



Questions and Answers 4 (Q & A Number 67 - 74) for 37 MW RFP

Question 67:

We are still struggling with the vagueness of sections 2.7.1 and 2.7.8 and how this conflicts with providing the lowest possible cost of electricity in a competitive RFP for “Energy Only”.

2.7.1 Evaluation Criteria – Stage 2

154th. Proposals will be evaluated based on the following:

- Ability to provide Grid support in the areas of voltage and frequency control. [10%]

2.7.8 Ability to provide services to the Grid [10%]

- Ability to provide Grid support in the areas of voltage and frequency control. [10%]

As discussed, the RFP needs to be very prescriptive in its requirements. For example if solar PV is the technology we bid, and grid services are required in the form of ramp rate control, we respectfully request that the RFP specify if batteries and/or gensets are suitable, along with the penetration amount, i.e. 5%, 10%, 15%, 20% etc.

The criteria “provide services to the Grid” represents 10% of the Stage 2 evaluation criteria. Hypothetically, if storage or back-up generation is not provided, we would assume the bid would get a low score for this criteria. However it should still be possible to make it to stage 3 and hopefully onto stage 4 and the economic and price evaluation. If a bid makes it the fourth and final stage without storage, and has the lowest price for electricity, then theoretically it should win the bid. Conversely, we wonder if a solar PV bid without storage or back-up generation will make it past the Stage 2 Evaluation.

In addition, and I have asked this earlier, we would like to know if the OUR and/or JPS requires, or cares, if the ‘grid services’ are provided with battery storage or it could be a fossil fuel powered generator (so a hybrid system).

Answer: Grid Services required are dependent on the capability of the technology of the proposed plant from which electricity would be sold to the grid. Plants proposing firm capacity will be more likely to be able to provide certain services in accordance with the 2013 Generation Code.

Having gotten to Stage 2, a Proposal can progress beyond Stage 2 Evaluation according to the scores it achieves. The objective of the 37 MW RFP is to determine at Stage 3 which Proposal(s) results in the lowest overall economic price to the electricity customer.

Question 68

Can the OUR delay the RFP submission date at least 1 month to address the fact that the holiday Break negatively impacts regulators and proponents ability to process work to support the RFP. In addition, it is unknown at this point in time whether or not JPS will be able to perform and deliver grid interconnection capacity studies in a timely manner, in order to support bidders, and to facilitate informed bids regarding available connection capacity and costs.

Answer: The bidding period of six (6) months is considered sufficient, taking all factors into account. The submission date remains unchanged.

Question 69

We also seek clarification on Sections 2.2.19 and 2.3.4

2.2.19 Multiple and Alternative Proposals

88th. Applicants are permitted to submit more than one Proposal or Proposals which consists of one or more alternative Proposals. Each such Proposal and alternative Proposal(s) shall comply fully with the requirements of the RFP.

89th. In the case of multiple Proposals, each such Proposal shall be submitted separately and shall be evaluated independently of each other.

90th. In the case of alternative Proposals, the Applicant must clearly identify one of the Proposals as its base or preferred Proposal and the other(s) as the alternative(s) to that base or preferred Proposal. Each such Proposal shall be evaluated on its own merit in accordance with the evaluation criteria set out in the RFP.

91st. For the avoidance of doubt, where an Applicant submits multiple Proposals any one or more of an Applicant's Proposals may be recommended for grant of Licence to supply electricity to the JPS grid. However, in the event that an Applicant submits a base or preferred Proposal and alternative Proposal(s), only one of these Proposals can be so recommended.

2.3.4 Processing Fee

114th. All Proposals and alternatives must be accompanied by a non-refundable processing fee of **Eight Thousand United States Dollars (US\$8,000.00)**. The fee may be payable by certified cheque issued by a reputable bank.

Is the main objective the lowest possible price, or is it grid services? We could consider submitting a base proposal and alternatives for a single site. If we do this, I understand that we need to submit each one individually, along with the \$8,000 US 'Processing Fee'. Hypothetically, and for example, proponents could submit [... base bids] and alternatives. I believe each one of these bids would require the \$8,000 US 'Processing Fee'.

Answer: Each Proposal and any Alternative Proposal would require its own Processing Fee. However, Alternative Proposals would not require separate Proposal Securities as per Section 2.2.20 paragraph 93 of the RFP.

Question 70

The RFP (Page 21, paragraph 51) indicates that, for applicants comprised of more than one entity, “each member shall complete and submit “Annex F of Exhibit 6 – Audited Financial Statements”. Will the same be required for the Credit Report?

Answer: Yes. As per the definition of Applicant on page 6, an entity can either be an “(individual, corporation, partnership, or consortium) that submits a Proposal to develop the Project.” This means that all who comprise that entity should meet the requirements of Section 2.2.5 Proposal Structure and Contents. Paragraph 48 is highlighting the requirement for audited financial statements by all, including unincorporated members.

Question 71

What are the acceptable means of submitting the soft copies of the proposal and Excel Model of Tariff Spreadsheet?

Answer: The acceptable means are as stated in Section 2.2.22 Markings and Presentation of Proposal, paragraph 104th is either a compact disk or USB drive.

Question 72

Reference is made to: a. Page 21, 50th paragraph, “For the purpose of determining the experience and technical capability of an Applicant comprised of more than one entity, including an unincorporated association, the experience and technical capability of each member shall be combined for evaluation”; and b. Pages 40-41, section 2.6.6, 150th – 152nd paragraphs stipulating the Six Criteria for Stage 1 of the Evaluation Process. How exactly will the experience and technical capability of each member be combined for evaluation? Is it that for applicants comprising more than one entity, that each member entity will be assessed based on the criteria found on Pages 40-41, section 2.6.6, 150th – 152nd paragraphs, and an average taken? Or will each entity/partner be assessed in relation to their proposed role in the project? For example, where a partner/entity is solely responsible for financing (Criteria B), will they also be assessed in relation to the nonfinancial criteria (A, C-E)?

Answer: The intent of the evaluation is to determine if the proposal contains sufficient evidence of its claims in all aspects of the proposal. The criteria on pages 40 – 41, Section 2.6.6, 150th – 152nd paragraphs, will be applied to parties/persons primarily based on their identified roles in the project.

Question 73

We refer to Page 23, 62nd paragraph: “The Project Sponsor/Project Company shall be responsible for all material and equipment shipment(s) into Jamaica for the Project. The Applicant shall identify and verify the sufficiency of port facilities, transportation networks, customs requirements, taxes, duties, fees and visas required to implement the Project. Applicants should contact the relevant public bodies including the Port Authority of Jamaica, Jamaica Customs Agency, Ministry of Labour and Social Security, Tax Administration Jamaica and the Passport Immigration and Citizenship Agency for further details.” Does Applicant need to supply proof of consultation with the entities mentioned in the 62nd paragraph? If yes, what form should this proof take?

Answer: No. It is not a requirement that the “Applicant need to supply proof of consultation” nor is the list of entities to be consulted exhaustive. The paragraph 62 is provided as a guide as to the entities that may need to be consulted. The proposal should be guided by such consultation.

Question 74

What exactly is required as “evidence that local labour considerations have been adequately addressed” (as requested in EXHIBIT 8, page 69, section 4.9.2, Use of local labour)? 6. Similarly, what exactly is required as “evidence that the standards of all relevant regulatory and statutory agencies will be met” (as requested in EXHIBIT 8, page 70, section 4.9.5, Regulatory and Statutory Compliance)?

Answer: The evidence is dependent on the proposal. The intent of the section is to encourage use of local labour. The Proposer is required to demonstrate how its project would include local labour, if it proposes to use local labour.

Regarding evidence re the standards, given that each project will have to be compliant with various regulatory and statutory requirements, similar to the answer to question 11, the required evidence that the standards of all relevant regulatory and statutory agencies will be met would be documentation showing the extent to which the Proposer has engaged the relevant agencies and that these agencies have no immediate objection to the development of the project.

END