

Power and Water Purchase Agreements: Commercial and Legal Perspectives

London -

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Course code: PS190 From: 23-11-2026 Venue: London - Course Fees: 5000 £

Introduction

The Power Purchase Agreement (PPA) is a complex component of an energy project that can be used to purchase any type of energy, renewable or non-renewable. Negotiating a bankable PPA is critical if a project is to succeed. A PPA must consider the current regulatory environment, as well as provisions that will close at the price, amount, and risk factors, as the agreement is typically for a 20–30-year period. Participants in this course will be given a road map for navigating a PPA as well as an in-depth understanding of the essential clauses.

This PPA training course will use a variety of PPAs and case studies to elaborate on contractual, commercial, and risk management issues that must be addressed in a PPA. The success of an energy project is heavily reliant on how well a PPA is negotiated and implemented. This course aims to provide participants with the tools they need to accomplish this.

Participants will participate in an interactive course that will include a discussion of several case studies from around the world, reading of model PPA agreements, and participating in a mock PPA negotiation.

This training course will highlight:

- The diverse project structures and models for a PPA
- The functions and obligations of the Seller and Buyer under a PPA
- The crucial contractual clauses necessary
- Risk management techniques
- Guarantees and warranties
- Pricing, Tariffs and Take or Pay obligations
- Contract compliance and penalties
- Avoiding ordinary errors and mistakes in negotiating a PPA agreement
- Embracing risk management procedures and the allocation and limitation of liability between Seller and Buyers of energy

Course Objectives of Power and Water Purchase Agreements

- UNDERSTAND the essential elements of a PPA and the underlying laws and regulations
- MITIGATE the common risks in a PPA through careful considerations of the commercial and legal aspects of an energy project
- STRATEGIZE all stages of the PPA namely the negotiation, execution and implementation
- DEVELOP effective negotiation skills to obtain the best advantage in a PPA
- LEARN the key issues faced during project lifecycle and how to tackle these through enforceable contractual clauses
- BE AWARE of critical issues which could affect the critical aspects of the power generation project

- MANAGE the stakeholder relationships
- PARTICIPATE effectively in the resolution of claims and disputes

At the end of this training course, you will learn to

- Examine the structure of the PPA document and the terms of a power purchase agreement
- Comprehend the commercial and legal matters relating to the negotiation and execution of a PPA
- Know the different types of PPAs used for implementing power projects
- Apply practical techniques negotiation, execution, and implementation of a PPA
- Comprehend the different considerations in adopting risk management measures and the allocation and limitation of liability between Sellers and Buyers of energy
- How to negotiate an effective PPA encompassing all the critical issues faced upon instances of delayed scheduled, cost overruns, substandard quality, pricing volatility, and many more real-life problem scenarios

Course Methodology of Power and Water Purchase Agreements

In this training course, participants will obtain thorough training on the subjects covered by the course outline with the trainer using various proven learning teaching and facilitation techniques. Course methodology includes both a lecture format and a handbook, case studies and practical problem-solving sessions, and interactive discussions. Participants will receive materials that provide the participants with a useful reference resource. The instructor also encourages questions and discussions from participants during the topical presentations.

Organizational Impact of Power and Water Purchase Agreements

The organization will benefit by:

- Developing the expertise of personnel interested in PPA negotiations and implementation
- Will allow project and general management groups to be more effective in dealing with commercial and legal aspects of a PPA
- Understanding how to allocate and manage risk and decrease the possibility of conflicts and claims
- Reducing project failure, costly changes, and cost overruns caused by poor understanding and management of risk in a PPA
- Executing more acceptable risk management will improve the chance of project success
- Developing an appreciation of the true effect of contractual indemnities and limitation of liability will minimize exposure of the company to project risks

Personal Impact of Power and Water Purchase Agreements

By attending this training course, participants will be able to:

- Understand the essential elements of a PPA
- Familiar with best contracting strategies for a PPA
- Assess operational, commercial, legal, and financial risks in energy projects
- Appreciate the essential elements of the implementation and execution of a PPA
- Negotiate an effective PPA

- Effectively manage and resolve claims and disputes

Target Audience

This training course is suitable for a wide range of professionals but will greatly benefit:

- Business Analysts
- Business Development and Marketing Managers
- Commercial Managers
- Consultants
- Contract Managers
- Corporate and Project Financing Personnel
- Economists
- Accountants
- Engineers
- External Legal Counsel
- In-house Legal Counsel

Course Outlines

DAY 1

Power Purchase Agreement Introduction & Main Features

- Introduction to Energy Industry and the role of the PPA
- Profile of the Project - Parties
- Different Project Structures & Business Models Lease, License, Concession, BOT, BOO, BOOT
- Special Purchase Vehicle (SPV) Purpose and Role
- Generator Covenants
- Assignments Rights
- Licenses
- Metering, Measurement and Verification

- Indemnifications
- Purchaser Covenants
- Price and Payment
- Avoided Peak Demand Payments
- Liquidated Damages

DAY 2

Essential Clauses in a PPA

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

DAY 3

Risk Assessment in a PPA

- Liquidated Damages □ Delay and Performance

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

DAY 4

Commercial Aspects of a PPA

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

DAY 5

Negotiation of a PPA & Dispute Resolutions in PPA

- Negotiate the Best PPA
    - Prepare a Term Sheet
    - Set Framework for Negotiations
    - Balance Buyer's and Seller's Needs

- Know your BATNA
- Focus on Interests not Positions
- Reach Sustainable Agreement

- Negotiation Exercise
  - Negotiate on Key Milestones to be Achieved & Penalties for Failures
  - Negotiate Performance Guarantees
- Dispute Resolution
  - Different Types of Dispute Resolution
  - Litigation
  - Mediation
  - Arbitration
  - Expert Determination