreement of the Parties and this shall be fixed in writing.

## **6. Force majeure**

20. The Parties shall not be responsible for non-fulfillment and (or) improper fulfillment of the terms of the Contract if it was the result of force majeure.

21. Force majeure shall be an event preventing the execution of the Contract, which is beyond the Parties' control, not related to their flaws or negligence and has an unforeseen nature.

22. The Buyer's lack of sufficient amount of money for any reason shall not be a force majeure event and does not relieve the Buyer from its liability for late payments.

23. The affected Party shall notify the other Party of force majeure events within ten calendar days, indicating their nature, causes of occurrence and their expected duration, with the submission of supporting documents.

## **7. Dispute resolution**

24. Disputes arising from the Contract shall be settled in accordance with the legislation of the Republic of Kazakhstan.

25. The Parties shall try to resolve disputes under the Contract through direct negotiations.

26. Each Party shall have the right to apply to a court to resolve a dispute related to the conclusion, validity, performance, modification, suspension and termination of the Contract, as well as resolution of other disputes under the Contract.

27. All disputes related to the conclusion, validity, performance, modification, suspension and termination of the Contract, as well as those otherwise connected with the Contract, shall be considered in court at the location of the Buyer.

## **8. Term of the Contract and the auction price**

28. The Contract shall come into force on the date of its signing by the Parties.

29. The Contract and the auction price specified therein shall terminate fifteen years after the date of commencement of the integrated test of electrical installations of the power plant, during which the generated electricity was supplied to electrical networks of the electric power transmission company or from the day following the expiration date provided for in part one of subparagraph 16) of paragraph 11 of the Contract, whichever comes first.

## **9. Final provisions**

30. The Contract shall terminate in cases such as:

1) the Seller's violation of the term for commissioning the RES facility provided for in subparagraph 16) of paragraph 11 of the Contract;

2) the Seller's sale of produced electrical energy during the validity period at negotiated prices, in accordance with bilateral agreements concluded with customers in accordance with the legislation of the Republic of Kazakhstan on the electric power industry;

3) the Seller's violation of the term for providing financial security for the performance of the Contract in accordance with paragraph 95 of the Rules.

31. All the modifications and additions to the Contract are valid only on condition that they are made in writing and signed by authorized representatives of the Parties.

32. The Parties shall hold all their correspondence in writing, by sending paper-based letters.

33. The Contract is made in the Kazakh and Russian languages in two copies of equal legal force.

34. The Contract was concluded in the city of Astana, signed by both Parties and is registered by the Buyer in the Register of concluded contracts on " \_\_\_\_ " \_\_\_\_\_ \_\_\_\_\_ 20 № \_\_\_\_.

35. All the terms of the Contract are stable, do not depend on changes in the legislation of the Republic of Kazakhstan and can only be modified with the agreement of the Buyer.

## 10. Details and signatures of the Parties

S e l l e r	B u y e r
_____	_____
( f u l l                      n a m e )	( f u l l                      n a m e )
Legal      address: _____	Legal      address: _____
Business      address: _____	Business      address: _____
Tel./fax:      _____	Tel./fax:      _____
BIN      _____	BIN      _____
BIC      _____	BIC      _____
IIC      _____	IIC      _____
_____	_____
( b a n k ' s                      n a m e )	( b a n k ' s                      n a m e )
( p o s i t i o n )	( p o s i t i o n )
_____	_____
(last name, first name, patronymic) stamp (if any)	(last name, first name, patronymic) stamp (if any)

Appendix 2 to order  
№ 480 as of December 28, 2017  
of the Minister of Energy of the  
Republic of Kazakhstan

**Contract of sale of electrical energy produced by facilities using renewable energy sources by the financial settlement center to conventional customers Standard form**

№ \_\_\_\_\_

\_\_\_\_\_

(place of contract)

→

\_\_\_\_\_

(full name of the financial settlement center)

registered at the address: Republic of Kazakhstan, \_\_\_\_\_

→

BIN: \_\_\_\_\_, represented by \_\_\_\_\_

→

(position and last and first names, patronymic)

acting by virtue of \_\_\_\_\_,

(ground for creation of powers)

hereinafter referred to as the “Seller”, on the one part, and \_\_\_\_\_

→

(the company’s full name)

registered at the address: Republic of Kazakhstan \_\_\_\_\_

→

(place of business)

BIN \_\_\_\_\_, represented by \_\_\_\_\_

→

(position and last and first names, patronymic)

acting by virtue of \_\_\_\_\_

→

(ground for creation of powers)

hereinafter referred to as the “Buyer” on the other part, collectively referred to as the “Parties”, and individually as the “Party”, with respect to:

1) Law of the Republic of Kazakhstan “On Supporting the Use of Renewable Energy Sources” (hereinafter referred to as the Law) as of July 4, 2009;

2) Rules for centralized purchasing and selling of electrical energy produced by facilities using renewable energy sources by the financial settlement center, approved in accordance with subparagraph 10) of Article 6 of the Law (hereinafter referred to as the Rules);

3) Rules for determining the tariff for supporting renewable energy sources, approved by order №118 of the Minister of Energy of the Republic of Kazakhstan as of February 20, 2015 (registered in the Register of State Registration of Regulatory Legal Acts under №10622) (hereinafter referred to as the Rules for determining the RES tariff), entered into this contract of sale and purchase of electrical energy as follows.

## **1. Terms and definitions**

1. The following basic concepts are used in this Contract:

1) Contract - this contract for the purchase and sale of electrical energy produced by facilities using renewable energy sources, concluded between the Seller and the Buyer;

2) conventional customers of electrical energy from renewable energy sources (hereinafter referred to as conventional customers) – power generating companies using coal, gas, sulfur-containing raw materials, petroleum products and nuclear fuel;

electricity market entities purchasing electrical energy from outside the Republic of Kazakhstan;

hydroelectric power plants with installations located in one hydroelectric complex with a total capacity of over thirty-five megawatts, except for those commissioned after January 1, 2016;

3) supplied electrical energy - electrical energy produced by power generating companies using renewable energy sources in compliance with the norms and requirements of the legislation of the Republic of Kazakhstan;

4) settlement period - a calendar month of actual delivery of supplied electrical energy running from 00.00 of the first day of a relevant month until 24.00 of the last day of the relevant month, based on the results of which final calculations of the volume of purchase and sale of supplied electrical energy are made;

5) working day - a business day for the Seller;

6) actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan (hereinafter referred to as the actual balance) - a document drawn up by the system operator establishing the address distribution of the volumes of produced, supplied and consumed electrical energy in the markets of decentralized and centralized trade, balancing market of electrical energy for a settlement period. The actual balance is the basis for carrying out mutual settlements between the entities of the wholesale electricity market of the Republic of Kazakhstan;

7) the National Dispatch Center of the System Operator (hereinafter referred to as SO NDC) - a structural unit of the System Operator responsible for the operations management of the Kazakhstan UES and reliability of its work, as well as the balancing and ensuring the quality of electrical energy.

## **2. Scope of the Contract**

2. Under this Contract, the Seller shall sell and the Buyer shall buy the electrical energy produced by power generating companies using renewable energy sources at the tariff for supporting renewable energy sources, determined in accordance with the Rules for determining the tariff for supporting renewable energy sources.

3. In the event that the actual amount of electrical energy supplied by the Seller to the Buyer, determined according to the actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan provided by the SO NDC, differs from the amount of electrical energy agreed by the Parties, the Seller shall adjust the difference by issuing an adjustment invoice to the Buyer within 3 (three) working days of the SO NDC's signing the actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan.

## **3. Rights and obligations of the Parties**

4. The Seller shall be obliged to:

1) send an invoice, based on the statement, to the Buyer on or before the 20<sup>th</sup> (twentieth) day of a month following the billing month of supply of electrical energy;

2) quarterly, on or before the 25<sup>th</sup> (twenty-fifth) day of a month following a reporting quarter, reconcile settlements with or without the indication of disagreements.

5. The Buyer shall be obliged to:

1) on a monthly basis, ten calendar days before the delivery of electrical energy from renewable energy facilities, provide the Seller with information on the forecast volumes of

production, output to electrical networks of electric power transmission companies or receipt of electrical energy from outside the Republic of Kazakhstan;

2) annually, by December 20, send to the Seller information on the forecast annual monthly volumes of production, output of electrical energy for the upcoming year;

3) pay the Seller for the electrical energy supplied in a settlement period, which was produced by facilities using renewable energy sources within thirty calendar days of the end of the month of delivery from facilities using renewable energy sources;

4) notify the Seller within 3 (three) working days of receipt of a relevant invoice and submit a written statement of objections to the Seller, if the Buyer disputes the correctness of the invoice issued, it shall notify the Seller thereof;

5) pay for the volume of electrical energy agreed by the Parties in the next month after the settlement of the dispute within 15 (fifteen) working days in respect of the disputed volume of electrical energy between the Seller and the Buyer, after the settlement of the dispute in relation to this volume;

6) quarterly, before the 25<sup>th</sup> (twenty-fifth) day of a month following a reporting quarter, reconcile settlements with or without indication of disagreements;

7) monthly, until the fifth day of a month following the billing month of supply of electrical energy from renewable energy facilities, provide the Seller with information on actual volumes of production of electrical energy, its output to the network or receipt of electrical energy from outside the Republic of Kazakhstan.

#### **4. Liabilities of the Parties**

6. For the delay in payments provided for in the Contract, the Buyer at the request of the Seller shall pay it a penalty in the amount of 0.1% (zero point one tenth percent) of the overdue amount for each calendar day of delay, but not more than 10% (ten percent) of the overdue amount.

7. For violation of obligations under the Contract, the Parties shall be liable in accordance with the legislation of the Republic of Kazakhstan.

## **5. Dispute resolution**

8. Disputes arising from the Contract shall be settled in accordance with the legislation of the Republic of Kazakhstan.

9. If there is a dispute about the volume of electrical energy supplied in a billing month, the Parties shall be obliged to make efforts to resolve this dispute by negotiation within thirty calendar days of the Seller's receipt of written objections from the Buyer regarding the volume of electrical energy supplied in the billing month. In the event that the Parties fail to come to an agreement on the dispute regarding the volume of electrical energy supplied in the billing month, the dispute shall be subject to final resolution in court. Each Party shall have the right to apply to court for resolving a dispute related to the conclusion, validity, performance, modification and termination of this Contract, as well as the resolution of other disputes related to this Contract.

10. In controversial cases, the final document for mutual settlements between the Parties shall be the actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan, provided by the SO NDC.

11. All disputes related to the conclusion, validity, performance, modification and termination of the Contract, as well as other issues concerning the Contract, shall be considered in court at the location of the Buyer.

## **6. Force majeure**

12. The Parties shall be not responsible for non-fulfillment and/or improper fulfillment of the terms of the Contract if it was the result of force majeure.

13. Force majeure shall be an event preventing the execution of the Contract, which is beyond the Parties' control, not related to their flaws or negligence and has an unforeseen nature.



**Contract of sale of electrical energy produced by power generating companies using renewable sources by the financial settlement center to eligible conventional customers Standard form**

№ \_\_\_\_\_

\_\_\_\_\_ 20\_\_\_\_\_

place of contract

→

(full name of the financial settlement center)

registered at the address: Republic of Kazakhstan,

→

\_\_\_\_\_, BIN: \_\_\_\_\_, represented by \_\_\_\_\_

(legal address)(position and last and first names, patronymic)

acting by virtue of \_\_\_\_\_,

(ground for creation of powers)

hereinafter referred to as the “Seller”), on the one part, and \_\_\_\_\_

,

(full name of the company representing the ECC)

registered at the address: Republic of Kazakhstan \_\_\_\_\_

—

(place of location)

BIN: \_\_\_\_\_, represented by \_\_\_\_\_, acting by virtue of

(position and last and first names, patronymic)

—

ground for creation of powers)

hereinafter referred to as the “Buyer” representing the eligible conventional customer by

virtue of \_\_\_\_\_ on the other part, collectively referred to as the “Parties”, and individually as the “Party”, with respect to:

1) Law of the Republic of Kazakhstan “On Supporting the Use of Renewable Energy Sources” (hereinafter referred to as the Law) as of July 4, 2009;

2) Rules for centralized purchasing and selling of electrical energy produced by facilities using renewable energy sources by the financial settlement center, approved by order № 164 of the Minister of Energy of the Republic of Kazakhstan as of March 2, 2015 (registered in

the Register of State Registration of Regulatory Legal Acts under № 10662) (hereinafter referred to as the Rules);

3) Rules for determining the tariff for supporting renewable energy sources, approved by order №118 of the Minister of Energy of the Republic of Kazakhstan as of February 20, 2015 (registered in the Register of State Registration of Regulatory Legal Acts under №10622) (hereinafter referred to as the Rules for determining the RES supporting tariff);

4) Rules for determining fixed tariffs and ceiling auction prices, approved by resolution № 271 of the Government of the Republic of Kazakhstan as of March 27, 2014 (hereinafter referred to as the Rules for determining fixed tariffs and ceiling auction prices) entered into this Contract of purchase and sale of electrical energy (hereinafter referred to as the Contract) as follows.

## **1. Terms and definitions**

1. The following basic concepts are used in this Contract:

1) Contract - this contract for the purchase and sale of electrical energy concluded between the Seller and the Buyer;

2) power generating company using renewable energy sources - a legal entity engaged in the production of electrical and (or) heat energy using renewable energy sources;

3) conventional customers of electrical energy from renewable energy sources (hereinafter referred to as conventional customers) – power generating companies using coal, gas, sulfur-containing raw materials, petroleum products and nuclear fuel;

electricity market entities purchasing electrical energy from outside the Republic of Kazakhstan;

hydroelectric power plants with installations located in one hydroelectric complex with a total capacity of over thirty-five megawatts, except for those commissioned after January 1, 2016;

4) eligible conventional customers (hereinafter referred to as ECC) - a person or a group of persons including conventional customers and power generating companies using renewable energy sources, owning the existing facilities using renewable energy sources (those put into operation after January 1, 2018 and not included by the authorized body in the list of organizations that use renewable energy sources) on the basis of the right of ownership or on other legal grounds, the entire electrical energy that is produced by them is consumed by this person or a group of persons, or is sold to customers at negotiated prices in accordance with concluded bilateral contracts;

5) supplied electrical energy – entire electrical energy produced by a power plant in compliance with the norms and requirements of the legislation of the Republic of Kazakhstan, delivered to a delivery point;

6) commercial meter - a technical device intended for commercial metering of electrical power, electrical or heat energy, which is permitted for use in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

7) calendar year – a year of actual delivery of supplied electrical energy running from 00.00 of the first day of a relevant year until 24.00 of the last day of the relevant year;

8) working day - a business day for the Seller;

9) actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan (hereinafter referred to as the actual balance) - a document drawn up by the system operator establishing the address distribution of the volumes of produced, supplied and consumed electrical energy in the markets of decentralized and centralized trade, balancing market of electrical energy for a settlement period. The actual balance is the basis for carrying out mutual settlements between the entities of the wholesale electricity market of the Republic of Kazakhstan;

10) the date of commencement of commercial operation of the power plant - the date of commencement of the integrated test of electrical installations of the RES facility;

11) the national dispatch center of the System Operator (hereinafter referred to as SO NDC) - a structural unit of the System Operator responsible for the operations management of the Kazakhstan UES and reliability of its work, as well as the balancing and ensuring the quality of electrical energy;

12) the system operator - a national company that performs centralized operational dispatch management, ensures parallel operation with energy systems of other countries, maintains balance in the energy system, provides system services and purchases support services from the wholesale electricity market entities, and also transfers electrical energy through the national electrical grid, maintains it and keeps up its operational readiness;

13) the automated system for commercial metering of electrical energy (hereinafter referred to as the ASCME) - a set of measuring instruments and a hardware-software complex for measuring, collecting, processing, storing and transmitting electricity metering data.

Other concepts used in the Contract are applied in accordance with the legislation of the Republic of Kazakhstan on supporting the use of renewable energy sources and the electric power industry.

## **2. Scope of the Contract**

2. Under this Contract, the Seller shall sell and the Buyer shall buy the electrical energy produced by power generating companies using RES at the tariff for supporting renewable energy sources, determined in accordance with the Rules for determining the RES supporting tariff.

3. The volume of electrical energy to be purchased by the Buyer shall be calculated in accordance with the Rules.

4. The Buyer will produce electrical energy at the following RES facilities (information on each RES facility shall be indicated):

1) the name – \_\_\_\_\_;

2) the type of RES facility (depending on the type of the RES used) – \_\_\_\_\_ (with regard to solar power plants, indicate additionally the type of photovoltaic module and the country of origin of the silicon used);

3) the sites on which a RES facility is located – cadastral number: – \_\_\_\_\_, the total area of the land plot – \_\_\_\_\_ hectares;

4) the total installed capacity of the generating equipment of the RES facility, broken down by the types of the RES used (MW);

5) the predicted utilization rate of the installed capacity of the power plant of the RES facility \_\_\_\_;

6) the point of connection to the electrical network \_\_\_\_\_.

5. The Buyer shall produce electrical energy at the following power plants (information on each conventional customer shall be indicated):

1) the name – \_\_\_\_\_;

2) the type of the power plant of the conventional customer - \_\_\_\_\_;

3) the total installed capacity of the generating equipment of the conventional customer - \_\_\_\_\_ (MW).

6. Electrical energy produced by the RES facility, put into operation by the Buyer and supplied to the network of the electric power transmission company during the period of absence or malfunction of commercial meters installed at the delivery point, shall not be taken into account in mutual settlements of the Parties. In this case, the fact and period of absence or malfunction of meters at the RES facility shall be confirmed by a relevant certificate of the electric power transmission company, to whose networks the RES facility is connected.

7. A document for mutual settlements between the Parties shall be the actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan, provided by the SO NDC.

### **3. Rights and obligations of the Parties**

8. The Seller shall be obliged to:

1) quarterly, on or before the 25th (twenty-fifth) day of a month following a reporting quarter, reconcile settlements with or without indication of disagreements;

2) send an invoice to the Buyer on or before the 20th (twentieth) day of a month following the settlement period of supply of electrical energy, based on a volume reconciliation statement;

3) immediately notify the Buyer of the change of its name, legal address, business address and other details required for the performance of the Contract.

9. The Buyer shall be obliged to:

1) on a monthly basis, ten calendar days before a delivery month, provide the Seller with information on the forecast volumes of production, output to the networks, supply to electric power transmission companies or receipt of electrical energy from outside the Republic of Kazakhstan;

2) annually, by November 1, send to the Seller information on the forecast annual monthly volumes of production, output to the networks, supply to electric power transmission companies and customers of electrical energy for the upcoming year;

3) monthly, until the fifth day of a month following the billing month of supply of electrical energy from RES facilities, provide the Seller with information on actual volumes of production of electrical energy, its output to the network or receipt of electrical energy from outside the Republic of Kazakhstan;

4) quarterly, on or before the 25th (twenty-fifth) day of a month following a reporting quarter, reconcile settlements with or without indication of disagreements;

5) immediately notify the Seller of the change of its name, legal address, business address and other details required for the performance of the Contract;

6) notify the Seller of the date of the integrated test of electrical installations of the RES facility, put into operation by the Buyer, 30 (thirty) calendar days before the start of the relevant test and provide the forecast volume of production of electrical energy, its output to the network for the period until the end of a current year, broken down by months;

7) within 3 (three) working days, notify the Seller of receipt of a relevant invoice and submit a written statement of objections to the Seller, if the Buyer disputes the correctness of the invoice issued;

8) within 15 (fifteen) working days, pay for the volume of electrical energy agreed by the Parties in the next month after the settlement of the dispute;

9) pay the Seller for the electrical energy supplied at the RES supporting tariff, within thirty calendar days of the end of the settlement period;

10) prior to commissioning the RES facility, ensure the ASCME operation at its RES facility. The ASCME shall be able to remotely transmit data to regional dispatch centers;

11) provide the Seller with a copy of the commissioning certificate of the RES facility, put into operation and approved in the manner specified by the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities, within 5 (five) working days of the date of signing the certificate;

12) provide the Seller with a copy of the certificate of delineation of balance sheet attribution and operational responsibility of the Parties, signed by the energy power transmission company and the power generating company using RES, within 5 (five) working days of the date of signing the certificate;

13) provide the Seller with the plan of commercial metering of electrical energy including the layout of commercial and technical meters at the RES facility, signed by the electric power transmission company and the RES power generating company, within 5 (five) working days of signing this plan.

10. The Seller shall have the right to require the Buyer to comply with the provisions of the Contract.

11. The Buyer shall have the right to:

1) require the Seller to comply with the provisions of the Contract.

2) carry out current or capital repairs of the RES facility, including the replacement of the main generating equipment, provided that the total installed capacity of the generating equipment of the RES facility specified in the Contract is not increased.

#### **4. Liabilities of the Parties**

12. For the delay in payments provided for in the Contract, the Buyer at the request of the Seller shall pay it a penalty in the amount of 0.1% (zero point one tenth percent) of the overdue amount for each calendar day of delay, but not more than 10% (ten percent) of the overdue amount.

13. For violation of obligations under the Contract, the Parties shall be liable in accordance with the legislation of the Republic of Kazakhstan.

14. The volumes of electrical energy supplied by the RES facility shall be recorded based on the readings of commercial meters installed at the delivery point.

15. After ensuring the operation of the ASCME at the RES facility, the Seller shall have the right to use the ASCME data to record and determine the volumes of electrical energy supplied by the RES facility and for commercial settlements between the Seller and the Buyer .

16. The terms of the Contract may only be modified by mutual agreement of the Parties and this shall be fixed in writing.

17. The procedure for recalculating and redistributing the relevant share of electrical energy in the name of the Buyer shall be carried out in accordance with the Rules.

## **5. Dispute resolution**

18. Disputes arising from the Contract shall be settled in accordance with the legislation of the Republic of Kazakhstan.

19. The Parties shall try to resolve disputes under the Contract through direct negotiations.

20. If there is a dispute about the volume of electrical energy supplied in a calendar year, the Parties shall be obliged to make efforts to resolve this dispute by negotiation within 15 (fifteen) calendar days of receipt of written objections regarding the volume of electrical energy supplied in a billing month. In the event that the Parties fail to come to an agreement on a dispute regarding the volume of electrical energy supplied in the billing month, the dispute shall be subject to final resolution in court.

21. In controversial cases, the final document for mutual settlements between the Parties shall be the actual balance of production and consumption of electrical energy in the wholesale electricity market of the Republic of Kazakhstan, provided by the SO NDC.

22. Each Party shall have the right to apply to a court to resolve a dispute related to the conclusion, validity, performance, modification, suspension and termination of the Contract, as well as resolution of other disputes under the Contract.

23. All disputes related to the conclusion, validity, performance, modification and termination of the Contract, as well as other issues concerning the Contract, shall be considered in court at the location of the Seller.

## **6. Force majeure**

24. The Parties shall not be responsible for non-fulfillment and/or improper fulfillment of the terms of the Contract if it was the result of force majeure

25. Force majeure shall be an event preventing the execution of the Contract, which is beyond the Parties' control, not related to their flaws or negligence and has an unforeseen nature.

26. The affected Party shall notify the other Party of force majeure events within ten calendar days of their occurrence, indicating their nature, causes of occurrence and their expected duration, with the submission of supporting documents.

## **7. Term of the Contract**

27. This Contract shall come into force on the date of commencement of the integrated test of electrical installations of the RES facility, included in the Plan for RES facilities' deployment and shall be valid until December 31, 20 \_\_\_\_.

## **8. Terms of modification of the Contract**

28. This Contract may be modified at the initiative of either Party by entering into an additional agreement to this Contract, except as otherwise provided for in this Contract.

**9. Other terms of the Contract**

29. This Contract is made in the Kazakh and Russian languages in two copies of equal legal force.

30. This Contract was concluded in the city of Astana and is registered by the Seller in the register of concluded contracts on " \_\_\_ " \_\_\_\_\_ 20 \_\_\_ № \_\_\_\_.

**10. Details and signatures of the Parties**

**S e l l e r**

**B u y e r**

\_\_\_\_\_  
( *full name* )  
Legal address: \_\_\_\_\_  
Business address: \_\_\_\_\_  
Tel./fax: \_\_\_\_\_  
BIN \_\_\_\_\_  
BIC \_\_\_\_\_  
IIC \_\_\_\_\_

\_\_\_\_\_  
( *full name* )  
Legal address: \_\_\_\_\_  
Business address: \_\_\_\_\_  
Tel./fax: \_\_\_\_\_  
BIN \_\_\_\_\_  
BIC \_\_\_\_\_  
IIC \_\_\_\_\_

\_\_\_\_\_  
( *bank's name* )  
( *position* )  
\_\_\_\_\_(last name, first name, patronymic  
)  
stamp (if any)

\_\_\_\_\_  
( *bank's name* )  
( *position* )  
\_\_\_\_\_(last name, first name, patronymic  
)  
stamp (if any)