

Dated this

day of

2017

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# **INVESTMENT ENDORESMENT**

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**BETWEEN:**

**ENERGY REGULATION BOARD**

**AND**

[ ]

# INVESTMENT ENDORSEMENT

This **INVESTMENT ENDORSEMENT** dated the \_\_\_\_\_2017 is issued by the Energy Regulation Board (hereinafter referred to as the "**ERB**") to [xxxxxxxxxxxxxxxxxxxx] (hereinafter referred to as the "**Developer**") whose registered office is situated at, [xxxxxxxxxxxxx].

**WHEREAS** the Developer has applied to the ERB for an Investment Endorsement of the Project (the "Project") and the ERB is willing to endorse the Project by the grant of an Investment Endorsement to the Developer, all on the terms and conditions hereinafter set forth:

**NOW, THEREFORE** the ERB and the Developer hereby agree as follows:

## **1 Definitions**

- 1.1 'Act' means the Energy Regulation Act.
- 1.2 'Application' means the Application for an Investment Endorsement submitted by the Developer to the ERB set out in Annexure 'A' to this Endorsement.
- 1.3 'Endorsement' means this Endorsement and includes all annexures referred or attached to it.
- 1.4 'Project' means the Project proposed to be developed by the Developer and whose details and time lines will be approved upon completion of Project bid and contract award processes, as will be contained at Annexure 'C' to this Endorsement.
- 1.5 'Special Conditions' means the conditions specified at Annexure 'B' to this Endorsement.
- 1.6 'Tariff' means the tariff, charge or price as will be approved by the ERB as the charge, tariff or price at which the Developer shall sell its services after completion of the Project and which tariff is will be more specified at Annexure 'D'.

## **2.0 GRANT OF ENDORSEMENT**

The ERB hereby endorses and approves the Project as specified at Annexure 'C' and grants the Developer authority to develop the Project all subject to the Conditions, Special and otherwise hereinafter contained or referred to.

## **3.0 DURATION OF ENDORSEMENT**

This Endorsement shall be for a period of one (1) year from the date of its issue.

## **4.0 RENEWAL**

4.1 The Developer may upon demonstrating good and reasonable cause, apply to the Board for a renewal of this Endorsement. Any such renewal will be at the sole discretion of the Board.

4.2 The onus of demonstrating good and reasonable cause for renewal or extension of the validity of this Endorsement shall lie with the Developer.

## **5.0 NON DEVIATION OR DEPARTURE FROM PROJECT SPECIFICATIONS**

The Developer shall not depart or deviate from the Project specifications as will be provided in any material respect, without the ERB's prior written authorization.

## **6.0 PROJECT TO BE COMPLETED WITHIN ENDORSEMENT PERIOD**

The Developer shall endeavor to complete the Project within the duration of this Endorsement subject to renewal.

## **7.0 APPLICABLE TARIFF**

The Developer acknowledges that, in the event that it shall require charging a tariff or fee for services to be provided by it after completion of the Project, the Tariff advised by the ERB in this Investment Endorsement shall apply.

## **8.0 UNDERTAKING TO ISSUE LICENCE**

If at the time of being granted this Endorsement the Developer does not hold an appropriate licence but intends to apply for a licence, the ERB guarantees that provided the Developer develops its Project in accordance with the terms and conditions of this Endorsement, and provided that the Developer's application for a licence is compliant with the applicable laws and that there are no objections

raised against the issuance of a licence to the Developer, the ERB shall issue the Developer with the appropriate licence(s).

**9.0 TRANSFER OR ASSIGNMENT**

This Endorsement shall not be transferable or assignable without the prior consent of the ERB.

**IN WITNESS WHEREOF** the ERB and the Developer have by their duly authorized representatives signed this Endorsement on the day and date above written.

Signed for and on behalf of the **ERB**

By (name)\_\_\_\_\_

Capacity\_\_\_\_\_

Signature\_\_\_\_\_

In the presence of witness:

Name\_\_\_\_\_

Occupation\_\_\_\_\_

Address\_\_\_\_\_

Signed for and on behalf of the **Developer**

By (name)\_\_\_\_\_

Capacity\_\_\_\_\_

Signature\_\_\_\_\_

In the presence of witness:

Name\_\_\_\_\_

Occupation\_\_\_\_\_

Address\_\_\_\_\_

## **ANNEXURES**

- **ANNEXURE 'A' – THE APPLICATION**
- **ANNEXURE 'B' – SPECIAL CONDITIONS**
- **ANNEXURE 'C' – THE PROJECT AND PROJECT TIME LINES**
- **ANNEXURE 'D' – APPLICABLE TARIFF**

**ANNEXURE 'A' – THE APPLICATION**

**APPLICATION FOR AN ELECIRICITY INVESTMENT ENDORSEMENT BY THE DEVELOPER, COPY OF WHICH IS ATTACHED.**

## **APPENDICIES**

**APPENDIX I:** TECHNICAL DESCRIPTION /DETAIL OF THE PROPOSED WORKS  
WITH ACCOMPANYING DIAGRAMS/DRAWINGS  
**[Provided by Developer in application]**

**APPENDIX II:** APPLICANT'S TECHNICAL AND ECONOMIC JUSTIFICATION OF THE  
PROJECT  
**[Provided by Developer in application]**

**APPENDIX III:** DETAILS OF AND JUSTIFICATION OF THE TARIFF PROPOSED BY  
THE APPLICANT AS A CONSEQUENCE OF THE PROJECT  
**[Provided by Developer in application]**

## **ANNEXURE 'B'**

### **SPECIAL CONDITIONS**

1. The Developer shall be required to submit half yearly reports on the progress of the Project to the ERB.
2. Once the Project is completed, the Developer shall comply with the provisions of the Power Purchase Agreement entered into between the Developer and [xxxxxxxxxx] in Annexure 'E' of this Agreement.
3. The Developer shall not implement any other tariff not expressly indicated in this agreement without the prior written approval of the ERB in accordance with the provisions of the Electricity Act, Cap 433 of the laws of Zambia (the "Electricity Act").



## **ANNEXURE 'C'**

### **THE PROJECT AND PROJECT TIMELINES**

#### **PROJECT DETAILS, DOCUMENTATION AND SPECIFICATION AS SUBMITTED**

The Project and project time lines shall include all the project documentation, drawing briefs, and specifications as shall be submitted by the Developer to the ERB.

#### **Project Description**

[brief description of project to be inserted]

#### **Location**

[location of project to be provided].

#### **Capacity**

[xxxxxxxxx]

**ANNEXURE 'D'**

**APPLICABLE TARIFF**

The projected electricity tariff for the project [xxxxxxx]

**ANNEXURE 'E'**

Duly signed Power Purchase Agreement between the Developer and [xxxxxxxxxx]  
approved by the Energy Regulation Board on [xxxxxxx].