BE THE CHANGE
WE WANT IN THE WORLD
Terrawatt Initiative – TWI

TWI is a global non-profit organization that was launched at COP21 (2015). It aims to promote competitive solar power - as a decisive tool to address our global power needs, sustainable development goals and climate change.

Overall aims to bring all core stakeholders together around the globe (between the private sector, Governments and International Organisations) in an open, innovative and collaborative environment, to further promote acceleration of solar development (as a way to ignite a solution to the energy revolution, that is taking place in the industry).
TWI core programs/areas of focus – to date:

1. **TWI – IRENA “Solar Energy Standardisation Initiative”**: The Initiative is bringing together a group of public and private sector stakeholders to define and agree on the core terms to develop solar projects in the aim to create a form of standardisation - to assist with acceleration of solar development around the globe.

2. **Ambrogio Project**: KPMG, Trilegal, Norton Rose Fulbright and Herbert Smith Freehills (and potentially others) have joined forces with TWI to develop an instrument to assist policymakers in the process of defining their solar regulation. The project aims at evaluating the impact of good or not so good regulations on the solar levelised cost of electricity and to prioritize reforms in order for governments to provide their country the lowest cost electricity possible.

3. **Global Renewable Energy Agency**: Beyond the risk that may be attached to the contractual and regulatory schemes - the political, monetary and counterparty/off-taker risks are elements that also directly affect the present and future solvency analysis and bankability review of solar developments. These risks are still seen as too high in some jurisdictions/countries and hence lead to a lack of stimulus for new solar investment in such jurisdictions. Hence, concept is to advocate to create a new form of governmental agency whose role will be to provide international lenders with a form of guarantee/insurance product with respect to their solar investments, in such cases.
In June 2016 – TWI together with the International Renewable Energy Agency (IRENA), launched the ‘Solar Energy Standardisation Initiative’ - which aims at standardising contracts to streamline the global development and finance of solar projects, to assist in meeting the objectives and quotas the governments around the world set to address climate change and in particular, as evident via ‘The Sustainable Development Goals’ and the ‘Paris Agreement’.
Objective:
To structure and implement a framework for the engagement of relevant stakeholders to develop standardised contracts that will help streamline (and also increase the speed of) the development and financing process for solar projects around the globe.

To develop a simple, standardised contractual “project documentation” that will facilitate a scale up of solar PV investments around the globe.

Contracts for standardisation:
- PPAs
- Development service agreements
- Supply agreements
- Fit and Commission agreements
- O&M agreements
- Finance Facility agreements
- Implementation agreements
- Project Development agreements
Collaboration

Bring together a group of public and private sector stakeholders to define and agree on the core terms / approach to core risk related issues and reflect it in the form of standard documentation for solar projects.

Engagement and cooperation mainly through electronic means and webinars, with occasional face-to-face meetings/workshops.

Showcase solid progress in development of such standardised templates and documentation at COP 22 (Nov. 2016) and present overall concept & structure at the IRENA General Assembly (Jan. 2017). With the overall aim to have a full package of documentation ready for the global market Q3 2017.
List of participants – to date:

**Law firms**
- Herbert Smith Freehills LLP
- Norton Rose Fulbright LLP
- Eversheds LLP
- Watson Farley & Williams LLP
- Simmons & Simmons LLP
- Gide Loyrette Nouel
- Trilegal
- Latham & Watkins LLP
- Clifford Chance LLP
- White & Case LLP
- Baker & Mckenzie
- Linklaters LLP
- Milbank, Tweed, Hadley & McCloy LLP
- Chadbourne & Parke LLP
- Mason Hayes and Curran

**International Development Banks**
- Inter-american development bank (IADB)
- European Bank For Reconstruction and Development (EBRD)
- KfW Bankengruppe
- Asian Development Bank (ADB)
- International Finance Cooperation (IFC)
- United Nations Development Programme (UNDP)
- Agence Francaise Development (AFC)
- Development Bank of South Africa (DBSA)
- World Business Council for Sustainable Development Partnership
- Renewable Energy & Energy Efficiency
- Other ECA’s/DFI’s (**) (ongoing discussions)

**Commercial banks**
- The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Bank Muscat SAOG
- Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)
- SAMBA CAPITAL
- Other international corporate financial institutions (**) (ongoing discussions)

**Export Credit Agencies**
- African Trade Insurance Agency
- Atradius Dutch State Business
- MIGA
- SACE

**Associations/Offtakers:**
- Climate Bonds
- Global Solar Council
- Solarpower Europe
- Saudi Electricity Company (SEC)
Core Working Groups:

There are (8) core streams of work – each have their own working group assigned to them. Each working group focus on developing and delivering standard contractual documentation / guidelines for each of the below core areas, for the increased development and financing of solar projects globally:

1. Power Purchase Agreement (PPA);

2. Development Service Agreements;

3. Supply Agreements;

4. Fit & Commissioning Agreements;

5. O&M Agreements;

6. Finance Facility agreements (guidelines);

7. Implementation Agreement Guideline; and

## Assignment of Core Working Groups

<table>
<thead>
<tr>
<th>Working Streams</th>
<th>Leaders</th>
<th>Team - to date</th>
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</thead>
<tbody>
<tr>
<td>a. Power Purchase Agreement</td>
<td>Herbert Smith Freehills and Norton Rose Fulbright - Anne Lapierre</td>
<td>Inter-American Development Bank; Eversheds; Watson Farley &amp; Williams; Simmons &amp; Simmons; EBRD; Gide Loyrette Nouel; Climate Bonds; Global Solar Council; Asian Development Bank; Atradius; African Trade Insurance Agency; White &amp; Case; Latham &amp; Watkins; Clifford Chance (review); BBVA; Baker &amp; McKenzie; SACE (review); Linklaters (review); Saudi Electric Company; Milbank; Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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<td>Leïla Hubeaut</td>
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<td>b. Development Service</td>
<td>Eversheds - Michelle Davies</td>
<td>Simmons &amp; Simmons; Trilegal; White &amp; Case; Clifford Chance (review); Baker &amp; McKenzie; Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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<td>Agreement</td>
<td>Ian Cohn</td>
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<td>Michael Grimes</td>
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<td>c. Supply Agreements</td>
<td>Chadbourne &amp; Parke – Ali Donat</td>
<td>Inter-American Development Bank; Simmons &amp; Simmons; KfW; Gide Loyrette Nouel; Trilegal; White &amp; Case; Clifford Chance (review); Baker &amp; McKenzie, Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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<td>d. Fit &amp; Commissioning</td>
<td>Simmons &amp; Simmons - Bree Miechel,</td>
<td>Inter-American Development Bank; Watson Farley &amp; Williams, KfW, Trilegal; White &amp; Case; Clifford Chance (review); Baker &amp; McKenzie, Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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<tr>
<td>Agreements</td>
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<td>e. O&amp;M</td>
<td>Solarpower Europe – Ioannis-Thomas Theologitis,</td>
<td>Inter-American Development Bank; Eversheds; Simmons &amp; Simmons; KfW; Gide Loyrette Nouel; Trilegal; Global Solar Council; White &amp; Case; Clifford Chance (review); Baker &amp; McKenzie, Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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<td><strong>f. Finance Facility Agreement</strong></td>
<td>Latham &amp; Watkins LLP - Craig Nethercott,</td>
<td>Inter-American Development Bank; HSF; NRF; Watson Farley &amp; Williams; Simmons &amp; Simmons; KfW; Eversheds; Asian Development Bank; the bank of Tokyo Mitsubishi; Bank Muscat SAOG; Atradius; White &amp; Case; Clifford Chance (review); BBVA; Baker &amp; McKenzie, SACE (review), Linklaters (review), Samba capital, Milbank, Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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<td><strong>g. Implementation Agreement Guideline</strong></td>
<td>White &amp; Case LLP - Kirsti Massie</td>
<td>Eversheds; Simmons &amp; Simmons; African trade Insurance Agency; Clifford Chance (review); Baker &amp; McKenzie, Linklaters (review), Milbank, Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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<td><strong>h. Project Development Guideline</strong></td>
<td>Baker &amp; McKenzie - Jen Stolp</td>
<td>Watson Farley &amp; Williams; Simmons &amp; Simmons; KfW; Global Solar Council; Asian Development Bank; White &amp; Case; Clifford Chance (review committee), Chadbourne &amp; Parke LLP; Mason Hayes and Curran</td>
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Additional Working Groups

In addition to the core working groups, there is also some core topics/subject matters which overlap across 1 or more of the core (8) areas of contractual documentation - that also need to be focused on by a smaller sub-group made up of various stakeholders to determine how such generic topics/subject matters should be dealt with overall.

In such category - identified to date, topics include:

A. **Drafting approach to be adopted overall for all core areas of documentation in terms of definition style, contractual layout, style (i.e.: apply concept of “simple English”)**: Eversheds LLP; Solarpower Europe; EBRD; Latham & Watkins LLP; Clifford Chance LLP; White & Case LLP; ATIA; Baker & MacKenzie LLP; Milbank, Tweed, Hadley & McCloy LLP, Chadbourne & Parke LLP

B. **Governing law**: Eversheds LLP; Simmons & Simmons LLP; Solarpower Europe; EBRD; Gide Loyrette Nouel; Trilegal; Latham & Watkins LLP; Clifford Chance LLP; White & Case LLP; ATIA; Baker & MacKenzie LLP; SACE; Chadbourne & Parke LLP; Mason Hayes and Curran

C. **Dispute resolution**: Herbert Smith Freehills LLP; Norton Rose Fulbright LLP; Eversheds LLP; Simmons & Simmons LLP; Solarpower Europe; EBRD; Trilegal; Latham & Watkins LLP; Clifford Chance LLP; White & Case LLP; ATIA; Baker & MacKenzie LLP; SACE; Chadbourne & Parke LLP; Mason Hayes and Curran

D. **Change of law (including taxation)**: Eversheds LLP; EBRD; Latham & Watkins LLP; Clifford Chance LLP; White & Case LLP; Baker & MacKenzie LLP; Chadbourne & Parke LLP;

E. **Force majeure**: Herbert Smith Freehills LLP; Norton Rose Fulbright LLP; Eversheds LLP; Watson Farley Williams LLP; Simmons & Simmons LLP; Solarpower Europe; EBRD; Gide Loyrette Nouel; Trilegal; Latham & Watkins LLP; Clifford Chance LLP; White & Case LLP; ATIA; Baker & MacKenzie LLP; Milbank, Tweed, Hadley & McCloy LLP; Chadbourne & Parke LLP; Mason Hayes and Curran

F. **Financial references**: Herbert Smith Freehills LLP; Norton Rose Fulbright LLP; Eversheds LLP; Watson Farley & Williams LLP; Solarpower Europe; EBRD; Latham & Watkins LLP; Clifford Chance LLP; White & Case LLP; Baker & MacKenzie LLP; Milbank, Tweed, Hadley & McCloy LLP; Chadbourne & Parke LLP; Mason Hayes and Curran

G. **Others .....**
At the end of this whole process, it is intended that these (8) forms of standard contractual documentation be presented as a complete single package to the international market. Therefore, it is essential for the success and effectiveness of this process that we also make sure that a sub-group is created which is given the task and responsibility to oversee and review all (8) forms of contracts for consistency and provide overall feedback from time to time.

This sub-group will be called – the “Review Committee”
Review Committee (include, to date)

**Law firms**
- Eversheds LLP
- Watson Farley & Williams LLP
- Simmons & Simmons LLP
- Trilegal
- Latham & Watkins LLP
- Clifford Chance LLP
- White & Case LLP
- Baker & McKenzie LLP
- Linklaters LLP
- Milbank, Tweed, Hadley & McCloy LLP
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**International Development Banks**
- IADB
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- The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Mizuho Bank, Ltd.
- Other international corporate financial institutions (**) (ongoing discussions)

**Export Credit Agencies**
- African Trade Insurance Agency
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- Other agencies (**) (ongoing discussions)

**Associations/Offtakers:**
- Solarpower Europe
- Global Solar Council
- Saudi Electricity Company
Working teams Structure

REVIEW COMMITTEE

ADDITIONAL (smaller) WORKING GROUPS

• Drafting Approach…..
• Governing Law
• Dispute Resolution
• Change of Law
• Etc.

(8) CORE WORKING GROUPS

• 1. PPA
• 2. Development Service Agreements
• 3. Supply Agreements
• 4. Fit & Commissioning Agreements
• 5. O&M Agreement
• 6. Finance Facility Agreement
• 7. Implementation Agreement Guideline
• 8. Project Development Guideline.
TIMETABLE – to date:

**Initial Kick-off**
Launch of this Program

• On **June 2016, Munich** we kicked-off this standardisation process with the various stakeholders by discussing and agreeing on (i) scope of work, (ii) work plan (i.e.: creation of working groups) and (iii) process going forward.

**Continued Progress/Implementation of Work**

• In order to ensure we will achieve the final deadline, we have set various deadlines for completion of (a) brainstorming process, (b) initial draft of term sheet (to be submitted to review committee), (c) draft of more formal/detailed contract terms and (d) final draft of each stream of work. Also appointed 1 or 2 leader per stream to assist in coordination of this overall process.

• Held a face-to-face **London 3 day Workshop** in November 2016.
TIMETABLE cont’d – to date:

**COP 22 Morocco & Solar@COP Event**

- Showed progress of work at COP22 (November, 2016). Also at this event, TWI hosted for the 1st time ever at any COP event a session solely dedicated to ‘solar’ called - **Solar@COP Event**.

**IRENA General Assembly Meeting / WFES (2017)**

- Showed further advancement and progress of work overall and provided a detailed overview of this program & key features when all of IRENA’s 144 Country member representatives meet for their annual general assembly in January 2017 (Abu Dhabi).
- Promoted at the **World Future Energy Summit 2017**.

**FINAL GOAL - Finalisation of Standardised – documentation by Q3 2017**

- Overall aim is to have a full completed package of documentation (that has been prepared, reviewed & signed off by a cross section of the market) and then have it ready to be launched to the global market for use and reference, to assist in increased development of solar.
Thankyou