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Energy Agreements

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A public-private partnership for an energy project requires a number of agreements to set out the relationships between the different stakeholders. For a full description of the main relationships in PPPs more generally, please, see [Concessions, Build-Operate-Transfer, Design-Build-Operate](#). This section explores the agreements specific to an energy project.

- [Power Purchase Agreements \("PPAs"\) and Energy Purchase Agreements \("EPAs"\)](#) – the primary contract in an energy project is the PPA (or EPA), between an offtaker (typically a public or quasi-public utility) and the project company. This provides the main revenue stream which underwrites the project. This can either be a stand-alone document or form part of a wider contractual matrix between the private project proponent and the host government.
- [Implementation Agreements](#) – the PPA is sometimes supplemented by an overarching implementation agreement entered into directly between the host government and the project proponent. This would often contain a number of direct undertakings and guarantees from the government, as well as undertakings from the project proponent. The agreement often plays an important role in de-risking a project (particularly from host country political and regulatory risks) sufficiently to attract private investment.
- [Grid Connection / Power Pooling Arrangements](#) – depending on the structure of the PPP and the structure of the power sector in a country, the project company may enter into a separate connection agreement with the operator / owner of the transmission network (typically, also a public or quasi-public entity).
- [Fuel Supply/ Bulk Supply Agreements](#) – this is primarily relevant to thermal generation projects (e.g. coal-fired or gas-fired power plants). Depending on the structure of the market and regulatory

framework in the host country, this agreement may either be with a public entity (e.g. a monopoly gas supplier) or a private supplier. If the agreement is with a public or quasi-public entity, it may form part of the overall contractual framework under the Implementation Agreement.

- [Land Lease Agreements](#) – depending on structure of the PPP and the overall regulatory environment, land tenure for a project may be covered under a separate land lease agreement.

In jurisdictions with a more deregulated power sector, a number of these project agreements may be with private parties rather than government entities (which require different risk allocation frameworks).

See also:

- [Concession Agreements](#)
- [Operation and Maintenance Agreements](#)
- [Performance Contracts](#)
- [Water Concession Agreement on Construction of Small Hydro Power Plants for Electricity Generation](#)
.- Draft Concession agreement to design, construct, operate, maintain and manage a hydro-electric generating Facility with associated fixtures and equipment in the Balkans region.

Related Content

- [Power and Renewable Energy PPPs](#)
- [Energy Laws and Regulations](#)
- [Energy Licenses and Licensing Procedures](#)
- [Rural Electrification Funds: Sample Operational Documents and Resources](#)
- [Climate-Smart PPPs](#)
- [Managing Non-Technical Losses and Theft in Utility Contracts](#)
- [Gender & Energy Projects](#)
- [Further Reading on Energy and Power PPPs](#)

Additional Resources

- [Concessions Build-Operate-Transfer \(BOT\) and Design-Build-Operate \(DBO\) Projects](#)
- [Structuring Management, Operation and Maintenance Services](#)
- [Performance Contracts](#)
- [Procurement](#)

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