

PPA Negotiations Meeting Held on 30th March to 1st April, 2011 at Bujumbura, Burundi between PIVOTECH and Government of Burundi.

In Attendance

NAME	DESIGNATION	ROLE
IDI-BUHANGA Pressadi	Director General in charge of Water and Energy- Ministry of Energy and Mines, GoB.	Chairman, Gob
IBRAHIM Joshua	Project Developer, PIVOTECH.	Co-Chairman
MWASHA Rabbiel	Project Developer, PIVOTECH.	Secretary
BARAMPANZE Pierre	Director of Energy-Ministry of Energy and Mines, GoB.	Member
NKURUNZIZA Richard	World Bank Energy Projects Advisor to REGIDESO.	Member
TENENDE Lennard	Project Lead Consultant, PIVOTECH.	Member
NDAYIHAYE Nolasque	Advisor Directorate of Energy – Ministry of Energy and Mines, GoB.	Member
MUTOKA Jackson	Technical Team Consultant, PIVOTECH.	Member
KATETI Julius	Technical Team Consultant, PIVOTECH.	Member
MAKAKA Mugisha	Project Developer, PIVOTECH.	Member
CHONJO Eric	Project Developer, PIVOTECH.	Member
MURANGIRA Owen	PPA Legal Consultant, PIVOTECH.	Member
FURAHA Jean Pierre	Country Resident Representative, PIVOTECH.	Member

Agenda:

1. Review of the status since the last meeting (Last 4 Months).
2. Review of the Technical and Financial Feasibility Study.
3. Review of the PPA Draft.

I. Review of the Status since the Last Meeting.

PIVOTECH has been busy working ahead of time and already committed resources and engaged the financiers and suppliers as it awaits the PPA finalization.


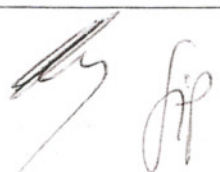


II. Review of the Technical and Financial Feasibility Study.

Topic	Discussion	Resolution
Demand Forecast	Demand forecast has greatly change due to the projects/investments expected to take place for the next 5 Years. It is expected, the shortage will reach about 200MW by then *	GoB pledged to furnish PIVOTECH with these new forecasts.
Fuel historical trend	Data used were not beyond 2007.	PIVOTECH to update the historical data to as close as 2010.

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Fuel Storage capacity	Government has no enough storage facility for reserve fuel for UMUTABAZI plant	UMUTABAZI will accommodate its own Fuel Farm, with the capacity of storing up to 550,000Ltrs.
Fuel /Gas Option.	The initial option proposed by GoB was either of IDO/HFO, but the machine should be with less modification be ready to be converted to Natural Gas (CNG), after approximately 10Years.	PIVOTECH will take note of that during sourcing.
Total Energy Cost	This is the function of Fixed and Variable costs.	Two variables constituting the total energy cost shall be in the same conversions.
Plant Building Period	A progressive approach was opted for during the conception of High Speed Engine	Since the technology and architecture have changed, the new proposed period is 1 Year after signing of the PPA.
Grid Termination	Mpanda Hydro (about 10.4MW), shall be operational by 2013 and it is expected to terminate at North East Sub Station where UMUTABAZI will also terminate to. There were concerns if prior considerations were made during technical feasibility, to see if the station can accommodate both projects.	Study did take care of this and proved to be feasible.
Fuel Farm Cost	The costs for building a 550,000Ltrs tanks which PIVOTECH estimated were viewed to be on the higher side.	The proposed rate based on ongoing construction in Bujumbura is standing at US\$1m for 1.5Million Liters.
Generator Costs	They were viewed to be on higher side as well	Best practice rates and NOT the cheapest rates will prevail.
25MW High Speed Engine Proposal	Cost derived from this technology, proved to yield higher unit cost that expected by GoB .The Unit Cost was amounting to US\$ c 34 per kWh	Other options needs to be considered
10MW High Speed Engine fused with 15MW Medium Speed Engine	derived from the combination proved to yield US\$ c 29 per kWh and US\$ c 26.03 per kWh respectively.	These costs proved to still be higher than expected by GoB.
25MW Medium Speed Engine	The cost was derived based on 100% Medium Speed Engines and yielded the unit cost amounting to US\$ c 25.95 per kWh.	Within Expectation.
GoB Expectation	The Tariff Study for Burundi was carried and finalized in early	GoB is considering a tariff review soon to almost double

	2011, to exhaustively deduce the combined cost of production from all sources of electricity production within Burundi. The study deduced the cost to be US\$ c 22 per Unit kWh. This is the cost that GoB is benchmarking against UMUTABAZI. Although, this is the production cost, the customer tariff is still averaging at US \$ c 8/kWh.	the current rates. The gap will still be subsidized by the government.
Concluded Rate	After hard negotiations, it was agreed by the Technical Team proposed tariff is US\$c 24 per kWh to be approved by the GoB.	PIVOTECH shall expect the rates will be reviewed soon as GoB reviews it is current tariff.

III. Review of the PPA Draft.

PIVOTECH has received the draft of the PPA, translation is going on. PIVOTECH to submit their comments by Monday, April-4th, 2011 to the Chairman for the Final Draft.

We hereby the undersigned declare that these minutes of the PPA NEGOTIATIONS written are true.

For Pivotech CO LTD

1. Dr. Lennard Tenende
2. Jean Pierre Furaha

On behalf of the ministry of energy and mines

1. IDI-BUHANGA Pressadi
2. BARAMPANZE Pierre

On behalf of REGIDESO

1. NKURUNZIZA Richard

signature

 8 April 2011

