

**Agreement on Power Supply Reliability Control Schemes**  
**between**  
**Guangzhou Municipal Industry and Information Technology Bureau**  
**and**  
**Guangzhou Power Supply Bureau of Guangdong Power Grid Co., Ltd.**

This Agreement on Power Supply Reliability Control Schemes is entered into by and between Guangzhou Municipal Industry and Information Technology Bureau and Guangzhou Power Supply Bureau of Guangdong Power Grid Co., Ltd., based on the principles of equality, voluntariness, fairness and good faith, according to the *Electric Power Law of the People's Republic of China*, the *Rules for Power Supply Businesses*, the *Regulations on Electric Power Supervision* and other applicable laws and regulations, and by taking into account the basic indicators for power supply reliability, power failure recovery time and power supply services, to ensure the reliability and service level of power supply in Guangzhou.

**1. Term of Agreement**

From February 27, 2020 to December 31, 2023

**2. Terms and Conditions**

**2.1. Indicator(s) for power supply reliability**

The System Average Interruption Duration Index (SAIDI, in hours) as approved, confirmed and announced by the National Energy Administration shall be adopted and provided according to the statistical techniques specified in the *Reliability Evaluation Code for Power Supply System -- Part 1: General Requirements* (hereinafter referred to as *DL/T836.1-2016*) as issued by the National Energy Administration, and conforming to the requirements specified in the *IEEE Guide for Electric Power Distribution Reliability Indices* (hereinafter referred to as *IEEE1366-2012*), provided that the statistical methods and techniques stipulated by the National Energy Administration shall be adopted strictly.

**2.2. Calculation of SAIDI**

To calculate by using the equation provided by *DL/T836.1-2016*:

**$SAIDI = \sum(\text{Duration of each interruption} \times \text{number of influenced consumers during each interruption}) / \text{Total consumers}$**

The statistical calculation shall be conducted on the basis of the total hours of the year.

### **2.3. Exceptions: interruptions ignored in the calculation**

- 2.3.1. An interruption which lasts for less than 3 minutes; or
- 2.3.2. An interruption which is a power cut-off requested by the consumers or is caused by the consumer's misuse or other internal activities; or
- 2.3.3. An interruption which is determined by the competent authority as the concurrence of a "Major Event Day" as defined in *DL/T836.1-2016* and *IEEE1366-2012*; or
- 2.3.4. An interruption which is a power cut-off for supporting the construction of municipal engineering works.

### **2.4. Penalties and Incentives**

- 2.4.1. Guangzhou Power Supply Bureau shall pay CNY 100,000 to Guangzhou Municipal Industry and Information Technology Bureau as a nonconforming penalty if  $1.1 < \text{SAIDI} \leq 1.2$ , or CNY 500,000 if  $1.2 < \text{SAIDI} \leq 1.5$ , or CNY 1,000,000 if  $1.5 < \text{SAIDI}$ .
- 2.4.2. No penalties or incentives will be applied if  $\text{SAIDI} = 1$ .
- 2.4.3. Guangzhou Municipal Industry and Information Technology Bureau shall pay CNY 100,000 to Guangzhou Power Supply Bureau as a target attainment incentive if  $3.0.8 < \text{SAIDI} < 1$ , or CNY 500,000 if  $0.5 < \text{SAIDI} \leq 0.8$ , or CNY 1,000,000 if  $\text{SAIDI} \leq 0.5$ .
- 2.4.4. The incentives shall be financed by the Guangzhou Municipal Industry and Information Technology Bureau from its budget, while the penalties shall be paid to the municipal finance department of Guangzhou by the Guangzhou Power Supply Bureau.

**Guangzhou Municipal Industry and Information Technology Bureau**  
**Guangzhou Power Supply Bureau of Guangdong Power Grid Co., Ltd.**  
**February 27, 2020**