

Energy and Power PPPs

Full Description

Energy is a broad sector that holds two important yet very different industries: the oil and gas sector and the power sector. The focus of the Public-Private Partnership Resource Center is on public-private partnerships (“PPPs”) that take place in the power sector.

Ready access to reliable electricity supply is critical both to sustained economic growth and social welfare. However, power sector projects, particularly the development of power generation and transmission infrastructure is very capital intensive. This is particularly so in many developing economies where demand for electricity is rapidly growing due to population and economic growth and the potential infrastructure gap to meet this demand is large. PPPs provide a useful tool which, if properly implemented, can provide governments with access to private sector capital, technology and expertise.

As there are a wide variety of power projects, so PPPs in the power sector also come in different shapes, sizes and structures. There is no one size fits all model. The appropriate methodology and structure for a PPP (or a broader PPP program) will need to be adapted to the particular circumstances of a country or region or, in some cases, of a specific project. Relevant considerations include:

- the locale of the project(s), including associated local community and environmental considerations;
- the specifics of the operation, including the technology used for the project (e.g. will the power plant be a conventional gas fired turbine or some cutting edge technology in renewable power generation);
- the regulatory and broader social economic environment;
- the objectives of the parties (e.g. is the government’s primary rationale for using a PPP model to access private capital, new technology or something else);
- investor appetite and risk perception; and
- access to capital markets.

The requirements for a PPP in a specific jurisdiction may also change over time, as its power sector matures. In economies with state operated power sectors, PPPs provide an important means of financing generation projects to meet basic demand. In economies with more deregulated power sectors and mature electricity markets, generation projects are often privately financed (and underwritten by market revenue). In these cases, PPPs may be more relevant to systemic projects which cannot as readily be funded through private finance alone. This section deals with power sector PPP projects and power sector reform, legislation and regulation, and independent power projects (“IPPs”) across a range of different jurisdictions, highlighting the varying roles played by PPPs in the power sector of economies at different stages of development. Navigate the following subsections for more information and sample laws, licenses and agreements.

- [Energy Laws and Regulations](#)

- [Energy Licenses and Licensing Procedures](#)

- [Energy Agreements](#)
 - [Power Purchase Agreements \(PPAs\) \(fossil and renewable\)](#)

 - [Implementation Agreements](#)

 - [Grid Connection / Power Pooling Arrangements](#)

 - [Fuel Supply / Bulk Supply Agreements](#)

 - [Land Lease Agreements](#)

- [Rural Electrification](#)

- [Climate-Smart PPPs](#)

- [Theft / Non-Technical Losses \(Legislation and Technical Measures\)](#)

- [Integrating Gender in Energy Projects](#)

See also:

- [Energy Toolkits](#)

- [Related Energy PPP Resources](#)

- [Concession Contracts, Build-Operate-Transfer \(BOT\), Design-Build-Own Projects](#)

- [Management Contracts / Operation & Maintenance Agreements](#)

- [Performance Contracts](#)

- [PPP Risk Allocation Tool](#), Global Infrastructure Hub (GIH) 2019 - The tool provides a useful reference source which outlines common risks arising in different types of PPPs and different market approaches to the allocation of such risks.

Related Content

[Energy Laws and Regulations](#)

[Energy Licenses and Licensing Procedures](#)

[Energy Agreements](#)

[Rural Electrification Funds: Sample Operational Documents and Resources](#)

[Climate-Smart PPPs](#)

[Theft / Non-Technical Losses \(Water and Electricity\)](#)

[Energy & Power PPP Toolkits](#)

[Gender & Energy Projects](#)

[Further Reading on Energy and Power PPPs](#)

Additional Resources

[Concessions Build-Operate-Transfer \(BOT\) and Design-Build-Operate \(DBO\) Projects](#)

[Management/Operation and Maintenance Contracts](#)

[Contract Plans / Performance Contracts](#)

[Standardized Agreements, Bidding Documents and Guidance Manuals](#)

[Theft / Non-Technical Losses \(Water and Electricity\)](#)

Related Content Child Sub Section

[Energy Laws and Regulations](#)

[Energy Agreements](#)

[Energy & Power PPP Toolkits](#)