

On the implementation of the legal obligations of Iran's ministry of energy, the guaranteed electricity purchase feed-in tariff for types of renewable and clean energy are notified as follows:

Row	Technology type		Guaranteed electricity purchase tariff (IRRs per kWh)
1	Biomass	Landfill	2700
		The anaerobic digestion of manure, sewage and agriculture	3500
		Incineration and waste gas storage	3700
2	Wind farm	above 50 megawatt capacity*	3400
		with the capacity of 50 megawatt and less	4200
3	Solar farm	above 30 megawatt capacity*	3200
		with the capacity of 30 megawatt and less	4000
		with the capacity of 10 megawatt and less	4900
4	Geothermal (including excavation and equipment)		4900
5	Waste Recycling in industrial processes		2900
6	Small hydropower	Installation on the rivers and side facility of dams	2100
	with the capacity of 10 MW and less	Installation on the pipelines	1500
7	Fuel cell systems		4948
8	Turbo expanders		1600

*Quota capacity for the wind and solar farms are determined by the compliance of paragraph 8 of this directive.

Row	Allocated to the consumers and limited to the connection capacity		Guaranteed electricity purchase tariff (IRRs per kWh)
1	Wind with the capacity of 1 megawatt and less		5700
2	Solar	with the capacity of 100 kilowatt and less	7000
		with the capacity of 20 kilowatt and less	8000

1. Power Purchase Agreements of power plants subject to this announcement are extended for a 20 year period with the specified tariffs during years of contract; the tariffs will be adjusted in accordance with coefficient under article 3 of Economic Council Directive.

- Note1. Tariffs mentioned for all power plants subject to this announcement except wind farms, will be multiplied by 0.7 after adjustment of article 3 of Economic Council Directive starting from the first day of the second 10 years till the end of the contract.

- Note 2. Tariffs for the wind farms with the capacity factor of 40% and above in the first 10 years, will be multiplied by 0.4 after adjustment of article 3 of Economic Council Directive starting from the first day of the second 10 years till the end of the contract, power plants with capacity factor of 20% will be multiplied by 1 and for the range between 20% and 40% in a proper coefficient.

2. For the power plants connected to the distribution grid, note 3 article 2 of Economic Council Directive, transmission services rate will be added to the base rate.

3. Twenty (20) year power purchase agreement starts from the influence date of the contract and includes the progress period and construction of power plant. During the period of power purchase agreement the investor is allowed to sell electricity across the country in form of a bilateral

agreement, energy exchange market, or any other form approved by the Iran's ministry of energy. The export of electricity from renewable and clean power plants depends upon separate permits.

4. Tariffs will be proportionately increased up to 30% in accordance with the instructions under article 6 of Economic Council Directive, for power plants constructed using local equipment, technologies know-how, design and manufacturing.

5. The base tariff will be specified within the following conditions in case the applicant intends to conclude more than one renewable power plant construction contract.

a) For the lands located in one location or lands located in two main locations, the base tariff of each power plant will be specified based on the total capacity of permits.

b) The purchase rate of power plants owned by one applicant that are connected to one substation (or distribution) will be specified based on the total capacity of permits.

c) Except for items a and b, the purchase price of each power plant will be independent from other power plants and will be specified based on the capacity of that power plant.

Nevertheless, each applicant is able to have the construction permit of two power plants at most. Granting permits for construction of other power plants requires the commercial operation of previous constructed power plants.

- Note 1. If it is determined that any of clauses (A) and (B) has not been observed during the period of the contract, the power purchase agreement for the related power plant will be based on the revised lower rate and the seller is obliged to refund the surplus funds that have been received as purchased content according to the contract.

- Note 2. The legal entities that have shareholders, individual shareholders and also the legal entities are known as an applicant.

- Note 3. In the case that the notification of the new contracts will be undertaken after the commercial operation of the previous contract, even if the conditions subject of clauses (A) and (B) are included, the base rate of the electricity purchase in the new contract will be specified according to the capacity of the new power plant.

6. The guaranteed power purchase agreement demand for the power plants which used the state grant funds for the construction of their power plants is forbidden. The investor should guarantee and commit that the state grants funds is not used for the installation of the power plant.

7. The rates of this announcement is applied for the contracts which the power plant of the contract will be constructed and commercially operated maximum in 30 months for different types of biomass, geothermal and small hydro power, maximum 24 months for different types of wind power plants, waste heat losses in industrial processes and turbo expanders, maximum 18 months for fuel cell systems and maximum 15 months for different types of solar power plants, since the notification of the contract. In the case of delay the last base rate which is approved by the Iran's ministry of energy on the start date of commercial operation or the mentioned rate, whichever is lower will be applied for the remaining period of the contract.

- Note 1. In the case of delay of maximum 9 months related to the times that mentioned in the commercial operation of the power plant, the Renewable Energy and Energy Efficiency Organization (SATBA) is allowed to terminate the power purchase agreement of that power plant, annul their construction permit and also refund the state lands which are intended for the construction of the power plant through the competent authorities. In the event that the part of the power plant capacity is operated, the construction permit capacity and the contract proportionally will be reduced and the rest of the state lands will be refunded.

- Note 2. The request for the new contract from the investors that their contract is terminated by the SATBA will not

be investigated until two years after the notification of termination.

8. The Iran's ministry of energy will follow up the development of renewable and clean power plants policy to the maximum 2000 MW per year by the private sector. SATBA is required to make appropriate arrangements for the implementation of the mentioned policy.

9. The Iran's ministry of energy will follow up the policy of gradual reduction for the rate of the guaranteed power purchase agreement of the clean and renewable power plants due to the increase of the capacity of these power plants and also under the consideration of financial resources provision. The reduced rate will be applied only in new contracts.

It is worth mentioning that purchase of electricity from fuel cell systems depends on storage of produced electricity from other renewable generators in the place of producing electricity of the generators.