

**MEMORANDUM**  
**Of**  
**UNDERSTANDING**

**Between**

**Government of Georgia**

**“Austrian Georgian Development” LLC**

**“Georgian State Electrosystem” JSC**

**“United Energy System Sakrusenergo” JSC**

**“Energotrans” LLC**

**“Electricity System Commercial Operator” JSC**

**19 October, 2016**

**TBILISI, GEORGIA**

The present Memorandum of Understanding (hereinafter referred to as the “MOU”) is signed by and between the following parties:

The Government of Georgia (hereinafter referred to as “GOG”) represented by the Minister of Energy of Georgia Mr. Ilia Eloshvili;

“Austrian Georgian Development” LLC (hereinafter referred to as the “Company”), ID Code: 404997232, represented by its Director Mr. Giorgi Abramishvili;

“Electricity System Commercial Operator” JSC (hereinafter referred to as “ESCO”), ID Code: 205170036, represented by its General Director Mr. Vakhtang Ambokadze;

“Georgian State Electrosystem” JSC (hereinafter referred to as the “GSE”), ID Code: 204995176 represented by its rehabilitation manager/chairman of management board Mr. Sulkhan Zumburidze;

“United Energy System Sakrusenergo” JSC (hereinafter referred to as the “SAKRUSENERGO”), ID Code: 211324468, represented by its General Director Mr. Romeo Mikautadze;

“Energotrans” LLC (hereinafter referred to as the “ET”), ID Code: 204991786, represented by its director Mr. Kakha Sekhniashvili.

The parties sign the present MOU on the following:

#### DEFINITIONS

1. The following defined terms shall be used in the present MOU:

- 1.1. “Applicable Law” means all Georgian laws, ordinances, decisions, statutes, rules, regulations, orders, resolutions, specifications and decrees of any governmental authority having jurisdiction over the Parties, the Facilities, Project or the Parties’ obligations under this MOU as the same may be modified, amended or repealed from time to time, including any requirements of or deriving from any permit obtained for the Facilities.
- 1.2. “Audit Report” for the purpose of Sub Articles 5.4, 5.4<sup>1</sup> and 6.4 and Article 12 of the MOU, means a written opinion issued by one of the auditors/audit companies from the list of auditing companies approved by the respective legal act issued by the GOG, which confirms the amount of Documented Investment Cost;
- 1.3. “BOO” means Build, Own, Operate i.e. the exclusive right to design, construct, finance, own, implement, operate and maintain Facility for indefinite term.

- 1.4. "Commencement of Operation" means the commencement of operation based on relevant permit based on Applicable Law and the capability of the relevant Facility to generate electricity.
- 1.5. "Construction Phase" means the time period starting from the date of signing the MOU until the actual date of Commencement of Operation of the Facility under which the Company is obliged to implement construction activities, but no later than the term of Construction Phase defined by the Annex 2 of the MOU.
- 1.6. "Construction Security" means bank guarantee provided by the Company for the purpose of securing the fulfillment of its obligations under the MOU.
- 1.7. "Day/Days" means any Gregorian calendar day(s).
- 1.8. "Effective Date" means the date of signing of the MOU by the Parties.
- 1.9. "Electricity (Power) Balance" means the annual energy balance, approved by the relevant entity according to Applicable Law.
- 1.10. "Facility" means the cascade of hydro power plants as defined by the Annex 1 of this MOU.
- 1.11. "Financial Model" means financial indicators, including planned investment cost to be allocated for the purposes of the Project by the Company, as set out in Annex 3 of the MOU that is attached to the MOU in a form of the compact disk;
- 1.12. "Feasibility Study" means the study/report prepared by the Company and submitted to the Ministry in accordance with the memorandum signed between the GOG and the Company on September 12, 2013 and which proves that the Facility is technically, economically, financially and legally feasible and can be completed within the time period set under this MOU.
- 1.13. "Guaranteed Power Purchase Agreement" means the direct agreement(s) that shall be signed between the Company and ESCO in accordance with the MOU.
- 1.14. "Initial Operation Period" means 10-year period from the date of signing of the Agreement given in Annex 4 or 5 of this MOU, as applicable.
- 1.15. "Investment Costs" means the costs borne by the Company including but not limited to, construction costs, operating costs, development costs, costs of lands acquired from private (non-state) owners and other costs related to the Project from the Effective date up to the date of termination of the MOU and the amount outstanding to the lenders financing the Project under the relevant financing documents, including unpaid principal, accrued interest and all other fees and expenses owing to such lenders up to the date of the payment of Investment Costs in full by the GOG to the Company, that for the purposes of Sub Article 14.4 of the MOU shall be audited and evidenced by relevant documentation as defined in Article 15 of the MOU.
- 1.16. "Ministry" means the Ministry of Energy of Georgia.
- 1.17. "Parties" means GOG, the Company, ESCO, GSE, SAKRUSENERGO and ET jointly.
- 1.18. "Point of Receipt" means a point as defined by the Law of Georgia on Electricity and Natural Gas adopted on April 30, 1999.

- 1.19. **“Power Transmission Network”** means the power transmission lines and substations (including “Akhaltsikhe – Borchka” power transmission line located in Georgia and 500/400/220 kV Substation “Akhaltsikhe”) necessary for transmission of electricity to the Turkish border, owned and operated by GSE, ET and/or SAKRUSENERGO.
- 1.20. **“Project”** means construction, ownership and operation of the Facility defined by the Annex 1 of the MOU on BOO basis.
- 1.21. **“Site”** means site where the Facility will be constructed and operated in accordance with the MOU.
- 1.22. **“Summer Months”** mean the following months: May, June, July, and August.
- 1.23. **“State”** means State of Georgia.
- 1.24. **“Technical Parameters of the Facility”** means the location, river elevation, installed capacity and annual production of the relevant Facility as provided in Annex 1 of the MOU.
- 1.25. **“Take or Pay principle”** means the principle whereby, in accordance with the terms of the TDA:
- a) If ET, GSE and/or SAKRUSENERGO, on its own fault, does not provide the Company with necessary services as defined by Sub Article 5.6 of the MOU, defaulting party according to the terms and conditions of the TDA shall reimburse the Company the full amount of the loss of profit which the Company incurs as a result of not being able to transmit electricity to the border of Republic of Turkey through the Power Transmission Network, except for the exclusion cases specified in the TDA. Amount of such loss shall be calculated according to the terms of TDA; and
  - b) The Company is obliged to pay ET, GSE and SAKRUSENERGO a specified amount for the services being provided by them to the Company as defined by Sub Article 5.6 of the MOU and if the Company utilizes such services from ET, GSE and/or SAKRUSENERGO in an amount less than such specified amount, the Company shall nevertheless pay such specified amount during the period specified in the TDA, except for the exclusion cases specified in the TDA.
- 1.26. **“TDA”** means Transmission and Dispatch Agreement to be signed between the Company and SAKRUSENERGO, GSE, and ET which shall form a legal basis for ensuring transmission of the generated electricity and reservation of the capacity by the Facility for the export purposes through Power Transmission Network and to be in force for the first 10 (ten) years of operation, beginning from the date of Commencement of Operation of the Facility.
- 1.27. **“Documented Investment Cost”** for the purpose of Sub Articles 1.2, 5.4 and 5.4<sup>1</sup> of the MOU means all costs borne by the Company for the purposes of construction and Commencement of Operation of the Facility in accordance with the Applicable Law (provided that such costs, as well as reasonableness and purpose of bearing of such costs shall be evidenced by the respective Audit Report).
- 1.28. **“Winter Months”** mean the following months: January, February, March, April, September, October, November, and December.

## PURPOSE OF THE MOU

2. The purpose of the MOU is the implementation of the Project by the Company on BOO basis under the Applicable Law and the terms and conditions set out herein.

## CONSTRUCTION PHASE

3. The Company within the Construction Phase is obliged to:
  - 3.1. Obtain the relevant rights for the lands necessary and/or affected for the implementation of the Project;
  - 3.2. Commence construction works based on construction permit of the Facility according to the Applicable Law within the time frame defined by the Annex 2 of the MOU;
  - 3.3. Construct the Facility according to the Technical Parameters of the Facility and ensure Commencement of Operation of the Facility within the time frame defined by the Annex 2 of the MOU;
  - 3.4. Ensure necessary funds for effective implementation of the Project;
  - 3.5. Ensure the construction in accordance with the security and environmental and other standards defined by the Applicable Law;
  - 3.6. Ensure, at its own expense, the full and free access of the representatives of GOG, Ministry, Ministry of Environment and Natural Resources Protection of Georgia and/or any entitled GOG entity for the purpose of monitoring the construction process;
  - 3.7. If requested ensure the quality and security monitoring of the construction materials at its own expense.
4. Construction Security.
  - 4.1. For the purpose of securing the Construction Phase, namely the terms of commencement of construction works based on construction permit and Commencement of Operation of the Facility defined by the Annex 2 of the MOU, the Company shall within 30 (thirty) days upon signing the Memorandum provide the GOG with Construction Security in an amount of 1 590 000.00 (one million five hundred and ninety thousand) US Dollars. Construction Security provided by the Company shall remain in force until the date falling 3 (three) months after the date of Commencement of Operation of the Facility as defined by the Annex 3 of the MOU. The Construction Security submitted by the Company shall be issued by any bank licensed by State or the OECD member countries;
  - 4.2. The violation by the Company of the term of commencement of construction works based on construction permit defined by the Annex 2 of the MOU shall cause the penalization of the Company, in an amount of 1.5 (one point five tenth) % of the Construction Security, for each delayed day. Herewith, the imposed fine shall be paid by the Company within 15 (fifteen) days from receiving the request from the Ministry. In case fine is paid by the Company, the respective Construction Security shall be reduced in accordance with the amount paid by the Company;

- 4.3. The violation by the Company of the term of Commencement of Operation defined by the Annex 2 of the MOU shall cause the penalization of the Company, in an amount of 1.5 (one point five tenth) % of the Construction Security, for each delayed day. Herewith, the imposed fine shall be paid by the Company within 15 (fifteen) days from receiving the request from the Ministry. In case fine is paid by the Company, the Construction Security shall be reduced in accordance with the amount paid by the Company.
- 4.4. The GOG is entitled to redeem the Construction Security, claim and receive the full or partial amount under such Construction Security in following cases and under following conditions:
  - a) If the Company refuses to pay the fine imposed on it according to Sub Articles 4.2 and/or 4.3 of the MOU, the GOG shall be entitled to redeem an amount equal to the unpaid fine from the Construction Security;
  - b) If GOG terminates the MOU according to Sub Articles 10.2, 10.3 or 10.4 of the MOU, the GOG shall be entitled to redeem a full amount of the Construction Security.

#### GENERAL CONDITIONS FOR THE SALE OF ELECTRICITY

- 5.1. In order to meet the electricity demand of Georgia, for the first 10 (ten) years after the Commencement of Operation of the Facility, during the Winter Months of each year, the full amount of electricity factually generated by the Facility shall be sold at the local market of Georgia by the Company.
- 5.2. For the Initial Operation Period, during the Summer Months of each calendar year the Company shall have a right to sell electricity generated by the Facility at its sole discretion at the local market of Georgia and/or to export it to any direction, in accordance with the Applicable Law.
- 5.3. For the Initial Operation Period, during the Winter Months of each calendar year, the full amount of electricity factually generated by the Facility shall exclusively be sold to ESCO on the basis of the Guaranteed Power Purchase Agreement at the Point of Receipt at a tariff of 6 US Cents – 1 kw/h. The Company and ESCO shall sign the Guaranteed Power Purchase Agreement on the basis of this MOU.
- 5.4. If, following the Commencement of Operation of the Facility in accordance with Applicable Law, due to reflection in the Financial Model (in place of planned investment amount) of the Documented Investment Cost defined by the Audit Report, tariff amount equals or exceeds the tariff indicated in Sub Article 5.3 of the MOU (provided that Project IRR (Internal Rate of Return) indicated in the Financial Model shall remain unchanged), then the tariff of generated power to be sold to ESCO shall remain unchanged as defined by Sub Article 5.3 of the MOU. In such case the GOG, ESCO and the Company shall sign the Agreement given in Annex 4 of this MOU indicating the tariff as defined by Sub Article 5.3 of the MOU within 60 (sixty) days from the date of submission of the Audit Report to the Ministry by the Company.

- 5.4<sup>1</sup>. If, following the Commencement of Operation of the Facility in accordance with Applicable Law, due to reflection in the Financial Model (in place of planned investment amount) of the Documented Investment Cost defined by the Audit Report, tariff amount appears to be less than the tariff indicated in Sub Article 5.3 of the MOU (provided that Project IRR (Internal Rate of Return) indicated in the Financial Model shall remain unchanged), then the tariff of generated power to be sold to ESCO shall decrease accordingly and shall be fixed at the amount appeared as a result of reflection of the Documented Investment Cost defined by the Audit Report in the Financial Model. In such case:
- 5.4<sup>1</sup>.1. The GOG, ESCO and the Company shall sign the Agreement given in Annex 5 of this MOU indicating the reduced tariff within 60 (sixty) days from the date of submission of the Audit Report to the Ministry by the Company;
- 5.4<sup>1</sup>.2. Respective amendments shall be made into the Guaranteed Power Purchase Agreement executed between the Company and ESCO after the execution of the Agreement given in Annex 5.
- 5.5. Before and after the expiration of the term of Initial Operation Period the Company shall have a right to sell the full amount electricity generated by the Facility at its sole discretion at the local market of Georgia, including to ESCO and/or export the generated power to any direction, in accordance with Applicable Law.
- 5.6. For the purpose of export of electricity produced by the Facility, during the first 10 (ten) years of Commencement of Operation of the Facility GSE, ET and SAKRUSENERGO shall provide the Company with necessary dispatch and transmission services and ET additionally with necessary capacity through its own portion of "Akhaltsikhe-Borchka" power transmission line to export electricity produced by the Facility to Republic of Turkish, by means of the TDA based on the Take-or-Pay Principle, for the time period specified in the TDA during the Summer Months, within the periods and space of time during which the full amount of power to be generated and transmitted to the border of Turkish Republic for the export purposes through the "Akhaltskikhe-Borchkha" transmission line (among them power amounts to be transmitted for the export purposes by other exporters) is not less than the minimum adequate capacity (35.2 MW) for functioning of the 500/400/220KV substation "Akhaltsikhe".
- 5.7. The Company shall have the right to give the power to the third party to act on behalf of the Company with regard to the utilization of dispatch and transmission services provided by ET, GSE and/or SAKRUSENERGO considered by Sub Article 5.6 hereunder, under the terms of this MOU and the TDA and on the basis of the power of attorney duly certified by Notary. This does not exempt the Company from any rights and/or liabilities and obligations undertaken under this MOU and the TDA.

### OBLIGATIONS OF THE PARTIES

6. For the purposes of implementation of the Project, subject to the terms of this MOU and the Applicable Law, the Company shall:
  - 6.1. Ensure due implementation of the Project;
  - 6.2. Maintain the Facility within the Technical Parameters;
  - 6.3. Ensure that during Project implementation period, at least 70% of employees (except management and experts) on this Project shall be citizens of Georgia;
  - 6.4. For the purposes of Sub Article 5.4 and 5.4<sup>1</sup> of the MOU, the Company shall at its own expense provide the Audit Report within 3 (three) months from the date of Commencement of Operation of the Facility and submit it to the Ministry.
7. The obligations of the GOG are as follows:
  - 7.1. The GOG within its competence shall use its best endeavors to assist the Company with the implementation of the Project in any manner, which shall include the issuance of any permits and licenses including construction permit, Generation License etc. which are required for implementation of the Project, provided that the Company meets the relevant requirements in accordance with the Applicable Law and this MOU;
  - 7.2. Within its competence and provided that the company has met all relevant requirements under Applicable Law and this MOU, the GOG shall ensure that the rights on the State owned land plots necessary for the implementation of the Project are transferred to the Company in accordance with Applicable Law;
  - 7.3. All fossils, coins, articles of value or antiquity, and structures and other remains or items of geological or archaeological interest, man-made and other physical obstructions found on the Site shall be removed under the care and authority of the GOG in accordance with the Applicable Law;
  - 7.4. Sign the Agreement given in Annex 4 or 5 of this MOU, as applicable, provided that the Company meets all relevant requirements in accordance with this MOU and Applicable Law.

### EXTENSION OF TIME

8. The Company shall have the right to request time extension should any of the following events affect implementation of the Project, for a period at least equal to delay arising out of following events:
  - 8.1. A force majeure event; or
  - 8.2. State or local self-governing bodies of Georgia, or their representatives acting illegally, failing to act, or not fulfilling their obligations (fully or partially) or any delays attributable to the GOG or any State or local self-governing bodies of Georgia, or judicial orders or decisions, injunction of a governmental authority, directly affecting the implementation of the project, which are not connected to the Company acting illegally, failing to act or not fulfilling its obligations (fully or partially) under this MOU, and/or any other contract, and/or Applicable Law;



- 8.3. Company applies for any permits, licenses, approvals, authorizations, etc. including any permit required for construction permit, Generation License etc., which are required for implementation of the relevant Project and has met relevant requirements in accordance with the Applicable Law and such are not issued by the State authorities in accordance with Applicable Law.
9. For avoidance of any doubt the Company shall not have the right to request time extension if events affecting the implementation of the Project are caused by contractors and/or subcontractors of the Company.

#### TERMINATION OF THE MOU

10. The GOG may terminate the MOU wholly and unilaterally, by serving the written notice to the Company, in the following cases:
  - 10.1. In case the Company fails to fulfill its obligation to provide the GOG with Construction Security in an amount of and/or within the term set out in Sub Article 4.1 – immediately after the expiration of the term set out in Sub article 4.1.
  - 10.2. In case the Company fails to fulfill any of its obligations as given in Sub Article 5.1, Article 3 and/or 6 hereunder;
  - 10.3. In case the amount of fine, according to Sub Article 4.2 of the MOU reaches 50 (fifty) % or more of the full amount of the Construction Security in total;
  - 10.4. In case the amount of fine, according to Sub Article 4.3 of the MOU reaches 50 (fifty) % or more of the full amount of the Construction Security in total;
  - 10.5. In case if force majeure event continues for more than 180 (one hundred and eighty) days. In this case the GOG releases the existing amount under Bank Guarantee, unless it has been already collected prior to such date, in accordance with this MOU.
11. The termination of the MOU by the GOG according to Article 10 of the MOU shall cause the following:
  - 11.1. The rights (including ownership rights) on the land plots necessary and/or affected for the implementation of the Project shall be transferred to the State free of charge and free of all encumbrances within 2 (two) months upon the termination of the MOU;
  - 11.2. The Company shall be deprived the right to implement the relevant Project immediately upon the termination of the MOU;
  - 11.3. Exclusive ownership rights of the Feasibility Study and the environmental and social impact assessment reports, as well as any other documents and drawings related to the Project which may be in possession of the Company (including new documents developed by the Company) shall be transferred to the GOG free of charge within 2 (two) months upon the termination of the MOU.
12. In case the Company does not submit the Audit Report to the Ministry within the term set out in Sub Article 6.4 of the MOU and/or Agreement given in Annex 4 or 5 of this MOU is not signed because of the reason of and/or by the Company within the term set out in Sub Articles 5.4 or 5.4<sup>1</sup> of the MOU, as applicable:

- 12.1. The GOG shall return the Construction Guarantee (in an amount existing at the moment of such return) to the Company within 60 (sixty) days upon the receipt of a written request of the Company;
  - 12.2. The Company shall have the right to own and operate the Facility;
  - 12.3. Sub Articles 5.3 and 5.6 of the MOU (and all other provisions in connection with Articles 7 and 11 of this MOU, as applicable) as well as the respective Guaranteed Power Purchase Agreement and the TDA shall be immediately and automatically terminated.
13. The Company may terminate the MOU wholly and unilaterally, by serving the written notice to the GOG, in the following cases:
- 13.1. If the GOG fails to fulfill its obligations as given in Article 7 hereunder. The GOG must be notified no later than 60 (sixty) days prior to such termination;
  - 13.2. In case if force majeure event continues for more than 180 (one hundred and eighty).
14. The termination of the MOU by the Company according to Article 13 of the MOU shall cause the following:
- 14.1. The rights (including ownership rights) on the land plots necessary and/or affected for the implementation of the Project shall be transferred to the State within 2 (two) months upon termination date of the present MOU, and free of charge at the moment of its transfer, but with the consideration of Article 14.4 Such land plots shall be transferred to the GOG free of all encumbrances and/or encumbered by mortgage (if any) granted in favour of the lenders financing the Project and shall be released from such encumbrance promptly upon payment of Investment Costs in full by the GOG to the Company according to Sub Article 13.4 of the MOU;
  - 14.2. The Company shall be deprived the right to implement the Project immediately upon the termination of the MOU;
  - 14.3. Exclusive ownership rights of the Feasibility Study and the environmental and social impact assessment reports, as well as any other documents and drawings related to the Project which may be in possession of the Company (including new documents developed by the Company) shall be transferred to the GOG free of charge, but with the consideration of Sub Article 14.4, within 2 (two) months upon the termination of the MOU;
  - 14.4. In case of the termination of the MOU by the Company according to Sub Article 13.1 of this MOU, the GOG compensates the Investment Costs to the Company within 1 (one) year upon the termination of the MOU;
  - 14.5. In case of the termination of the MOU by the Company according to Sub Article 13.1 of this MOU, the GOG shall release the existing construction security to the Company within 30 (thirty) days upon the written request of the Company.
15. For the purposes of Sub Article 14.4 of the MOU, Investment Costs shall be determined by one of the auditors/audit companies from the list of auditing companies approved by the respective legal act issued by the GOG.

16. Termination of the MOU by the GOG or by the Company shall cause the termination of the MOU for all Parties and accordingly the termination of the Guaranteed Power Purchase Agreement and the TDA.

#### AMENDMENTS TO THE MOU

17. Amendments:

- 17.1. This MOU may be amended by written agreement between the Parties;
- 17.2. If any provision of this MOU becomes invalid or unenforceable, the validity of other provisions shall not be affected.

#### NOTIFICATIONS

18. A notice under and/or in connection with this MOU (a "Notice"):

- 18.1. Shall be in writing;
- 18.2. Shall be made in English or Georgian language;
- 18.3. Shall be delivered personally or sent by post (air mail if overseas), courier, or electronically (with original to follow) to the party;
- 18.4. Shall be effective when actually received.

#### GOVERNING LAW AND DISPUTE RESOLUTION

- 19. This MOU shall be governed by the laws of Georgia.
- 20. The Parties hereto will use their best efforts to settle amicably any dispute, controversy and/or claim arising out of or in connection with, or the breach, termination, invalidity and/or interpretation of the MOU.
- 21. Any dispute or controversy arising out of and/or in relation to this MOU shall be settled by the Common Courts of Georgia in accordance with Applicable Law.

#### FORCE MAJEURE

- 22. Force Majeure shall mean any event beyond the reasonable control of either Party, the occurrence of which could not have been reasonably foreseen at the date of signing the MOU, including but not limited to war, civil war, invasion, armed conflict, hostile act of a foreign enemy, act of terrorism, radiation, biological or chemical contamination, ionizing radiation, explosion, fire, epidemic, cyclone, tidal wave, landslide, lightning, earthquake, volcanic eruption, other natural disaster and any other similar event.
- 23. If any Party hereto is affected by Force Majeure as defined in Article 22 of the MOU, affected Party shall give written notice to the other Party immediately after becoming aware thereof. A detailed report elaborating the reasons and consequences of the Force Majeure event shall be provided by any affected Party to the other Party.
- 24. If a Force Majeure event prevents the total or partial performance of any of the obligations of either Party under the MOU, then the Party claiming Force Majeure shall be excused from whatever performance is prevented thereby to the extent so affected and the other Party shall not be entitled to terminate this MOU except as otherwise provided herein.

**ADDITIONAL CONDITIONS**

25. The MOU enters into force on the Effective Date and is in force until all obligations are fulfilled by the Parties, unless it is terminated in accordance with the MOU.

26. The MOU is made in English language, into 6 (six) equally binding copies.

**SIGNATORIES**

Government of Georgia

Ilia Eloshvili

LLC "Avstrian Georgian Development"

Giorgi Abramishvili

JSC "Georgian State Electrosystem"

Sulkhan Zumburidze

JSC "United Energo System"

Romeo Mikautadze

LLC "Energetrans"

Kakha Sekhniashvili

JSC "Electricity System Commercial Operator"

Valhtang Ambokadze



**Annex N1**

<b>N</b>	<b>Name</b>	<b>Location</b>	<b>River</b>	<b>River Benchmarks</b>	<b>Capacity</b>	<b>Annual Production</b>
1	Lakhami 1	Tchuberi	Lakhami	1384-1044	6.4	36,87 MWh/Y
2	Lakhami 2	Tchuberi	Lakhami	1044-706	9.5	50,17 MWh/Y

**Annex N2**

<b>Construction Phase</b>		
<b>Date of signing the MOU</b>	<b>The date of Commencement of construction works – 12 months from signing the MOU</b>	<b>Commencement of Operation</b>
<b>42 months from signing the MOU</b>		

**Annex 4**

**Agreement on the Memorandum of Understanding signed between the Government of Georgia, JSC "Electricity System Commercial Operator" and [Title of the Company] on [day/month/date]**

Tbilisi

Date/Month/Year

This Agreement on the Memorandum of Understanding signed by and between the Government of Georgia, JSC Georgian State Electrosystem and [Title of the Company] on [day/month/date] (hereinafter referred to as "MOU") is signed by and between the following Parties:

**The Government of Georgia** (hereinafter referred to as "GOG") represented by the Minister of Energy of Georgia, [Name, Surname];

**"Electricity System Commercial Operator" JSC** (hereinafter referred to as "ESCO"), ID Code: 205170036, represented by its General Director [Name, Surname];

And

[Title of the Company] (hereinafter referred to as "Company"), ID Code: [●], represented by its Director [name, surname];

**WHAREAS**, as defined by Sub Article 6.4 of the MOU, the Company has submitted the Audit Report in accordance with the terms and conditions of the MOU to the Ministry;

**WHAREAS**, as defined by Sub Article 5.4 of the MOU, following the Commencement of Operation of the Facility in accordance with Applicable Law, due to reflection in the Financial Model of the Documented Investment Cost defined by the Audit Report, tariff amount [equals/exceeds] the tariff indicated in Sub Article 5.3 of the MOU;

**WHEAREAS**, in this case the tariff of generated power to be sold to ESCO shall remain unchanged as defined by Sub Article 5.3 of the MOU;

**NOW, THEREFORE**, the parties of the present Agreement acknowledge and agree that the Sub Article 5.3 of the MOU shall remain unchanged.

**The Government of Georgia**

\_\_\_\_\_  
[Name, Surname]

[Title of the Company]

\_\_\_\_\_  
[Name, Surname]

**JSC "Electricity System Commercial Operator"**

\_\_\_\_\_  
[Name, Surname]

Annex 5

Agreement on the Memorandum of Understanding signed between the Government of Georgia,  
JSC "Electricity System Commercial Operator" and [Title of the Company] on [day/month/date]

Tbilisi

Date/Month/Year

This Agreement on the Memorandum of Understanding signed by and between the Government of Georgia, JSC Georgian State Electrosystem and [Title of the Company] on [day/month/date] (hereinafter referred to as "MOU") is signed by and between the following Parties:

The Government of Georgia (hereinafter referred to as "GOG") represented by the Minister of Energy of Georgia, [Name, Surname];

"Electricity System Commercial Operator" JSC (hereinafter referred to as "ESCO"), ID Code: 205170036, represented by its General Director [Name, Surname];

And

[Title of the Company] (hereinafter referred to as "Company"), ID Code: [●], represented by its Director [name, surname];

WHAREAS, as defined by Sub Article 6.4 of the MOU, the Company has submitted the Audit Report in accordance with the terms and conditions of the MOU to the Ministry;

WHAREAS, as defined by Sub Article 5.4<sup>1</sup> of the MOU, following the Commencement of Operation of the Facility in accordance with Applicable Law, due to reflection in the Financial Model of the Documented Investment Cost defined by the Audit Report, tariff amount is less than the tariff indicated in Sub Article 5.3 of the MOU;

WHEAREAS, in this case the tariff of generated power to be sold to ESCO shall decrease accordingly and shall be fixed at the amount appeared as a result of reflection of the Documented Investment Cost defined by the Audit Report in the Financial Model;

NOW, THEREFORE, the parties of the present Agreement acknowledge and agree that the Sub Article 5.3 of the MOU is hereby amended and read as follows:

„5.3. For the Initial Operation Period, during the Winter Months of each year, electricity generated by the Facility shall exclusively be sold to ESCO on the basis of the Guaranteed Power Purchase Agreement at the Point of Receipt at a tariff of [●] US Cents – 1 kw/h. The Company and ESCO shall sign the Guaranteed Power Purchase Agreement on the basis of this MOU.“

The Government of Georgia

\_\_\_\_\_  
[Name, Surname]

[Title of the Company]

\_\_\_\_\_  
[Name, Surname]

JSC "Electricity System Commercial Operator"

\_\_\_\_\_  
[Name, Surname]





## საქართველოს მთავრობის განკარგულება

N1953 2016 წლის 29 სექტემბერი ქ.თბილისი

საქართველოს მთავრობას, შპს „ავსტრიან ჯორჯიან დეველოპმენტს“, სს „საქართველოს სახელმწიფო ელექტროსისტემას“, სს „გაერთიანებულ ენერგეტიკულ სისტემა საქრუსენერგოს“, შპს „ენერგოტრანსსა“ და სს „ელექტროენერგეტიკული სისტემის კომერციულ ოპერატორს“ შორის დასადები ურთიერთგაგების მემორანდუმის თაობაზე

1. მოწონებულ იქნეს საქართველოს მთავრობას, შპს „ავსტრიან ჯორჯიან დეველოპმენტს“, სს „საქართველოს სახელმწიფო ელექტროსისტემას“, სს „გაერთიანებულ ენერგეტიკულ სისტემა საქრუსენერგოს“, შპს „ენერგოტრანსსა“ და სს „ელექტროენერგეტიკული სისტემის კომერციულ ოპერატორს“ შორის დასადები ურთიერთგაგების მემორანდუმი.

2. „საქართველოს მთავრობის სტრუქტურის, უფლებამოსილებისა და საქმიანობის წესის შესახებ“ საქართველოს კანონის 27-ე მუხლის თანახმად, ურთიერთგაგების მემორანდუმს, საქართველოს მთავრობის სახელით, ხელი მოაწეროს საქართველოს ენერგეტიკის მინისტრმა ილია ელოშვილმა.

პრემიერ-მინისტრი



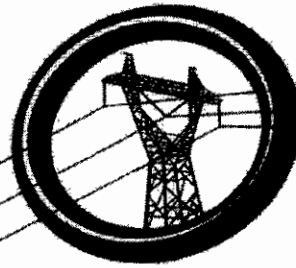
გიორგი კვირიკაშვილი

საქრუსენერგომ

სს გაერთიანებული ენერჯეტიკული სისტემა

SAKRUSENERGO

JSC UNITED ENERGY SYSTEM



N 05/816  
23/09/2016

816-05-2-201609231404



საქართველოს ენერჯეტიკის სამინისტროს

განვიხილეთ თქვენი 2016 წლის 21 სექტემბრის N 0437/90 წერილი და საქართველოს მთავრობას, სს „ელექტროენერჯეტიკული სისტემის კომერციულ ოპერატორს“, სს „საქართველოს სახელმწიფო ელექტროსისტემას“, შპს „ენერჯოტრანსს“, სს გაერთიანებული ენერჯეტიკული სისტემა „საქრუსენერგოსა“ და შპს „ავსტრიან ჯორჯიან დეველოპმენტს“ შორის დასადები ურთიერთგაგების მემორანდუმის პროექტი, რომელთან დაკავშირებითაც გაცნობებთ, რომ ჩვენი კომპეტენციის ფარგლებში შენიშვნები არ გაგვაჩნია.

პატივისცემით,  
რომეო მიქაუტაძე

გენერალური დირექტორი



ელექტროენერგეტიკული ბაზრის ოპერატორი  
Electricity Market Operator

საქართველო, თბილისი, 0114, ბარათაშვილის ქ. 2  
ტელეფონი: 2401420; ფაქსი: 2601915

2 Baratashvili Str., 0114 Tbilisi, Georgia  
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N 01/1103  
23/09/2016

1103-01-2-201609231721



საქართველოს ენერგეტიკის მინისტრის

მოადგილეს ბატონ ირაკლი ხმალაძეს

ბატონო ირაკლი,

საქართველოს ენერგეტიკის სამინისტროს 2016 წლის 21 სექტემბრის #04/3790 წერილის პასუხად გაცნობებთ, რომ ბაზრის ოპერატორმა კანონმდებლობით მინიჭებული კომპეტენციის ფარგლებში განიხილა საქართველოს მთავრობას, შპს „ავსტრიან ჯორჯიან დეველოპმენტს“, სს „საქართველოს სახელმწიფო ელექტროსისტემას“, სს „გაერთიანებული ენერგეტიკული სისტემა „საქრუსენერგოს“, შპს „ენერგოტრანსსა“ და სს „ელექტროენერგეტიკული სისტემის კომერციულ ოპერატორს“ შორის დასადები ურთიერთგაგების მემორანდუმის პროექტი (ლახამი ჰესი 1, ლახამი ჰესი 2), რომელთან დაკავშირებითაც შენიშვნები არ გაგვაჩნია.

ამასთანავე, გაცნობებთ, რომ მემორანდუმის პროექტში გაპარულია ტექნიკური ხასიათის შეცდომები. კერძოდ, მემორანდუმის პროექტში, ტერმინთა განმარტებებში, ასევე ტექსტში ზოგიერთ ადგილას, არასწორად არის მითითებული მუხლები და დანართები. შესაბამისად, ამ თვალსაზრისით, მემორანდუმის ტექსტი საჭიროებს გადახედვასა და შესწორებას.

პატივისცემით,

ვახტანგ ამბოკაძე

გენერალური დირექტორი

OFFICE@ESCO.GE • WWW.ESCO.GE

სს "ელექტროენერგეტიკული სისტემის კომერციული ოპერატორი"  
რეგისტრირებულია ქ. თბილისის საკანონმდებლო ანგარიშსწორების № 07.08.2006; საიდ. კოდი: 205170036

ELECTRICITY SYSTEM COMMERCIAL OPERATOR JSC  
Registered by Tbilisi Tax Inspectorate on 07.08.2006; ID CODE 205170036



საქართველოს იუსტიციის სამინისტრო  
MINISTRY OF JUSTICE OF GEORGIA



საქართველო, ქ. თბილისი, 0114, გორგასლის ქ.24 ა. ტელ.: 2 40-51-48, 2 40-58-36; ელ.ფოსტა: info@justice.gov.ge  
24 a, Gorgasali str., 0114, Tbilisi, Tel.: 2 40-51-48, 2 40-58-36, E-MAIL: info@justice.gov.ge

№6307

23 / სექტემბერი / 2016 წ.

საქართველოს ენერგეტიკის  
მინისტრის მოადგილეს,  
ბატონ ირაკლი ხმალამეს

ბატონო ირაკლი,

საქართველოს იუსტიციის სამინისტრომ განიხილა თქვენ მიერ 2016 წლის 21 სექტემბრის № 04/3795 წერილით წარმოდგენილი საქართველოს მთავრობას, შპს „ავსტრიან ჯორჯიან დეველოპმენტს“, სს „საქართველოს სახელმწიფო ელექტროსისტემას“, სს „გაერთიანებულ ენერგეტიკულ სისტემა საქრუსენერგოს“, შპს „ენერგოტრანსსა“ და სს „ელექტროენერგეტიკული სისტემის კომერციულ ოპერატორს“ შორის დასადები ურთიერთგაგების მემორანდუმის პროექტი, რომელთან დაკავშირებით გაცნობებთ შემდეგს:

1. მემორანდუმის პროექტის 5.1 და 5.5 მუხლების შინაარსი, კერძოდ, სარეალიზაციო ელექტროენერჯის ოდენობა და მისი საქართველოს ტერიტორიაზე რეალიზაციის პერიოდი, საჭიროებს საქართველოს ენერგეტიკის მინისტრის 2014 წლის 10 აპრილის № 40 ბრძანებასთან („იმ ელექტროსადგურების მშენებლობის ტექნიკურ-ეკონომიკური შესწავლის, მშენებლობის, ფლობის და ოპერირების შესახებ წინადადებების საქართველოს ენერგეტიკის სამინისტროსათვის წარდგენისა და განხილვის წესის და პირობების დამტკიცების თაობაზე, რომლებიც არ არის შეტანილი საქართველოში ასაშენებელი პოტენციური ელექტროსადგურების ნუსხაში“) შესაბამისობაში მოყვანას.

2. აქვე შევნიშნავთ, რომ ურთიერთგაგების მემორანდუმის პროექტი შეიცავს ტექნიკური ხასიათის ხარვეზს, კერძოდ: ა) პროექტის 4.2 მუხლში „Construction Permit“ განსაზღვრულია ტერმინის სახით და, შესაბამისად, აღნიშნული ტერმინი საჭიროებს განმარტებას პროექტის ფარგლებში; ბ) პროექტის 5.6 მუხლში არსებული ზაფხულის თვეების ჩამონათვალი მიზანშეწონილია, შეიცვალოს იმავე შინაარსის მქონე ტერმინით – „Summer Months“; გ) პროექტის 14.1 მუხლში მითითება 13.4 მუხლზე უნდა შეიცვალოს მითითებით 14.4 მუხლზე და, ამასთან, პროექტის 14.4 მუხლში მითითება 12.1 მუხლზე უნდა შეიცვალოს მითითებით 13.1 მუხლზე.

პატივისცემით,

გ. ლორთქიფანიძე

მინისტრის მოადგილე

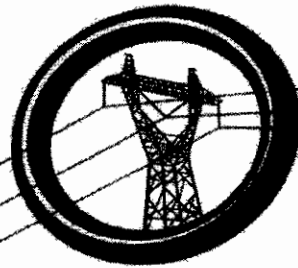
გოჭა ლორთქიფანიძე

საქრუსენერგო

სს საქართველოს ენერჯეტიკული სისტემა

SAKRUSENERGO

JSC UNITED ENERGY SYSTEM



N 05/816

23/09/2016

816-05-2-201609231404



საქართველოს ენერჯეტიკის სამინისტროს

განვიხილეთ თქვენი 2016 წლის 21 სექტემბრის N 0437/90 წერილი და საქართველოს მთავრობას, სს „ელექტროენერჯეტიკული სისტემის კომერციულ ოპერატორს“, სს „საქართველოს სახელმწიფო ელექტროსისტემას“, შპს „ენერჯოტრანსს“, სს გაერთიანებული ენერჯეტიკული სისტემა „საქრუსენერგოსა“ და შპს „ავსტრიან ჯორჯიან დეველოპმენტს“ შორის დასადები ურთიერთგაგების მემორანდუმის პროექტი, რომელთან დაკავშირებითაც გაცნობებთ, რომ ჩვენი კომპეტენციის ფარგლებში შენიშვნები არ გაგვაჩნია.

პატივისცემით,  
რომეო მიქაუტაძე

გენერალური დირექტორი



საქართველოს სახელმწიფო ელექტროსისტემა / Georgian State Electrosystem

საქართველო, თბილისი 0105, ბარათაშვილის 2, Baratashvili str., Tbilisi 0105, Georgia; ტელ./ფაქსი/Tel/Fax: +995 322 983704; +995 322 510101



4648-09-2-201609231905

N 4648/09

23/09/2016

საქართველოს ენერგეტიკის სამინისტროს

სს „საქართველოს სახელმწიფო ელექტროსისტემამ“ განიხილა თქვენი 21/09/2016წ. N04/3796 წერილით წარმოდგენილი საქართველოს მთავრობას, შპს „ავსტრიან ჯორჯიან დეველოპმენტს“, სს „საქართველოს სახელმწიფო ელექტროსისტემას“, სს „გაერთიანებულ ენერგეტიკულ სისტემა საქრუსენერგოს“, შპს „ენერგოტრანსსა“ და სს „ელექტროენერგეტიკული სისტემის კომერციულ ოპერატორს“ შორის დასადები მემორანდუმის პროექტი.

წარმოდგენილ პროექტთან დაკავშირებით გაცნობებთ, რომ შენიშვნები არ გაგვაჩნია.

პატივისცემით,

სულხან ზუმბურიძე

მმართველთა საბჭოს თავმჯდომარე

რეაბილიტაციის მმართველი

[www.gse.com.ge](http://www.gse.com.ge)