

**TENDER DOCUMENTS
FOR AUCTION OF ELECTRICITY SUPPLY
WITH RENEWABLE ENERGY RESOURCES
IN AREAS NOT CONNECTED TO NETWORK**

APRIL 2014

CONTENTS

1.	GENERAL INFORMATION	3
2.	ATTENDANCE TO THE PROCESS	13
3.	QUALIFICATION OF PARTICIPANTS (Opening of Envelope 1)	16
4.	ASSESSMENT OF OFFERS (Opening of Envelope 2)	17
5.	DISPUTES	18
6.	CLOSING DATE	19
7.	CONDITIONS OF THE OFFER	20
8.	OTHER STIPULATIONS	20
9.	FINAL DISPOSITIONS	20
10.	ANNEXES	21
ANNEX 1	SCHEDULE	22
ANNEX 2	PROCEDURES FOR SELECTION AND GRANTING OF BIDS	23
ANNEX 3	LISTS OF BANKING ENTERPRISES	24
ANNEX 4	FORMS FOR SUBMISSION OF QUESTIONS	25
ANNEX 5-1	LETTER OF CONSORTIUM CONSTITUTION	26
ANNEX 5-2	SWORN DECLARATION OF BIDDER	27
ANNEX 5-3	INFORMATION OF BIDDER	29
ANNEX 5-4	CONFIDENTIALITY COMMITMENT	30
ANNEX 5-5	NON COLLUSION COMMITMENT	32
ANNEX 5-6	SWORN DECLARATION OF NO	33
ANNEX 5-7	SWORN DECLARATION OF TECHNICAL REQUIREMENTS, GUARANTEE OF FAITHFUL COMPLIANCE, AND EXECUTION SCHEDULE	34
ANNEX 5-8	SWORN DECLARATION ON EQUIPMENT TO BE INSTALLED	35
ANNEX 5-9	COMMITMENT FOR COMPLIANCE OF EXECUTION SCHEDULE	36
ANNEX 6	ECONOMICAL OFFERS	37
ANNEX 7 – 1	AREAS NOT CONNECTED TO NETWORK	38
ANNEX 7-2	MAIN BENCHMARKS OF THE EXECUTION SCHEDULE	39
ANNEX 8-1	COMPLIANCE OF THE TECHNICAL CHARACTERISTICS OF RER AUTONOMOUS INSTALLATIONS	40
ANNEX 8-2.	QUARTERLY COMPROMISE OF COMMISSIONING FOR COMMERCIAL OPERATION OF AUTONOMOUS RER INSTALLATIONS	41
ANNEX 9	GUARANTEE OF BID SECURITY	42
ANNEX 10	GUARANTEE OF FAITHFUL COMPLIANCE OF INSTALLATION	43
ANNEX 11	GUARANTEE OF FAITHFUL COMPLIANCE OF MAINTENANCE AND TRANSFER OF EQUIPMENT	44
ANNEX 12	GUARANTEE OF DISPUTE	45
ANNEX 12	CONTRACT OF INVESTMENT	46

1. GENERAL INFORMATION

1.1 AUCTION OBJECTIVE

- a) The Supervising Organization of Investment in Energy and Mining, hereinafter OSINERGMIN, for this purpose with address at Av. Canada N° 1460, San Borja, Lima, Peru, has called on an Auction for the service of electricity with Renewal Energy Resources (RER), to Users located in Areas not Connected to a Network, for a time term of fifteen (15) years, through the installation of Autonomous RER. This Auction is according to what establishes the Article 8 of the Bylaws for the Promotion of Investment in Electricity in Areas Not Connected to a Network, approved with Supreme Decree N° 020-2013-EM.
- b) The auction process has the purpose of granting the electricity service for Areas not Connected to the Network, which will be to a maximum of 500,000 Autonomous RER Installations or Equivalent Alternative Installations. The minimum quantity required is indicated in the Annex 7-1 of the Tender Documents.
- c) In the Applicable Laws and these Tender Documents are indicated the rules, rights and obligations of the investors and of the State, are indicated. The Investor will sign the investment Contract and the Commercial Service Contract, documents that are in Annexes 13 and 14 of these Tender Documents.
- d) The Bidder may submit offers for one or more Areas Not Connected to a Network. For that purpose it will have to acquire the Tender Documents only once per each Bidder.
- e) Each Successful Bidder should constitute the respective company within the time terms set in these Tender Documents, for the signature of the corresponding contracts.
- f) Further on will be defined, the Tender Documents and the Applicable Laws such as these, and will rule the Auction Process and the Contracts. Should be assumed without admitting proof on the contrary, that all Persons who, in a direct or indirect manner participate in the Auction Process knows the Applicable Laws and the uses and customs of the Peruvian market. No norms of Contracts Laws of the State or its Bylaws are of application to the Auction Process or the Contract.
- g) The price of the Tender Documents is One Thousand Dollars of the United States of America (US\$ 1 000.00).

1.2 DEFINITIONS

For all purposes of this Auction Process, it should be understand that the following terms have the meaning indicated in the following:

- 1.2.1 Additional Autonomous RER Installation:** Autonomous RER Installation or Alternative Equivalent Installation to supply electricity to one additional User at the Minimum Quantity Required.
- 1.2.2 Alternative Equivalent Installation:** Renewable energy alternative that provides a User as minimum the same quantity of energy and analogous availability and functionality as an Autonomous RER type 1 Installation.
- 1.2.3 Annual Remuneration:** Is the amount contained in the Offer of the Successful Bidder in US\$/year for the corresponding Area Not Connected to a Network and its respective Minimum Quantity Required. This remuneration is guaranteed to the successful bidder for the compliance of the Investment Contract, has the character of firm and applies only during the Time Term of Enforcement.

- 1.2.4 Annual Unit Investment cost:** It is equal to the appropriated amount by the Successful Bidder in Annex 6 of the Tender Documents, (Economic Offer), as Annual Remuneration divided by the Minimum Weighed Quantity Required, (minimum quantity Type 1 + minimum quantity Type 2 multiplied by five + nominal quantity Type 3 multiplied times ten), of Autonomous RER Installations, established in Annex 7-1 of the Tender Documents for an Area not Connected to a Network, rounded up to two decimals.
- 1.2.5 Annual Unit Investment Cost of Renewable Alternative:** Is equal to the retribution value that the Investment Services for a renewable energy alternative provides as minimum the same quantity of energy and availability than an Autonomous RER Installation Type 1. It will always be equal to the Annual Unit Investment cost.
- 1.2.6 Applicable Laws:** All juridical norms and linked precedents that constitute the Internal Law of the State and may be modified or supplemented by the Government Authorities.
- 1.2.7 Area Not Connected to Network:** For these Tender Documents is each one of the three geographic zones in which the Peruvian territory is divided. Within them, are located houses and buildings that does not have electricity service. The Non Connected Areas to the Network are defined in Annex 7-1 of the Tender Documents.
- 1.2.8 Auction:** Process of public contest to adjudicate the service of electricity supply with Autonomous RER Installations or Alternative Equivalent Installations that conclude on the Closing Date located in Areas Not Connected to Network. Called by OSINERGMIN, and conducted by the Committee.
- 1.2.9 Autonomous RER Charge:** Unit charge determined on an annual basis by OSINERGMIN to ensure the remuneration of the investor of all the services involved in Autonomous RER Installations or Alternative Equivalent Installations of each Area Not Connected to a Network. Includes the Annual Remuneration of Investor, annual remuneration of commercial service, and the costs of administration of the trust.
- 1.2.10 Autonomous RER Installation:** It is the photovoltaic autonomous system designed according to the technical characteristics established in Annex 4 of the Investment Contract, to supply electricity to one User.
- 1.2.11 Banking Company:** For the purposes of the Auction Process is each one of the institutions mentioned in Annex 3 of the Tender Documents.
- 1.2.12 Base Remuneration:** Is the total maximum amount for adjudication according to the Auction Process established by OSINERGMIN, according to the characteristics of the Areas not connected to a Network considering the rate foreseen in article 79 of LCE.
- 1.2.13 Bidder:** Participant that complies with the requirements of numeral 3 of the Tender Documents.
- 1.2.14 Bylaws:** Bylaws for the Promotion of Electrical Investment in Areas Not Connected to a Network, approved by Supreme Decree N° 020-2013-EM
- 1.2.15 Census:** General registry of housings that may benefit from Autonomous RER Installation.
- 1.2.16 Circular Letters:** Communications in writing issued by the Committee in order to clear, interpret or modify the Tender Documents, or answer questions formulated by the Participants or Bidders, according to what is established in Numeral 2.3.2.
- 1.2.17 Closing Date:** Date in which the Investment Contract is signed between the Ministry and the Investor
- 1.2.18 Commercial Service Contract:** Is the Contract signed between the Investor and the Distributor(s).
- 1.2.19 Commercial Commissioning Start:** Act by which is verified with the procedure established in Annex 5 of the Investment Contract that each Autonomous RER Installation or Alternative Equivalent Installation is in conditions of supplying electricity to the User, and thus starting the operation.
- 1.2.20 Commercial Commissioning Schedule:** Sequence of activities proposed by the Successful bidder for the compliance of commercial commissioning

of the Autonomous RER Installations that submitted with the Technical Documentation of the Offer.

- 1.2.21 Committee:** Committee is constituted by three members according to what is established in Article 10 of the Bylaws and which will be in charge of the Auction process, its functions conclude on the Closing Date and with the faculties foreseen in Numeral 1.3
- 1.2.22 Consolidated Tender Documents:** Final version of the Tender Documents approved by the Committee as result of the phase of analysis of suggestions and questions regarding the Tender Documents.
- 1.2.23 Consortium:** Grouping of two or more juridical persons. The Consortium does not have legal status and is constitute in order to participate in the Auction Process
- 1.2.24 Continuous Current Operation of a Load Controller:** Nominal current capable of being supplied to a load controller to the batteries in continuous operation.
- 1.2.25 Contract of Investment:** Is the Investment for Supply of Electricity with Renewable Energy Resources, in Areas not connected to a Network Contract, through the Autonomous RER Installations or Alternative Equivalent Installations signed between the Investor and the Ministry as result of the Auction Process.
- 1.2.26 Correction Factor:** Factor is applied to the Annual Remuneration of the Investor when its value is less than one (1), according to what is indicated in Clause 14.7 of the Investment Contract. The factor is apply to the retribution of all the all Autonomous RER Installations or Alternative Equivalent Installations commissioned for commercial operation, according to what indicates the Tender Documents and the Investment contract.
- 1.2.27 Data Room:** Virtual installation through which the Committee will give the necessary information for the Auction Process, which is housed in OSINERGMIN www.osinergmin.gob.pe. Web site and will be of free access and will be available, starting from the Calling to the Auction up to the Granting of the Contract.
- 1.2.28 Date of Commercial Commissioning:** Date in which should be commercially commissioned the Autonomous RER Installations indicated in Annex 7-1, of the Tender Documents as Minimum Required Quantities according to the schedule established in Annex 7-2 of the Tender Documents. This date cannot be modified for any cause, not even Force Majeure.
- 1.2.29 Days:** The references to “Days” are understood that mean the days that are not Saturday, Sunday or non-working holiday in the city of Lima, except an express stipulation on the contrary in the Contract. Also will be consider non-working holidays the days the banks in the city of Lima are not obliged to serve the public according to the Government Authority. All references of hours should be meant as those of the hour in Peru.
- 1.2.30 DGE:** Dirección General de Electricidad
- 1.2.31 DGER:** Dirección General de Electrificación Rural
- 1.2.32 Distributor:** Title bearer of a Concession of Distribution or that juridical person that conducts the activity of distribution and which will be put by the Ministry in charge of the commercial service of the Contracts in Areas not connected to a network as foreseen in the list of Numeral 7.1 of the Tender Documents.
- 1.2.33 Dollar or US\$:** Currency or money sign of legal course in the United States of North America.
- 1.2.34 Economic Offer:** Is part of the Offer, and corresponds to the economic offer that the Participant presents according to what it is indicated in Annex 6 of the Tender Documents
- 1.2.35 Equipment:** Is the group of elements that comprise an Autonomous RER Installation, according to the specifications to which the Participant is committed in the Annex 4 of the Investment Contract.
- 1.2.36 Execution Schedule:** Sequences of activities proposed by the Successful Bidder for complying with the obligations of the Investment Contract and the Tender Documents, according to what it indicates Annex 2 of the Investment Contract.

- 1.2.37 Financial Closing:** Is understood as complied with when the contract for complete financing of the project has been signed by all the parties that participate in the financing and have been complied with all the conditions established in that contract so that the disbursements are produced.
- 1.2.38 FISE Social Energy Inclusion Fund (Fondo de Inclusión Social Energético)** created by Law N° 29852
- 1.2.39 FOSE:** Social Electric Compensation Fund (Fondo de Compensación Social Eléctrico) created by Law N° 27510
- 1.2.40 Government Authority:** Any judicial, legislative, political or administrative authority of Peru, which has the faculty according to the applicable laws to issue or interpret norms or decisions, general or particular with obligatory effects for those that are subjected to their scope. Any mention of a specific Government Authority must be understood, that it means it, or that which succeeds it or whomever this designates to carry on the actions that are contained in the Contract or the Applicable Laws.
- 1.2.41 Guarantee of Bid Security:** Guarantee Letter, for an equivalent of One Million Dollars of the United States of America, for each Area not Connected to a Network, issued by a Banking enterprise, according to Annex 3 of the Tender Documents. Solidary, non-conditioned, irrevocable of automatic realization without the need for prior prosecution of the debtor, granted in favor of OSINERGMIN, with enforcement date until the Closing Date. It guarantees compliance of the obligations assumed by the Successful Bidder up to the signature of the Investment Contract.
- 1.2.42 Guarantee for Dispute:** Guarantee Letter, equivalent to Twenty Thousand Dollars of the United States of America, issued by a Banking enterprise, according to Annex 12 of the Tender Documents. Solidary, non-conditioned, irrevocable, of automatic realization without the need for prior prosecution of the debtor, granted in favor of the OSINERGMIN with enforcement of thirty (30) calendar days, from the date of the presentation of the dispute.
- 1.2.43 Guarantee of Faithful Compliance of Installation:** Guarantee Letter issued by a Banking enterprise according to Annex 10 of the Tender documents, solidary, non-conditioned, irrevocable, of automatic realization without the need for prior prosecution of the debtor, granted in favor of the Ministry, which guarantees the compliance of the Schedule of Works Execution. Submitted on the Closing Date.
- 1.2.44 Guarantee of Faithful Compliance of Maintenance and Transfer of the Installations:** Guarantee Letter, issued by a Banking enterprise according to Annex 11. Solidary, non-conditioned, irrevocable, of automatic realization without the need for prior prosecution of the debtor, granted in favor of the Ministry, which guarantees the compliance of operation and maintenance of the Autonomous RER Installations or Alternative Equivalent Installations and their respective transfer to the Distributor when the Annual Remuneration Time Term of Enforcement is Due (Time Term of Enforcement).
- 1.2.45 Guaranteed Technical Characteristics:** Technical characteristics of Autonomous RER Installation that the Investor guarantees, will be maintained, during the Time Term Enforcement of the Annual Remuneration (Time Term Enforcement) according to Annex 8-1 of the Tender Documents.
- 1.2.46 Installations Transfer:** Event by which the Autonomous RER Installations implemented by the Investor and Alternative Equivalent Installations in compliance with the Investment contract are transferred at the end of the Time Term of Enforcement to the Distributor, according to what is indicated in Clause 10 of the Investment Contract.
- 1.2.47 Investor:** Successful Bidder of the Auction or company constituted by this according to the General Law of Societies that signs the Investment.
- 1.2.48 Investor's Yield:** Quotient between the power that exits an investment and the power that enters to an investor.
- 1.2.49 Law:** Legislative Decree N° 1002, Promotion of the Investment for the Generation of Electricity with the use of Renewable Energies.
- 1.2.50 LCE:** Law Decree N° 25844, Law of Electrical Concessions

- 1.2.51 Minimum Quantity Required:** It is the sum of the minimum quantities per province, in an Area not connected to a Network
- 1.2.52 Minimum Quantity Required per Province:** It is the minimum quantity of Autonomous RER Installation established for each province.
- 1.2.53 Ministry:** Ministry of Energy and Mines
- 1.2.54 Minutes of Adjudication:** Document issued by the Committee that states the result of the Contract Adjudication according to what establishes Article 14 of the Bylaws.
- 1.2.55 Nominal Capacity of a Battery:** Quantity of electric energy that may be withdrawn under determined conditions.
- 1.2.56 Nominal Power of an Investor:** Apparent nominal power, which is capable of supplying a new investor to the loads of continuous operation. It is measured in Volt-Amperes in the side of the alternate current.
- 1.2.57 Offer:** Offer is constituted by the documentation that the Participant delivers in the Envelope 1 (for Qualification) to be assessed in the Auction Process according to what is established in Numeral 2 of the Tender documents.
- 1.2.58 OSINERGMIN:** Supervising Organization of the Investment in Energy and Mining (Organismo Supervisor de la Inversión en Energía y Minería).
- 1.2.59 Participant:** Person or Consortium in which at least one of the members has complied to do what is indicated in numeral 2.1.1 of the Tender Documents.
- 1.2.60 Participants Registry:** Is the registry of data of Persons Interested in participating in the Auction Process and registered through the form included in the Data Room, administrated by the committee.
- 1.2.61 Peak Power:** Maximum electric power that generated by a Photovoltaic Generator under Standard Measuring conditions.¹ It is measured in peak Watts (Wp).
- 1.2.62 Permitted Creditors:** The Permitted Creditor is only for the Guaranteed Debt described in Numeral 15.3 of the Investment Contract. For that purposes, the Permitted Creditor will be:
- (i) any multilateral credit institution from which the State is member;
 - (ii) any institution or any government agency of any country with which the State maintains diplomatic relations;
 - (iii) any financial institution approved by the State and designated as First Category of Foreign Bank in Circular N° 007-2013-BCRP dated February 4, 2013 issued by Banco Central de Reserva del Peru, or any other circular which modifies it and additionally those that substitute it when they incorporate new institutions;
 - (iv) any other international financial institution approved by the Ministry that has a risk classification of no less than ("A"), assessed by a known prestige entity accepted by the Superintendencia de Mercados y Valores (SMV)²;
 - (v) any national financial institution approved by the Ministry that has a risk classification of no less than ("A"), assessed by a known prestige entity accepted by SMV;
 - (vi) all institutional investors considered thus by the legal norms in place or first category foreign banks [according to what is indicated in literal (iii) before that (a) acquire direct or indirectly; (b) are holders; or (c) right-holders of any securities or title of debt issued directly or indirectly by the investor;
 - (vii) any patrimony in trust or titling society constituted in Peru or overseas;
 - (viii) any natural or juridical person that acquires directly or indirectly any type of securities or title of debt issued directly or indirectly by the investor through public or private offer; or,

¹ Standard Measuring Conditions (CEM or STC): 1000W/m²; 25oC; AM=1,5, Normal Incidence.

² With the Law of Strengthening the Supervision of the Stocks Market, approved by Law N° 29782, which was in force on July 28, 2011, was substituted the name of the National Commission Supervisor of Companies and Values (Comisión Nacional Supervisor de Empresas y Valores (CONASEV) by that of Superintendencia of Stocks Market (Superintendencia de Mercado de Valores)

- (ix) any representative of obligation holders, trust agent or trustee that acts on behalf of the owners of securities or titles of debt issued directly or indirectly by the investor.

The Permitted Debtor should have no type of relationship with the investor, according to the definitions foreseen in Resolution CONASEV N° 090-2005-EF-94.10, modified by Resolution CONASEV N° 005-2006-EF/94.10 or norm that substitutes it, except when it they are institutional investors.

- 1.2.63 Person:** Any juridical, national or foreign person that can conduct juridical acts and assume obligations with the State.
- 1.2.64 Photovoltaic Generator:** Electric energy generating unit formed by photovoltaic modules of the same manufacture and model and of similar technical characteristics among them.
- 1.2.65 RER Autonomous Tariff:** Autonomous RER charge discounting the mechanisms of social compensation such as FOSE, FISE and others. When it is FISE compensations, this will be done according to the budgetary availability of such Fund. For the case of school, medical posts, community locals and other juridical persons, the compensation mechanism will be that foreseen in Law N° 29970 for the isolated systems, the FISE and other that are applicable.
- 1.2.66 RLCE:** Bylaws of LCE, approved by Supreme Decree N° 009-93-EM
- 1.2.67 Schedule:** Sequence of activities which will be developed during the Auction Process and which are indicated in Annex 1 of the Tender Documents.
- 1.2.68 Self-consumption of a load controller:** Difference between incoming and outgoing current in the load controller expressed as a percentage of the incoming current.
- 1.2.69 Self-consumption of an inverter:** Difference between incoming and outgoing current in the inverter expressed as a percentage of the incoming current.
- 1.2.70 State:** State of the Republic of Peru
- 1.2.71 Successful Bid Adjudication:** Act by which it is granted the Contract to the successful bidders of the auction process on the day specified in the schedule.
- 1.2.72 Successful Bidder:** bidder that is granted the Contract of the process of Auction. The Auction could have one or more Successful Bidders.
- 1.2.73 Tariff Period:** Period of twelve months that start in May each year.
- 1.2.74 Tender Documents:** Document elaborated and approved by the Ministry for the conduction by the Committee of the Auction Process. The Tender Documents include Annexes and the Circulars.
- 1.2.75 Time Term of Enforcement of Annual Remuneration (Time term of Enforcement):** Period of fifteen (15) years, as of the date of Start of Commercial Operation. The Time Term of Enforcement will not be extended for the commercial commissioning of the Additional autonomous RER installations, and will be due definitely according to the Annex 7-2 of the Tender Documents.
- 1.2.76 Trust:** Mechanism by which OSINERGMIN as Trustee according to what is established in the Bylaws.
- 1.2.77 Unit Cost of Disconnection or Reconnection:** Regulated cost by Osinergmin corresponding to the disconnection or reconnection of Autonomous RER Installation.
- 1.2.78 Useful Capacity of a battery:** Maximum capacity that can be obtained from a battery or group of batteries connected to their controller or inverter according to what is necessary of the Autonomous RER Installation according to the procedure defined by DGER.
- 1.2.79 User:** Natural or juridical person of an Area Not Connected to a Network, benefitted by the electricity service supply with an Autonomous RER Installation or Alternative Equivalent Installation.
- 1.2.80 Users Registry:** Corresponds to the process of registration or inscription, after the Census that as product generates the detail of all the housings that will be benefitted by the Autonomous RER Installation or Alternative Equivalent Installations.

Every reference made in this document to “Numeral”, “Item”, “Incise” and “Annex”, should be understood to mean numerals, items, incises, and annexes of these Tender Documents respectively, unless express indication in contrary.

Expressions in singular include in its case the plural and vice versa. The terms which are in capital letters in these Tender Documents and which are not expressly defined in these, corresponds to the definitions included in the Applicable Laws or to terms that are currently used in capital letters.

1.3 FACULTIES OF THE COMMITTEE IN CHARGE OF CONDUCTING THE AUCTION PROCESS

1.3.1 The Committee has the faculty of executing all actions deemed necessary to conduct the process of Auction up to the date of Closing.

1.3.2 The Committee may modify the time terms indicated in these Tender Documents or the Schedule, suspend and cancel the Auction, until before the granting of the Contract. The Committee will not incur in any responsibility as consequence of these decisions.

In case of cancellation before the submission of Envelope 1 of Qualification, OSINERGMIN will proceed to return the cost of the tender documents to the Participants. If the cancellation is done after the delivery of the Envelopes 1 of Qualification, all documents submitted will be returned, including the Guarantee of Bid Quality. Neither compensations nor indemnities of any kind may be claimed.

1.3.3 If the Committee, at any moment considers necessary to clarify or perfect the redaction of the Tender Documents for a better interpretation will do with Circular letters and these will be integral part of the Tender Documents.

1.3.4 The sole submission of documents for Qualification does not oblige the Committee to declare the Bidder as apt to participate in the Auction.

The acquisition of the quality of the Participant or Bidder, implies the acceptance of what is indicated in the Tender Documents. without any limitation nor restriction, as well as its irrevocable and non-conditional renouncing to start any action, claim, demand, or requirement of indemnity against the State, the Ministry, OSINERGMIN, the Committee and its Advisors or any other entity, organization or officer of the State due to the exercise of the faculties foreseen in the Tender Documents.

1.3.5 Except when expressly stipulated in contrary in these Tender Documents, the decisions of the Committee or the Directive Council of OSINERGMIN regarding this Auction are final, there will be no indemnity for anything and they cannot be disputed in the administrative or judicial level. Consequently, by the sole participation in this Action, the Persons that are included under the scope of these Tender Documents renounce to the presentation of any dispute resource against the decisions that the Directive council of OSINERGMIN will issue in second and last instance.

1.3.6 The Committee will have, among others, the following attributes:

- a) Establish, operate and maintain the Data Room.
- b) Preserve the historic registries in electronic means, of the total of operations made in the development of the Auction.
- c) Elaborate and issue the Minutes of Adjudication, in which it will be expressly indicated what is contained in Article 14 of the Bylaws.
- d) Suspend the Auction according to the stipulations contained in the Tender Documents.
- e) Deliver to the Public Notary, for custody, the closed envelope received from OSINERGMIN containing, in two copies, the Base Remuneration for each Area Not Connected to a Network.

- f) Verify compliance of the requirements for the date of closing according to Process Schedule
- g) Coordinate with the Ministry the actions necessary up to the signing of the Contract.

1.4 LIMITS OF RESPONSIBILITY

- 1.4.1 Participant and Bidders participate in the Auction Process under their own and exclusive responsibility and basing their decision in their own investigations, studies, examinations, inspections, economic calculations, financial calculations and others as part of their own due diligence.

The Participant and the Bidder will pay for all its costs or direct or indirect expenses in which it incurs, related with the preparation and submission of its Offer. The State or any office, organization or officer of this, the Ministry, OSINERGMIN, the Committee or its Advisors will not be responsible in any case for those costs or expenses whichever is the form in which the Auction Process is carried on or its result.

- 1.4.2 The State or any office, organization or officer of this, the Ministry, OSINERGMIN, the Committee or its Advisors do not guarantee, expressly nor implicitly, the totality, integrity, reliability or veracity of the information, oral or written, which is supplied for or within the Auction Process. Consequently, none of the Persons that participate in the Auction, directly or indirectly, may attribute any responsibility to any of the entities or persons mentioned before or their representatives, agents or dependents for the use that will be given to such information or for its not reliability, insufficiency, defect, lack of updating or for any other cause.

- 1.4.3 The limitation reaches, in the most ample manner to all the information regarding the Auction Process, which was duly known. The unknown information and the information that at some moment must have been known, including the possible errors or omissions contained in it, by the State or any dependency, organization or officer of this, or by the Ministry, OSINERGMIN, the Committee or its Advisors.

Likewise, that responsibility limitation reaches all the information that is or not supplied or prepared, directly or indirectly by any of the entities or persons previously mentioned.

The responsibility limitation also includes all the information available at the Portal of OSINERGMIN, as well as that, which is given through Circular letters or any other form of communication, which is acquired during the visits regarding the Auction and the ones mentioned in these Tender Documents.

- 1.4.4 The sole submission of the Envelope 1, (of Qualification), will imply without the necessity of any posterior act, full knowledge, acceptance and unconditional subjecting of the Participant to all which is indicated in the Tender Documents, as well as its irrevocable and unconditional renunciation, in the most ample manner that the Applicable Laws permit, to present any action, reconvention, exception, claim, demand or request of indemnity against the Peruvian State or any dependency, organization or officer of this, the Ministry, OSINERGMIN, the Committee, and its Advisors.
- 1.4.5 The information submitted by the Participants and by the Bidders will be maintained in reserve until after the adjudication of the Contract, and may only be requested in its opportunity to the Ministry.

2. PROCESS ATTENDANCE

2.1 Authorized Agents

2.1.1 To be considered Participant, the interested Person will have to have acquired the Tender Documents and be registered in the Data Room. After this is done and verified the interested party will be notified by the Committee confirming its quality of Participant, and will be able to submit Offers for one or more Areas not Connected to a Network.

2.1.2 Each Participant may designate up to two natural persons, with common domicile in the city of Lima as its Authorized Agents regarding the Auction Process.

The designation of Authorized Agents, should be done through a simple letter addressed to the Committee, signed by a Legal Representative of the Participant, in which it is indicated that the faculties indicated in Numeral 2.1.2 are granted as well as the following information: name, document of identification, common domicile in the city of Lima, electronic mail, as well as telephone and facsimile numbers. The letter will be submitted at the first opportunity that any of the faculties mentioned in Numeral 2.1.2 are exerted and will be understood as received on the date corresponding to its reception

2.1.3 The Authorized Agents, may act individually and indistinctly one from the other, and will be the only persons authorized by the Participant, according to what corresponds for: (i) deal with the Committee regarding all matters with exception of those which are exclusive competence of the Legal Representative according to Numeral 2.2, (ii) formulate the consultations regarding the Tender Documents, (iii) answer on behalf of the Participant and with linking effect for it, all the questions the Committee formulates; (iv) receive judiciary or extra judiciary notifications; and, (v) request the Qualification and submit the Offer.

2.1.4 Notifications directed to the Participants may be made remitting them to any of the Authorized Agents through:

- a) Electronic mail, in which case they will be considered as valid for all effects, from the date and hour of their remittance, or:
- b) Facsimile with confirmation of complete transmission issued by the facsimile machine of the one remitting the message. In this case will be understood as received on the date the transmission is completed, or,
- c) By letter delivered by hand or by public notary, in which case it will be understood as received the notification on the date of its delivery.

2.2 Legal Representatives

Participants may designate up to two natural persons that will indicate common address in the city of Lima, as their Legal Representatives for the ones they are representing jointly or individually in the Auction Process.

2.3 Questions and Suggestions regarding Tender Documents and Contract

2.3.1 Only the Participants or Bidders may make consultations and/or suggestions regarding the Tender Documents or the Contract through the Form, which is attached, in Annex 4 and within the time terms established in the Schedule, through written communications in Spanish language and directed to:

COMITÉ SUBASTA DE SUMINISTRO DE ELECTRICIDAD CON
RECURSOS ENERGÉTICOS RENOVABLES EN ÁREAS NO
CONECTADAS A RED
Av. Canadá N° 1460, San Borja (Lima-41)
Telephone (511) 224-0487
E-mail: g.subastasoffgrid@osinergmin.gob.pe

Observations and suggestions made to the Tender Documents are understood as made also to the Models of Contracts (Annex 13 and Annex 14) in what is considered pertinent

It is expressly established, that the dates indicated in the Schedule are referential and are detailed in Annex 1. The Committee may modify any of such dates with a Circular Letter.

- 2.3.2 Answers of the Committee to the consultations and suggestions, will be communicated to Participants with Circular letter, without indicating the name of who made the consultation. Once the Procedure for Qualification indicated in Numeral 3.2 is concluded, answers to the consultations made will be sent only to the Bidders. Without waiving what is mentioned before, the answers to all consultations formulated will be available in the Data Room.

2.4 Delivery of Envelopes and their Contents

2.4.1 On the date and at the time established according to the Schedule, the Participant will submit the Envelope 1 (of Qualification) for each Area Not Connected to a Network in which it wants to participate. Envelope 1 will contain Envelope 2 (of Economic Offer), and delivery will be done to the Committee with participation of only Public Notary: i) at the offices of OSINERGMIN, at Av. Canada N° 1460, San Borja, Lima 41, Peru; and, ii) through the Authorized Agent or Legal Representative.

2.4.2 Envelopes 1 and 2 should be submitted closed and sealed with sealing wax, clearly marked outside with the following:

- (i) name of the Auction Process,
- (ii) name or company name of Participant
- (iii) name of the corresponding Area Not Connected to the Network, and
- (iv) marked as Envelope 1 (of Qualification) or Envelope 2 (of offer) according to what corresponds

2.4.3 The documents contained in both Envelopes should: i) be submitted in original, each page numbered in correlation, and two (2) copies, ii) they must be signed by the Legal Representative, or initialed in each page if it does not correspond to be signed; and iii) be written in Spanish language or accompanied with simple translation to Spanish. In case there is a discrepancy noted between texts in different languages, the text in Spanish will prevail. In case there exist any discrepancy between a figure expressed in numbers and letters, what is expressed in letters will prevail.

2.4.4 Only documents without corrections, striking outs, reserves nor conditions of any type will be taken in consideration.

2.4.5 The Offer containing any document with corrections, striking outs, reserves or conditions of any type, cannot be remedied and thus the Bidder will be disqualified.

2.5 Contents of Envelope 1 (Qualification)

Envelope 1 (of Qualification) labeled as established in Numeral 2.4.2 will contain the following documents:

2.5.1 Copy of electronic mail remitted by the Committee through which it is communicated that it has acquired the quality of Participant.

2.5.2 Accreditation of the faculties of the Legal Representative of the Participant³

³ For the evaluation of the accreditation of the faculties of the Legal Representative of the Participant, the following criteria will be considered:

- In the case of Consortium: The powers of attorney of each legal representative of the participants of the Consortium will be assessed. (Annex 5-1)

- 2.5.3** In the case of Consortium, letter of constitution of Consortium signed by the Legal Representative of each one of the members of the Consortium, in which is manifested their intention of participating together in the Auction (Annex 5-1 of the Tender Documents).
- 2.5.4** Sworn Declaration of the Participant, or in its case, of each one of the participants of the Consortium (Annex 5-2 of the Tender Documents)
- 2.5.5** Information of the Participant (Annex 5-3 of the Tender Documents)
- 2.5.6** Commitment of confidentiality (Annex 5-4 of the Tender Documents)
- 2.5.7** Commitment of non-collusion (Annex 5-5 of the Tender Documents)
- 2.5.8** The Participant should submit a Sworn Declaration of No Impediment (Annex 5-6 of the Tender Documents)
- 2.5.9** Sworn declarations referred to compliance of technical requirements, Guarantee of Faithful Compliance, and Execution Schedule (Annex 5-7 of the Tender Documents)
- 2.5.10** Sworn declaration of compliance of the components' dates of manufacture of Autonomous RER Installations, according to what is indicated in Annex 5-8 of the Tender Documents.
- 2.5.11** Sworn Declaration from Participant of compliance of Execution Schedule according to what is indicated in Annex 5-9 of the Tender Documents.
- 2.5.12** Technical Documents: Participant will submit the following documentation, duly signed by a duly titled Electrical or Electrical Mechanical Engineer registered at and certified as able by the respective professional school of engineers
- a) Electrical diagram and one line diagram of each type of Autonomous RER Installation (Type 1, Type 2 and Type 3)
 - b) Chart of Technical characteristics of the main components of each type of Autonomous RER Installation (Type 1, Type 2 and Type 3), attaching technical sheets, certificates or other information from the manufacturer with which is supported the compliance of the requirements described in Annex 4 of the Investment Contract.
 - c) Schedule of Commissioning for Commercial operation made by Participant according to what is requested in Clause 8 of the Investment Contract.
- 2.5.13** Envelope 2 (of Offer)
The Participant, for the Auction Process, will submit one Offer per Area Not Connected to a Network.
- 2.5.14** Three (3) sets of Annexes 13 and 14 of the Tender Documents (Contracts) duly signed by the Legal Representative of the Bidder and filled in the spaces, which correspond. The copies of each contract that should be submitted in Envelope 1 will correspond to the printed version of Annexes 13 and 14 contained in the "pdf" file of the Consolidated Tender Documents available in the Data Room. No previous versions of these Annexes will be admitted.

-
- Company with domicile in Peru: Will submit the certificate of enforcement period of the Power of Attorney issued by Public Registries which should not be more than 2 months old.
 - Company with domicile in a foreign country: at least, through a document granted before a Public Notary of the domicile of the company.

2.6 Contents of Envelope 2 (of Offer)

The outer part of each Envelope of Offer should be labeled according to what is established in Numeral 2.4.2 of the Tender Documents and will include the following documents:

- a) Guarantee of Bid Security according to what is indicated in Annex 9 of the Tender Documents
- b) Economic Offer according to what is established in Annex 6 of the Tender Documents

3. QUALIFICATION OF PARTICIPANTS (Opening of Envelope 1)

3.1 Requirements

In order to be declared Bidder, the Participant has the obligation of complying with submitting the requirements established in numeral 2.5 of the Tender Documents.

The Participant will submit the Annexes 5-1 to 5-9 of the Tender Documents duly signed by its Legal Representative, the same that have the nature and effects of sworn declaration.

3.2 Procedure for Qualification

- 3.2.1 Opening of the Envelope 1 (of Qualification) will be done in a private act in presence of a Public Notary.
The Notary will initial the documents contained in Envelope 1 (of Qualification) and will hand them over to the Committee.
- 3.2.2 The Notary will separate the Envelope 2 (of Offer) verifying that it is duly labeled and totally sealed, proceeding to applying sealing wax and will keep it in custody until the date foreseen in the Schedule for its Opening and the Granting of the Contract.
- 3.2.3 The Committee will review the documents submitted in Envelope 1 (of Qualification). In case the Participant has complied with all the requirements needed, its qualification as Bidder will be notified individually by electronic mail, with confidential character. In contrary, the Committee will notify the Participant the observations to be remedied by the date indicated in the schedule; if the observations are not remedied by that date, it will not be able to continue participating and will be disqualified.
- 3.2.4 Without waiving the civil and penal responsibility, the lack of veracity of the data or the information submitted in Envelope 1 (of Qualification) will make the Participant or Bidder excluded from the Auction Process, even after the Granting of the Contract, until the Closing Date.
- 3.2.5 Once the time terms are complied with for the remedy of observations by the Participants and the private act is concluded, the Minutes of the Bidders will be written out which will be signed by the members of the Committee and the Public Notary.
- 3.2.6 Once the time term established in the Schedule is over or the disputes submitted are solved the Committee will communicate that the Minutes of Bidders has been consented or will publish a Final Minutes of Bidders according to what the case may be, which will be signed by the members of the Committee and the Public Notary.
- 3.2.7 The non-qualified Participants will receive only the return of the documents they have submitted.

4. ASSESSMENT OF OFFERS (Opening of Envelope 2)

- 4.1 Will be done in one only public act, which will be attended by a Public Notary who will hand over to the Committee the Envelopes 2 (of Offers) that he/she had in custody
- 4.2 The Public Notary will hand over to the Committee, one of the copies containing the Base Remunerations for each Area Not Connected to a Network, approved by OSINERGMIN and will retain the second copy
- 4.3 The Public Notary will maintain in reserve and custody the Base Remunerations during the Auction Process. The Respective Base

Remuneration will be made public only in case that no Offers were obtained for the respective Area Not Connected to a Network and at least one Offer which has been discarded because it was higher than the maximum amount.

- 4.4 The Committee will order Envelopes 2 (of Offer) by Area Not Connected to a Network, North Zone, Central Zone and South Zone.
- 4.5 Envelope 2 (Offer) will be opened by Area Not Connected to Network in the same order established in the previous numeral (North Zone, Central Zone and South Zone). For Granting of the Contract, the procedure of selection and adjudication of offers will be applied according to Annex 2 of the Tender Documents.
- 4.6 The Economic offers will remain in force up to 30 days after the Closing Date
- 4.7 The Minutes of Adjudication will be written out according to what is established in Article 14 of the Bylaws which will contain the results of the Process and which will be signed by the members of the Committee, the Public Notary and the Bidders that wish to do so.
- 4.8 The Minutes of Adjudication will be published in the Data Room, at the latest on the day following the adjudication.
- 4.9 The return of the Offers to the Bidders that were not successful will be done within the thirty (30) days following the date of the Granting of the Contract, having to communicate the date, hour and place in which will take place the return of the contents of Envelope 1 (of Qualification) which contains Envelope 2 (of Offer).

5. **DISPUTES**

5.1 **Disputable Acts**

In administrative office is only disputable the decision of turning down the qualification of a Participant as Bidder, as well as the Granting of the Contract.

5.2 **Time terms for disputes**

Disputes should be submitted within the time term of two (2) Days according to the Schedule together with the Guarantee for Dispute issued according to the following Numeral 5.3. Once that time term is due, the decisions made by the Committed are consented

The Committee will have to pass on to the Directive Council of OSINERGMIN the disputes within the time term of two (2) Days, and this will resolve the claim within a maximum time term of three (3) Days. With its resolution will end the administrative procedure.

5.3 **Guarantee for Dispute**

The Guarantee for Dispute will be submitted according to Annex 12 of the Tender Documents, as the case may be and issued by a Banking Enterprise to which refers the Annex 3, for an amount of Twenty Thousand US Dollars (US\$ 20 000) be it for dispute of qualification or for the case of dispute for Granting of Contract. Not presenting the Guarantee will render the dispute non admissible.

This Guarantee will be executed in case the Directive Council of OSINERGMIN declares not founded or not admissible the interposed dispute.

In case the dispute is declared founded, the guarantee will be returned to the dispute part, without generating any interest in its favor.

- 5.4 Once the time terms to resolve without express pronouncement of the Directive Council has elapsed, the positive silence will have been produced.

6. **CLOSING DATE**

The Auction Process is finished with the signing by the Ministry and each of the Investors of the Investment Contract which will take place with the participation of

Public Notary on the sole date indicated in the Schedule and at the time indicated by the Committee

6.1 Requirements

In order that the closing is produced in a valid manner on the date foreseen the following will take place:

- 6.1.1 The Successful Bidder will certify at the Committee that it has constituted a company according to the General Societies Law, and it is inscribed in the Public Registries. The bylaws should include the following information:
 - a) The social purpose will include the design, construction-installation, operation, maintenance and replacement of Autonomous RER Installations or Alternative Equivalent Installations
 - b) That the social capital subscribed and paid is as minimum Ten Million US Dollars (US\$ 10 000 000), or its equivalent in Nuevos Soles 4 for each Area Not Connected to a Network that has been adjudicated
 - c) Ratification of all the acts made and documents signed by the Authorized Agents and Legal Representatives during the process of Auction Process, especially the preparation and presentation of the Offer, the signing of the contracts and any other right or obligation that corresponds to that Bidder according to the Tender Documents and contracts.
- 6.1.2 The delivery on the part of the Successful Bidder of the Guarantee of Faithful Compliance issued by one of the Banking Companies indicated in Annex 3 according to form of the Annex 10
- 6.1.3 Devolution of the Offers to Bidders that were not successful will be done within the thirty (30) Days following the date of the Granting of the Contract having to communicate the date, hour and place in which the devolution of Envelopes 1 and 2 will take place. In case there were disputes submitted, that devolution would be made once these are resolved. Likewise, within the same time term, the Committee will hand over to the Ministry the documents submitted by the Successful Bidders.
- 6.1.4 On the Closing Date the Ministry will sign the three (3) copies of the final version of the Investment Contract that the Successful Bidder handed over included in Envelope 1. On that same date, the Ministry will return to the Successful Bidder the Bid Quality Guarantee.

6.2 Noncompliance of requirements

- 6.2.1 The noncompliance on the part of the investor of the requirements established in numerals 6.1.1 and 6.1.2 for the Closing Date will cause the immediate execution of the Bid Quality Guarantee and the disqualification as Successful Bidder, without any need of previous notification to the Successful Bidder.
- 6.2.2 Without waiving what is indicated in the precedent numeral, the Ministry may start all legal actions that the applicable Laws permit as direct or indirect consequence of the noncompliance by the Successful Bidder.

6.3 Minutes of Public Notary on closing date

On the Closing Date will be written down a Public Notary Minutes in which will be indicated the compliance or noncompliance, according to what the case may be of

⁴ Will be taken as Rate of Exchange, the selling value published for Dollar of the United States of America by the Superintendence of Banking and Insurance of Peru, corresponding to the "QUOTATION OF OFFER AND DEMAND AVERAGE WEIGHED RATE OF EXCHANGE", on the date of the calling for this Auction

the requirements established in the Tender Documents by the Successful Bidder or the Investor.

7. CONDITIONS OF THE OFFER

- 7.1 The Auction Process will be conducted independently for each Area Not Connected to a Network, and the Participant may submit its offer for one or more Areas Not Connected to a Network.
- 7.2 The technical characteristics of Autonomous RER Installations to be installed and the retribution of the service rendered with those installations will be according to what is established in the Investment Contract
- 7.3 The eventual causes of resolution of the Investment Contract, the penalties and disputes will follow the procedures established in the Investment Contract.

8. OTHER DISPOSITIONS

8.1 Communications to Committee

For every purpose, the reception slip of communication by letter and/or confirmation of the reception of electronic mail will be sufficient proof of its remittance, and of the date and hour, this was done.

8.2 Communications to Bidders

All communications from the Committee to the Bidders will be done with Circular letters. The delivery of all Circular letters will be made by electronic mail.

9. FINAL DISPOSITIONS

9.1 Acceptance of Lima Jurisdiction

The Bidders and their shareholders, or the companies which are associated to the Bidders, are subjected and accept irrevocably the jurisdiction and competence of the judges and tribunals of the city of Lima, Peru to resolve any of the conflicts that could arise with respect to the Tender Documents or the Auction, renouncing expressly and irrevocably to any diplomatic claim as well as any right to start actions of any nature before any other court or jurisdiction.

9.2. Compliance of Stipulations of Law N° 26876

Signing of the Contract does not affect the obligation of the Investor or its associated companies of complying if the case may be the conditions to which were subjected the authorizations of operations of concentration according to the Law N° 26876, or the conditions of equal nature that the Government Authority will impose further on.

9.3 Mechanism of Clean Development

The Investor, if it considers necessary, may apply the Mechanism of Clean Development (MDL) within the regulated market of carbon or any other mechanism within the Voluntary Carbon Market (MVC) to generate benefits through the commercialization of the Certificates of the Emissions Reductions (CERs) in MDL or of the Verified Emissions Reductions (VERs) in the case of the MVC. It is responsibility of the Investor the verification of all the ruling in these mechanisms and the estimates of resulting benefits.

10. ANNEXES

The Tender Documents have 14 annexes which are in the following pages

ANNEX 1: SCHEDULE

The auction process schedule to be followed is:

Item	Activities	Start Date	Maximum Date
1	Calling for Auction	Sept.12 -13	Sept.12-13
2	Registry of Participants	Sept.21-13	Aug.1--14
3	Sales of Tender Documents	Sept.20-13	Aug.1-14
4	Suggestions and Consultations on the Tender Documents	Sept.20-13	May-12-14
5	Analysis of suggestions and consultations	May-13-14	May-27-14
6	Publication of Circular letter with answers to suggestions and consultations	May-29-14	May-29-14
7	Publishing of Consolidated Tender Documents in the Web Portal	June 3-14	June 3-14
8	Publication of Circular letter with time table for submission of Envelopes	June 9-14	June 9-14
9	Presentation of Envelopes and assessment of Qualification Envelopes	Aug. 5-14	Aug. 5-14
10	Assessment of Qualification Envelopes	Aug. 6-14	Aug.15-14
11	Notification of qualification of Bidders and of observations to Participants	Aug.18-14	Aug.18-14
12	Presentation of remedies	Aug.20-14	Aug. 20-14
13	Publication of Minutes of Bidders	Aug.22-14	Aug. 22-14
14	Dispute of rejection of Qualification	Aug.28-14	Aug. 28-14
15	Resolution of disputes and publication of final Minutes of Bidders, if the case may be.	Sept. 4-14	Sept. 4-14
16	Public Act of Opening of Offer Envelopes and Granting of Contract	Sept.10-14	Sept.10-14
17	Publication of the results of the Auction in the Web Portal of OSINERGMIN	Sept.11-14	Sept.12-14 I
18	Closing Date and signature of the Contracts by the Ministry	Nov. 14-14	Nov. 14-14

ANNEX 2 PROCEDURE FOR SELECTION AND GRANTING OF BIDS

Assessment and granting of Bids for each Area Not Connected to a Network is made considering the following:

1. Economic Offers will be ordered according to merit of the Annual Remunerations proposed from less to larger.
2. Offers the Annual Remuneration of which is greater than the Base Remuneration will be discarded.
3. The offers with Annual Remuneration with lesser Value will be granted the contract. In case there is a tie, the Offer with larger battery capacity (Ah) within the Autonomous RER Installation of the Type 1 according to Annex 6 of the Tender Documents will have priority. If the tie situation continues the order of merit is defined by raffle.
4. These steps will be followed until finishing all the Areas Not Connected to the Network.
5. Contracts will be for those Bidders the offers of which were selected according to the preceding numerals.

ANNEX 3 LIST OF BANKING ENTERPRISES

Local Banks

The local Banks or Financial Institutions authorized to issue guarantee letters will be those that are in the list given in the following, which have the minimum qualification of CP1 for the obligations of short term; A, Global Financial Strength, and AA, Obligations at long term.

1. Banco Continental
2. Banco de Crédito del Perú
3. Banco Interamericano de Finanzas BIF
4. Banco Internacional del Perú- Interbank
5. Scotiabank S.A.
6. Citibank del Perú S.A.
7. MI BANCO- Banco de la Microempresa S.A.
8. HSBC Bank Perú
9. Deutsche Bank
10. Banco Financiero
11. Banco Santander Perú S.A.

Foreign Banks

First Class Banks according to Circular Letter N° 0053-2013-BCRP dated December 30, 2013, or any which substitutes it, the guarantee letters of which should be confirmed by one of the local banks mentioned in the previous list.

ANNEX 4 FORMS FOR SUBMISSION OF QUESTIONS

1. Bidder: _____ (name of Bidder),
Legal Representative: _____
2. Area Not Connected to a Network:
_____ (Zone North/Center/South),
3. Reference to Tender documents which are the purpose of the Consultation:
Numeral _____ ,
Annex N° _____ ,
Pages _____ ;
4. Reference to Contracts object of consultation:
Numeral _____ ,
Annex N° _____ ,
Pages _____ ;
5. Background and support of the Consultation (if it is the case)

6. Question

ANNEX 5-1 LETTER OF CONSORTIUM CONSTITUTION

Lima, _____ 2014.

Messrs
COMITÉ de la SUBASTA DE SUMINISTRO DE ELECTRICIDAD
CON RECURSOS ENERGÉTICOS RENOVABLES EN ÁREAS
NO CONECTADAS A RED
Av. Canadá N° 1460, San Borja Lima, Perú

Reference: AUCTION FOR ELECTRICITY SUPPLY WITH RENEWABLE ENERGY RESOURCES IN AREAS
NOT CONNECTED TO A NETWORK

Area not connected to a Network:

This is to inform you of the formation of a consortium _____, which will be
made up as follows:

Member 1 of the Consortium (_____ %).

Member 2 of the Consortium (_____ %)

Member 3 of the Consortium (_____ %)

We the members of the Consortium declare that we comply with the requirements established in the
Tender Documents.

Very truly yours,

Signature : _____

Name : _____

Legal Representative of Participating Member 1

Signature : _____

Name : _____

Legal Representative of Participating Member 2

Signature : _____

Name : _____

Legal Representative of Participating Member 3

ANNEX 5-2 -SWORN DECLARATION OF BIDDER

Area Not Connected to a Network: _____

Participant: _____

Address: _____

Legal representative: D.N.I. N°.

I DECLARE UNDER OATH that my represented (and/or member of the Consortium, if this is the case), as Participant of the Auction Process called for by OSINERGMIN for the supply of RER electricity in areas not connected to a network:

That there is no legal or contractual impediment to participate in this Auction or to celebrate the Contract of same, in case of being a successful bidder

That we are not included in any procedure of contest nature, nor judiciary, administrative, tax and/or arbitral process, in which the matter of controversy in dispute may affect substantially the compliance of the obligations that we would assume in case of obtaining the contract.

That I know, accept and are subject unconditionally, expressly and undoubtedly to the Tender Documents and other rules of this Auction, as well as the consultations and respective answers. Likewise, acknowledge and declare expressly that the Auction Process consists in an invitation to offer, according to the Article N° 1388 of the Civil Code of Peru and that, consequently the proposal which is formulated consists in an offer directed to the one organizing the Bid, so the terms contained in the Tender Documents are to be complied with especially in the projects of Contracts such as the Annex N° 13 and N°14 that are part of the Tender Documents

That I am fully responsible of the veracity, exactness and pertinence of the documents and information submitted for this Auction.

That I accept that if granted the Contract this couldn't be rejected

That I am committed to comply fully and faithfully all and each one of the stipulations, terms and conditions of the Contract that is celebrated as consequence of the granting of the contract

Accepts totally the terms and conditions established in the Tender Documents

Renounces irrevocably and without conditions to present or interpose any action or claim, demand or request before any authority of any type or nature against any member, officer, advisor or consultant of the bidding enterprise as consequence of the acts, decisions or events executed, adopted or made during all the phases of the Auction Process up to the celebration of the Contract.

That I have designated my Legal Representative to sign all documents that correspond and will participate in the activities of the Auction Process, with full updated powers of attorney for this purpose without any limitation

Legalized Signature of the Legal Representative of the Participant
DNI N°

ANNEX 5-3 INFORMATION OF BIDDER

(Participants that act as Consortiums should deliver the declaration of each one of the companies that comprise them)

1. **Area Not Connected to a Network:** _____ -
2. **Participant:** _____
3. **Legal Representative :** _____
4. **Address:** _____
5. **Telephones:** _____
6. **Fax(*):** _____
7. **P.O. Box (*):** _____
8. **Website (*):** _____
9. **E-mail:** _____

(*)"• Optional.

Signature: _____

Legal Representative

ANNEX 5-4 CONFIDENTIALITY COMMITMENT

Area Not Connected to a Network: _____

Participant: _____

Address: _____

Legal Representative: _____

D.N.I. N°: _____

Powers of attorney registered at: _____ of the Registry of Juridical Persons of the Public Registries of

DECLARE UNDER OATH THAT WE COMMIT OURSELVES TO COMPLY WITH THE FOLLOWING:

FIRST. We commit ourselves to maintain in reserve and not divulge nor reveal to third parties the Confidential Information provided, as well as not use it for another purpose that is not the participation in the Auction and limit the access to same exclusively to those employees that in each case need to have access to same, ensuring that same will preserve its confidential character. We will be responsible of the compliance of the obligation of confidentiality on the part of our personnel.

To the effect of this Confidential Compromise it will be understood as confidential information any information revealed to the Society, its employees, or advisors or that which the Society, its employees or advisors could have had access relative to the Auction, be it in writing, verbal in form of informatics programs or any other form or by any other means or support, tangible or intangible, presently known or that will make possible to know the status of the technique in the future through the procedures of the Auction.

Nevertheless, it will not be considered confidential the information:

- a) that is of public knowledge at the moment it was revealed to the Society
- b) That after having been revealed was published or in another form become of public dominion without having been noncompliance of its obligation of confidentiality
- c) That it has been requested by Administrative or Judiciary competent Authorities, in which case, should be communicated such a requirement to the Conductor of the process before revealing the corresponding information

SECOND Our advisors, who, due to the nature of their work, should have knowledge of the Confidential Information will have to sign also, with us, a confidentiality agreement under the same terms and conditions than this document, so that the confidentiality of the information is preserved and they do not act as a conductor for the transfer of such information

Nevertheless, in case of revealing the confidential information by our personnel, the administrative sanctions for this noncompliance will be applied jointly among us and our personnel.

THIRD Obligations of confidentiality and use of information will maintain their enforcement during the time term of one (1) from the date of signature of this Compromise or, in case that it happens first, up to the moment of closing of the last calling of the present Auction

FOURTH In case of noncompliance of these confidentiality agreements, without waiving the administrative and penal sanctions that could be applied, we will be disabled for four (4) years to participate in Auctions that are done under the Law and Bylaws.

In the city of _____ on the _____ day of the month of _____ of the year 2014

NAME _____

Legal Representative _____

ANNEX 5-5 NON COLLUSION COMMITMENT

Area Not Connected to a Network: _____

Participant: _____

Address: _____

Legal Representative: _____

D.N.I. N°: _____

Powers of attorney registered at : _____ of the Registry of Juridical Persons of the Public Registries of

DECLARE UNDER OATH THAT WE COMMIT OURSELVES TO COMPLY WITH THE FOLLOWING:

FIRST We have not celebrated nor will celebrate any agreement of any type, nor have we made or will make any type of communication, we have not provided nor will provide any type of information to any competitor, be it directly or indirectly privately or publicly, with respect to any aspect related to the Auction. Likewise we declare to know that this activities damage the conditions of competence in the Auction and should be subject to the application of administrative and penal sanctions if it is necessary.

SECOND Our advisors who, due to the nature of their work, should have knowledge of the Confidential Information should sign also, with us, an agreement of non-collusion, in the same terms and conditions as the present one.

Nevertheless, in case of incurring our personnel in collusion conduct, the administrative sanctions that this noncompliance will provoke will be applied in a jointly manner between our personnel and ourselves.

THIRD: The obligations of this document, will maintain its enforcement during the time term of one (1) year from the date of the signature of this agreement, or in case this happens first, up to the moment of closing of the last calling of the present process of Auction

FOURTH: In case of noncompliance of this agreement of non-collusion, without waiving the administrative and penal sanctions that could be applied we will be disabled during four (4) years to participate in auctions that are made under the Law or Bylaws

In the city of _____ on the _____ day of the month of _____ of the year 2013

Signature _____ ---

Legal Representative _____

ANNEX 5-6: SWORN DECLARATION OF NO IMPEDIMENT

Area Not Connected to a Network: _____

Participant: _____

WE DECLARE UNDER OATH THE FOLLOWING:

- a) We do not have advisors, technical personnel, professionals, executives or directives, who have directly or indirectly rendered some type of service in favor of OSINERGMIN or the Ministry during the development of this process, be it full time, partial time or eventual work, regarding this Auction,
- b) We have not been sanctioned administratively with temporal or permanent disabling in the conduction of our rights to participate in process of selection called upon by entities of the State, nor for contracting with the State
- c) We have no impediment nor are we subject to restriction by contractual, judiciary, arbitral, and administrative legislative or other way, to assume and comply all the obligations that correspond or are derived from the Tender Documents, submission of Offers or signing of Contract.
- d) We renounce to invoke or exert any privilege or diplomatic immunity or of any other type, as well as presenting any claim by diplomatic way and any right of compensation or other regarding any claim that could be invoked by or against the Peruvian State, OSINERGMIN, the Committee, its participants, and Advisors, under Peruvian law or any other legislation with respect of any of the obligations that correspond or could correspond according to the Tender Documents, the Offer or the Contract
- e) We have not left without compliance any contractual or legal obligation that have originated the resolution of a contract signed under the process of promotion of the private investment to which refers Legislative Decree, 674, the TUO approved by Supreme Decree N° 059.96 PCM or the Law N° 18059 Framework Law of Promotion for Decentralized Investment
- f) We are under the scope of Article N°1366 of the Civil Code of Peru
- g) We are duly constituted society validly existing according to the laws of the country or place of constitution, and that the Legal Representatives that participate in the Auction are validly provided with the sufficient faculties to represent our society in all acts and declarations regarding the Auction.

Signature _____ ---

Legal Representative _____

ANEXO 5-7: SWORN DECLARATION OF TECHNICAL REQUIREMENTS. FAITHFUL COMPLIANCE GUARANTEE AND EXECUTION SCHEDULE

Area Not Connected to a Network: _____

Participant: _____

WE DECLARE UNDER OATH that

- 1) The components of the Autonomous RER Installation comply with the technical requirements foreseen in the Tender Documents.
- 2) If we are Successful Bidders, we shall present on the Closing Date, the Faithful Compliance Guarantee in replacement of the Bid Quality Guarantee
- 3) After sixty (60) calendar days from the Closing Date, we will present at the Ministry with copy to OSINERGMIN, the Execution Schedule according to what is established in the Tender Documents

In the city of _____ on the _____ day of the month of _____ of the year 2013

Signature _____ ---

Legal Representative _____

ANNEX 5-7: SWORN DECLARATION OF TECHNICAL REQUIREMENTS, GUARANTEE OF FAITHFUL COMPLIANCE, AND EXECUTION SCHEDULE

Area Not Connected to a Network: _____

Participant: _____

WE DECLARE UNDER OATH THAT

The components of the Autonomous RER Installations comply with the technical requirements foreseen in the Tender Documents.

- 1) If we are Successful Bidders we will submit on the Closing Date the Guarantee of Faithful Compliance replacing the Security of Bid.
- 2) At sixty (60) calendar days from the Closing Date, we will submit to the Ministry with copy to OSINERGMIN, the Execution Schedule, according to what is established in the Tender Documents and the declaration of Annex 2 of the Investment Contract.

In the city of on the _____ of the month of _____ of the year 2014

Signature _____ ---

Legal Representative _____

ANNEX 5-8 SWORN DECLARATION ON EQUIPMENT TO BE INSTALLED

Area Not Connected to a Network: _____

Participant: _____

WE DECLARE UNDER OATH that, the Equipment to be installed is new and in no case, the manufacturing time will be more than two (2) years from the Closing Date. In the case of the batteries, the manufacture date will be no more than one (1) year with respect to the Commercial Commissioning Date.

The certificate of the manufacturer, which gives faith of the contents of this sworn declaration, will be handed over to OSINERGMIN during the installation phase.

In the city of on the of the month of of the year 2014

Signature_____---

Legal Representative_____

ANNEX 5-9. COMMITMENT FOR COMPLIANCE OF EXECUTION SCHEDULE

Lima, _____ 2014

Messrs.

COMITÉ DE ADJUDICACIÓN

Proceso de Subasta para el suministro de suministro de electricidad con recursos energéticos renovables en Áreas No Conectadas a Red

Area Not Connected to a Network: _____

Bidder: _____

Dear Sirs,:

Complying with the stipulation of the Tender Documents. We commit ourselves to submit, within the time term established in the Tender Documents, our Execution Schedule. Likewise, we commit ourselves to comply with the deliveries and time terms established in the Execution Schedule.

In the city of, _____ on _____ of the month of _____ 2014

Very truly yours

Signature _____ ---

Legal Representative _____

ANNEX 6: ECONOMICAL OFFERS

Lima,

2014

Messrs.

COMITÉ DE ADJUDICACIÓN

Proceso de Subasta para el suministro de suministro de electricidad con recursos energéticos renovables en Áreas No Conectadas a Red

Area not connected to a Network_____

Bidder_____

Dear Sirs,

Complying with what is stipulated in the Tender Documents, we submit our Offer for the Area not connected to a Network indicated in this Offer and for the corresponding minimum quantity required (Type 1 + Type 2 + Type 3) of Autonomous RER Installations established in Annex 7-1 of the Tender Documents, according to the following terms, everything rounded to two decimals:

Annual Remuneration	In numbers (US\$/year)	
	In letters (US\$/year) Dollars of the United States of North America
Total useful capacity of the battery (batteries) for the Autonomous RER Installation of Type 1	In numbers (Ah)	
	In lettersAmpere-hour

The value of the Annual Remuneration of our Offer is expressed to the **Date of Commercial Operation Commissioning**

Yours truly

Signature_____---

Legal Representative_____

ANNEX 7-1: AREAS NOT CONNECTED TO A NETWORK

AREAS NOT CONNECTED TO NETWORK	DISTRIBUTION COMPANY	NAME OF DEPARTMENTS	NUMBER OF PROVINCES	NUMBER OF DISTRICTS	MINIMUM QUANTITY			FORESEEN QUANTITY		
					Type 1	Type 2	Type 3	Type 1	Type 2	Type 3
NORTH ZONE	ELECTRO NORTE	AMAZONAS	7	82	6,571	130	52	17,916	433	173
	ELECTRO NORTE	CAJAMARCA	7	77	6,174	103	6	12,811	343	20
	ELECTRO NORTE	LAMBAYEQUE	3	35	2,400	14	11	6,589	48	36
	HIDRANDINA	ANCASH	20	161	11,252	85	33	31,057	283	110
	HIDRANDINA	CAJAMARCA	6	46	2,096	52	9	10,507	173	30
	HIDRANDINA	LA UBERTAD	12	79	8,943	68	19	16,367	227	62
	ELECTRO ORIENTE	LORETO	7	49	10,335	608	95	34,475	2,027	316
	ELECTRO ORIENTE	SAN MARTIN	10	76	6,526	77	33	17,795	257	110
	ELECTRO NOROESTE	PIURA	8	55	3,466	59	21	9,437	197	70
	ELECTRO NOROESTE	TUMBES	3	13	236	4	1	645	13	3
CENTRAL ZONE	ELECTRO CENTRO	AYACUCHO	7	61	3,327	63	17	10,624	209	57
	ELECTRO CENTRO	HUANCAVEUCA	8	63	4,419	26	6	12,070	86	21
	ELECTRO CENTRO	HUANUCO	11	77	8,214	137	13	22,042	455	43
	ELECTRO CENTRO	JUNIN	9	106	7,896	80	15	18,019	266	50
	ELECTRO CENTRO	PASCO	4	29	4,505	73	30	12,136	243	100
	ADINELSA	AYACUCHO	4	48	4,449	32	13	11,947	106	44
	ADINELSA	HUANCAVEUCA	2	29	2,503	32	3	6,718	106	10
	ADINELSA	LIMA	10	124	6,548	57	23	19,251	189	76
	ADINELSA	ICA	8	39	1,812	38	16	4,860	126	54
	ELECTRO UCAYAU	UCAYAU	4	15	3,329	112	39	8,933	372	130
SOUTH ZONE	SEAL	AREQUIPA	8	99	5,573	103	45	18,148	344	150
	ELECTRO SUR ESTE	APURIMAC	7	79	6,662	60	18	15,178	200	60
	ELECTRO SUR ESTE	CUSCO	12	106	15,378	137	27	35,479	458	91
	ELECTRO SUR ESTE	MADRE DE DIOS	3	11	948	28	27	3,051	94	91
	ELECTRO SUR	MOQUEGUA	3	20	1,515	28	7	4,121	94	23
	ELECTRO SUR	TACNA	4	26	1,091	40	6	2,974	134	20
	ELECTRO PUNO	PUNO	13	106	15,833	14	45	46,850	47	150
			194	1,711	149,000	2,260	630	410,000	7,530	2,100

AREAS NOT CONNECTED TO NETWORK	NUMBER OF DISTRIBUTION COMPANY	NAME OF DEPARTMENTS	NUMBER OF PROVINCES	NUMBER OF DISTRICTS	MINIMUM QUANTITY			FORESEEN QUANTITY (1)		
					Type 1	Type 2	Type 3	Type 1	Type 2	Type 3
NORTH ZONE	4	9	83	673	55,000	1,200	280	157,599	4,001	930
CENTRAL ZONE	3	8	61	591	47,000	650	175	126,600	2,158	585
SOUTH ZONE	4	7	50	447	47,000	410	175	125,801	1,371	585
	11	2	194	1,711	149,000	2,260	630	410,000	7,530	2,100

(1) Referential quantity of Users foreseen includes the minimum quantity required.

North Zone: Comprises the Distribution companies ELECTRO NORTE, HIDRANDINA, ELECTRO NOROESTE and ELECTRO ORIENTE.

Central Zone: Comprises the Distribution companies ELECTRO CENTRO, ADINELSA and ELECTRO UCAYAU.

South Zone: Comprises the Distribution companies SEAL, ELECTRO SUR ESTE, ELECTRO SUR and ELECTRO PUNO.

Where:

North Zone: Includes the Regions of Amazonas, Ancash, Cajamarca, Lambayeque, La Libertad, Loreto, Piura, San Martin and Tumbes.

Central Zone: Includes the Regions of Ayacucho, Huancavelica, Huanuco, Ica, Lima, Junin, Pasco and Ucayali

South Zone: Includes the Regions of Apurimac, Arequipa, Cusco, Madre de Dios, Moquegua, Puno and Tacna.-

As reference, the quantities of potential users distributed at level of town, district, province and region, are incorporated in the Data Room, in the section of information regarding the Ministry. The source of this data is the Census 2007 of Instituto Nacional de Estadística e Informática del Perú, which is ruled also by what is indicated in Numeral 1.4

DGER may incorporate to the Areas Not Connected to a Network new places that presently are in the Rural Electrification Nationwide Plan (Plan Nacional de Electrificación Rural (PNER)), the limit date of the Registry of Users the one referred in Annex 7.2 of the Tender documents

ANNEX 7-2: MAIN BENCHMARKS OF THE EXECUTION SCHEDULE

Benchmark	Date
Closing Date	November 14, 2014
Delivery of Users Registry	March 30, 2015
Commercial Commissioning of the 2 000 initial Autonomous RER Installations	June 30, 2015
Date of Commercial Commissioning of the Minimum Required Quantity.	June 30, 2016
Maximum date of Commercial Commissioning of the Additional Autonomous RER Installations	December 31, 2018
Final Date of the Time Term of Enforcement	June 29, 2031

**ANNEX 8-1. COMPLIANCE OF THE TECHNICAL CHARACTERISTICS OF RER
AUTONOMOUS INSTALLATIONS**

Lima, _____ 2014

Messers.
COMITÉ DE ADJUDICACIÓN
Proceso de Subasta para el suministro de electricidad con recursos energéticos renovables en Áreas No
Conectadas a Red

Area Not Connected to a Network: _____

Bidder:

Dear Sirs,

According to the stipulations of the Tender Documents, we commit ourselves, regarding the compliance of the minimum technical characteristics for Autonomous RER Installation, established in Annex 4 of the Investment Contract of the Documents, from the Commercial Commissioning, during all the Time Term of Enforcement, and even in the opportunity in which the Autonomous RER Installations are delivered to the Grantor.

Very truly yours

Signature _____ ---

Legal Representative _____

ANNEX 8-2. QUARTERLY COMPROMISE OF COMMISSIONING FOR COMMERCIAL OPERATION OF AUTONOMOUS RER INSTALLATIONS

Lima, _____ 2014

Messrs
COMITÉ DE ADJUDICACIÓN
Proceso de Subasta para el suministro de suministro de electricidad con recursos energéticos renovables en Áreas No Conectadas a Red

Area Not Connected to a Network: _____

Bidder: _____

Dear Sirs:

Complying with the stipulation of the Tender Documents, we submit our quarterly compromise of Commercial Commissioning of Autonomous RER Installations. Also, our commitment that on the date of the Commercial Commissioning the Autonomous RER Installations, will be as minimum the equivalent of the Minimum Required Quantity; and that on June 30, 2015 at least two thousand (2.000) Autonomous RER Installations will be Commercially Commissioned.

Date of Commercial Commissioning (per quarter)	Quantity of Commercial Commissioning
Quarter 1	
Quarter 2	

Very truly yours

Signature _____

Legal Representative _____

ANNEX 9. GUARANTEE OF BID SECURITY ⁵

Lima, _____ 2014.

Messrs.

OSINERGMIN

Av. Canadá N° 1460, San Borja Lima, Perú

Reference: International Public Auction for supply Areas Not Connected to a Network with renewable energy resources

By this letter, and at the request from our clients, Messrs. [name of the Bidder] we constitute this solidary, irrevocable, no conditioned, of automatic realization without the need for prior prosecution of the debtor guarantee, for the sum of One Million US Dollars (US\$ 1 000 000) In favor of OSINERGMIN, to guarantee the validity enforcement and bid security which was submitted by [name of the Bidder] for the Area Not Connected to a Network [indicate name], according to the terms and conditions established in the Tender Documents of the above mentioned Auction.

Also we state that this guarantee will be made effective in case that [name of the Bidder] has submitted false information or, if it has been declared Successful Bidder does not comply with all and every one of the obligations which correspond so the Auction may be closed.

Payment of this guarantee will be made with a cashier's check, automatically and without requiring any further action on your part, when we receive a written request for it in a notarized letter, which should be signed by the General Manager of OSINERGMIN or an authorized representative and sent to [include office and address].

Our obligations, under this guarantee, including the payment of the guaranteed amount, will not be affected by any dispute between OSINERGMIN, the Committee, its advisors or any entity of the Peruvian State and our clients.

This guarantee must be maintained in force, until the Closing Date that is until

Any delay on our part to pay the amount of this guarantee as from the date in which it is required by you, according to the terms that are indicated here, will accrue an interest equivalent to the LIBOR rate at one year plus a margin of 3%. The LIBOR rate applicable will be established by the daily Cable Reuter, which is received in Lima at 11:00 a.m., having to accrue the interests as from the date that the compliance is required up to the date of the effective payment.

Except if there is an express indication on contrary, the terms used in this guarantee have the same meaning they have in the Tender Documents

Very truly yours,

ANNEX 10. GUARANTEE OF FAITHFUL COMPLIANCE OF INSTALLATION

Lima, _____ 2014

Messrs
MINISTERIO DE ENERGÍA Y MINAS
Av. De Las Artes Nº 260, San Borja
Lima, Perú

Reference: International Public Auction for supply Areas Not Connected to a Network with renewable energy resources

By this letter, and at the request from our clients, Messrs. [name of the Investor] we constitute this solidary, irrevocable, non-conditioned, of automatic realization without the need for prior prosecution of the debtor guarantee, for the sum of Ten Million US Dollars (US\$ 10 000 000) In favor of Ministerio de Energia y Minas, to guarantee the faithful compliance of the execution of the project to supply electricity with Autonomous RER Installations in the Area Not Connected to the Network [indicate name] which is the object of the adjudication and all the obligations assumed by **[name of Investor], according to the terms** and conditions established in the Tender Documents of the above mentioned Auction of which it is the successful winner.

Payment of this guarantee will be made with a cashier's check, automatically and without requiring any further action on your part, when we receive a written request for it in a notarized letter which should be signed by the General Director of Administration of Ministerio de Energia y Minas submitted within the fifteen (15) days following the expiration of the time term of enforcement and sent to the following address.

The time term of enforcement of this guarantee will be one hundred eighty (180) calendar days, as of the Date of Closing, so it will expire on _____ of 201 . Its enforcement is renewed each one hundred eighty (180) calendar days until the commercial commissioning of the project indicated in the previous paragraph and will be executed in case of non-compliance of the commitments assumed according to the Auction Tender Documents.

According to what it is established in article 1898 of the Civil Code, the guarantor who is committed for a determined time term, is free of responsibility if the debtor does not require with a notarized document or judicially the compliance of the obligation within the fifteen days following the expiration of the time term or abandons the initiated action.

Our obligations, under this guarantee, including the payment of the guaranteed amount, will not be affected by any dispute between OSINERGMIN, the Ministry, the Committee, its advisors or any entity of the Peruvian State and our clients.

Any delay on our part to pay the amount of this guarantee as from the date in which it is required by you according to the terms that are indicated here, will accrue an interest equivalent to the LIBOR rate at one year plus a margin of 3%. The LIBOR rate applicable will be established by the daily Cable Reuter which is received in Lima at 11:00 a.m., having to accrue the interests as from the date that the compliance is required up to the date of the effective payment.

Except if there is an express indication on contrary, the terms used in this guarantee have the same meaning they have in the Tender Documents

Very truly yours,

ANNEX 11. GUARANTEE OF FAITHFUL COMPLIANCE OF MAINTENANCE AND TRANSFER OF EQUIPMENT

Lima, _____ 2014

Messrs

MINISTERIO DE ENERGÍA Y MINAS

Av. De Las Artes N° 260, San Borja

Lima, Perú

Reference: International Public Auction for supply Areas Not Connected to a Network with renewable energy resources

By this letter and at the request from our clients, Messrs. [name of the Bidder] we constitute this solidary, irrevocable, non conditioned, of automatic realization without the need for prior prosecution of the debtor guarantee, for the sum of Two Million US Dollars (US\$ 2 000 000) In favor of Ministerio de Energía y Minas, to guarantee faithful compliance of the obligations of maintenance and of the conditions of the equipment to be transferred at the end of the project to the distributor company which is specified within the project for the supply of electricity by Autonomous RER Installations in the Area Not connected to a Network [indicate name] which are the object of the Adjudication, and all the obligations assumed by [name of Investor], according to the terms and conditions established in the Tender Documents of the above mentioned Auction.

The time term of enforcement of this guarantee will be until the extinction of the obligations of the Investment Contract and the date of start will be that of the start of Time Term of Enforcement of the Annual Remuneration (Time Term of Enforcement), and will be executed in case of noncompliance of the commitments assumed according to the Tender documents of the Auction.

Payment of this guarantee will be made with a cashier's check, automatically and without requiring any further action on your part, when we receive a written request for it in a notarized letter which should be signed General Director of Administration of Ministerio de Energía y Minas submitted within the fifteen (15) days following the expiration of the time term of enforcement and sent to the following address.

According to what is established in article 1898 of the Civil Code, the guarantor who is committed for a determined time term, is free of responsibility if the debtor does not require with a notarized document or judicially the compliance of the obligation within the fifteen days following the expiration of the time term or abandons the initiated action.

Our obligations, under this guarantee, including the payment of the guaranteed amount, will not be affected by any dispute between OSINERGMIN, the Committee, its advisors or any entity of the Peruvian State and our clients.

Any delay on our part to pay the amount of this guarantee as from the date in which it is required by you according to the terms that are indicated here, will accrue an interest equivalent to the LIBOR rate at one year plus a margin of 3%. The LIBOR rate applicable will be established by the daily Cable Reuter, which is received in Lima at 11:00 a.m., having to accrue the interests as from the date that the compliance is required up to the date of the effective payment.

Except if there is an express indication on contrary, the terms used in this guarantee have the same meaning they have in the Tender Documents

Very truly yours,

ANNEX 12. GUARANTEE OF DISPUTE

(For dispute of qualification or of adjudication of the contract)

Lima, _____ 2014

Messrs.

OSINERGMIN

Av. Canadá N° 1460,
San Borja Lima, Perú

Reference: International Public Auction for supply Areas Not Connected to a Network with renewable energy resources

By this letter and at the request from our clients, Messrs. [name of the Bidder] we constitute this solidary, irrevocable, non conditioned, of automatic realization without the need for prior prosecution of the debtor, for the sum of Fifty Thousand US Dollars (US\$ 50 000) In favor of OSINERGMIN, to guarantee the writs of dispute of ----- according to the terms and conditions established in the Tender Documents of the above mentioned Auction in which it participates for the Area Not Connected to a Network [indicate name].

Also, we state that this guarantee will be made effective in case that the dispute writ submitted is declared not supported or it does not proceed.

Payment of this guarantee will be made with a cashier's check, automatically and without requiring any further action on your part, when we receive a written request for it in a notarized letter which should be signed by the General Manager of OSINERGMIN or an authorized representative and sent to [include office and address].

Our obligations, under this guarantee, including the payment of the guaranteed amount, will not be affected by any dispute between OSINERGMIN, the Committee, its advisors or any entity of the Peruvian State and our clients.

The time term of enforcement of this guarantee is thirty (30) calendar days, counted as of the date of the submission of the dispute.

Any delay on our part to pay the amount of this guarantee as from the date in which it is required by you according to the terms that are indicated here, will accrue an interest equivalent to the LIBOR rate at one year plus a margin of 3%. The LIBOR rate applicable will be established by the daily Cable Reuter which is received in Lima at 11:00 a.m., having to accrue the interests as from the date that the compliance is required up to the date of the effective payment.

Except if there is an express indication on contrary, the terms used in this guarantee have the same meaning they have in the Tender Documents

Very truly yours,

ANNEX 13. INVESTMENT CONTRACT

REPUBLIC OF PERU

MINISTRY OF ENERGY AND MINES

INVESTMENT CONTRACT FOR THE SUPPLY OF ELECTRICITY WITH RENEWABLE ENERGY RESOURCES IN AREAS
NOT CONNECTED TO A NETWORK

Lima, _____ 2014

Investment Contract for supply of electricity with renewable energy resources in Areas Not Connected to a Network

This document sets the terms of the Investment contract for the supply of electricity with renewable energy resources in Areas Not connected to a Network through Autonomous RER Installations. The Investor will be in charge of the design construction-installation, operation, maintenance and reposition of Autonomous RER Installations or Alternative Equivalent Installations in the Area Not Connected to a Network called "Zone", according to Annex 7-1 of the Tender Documents (hereinafter the "Contract"), which is celebrated on the one part by the State of the Republic of Peru, acting through the Ministry of Energy and Mines (hereinafter the "Ministry"), and on the other part

(hereinafter the "Investor") under the following terms and conditions, as well as the Tender Documents as integral part of this contract:

1 PRELIMINARY DISPOSITIONS

1.1 The Contract is the result of the Process of International Public Auction conducted by OSINERGMIN within the framework of the Bylaws for the Promotion of the Electric Investment in Areas Not connected to a Network approved by Supreme Decree N° 020-2013-EM.

Integral part of this contract are: the Tender Documents, the Applicable Laws as well as the dispositions and following acts:

- a) Ministerial Resolution N° _____ authorizing the Vice Minister of Energy to sign the Contract.
- b) The Notarized Minutes of Adjudication of the Contract signed by the Committee.

1.2 The Contract was written and signed according to the Applicable Laws of the Republic of Peru and its contents, execution and other consequences which may originate from it will be ruled by those Laws.

1.3 In the present Contract, the terms that are in capital letters. be them used in singular or plural, will have the same meanings indicated in Annex 7 of this contract, those of the Tender Documents, or the Applicable Laws, or correspond to terms that are commonly employed with capital letters. The terms indicated in the following will mean:

Party: According to what the case may be the Ministry or the Investor.

Parties: Are together the Ministry and the Investor.

1.4 All reference made in the Contract to "Clause" or "Annex " should be understood to be made to Clauses o Annexes of the Contract, except when there is an express indication on the contrary.

1.5 The titles included permit to systematize the text and should not be considered as part of the Contract which limits or extends its contents or to determine the rights and obligations of the Parties.

1.6 The terms in singular will include will the same terms in plural and vice versa. The masculine terms include the feminine ones and vice versa.

- 1.7 The Contract is in effect as of the Date of Closing and is maintained in force up to the end of the Time Term of Enforcement of the Annual Remuneration (Time Term of Enforcement). The Time Term of Enforcement cannot be extended for any reason, not even Force Majeure.

2 OBJECT AND CHARACTERISTICS OF THE CONTRACT

- 2.1 This Contract has the purpose of establishing the terms, obligations and responsibilities, of the Parties for the design, installation, operation, maintenance of and reposition of the Autonomous RER Installations or Alternative Equivalent Installations, as well as their transfer to the State at the end of the Time Term of Enforcement.
- 2.2 The Investor will be totally free to determine the financing model, organization and execution of its obligations derived from the Contract, in the best form it considers convenient for its interests without waiving, the compliance of the requirements expressly in the present Contract, the Tender Documents and the Applicable Laws.
- 2.3 The Time Term of Enforcement of the Contract is fifteen (15) years as from the date of Commercial Operation Commissioning of the Minimum Required Quantity.
- 2.4 Except for what is indicated expressly in the Contract, the State of the Republic of Peru will not be responsible before the Investor or third parties of the noncompliance or partial, late or defective compliance by the Investor of the obligations that it has according to the Applicable Laws, the present Contract and the Commercial Service Contract.
- 2.5 The Investor should provide the Government Authorities, as well as the Distributor, the information and facilities for inspection that these reasonably require for the compliance of their obligations under the Contract.

3 DECLARATIONS OF THE PARTIES

- 3.1 The Investor guarantees the Ministry, on the Date of Closing, the veracity and exactness of the following declarations:
- 3.1.1 The Investor: (i) is a duly constituted society according to the Applicable Laws and according to what is established in the Tender Documents; (ii) it is duly authorized and in capacity of assuming the obligations that correspond as consequence of the signing of the Contract in all jurisdictions it is necessary due to the nature of its activities or due to the property, leasing or operation of its commodities; and (iii) that has complied with all the requirements necessary to formalize the Contract and to comply with the commitments stipulated in it.
- 3.1.2 The signature, delivery and compliance of the Contract, by the Investor, are included in its faculties and have been duly authorized by its board of directors or other similar society organ.
- 3.1.3 Other acts or procedure on the part of the Investor are not necessary to authorize the signing and the compliance of the obligations which correspond under the Contract. The Contract has been duly and validly signed and delivered by the Investor and constitutes a valid and committing obligation which can be required from the Investor.
- 3.1.4 There are no actions, judgments, arbitrages or other legal procedures in course, nor sentences, nor decisions of any class which have not been executed against the Investor or any main partner of the society, that have the purpose of prohibiting or in any other manner impede or limit compliance of the commitments or obligations which are foreseen in the Contract.
- 3.1.5 The Investor knows the Peruvian juridical framework, as well as the uses and customs of the Peruvian market. The Investor in particular, knows that it is responsible for the measures that

are applied due to the deficiencies in the functioning of the Autonomous RER Installations or Alternative Equivalent Installations of the respective Area Not Connected to a Network .

- 3.2 The Ministry guarantees on the Date of Closing, the veracity and exactness of the following declarations:
- 3.2.1 The Ministry is duly authorized according to the Applicable Laws to act as representative of the State in the present Contract. The signing, delivery and compliance by the Ministry of this Contract, are included in its faculties, are according to the Applicable Laws, and have been duly authorized by the Government Authority.
 - 3.2.2 No other action or procedure on the part of the Ministry nor any other Government Authority is necessary to authorize the signing of the Contract or for compliance of the obligations of the Ministry foreseen in it. The Contract has been duly and validly signed by the authorized representative or representatives of the Ministry and, together with the due authorization, signature and delivery of it by the Investor, constitutes a valid and committing obligation for the Ministry.
 - 3.2.3 All administrative acts have been complied with, requirements and obligations necessary to celebrate this Contract and to duly comply with its stipulations.
 - 3.2.4 The Ministry will conduct the necessary actions so that OSINERGMIN will be able and will have the necessary funds to execute the functions commissioned by the Tender Documents and in the Contract. The Ministry will take care so OSINERGMIN may act with total independence in the execution of the tasks commissioned in the Tender Documents and in the Contract .

4 OBLIGATIONS OF THE PARTIES

- 4.1 The Investor will design, construct, install, operate, will maintain, will make the cut and reconnection when it is necessary, will replace the Autonomous RER Installations, or the Equipment which are necessary in order to render the electricity supply service to the users of its respective Area Not Connected to a Network adjudicated and will transfer those installations to the designated Distributor, at the end of the Time Term of Enforcement .
- 4.2 The Autonomous RER Installations as from their Commercial Operation Commissioning up to and during all the Time Term of Enforcement, even up to the transfer to the Distributor, will have to comply with the minimum technical requirements foreseen in the Annex 4 of this Contract.
- 4.3 The Investor will conduct all actions necessary to comply with the obligations described in this Contract, the Tender Documents and the Applicable Laws.
- 4.4 The Investor should sign the Service Contracts with the Distributors the Ministry assigns for each Area Not Connected to a Network. The Distributor will make the commercial service, according to the terms of the Service Contract, within the framework of the Special Commission signed with the Ministry.
- 4.5 All the other activities necessary to give electricity service to the Users, which is not rendered by the Distributors, will be done by the Investor.
- 4.6 The Ministry will make the procedures of special commission to the Distributors that conduct the commercial activity, according to what is indicated in the Applicable Laws .
- 4.7 The Ministry will make the procedures necessary so that the Distributor will be able and will have the funds necessary to conduct the functions, which are commissioned in the Tender Documents and in the Contract.

- 4.8 OSINERGMIN will take care of supervising the compliance of the obligations of the Distributor and of the Investor according to the present legal framework, the Tender Documents and the Contracts.

5. PROJECT AND EXECUTION SCHEDULE

- 5.1 The Investor will submit to OSINERGMIN and the Distributor within the time term of sixty (60) days from the Date of Closing the Execution Schedule with the requirements established in the Tender Documents, annexes and norms for application.
- 5.2 The Execution Schedule should give the sufficient elements to permit the execution of the control of quarterly progress of the project, without waiving the possibility that the commercial operation commissioning is done on a monthly basis. The Execution Schedule should permit the compliance of the date of commercial operation commissioning as well as the additional Autonomous RER Installations.
- 5.3 The unit control of compliance of the Minimum Required Quantities is at the level of each Province which integrates the respective Area Not Connected to a Network .
- 5.4 The first two thousand (2 000) initial Autonomous RER Installations indicated in Numeral 8.1 of this Contract, will not be no included in the Execution Schedule, since it is understood that the start of the implementation is immediate at the Date of Closing and they are not connected to the Financial Closing of the project.
- 5.5 The Investor will include in the Execution Schedule activities for review and validation of the design and prototypes of the installations to be done by DGER. The duration of this activity will not be more than fifteen (15) calendar days.
- 5.6 The Dirección General de Electrificación Rural (DGER) will review and will give its observations to the Investor regarding the viability of the Execution Schedule. For that purpose, the DGER will request opinion from OSINERGMIN.
- 5.7 OSINERGMIN will supervise and take care of the compliance of the obligations by the Investor as foreseen in the Tender Documents, the present Contract and the Execution Schedule.

6. CENSUS AND USERS REGISTRY

- 6.1 The Investor will conduct the Census and the process of Users Registry. It will register all inhabitants that request it and all the inhabitants the Distributor identifies and communicates to the Investor, up to the day in which the Users Registry period expires. For that purpose, with the support of the Ministry, it should send communications to the local governments and to the local authorities of the sectors of education and health to inform them of the supply of electric service through Autonomous RER Installations in the midst of their jurisdiction. Likewise, campaigns of massive communication will take place about the future Users Registry, using the media available in the zone. The Census activity refers to the total list of the housings without electrical service even if they will be users or not of the Autonomous RER Installations.
- 6.2 The Census and Users Registry will be developed in a coordinated manner with the Distributor the Ministry will designate and in the form and method of presentation that the DGER determines, and according to the obligations indicated in the Investment Contract.
- 6.4 Such Users Registry will end on the date indicated in Annex 7-2 of the Tender Documents for the purpose of control, and to establish, the quantity of Additional Autonomous RER Installations.
- 6.5 The Investor should present to the Ministry the list of registered Users ten (10) calendar days after the Users Registry is finished.

- 6.6 The Census and the Users Registry will be considered as part of the activities of the Execution Schedule. The inadequate execution of the Census and Users Registry, as well as the non-delivery of the list of users registered according to what is indicated in the previous paragraph will be sanctioned as indicated in Numeral 17.8 of the present Contract.
- 6.7 The Investor in order to conduct the Census and the Users Registry will take as basis the information regarding the potential Users at level of Province in its respective Area Not Connected to a Network, published in the Data Room, which will be supplemented by the Distributors based on a process of awareness and registration. The Investor will collaborate with the activities of registry made by the Distributors or the Ministry.
- 6.8 In case the Investor notifies, that despite the fact that all the activities established have been conducted for the Census and Users Registry, the total of the Minimum Required Quantity of the Area Not Connected to a Network has not been reached, and if the Distributor has verified this situation, the activities foreseen will proceed regarding the quantities found; in this situation, the Autonomous RER Installations that are lacking to reach the Minimum Required Quantity will be installed by the Investor in the locations the Distributor will determine within the corresponding Area Not Connected to a Network.
- 6.9 The Investor will take custody of the documentation of the Census and the documentation of the Users Registry and will send a copy to the Ministry, OSINERGMIN and to the Distributor.
- 6.10 OSINERGMIN will supervise and will take care of the compliance of the obligations of the Investor regarding the Census and Users Registry, and will define the procedures for that purpose.
- 6.11 The Investor can receive new requests for Users Registry, up to six (6) calendar months before the culmination of the maximum time term of operation commissioning of the Additional Autonomous RER Installations. These requests will be covered within the time term to finish the Additional Autonomous RER Installations.

7 DESIGN OF THE INSTALLATIONS

- 7.1 The Investor commits itself to design the commodities and services required to comply with the obligations set in the Contract and in the Tender Documents of the Auction. The Investor will design the Autonomous RER Installations taking into consideration the background and the social economic characteristics of the user.
- 7.2 The Investor should submit for approval to the DGER designs models and prototypes for their further installation and Commercial Operation Commissioning. For that purpose should be complied as minimum that which is submitted by the Investor as Technical Documentation of the Envelope 1.
- 7.3 The DGER will take care that the Autonomous RER Installations proposed by the Investor will have the adequate designs and of the compliance of adequate quality designs and projects of the Autonomous RER Installations.

8 CONSTRUCTION AND INSTALLATION OF AUTONOMOUS RER INSTALLATIONS

- 8.1 The Commercial Operation Commissioning of the Minimum Required Quantity will be as maximum that established in Annex 7-2 of the Tender Documents. By June 30, 2015, the Investor will place in Commercial Operation at least two thousand (2.000) Autonomous RER Installations. The implementation of the Additional Autonomous RER Installations, should be developed considering the maximum dates established in Annex 7-2 of the Tender Documents, and the Investor may push up this date. In case of noncompliance of this obligation will be applied what is established in Numeral 17.2 of the Contract.

- 8.2 In order to comply with the Date of Commercial Operation Commissioning, the Investor should comply with the Execution Schedule, which includes the plan submitted with its Offer, in which is indicated the number of installations it is committed to incorporate for Commercial Operation in each quarter.
- 8.3 The Equipment to be install will be new and, in no case, the manufacture date will be greater than two (2) years with respect to the Date of Closing. In the case of the batteries, the manufacture date will not be greater than one (1) year with respect to the Date of Commercial Operation Commissioning. The certificate of the manufacturer-giving affidavit of the contents of this sworn declaration will be delivered to OSINERGMIN during the installation phase.
- 8.4 The Additional Autonomous RER Installations can be done with Autonomous RER Installations or Alternative Equivalent Installations. The Alternative Equivalent Installations will be remunerated at the same cost than the Autonomous RER Installations.
- 8.5 The Investor will compile, take custody and will deliver to the Distributor and to OSINERGMIN, the documentation which indicates the Commissioning of the Installations according to what is indicated in Annex 5 of this Contract.
- 8.6 According to the Second Supplementary Disposition of the Bylaws, the Alternative Equivalent Installations should give as minimum the same quantity of useful energy provided for each User by the Autonomous RER Installations. The DGER will be in charge of making the corresponding assessment at proposal of the Investor, before the implementation of the Alternative Equivalent Installations. The Alternative Equivalent Installations that do not have the approval of the DGER will not be remunerated in the framework of the Tender Documents and the Investment Contract.
- 8.7 The Investor is responsible of making and delivering the installations complying with the quality and safety standards indicated in the minimum technical requirements indicated in Annex 4 of this Contract and in the Applicable Laws. In case of noncompliance of this obligation will be applied what is established in Numeral 17.2 of this Contract.

9 OPERATION, MAINTENANCE AND REPOSITION OF THE INSTALLATIONS

- 9.1 The Investor will supply the materials and services required to comply with the obligations of operation, maintenance and reposition of the Autonomous RER Installations.
- 9.2 The Investor is committed to comply with the specific norms issued by the Ministry to regulate the management of residues of the components of the Autonomous RER Installations as well as complying all the norms of environmental, social and working character.
- 9.3 The Investor will deliver to the Distributor and to OSINERGMIN, in the form and time terms OSINERGMIN together with the Distributor will establish, the information regarding maintenance, changes of design, malfunctioning, changes or reposition of the components of the Autonomous RER Installations.
- 9.4 The Investor will execute the activities of maintenance and reposition required by the Autonomous RER Installations and those that the Distributor requests according to the Service Contract.
- 9.5 The obligation of reposition does not include lamps nor outlets.
- 9.6 The obligation of the operation of the Autonomous RER Installations includes the activities of training of Users that the Investor will conduct, for the adequate use of the Autonomous RER Installations.
- 9.7 The Investor will make the cut or reconnection of the Autonomous RER Installations, and will be acknowledged with a regulated value by Osinergmin for this case.

- 9.8 The Distributor will communicate to the Investor the requests of the users of installation, maintenance, disconnection and reconnection, substitution due to theft and moving or transfer of Autonomous RER Installations due to scope of new lines or because of renunciation of the User. The Investor will serve these requests according to what is stipulated in the Service Contract.
- 9.9 OSINERGMIN will supervise the obligations of the Investor regarding the operation, maintenance and reposition of the installations, to verify the operation of the mentioned installations and the application of the Correction Factor.
- 9.10 Additionally, OSINERGMIN will make the supervision and technical inspection of the Autonomous RER Installations in order to verify the compliance of the minimum technical requirements, quality and safety standards indicated in Annex 4 of this Contract, for which the Investor and the Distributor are committed to give the information that is required.
- 9.11 Due to noncompliance detected according to the previous paragraph, without waiving the possibility of the application of the Correction Factor and of the remedy by the Investor, OSINERGMIN will place fines and sanctions that are stipulated in the Scale of Fines and Sanctions.
- 9.12 In case of theft, the Investor will do what the Distributor indicates regarding the requirement of reposition. If the reposition is required, the Investor will make it and will have the right, which will be set by of OSINERGMIN.

10 TRANSFER OF INSTALLATIONS

- 10.1 At the end of the Time Term of Enforcement, the Investor is committed to transfer to the Distributors that the Ministry designates, all the Autonomous RER Installations and Alternative Equivalent Installations of the respective Area Not Connected to a Network. That transfer will be free of charge for all concepts. The transfer obligation does not include lamps nor outlets.
- 10.2 Twenty four (24) months before the end of Time Term of Enforcement, will start the referred transfer process, according to the guidelines approved by DGER for that purpose.
- 10.3 Thirty (30) calendar days before the start of that transfer process, the Ministry will communicate to the Investor and to OSINERGMIN the list of the corresponding Distributors for the respective transfers.
- 10.4 According to the procedure defined by DGER, the Distributors will verify the technical characteristics of the Autonomous RER Installations. The Investor will have to pay the cost of reposition and installation of the Equipment, which do not comply with the minimum technical requirements foreseen in Annex 4 of this Contract, which will be valued as from the New Replacement Value, or investment used by OSINERGMIN for similar photovoltaic installations, to the date of the devolution, executing, if necessary, the Guarantee of Faithful Compliance of Maintenance and Transfer of Equipment.

11 ATTENTION TO THE USERS

- 11.1 The Investor taking into consideration the profile of the User and the characteristics of the zone of influence (language), will make the contents of the information material to be handed over to the Users, necessary for their training regarding the use, maintenance and preservation of the Autonomous RER Installations, as well as the operation of the technical service and the function of the Distributor .
- 11.2 The Investor will give the Distributor the documentation and the programs for attention to users for its information.
- 11.3 The Investor will give the User all the documents or instructions that are necessary or which are required by the Distributor or OSINERGMIN to give attention to the user.

- 11.4 The Investor will give training and information to the Users regarding the installations, the instructions for use, and the handbook of maintenance and will update the users' information during the Time Term of Enforcement.
- 11.5 The Distributor will give the Investor, the requirements of attention that it receives from the Users, so that the Investor can conduct the corresponding activities, regarding the Autonomous RER Installations, the Investor will receive, register and will solve all the claims and events of the Users communicated by the Distributor within the time term established as tolerance in the Service Factor of the group defined in Numeral 14.7 of this Contract. In addition, there should be a registry of the claims, events and attentions to Users.
- 11.6 OSINERGIM will supervise and take care of the compliance of the obligations of the Distributor and the Investor regarding the attention to the User.

12 RELOCATION OR REPOSITION OF AUTONOMOUS RER INSTALLATIONS

- 12.1 In the case that the users of the Area Not Connected to a Network are reached with the development of electricity networks and that, they will opt for the service through those electric networks, the Investor can:
- a) Relocate the Autonomous RER Installations to other Users, in coordination with the Ministry. In that case, the autonomous RER Installation transferred will generate for the Investor the same rights and obligations as the original. The costs of transfer and placing in operation, will be acknowledged for the Investor and valued as part of the electric network project.
 - b) Receive acknowledgement for the Residual Value of the installations to be returned to the Ministry according to the following methodology:
 - The economical compensation should cover the residual capital corresponding to the investment made by the Investor of the Autonomous RER Installations.
 - The residual capital, will be valued from the New Replacement Value or investment used by OSINERGMIN, for similar photovoltaic installations by the date of the devolution, discounting the accumulated depreciation which will be calculated through the linear method for the period of operation of the photovoltaic installation, and a useful life of 5 years for the battery and 15 years for the rest of the installations. In this case, of photovoltaic installations they will be delivered to the State to be used at its discretion in the future.
 - If in a close group of Provinces, the number of Users that opt for the service through electric network is more than 1.000 unit and more than 50% of the total of Users of that group the Investor may opt to transfer the rest of the installations to the State for its residual capital, finalizing after this its obligations and rights regarding those installations.

13. SUPERVISION

- 13.1 The Investor should give the Government Authorities the information and facilities for inspection, which these reasonably will require, for controlling correct compliance of their obligation under the Contract.

14. REMUNERATION FOR THE INVESTOR OF THE SERVICE

- 14.1 The Autonomous RER Installations, which are commissioned for Commercial Operation, will be accounted for on a monthly basis in order that the monthly remuneration to the Investor will be proportionate to the respective partial quantities of Autonomous RER Installations that will be commissioned for commercial operation each month.

- 14.2 The start of Commercial Operation in order to obtain retribution will be indicated in the documents handed over by the Investor to the Distributor for the Registry.
- 14.3 The retribution to the Investor during the Time Term of Enforcement will be determined according to the following principles:
- a) The initial Autonomous RER Installations, commissioned before the Date of Start of the Commercial Operation Commissioning, will be remunerated with the Unit Annual Cost of Investment, for which will be used the Annual Remuneration indicated in the Economic Offer.
 - b) Due to the Minimum Required Quantity, the Annual Remuneration will be updated according to what is established in Annex 3 and multiplied by the Correction Factor according to what is established in Numeral 14.7 of this Contract.
 - c) The Additional Autonomous RER Installations will be remunerated based on the corresponding Unit Annual Cost of Investment including the Correction Factor and the Update Factor established in Annex 3.
 - d) The income of the Investor will be from the Trust foreseen in Article 16 of the Bylaws. The Trust will obtain its resources according to what is established in Article 17 of the Bylaws.
 - e) The income of the Investor are paid on a monthly basis, for which the rate of discount foreseen in Article 79 of the LCE will be applied, according to what is established in Article 17 of the Bylaws.
 - f) At the end of each Tariff Period, will be established the liquidation of the income of the Investor indicated in the previous a), b) and c) calculated in and applied according to the procedure approved by OSINERGMIN, in order to guarantee to the Investor its corresponding remuneration, according to numeral 17.4 of Article 17 del Bylaws.
- 14.4 The retribution for the Investor is applied from the month in which the respective partial quantity of Autonomous RER Installations is put in Commercial Operation, until the end of the Time Term of Enforcement of the Annual Remuneration (Time Term of Enforcement).
- 14.5 The Annual Unit Cost for Investment will be determined by OSINERGMIN, according to what is indicated in the following:
- Autonomous RER Installation Type 1: The unit annual cost of investment (CUT1) will be obtained as follows:

$$CUT1 = \frac{RA_{updated}}{CIET1}$$

Where

RA_{updated} Annual Remuneration updated according to updating formula

CIET1 Quantity of Autonomous RER Installations equivalent to Type 1. This value will be obtained adding the minimum quantity required of Autonomous RER Installations Type 1, plus the minimum quantity

required of Autonomous –RER Installations Type 2, plus ten times the minimum required quantity of Autonomous RER installations Type 3.

- Autonomous RER Installation Type 2: The unit annual cost of investment (CUT2) will be obtained multiplying the charge CUT1 by five.
- Autonomous RER Installation Type 3: The unit annual cost of investment (CUT3) will be obtained multiplying the charge CUT1 by ten.

14.6 The Investor has the right to the corresponding remuneration for the disconnection or reconnection of the Autonomous RER Installations. The charge for disconnection or reconnection will be set by OSINERGMIN.

14.7 The Correction Factor, which is between 0 and 1, measures the operation of the group of installations of commercial Operation Commissioning. It is applied when its value is less than the unit in the annual regulation done by OSINERGMIN. It will be calculated as the product of two factors: Group Operation Factor and the Group Service Factor.

$$F_c = F_o - F_s$$

14.7.1 Group Operation Factor, F_o : Is determined according with the following formula and for a stratified sample:

$$F_o = \frac{\sum i F_{oi} c_{Ti}}{\sum i c_{Ti}}$$

Where:

c_{Ti} : Coefficient equal to one for Autonomous RER Installations Type 1; equal to five for Autonomous RER Installations Type 2; equal to ten for Autonomous RER Installations Type 3, and equal to zero for Autonomous RER Installations which are disconnected due to lack of payment.

i : Commercial Operation Commissioning of Autonomous RER Installations belonging to the sample selected for control. The size will be determined for a level of reliability of 99% and an error of the group of systems of 5%, according to the guidelines that are established by OSINERGMIN. The frequency of realization of these verification campaigns will be done in periods that cannot be less than a quarter.

F_{oi} : Operation Factor of an Autonomous RER Installation belonging to the sample selected for control, such that:

- $F_{oi}=1$ if all the elements of the installation comply with the minimum technical requirements foreseen in Annex 4 of this Contract,
- $F_{oi}=0$ if one of the elements of the installation does not comply with the minimum technical requirements foreseen in Annex 4 of this Contract,

14.7.2 Group Service Factor, F_s : It is determined according to the following formula:

$$F_s = \frac{\sum i F_{Si}}{\text{Number failures}}$$

Where:

Number failures: Is the number of failures reported in an Area Not Connected to a Network during the last period of control established by OSINERGMIN.

i Failures reported by one User to the Distributor and made it known to the Investor .

F_{si}: The Service Factor of the Autonomous RER Installation considers both the time of response when there is a failure in an installation and the time of its repair. There are failures of Autonomous RER Installations when one of the following conditions is present: i) load controller deactivated; ii) failure of energy supply of the system for more than three consecutive days; and iii) absence of photovoltaic panel, the load controller or the battery. This factor will be:

- $F_{si}=1$ when total time of response for this failure and repair is less or equal to $d_{to i}$ days.
- $F_{si}=0$ when the total time of response to failure and repair is larger or equal to $d_{to i}$ days.

Tolerance in dry months (April - November)

	Coast	Sierra	Jungle
$d_{to i}$; (calendar days)	5	7	10

Tolerance in flood months (December - March)

	Coast	Sierra	Jungle
$d_{to i}$ (calendar days)	5	12	11

Factor F_s is determined from the documentation of the operation of the failures compiled by the Investor. For that purpose, OSINERGMIN will approve the corresponding procedure. The frequency of realization of these campaigns of verification will be done in periods that cannot be less than one quarter.

14.7.3 The formula for updating will be the ones indicated in Annex 3 of this Contract. The formula for updating will be applied on an annual basis at the end of each Tariff Period, when the factor is increased or decreased in more than 5% with respect to the value of the same factor employed in the last updating.

15 FINANCING OF THE INVESTMENT

15.1 To comply with the object of the Contract , the Investor may: a) constitute guarantee on its future income; b) constitute bond on valuables which are the property of the Investor; c) issue real estate

values (bonds, titles etc.) backed up with real guarantees; and, d) constitute any other real or personal guarantee permitted by the Applicable Laws .

- 15.2 What is stipulated in the previous paragraph will not exempt the Investor of its obligation of complying with all and each one of the dispositions of this Contract and of the Applicable Laws. The Ministry agrees and convenes that no financial entity nor any person that acts in representation of the Investor, will be responsible of the compliance of the obligations of the Investor under the Contract or the Applicable Laws.
- 15.3 Through this instrument, and subject to the dispositions established in the Applicable Laws, the Ministry expressly consents that the Investor will constitute in favor of the Debtors of Guaranteed Debt real guarantees or personal guarantees regarding the Contract, future income for annual retribution and other assets related, as well as over any other property or right of the Investor, as long as the resources that are obtained will be destined only to the development of the project which is the purpose of this Contract, and the corresponding Contracts will contain Clauses that will guarantee the continuity of the rendering of the supply in the supposed execution of guarantees. The Investor will send the Ministry, copy of the Contracts that will be signed in application of this Clause, within fifteen (15) days of their signing.
- 15.4 The Investor will inform the Ministry regarding the credit operations and/or financial operations both in the local market as the international market, which will constitute Guaranteed Debt and will deliver copy of the respective contracts with the debtors. Also, will inform the Ministry each six months regarding the balance of debts with each financial debtor company with which it has qualified debts as Guaranteed Debts. Also the Investor will inform the Ministry the name and the data of the representatives of the debtors of the Investor with Guaranteed Debt (the "Representative").
- 15.5 If the Investor requests it, the Ministry will send to the Representative copy of the communications sent by the Ministry to the Investor. Nevertheless, if there are events present, that may occasion the resolution of the Contract; the Ministry is committed to inform same to the Representative, without need of approval from the Investor. The Ministry will grant in double set, delivered by the Investor, the Cost of reception of each notification it will send the Investor regarding the operations of the Guaranteed Debt.
- 15.6 The creditors of the Investor with Guaranteed Debt to which refers the previous incise c), may request the Ministry the substitution of the Investor due to financial considerations or of another kind, if the Investor cannot comply with the obligations of this Contract according to what is established in the financing contracts. To the effect of such substitution, the Creditors with Guaranteed Debt will propose to the Ministry one or more companies with the technical qualifications that will comply the requirements of pre-qualification of the Auction to assume the contractual position of the Investor.
- 15.7 The Ministry reserves the right of not accepting any of the substitute entities proposed. That acceptance will not be denied if the substitute proposed entity or entities comply with the technical, financial, legal and other requirements stipulated in the numeral 3-1 of the Tender Documents, without waiving what is foreseen in the Applicable Laws against monopolies and against Oligopolies in the electricity sub sector. The Ministry will have a time term of maximum thirty (30) days to give an answer regarding the substitution proposed by the Creditors of the Guaranteed Debt. In case there is no answer in the indicated time term, the proposed will be considered accepted.
- 15.8 The Ministry commits itself to send a written notification to the creditors of the Guaranteed Debt, before signing any addendum or modification to the Contract, as long as that addendum or modification will affect the position of the Creditors of the Guaranteed Debt in the present Contract.

16 CONTRACTUAL RESPONSIBILITY

- 16.1 For the purposes of this Contract, there will exist a situation of fortuitous or force majeure as long as an event, condition or circumstance not imputable to the Parties, that will prevent one of them to comply with the obligations or causes total or partial noncompliance or late or defective compliance. The event

must be out of the reasonable control of the Party that invokes the cause. In spite of all the reasonable efforts to prevent it or mitigate its effects, and cannot be avoided the configuration of the situation of total or partial noncompliance or defective compliance.

- 16.2 The Force Majeure event will not free the Parties of compliance of the obligations that are not affected by that event. The Party that invokes the Force Majeure should make its greatest effort to ensure the re-initiation of the activity at the shortest time possible after the event has happen.
- 16.3 The Party that invokes the event of Force Majeure should inform the other Party regarding:
- a) The facts that constitute such event of Force Majeure, within the following seventy two (72) hours that the event occurred or of having been informed, according to what the case may be, and
 - b) The estimated period of total or partial restriction of its activities. Additionally, the other Party should be kept informed regarding the development of those events.
- 16.4 In case of the Parties is not in agreement with the qualification of the event as one of Force Majeure or of its consequences, it can use the procedure of solution of controversies of Clause 19.

17 GUARANTEE OF FAITHFUL COMPLIANCE

- 17.1 The Guarantees of Faithful Compliance are: i) the Guarantee of Faithful Compliance of Installation; and ii) the Guarantee of Faithful Compliance of Maintenance and Transfer of Equipment.
- 17.2 In case of noncompliance of Execution Schedule referred to the Minimum Required Quantity and the Additional RER Installations, the Ministry will resolve the Investment Contract and will execute the Guarantee of Faithful Compliance of Installation.
- 17.3 In case of resolution of the Investment Contract, after the Commercial Operation Commissioning of the Minimum Required Quantity and of the Additional RER Installations, they will be without effect of retribution for the Investor as foreseen in this Contract and will be executed the Guarantee of Faithful Compliance of Maintenance and Transfer of Equipment.
- 17.4 The amount of the Guarantee of Faithful Compliance of Installation amounts to Ten Million Dollars (US\$ 10 000 000), and the Investor will deliver this guarantee to the Ministry on the Date of Closing. The Guarantee of Faithful Compliance of Installation, will have a time term of enforcement of at least one hundred eighty (180), calendar days, and it has to be renewed for the same time term, and thus successively, at the latest on the date of its falling due, and should be maintained in force up to the Commercial Operation Commissioning of the Additional Autonomous RER Installations.
- 17.5 The amount of the Guarantee of Faithful Compliance of Maintenance and Transfer of Equipment amounts to Two Million Dollars (US\$ 2 000 000), and the Investor *will give this guarantee* to the Ministry on the Date of Commercial Operation Commissioning. The Guarantee of Faithful Compliance of Maintenance and Transfer of Equipment will have a time term of enforcement of at least one hundred eighty (180) calendar days and it has to be renewed for the same time term, and thus successively, at the latest on the date of its falling due, and should be maintained in force up to the end of the Time Term of Enforcement.
- 17.6 If the Guarantees of Faithful Compliance are not renewed on time, the Investor will have to deliver a new Guarantee of Faithful Compliance but for an amount increased in 100%; which will be done within the time term of five (5) calendar days from the due date of the guarantee not renewed without any necessity of menace of any kind or requirement. The Time Term of Enforcement of this new Guarantee of Faithful Compliance which will start to be counted on the due date of the guarantee not renewed will

be as the one before of not less than one hundred eighty (180) days and equally to that will have to be renewed at the latest on the due date of that time term, and thus successively.

- 17.7 In case of noncompliance in the delivery of the new Guarantee of Faithful Compliance increased in 100% to which refers the previous paragraph, the Ministry will proceed to execute the Guarantee of Faithful Compliance, which was not renewed, and the Investment Contract will be terminated of plain right.
- 17.8 In the cases when within the framework of the supervision OSINERGMIN verifies delays in compliance of Execution Schedule (with monthly goals and period of quarterly control) in a maximum, time term of five (5) Days, OSINERGMIN will require the Investor the increase of the Guarantee of Faithful Compliance of Installation in 20% with respect to the amount in force on the date of the verification. This increase will be produced each time OSINERGMIN identifies delays in the Execution Schedule, even when the noncompliance is referred to the same fact or the same benchmark.

The increase required by OSINERGMIN should be complied with by the Investor within the ten (10) days of having received it. In case that the Investor does not increase the referred guarantee within the time term indicated, the Ministry will execute the Guarantee of Faithful Compliance of Installation which was not increased.

In these cases the Investor is committed to submit, without any requirement, a new Guarantee of Faithful Compliance of Installation for an amount equal to the one executed within the time term of ten (10) days since the time term of due date that was granted by OSINERGMIN to submit the increase. In case of noncompliance, the Investment Contract will be terminated of full right.

- 17.9 As of having placed in Commercial Operation 75% of the Minimum Required Quantity and the Additional Autonomous RER Installations, according to the report from OSINERGMIN, the Guarantee of Faithful Compliance of installation will be reduced up to the equivalent of 50% of the amount in force at the date of that report, without waiving the application, in what is necessary of the stipulations that are indicated before this Clause.

The control of compliance of the Minimum Required Quantity for the Area Not Connected to a Network is made at level of Province so that the referred 75% is accounted for considering only the Autonomous RER Installations placed in commercial operation up to the Minimum Required Quantity per Province. This is, for this purpose are not considered the Autonomous RER Installations commissioned additional to the minimum required for each Province which is integral part of the Area Not Connected to a Network .

- 17.10 The Guarantees of Faithful Compliance executed according to what is foreseen in the Investment Contract, are executed for the amount guaranteed at the moment of their execution and the quantity of its execution will constitute a resource for the Rural Electrification according to the law on the matter.
- 17.11 It is not for application to the Contracts that are signed as result of this Auction, the Procedure for executing the Guarantee of Faithful Compliance approved by Resolution N° 201-2009-OS/CD, published on November 1, 2009.
- 17.12 The Guarantees of Faithful Compliance are Guarantee Letters issued by a Banking Enterprise according to Annex 3 of the Tender Documents, solidary, non-conditioned, irrevocable of automatic realization with need of notification, granted in favor of the Ministry.

18. TERMINATION OF THE CONTRACT

- 18.1 Causes for resolution of the Investment Contract are those referred in Clause 17, and all others detailed in this Contract. When it is stipulated that the resolution will be of total right the Investment Contract will terminate immediately and automatically without there being need that, the Ministry

communicates this to the Investor. Consequently, it will be sufficient the noncompliance that generates the resolution of full right to conclude immediately the Investment Contract

- 18.2 The resolution of the Investment Contract will terminate automatically the respective Commercial Service Contracts. In no case the resolution of the Contracts will mean responsibility or generate any obligation of indemnity whatsoever in favor of the Investor or third parties.
- 18.3 The Contract will terminate due to:
- a) Agreement of the Parties.
 - b) Falling due of the Time Term of Enforcement; or,
 - c) Resolution of the Contract.
- 18.4 The Ministry may resolve the Contract, if the Investor:
- a) Has given false information of any kind.
 - b) Does not comply with any of the obligations established in Clause 17.
 - c) Persists, after being sanctioned administratively by OSINERGMIN up to two (2) opportunities of not complying with its obligations established in the Contract and in the pertinent technical standards, as long as those sanctions remained firm in administrative seat and in judiciary seat if there has been interposed their respective contention.
 - d) Was sanctioned by OSINERGMIN with administrative fines not firm tributary that in one (1) calendar year are more than ten percent (10%) of the Annual invoicing of the previous year, and in judicial seat if there has been interposed the respective contention. This cause is applicable from the second year from the start of the Commercial Operation Commissioning.
 - e) It was declared in insolvency, bankrupt or liquidated.
 - f) Has transferred partially or totally the Contract without previous authorization in writing by the Ministry.
 - g) Was incorporated, separated or transformed without previous authorization in writing by the Ministry.
 - h) Does not comply without justification, in a grave and reiterated manner any obligation established in the Contract or the Applicable Laws, other than the ones indicated in the previous literal items.
- 18.5 The supposed situations to which refer the literals f), g) and h) of Clause 18.4, configure causes for termination, only if they are the product of a requirement in writing, the Investor does not remedy to the satisfaction of the Ministry, the situation of noncompliance, within sixty (60) calendar days following the date of the requirement in writing or within the larger time term that has been granted for this purpose.
- 18.6 If there is no cause for resolution of full right of this Contract, in which case the Contract would conclude due to the sole fact of noncompliance, to resolve it will be followed this procedure:
- a) The Ministry will communicate in writing to the Investor, its intention of resolving the Contract, describing the noncompliance or event and indicating the respective clause for resolution.
 - b) Once received the notarized letter of resolution of the Contract, the Investor may manifest its non-conformity with the existence of a cause for resolution, for which effect it will send the Ministry a notarized letter in a time term of maximum ten (10) days counted from the date of reception of the first notarized letter. In this case, it will be understood that there exists a conflict or controversy with respect to the resolution of the Contract, and the Clause 19 applies.
 - c) When the time is due without having the Investor expressed its disconformity, the Contract will be understood as resolved on the date of reception of the letter.
 - d) Declared the termination with resolution or if what is mentioned in literal c) occurs, the Contract will be resolved.

19 SOLUTION OF CONTROVERSIES

- 19.1 The conflicts and controversies that could arise between the Parties on the interpretation, execution, compliance and any aspect relative to the existence, validity or resolution of the Contract, should be defined as Technical or non-technical controversies.

If it is agreed that it is a Technical Controversy, this will be resolved according to the procedure stipulated in Clause 19.2., the conflicts or controversies that are not technical (each one, one "non-technical controversy") will be resolved according to the procedure foreseen in Clause 19.3.

In case the Parties do not agree that the controversy is a technical or non-technical controversy, then such conflict or controversy should be considered a Non-Technical controversy and will be solved according to the respective procedure foreseen on Clause 16.3.

No Technical Controversy may be regarding causes of termination of the Contract, which in all cases will be considered Non-Technical Controversies.

- 19.2 All and each one of the Technical Controversies that cannot be resolved directly by the Parties, should be subjected to the final and non-appealable decision of one sole Expert in the matter (the "Expert"), who will be designated by the Parties, of mutual agreement within the three (3) days after the determination of the existence of a Technical Controversy.

The Expert may be local or foreigner with ample experience on the matter of the respective Technical Controversy, who should have no conflict of interests with any of the Parties, at the time of his/her designation and while he/she intervenes as Expert .In case that the Parties are not in agreement regarding the designation of the Expert, then the Expert will have to be designated by two persons, each one designated by one of the Parties.

In case those two persons do not agree in the designation of the Expert within the time term of five (5) days following their designation, or if they were not designated within the corresponding time term, then the election of the Expert will be by raffle among three persons that any of the Parties may request to the Center of National and International Arbitrage (Centro de Arbitraje Nacional e Internacional) of the Lima Chamber of Commerce, who will have the same requirements applicable for the Expert designated by the Parties and will resolve in accordance to this Clause.

In case the Expert selected considers himself/herself not capable of resolving the Technical Controversy that was presented, another Person can be selected in the same way so that from the acceptance of the commission conferred will be considered for every purpose as the Expert that will resolve such Technical Controversy.

The Expert may request from the Parties the information deemed necessary to resolve the Technical Controversy, and as a result could submit to the Parties a proposal for conciliation, which could be or not accepted by them. The Expert may act with all the proofs and request from the Parties or third Persons the proofs deemed necessary. The Expert will prepare a preliminary decision that will be notified to the Parties within thirty (30) calendar days following its designation having the Parties a time term of five (5) days to prepare and hand over to the Expert their comments to such preliminary decision.

The Expert should issue a final decision regarding the Technical Controversy arisen within the ten (10) days following the reception of the comments from the Parties to the preliminary decision or at the time due to submit those comments, whichever happens before. The procedure for the resolution of a Technical Controversy will take place in the city of Lima, Perú, except for the acting of the proofs that the Expert might consider necessary to do so in another place.

The Expert should keep absolute reserve and maintain confidentiality regarding all the information known in its participation on the resolution of a Technical Controversy.

19.3 The Non-Technical Controversies will be resolved through nationwide and international law arbitration, according to the following:

- a) The controversies for amounts of more than twenty million Dollars (US\$ 20 000 000) or its equivalent in local currency will be resolved with international law arbitration through a procedure according to the Rules of Conciliation and Arbitrage of the Center for Arrangement of Differences Relative to Investments (Reglas de Conciliación and Arbitraje del Centro Internacional de Arreglo de Diferencias Relativas a Inversiones (CIADI)), established in the Agreement on Arrangement of Differences Relative to Investments between States and Nationals of other States. approved by Legislative Resolution N° 26210, to which norms the Parties are subjected unconditionally. If the Investor does not comply with the requirement to go to CIADI, this controversy will be subjected to the rules to which refers literal b) of this numeral.

The arbitration will take place in the city of Washington, D.C., or in the city of Lima, at the election of the Ministry, and it will be conducted in Spanish language, the corresponding arbitral resolution will be issued within ninety (90) days following the date of installation of the Arbitrator Court.

The Arbitrator Court will comprise three (3) members. Each party will designate one arbitrator and the third one, will be designated of mutual agreement by the two arbitrators designated by the Parties, who at the same time will preside the Arbitrator Court. If the two arbitrators do not agree on the designation of the third arbitrator within fifteen (15) days following the date of the designation of the second arbitrator, the third arbitrator will be designated by the CIADI at the request of any of the Parties.

If one of the Parties does not designate its arbitrator within the time term of fifteen (15) days from the date of reception of the request for designation of an arbitrator, it will be considered that it has forfeited its right and the arbitrator will be designated by the CIADI at the request of the other party.

- b) The controversies the amount of which is equal or less than twenty million Dollars (US\$ 20 000 000) or its equivalent in local currency or which cannot be quantified or be appreciated in currency, will be resolved with law nationwide arbitration through a procedure according to the Bylaws of Arbitration of the Nationwide and International Center of Arbitration of the Lima Chamber of Commerce to which norms the Parties are subjected unconditionally being of complementary application the Legislative Decree N° 1071, which Rules the arbitration. The arbitration will take place in the city of Lima, Perú and will be conducted in Spanish language and the arbitral resolution will be issued in a time term of no more than ninety (90) days following the date of installation of the Arbitrator Court.

The Arbitrator Court will comprise three (3) members. Each party will designate one arbitrator and the third one will be designated of mutual agreement by the two arbitrators designated by the Parties, who at the same time will preside the Arbitrator Court. If the two arbitrators do not agree on the designation of the third arbitrator within ten (10) days following the date of the designation of the second arbitrator, the third arbitrator will be designated by the Lima Chamber of Commerce at the request of any of the Parties.

If one of the Parties does not designate its arbitrator within the time term of ten (10) days from the date of reception of the request for designation of an arbitrator, it will be considered that it has forfeited its right and the Lima Chamber of Commerce at the request of the other party will designate the arbitrator.

19.4 The Parties agree that the resolution issued by the Arbitrator Court will be final and cannot be appealed. Consequently, the Parties forfeit their resources of appeal, cassation or any other impugnation resource

against the arbitral resolution declaring that the compliance will be obligatory, of final compliance and immediate execution.

- 19.5 During the course of the arbitration, the parties will continue with the execution of its contractual commitments, in the measure it is possible including those that are subjected to arbitration.
- 19.6 If the subject of arbitration is compliance of obligations covered with guarantee letter according to Clause 17, if it is applicable, such guarantee cannot be executed and should be maintained in force during the arbitral procedure.
- 19.7 All expenses incurred in the resolution of a Technical or Non-Technical Controversy, including the fee of the Expert or the fees of the arbiters that participate in the resolution of one Controversy will be covered by the Party that loses the action, except that the Expert or the Arbiters decide another thing.
- 19.8 From this clause are excluded the costs and expenses such as fees of advisors, internal expenses and others that result imputable to one party in an individual manner.
- 19.9 The Investor expressly renounces in an unconditional and irrevocable manner to any claim through diplomatic channels.

20 CESSION OF CONTRACTUAL POSITION, RENUNCIATION AND MODIFICATION OF THE CONTRACT

- 20.1 The Investor may transfer, assign its rights, and assign its contractual position of all or any of its obligations or rights according to the Contract and the Applicable Laws, as long as it has the previous authorization in writing by the Ministry, which cannot be denied without express basis.
- 20.2 The renunciation of any of the Parties to one or more of its rights which correspond, according to the Contract will only be effective if this is done in writing and with the due notification to the other Party. If at any moment one of the Parties renounces or does not exert a specific right consigned in the Contract, that conduct cannot be considered by the other party as a permanent renunciation to have a valid claim to that right or any other that corresponds according to the Contract .
- 20.3 The modifications and clarifications on the Contract will only be valid when they are agreed upon in writing, and signed by the representatives with power of attorney sufficient of the parties and which comply with the pertinent requirements of the Applicable Laws.

21 VALIDITY OF THE CONTRACT

- 21.1 If any stipulation or disposition of the Contract is considered null, invalid or not required by arbitral resolution such decision will be interpreted strictly for that stipulation or disposition and will not affect the validity of the other stipulations of the Contract.

22. DOMICILE

- 22.1 Except by express stipulation on the contrary foreseen in the Contract, the notifications, citations, petitions, demands and other communications due and allowed according to the Contract, should be done in writing and with personal notification to the following addresses:

If it is directed to the Ministry:

Name: Ministerio de Energía and Minas.
Address: Av. De las Artes Sur 260, Lima 41, Perú.
Attention:

If it is directed to the Investor

Name:

Address:

Attention:

or to any other address or person designated in writing by the Parties according to the first paragraph of this Clause .

Signatures

**Subscriptions to be made before the Date of Closing
(to submit Envelopes 1 and 2):**

By the Bidder or the Consortium:

Signature of Legal Representative

Name of Bidder Company or the Consortium:

Name of Representative:

Date of signature: ____ / ____ /2014.

Subscriptions done on Closing Date

For the Investor

For the Grantor:

Signature of Representative

Signature of Representative

Name of Concessionaire Company

Name of Grantor

Name of Representative:

Name of Representative:

Date of signature: ____ / ____ /2014.

Date of signature: ____ / ____ /2014.

Annex 1: Minimum Quantity Required of Autonomous RER Installations

Of the following three charts, is only applicable for the terms and scope of this Contract, the one corresponding to the Area Not Connected to a Network called "Zone " according to Annex 8 of the Tender Documents.

ÁREA NO CONECTADA A RED: ZONA SUR														
Nº	REGION	PROVINCE	MINIMUM QUANTITY REQUIRED OF AUTONOMOUS RER INSTALLATIONS									TOTAL GENERAL		
			COAST			SIERRA			JUNGLE			Type 1	Type 2	Type 3
			Type 1	Type 2	Type 3	Type 1	Type 2	Type 3	Type 1	Type 2	Type 3			
1	APURIMAC	ABANCAV				1088	9	4				1088	9	4
2	APURIMAC	ANDAHUAYIAS				1267	9	1				1267	9	1
3	APURIMAC	ANTABAMBA				626	21	6				626	21	6
4	APURIMAC	AVMARACS				1086	5	4				1086	5	4
5	APURIMAC	CHINCHEROS				748	0	0				748	0	0
6	APURIMAC	COTABAMSAS				490	3	3				490	3	3
7	APURIMAC	GRAU				257	1	1				257	1	1
8	AREQUIPA	AREQUIPA	366	0	0	697	12	25				1063	12	25
9	AREQUIPA	CAMAMA	938	5	4							838	5	4
10	AREQUIPA	CARAVEU	464	3	4	108	4	0				573	7	4
11	AREQUIPA	CASTIUA	203	14	6	731	17	0				934	31	6
12	AREQUIPA	CAVILLOMA	39	0	0	2086	14	2				2126	14	2
13	AREQUIPA	CONDESUYOS	180	2	0	301	3	2				482	5	2
14	AREQUIPA	ISIAY	47	0	0	79	0	0				126	0	0
15	AREQUIPA	LA UNION				509	7	1				509	7	1
16	CUSCO	ACO MAYO				361	3	0				361	3	0
17	CUSCO	ANTA				765	7	0				765	7	0
18	CUSCO	CALCA				474	5	5				474	5	5
19	CUSCO	CANAS				398	0	0				398	0	0
20	CUSCO	CMCH6				1618	12	3				1618	12	3
21	CUSCO	CHUMBIVICAS				244	2	1				244	2	1
22	CUSCO	CUSCD				1199	1	5				1199	1	5
23	CUSCO	ESPINAR				2 274	18	1				2 274	18	1
24	CUSCO	LA CONVENCION				2559	3	1	2559	27	9	5118	30	10
25	CUSCO	PARUROr				495	4	0				495	4	0
26	CUSCO	PAUCARTAMBO				713	4	1				713	4	1
27	CUSCO	QUISPICANCHI				1381	18	0				1381	18	0
28	CUSCO	URUBAMBA				306	6	1				306	6	1
29	MADRE 3E DIOS	MANU							391	4	7	391	4	7
30	MADRE DE OIOS	TAHUAMANU							63	1	1	63	1	1
31	MADRE DE DIOS	TAMBOPATA							491	17	19	491	17	19
32	MOQUEGUA	GRAL SANCHEZ CERRD				857	16	5				857	16	5
33	MOQUEGUA	ILO	23	0	1							23	0	1

34	MOQUEGUA	MARISCAL NIETO	132	0	0	498	6	1				630	6	1
35	PUNO	AZANGARO				1593	15	3				1593	15	3
36	PUNO	CARABAYA				326	5	2	326	1	0	652	6	2
37	PUNO	CHUCUITO				744	5	2				744	5	2
38	PUNO	ELCOLLAO				1078	13	6				1078	13	6
39	PUNO	HUANCANE				2139	6	2				2139	6	2
40	PUNO	LAMPA				1191	7	0				1191	7	0
41	PUNO	MELGAR				1452	16	7				1452	16	7
42	PUNO	MOHO				319	3	1				319		1
43	PUNO	PUND				3 605	18	15				3605	18	15
44	PUNO	SAN ANTONIO DE DE PUTINA				656	4	0				656	4	0
45	PUNO	SAN ROMAN				539	3	4				539		4
46	PUNO	SANDIA				389	1	1	1354	3	0	1743	4	1
47	PUNO	YUNGUYO				179	1	1				179	1	1
48	TACNA	CANDARAVE				197	9	0				197	9	0
49	TACNA	JORGE BASADRE	89	2	1							89	2	1
50	TACNA	TACNA	540	6	1							540	6	1
51	TACNA	TARATA				26»	15	4				264	15	4
			2921	32	17	38187	331	121	5184	53	36	46993	416	174

AREA NOT CONNECTED TO NETWORK: CENTRAL ZONE

N°	REGION	PROVINCE	MINIMUM QUANTITY REQUIRED OF AUTONOMOUS RER INSTALLATIONS									TOTAL GENERAL		
			COAST			SIERRA			JUNGLE			Type 1	Type 2	Type 3
			Type 1	Type 2	Type 3	Type 1	Type 2	Type 3	Type 1	Type 2	Type 3			
1	AYACUCHO	CANGALLO				392	3	2				392	3	2
2	AYACUCHO	HUAMANGA				951	7	10				951	7	10
3	AYACUCHO	HUANCA SANCOS				733	0	0				733	0	0
4	AYACUCHO	HUANTA				658	7	2				658	7	2
5	AYACUCHO	LAMAR				417	3	2				417	3	2
6	AYACUCHO	LUCANAS				2440	49	7				2440	49	7
7	AYACUCHO	PARINACOCAS				985	7	3				985	7	3
8	AVACUCHO	PAUCAR DEL SARA SARA				196	2	0				196	2	0
9	AYACUCHO	SUCRE				788	14	3				788	14	3
10	AYACUCHO	VICTOR FAJARDO				707	4	1				707	4	1
11	AYACUCHO	VILCASHUAMÁN				69	0	0				69	0	0
12	HUANCAVELICA	ACOBAMSA				518	1	0				518	1	0
13	HUANCAVEUCA	ANGARAE5				790	8	1				790	8	1
14	HUANCVELICA	CASTROM RREYNA				1173	13	1				1173	13	1
15	HUANCAVIRICA	CHURCAMP				357	2	2				357	2	2
16	HUANCVELICA	HUANCVEUCA				1469	6	3				1469	6	3
17	HUANCVELICA	HUAYTARA				1308	19	2				1308	19	2
18	HUANCVELICA	TAYACAIA				1246	<	1				1246	8	1
19	HUANUCO	AMBO				1108	12	0				1108	12	0
20	HUANUCO	DOS OE MAYO				284	2	0				284	2	0
21	HUANUCO	HUACAYBAMBA				417	10	1				417	10	1
22	HUANUCO	HUAMAUES				331	7	0	156	3	0	487	10	0
23	HUANUCO	HUANUCO				1395	27	4	143	1	0	1538	28	4
24	HUANUCO	LAURICOCHA				771	5	0				771	5	0
25	HUANUCO	LEONCIO PRAO							1132	24	1	1132	24	1
26	HUANUCO	MARANON				586	7	2				586	7	2
27	HUANUCO	PACHITEA				429	1	0	79	3	0	508	4	0
28	HUANUCO	PUERTO INCA							1184	38	5	1184	38	5
29	HUANUCO	YAROWILCA				125	1	0				125	1	0

30	ICA	CHINCHA	232	4	4	134	1	0				366	5	4
31	ICA	ICA	497	5	4							497	5	4
32	ICA	NAZCA	243	7	1							243	7	1
33	ICA	PALPA	165	7	1	46	3	0				211	10	1
34	ICA	PISCO	450	8	6	28	1	0				478	9	6
35	JUNIN	CONCEPCION				254	9	0				254	9	0
36	JUNIN	CHANCHAMAYO							1646	18	1	1646	18	1
37	JUNIN	CHUPACA				203	4	1				203	4	1
38	JUNIN	HUANCAYO				573	18	6				573	18	6
39	JUNIN	JAUJA				499	6	0				499	6	0
40	JUNIN	JUNIN				816	7	1				816	7	1
41	JUNIN	SATIRO							2 750	13	3	2 750	13	3
42	JUNIN	TARMA				502	3	2				502	3	2
43	JUNIN	VAULI				582	3	1				582	3	1
44	UNIA	BARRANCA	222	1	2							222	1	2
45	LIMA	CAJATAMBO				419	6	0				419	6	0
46	UMA	CANTA	112			233	1	1				344	1	1
47	LIMA	CAÑETE	1051	8	3	21	0	0				1072	8	3
48	UMA	HUARAL	189	2	2	328	6	2				517	8	4
49	LIMA	HUARO CHIRI	225	2	1	1406	9	4				1630	11	5
50	LIMA	HUAURA	123	0	2	1016	6	4				1139	6	6
51	LIMA	UMA										0	0	0
52	LIMA	OYON				361	2	0				361	2	0
53	UMA	YAUYOS				1183	14	2				1183	14	2
54	PASCO	DANIEL ALUDES CARRION				803	16	5				803	16	5
55	PASCO	OXAPAMPA							2159	48	17	2159	48	17
56	PASCO	PASCO				1503	9	7				1503	9	7
57	UCAYAU	ATALAYA							1495	39	13	1495	39	13
58	UCAYAU	CORONEL PORTILLO							1414	65	21	1414	65	21
59	UCAYAU	PADRE ABAD							306	2	2	306	2	2
60	UCAYAU	PURUS							84	7	3	84	7	3
			3508	44	26	31550	349	(3	12548	261	66	47607	654	175

Annex 2: Execution Schedule (To be incorporated after approval from DGER)

Area Not Connected to a Network: Zone _____

Activity	Time due	Description of activities
Census and Registry of users	November 2014	
	December 2014	
	January 2015	
	February 2015	
	March 2015	

Activity	Time due	Minimum Quantity (2)	Additional Quantity (3)
Commercial Commissioning of Autonomous RER Installations (1)	March 2015		
	June 2015		
	September 2015		
	December 2015		
	March 2016		
	June 2016		
	September 2016		
	December 2016		
	March 2017		
	(...)		
	December 2018		
Total Quantity Committed			

(1) Each progress should be indicated according to the Date of Start of the time term of enforcement, the commercial commissioning, as well as that established in Numeral 8 of the Contract.

(2) Control of the Minimum Quantity Required of the Autonomous RER Installations is at level of each Province, which is part of the respective Area Not Connected to a Network, according to what is indicated in Annex 1.

(3) The Additional Autonomous RER Installations that the investor is committed to put into Commercial Operation in function of the Registry of Users. This chart may be completed with the delivery of the list and will be defined by the Ministry according to Numeral 8 of the Contract.

ANNEX 3 UPDATING FORMULA

A. Formula of Updating for the Total Annual Remuneration (RAT)

$$\text{Updated RAT} = (\text{Adjudicated RAT}) \times \text{Factor}_e$$

Where:

$$\text{Factor}_e = \frac{\text{IPP}}{\text{IPP}_0}$$

IPP Index WPSSOP3500 (Finished Goods Less Food and Energy), published by the Bureau of Labor of the Government of the United States of North America

IPP₀ IPP corresponding to the date of Start of Commercial Commissioning. The initial index will be the last value available at the date of Commercial Commissioning.

The following Updating Formula will be applied on an annual basis when the Factor_e is increased or decreased in more than 5% with respect to the value of the same factor used in the last updating.

The updating factor will be rounded up to four (4) decimal digits

Total updated Annual remuneration (RAT)⁶, and the unit charges derived from it, should be rounded up to two decimals before their use.

A. Formula of Updating for the Total Annual Remuneration (RAT)

$$\text{Updated RAT} = (\text{Adjudicated RAT}) \times \text{Factor}_e$$

Where:

$$\text{Factor}_e = \frac{\text{IPP}}{\text{IPP}_0}$$

IPP Index WPSSOP3500 (Finished Goods Less Food and Energy), published by the Bureau of Labor of the Government of the United States of North America

IPP₀ IPP correspond to the date of start of the Enforcement Time Term. The initial index will be the last value available in the month of the Commercial Operation Start

⁶ Annual Remuneration of Investment Service, plus Annual Remuneration of Commercial Service (if it is the case according to the Tender Documents)

Annex 4: Minimum Technical Requirements of RER Installations

Each RER Autonomous Installation will have the following minimum characteristics:

Autonomous RER Installation – Type 1 (housings)

Electric service will be done at a voltage of 12 volts (V) in continuous current using a Photovoltaic System with the following characteristics:

- Photovoltaic Generatorⁱⁱ with minimum power 85 Wp at CEM⁷ during all the Time of Enforcement of the Annual Remuneration (Time Term of Enforcement). It should have an IEC certificate by a certifying institution with ISO 17025 The photovoltaic generators should comply with the standards IEC 61730 and IEC 61215 with standing certificates
- Electronic load comptroller appropriate for operation of proposed Autonomous RER Installation Type 1 and which in case of using a Photovoltaic Generator 85 Wp, it should be capable of giving as minimum a current of 10 A in continuous operation. The Comptroller, should not issue noise nor interferences for other electric equipment in compliance of the Directive of Electromagnetic Compatibility 2004/108/CE and Low Voltage Directive 2006/95/CE or equivalent norms which are in force in Peru and should have a maximum auto consumption equal to 1% of the current in continuous operation during the Time Term of enforcement of the Annual Remuneration (Time Term of Enforcement). Also it should have electronic protections for disconnections and short circuits and if possible the modification of the values of voltage of cutting of electrical supply and should permit the modification of the values of final voltage of load of the electrical supply, capable of storing basic operation information and that this can be exported to a computer of the PC type in open format.
- Battery of the sealed type without liquid electrolyte. The storage capacity should be associated to the photovoltaic generator offered and to the useful capacity in ambient climatic conditions of the place of installation. The useful capacity should not be less than 90 Ah (12 Volts) during all the useful life of the battery under the environmental temperature conditions where it is installed.
- LED type lamps (three units) maximum 19 watts and minimum 600 lumens, natural light, angle of opening of at least 120° of non-concentrated intensity, operation voltage 12 volts
- Installation system should be adapted to the existing conditions and loads foreseen, designed, constructed and maintained according to a code of valid construction and the norms in place in Peru. It will be constructed of galvanized steel, stainless steel or aluminum that will comply with the specific standard for this type of structures and will guarantee a useful life of 20 years.
- The cables for wiring should comply with the bylaws of low voltage in place in Peru, and they should be protected and those that are in outdoors should maintained their properties for at least 20 years.
- Electric installations which contain one double outlet, with defined polarization, also an outlet for universal loader for cellular, according to referential diagram in Annex 9-2

Autonomous RER Installation – Type 2 (Health Centers)

Electricity supply should be at a voltage between 240 volts and 220 in alternate current, one phase, 60 Hz, using a Photovoltaic System with the following characteristics:

- Photovoltaic Generator⁸ with peak power of five (5) times the power of Type 1 at CEM during the Time Term of enforcement of the Annual Remuneration

⁷ The photovoltaic generator should comprise photovoltaic modules of the same trademark and of similar technical characteristics among them.

⁷ Referred to Standard Conditions of Metering (CEM or STC); 1 000 W/m²; 25°C: AM=1,5, normal incidence

⁸ Photovoltaic generator should be made up by photovoltaic modules of the same trademark and of similar technical characteristics of one another

(Time Term of Enforcement). It should have IEC certificate by a certifying institution with ISO 17025

- Electronic load comptroller appropriate for operation of proposed Autonomous RER Installation Type 2 and which in the case of power of the module(s) it will be the minimum required should be capable of as minimum of giving a power equal to 600 VA in continuous operation under ambient climatic conditions of the place of installation. The Comptroller should not issue noise nor interferences for other electric equipment in compliance of the Directive of Electromagnetic Compatibility 2004/108/CE and Low Voltage Directive 2006/95/CE or equivalent norms which are in force in Peru and should have a maximum auto consumption equal to 1% of the current in continuous operation during the Time Term of enforcement of the Annual Remuneration (Time Term of Enforcement). Also it should have electronic protections for disconnections and short circuits and if possible the modification of the values of voltage of cutting of electrical supply and should permit the modification of the values of final voltage of load of the electrical supply, capable of storing basic operation information and that this can be exported to a computer of the PC type in open format.
- Battery of the sealed type without liquid electrolyte. The storage capacity should be associated to the photovoltaic generator offered and at the Working Discharge Depth under ambient climatic conditions of the place of installation. The useful capacity should not be less than 360 Ah (12 Volts) during all the useful life of the battery under the environmental temperature conditions where it is installed.
Inverter electronic with pure sinusoidal wave of 800 Va of minimum nominal power under ambient climatic conditions of the place of installation. It should not issue noise or interferences with other electric equipment in compliance of the Directive of Electromagnetic Compatibility 2004/108/CE and Low Voltage Directive 2006/95/CE or equivalent norms which are in force in Peru and should have a maximum auto consumption equal to maximum 3% of the nominal power. Also it should have electronic protection for disconnections and short circuits and a system of acknowledgement of loads that can be adjusted between 1 to 20 Watts, also it should be possible the modification of the values of final voltage load of the electricity supply, and should be capable of storing basic operation information and which can be exported to a PC type computer in open format.
- Installation system should be adapted to the exiting conditions and loads foreseen, designed, constructed and maintained according to a code of valid construction and the norms in place in Peru. It will be constructed of galvanized steel, stainless steel or aluminum that will comply with the specific standard for this type of structures and will guarantee a useful life of 20 years.
- The cables for wiring should comply with the bylaws of low voltage in place in Peru, and they should be protected and those that are in outdoors should maintained their properties for at least 20 years.

Autonomous RER installation - Type 3 (Schools)

Electricity supply should be at a voltage of 220 volts and 240 volts in alternate current, one phase, 60 Hz, using a Photovoltaic System with the following characteristics:

- Photovoltaic Module⁹ with minimum power of ten (10) times the power of Type 1 at CEM¹⁰ during the Time Term of enforcement of the Annual Remuneration (Time Term of Enforcement). It should have IEC certificate by a certifying institution with ISO 17025
- Electronic load comptroller appropriate for operation of proposed Autonomous RER Installation Type 3 and which in case the power of the module(s) is the minimum required it will be capable of giving as minimum a current of 100 A in

⁹ The photovoltaic generator should be formed by photovoltaic modules of the same trademark and of similar technical characteristics of one another

¹⁰ Referred to Standard Conditions of metering (CE Mor STC); 1 000 W/m²; 25°C; AM = 1,5, Normal Incidence

continuous operation under climatic ambient temperatures of the place of installation. The Comptroller should not issue noise nor interferences for other electric equipment in compliance of the Directive of Electromagnetic Compatibility 2004/108/CE and Low Voltage Directive 2006/95/CE or equivalent norms which are in force in Peru and should have a maximum auto consumption equal to 1% of the current in continuous operation during the Time Term of enforcement of the Annual Remuneration (Time Term of Enforcement). Also it should have electronic protections for disconnections and short circuits and if possible the modification of the values of voltage of cutting of electrical supply and should permit the modification of the values of final voltage of final load of the electrical supply.

- Battery of the sealed type without liquid electrolyte. The storage capacity should be associated to the photovoltaic generator offered and to the depth of work discharge in ambient climatic conditions of the place of installation. The useful capacity should not be less than 720 Ah (associated to 12 Volts) during all the useful life of the battery under the environmental temperature conditions where it is installed.
- Inverter, electronic with pure sinusoidal wave of 1200 Va of minimum nominal power under the ambient temperature of the place of installation. It should not issue noise nor interferences for other electric equipment in compliance of the Directive of Electromagnetic Compatibility 2004/108/CE and Low Voltage Directive 2006/95/CE or equivalent norms which are in force in Peru and should have an auto consumption of maximum 3% of the nominal power. Also it should have electronic protection for disconnections and short circuits and a system of acknowledgement of loads that can be adjusted between 1 to 20 Watts, also the modification should be possible of final values of voltage load of the electricity supply.
- Installation system should be adapted to the existing conditions and loads foreseen, designed, constructed and maintained according to a code of valid construction and the norms in place in Peru. It will be constructed of galvanized steel, stainless steel or aluminum that will comply with the specific standard for this type of structures and will guarantee a useful life of 20 years.
- The cables for wiring should comply with the bylaws of low voltage in place in Peru, and they should be protected and those that are in outdoors should maintained their properties for at least 20 years.

For all cases the battery, the load comptroller and the inverter (if it is the case) should be installed in sealed boxes to avoid their manipulation. Also the system should have indicators that will show the conditions of loading of the battery.

The Participant should certify the compliance of the technical specifications mentioned above with the submission of the corresponding documentation and include the contents to justify the commitment of the guarantee detailed in Annex 9.3.

In the case of systems Type 2 and Type 3, adequate systems of earth connection should be installed. Also the Investor should take into account the isoceraunic levels for the designs.

In case it is required to serve Users other than the three type established before, the Autonomous RER Installation of the Type 2 or Type 3 which is more adequate for the requirement. Similar treatment will have those health centers or schools with capacity requirements other than those established in its category

Annex 5: Procedure of Registry of Autonomous RER Installations

The Autonomous RER Installations will be registered as minimum in monthly blocks. The Distributor will issue the registration document of the block of Autonomous RER Installations and will communicate this to Osinergmin for the remuneration of the Autonomous RER Installations commissioned for commercial operation. Remuneration of the block will start on the first day of the month following the issuing of the registry document.

Requirements for registry of the block are: i) submit the report of the block of Autonomous RER Installations made and ii) inscribe the Autonomous RER Installations in the Distributor information system.

For compliance of the Investor commitment of making the Commission Date at quarterly level, according to Clause 8 of the Contract, the date will be considered in which the investor sends the Distributor the report mentioned in the following numeral 5.1.

5.1 Report of the Block of Autonomous RER Installations Installed

Registry will be done as minimum in monthly blocks of Autonomous RER Installations which will be reported by the Investor to the Distributor and OSINERGMIN. Those blocks will have to coincide with the Execution Schedule.

The form of this report will be defined by the Distributor and will contain at least the following information: i) Data of User identification; ii) Serial numbers of equipment installed; iii) magnetic files of the photos of the assembly of the installations; iv) magnetic file with the photo of the user in front of the housing which was benefitted; v) Protocol of measuring of verifications made of the installations, signed by the technician in charge; vi) Conformity of installation by User; vii) format of confirmation of inscription of the Autonomous RER Installations in the information system of the Distributor.

The Distributor will be the one responsible for the verification of the information indicated in the mentioned report. For that purpose, the investor will communicate with an anticipation of 15 calendar days the program of Autonomous RER Installations to be executed in the following month, with information of localities to be covered per day. This information will be requested only for programming the verification in the field by the Distributor and will not generate penalties or sanctions due to deviations from the compliance of the reported program.

It is the responsibility of the investor the veracity of the information indicated in the report of the Autonomous RER Installations made. In case during verification it is seen that the report indicates non existing or not operative Autonomous RER Installations, in a value greater than 1% of the group of installations registered in the corresponding report, the investor will be penalized with two months delay of the start of the remuneration of the corresponding block.

For verification in the field of the block and the issuing of the registry it will be considered that each Autonomous RER Installations is adequately installed, when same is in operation it will comply with the minimum safety criteria in the assembly defined by DGER. The Distributor will make a Procedure of Verification in the field that will be approved by DGER.

The agreement with the report of the block of Autonomous RER Installations will be issued in maximum thirty (30) calendar days as from the date of its reception. In case the Distributor does not issue the conformity in this time term, the Investor may require from Osinergmin the respective remuneration.

If installations with observations are found these will not be accepted for register. The investor may remedy the observations and include them in the reports of the following months.

In case that after the registry is issued the Distributor, Osinergmin or the investor, identify defects in the Autonomous RER Installations installed, the Investor should repair such installation.

5.2 Inscription of installations in the Information installations of the Distributor

The Investor should inscribe each Autonomous RER Installation in the Distributor system. The confirmation of the registry in this system should be included in the report of the block of Autonomous RER Installations to which refers to numeral 5.1 which is previously mentioned. The procedure required will be established by the Distributor.

ANNEX 6: DIAGRAM OF AUTONOMOUS RER INSTALLATION TYPE 1

G

LEGENDA
COMPONENTS

PHOTOVOLTAIC GENERATOR
LOAD COMPTRROLLER
THERMAL MAGNETIC SWITCH
SOCKET FOR LAMP OR
POLARIZED OUTLET

**ANNEX 7: DEFINITIONS
(HERE WILL BE INDICATED THE DEFINITIONS INCLUDED IN THE
TENDER DOCUMENTS)**

ANNEX 14: SERVICE CONTRACT

REPUBLIC OF PERU
MINISTRY OF ENERGY AND MINES

SERVICE CONTRACT FOR THE SUPPLY OF ELECTRICITY WITH RENEWABLE ENERGY RESOURCES
IN AREAS NOT CONNECTED TO A NETWORK

Lima, _____ 2014

Service Contract for supply of electricity with renewable energy resources in Areas Not Connected to a Network

This document sets the terms of the Service in the Area Not Connected to a Network called "Zone" _____, "Sector" _____ according to Annex 8 of the Tender Documents (hereinafter the "Contract"), which is celebrated on the one part by the _____ hereinafter the "Investor" and _____ the "Distributor" under the following terms and conditions,

1 PRELIMINARY DISPOSITIONS

- 1.1 The Contract is the result of the Process of Public Auction conducted by OSINERGMIN within the framework of the Bylaws for the Promotion of the Electric Investment in Areas Not connected to a Network approved by Supreme Decree N° 020-2013-EM.

Integral part of this contract are the Tender Documents, the Applicable Laws as well as the dispositions and following acts:

- a) Resolution OSINERGMIN N° 163-2013-0S/CD and Ministerial Resolutions N° 293-2013-MEM/DM, N° 051-2014-MEM/DM and N° 132-2014-MEM/DM which designate the participants of the Committee for the Conduction of the Auction Process of Electricity Supply with Renewable Energy Resources in Areas Not Connected to a Network .
 - b) The Notarized Minutes of Adjudication of the Contract signed by the Committee.
- 1.2 The Contract was written and signed according to the internal Laws of Peru and its contents, execution and other consequences, which may originate from it will be ruled by those Laws.
- 1.3 In the present Contract, the terms that are in capital letters be them used in singular or plural, will have the same meanings as those of the Tender Documents, or the Applicable Laws, or correspond to terms that are commonly employed with capital letters. The terms indicated in the following will mean:
- 1.3.1 Contract:** Is the present Service Contract.
 - 1.3.2 Party:** According to what the case may be, the Distributor, the Investor.
 - 1.3.3 Parties:** Are together, the Distributor and the Investor.
- 1.4 All reference made in the Contract to "Clause" or "Annex" should be understood to be made to Clauses o Annexes of the Contract, except when there is an express indication on the contrary.
- 1.5 The titles included permit to systematize the text and should not be considered as part of the Contract which limits or extends its contents or to determine the rights and obligations of the Parties.
- 1.6 The terms in singular will include will the same terms in plural and vice versa. The masculine terms include the feminine ones and vice versa.
- 1.7 The Contract is in effect as of the date it is signed and is maintained in force up to the end of the Time Term of Enforcement of the Investment Contract.

2 OBJECT OF THE CONTRACT

Establish the regime of obligations and responsibilities between the Parties, related to the service between the Investor and the Distributor established in the Investment Contract according to what is specified in the Consolidated Tender Documents of the First RER Auction for Supply of Energy to Areas Not Connected to a Network (Autonomous RER Installation or Alternative Equivalent Installations) according to Supreme Decree N° 020-2013-EM.

3 DECLARATIONS OF THE PARTIES

3.1 The Investor guarantees the Distributor the veracity and exactness of the following declarations:

3.1.1 The Investor: (i) Is a duly, constituted society and validly existing according to the Applicable Laws and according to what is established in the Tender Documents; (ii) It is duly, authorized, and in capacity of assuming the obligations that correspond as consequence of the signing of the Contract in all jurisdictions it is necessary due to the nature of its activities or due to the property, leasing or operation of its commodities; and (iii) That has complied with all the requirements necessary to formalize the Contract and to comply with the commitments stipulated in it.

3.1.2 The signature, delivery and compliance of the Contract, by the Investor, are included in its faculties and have been duly authorized by its board of directors or other similar society organ.

3.1.3 Other acts or procedure on the part of the Investor is not necessary to authorize the signing and the compliance of the obligations, which correspond under the Contract. The Contract, has been duly and validly signed and delivered by the Investor, and constitutes a valid and committing obligation, which can be required from the Investor.

3.1.4 There are no actions, judgments, arbitrages or other legal procedures in course, nor sentences, nor decisions of any class which have not been executed against the Investor or any main partner of the society, that have the purpose of prohibiting or in any other manner impede or limit compliance of the commitments or obligations which are foreseen in the Contract .

3.1.5 The Investor knows the Peruvian juridical framework, as well as the uses and customs of the Peruvian market. The Investor in particular, knows that it is responsible for the measures that are applied by OSINERGMIN due to the deficiencies in the functioning of the Autonomous RER Installations or Alternative Equivalent Installations of the respective Area Not Connected to a Network.

3.2 The Distributor guarantees the veracity and exactness of the following declarations:

3.2.1 The Distributor is duly authorized according to the Applicable Laws to act as representative of the State in the present Contract. The signing, delivery and compliance by the Distributor of this Contract, are included in its faculties, are according to the Applicable Laws, and have been duly authorized by the Government Authority.

3.2.2 The Distributor declares being able and having the funds necessary to conduct the functions that are commissioned in the Tender Documents and in the Contract, according to Supreme Decree N° xxx-2014-EM, Special Commission granted by the Ministry in the framework of what is indicated in Legislative Decree 1031.

3.2.3 No other action or procedure on the part of the Distributor nor any other Government Authority is necessary to authorize the signing of the Contract or for compliance of the obligations of the Distributor foreseen in same. The Contract has been duly and validly signed by the authorized representative or representatives of the Distributor and, together with the due authorization, signature and delivery of same by the Investor, constitutes a valid and committing obligation for the Distributor.

4 OBLIGATIONS OF THE PARTIES

4.1.1 The Investor, is responsible for maintaining in operation, the Autonomous RER Installations or Alternative Equivalent autonomous and to attend the reports of failure of the system made by the users and channeled through the Distributor as well as conducting all actions necessary to comply with the obligations described in this Contract, in the Investment Contract, in the Tender Documents of the contest and the annexes.

4.1.2 The Distributor commits itself to manage a network for attention of the users, which will receive the reports of failure of the system, from them and will channel them to the Investor.

4.1.3 The Distributor commits itself also to facilitate the necessary information to OSINERGMIN for control of the compliance of the Service Factor that is part of the Correction Factor.

4.1.4 The Investor will manage a network for attention of the failure reports filed by the users and channeled by the Distributor. The design of this attention center will comply with the following criteria:

- Transfer of the information will be electronically, accessible through a system N° EB or with a mobile application (APP). The servers for attention of these applications will be designed to guarantee an availability of 95% of the time and which can be audited on a monthly basis. In case of non compliance of this requirement of availability the Distributor will report to OSINERGMIN the larger of the following values: i) the service factor found in the corresponding period of control; or ii) a service factor equal to the level of availability of the system found in the audit of the corresponding month.
- The date and hour of each incoming failure report should be registered automatically, being able to identify the users and their requirement of non-availability.
- The final event of the attention should be registered in the requirement, notifying the Distributor through a day electronic report of the requirements that were attended. The Distributor can verify the attention reported by the Investor. In case it is identified more than 3% of falsehood in reported attentions, the Distributor will report to OSINERGMIN the larger of the following values: i) the service factor found in the corresponding period of control; o ii) service factor equal to 90%.
- The system should give access to the Distributor and OSINERGMIN to visualize the Database of failure reports from the users.

4.1.5 The Distributor should transfer opportunely the reports of failures by users to the Investor.

4.1.6 The Distributor will give the Investor the designs for logos and emblems to be used by the latter in: i) the documentation to be handed over to the User; ii) the equipment that were necessary; iii) the documentation to be handed over to local authorities and iv) others that would be necessary.

5 CONTRACTUAL RESPONSIBILITY

5.1 For the purposes of this Contract, there will exist a situation of fortuitous or force majeure as long as an event, condition or circumstance not imputable to the Parties, that will prevent one of them to comply with the obligations or causes total or partial noncompliance or late or defective compliance. The event must be out of the reasonable control of the Party that invokes the cause. In spite of all the reasonable efforts to prevent it or mitigate its effects, and cannot be avoided the configuration of the situation of total or partial noncompliance or defective compliance.

5.2 The Force Majeure event will not free the Parties of compliance of the obligations that are not affected by that event. The Party that invokes the Force Majeure should make its greatest effort to ensure the re-initiation of the activity at the shortest time possible after the event has happen.

5.3 The Party that invokes the event of Force Majeure should inform the other Party regarding:

- a) The facts that constitute such event of Force Majeure, within the following seventy two (72) hours that the event occurred or of having been informed, according to what the case may be, and
- b) The estimated period of total or partial restriction of its activities. Additionally, the other Party should be kept informed regarding the development of those events.

5.4 In case of the Parties is not in agreement with the qualification of the event as one of Force Majeure or of its consequences, it can use the procedure of solution of controversies of Clause 7.

6 TERMINATION OF THE CONTRACT

6.1 The Contract will terminate due to:

- a) Agreement of the Parties.
- b) Due date of the Time Term of Enforcement, or
- c) Resolution of the Contract .

In case the Ministry resolves the Investment Contract according to what is established in Numeral 16.2 of the Clause 16 of that Contract , the present Service Contract will automatically be terminated without waiving the indemnities or any compensations whichever the nature of which that have been generated by the Parties in compliance of their obligations.

7 SOLUTION OF CONTROVERSIES

7.1 The conflicts and controversies that could arise between the Parties on the interpretation, execution, compliance and any aspect relative to the existence, validity or resolution of the Contract, should be defined as Technical or non-technical controversies.

If it is agreed that it is a Technical Controversy, this will be resolved according to the procedure stipulated in Clause 7.2., the conflicts or controversies that are not technical (each one, one "non-technical controversy") will be resolved according to the procedure foreseen in Clause 7.3.

In case the Parties do not agree that the controversy is a technical or non-technical controversy, then such conflict or controversy should be considered a Non-Technical controversy and will be solved according to the respective procedure foreseen in Clause 4.3.

No Technical Controversy may be regarding causes of termination for the Contract, which in all cases will be considered Non-Technical Controversies.

7.2 Each one of the Technical Controversies that cannot be resolved directly by the Parties should be subjected to the final and non-appealable decision of one sole Expert in the matter (the "Expert"), who will be designated by the Parties, of mutual agreement within the three (3) days after the determination of the existence of a Technical Controversy.

The Expert, may be local or foreigner, with ample experience on the matter of the respective Technical Controversy, who should have no conflict of interests with any of the Parties at the time of his/her designation and while he/she intervenes as Expert .In case that the Parties are not in agreement regarding the designation of the Expert, then the Expert will have to be designated by two persons, each one designated by one of the Parties.

In case those two persons do not agree in the designation of the Expert within the time term of five (5) days following their designation, or if they were not designated within the corresponding time term, then the election of the Expert will be by raffle among three persons that any of the Parties may request to the Center of National and International Arbitrage (Centro de Arbitraje Nacional e Internacional) of the Lima Chamber of Commerce, who will have the same requirements applicable for the Expert designated by the Parties and will resolve in accordance to this Clause.

In case the Expert selected considers himself/herself not capable of resolving the Technical Controversy that was presented, another Person can be selected in the same way so that from the acceptance of the commission conferred will be considered for every purpose as the Expert that will resolve such Technical Controversy.

The Expert may request from the Parties the information deemed necessary to resolve the Technical Controversy, and as a result could submit to the Parties a proposal for conciliation, which could be or not accepted by them. The Expert may act with all the proofs and request from the Parties or third Persons the proofs deemed necessary. The Expert will prepare a preliminary decision that will be notified to the Parties within thirty (30) calendar days following its designation having the Parties a time term of five (5) days to prepare and hand over to the Expert their comments to such preliminary decision.

The Expert should issue a final decision regarding the Technical Controversy arisen within the ten (10) days following the reception of the comments from the Parties to the preliminary decision or at the time due to submit those comments, whichever happens before. The procedure for the resolution of a Technical Controversy will take place in the city of Lima, Perú, except for the acting of the proofs that the Expert might consider necessary to do so in another place.

The Expert should keep absolute reserve and maintain confidentiality regarding all the information known in its participation on the resolution of a Technical Controversy.

7.3 The Non-Technical Controversies will be resolved through nationwide and international law arbitration, according to the following:

- a) The controversies for amounts of more than twenty million Dollars (US\$ 20 000 000) or its equivalent in local currency will be resolved with international law arbitration through a procedure according to the Rules of Conciliation and Arbitration of the Center for Arrangement of Differences Relative to Investments (Reglas de Conciliación and Arbitraje del Centro Internacional de Arreglo de Diferencias Relativas a Inversiones (CIADI)), established in the Agreement on Arrangement of Differences Relative to Investments between States and Nationals of other States. approved by Legislative Resolution N° 26210, to which norms the Parties are subjected unconditionally. If the Investor does not comply with the requirement to go to CIADI, this controversy will be subjected to the rules to which refers literal b) of this numeral.

The arbitration will take place in the city of Washington, D.C., or in the city of Lima, at the election of the Ministry, and it will be conducted in Spanish language, the corresponding arbitral resolution will be issued within ninety (90) days following the date of installation of the Arbitrator Court.

The Arbitrator Court will comprise three (3) members. Each party will designate one arbitrator and the two arbitrators designated by the Parties, who at the same time will preside the Arbitrator Court, will designate the third one of mutual agreement. If the two arbitrators do not agree on the designation of the third arbitrator within fifteen (15) days following the date of the designation of the second arbitrator, the third arbitrator will be designated by the CIADI at the request of any of the Parties.

If one of the Parties does not designate its arbitrator within the time term of fifteen (15) days from the date of reception of the request for designation of an arbitrator, it will be considered that it has forfeited its right and the arbitrator will be designated by the CIADI at the request of the other party.

- b) The controversies, the amount of which is equal or less than twenty million Dollars (US\$ 20 000 000) or its equivalent in local currency, or which cannot be quantified or be appreciated in currency, will be resolved with law nationwide arbitration through a procedure according to the Bylaws of Arbitration of the Nationwide and International Center of Arbitration of the Lima Chamber of Commerce to which norms the Parties are subjected unconditionally being of complementary application the Legislative Decree N° 1071, which Rules the arbitration. The arbitration will take place in the city of Lima, Perú and will be conducted, in Spanish language and the arbitral resolution will be issued in a time term of no more than ninety (90) days following the date of installation of the Arbitrator Court.

The Arbitrator Court will comprise three (3) members. Each party will designate one arbitrator and the two arbitrators designated by the Parties, who at the same time will preside the Arbitrator Court, will designate the third one of mutual agreement. If the two arbitrators do not agree on the designation of the third arbitrator within ten (10) days following the date of the designation of the second arbitrator, the third arbitrator, will be designated by the Lima Chamber of Commerce at the request of any of the Parties.

If one of the Parties does not designate its arbitrator within the time term of ten (10) days from the date of reception of the request for designation of an arbitrator, it will be considered that it has forfeited its right and the Lima Chamber of Commerce at the request of the other party will designate the arbitrator.

- 7.4 The Parties agree that the resolution issued by the Arbitrator Court will be final and cannot be appealed. Consequently, the Parties forfeit their resources of appeal, cassation or any other impugnation resource against the arbitral resolution declaring that the compliance will be obligatory, of final compliance and immediate execution.
- 7.5 During the course of the arbitration, the Parties will continue with the execution of its contractual commitments, in the measure it is possible including those that are subjected to arbitration.
- 7.6 If the subject of arbitration is compliance of obligations covered with guarantee letter according to Clause 5, if it is applicable, such guarantee cannot be executed and should be maintained in force during the arbitral procedure.
- 7.7 All expenses incurred in the resolution of a Technical or Non-Technical Controversy, including the fee of the Expert, or the fees of the arbiters that participate in the resolution of one Controversy will be covered by the Party that loses the action, except that the Expert or the Arbiters decide another thing.
- 7.8 From this clause are excluded the costs and expenses such as fees of advisors, internal expenses and others that result imputable to one party in an individual manner.
- 7.9 The Investor expressly renounces in an unconditional and irrevocable manner to any claim through diplomatic channels.

8 CESSION OF CONTRACTUAL POSITION, RENUNCIATION AND MODIFICATION OF THE CONTRACT

- 8.1 The Investor may transfer, assign its rights, and assign its contractual position of all or any of its obligations or rights according to the Contract and the Applicable Laws, as long as it has the previous authorization in writing by the Ministry, which cannot be denied without express basis.
- 8.2 The renunciation of any of the Parties to one or more of its rights, which correspond according to the Contract, will only be effective if this is done in writing and with the due notification to the other Party. If at any moment one of the Parties renounces or does not exert a specific right consigned in the Contract, that conduct cannot be considered by the other party as a permanent renunciation to have a valid claim to that right or any other that corresponds according to the Contract .
- 8.3 The modifications and clarifications on the Contract will only be valid when they are agreed, upon in writing and signed by the representatives with power of attorney sufficient of the Parties and which comply with the pertinent requirements of the Applicable Laws.

9 VALIDITY OF THE CONTRACT

- 9.1 If any stipulation or disposition of the Contract is considered null, invalid or not required by arbitral resolution such decision will be interpreted strictly for that stipulation or disposition and will not affect the validity of the other stipulations of the Contract .

10. DOMICILE

- 10.1 Except by express stipulation on the contrary foreseen in the Contract, the notifications, citations, petitions, demands and other communications due and allowed according to the Contract, should be done in writing and with personal notification to the following addresses:

If it is directed to the Ministry :

Name: Ministerio de Energía and Minas.
Address: Av. Las Artes 260, Lima 41, Perú.
Attention:

If it is directed to the Investor

Name:
Address:
Attention:

or to any other address or person designated in writing by the Parties according to the first paragraph of this Clause .

DISTRIBUTOR

INVESTOR

i