

OUR's 115MW Request for Proposal (RFP) Requests for Clarification

Question:

8. Do those that participate in the bidding process (for under 25MW) get any advantage above those that simply wait until the bidding process is through and the suspension of the uncompetitive process (for under 25MW) is lifted?

Answer: Yes, in so far as the desired amount of generation from renewable energy will be on a first come, first served basis. In the competitive process, the bidder proposes their tariff while in the non-competitive process the tariff is set.

Question:

9. Does the suspension of the uncompetitive process for proposals 25MW and lower mean that those who want to propose a plant below 25MW will now have to compete with all other proposals submitted during this RFP process?

Answer: Yes, prospective bidders with projects below 25MW are free to compete. given that the desired amount of renewables that is required on the grid at this time may be satisfied from this process. The RFP is open to Renewable proposals from 100kW to 115MW. The suspension of the uncompetitive process for proposals 25MW and lower will only last for the RFP period.

Question:

10. If yes to the above, how will the OUR ensure fair comparison between small projects such as a 20MW to large projects such as a 60MW?

Answer: All bids will be evaluated on their merit according to the evaluation process as indicated in the RFP.

Question:

11. The RFP implies that one 1 year is needed to construct the plant. This is improbably for a thermal plant such as a Waste-to-Energy plant. Will the OUR and/or its designated evaluating entities be open to negotiation of the proposed commissioning date?

Answer: Yes, construction times consistent with the industry best practices will be given due consideration based on proposed technology.

Question:

12. Will the OUR accommodate time for potential permitting delays that would fall outside the control of the project developer? (e.g. delays on Government of Jamaica's side)

Answer: No. Proposers are fully responsible for making every effort to ensure their bid is submitted on time.

Question:

13. For WtE projects, a firm commitment is needed from the owners of the waste. We have been advised that the agency responsible for Waste management in Jamaica is currently working on a policy and RFP to govern the ownership and regulation of Waste. Will the OUR take this into consideration during their evaluation process?

Answer: No. Proposers are fully responsible for making every effort to submit a comprehensive and responsive bid.

Question:

14. The RFP requests a full feasibility study in Exhibit 7, paragraph 5.8.6. For a WtE plant, a feasibility study is a costly venture which would most likely be done after the project developer has been given some level of commitment from GoJ. Would a pre-feasibility study be considered acceptable?

Answer: No. A Project Feasibility Report is required for all bids regardless of the proposed technology.

Question:

15. In the 76th paragraph bullet point number six (6); the applicant is being asked to submit 'cost data' (which is exhibit 10) thirty (30) days before submission of bid. Is our interpretation of this bullet point correct?

Answer: No. The instruction is that cost must be "as of" or referenced to 30 days before submission date.

Question:

16. I would like you to respond to the following with respect to proposed maximum tariffs:

The lowest tariff (per KWh) is for renewable energy (RE) from hydropower (\$US 0.11) and the highest is utility scale PV (\$US 0.26). Waste-to-energy is rated at (\$US 0.15).

We are proposing a start-up of 3 to 5 MW of electrical power using Anaerobic Digestion (AD) using a combination of food, animal and industrial wastes as feedstock (waste-to-energy), to produce biogas. The biogas will be continuously combusted to generate electricity. Our preliminary estimate is that a tariff assigned to utility scale PV (\$US 0.28/kwh) would be required to make AD profitable with an all-in rate of return of 15%.

Answer: The RFP sets a cap for some of the technologies. If a proposal falls within one of the stated categories and the proposed tariff exceeds the indicated cap the proposal will be rejected.

Question

17. If the capacity of selected firm power projects is below the target, will the excess capacity be assigned to energy only projects?

Answer: No.

Question

18. How is generation capacity defined? Nominal AC capacity of the generator unit or actual (average or peak) power sold to the grid?

Answer: Generally the generation capacity is the name plate rating in MW of the generation plant. For contractual purposes; In the case of firm capacity, it is the net dependable capacity of the plant at the interconnection point subject to plant availability. In the case of energy only systems, capacity is treated on an as available basis in MW. This can be represented as the capacity based on the average load factor.

Question

19. Does the Wigton Wind farm expansion of 18MW represent a portion of the 78MW under proposal or is it separate from the proposed capacity available? i.e. does the 78MW go down to 60MW due to the 18MW which are currently under negotiation

Answer: No.

Question

20. Is the timeframe to achieve the PPA restricted to the stated schedule or can a project that achieves financial closure sooner move at an accelerated pace?

Answer: The Proposers have up to the stated schedule to complete negotiations for their PPA.

Question

21. Conversely what happens if for any reason (permitting, financial closing, construction) the project is delayed?

Answer: Onus is on the bidder to ensure timely execution of their project. It depends on the contributing factors, the type of proposal being considered and the relevant provisions in the RFP and PPA.

Question

22. How firm is the one year construction period? Some projects can become operational in phases and might have both earlier and later commissioning dates for certain phases of the project.

Answer: Projects are expected to be commissioned in 2015.

Question

23. Can you please provide a copy of the Generation Code which is referred to in the 65th paragraph of the RFP?

Answer: The existing Generation Code can be found at <http://our.org.jm/images/stories/content/Generation%20Code.pdf> however an updated code should be released shortly.

Question

24. For the interconnect study, will the OUR act as the liaison with JPS to schedule the required site visits? Is there a fee for this interconnection study, and if so how is it determined?

Answer: The OUR will not act as the liaison for site visits. The Proposer is to approach the grid operator (JPS) for interconnection details. Any applicable fee for interconnection studies would be determined by the grid operator subject to the approval of the OUR.

Question

25. Interconnection agreements : who assumes responsibility for potential upgrade of the grid, who bears the risk in case of late delivery of the grid connection, who builds and operates the line, where is the delivery station (billing point of the project), what is the O&M conditions on the interconnection line (in case the line is broke, who covered the losses) ?

Answer: The construction of the interconnection is the responsibility of the bidder. The risk of late delivery of the grid connection is on the Project developer. The tie line between the generating facility and the interconnecting substation is the responsibility of the bidder. The O&M conditions of the interconnection would have to be determined by the interconnection arrangement between the proposer and grid operator.

Question

26. How is the grid inter-connect fee/cost determined? We will need to include this figure in our model and therefore would appreciate guidance here as it relates to connection to the grid.

Answer: According to the interconnection guidelines the cost of the interconnection is the responsibility of the developer.

Question

27. Are there any other fees as per JPS' All-Island electricity license that IPPs will have to pay in addition to the interconnect fee?

Answer: The JPS All-Island electricity Licence does not stipulate any fees.

Question

28. Is the base tariff indexed to inflation for energy only projects, if so what is the index?

Answer: For energy only projects, only the O&M component of the proposed base tariff is subject to inflation adjustment. Any indexation and index must be clearly stated and identified in the bidder's proposal. The relevant indices are US CPI and Jamaican CPI.

Question

29. Inflation mechanism: as we bid with a "full-price" does inflation applies on the full price or only part of it?

Answer: For firm capacity projects, inflation adjustment is applied to the proposed variable and fixed O&M tariff components. For energy only projects, inflation is only applied to the O&M component of the proposed base tariff.

Question

30. At what point is electricity measured / invoiced for the power plant? Is it measured at the point of generation or at a point farther along the transmission line?

Answer: At the interconnection point with the requisite metering facility.

Question

31. What sensitivities would you ideally want to be able to run on the model? It would be useful to have some additional guidance here so that we can set up the model accordingly

Answer: The tariff model should be capable of facilitating sensitivity analysis to allow us to see how the changes in the inputs impact the proposed tariff. The tariff model should have a user guide.

Question

32. Taxes For Corporate Tax holidays, what scenario should be used? Also, what scenario for potential import tax exemptions?

Answer: All matters concerning customs duties, import controls and tax requirements should be discussed with the pertinent agencies as indicated in the RFP.

Question

33. Can a single proposal be comprised of 2 sites jointly? And if so, in the event that only 1 of the sites is deemed acceptable by the OUR, will the full proposal be declined or would the OUR proceed with the acceptable project?

Answer: No.

Question

34. Finally, in this case, would the Proposal Security for the site that was not successful in the bid be returned (i.e. a partial refund of the Proposal Security)?

Answer: Not applicable

Question

35. For Exhibit 3a, if the Applicant is comprised of a joint venture of more than one party, shall we return a form for the JV company and a form for each party in the joint venture?

Answer: In the event that the Applicant is comprised of more than one entity, separate forms shall be submitted for each such entity.

Question

36. Page 7 of the RFP identifies the renewable generation requirement for 2015 to include 37 MW of Firm Capacity and 78 Mw of Energy-Only capacity.

If the proposals submitted do not provide at least 37 MW of Firm Capacity will OUR award PPA contracts to Energy Only capacity in excess of 78 MW to offset this shortfall?

Answer: No.

Question

37. How will selections be made within the Energy-Only capacity offers? Please define what measures will be used to determine the criteria describe in paragraph 158th and how they will be weighted for energy only projects – such as wind and solar.

Answer: Provided that the project has passed stage 1 and 2 evaluation, the project will be subject to economic comparison with all other qualifying projects and all the relevant criteria in paragraph 158 will apply.

Question

38. Will capacity factor be determined based on forecast annual generation vs. nameplate?

Answer: The capacity factor will be determined on the basis of the proposed annual net energy output from the project and the contracted capacity.

Question

39. How will operating efficiency be determined for wind vs. solar projects?

Answer: These will be determined from the input power and relative power output of the conversion technology.

Question

40. Will the ranking of proposals be based on price proposed or discount from the maximum tariffs?

Answer: Proposed price will be a factor in determining the ranking of successful proposals.

Question

41. How will the criteria and approach outlined in paragraph 160th be applied to Energy Only projects – as a group or separately for wind and solar projects?

Answer: As a group. Provided that the project has passed stage 1 and 2 evaluation, the project will be subject to economic comparison with all other qualifying projects and all the relevant criteria in paragraph 160 will apply.

Question

42. Please clarify in Section 15th that both the Proposal Fee and the Proposal Security will be returned should the bid be disqualified?

Answer: If proposal does not meet the requirements at bid opening, the Proposal Fee will be returned. The RFP provisions governing the Proposal Security have been amended and restated in Addendum 1 as available on the OUR website.

Question

43. The status of JPS's license and their exclusive rights to transmit and distribute electricity in Jamaica are currently subject to a Court proceeding. It is assumed JPS will be the counterparty to any PPA, therefore, their creditworthiness is of paramount concern to the bidders. Should JPS, in any way, lose or have their rights under the license be materially affected; their creditworthiness will be seriously questioned by the international financial markets directly affecting the bidders' ability to raise financing. What is the OUR's plan to manage this issue with respect to the RFP process?

Answer: The matter is presently before the court for a final determination to be made. It is the responsibility of the Proposer to carry out their due diligence concerning the exposure of their project.

Question

44. Does the GOJ plan to offer guarantees to back stop JPS's obligations under the PPA should the Court restrict or rescind JPS's rights under their current license?

Answer: The matter is presently before the court for a final determination to be made. All enquiries regarding GOJ initiatives on this matter should be directed to the appropriate ministry.

Question

45. If as scheduled on June 12, 2013, an Applicant is notified and invited to negotiate a PPA, will they then have met all requirements, but for successful negotiation of a PPA, and all other aspects of their bid at that point, including economics, are acceptable to OUR?

Answer: At the point of invitation to negotiate a PPA with the off-taker, all evaluation requirements would have been acceptable to the OUR. See Addendum 1 for change in notification date.

Question

46. We note that the 9+ month period allowed for negotiation of Project Agreements seems excessive. The extended period delays the time when successful bidders will be able to deliver renewable energy to Jamaica. It is recommended that OUR work with successful bidders to shorten the period to 3 or 4 months.

Answer: The period is a window within which the Project Agreements should be concluded. That means it can be shorter.

Question

47. As all payments are made in Jamaican dollars and indexed to U.S. dollars, bidders are assuming the PPA will be structured to eliminate currency risk. Is the OUR contemplating a specific trueup to U.S. dollars (monthly, quarterly) to mitigate payment schedule disconnects between PPA revenue and U.S. dollar obligations of the project company including debt service payments?

Answer: No trueup (negative or positive) is contemplated as the existing official exchange rate will prevail as defined in the PPA. Note that the Tariff and all associated costs shall be quoted by Applicants in United States Dollars. However, all payments may be made in equivalent Jamaican Dollars.

Question

48. 1% of the total proposed capital cost is an excessive amount of capital to be held, at risk, prior to execution of a definitive PPA. Given the proposed schedule for determining award and negotiating definitive agreements, the bidders have no certainty of a transaction for nearly twelve months assuming no delays in the process. Certainly

investor commitment and/or board approvals necessary to post the Proposal Security will be a difficult hurdle under these conditions.

Answer: The RFP provisions concerning the Proposal Security have been amended and restated in Addendum 1 as available on the OUR website.

Question

49. Bidders are prepared to spend considerable sums of capital to develop their respective projects, including costs associated with permitting, engineering, financing, etc., in order to meet the OUR's schedule and complete construction on their proposed timeline. Will the OUR consider eliminating the Proposal Security requirement as the opportunity to remain in the process and enter into a PPA is sufficient motivation for bidders to continue to fund their development budgets and remain viable options to the OUR?

Answer: No. The RFP provisions concerning the Proposal Security have been amended and restated in Addendum 1 as available on the OUR website. The RFP is for supply to the national grid and as such, expects that persons in the power generation market are cognizant of the seriousness of their proposals. The practice and purpose of a proposal security should be understood by such persons interested in this area of investment. A security of 1% of project cost should not be beyond the scope of a viable contender.

Question

50. Is the OUR prepared to move the Proposal Security requirement to the point in time after the project has been selected for contract negotiation?

Answer: The RFP provisions concerning the Proposal Security have been amended and restated in Addendum 1 as available on the OUR website.

Question

51. Typically, Performance Security is set as a function of project capacity, for example on \$/KW basis, and not associated with an estimated total capital cost. The 10% requirement seems to be arbitrarily set and penalizes certain technology with high installed costs, for example solar. How was this figure determined and is the OUR considering any adjustments based on technology?

Answer: The Performance Security is for projects offering firm capacity as per section 4.1.2. The amount is based on an assessment of the cost impact of project commissioning delays and capacity shortfall for such projects. An adjustment is

being considered based on technology and the results will be announced in an Addendum.

Question

52. Please confirm the fact – stated in section 4.1.2 that Performance Security will only be required for “Projects offering Firm Capacity” Exhibits 10 and 11

Answer: Confirmed.

Question

53. Bidders are asked to provide detailed information regarding the total capital cost and operating costs of the proposed Project (Exhibit 10) and the details of the proposed financing structure (Exhibit 11). These Appendices are provided in support of the Proposed Tariff (Exhibit 8).

If actual capital, operating or financing costs of the proposed Project vary from the levels included in the Appendices, due to market conditions or changes in interest rates over the period, would the OUR expect to revise the agreed Tariff to reflect actual costs? Or does the risk/benefit of changes in costs from bid remain with the bidder?

Answer: The risk/benefit of such changes remains with the bidder.

Question

54. Who will develop the form power purchase agreement and can bidders expect the form to meet the requirements of the international project finance market?

Answer: The OUR will develop the form of power purchase agreement in consultation with stakeholders in the industry. Existing project PPAs with similar provisions have met the requirements of local and international project finance market.

Question

55. When will this form document become available?

Answer: By end of February 2013.

Question

56. Are all bidder sales of energy and capacity made at the high side of the bus bar at bidder's proposed facilities?

Answer: Energy and capacity is metered at the high side of the high voltage side of the generator step-up transformer (interconnection transformer).

Question

57. Re Exclusive Rights in JPS's Licence --- Please advise, if possible, the estimated time frame for resolution of this case in the Supreme Court and what impact if any, will a decision have on the RFP process.

Answer: The OUR is not in a position to say how long a legal process will take. This is a matter that is in the exclusive purview of the courts. It is the responsibility of the Proposer to carry out their due diligence concerning the exposure of their project.

Question

58. Our company shares the view expressed at the Pre-Bid meeting, which were supported by acclamation, that there is a conflict of interest if the Jamaica Public Service (JPS) is 2 permitted to compete in this proposal with companies which potentially may have to negotiate a Power Purchase Agreement with JPS. We also support the proposal that a separate solicitation should be issued for subsequent JPS renewable energy generation proposals, which could be opened for JPS participation. In addition, JPS will have access to the cost profiles of every potential PPA client and the per kwh prices they bid. This is a serious conflict of interest as it is anticipated that JPS investors will always try to mitigate expenses and increase profits i.e. seek the lowest rates for IPPs while giving their proposal/investors the highest possible returns.

Answer: Up to the award of bid and invitation to negotiate the PPA, there is no provision for JPS to have access to the cost profiles of potential PPA clients and their kWh prices. Therefore there is no such conflict of interest. The OUR has no legal basis to exclude JPS from bidding or to provide a special avenue for them to bid.

Question

59. Based on responses at the Pre---Bid Meeting, OUR proposes to have clarifications to questions raised at that forum and a draft Power Purchase Agreement ready for distribution by mid--- February 2013. Having regard to the statement that no special arrangements have been made to facilitate anticipated information requests by potential proposers to the agencies listed at Appendix C, our recommendation is that the proposal submission date should be 4 months after the distribution on responses to clarifications questions and the draft PPA.

Answer: The RFP provisions relating to procurement and process schedule has been amended and restated in Addendum 1 as available on the OUR website.

Question

60. We recognize that aspects of the negotiations with JPS on interconnection are unique to each technology, project size and possibly location. However, JPS should be requested to compile available and easily anticipated general information for circulation with the clarifications and the draft PPA.

Answer: It is envisioned that each proposer ensure that the interconnection to the grid is sufficient for their project and cost reflected in their proposal. An interconnection guideline is available on the OUR website for the general requirements. JPS is in the process of preparing a base information document that would speak to some of those issues. However, the Proposer is advised to approach the grid operator (JPS) for interconnection details. Any applicable fee for interconnection studies would be determined by the grid operator subject to the approval of the OUR.

Question

61. It would be inefficient for the potential 85 proposers to each approach the sources identified at Appendix C for additional information. To facilitate the RFP process, our company is recommending that OUR should coordinate the dissemination of pertinent information by agencies listed at Appendix C to potential proposers. For example, the National Environment and Planning Agency (NEPA), the Jamaica Promotions Corporation (JAMPRO) and the Port Authority of Jamaica etc should each be requested to prepare information relevant to the RFP for circulation with the PPA in mid-February 2013. Potential proposers, having reviewed the circulated information, will then only contact these agencies if more specific information is required.

Answer: Applicants are required to perform their own due diligence in relation to the Project. The OUR does not guarantee the accuracy of information provided by any of the various sources. Applicants are advised to consult with relevant agencies as deemed appropriate by them. It would be impractical for the OUR to anticipate the parameters for all the projects being contemplated to be able to guide each agency in the preparation of such information.

Question

62. In our opinion, the Evaluation Process as indicated in the RFP leaves room for subjectivity and should be reviewed. In addition, Evaluation Scores typically equal 100% but those for Stage 1 in the RFP total 85%. 3

Answer: See restated Stage 1 Evaluation Scores in Addendum 1 as available on the OUR website.

Question

63. The stipulations at 3.2.8 page 25, 3.2.16 Page 28 and Exhibit 15 require the submission of a detailed Project Implementation Schedule in a functional electronic Gantt chart. It is our view that this should be waived and instead, an indicative Project Implementation Schedule be required with the proposal and a detailed Schedule required shortly after a license is granted. Finalization of a detailed Project Implementation Schedule can only be realized when a firm commitment is agreed on both sides because of the magnitude of resources required to complete this task.

Answer: The submission of a detailed Project Implementation Schedule is expected.

Question

64. Section 1, Invitation to Applicants, paragraph 10 provides a list of indicative maximum tariff rates for the following renewables:

- a) Bagasse – 15.16 US cents / kWh
- b) Hydro-Power – 11.13 US cents / kWh
- c) Waste-to-Energy – 14.88 US Cents / kWh
- d) Wind – 13.36 US cents / kWh
- e) Utility Scale PV – 26.73 US cents / kWh

While Bagasse and Waste-to-Energy may be considered as Biomass, which of the indicative tariff rates above would apply for Biomass derived from dried grass or wood?

Answer: The cap for waste-to-energy would apply.

Question

65. The proposal security for the proposed project is estimated to be large (calculated at 1%). Can the proposal security provision be waived for a Government agency this would represent the transfer of funds from one Government Agency to another Government Agency to secure itself.

Answer: It would be inappropriate to create a disparity among bidders. Please see Addendum 1 for the amended and restated RFP provisions related to the proposal security as available on the OUR website.

Question

66. A draft form of PPA has been promised by the OUR. When will this be made available to potential bidders?

Answer: The form of PPA will be made available by the end of February 2013.

Question

67. We are requesting information on the Interconnection Policy of the JPS for use in arriving at cost estimates for interconnection in St. Elizabeth. Also any information about the generating facilities and transmission and distribution operations supporting power delivery to St. Elizabeth would be useful.

Answer: The interconnection guideline can be found on the OUR website. You may ask JPS for supporting documents for any costing you have received or get your own independent engineering cost estimate. JPS is in the process of preparing a base information document on interconnection. However, the Proposer is to approach the grid operator (JPS) for interconnection details. Any applicable fee for interconnection studies would be determined by the grid operator subject to the approval of the OUR.

Question

68. For a biomass project has a rated capacity that is under 25 MW Will the OUR consider less detailed Technical and Financial proposals for such projects, given the 34 exhibits to be completed under the requirements of the 115 MW RFP?

Answer: No.

Question

Page (Clause) - 7 (11th)

69. Does the table which speaks to 'requirement' indicate a 'cap' on the projects to be accepted under the classification 'Firm Capacity' and 'Energy Only'?

Answer.

These are projected amounts for 2015.

Question

Page 10

70. Definition of 'Fixed Payment' links the monthly fixed payment to the supply of energy. Does this mean that the entity is not entitled to fixed payments in a given month if no energy is supplied?

Answer.

No. The fixed payment is in reference to contracted capacity rather than energy.

Question

Page 10

71. In the definition for Dependable Capacity, reference was not made to it being Net Production at the Interconnection Point as measured by the Meter.

Answer.

Noted.

Question

Page 11

72. The definition for 'Proven Generating Technology' appears to limit the options for some technologies such as Waste to Energy which can offer firm capacity with secondary benefits especially within the context that the RFP quota limits the grid operational and adequacy risk.

Answer.

It is a requirement of the RFP for the successful implementation and operation of the facility.

73. While it is understood that there is the need to provide a date for PPA negotiations as a guide to applicants, we caution that as at now, it is not clear how many projects will be used to fill the RFP requirements. Also, given current experience, all parties involved in the negotiations will have to be

willing to sign before the Project Agreements can be completed. Both of these issues will affect the time to completion.

Answer.

Noted. However, we expect full participation from all parties.

Question

Page 17

73. From the OUR's perspective, what is JPS the Grid Operator's role in the negotiations of PPA agreements.

Does that role change in the case of (a) JPS bidding, or (b) Affiliate of JPS bidding, or (c) JPS nor its affiliate bidding?

Answer.

JPS' role as grid operator remains the same. JPS and any of its affiliates have the right to submit proposal. In the event that JPS itself is awarded any such proposal, OUR will administer the negotiation of the PPA or any other contractual instrument.

Question

74. Page (Clause) - 18 and 26 (76th)

Given that each applicant is to provide proposal(s) with its price base-lined to 30 days before the deadline, how should PPA negotiations treat any Addendum issued by the OUR 14 days before the deadline which from the applicant's perspective materially changes the RFP requirements?

Answer.

In such circumstances where a price adjustment may be involved, it is the prerogative of the OUR to make a determination on the matter.

Question

Page - 22

75. JPS takes this opportunity to highlight that prior to the RFP it received numerous requests for siting information and interconnection studies. It is our expectation that such requests will increase now that the RFP has been issued. Whilst we are capable of providing statistics and the grid maps, JPS is not in a position to respond to requests for studies nor do we view same as our responsibility.

Answer.

As grid operator, it is the JPS's responsibility to manage the grid and provide such information to facilitate the addition of generation capacity to the grid in accordance with relevant regulatory policy. As grid operator, JPS is responsible for conducting system studies to analyze the impact of addition of generating capacity on grid stability, security, adequacy and cost.

Question

Page (Clause) – 23 (65th)

76. Which is the applicable Generation Code; the 1997 version or the most recent revision? Note that JPS has not found this document under the 115MW RFP related documents on the OUR's website

Answer

The 1997 Generation Code as adopted by the sector is applicable. However, participants will be required to comply with the provisions of revised code when approved and implemented by the OUR in short order.

Question

Page (Clause) – 23 (65th)

77. It is possible that proposals are submitted in which the energy source (e.g. Wind) result in instantaneous power output reduction of 60MW but not in a plant trip. The cases in which the energy resource can have this impact must be highlighted and mitigated against. Is there a cap?

Answer

The security contingency in the interconnection apply.

Question

Page (Clause) – 26 (76th)

78. First bullet on the page speaks to tariff being related to 'capacity' even though addressing energy only plants. Please clarify.

Answer

Reference to the capacity of the plant and the capacity factor is alluding to the energy output of the plant.

Question

Page (Clause) – 26 (76th)

79. Will energy only plants be dispatchable? How should the dispatch be treated in the event that a non-renewable energy plant has a lower variable cost but the load is such that a choice has to be made about which unit to serve the next increment of power?

Answer

Energy only plants are not dispatchable. Energy should be taken as available by the grid operator. Generator scheduling and dispatch is the purview of the grid operator to minimize production cost subject to system constraints.

Question

Page (Clause) – 26 (76th)

80. The OUR should consider if Energy Only and Firm Capacity proposals are best evaluated separately and given different weighting of preference given that one provides an availability guarantee and the other does not. Note that the price cap included in the document does not highlight a distinction. If the energy only project is marginally better than a firm capacity project on submitted price, how will the tangible benefits provided by the capacity guarantee be quantified and included in the evaluation? This question may also be relevant across technology since technology price caps have been provided.

Answer

Projects will undergo a technical and economic evaluation so the issue raised will be addressed through that process. As stated in paragraph 159, that Proposals with Firm Capacity which is dispatchable, will be given priority. In that regard, Proposals with Firm Capacity and lowest evaluated tariff will be ranked highest.

Question

Page (Clause) – 27 (81st)

81. Within the one month bid evaluation period (Page 17; 2.10), what is expected of the Grid Operator, upon receipt of the Minimum Functional Specification?

Answer

The bid evaluation is to identify the best projects and fit to be referred to JPS for PPA negotiations. During that time, JPS should prepare for performing grid assessment of the selected proposals and negotiate the individual PPAs in a timely manner. Receipt of the Minimum Functional Specifications for each project etc would prompt JPS to start formulating Schedule 2 under the respective PPAs and proceed with the remainder of the negotiations.

Question

Page (Clause) – 28 (81st)

82. Some clarity should be provided as regards spinning reserve, black start capabilities and reactive power support. For example, the OUR may want to give careful consideration as to whether a small Firm Capacity proposal should be burdened by the cost of a black start generator.

Answer

Refer to the revised generation Code to be published shortly.

Question

Page (Clause) – 48 (168th)

83. Construction Security Deposit to be defined and quantified

Answer

The Construction Security Deposit will be addressed in the PPA

Question

Page (Clause) – 50 (171st)

84. Clause did not indicate the entity with which the PPA would be signed.

Answer

Noted. However, the definition of PPA as set out in the RFP speaks to the parties between whom the PPA will be executed. Paragraph 19 in the RFP identifies JPS as the owner and operator of the grid.

Question

Page (Clause) – 50 (172nd)

85. Will this be defined or is it to be negotiated?

Answer

There will be a form of PPA provided setting out the provisions governing the supply of electricity to the grid. However depending on the type and nature of the relevant technology, the PPA provisions will be negotiated accordingly in particular the Schedules to be completed.

Question

Page (Clause) – 50 (172nd)

86. How does the 60% minimum criterion for consideration for Fix Payment apply during operation?

Answer

The 60% is not a constraint on operation but a definition of plants offering Firm Capacity

Question

Page (Clause) – 51 (172nd)

87. Since it is the intent to fill a quota for renewables by 2015, the delays in commissioning liquidated damages should not only apply to firm capacity but also to energy only plants as well.

Answer

Energy only plants are not compensated for availability.

Question

Page (Clause) – 54 (183rd)

88. The clause is specific in indicating that returns on equity will not be guaranteed; can that be interpreted to mean that returns on the debt portion of the financing will be guaranteed? Can this be used as reference to trigger a price review during project operation?

Answer

There are no guarantees. OUR determines the tariff based on the attendant project cost.

Question

89. Please advise what arrangement with the owner of the land will satisfy the RFP requirement since it is not practical to buy land when the process calls for bids?

Answer

In the event that the site is not already owned or controlled by the Applicant, the Applicant would have to provide evidence of an agreement/arrangement that will give the Applicant secure access/privileges regarding the use of the site for the stated project purpose.

Question

90. Further can you advise what type of soil tests are required and their extensiveness?
What is it the RFP is seeking to ensure with this provision?

Answer

Bidders must ensure that their proposals are complete, has all the required permits and is feasible to execute, operate and maintain for the duration of their contract and/or licence. Clauses 5.8.4 and 5.8.6 of the RFP speak to the need for Bidders to ensure that the site sub-surface is properly investigated to determine suitability for their project.

Question

91. Are there Guidelines for site selection?

Answer

Bidders must ensure that their proposals are complete, has all the required permits and is feasible to execute, operate and maintain for the duration of their contract and/or licence. Clauses 5.8.4 and 5.8.6 of the RFP speak to the need for Bidders to ensure that the site is properly investigated to determine suitability for their project.

Question

92. Are there designated or preferred areas for large scale solar PV installations?

Answer

The Bidder is responsible for the determination, selection and procurement of their site according to the exigencies of their proposal.

Question

93. Where is the information relating to an existing grid map indicating voltages and current carrying capacities of the lines?

Answer

It is envisioned that each proposer ensure that the interconnection to the grid is sufficient for their project and cost reflected in their proposal. An interconnection guideline is available on the OUR website for the general requirements. JPS is in the process of preparing a base information document that would speak to some of those issues. However, the Proposer is advised to approach the grid operator (JPS) for interconnection details. Any applicable fee for interconnection studies would be determined by the grid operator subject to the approval of the OUR.

Question

94. What is the process for verifying that a proposed large scale PV site is acceptable to the Grid operators in relation to voltage, stability, line carrying capacity etc? Assuming no major impediments, how long is this process likely to take?

Answer

This is an interconnection issue that must be worked out with the grid-operator. It is envisioned that each proposer ensure that the interconnection to the grid is sufficient for their project and cost reflected in their proposal. An interconnection guideline is available on the OUR website for the general requirements. JPS is in the process of preparing a base information document that would speak to some of those issues. However, the Proposer is advised to approach the grid operator (JPS) for interconnection details. Any applicable fee for interconnection studies would be determined by the grid operator subject to the approval of the OUR.

Question

95. Up to what point is the bidder responsible for constructing lines for grid connection?

Answer

Bidder is responsible for the construction of the entire line and interconnection. The tie line between the generating facility and the interconnecting substation is the responsibility of the bidder.

Question

96. Are there stipulated response times from the agency responsible for permitting generation sites, and assuming no major impediments what is a typical time period for obtaining a permit ?

Answer

There are no stipulated response times. It is the Bidder's responsibility to make all relevant enquiries and to ensure that they obtain all required permits on time.

Question

97. Is there an interested bidders list available to public, either on the OUR website or through another entity?

Answer

Yes. The list will be posted on the OUR website shortly.

Question

98. Can OUR provide information on the available load capacity at each substation? As discussed at the bidders meeting, interconnection is a major concern for perspective bidders.

Answer

JPS is in the process of preparing a base information document that would speak to some of those issues. However, the Proposer is advised to approach the grid operator (JPS) for interconnection details.

Question

99. Will OUR support a bidder's application as a public utility as defined in the Tax Administration appendix?

Answer

Bidders are solely responsible for making enquiries regarding their appropriate designation by the Tax Administration Authority.

Question

100. On page 7, paragraph 11 of the RFP, indicates a table depicting a breakdown of renewable energy requirements of Firm capacity (37Mws) and Energy Only capacity of 78MWs. However, during the pre-bid meeting, the OUR represented that their approach is least cost generation and would accept ALL 115MWs capacity as Firm and not as the table in paragraph 11 shows. If this is the case, then it is unclear of the capacity in which Utility scale PV can competitively bid on. Please clarify the maximum capacity requirement that energy only technologies can bid on? And the maximum capacity requirement that firm capacity technologies can bid on? And the minimum capacity that will be assigned to each technology and in particular to utility scale PV?

Answer

The RFP shows an indicative requirement of firm capacity and energy only renewable generation in the table at paragraph 11. As represented in paragraph 159 in the RFP, there is a preference for firm dispatchable capacity to satisfy the requirements of system security and reliability at least economic cost. All proposals will be evaluated on their own merit based on the stage 1 through stage 3 criteria.

Question

101. On page 44, paragraph 3.6.4 sub bullet #2: "Demonstrated ability to secure proposed site". Please indicate what type of ability satisfies this requirement. Does "an intent

letter contingent on bid award", satisfy this requirement? And what criteria to measure the suitability of the proposed site would be used? Any permitting status of the projects would be required?

Answer

In the event that the site is not already owned or controlled by the Applicant, such letter of intent would have to constitute an agreement/arrangement that will give the Applicant secure access/privileges regarding the use of the site for the stated project purpose.

Bidders must ensure that their proposals are complete, has all the required permits and is feasible to execute, operate and maintain for the duration of their contract and/or licence. Clauses 5.8.4 and 5.8.6 of the RFP speak to the need for Bidders to ensure that the site is properly investigated to determine suitability for their project.

Projects must demonstrate that their proposed project has received some notice of compliance or intent from the relevant permitting body.

Question

102. On page 26, paragraph 76, sub bullet # 10: "The Tariffs and all associated costs shall be quoted by Applicants in United States Dollars. However, all payments may be made in equivalent Jamaican dollars". Firstly: Please clarify what foreign exchange index will be used to assure investors that revenue will not be negatively affected by foreign exchange conversion. Secondly, all current IPPs are current paid in US dollars. Please consider amending to this RFP to reflect the same since it is extremely challenging to finance a project with costs based in US currency and revenues based in Jamaican currency.

Answer

This will be defined in the form of Power Purchase Agreement (PPA) which will be published by end of February 2013.

Question

103. On page 30, paragraph 96, sub bullet #3a: The proposal security shall be forfeited without any notice, demand, or other legal process: In the case of a successful Applicant, if it fails within the specified time limits to: "Execute the Project agreements". "Project Agreements" are defined on page 11 as "Collectively, the Power Purchase Agreement, Licence and all other related agreements necessary for development and operation of the Project. Please clarify what is meant by "all other agreements"? We find this to be a vague term that can trigger a proposal security forfeit through no fault of the Investor.

Answer

See Addendum 1 for amended and restated section as available on the OUR website.

Question

104. On page 30, paragraph 92: Each Applicant shall furnish, as part of its Proposal, a Proposal Security in the amount of one percent (1%) of the expected total capital cost of the proposed project. We understand that this requirement will be amended to show that only the successful bidder will be required to post this security. Please confirm. Additionally, if this is so, please indicate how much time is given to do so after notification.

Answer

See Addendum 1.

Question

105. On page 33, paragraph 112: We understand that submission proposal deadline has been extended by 2 months. Please confirm the new submittal date.

Answer

See Addendum 1

Question

106. On page 75, Exhibit 11: Financial Data in support of Tariff. "Applicant shall submit commitment letters from the sources of financing". It is challenging if not unrealistic to obtain a commitment letter from a financial institution for a project that is not awarded. Please consider amending this requirement from "commitment" to "intent".

Answer

Commitment letters or similar documentation are required for the purpose of ensuring that the project is financeable.

Question

107. Please post draft copies on the PPA and interconnection agreement on the website.

Answer

Provisions for interconnection will be set out in the form of PPA to be negotiated between the proposer and the grid operator.

Question

108. Inter-organization support: General comment: It is clear that the bidder has the sole responsibility for the quality of the submittal of his bid. However, it is worth noting that

the quality of the bid can be enhanced through better coordination of key stake holders (JPSCO, governmental agencies such as the Land Agency).

Answer

Noted.