

## **PREFACE FOR MODEL POWER PURCHASE AGREEMENT**

The Tanzania Model Power Purchase Agreements (MPPAs) have been developed as part of the Government's ongoing initiatives to fostering a stable, transparent, and investor-friendly environment for power sector development. These MPPAs aim to streamline the negotiation process for energy procurement and provide clarity to both project developers and off-takers regarding their contractual rights, obligations, and risk allocation associated with power projects in Tanzania.

These MPPAs are designed to accommodate various technologies including power generation from renewable energy sources such as solar, wind, hydro and geothermal, as well as power generation from conventional sources namely natural gas, fuel-oil and coal, and reflect the legal, regulatory, and institutional frameworks of Tanzania's electricity sector. The MPPAs provide a balanced structure that protects the interests of the national utility and other off-takers while ensuring that projects remain financially viable and bankable for private investors.

The objective of MPPAs is to reduce both negotiation time and transaction costs, as well as enhance transparency in the power sector through standardization of key contractual terms. Stakeholders are encouraged to use these Model Agreements as a starting point for developing project-specific contracts, with appropriate adjustments to reflect the unique characteristics of each project, subject to approval by the relevant authorities.