



**Centro Nacional de Control de Energía (México)**

**And**

**Operador Nacional do Sistema Elétrico**

**Exchange and Cooperation Agreement**

*[Handwritten signature]*

This Exchange and Co-operation Agreement ("**Agreement**") is signed on 31 January 2017 by the following two parties:

Mexico's Centro Nacional de Control de Energía ("**CENACE**")  
Registered Address: 32 Don Manuelito street, Olivar de los Padres, Ciudad de México, México  
Authorized Representative: Mr. Eduardo Meraz Ateca

Operador Nacional do Sistema Elétrico ("**ONS**")  
Registered Address: 251, Julio do Carmo street, Rio de Janeiro, Rio de Janeiro, Brazil  
Authorized Representative: Mr. Luiz Eduardo Barata Ferreira

(Centro Nacional de Control de Energía and Operador Nacional do Sistema Elétrico collectively the "**Parties**" and individually "**Party**")

#### WHEREAS:

For the purpose of fostering the cooperation of the Parties and building up an even closer relationship between the Centro Nacional de Control de Energía and Operador Nacional do Sistema Elétrico, the Parties agree to take further their existing co-operation and exchange for building up a long-term strategic co-operation partnership.

Through friendly negotiation, the Parties agree as following:

### 1. Purpose of the Agreement

1.1 The Parties intend to develop and promote cooperative partnership, conduct mutually beneficial information exchange, and jointly pursue technical exchange and cooperation opportunities, all regarding electrical energy and always under good faith principles.

### 2. Scope of Cooperation

The Parties intend to study the possibility of:

2.1 Sharing EHV and/or UHV power grid planning and operational experiences and collaborate to enhance the reliable operation and control of large power systems; including information technology automation for both, the normal state and the emergency situations;

2.2 Sharing experiences on planning and operation strategies to reliably support large scale renewable energy integration, including but not limited to

wind, solar, and biomass energy;

2.3 Sharing experiences on technical and economic assessment and methodological aspects of generation and transmission, transformation and reactive power compensation planning and operation, including the mechanisms to ensure resource adequacy

2.4 Sharing experiences on strategies and mechanisms to black start.

2.5 Sharing experiences on specialized training for human capital.

### **3. Nature of exchange**

3.1 A Senior Management Liaison Person in each organization shall be established as an institutional point of contact.

3.2 Likewise, for each of the task forces, projects or areas of cooperation agreed by all the Parties, a Senior Management Liaison Person directly involved in those issues shall be established in each organization as a technical point of contact.

3.3 Exchange at the senior management level

While leveraging the use of information and communication technologies, senior management of each of the Parties shall make bilateral visits from time to time in order to exchange views related to the development and trend of the electricity business and the co-operation of the Parties.

3.4 Exchange at the professional level

Within practicable limits, information and material relating to the power market, power systems and corporate operation and management (save for those of a confidential nature or patented) shall be exchanged.

3.5 Mechanism of communication

The Parties shall establish a bilateral exchange and communication mechanism for working out plans for exchange and co-operation in technical and management areas and staff training. The Parties shall get together at least on an annual basis in a high-level meeting, to formulate their yearly co-operation plan, review the implementation of such plan, and jointly resolve common issues arising from their co-operation and to point out new ways to expand their collaboration.

3.6 Cooperation at the international level

The Parties agree that they shall each make use of its strengths in international co-operation so that they may join forces in exploring co-operation at the international level with a view to establishing a lasting



international co-operation platform.

#### **4. Confidentiality**

4.1 The term "Disclosing Party" means a Party hereto disclosing its confidential information to the other Parties. The term "Receiving Party" means a Party hereto to whom such a disclosure is made.

4.2 For the purpose hereof, the term "Confidential Information" means all information disclosed in the course of the meetings or other occasions by the Disclosing Party to the Receiving Party in electronic, written, graphic, photographic or recorded form; or any information orally communicated by the Disclosing Party, provided, however, that the following information shall not be constituted as confidential information::

- a. Any information which was generally available to the public at the time of disclosure, or information which becomes available to the public after disclosure by the Disclosing Party other than through fault of the Receiving Party;
- b. Any information which was already known to the Receiving Party prior to its receipt from the Disclosing Party;
- c. Any information which is obtained at any time lawfully from a third party under circumstances permitting its use or disclosure to others; and
- d. Any information which is developed independently by the Receiving Party other than through knowledge of the confidential information as evidenced by written records.

4.3 Nothing contained in this Agreement shall be construed to mean that either Party shall have an obligation to disclose any confidential information requested by the other Party. Subject to execution of a separate agreement, the confidential information requested by the Receiving Party which is out the scope of this agreement, may be disclosed by the Disclosing Party to the Receiving Party, in its sole discretion.

4.4 The Receiving Party shall not disclose confidential information to any third party without the prior written consent of the Disclosing Party, and shall not use such confidential information for any purpose other than the purpose outlined in this Agreement.

4.5 Each of the Parties will obtain prior written authorization from the other Party in case one of them intends to disclose confidential information to its affiliates. The Party whose affiliate has access to this confidential information is compelled to inform its affiliate of the confidentiality

commitments contained in this document and will hold liability for any breach by its affiliate of the confidentiality obligations in this agreement as established in this clause.

4.6 The Receiving Party may disclose to any third party confidential information that is required to be disclosed by law or regulation or in response to a valid order of a court or other governmental body, but only to the extent of and for the purpose of such law, regulation or order, and only if the Receiving Party promptly notifies the disclosing party in writing of such required disclosure and uses its best efforts to seek an appropriate legal remedy including, without limitation, a protective order to maintain the confidentiality of confidential information or minimize disclosure thereof, and permits the disclosing party, at its expense, to seek such legal remedy.

## **5. Intellectual property rights**

5.1 Each Party shall recognize and respect the intellectual property and reputation of the other Parties. Each Party agrees not to use the intellectual property, the logo(s) and/or trademark(s) of the other Parties without prior written approval. The intellectual property rights obtained during implementation of this Agreement shall be negotiated between the Parties and defined in the specific cooperation agreement based on the cooperation scope stipulated in Article 2.

## **6. Costs sharing**

6.1 Each Party shall bear its costs (relevant travel, accommodation and insurance costs, costs for materials, etc.)

6.2 In principle, the Party requesting training shall bear the relevant training fees. The content and fees of training shall first be agreed by the Parties through an individual agreement specifically for the training.

6.3 Any other development beyond this cooperation agreement should be discussed and defined by the parties including assessment of any kind of costs.

## **7. Language**

7.1 The English language shall be used for the activities under this Agreement. Where appropriate, the Parties shall agree on the use of translations and interpretations in order to facilitate extensive and



comprehensive participation. One version will be written down in the Portuguese language and one version in the Spanish language. In the event of a discrepancy or difference in interpretation among the said versions, the English version shall prevail.

## **8. Points for liaison**

8.1 Points for liaison: Operador Nacional do Sistema Elétrico shall act through Geraldo Pimentel and the Centro Nacional de Control de Energía shall act through Juan Roberto Lozano Maya. The Parties shall promptly notify each other of any changes in this respect.

CENACE		ONS	
ATTN:	Mr. Juan Roberto Lozano Maya	ATTN:	Mr. Geraldo Pimentel
ADDRESS:	Blvd. Adolfo López Mateos 2157, Piso 8, Col. Los Alpes, Delegación Álvaro Obregón, C.P. 01010, Ciudad de México	ADDRESS:	Rua Julio do Carmo, 251, Centro, Rio de Janeiro, RJ, Brazil
E-MAIL:	Roberto.lozano@cenace.gob.mx	E-MAIL:	gpimentel@ons.org.br
TEL:	+52 5595 5400 ext. 51141	TEL:	+55 21 3444 9554

## **9. Conflict Resolution**

9.1 The Parties shall apply the best efforts to resolve the conflicts arising from this Agreement in amicable basis.

9.2 Conflicts arising out of this Agreement shall be settled through international arbitration.

## **10. Term for the exchange and co-operation program**

10.1 This Agreement shall take effect from the date of signing for a period of 3 years, to be automatically extended upon expiration. The Party terminating this Agreement early shall give the other Parties not less than three months notice in advance.

*FE*

*[Signature]*

## **11. Miscellaneous**

11.1 The Parties shall mutually discuss any point which this Agreement does not cover or when in doubt about this Agreement. This Agreement is written in English. Each Party shall retain two copies of each version.


**Centro Nacional de  
Control de Energía**



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Eduardo Meraz Ateca  
General Director

**Operador Nacional do Sistema  
Elétrico**



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Luiz Eduardo Barata Ferreira  
General Director

15 February 2017