

Electricity Generation Licence

Granted To

Cayman Brac Power & Light Co. Ltd

18 December 2018

CBP&L Version 1, 01 May  
2019



***THE ELECTRICITY SECTOR REGULATION LAW (2019 REVISION)***

Licensee Name: Cayman Brac Power and Light Co. Ltd

Licence Area: The area set out in the plan referred to in Condition 4.

Commencement Date: 18 December 2018

Version Number: 1

Version Date: 01 May 2019

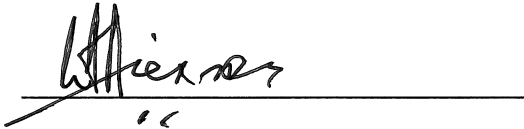
Expiry Date: 17 December 2038



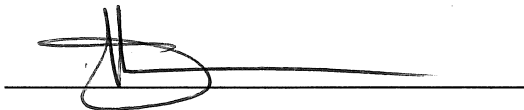
# PART I TERMS OF THE LICENCE

1. The Utility Regulation and Competition Office of the Cayman Islands (the "**Office**"; "**OfReg**"), in exercise of the powers conferred by Section 23(2) of the Electricity Sector Regulation Law (2018 Revision) (the "**Law**") hereby grants to Cayman Brac Power and Light Co. Ltd (the "**Licensee**") a non-exclusive licence (the "**Licence**") to generate and supply, commercially, electricity from the Generating Assets (as hereinafter defined) for public and private purposes in the entire area of the islands of Cayman Brac and Little Cayman, Cayman Islands for the period specified in Condition 3 subject to the Conditions set out in Part II and Part III of this Licence (the "**Conditions**").
2. The Conditions are subject to modification or amendment in accordance with their terms or in accordance with the Law.
3. The licence hereby granted shall commence on the 18 December 2018 and, unless suspended or revoked in accordance with the provisions of Condition 9, shall continue in full force and effect until termination or expiry as provided in Condition 3.
4. This Licence shall be governed by and construed, enforced and performed in accordance with the laws of the Cayman Islands.

Sealed with the Seal of and executed for and on behalf of the Utility Regulation and Competition Office of the Cayman Islands this 1st day of May 2019.



Dr. the Hon. Linford A. Pierson, OBE, JP, PhD, FCCA.  
Chairman of the Board of Directors  
Utility Regulation and Competition Office



Gregg V. Anderson, MBA, CMC, CAMS, BSc. (Hons).  
Executive Director, Energy and Utilities  
Utility Regulation and Competition Office

# PART II CONDITIONS OF THE LICENCE

## Condition 1: Interpretation and construction

- 1.1. Unless the contrary intention appears, words and expressions used in these Conditions shall be construed as if they were in an enactment and the Interpretation Law (1995 Revision) applied to them.
- 1.2 Any word or expression defined in the Law shall, unless the contrary intention appears, have the same meaning when used in the Conditions.
- 1.3 In these Conditions, unless otherwise specified or the context otherwise requires:

<b>“AC”</b>	means alternating current electrical charge;
<b>“Additional Electricity Generation”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Administrative Determinations”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Ancillary Services”</b>	has the meaning given in the T&D Code;
<b>“Applicable Legislation”</b>	means: <ul style="list-style-type: none"> <li>15.1.1 <i>The Electricity Sector Regulation Law (2018 Revision);</i></li> <li>15.1.2 <i>The Electricity Law (2008 Revision);</i></li> <li>15.1.3 <i>The Electricity Regulation (2011 Revision);</i></li> <li>15.1.4 <i>The Data Protection Law (2019 Revision);</i></li> <li>15.1.5 <i>The Information and Communications Technology Law (2017 Revision);</i></li> <li>15.1.6 <i>The Interpretation Law;</i></li> <li>15.1.7 <i>The National Conservation Law (2013 Revision);</i></li> <li>15.1.8 <i>The Utility Regulation and Competition Law (2018 Revision);</i> and</li> <li>15.1.9 <i>The Regulations, Rules and the Codes.</i></li> </ul>
<b>“Asset Management System”</b>	means the measures that are to be taken by the Licensee for the proper maintenance, expansion or reduction of the T&D Assets;
<b>“Authorised Officer”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Business Day”</b>	means a day which is not a Saturday, Sunday or a Public Holiday in The Cayman Islands.

<b>“Capital Investment Plan”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Catastrophic Failure”</b>	Means a sudden and, unexpected failure of one or more components that form part of the T&D Assets, which renders those components or the T&D Assets of which they form part; economically or technically unfit to transmit and distribute electricity;
<b>“Code”</b>	means:  (a) The National Electric Code (as amended)  (b) The Electricity Regulatory Authority (Standard of Performance) Rules, 2012;
<b>“Commencement Date”</b>	means the date the Licence was first granted by <i>OfReg</i> being the date specified in clause 2.2.
<b>“Company”</b>	has the meaning given to that term in Part I of the <i>Local Companies (Control) Law (2015 Revision)</i> ;
<b>“Consumer”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Conditions”</b>	has the meaning given in paragraph 1 of Part I of this Licence;
<b>“Critical National Infrastructure”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Destructive Event”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Document”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Electricity”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Electricity Law”</b>	means the Electricity Law (2008 Revision);
<b>“Electricity Service Industry”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Electric Line”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Electronic Means”</b>	means:  (a) the Internet;  (b) email, being:  (i) in relation to <i>OfReg</i> , <i>OfReg</i> ’s email address as notified to the <i>licensee</i> ; and  (ii) in relation to the <i>licensee</i> , the email address specified in the licence application or other such email address as notified in writing to <i>OfReg</i> ; or

	(iii) any other similar means,  but does not include facsimile or telephone.
<b><i>“Expiry Date”</i></b>	means the date specified in clause 3.2;
<b><i>“Fee”</i></b>	has the meaning given to that term in section 2 of the Law;
<b><i>“Five Year Review”</i></b>	means a review of the Licence to occur at five-year intervals of the grant by the Office of the Licence as referred to in Condition 1 and as governed by any rules or procedures which may pertain from time to time;
<b><i>“Force Majeure”</i></b>	means an event or circumstance which prevents the Licensee from performing its obligations under this Licence, which event or circumstance is not within the reasonable control of, or the result of the negligence of, the Licensee, and which the Licensee is unable to overcome or avoid or cause to be avoided through the exercise of due diligence. Events of Force Majeure may include, but are not limited to, acts of God; fire; flood; earthquake; war; riots; acts of terrorism; strikes, walkouts, lockouts and other labour disputes; requirements, actions or failure to act on the part of governmental authorities; adoption or change in any law, regulation, statute, rule or regulation imposed by governmental bodies, including, without limitation, a change in the interpretation thereof; or any lawful order by any court or administrative agency (so long as the Licensee has not applied for or assisted in the application for such court or governmental action);
<b><i>“Fuel Costs”</i></b>	has the meaning given in Condition 34 of the Licence;
<b><i>“Generate”</i></b>	has the meaning given to that term in section 2 of the Law;
<b><i>“Generating Assets”</i></b>	has the meaning given to that term in section 2 of the Law;
<b><i>“Generation Business”</i></b>	means the business of the Licensee in the Generation of electricity for supply in accordance with this Licence;
<b><i>“Generating Capacity”</i></b>	means the maximum Generating Capacity (measured in megawatts MW) that is available from the Licensee’s Generating Sets pursuant to its Generation Licence and the Generating Capacity available from the other Generation Licensees pursuant to the PPAs;
<b><i>“Generating Facilities”</i></b>	means each Generating unit and any plant or facility of the Licensee from time to time used for Generation, and includes any structures, equipment or other things used for that purpose;
<b><i>“Generation Licence”</i></b>	has the meaning given to that term in section 2 of the Law;



<b>“Generating Set”</b>	means any plant or apparatus for the production of electricity and shall where appropriate, include a generating station comprising of one or more than one generating unit;
<b>“Generating Station”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Generator”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Generating Works”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Individual Performance Standards”</b>	mean any standards prescribed by <i>OfReg</i> for an individual Licensee pursuant to Condition 21 of the Licence;
<b>“Interconnection”</b>	has the meaning given to that term in section 2 of the Law;
<b>“kV”</b>	means kilovolt, a unit of electrical potential or pressure equal to 1,000 volts;
<b>“kW”</b>	means kilowatt, a unit of electrical power equal to 1,000 watts;
<b>“kWh”</b>	means kilowatt-hour, a unit of electrical energy which is equivalent to one kilowatt of power used continuously for one hour;
<b>“Law”</b>	means <i>The Electricity Sector Regulation Law (2018 Revision)</i> ;
<b>“Licence”</b>	means: <ul style="list-style-type: none"> <li>(a) means a licence granted to a person by the Cabinet or by the Office under this Law and includes any renewal thereof or modification thereto; this document (excluding the title page and the second page of this document);</li> <li>(b) any Schedules to this document; and</li> <li>(c) any individual <i>performance standards</i> approved by <i>OfReg</i> pursuant to Condition 21.</li> </ul>
<b>“Licence Area”</b>	is the area stated in Condition 4 of this Licence;
<b>“Licensee”</b>	has the meaning given in paragraph 1 of Part I of this Licence;
<b>“Licensee’s Assets”</b>	means the Licensee’s <i>distribution system, transmission system or generating works</i> (as the case may be);
<b>“Licence Fee”</b>	has the meaning given to that term in section 2 of the Law;
<b>“MW”</b>	means 1,000 kW;
<b>“MVA”</b>	means 1,000 Volt-Amps;
<b>“Notice”</b>	means a written notice, agreement, consent, direction, representation, advice, statement or

	other communication required or given pursuant to, or in connection with, this Licence.
<b>“Office”/“OfReg”</b>	means the Utility Regulation and Competition Office;
<b>“Operate”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Other Business”</b>	means the business or activities of the Licensee other than the Generation Business or T&D Business;
<b>“Performance Audit”</b>	means an audit of the effectiveness of measures taken by the Licensee to meet the <i>performance criteria</i> in this Licence;
<b>“Performance Criteria”</b>	means: <ul style="list-style-type: none"> <li>(a) the terms and conditions of the Licence; and</li> <li>(b) any other relevant matter in connection with the <i>applicable legislation</i> that <i>OfReg</i> determines should form part of the <i>performance audit</i>.</li> </ul>
<b>“Person”</b>	has the meaning given to that term in section 2 of the Law;
<b>“PPA”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Premises”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Publish”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Price Level Index”</b>	means an index composed of 60% weighting of the Cayman Islands Consumer Price Index (CI CPI) and a 40% weighting of the United States of America Consumer Price Index (US CPI) (both after adjusting to remove the effects of prices of food and fuel);
<b>“RCAM or Rate Cap and Adjustment Mechanism”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Renewable or Alternative Forms of Energy”</b>	has the meaning given to that term in section 2 of the Law;
<b>“Regulation”</b>	means a Regulation or Regulations made by the Cabinet in exercise of the powers conferred on Cabinet by the Law;
<b>“Standby Connection”</b>	has the meaning given to that term in section 2 of the Law;
<b>“T&amp;D”</b>	means transmission and distribution;
<b>“T&amp;D Assets”</b>	has the meaning given to that term in section 2 of the Law;
<b>“T&amp;D Code”</b>	means the T&D code as defined in section 2 of the Law;
<b>“T&amp;D Licence”</b>	has the meaning given to that term in section 2 of the Law;
<b>“T&amp;D Licensee”</b>	means the holder of the T&D Licence for the Service Territory;
<b>“Term, Condition or Requirement”</b>	has the meaning given to that term in section

	2 of the Law;
<b><i>“Transformer”</i></b>	means an electrical device to increase or decrease the voltage of energy;
<b><i>“Transmission and Distribution”</i></b>	means the transport of electricity by means of a T&D system for delivery to Consumers for reward; and
<b><i>“T&amp;D System”</i></b>	means the Transmission and Distribution (T&D) network of the T&D Licensee in the Service Territory which conveys electricity from Generating Facilities to the consumer meters and consists of, structures, lines, underground conduit, conductors, transformers, relays, switchgear and associated equipment.

- 1.4** Expressions in the singular shall include the plural and in the masculine shall include the feminine and vice versa and references to persons shall include companies and other entities and vice versa.
- 1.5** Reference to any statute or statutory provision includes a reference to:
- 1.5.1 that statute or statutory provision as from time to time amended, extended, re-enacted, revised or consolidated whether before or after the date of this Licence; and,
- 1.5.2 all statutory instruments, regulations or orders made pursuant to it.
- 1.6** In this Licence, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a body corporate, whether through the ownership of voting rights, by contract or otherwise.
- 1.7** Unless the context otherwise requires, reference to any Condition or Schedule is to a Condition of or Schedule to this Licence.
- 1.8** Headings in this Licence are for convenience only and shall not affect the interpretation of this Licence.
- 1.9** An Initial Review by the Licensee and OfReg of the terms in this Licence will occur two years from the signing date shown in Part I of this Licence.

A Five-Year Review by the Licensee and OfReg of the terms in this Licence will occur at each five-year increment from the signing date shown in Part I of this Licence.

## **Condition 2: Licence Authorisations**

- 2.1** The *Licensee* is granted a licence for the *Licence Area* to generate electricity for supply to the T&D Licensee in the Licence area and to construct, reconstruct, replace or modify a Generation Station for those purposes in accordance with the terms and conditions of this *Licence*.
- 2.1** This Licence authorises the Licensee only in respect of the Generation Business and confers no authority to undertake any other business.
- 2.2** Notwithstanding the foregoing, in the event of Catastrophic Failure the Licensee may replace (temporarily or otherwise) the failed components with components of equal

capacity provided such replacement does not compromise the reliability of the T&D System or T&D operating standards.

### **Condition 3: Term of Licence [Section 26 of the Law]**

#### **3.1 Commencement date**

18 December 2018.

#### **3.2 Expiry date**

17 December 2038.

#### **Condition 4: Licence area**

**4.1** The Licence Area is set out in plan(s):

**4.2** The Licence Area plan(s) is provided in Schedule 4.

#### **Condition 5: LICENCE ADMINISTRATION Amendment of Licence by the Licensee [Section 28 of the Law]**

The Licensee may apply to *OfReg* to amend the Licence in accordance with the Law.

#### **Condition 6: Amendment of Licence by OfReg [Section 28 of the Law]**

**6.1.** Subject to any *applicable legislation*, *OfReg* may amend the Licence at any time in accordance with the Law.

**6.2.** For avoidance of doubt, the *Licensee* will not have to pay a fee for amendments under clause 6.1.

#### **Condition 7: Transfer of Licence [Section 25 of the Law]**

This Licence may be transferred only in accordance with the Law.

#### **Condition 8: Renewal of Licence [Section 27 of the Law]**

This Licence may be renewed only in accordance with the Law.

#### **Condition 9: Cancellation of Licence [Section 30 of the Law]**

This Licence may be cancelled only in accordance with the Law.

#### **Condition 10: Surrender of Licence [Schedule 30 of the Law]**

**10.1** The Licensee may only surrender the Licence pursuant to this clause 10.1.

**10.2** If the Licensee intends to surrender the Licence the Licensee must, by Notice in writing to *OfReg*:

10.2.1 set out the date that the Licensee wishes the surrender of the Licence to be effective; and

10.2.2 set out the reasons why the Licensee wishes to surrender the Licence, including the reasons why it would not be contrary to the public interest for the surrender of the Licence to be effective on the date set out in the Notice.

**10.3** Upon receipt of the Notice from the Licensee pursuant to clause 10.2, *OfReg* will publish the Notice.

**10.4** Notwithstanding clause 10.2, the surrender of the Licence will only take effect on the later of the day that:

10.4.1 *OfReg* publishes a Notice of the surrender in the Cayman Islands Government Gazette, such date to be at the discretion of *OfReg*; and

10.4.2 the Licensee hands back the Licence to *OfReg*.

**10.5** The Licensee will not be entitled to a refund of any fees by *OfReg*.

## **Condition 11: Notices**

- 11.1** Unless otherwise specified, all Notices must be in writing.
- 11.2** A Notice will be regarded as having been sent and received:
- 11.2.1 when delivered in person to the addressee; or
  - 11.2.2 three Business Days after the date of posting if the Notice is posted in Cayman Brac; or
  - 11.2.3 five Business Days after the date of posting if the Notice is posted outside The Cayman Islands; or
  - 11.2.4 if sent by facsimile when, according to the sender's transmission report, the Notice has been successfully received by the addressee; or
  - 11.2.5 if sent by Electronic Means when, according to the sender's electronic record, the Notice has been successfully sent to the addressee.

## **Condition 12: Publishing information**

**12.1** *OfReg* may direct the Licensee to Publish, within a specified timeframe, any information it considers relevant in connection with the Licensee or the performance by the Licensee of its obligations under this Licence.

**12.2** Subject to clause 12.1, the Licensee must Publish the information referred to in clause 12.1.

**12.3** If the Licensee considers that the information is confidential it must:

**12.3.1** immediately notify *OfReg*; and

**12.3.2** seek a review of *OfReg*'s decision in accordance with clause 13.1.

**12.4** Once it has reviewed the decision, *OfReg* will direct the Licensee in accordance with the review to:

**12.4.1** *publish* the information;

**12.4.2** *publish* the information with the confidential information removed or modified; or

**12.4.3** not *publish* the information.

## **Condition 13: Review of OfReg's decisions**

**13.1** The Licensee may seek a review of an *administrative decision* by *OfReg* pursuant to this Licence in accordance with the URC Law.

## **Condition 14: General Licence Obligations**

**14.1** **Compliance with applicable legislation**

Subject to any modifications or exemptions granted pursuant to the Law, the Licensee must comply with any *applicable legislation*.

**Condition 15: Licence and Regulatory Fees**

The Licensee must pay the applicable fees and charges in accordance with the Regulations.

**Condition 16: Accounting records [Schedule 29 (2) of the Law]**

- 16.1** The *Licensee* and any related *Person* must maintain accounting records that comply with standards generally accepted in the United States of America, Canada or in the United Kingdom, or such other accounting standards as the Company may select with the Office's approval.
- 16.2** The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedures which the Licensee uses to measure or to track the provision of the Generator business or for the calculation of related charges.



### **Condition 17: Reporting a change in circumstances**

**17.1** The Licensee must report to *OfReg*:

**17.1.1** if the Licensee is under external administration (receivership) as defined by the *Local Companies (Control) Law (2015 Revision)*, and the *Companies Management Law (2018 Revision)* within 2 *business days* of such external administration occurring; or

**17.2** if the Licensee:

**17.2.1** experiences a change in the Licensee's corporate, financial or technical circumstances upon which this *licence* was granted; and

**17.2.2** the change may materially affect the Licensee's ability to perform its obligations under this Licence, within 10 *business days* of the change occurring; or

**17.3** if the:

**17.3.1** Licensee's name;

**17.3.2** Licensee's Company Registration Number; or

**17.3.3** Licensee's address, changes, within 10 *business days* of the change occurring.

### **Condition 18: Provision of information [Schedule 9 of the Utility Regulation and Competition Law]**

The *licensee* must provide to *OfReg*, in the manner and form described by *OfReg*, specified information on any matter relevant to the operation or enforcement of the *licence*, the operation of the licensing scheme provided for in Section 9 of the *Law*, or the performance of *OfReg*'s functions under that Section.

### **Condition 19: Information Access and Audit Rights**

**19.1** The Office, and any person duly authorised by the Office, shall be entitled during normal business hours and without notice, to enter any premises owned or occupied by or in the possession of the Licensee from time to time for the purpose of inspecting any books, records and accounts of the Licensee in regards to the electricity service industry and the Licensee shall be obliged to fully co-operate and assist the Office for such purpose.

**19.2** On notice and for reasonable cause given to the Licensee, the Office shall have the right to have a firm of independent chartered accountants conduct audits of the Licensee at the Licensee's expense.

**19.3** The Office, its agent or any person duly authorised by the Office, shall at any reasonable time (except in the case of emergencies, in which case the agent or authorised officer shall be permitted to enter at any time) be allowed to carry out the following duties:

(a) inspect and investigate the operation of the Facility; and

(b) monitor the performance of the Facility.

### **Condition 20: Asset management system**

**20.1** The *licensee* must provide for an *asset management system* in respect of the Licensee's *Generating assets*.

**20.2** The Licensee must notify *OfReg* of the details of the *asset management system* within five *business days* from the later of:

20.2.1 the *commencement date*; and

20.2.2 the completion of construction of the Licensee's assets.

**20.3** The Licensee must notify *OfReg* of any substantial change to the *asset management system* within ten *business days* of such change.

**20.4** The Licensee must provide *OfReg* with a report by an independent expert, acceptable to the *OfReg*, as to the effectiveness of the *asset management system* not less than once in every period of 24 months calculated from the *commencement date* (or any longer period that *OfReg* allows by *notice* in writing).

**20.5** The Licensee must comply, and must require the Licensee's expert to comply, with *OfReg*'s standard audit guidelines.

**20.6** The Licensee may seek a review of any of the requirements of *OfReg*'s standard audit guidelines dealing with the *asset management system* in accordance with clause 13.1.

**20.7** The review of the *asset management system* must be conducted by an independent expert approved by *OfReg*. If the Licensee fails to nominate an independent expert within one month of the date that the review of the *asset management system* was due, or the independent expert nominated by the *licensee* is rejected on two successive occasions by *OfReg*, *OfReg* may choose an independent expert to conduct the review of the *asset management system*.

## **Condition 21: Individual performance standards**

**21.1** Performance standards are contained in *applicable legislation*.

**21.2** *OfReg* may prescribe *individual performance standards* applying to the Licensee in respect of the *licensee's* obligations under this Licence or the *applicable legislation*.

**21.3** Before approving any *individual performance standards* under this clause, *OfReg* will:

21.3.1 provide the Licensee with a copy of the proposed *individual performance standards*;

21.3.2 allow 15 *business days* for the Licensee to make submissions on the proposed *individual performance standards*; and

21.3.3 take into consideration those submissions.

**21.4** Once approved by *OfReg*, the *individual performance standards* are included as additional terms and conditions to this Licence.

## **Condition 22: Performance Audit [Section 9 of the Law]**

**22.1** The Licensee must, unless otherwise notified in writing by the *OfReg*, provide *OfReg* with a *performance audit* within 24 months after the *commencement date*, and every 24 months thereafter.

**22.2** The Licensee must comply, and must require the Licensee's auditor to comply, with *OfReg*'s standard audit guidelines.

**22.3** The Licensee may seek a review of any of the requirements of *OfReg*'s standard audit guidelines in accordance with clause 13.1.

**22.4** The *performance audit* must be conducted by an independent auditor approved by *OfReg*. If the Licensee fails to nominate an auditor within one month of the date that the *performance audit* was due, or the auditor nominated by the *licensee* is rejected on two successive occasions by *OfReg*, *OfReg* may choose an independent auditor to conduct the *performance audit*.

## **Schedule 1 – Additional Licence Clauses**

### **Condition 23: Import Duty**

The Licensee will not pay customs duty on the importation of its materials, electrical and mechanical equipment fuel oil or lubricants (including transformer or switch oil) required to construct the Generating Facilities or, in the event of catastrophic failure, to reinstate the Generating Facilities. Customs duty at the rate of 15% will be charged on the importation by the Licensee into the Cayman Islands of other goods to be used exclusively for the conduct and operation of the business of the Licensee in the Generation of electricity on Cayman Brac and Little Cayman. This rate of duty will continue at the 15% level until changed by Government.

### **Condition 24: Outsourcing**

The Licensee may utilise the services of third parties on an ongoing basis in the provision of Generation services (i.e. the Licensee may 'outsource' certain of its Generation functions). Procurement of such outsourced services shall be subject to Authority approval if they represent core and ongoing Generation functions, but not including temporary specialty support.

### **Condition 25: Communication**

The Licensee shall designate a person that will act as a primary contact with the Office on matters related to this Licence. The Licensee shall notify the Office promptly should the contact details change.

### **Condition 26: Environment**

The Licensee shall comply with all applicable environmental laws and shall, if so requested by *OfReg*, furnish a statement setting out the manner in which the Licensee proposes to comply with the duties imposed by environmental laws. The Licensee shall provide, if requested by *OfReg*, a report on its compliance with environmental laws and shall update such report as requested from time to time by *OfReg*. Environmental laws include those whose purpose is the protection of the environment including the protection of human health, flora, fauna and the eco systems on which they depend.

### **Condition 27: Force Majeure**

To the extent that the Licensee is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Licence and the Licensee gives notice and details of the Force Majeure to the Office as soon as practicable, then the Licensee shall be excused from the performance of its specific obligations prevented by the Force Majeure conditions during the period for which the Force Majeure conditions apply. The Licensee shall take all reasonable and necessary steps to enable it to perform such obligations with all reasonable dispatch after the period

of Force Majeure.

#### **Condition 28: Fair Competition**

- 28.1** Subject only to the Licensee's exclusive rights as described in section 2.1 of this Licence, the Licensee shall:
- 28.2** Not engage in any practice or enter into any arrangement that has the object or the likely effect of preventing, restricting or distorting competition in the Generation Business or Transmission and Distribution Business; and
- 28.3** Comply with any direction issued by the Office for the purpose of preventing any practice or arrangement that has the object or effect of preventing, restricting or distorting such competition.

#### **Condition 29: Data Protection**

The Licensee shall not make use of any data of any nature which becomes available to it directly or indirectly as a result of the Generation, Transmission and Distribution Business in any way which, in the reasonable opinion of the Office, would unduly prefer the interests of any business carried on by the Licensee or an Affiliate of the Licensee, or place other Electricity Generators and Suppliers at an unfair disadvantage.

## **PART II                      Generation**

#### **Condition 30: Service Levels**

- 30.1** The Licensee shall develop and operate the Generation Business so as progressively to achieve service levels in line with international best practice and such other benchmarks as the Office may direct from time to time.
- 30.2** Without limiting the requirements of Condition 13.1, within four months of the Licence Commencement Date or within four months of the commencement of Generation under this Licence, whichever is later, the Licensee shall submit to the Office a plan setting out the target levels it will achieve in accordance with Condition 13.1 for the Generation Business (to be known as the "Electricity Generation Development Plan") and a service monitoring plan (to be known as the "Electricity Generation Development Plan") which provides for accurate measurement of each of the target levels set out in the Electricity Generation Development Plan, together, "the Plans".
- 30.3** The Plans will describe:
- (a) How actual performance will be monitored;
  - (b) The process for the collection and analysis of suitable data; and
  - (c) The procedures for internal review and performance improvement planning by the Licensee.
- 30.4** The Office may direct the Licensee to update and resubmit the Plans from time to time.
- 30.5** The Office may direct the Licensee as to matters to be included in the Plans and may amend or replace such direction from time to time.

- 30.6** The Office may include as a condition in this Licence the targets specified by the Licensee in the Plan and the Licensee shall be deemed to be in breach of its Licence if the target levels are not achieved.
- 30.7** Within thirty days of the end of each six-month period during the Term, the Licensee shall provide OfReg with a written report in a form required by the Office on its achievements under the Development plans during the preceeding six-month period as set out in Condition 30.2.
- 30.8** The Licensee shall comply with any directions issue by OfReg from time to time, regarding any other quality of service indicators and measurement methods for the Generator business and shall, as and when required, supply to OfReg in a form specified by it, the results of its measurements of actual performance against any quality of service indicators and measurements so specified, and OfReg may publish or require publication of such information as it considers appropriate.
- 30.9** The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedure s which the Licensee uses to measure or to track the provisions of the Generator business or for the calculation of related charges.

### **Condition 31: Emergency Management Plan**

The Licensee shall submit to the Office for its records, and adopt an emergency preparedness and business continuity plan that specifies how the Licensee prepares for, handles and recovers from emergencies and business interruptions.

### **Condition 32: Powers of Licensee**

- 32.1** Save as set out in this Licence, the Licensee shall discharge its obligations and perform the duties imposed or authorised under the Laws, and shall enjoy the rights and exercise all powers conferred by such legislation on Licensees authorised to supply electricity.
- 32.2** The Licensee shall have the right to enter and inspect any premises holding electrical equipment or the electrical equipment within the area defined in this Licence where any danger to property or person is observed and may disconnect any main supply until satisfied that the danger has been removed.

## Schedule 2 – Technical Conditions

### Condition 33: Compliance with Technical and Operational Codes

**33.1** The Licensee shall comply with the provisions of any approved technical and operational codes insofar as applicable to it.

**33.2** The Office may, following consultation with the Licensee (and, in relevant circumstances, any stakeholders liable to be materially affected thereby and such other parties as the Office shall considered appropriate), issue directions relieving the Licensee of its obligation under paragraph 16.1 in respect of such parts of any approved technical and operational codes to such extent as may be specified in those directions.

## **Schedule 2 – Licence Area Plans**

