

KOENIG SOLUTIONS • COURSE OUTLINE

PPA Contracts: Clauses, Risk & Negotiation (Power Purchase Agreements)

Learn to structure, negotiate and manage Power Purchase Agreements, from key clauses and risk allocation to dispute resolution.

5 Days

DURATION

5

MODULES

61

TOPICS

COURSE OVERVIEW

This course examines the structure and main features of Power Purchase Agreements, including project parties, business models such as BOT and BOOT, and core provisions like price, payment and liquidated damages. It then covers essential contract clauses, from performance guarantees and force majeure to termination rights and change in law, before turning to risk assessment across political, currency, sovereign and default exposures. Commercial aspects such as tariffs, take-or-pay obligations, credit and tenor risk are addressed alongside lender expectations, and the course concludes with negotiation techniques and dispute resolution methods including mediation, arbitration and expert determination.

WHO THIS COURSE IS FOR

Contract Managers

Legal Counsel

Project Finance Professionals

Energy Project Developers

Risk Managers

Negotiation Teams

LEARNING OBJECTIVES

- Explain the role and structure of a Power Purchase Agreement
- Identify key project structures such as BOT, BOO and BOOT
- Analyse essential clauses including force majeure and change in law
- Assess risk allocation covering political, currency and sovereign risk
- Evaluate commercial terms such as tariffs and take-or-pay obligations
- Compare buyer and seller default provisions and remedies
- Plan negotiation strategy using term sheets and BATNA analysis
- Compare dispute resolution methods including arbitration and mediation

5 Modules, 61 Topics

DAY 1

01

Power Purchase Agreement - Introduction & Main Features

TOPICS

- Introduction to Energy Industry and the role of the Power Purchase Agreement
- Profile of the Project - Parties
- Different Project Structures & Business Models - Lease, License, Concession, BOT, BOO, BOOT
- Special Purchase Vehicle (SPV) Purpose and Role
- Generator Covenants
- Assignments Rights
- Licences
- Metering, Measurement and Verification
- Indemnifications
- Purchaser Covenants
- Price and Payment
- Avoided Peak Demand Payments
- Liquidated Damages

DAY 2

02

Essential Clauses in a Power Purchase Agreement

TOPICS

- | | |
|--|--|
| ■ Term and Extension | ■ Early Termination Rights & Events of Default |
| ■ Performance Guarantees | ■ Off-taker Step-in Rights |
| ■ SPV's Construction & Development Obligations | ■ Force Majeure Provisions |
| ■ Contracted Capacity & Energy | ■ Disclaimers and Limitations of Liability & Indemnification |
| ■ Representations & Warranties | ■ Subsidies |
| ■ Insurances Required | ■ Change in Law |
| ■ Maintenance and Scheduled Outages | ■ Transfer of Ownership Rights, Assignments, Novations |
| ■ Commissioning and Commercial Operations Commencement | ■ Law & Jurisdiction |

03

Risk Assessment in a Power Purchase Agreement

TOPICS

- Liquidated Damages - Delay and Performance
- Performance Bonds
- Retentions
- Variation Orders and Cost Overruns
- Dealing with Political Risk
- Dealing with Currency Exposures
- Minimum & Maximum Delivery Obligations
- Buyer Default
- Seller Default
- Sovereign Risk
- Change in Tax Law

04

Commercial Aspects of a Power Purchase Agreement

TOPICS

Price, Volume & Tariffs · Metering · Take or Pay Obligations · Shape or Profile Risk · Balancing Risk · Credit Risk · Tenor Risk · Managing Lender Expectations

05

Negotiation of a Power Purchase Agreement & Dispute Resolutions in PPA

NEGOTIATE THE BEST POWER PURCHASE AGREEMENT

- Prepare a Term Sheet
- Set Framework for Negotiations
- Balance Buyer's and Seller's Needs
- Know your BATNA
- Focus on Interests not Positions
- Reach Sustainable Agreement

NEGOTIATION

- Negotiate on Key Milestones to be Achieved & Penalties for Failures
- Negotiate Performance Guarantees

DISPUTE RESOLUTION

- Different Types of Dispute Resolution
- Litigation
- Mediation
- Arbitration
- Expert Determination

WHAT IS INCLUDED

Everything You Need to Succeed

- Koenig course material for every module
- Delivery by certified instructors and subject matter experts
- Hands-on exercises throughout the course
- Course completion certificate from Koenig

ABOUT KOENIG

Who We Are

Established in 1993, Koenig Solutions is a globally recognised training provider with 35+ technology partnerships, 5,000+ training programmes and a network of certified instructors and subject matter experts, supporting individuals and enterprise teams worldwide.

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