



OFFICE OF UTILITIES REGULATION

Responses to Questions arising from the Pre-Bid
Meeting held Friday 2015 August 28,
for the
Supply of up to 37 MW (Net) of Electricity
Generation from
Renewable Energy Resources
on a Build, Own and Operate (BOO) Basis

Question 1

The RFP is for 37 megawatts; how stringent is that as a cap, as a maximum. In other words, if my equipment that I am installing is say 40-megawatts, will that be acceptable? Thank you.

Answer:

A firm bid must be for up to 37-megawatts. That is the basis on which the bid will be evaluated. The OUR reserves the right not to consider a bid or alternative bid of a capacity greater than 37 MW.

Question 2

Dispatch, how is dispatch for this capacity determined in terms of the original Electric Lighting Act versus the Electricity Act 2015?

Answer:

Energy only proposals typically feature a variable cost only. These projects will be accepted on the grid on an "as available" basis unless there are mitigating system issues. Firm

capacity proposals typically have both fixed cost and variable cost components. Firm capacity generators are dispatched according to an economic load dispatch regime that is based on a merit order. The merit order economically ranks generators according to their variable cost. Generators with the lowest economic variable costs are typically dispatched before other generators, subject to system constraints.

Question 3

What has happened about the RFP for the Solid Waste to Energy Project? I am not certain where Solid Waste starts and you end.

Answer

Our understanding is that the National Solid Waste Management Authority (NSWMA) had solicited expressions of interest regarding the commercial usage of the solid waste being collected by that entity. The NSWMA may be contacted for further information on that process.

Solid waste to energy projects may be submitted

in response to the OUR's RFP. However, bidders must satisfy the requirements for feedstock availability.

Question 4

Can you provide clarity on whether there will be any price ceiling on waste to energy, solar, hydro, biomass technologies? If yes, what are they?

Answer

In this particular procurement there are no price ceilings or floors, i.e. there are no price points set. Bidders are encouraged to make their best proposals.

Question 5

Will the prices and the technologies be weighed separately?

Answer

All projects will be evaluated according to the terms in the RFP. There are no particular

considerations regarding technology, except as reflected in the requirements in the RFP.

Question 6

In the last RFP there was a lot of weight put on proving that any bid was fully financed. Now there were winners last time, and it was clear from what was seen in the press that these bidders won and they didn't have any finance at all. A year later they still looking finance, will it be the same this time? Or will proof of finance not be an issue like last time?

Answer

All the requirements of the RFP regarding financing must be satisfied. The RFP requires that bidders provide information on itself and its equity partners, if any, as well as on expected providers of debt financing. Bidders are required to provide, among other things, financial statements, as well as letters of interest or commitment from their financiers.

The terms in the RFP indicate that Bidders will

have to demonstrate that they have identified and will be able to secure the necessary financing for the project. The evaluation criteria requires that if a proposal does not meet these requirements then it will not advance to the technical and economic evaluation stages.

Question 7

There is a big difference between 'firm' and 'intermittent' supply. Firm being firm and intermittent wind and solar and so on. Will there be any bias given to firm? Can you guide us?

Answer

As one will note from the RFP, the ultimate objective is delivering reliable power to consumers at the lowest cost. The OUR will evaluate the impact on the system of any technology proposed based on the parameters that have been outlined in the RFP. In the RFP the OUR has requested quite a bit of information on the respective projects including information on technical performance. These will be factored in the analysis. The OUR will be looking at the

impact of the project, taking into consideration the availability, which will be reflected in whether it is firm or intermittent, as well as the costs.

The OUR will also be taking into consideration the cost impact on the transmission system. So ultimately the preference is for projects that give the consumer the best value for money, i.e. what is the least cost given the performance expectations and cost implications of the project.

Question 7b

And the calling on the current system, if it's variable?

Answer

The impact on the system would be a factor. It is the project's price, performance and impact on the transmission system that will be evaluated.

Question 8

So really a solar with some storage would do

better than a solar on its own?

Answer

Yes, all other things being equal.

Question 9

Thank you for your opening remarks. The last time the OUR conducted a tender it was a similar format and you expressed this morning that the driving criteria would be the lowest overall cost. A significant component of the lowest overall cost is the interconnection cost, and so the question I have about the interconnection cost is a two part question. One: is JPS contributing or have they volunteered to step out of the process and if they have not, is there anything that the OUR can or has done to quantify some of the critical components of the interconnection cost, and if not then have you established a standard for JPS responding to participants? Standard in terms of responsive time or in terms of the money, a standard connection.

Answer

The Jamaica Public Service Company Limited (JPS) will provide basic information to bidders on the system, as it pertains to the interconnection requirements for the bidder's proposal. The interconnection criteria is a part of the Generation Code 2013. Given that the cost will be based on what the bidder has designed to interconnect, the responsibility still rests with the bidder to come up with this cost, based on the interconnection criteria.

Question 9b

So the criteria will be added as an addendum to the RFP?

Answer

Interconnection is a cost to the bidder regardless of the process. In fact, there is a Generation Code which persons are expected to check, because the interconnection criteria are also there.

In terms of JPS as Grid Operator, the interconnection cost is not their cost. That cost

will be the bidder's cost. Should persons require services outside of the basic information to bidders on the system, as it pertains to the interconnection requirements for the bidder's proposal, then that would be a separate matter for which the bidder could contract with any entity or with JPS. Such arrangements would be between the bidder and that entity, whether it be JPS or not.

Question 10

In different parts of Jamaica there are substations, you can pick a location that you connect to the grid where there might not be a substation, and in that case you can propose to interconnect to the grid with a weak sub-station or some kind of adaptation. Now, JPS might have some costs to receive that power. You said that the lowest overall cost is the criteria, so are you including in the criteria of each proponent the cost to JPS or only the cost from the bidders, and are you excluding whatever cost JPS would have to meet in order to accept that proposal?

Answer

All the costs associated with the project will be taken into account. There are some which will be directly related to the bidder. So, for example, the cost will vary depending on where the bidder wants to enter the grid. There is no pre-determined cost that one can come up with at this point, it depends on the proposal and where the bidder wants to enter the grid.

Now, if JPS needs to expand a sub-station to accommodate a bidder's project, that would be a direct cost to the bidder. However, if by virtue of the bidder injecting its power into a particular sub-station, JPS needs to build a new transmission line somewhere in order to ensure that the transmission system remains robust, then that is not something the bidder would necessarily pay directly. This cost would be factored in the evaluation, because JPS would have to recover that cost from the tariff paid by its customers. The OUR would have to evaluate the effect of that, unless the bidder also chooses to pick up that cost and include it in its proposal.

Building a transmission line from a sub-station to another to accommodate a bidder's power into the grid may not necessarily be something that the bidder has to do, because the bidder is not going to own that transmission line. The line will serve other purposes other than just to accommodate the proposal. But it is a cost on the system nonetheless and will be ultimately imposed on consumers; so the OUR will also have to take that into account in evaluating the proposals. The ultimate objective is giving the consumer the best overall deal.

Question 11

The question I have relates to the balanced score card approach that you use to rank and evaluate projects. At the last RFP for 115-megawatts, after the RFP was completed we didn't get a sense of how the winners were ranked, there wasn't a ranking at the end where we could have a full sense of who came first, second, third, fourth and so on. Is this something that you are prepared to do in this RFP, because certainly for us as bidders it would be very useful and helpful

to have that ranking and have that listing at the end of process?

Answer

The OUR will not be using a balanced score card approach. The RFP speaks to a four stage process. So there is the initial stage to determine the bid's responsiveness to the RFP? Proposals that pass that stage then advance to the next stage where the bidder's track record, experience and financial position are evaluated. This is a form of post qualification because the process does not include a pre-qualification exercise. If the proposal passes that stage then it moves on to Stage 3, which is the technical evaluation. If the proposal achieves the required minimum scoring at that stage, then it moves on to the next Stage which is where the economic analysis is performed. The determination is going to be based on cost. The OUR is not going to take weights based on those earlier stages, those are just to get the bid to the economic evaluation stage where the OUR will assess the cost to consumers.

The OUR would have an obligation to advise bidders where they rank. Certainly, the RFP is for up to 37-megawatts, so it is possible that there may be a combination of winners. The OUR will advise bidders on their ranking based on all the information that is received, and whether or not the bidder's proposal made it through to the different evaluation stages.

Just to add to that point a little further. The present provision of the RFP really puts the bidder into one of two categories at the end of the evaluation exercise. Bidders are either in the category of ranked applicants or those who have been eliminated prior to the economic evaluation stage. At the end of the evaluation exercise, bidders will be informed regarding the status of their proposals.

Question 12

It may seem obvious, but nowhere in the document does it speak to a definition of what renewable fuel source or fuel type is. Some obvious ones

might be waste. Maybe there is some other type of renewable biomass. The question I have is: can there be a specific definition and if it so turns out that that proposal needs to have not renewable fuel, is that allowed and if so is there a percentage that possibly could be allowed?

Answer

The OUR will look back at the RFP and if the definition is adequate it will be reviewed. Please note that an updated definition of renewable energy source has been inserted in the RFP by way of Addendum No. 1 dated 2015 September 25.

Question 13

Is double dipping allowed, meaning a previous bidder, winner, are they allowed to participate again?

Answer

The process is open to all persons, including bidders who have participated in previous

generation procurement exercises.

Question 14

A follow up question on the interconnection. In consideration of the last process, one of the things which was not looked at carefully was how the coincidence of interconnection requirements would play out for the different projects. So, for instance, we ended up with two projects at one sub-station. In the evaluation itself, how does the OUR envisage it will take that into consideration, given that most of the resources are probably going to be located in similar regions and possibly we will be approaching the same sub-stations for JPS for that interconnection, and given also that the bidders by themselves would only be evaluating their own individual impact on the system at that point. How do you consider taking that into consideration in the evaluation?

Answer

It's always going to be an iterative process for renewable energy. Renewable energy sources tend

to be more site specific. For example, hydro, wind or solar energy resources tend to be optimal at specific locations. So if it is that more than one bidder plans to connect to a particular sub-station, once the bids have been received and screened, the OUR will be able to see what projects are approaching a particular sub-station.

At that stage a different kind of analysis has to take place, such as the cost for the interconnection, what is the cost for the bidder, and what will be the implications for system upgrade which might impact cost to the customer. All of those things will be taken into consideration, but one cannot know before the bids are evaluated.

Question 14b

Understood. That's why I am asking the question, have you thought about how you would go about it? Depending on which bid you evaluate first a bid may not have an impact at a sub-station, but the second one could.

Answer

It is something that came up in the last renewable energy procurement process, with two people going into the same sub-station. The cost of one alone was different from the cost for that same one with the other included. Normally one would expect some economies of scale, so that the total cost would go down, but it could also increase. It is something that was discussed at length with the grid operator. Bear in mind however, the original criteria, i.e. the OUR is looking at projects that provide the best value to the consumers, having met all the other relevant parameters. So if two or more bidders plan to connect to the same substation, then the lowest bidder would get preference in the evaluation process. The OUR will also look at the effect of all bidders connecting to the same substation in evaluating the bids. This may mean working with the grid operator to better understand the costs. The OUR reserves the right to ask for clarification information from the bidders in order to make sure the evaluation

process is fair to all.

Question 15

Still on interconnection. Just for some clarification, it seems like the bidder is going to have to negotiate with JPS for the interconnection and everything along the way, bearing in mind that JPS is the power house, seems to be setting the criteria, and would have, just by definition of how conflicts are defined, some measure of conflict of interest. I want to hear if the OUR is going to be much more involved in that discussion between the bidder and the JPS who is the transmitter that we have right now. Not at all casting aspersions on JPS. JPS is there to look after its own self-interest, but when that self-interest will conflict with the bidder, then the bidder must be concerned. I would like to hear what role the independent regulator, the OUR, will play in that interconnection arrangement, if you will.

Answer

JPS wears two hats in this case, and we would

like to believe that there is some kind of wall in between but we are still mindful of the potential conflict of interest. JPS is the grid operator. The OUR will engage JPS as the grid operator in this case. The OUR is, however, aware that there is a complication, because JPS can also participate as a bidder in the process. The OUR will be paying very close attention to the potential conflict of interest issues that may arise.

Regarding what happens on the transmission system and what is proposed as necessary for the interconnection, the OUR will be evaluating those requirements and those decisions as well. The OUR will be doing very thorough evaluations of the generation, transmission, interconnection, etc., to make sure that, again, the consumers are getting the best deal, and to avoid any issue relating to potential conflict of interest, where the grid operator is also a potential bidder.

Question 15b

A follow up, all this is going to work very well

if we have a tremendous amount of transparency, which is not what we are used to in Jamaica. Will the OUR, when you are finished with the bids, disclose everything to all of us within the law.

Answer

There are rules and laws governing what we may or may not be able to disclose to the public regarding the details of bids received. General information on the successful bids including renewable technology, generating capacity, project costs and location will be shared with the public. The OUR would have to disclose technical and engineering matters with the grid operator to facilitate interconnection discussions and finalisation of the relevant power purchase agreement.

The OUR also expects bidders to have some engineering support to be able to comfortably engage JPS on technical issues. The bidder should be able to evaluate and verify what JPS is asking of the bidder as a requirement to interconnect.

Question 16

This is a follow up question to the review process. I am concerned about the timeliness. We participated in a number of bids in the first round, and requested a review. It was an expensive proposal, it takes a lot of money to put these things together and that review is still forth coming, and this request has been put in writing. The question is, in the last go-around, we were bidders and we failed, and we requested a review of why we did not win, and that has not been forthcoming. You just in the last 15 minutes gave assurances that this would happen this time around, and I am asking the timeliness of it, because one of excuses given and reasons given for the review not taking place, that you were waiting on, you know, PPA is to be negotiated; a number of other reasons, and the fact is it's two and a half years later and the bidder still does not know why the bid failed. So I am asking if you are willing at this stage to put some boundaries or parameters on the timeliness of this review.

Answer:

There are some legal guidelines. The OUR is willing to make disclosures of information only to the extent that this is permitted by the applicable rules and guidelines. The OUR certainly cannot disclose certain information relating to other people's proposals as this may be private. If a bidder has failed at a particular evaluation level, in the interest of transparency, the OUR is willing to advise that bidder of the stage at which its proposal failed.

A discussion on failed proposals, could only be considered after the procurement process is at an end. The OUR may not be able to get into specifics on the evaluation of the failed proposal because its lack of success may have occurred based on a comparison with other bids. The OUR could perhaps indicate where the bidder's evaluated price is ranked when compared to successful bids. The OUR will have to create a balance between transparency and maintaining the confidentiality of bidders' commercial and

proprietary information. The OUR will conduct a fair process with a level playing field, but at the same time will also have to protect confidential information.

In addition, the OUR will not be making any commitments to give a detailed point by point review of anyone's proposal. What the OUR will commit to is that in the event that persons fail a particular evaluation stage, the OUR will advise persons of that fact at the end of the overall procurement process. At this stage, the OUR is not committing to providing a detailed review of every single proposal that it receives. The OUR commits to advising persons who fail at various stages, in general terms, of the areas in the evaluation criteria that they would have failed on.

Question 17

The second question is more administrative. The last time around we had to put in a specific request for some of these documents, bid

documents to be provided in electronic fashion that cannot be manipulated, PDF documents. I don't think we are here to type, so I just put that request in now so those can be provided to all persons who may be interested.

Answer:

The proposal forms to be filled out will be made available to bidders in Microsoft Word format on the OUR's website.

Question 18

The 2nd bullet point in the RFP "Plants should supply inter-alia the following:" under Technical Specifications and Data, says your plant should have the ability to supply services to the network according to the generation code, etcetera, reactive power. Will this proposal take into consideration compensation for the bidder for this service?

Answer:

As it is right now there will be no compensation for the supply of reactive power.

Question 18b

But are you making it a requirement?

Answer

As a participant on the grid, every generator is expected to do its part to ensure that the grid operates in a reliable manner as far as the technology allows.

Bidders are required to provide a plant with the capability to operate within the prescribed limits of power factor leading and lagging. Bidders should design their systems to be able to respond accordingly.

Question 19

I just have a follow up question or comment regarding the four stages of evaluation. Certainly there is a tremendous need for transparency here. Developers, bidders, will be spending considerable time and expense to prepare bids. I think we all assume that as developers

and bidders we will get to the fourth stage where it's just based on price. However, if there is a need for clarification, it would be great if the OUR could reach out to the developers and seek that clarification. I know that that is mentioned in the RFP, because I think we all want to submit complete bids that meet the requirements.

Now, the cost piece, it would be helpful on the cost piece in terms of transparency, if the OUR could somehow publish what the weighted average cost or weighted average levelized cost of electricity of the winning bid is, because certainly the cost of the bids affects the rate base and the cover. So it would be great if at the end of it all, three to four steps, if somebody gets hung up on the first three they could go back to the bidders and work with them to clarify what may be a small administrative issue and not disqualify them.

And then the fourth step on the bid price on the economics, if the winning bids or weighted average cost gets published, because that's what affects the rate base. Thank you.

Answer:

If there are clarifications required at the evaluation stage the OUR will certainly request them, but the OUR will not allow bidders to make amendments to the bid at all.

The OUR's main objective in the evaluation process is to ensure that all bids are evaluated on a consistent and fair basis. So it would be inappropriate to seek price changes or other changes prior to or during the bid evaluation.

Question 20

I am looking for some more clarity on dispatching of renewable with firm capacity. The generation code speaks to merit order based on variable cost, which is based on your fuel and, of course, however, we have no definition for renewable fuel, but for sure we are not going to have a MMBTU charge.

Answer:

Economic dispatch is for the benefit of consumers, and will be based on variable costs.

The firm capacity projects will have a fixed cost component and a variable cost component and so those plants will be dispatched on the basis of the variable cost component.

Question 21

On page 25 of the RFP there is a list of requirements including tariff calculations. Is the OUR willing to supply examples of these tariff calculations that will be acceptable to you?

Answer:

The RFP does require bidders to submit a tariff model, and that tariff model should represent whatever calculations each bidder would put in place to link its inputs to its output of a tariff. It is strictly up to the bidder as to what would represent its project and its proposal and not something that the OUR would want to prescribe.

Question 21b

Are there any standard templates that the OUR has

used in the past? It says "tariff model".

Answer:

The tariff model is something the bidder is required to provide to support its submission. This allows the OUR to determine if the bidder realistically has a project. Also, if later on some parameter should change, the model gives the OUR the ability to look at the impact of such change on the tariff. The model therefore provides additional information answering some of the questions regarding the feasibility of a bidder's project. It also provides a tool for the OUR to assess the need for any variations due to factors that may occur in future. The model would provide a basis to deal with those factors rather than an open ended negotiation process.

Question 22

The next question I had again, more technical, on page 45 there is mention of a "*DIgSILENT PowerFactory and PTI PSS/E*" dynamic model, whatever that is. Can you give some clarity on that, and is that model required to be submitted,

these results required to be submitted for all projects or are they restricted to certain types of projects?

Answer:

A part of the evaluation process is a transmission evaluation or transmission analysis component to determine the impact of each project or group of projects on the transmission grid. The DIGSILENT Programme has the capability to facilitate these steady state, transient and dynamic analyses, to look at impacts on the performance of the overall grid. The OUR expects the bidder to identify the dynamic model of their generator system, and provide the associated dataset required to properly represent that model of the bidder's generator system. The dynamic model and the data-set for the generator system are to conform to the requirements for performing IEEE or IEC test procedures.

Question 22b

Just to clarify. Is this a new requirement as different from the last RFP?

Answer:

Each bidder is required to provide information that it would normally have, technical information on its plant, to allow the OUR to model it in the transmission system. One of the things that the OUR will be doing now, is looking at the impact of projects on the transmission system. The OUR does not want to reject a proposal because the plant may have some impact on the system and the system is not able to accommodate it as is. What the OUR wants to do instead is to evaluate what is required to allow the system to accommodate the particular project, look at the cost and take that into account.

Question 23

A follow up to that point. Once we evaluate the grid impact, will there be an iterative cost where you can allow the bidder to actually give a cost, their cost, as opposed to your cost?

Answer:

It's a fairly new incorporation in the process.

The OUR will have some idea of the cost. There are some direct costs which the bidder will know from the criteria to interconnect. What the OUR is going to be looking at now are other things that JPS may have to do to the system which may not be a direct cost to the bidder. It is something that the OUR may have to seek clarification on, but at that stage, without the specifics, we may not be sure what may come up and what we may or may not be able to discuss with the bidder. Should, however, the OUR require further clarification from a bidder, it would certainly seek that in terms of a situation where the grid is not able to accommodate a project as is and something needs to be done to the grid itself as opposed to the interconnection facilities.

Question 24

My question is about the part of the RFP that speaks to regulatory standards and environmental standards. I think it's Exhibit 8 that speaks to the question of each bidder demonstrating that he is able to comply with the appropriate standards.

Because of the variety of technologies that is expected to be submitted, it is very difficult for you to stipulate what regulatory or environmental standards apply, but I would also appreciate some indication of what you are looking for when you say demonstrate in the bid response, *"Demonstrate ability to comply"*.

Answer:

Outside of environmental regulations, what bidders are required to comply with may be fairly straightforward. The environmental regulations may be where a bidder could have some challenge, because a bidder may not be able to do a full-fledged EIA before submit its bid. The OUR, however, expects bidders to do some preliminary work. The RFP describes that, and the OUR would also like to see if the bidder has had some interaction with National Environmental and Planning Agency (NEPA), to determine if there are any major concerns with the project being located in a particular area. The OUR would be looking more closely at that as it evaluates the project, should something come up that starts off an

alarm. But in terms of a full-fledged EIA, that is not required at this stage. The bidder is expected to do some preliminary work towards that in order to satisfy the OUR, satisfy itself and satisfy its financiers as well as to the ability of the project to comply with environmental requirements. So it is not something that the bidder is not going to need, that the OUR is requesting. The OUR requires as much information as possible, to demonstrate that there are no major concerns with the project.

Question 25

Okay. The word "standards" is used in that discussion, and because the previous question about what is the definition of renewable energy is not quite settled, would it be possible for you to identify, in the case of wind, if there is any particular standard that you want to be met, identify what that standard is; in the case of solar, what is that standard, in the case of hydro, geothermal, biomass, what are the appropriate standards, so we are not left to hunt for standards and then try to see if we can meet

those standards.

Answer:

It would be the applicable standards for each technology. Bidders should consider obtaining guidance from local experts in this regard. The OUR is not seeking to impose new standards. It is whatever are the required standards for a bidder to be able to implement its project. The OUR would not wish to select somebody for a project and later discover that it cannot get the requisite approvals, whether it's from NEPA or Local Government or anyone else. Of course, the OUR would also expect bidders to comply with proper engineering standards as well; but the main thing is that bidders are complying with the applicable standards so that there is a feasible project going forward.

The OUR wishes to emphasize that bidders are expected to do their necessary due diligence, because different projects will have different regulatory requirements. So, for example, a hydro project may require special permitting from the Water Resources Authority. Or a waste to

energy project may require bidders to make contact with the Ministry of Local Government if there are any requirements regarding storage or transportation of waste. So the OUR does not wish to actually specify what are the required standards for each project as the expectation is that bidders will do their own due diligence based on the nature of their particular project and technology.

It is also expected that bidders will get the relevant advice from all authorities regarding permitting, licensing and what standards will apply. So it is a generalized requirement. It may be environment related, it may be land usage related, it might be technology related, etcetera.

One thing should be clear, and it is indicated in the RFP, that no renewable feedstock should be imported, it should be indigenous to Jamaica.

Question 26

The issue has to do with inter-connectivity. On the basis that the grid is not balanced and the load centres are not homogeneous; however, an

objective evaluation is expected. My question is, have we done a "what if analysis"? It is conceivable that two or more bidders could actually be connecting into the same sub-station unknown to each other, and that coalescing of entering into that sub-station could easily make another submission, had that not been the case, become non-viable. Based on what I am hearing at this moment, there is no definitive 'what we would do in that event?' I am clear on that, subject to your response earlier and by deduction. So could we at least agree that going forward at some point before the collection of the bids that the issue would be addressed in such a way that those who are submitting understand what could or what may happen if multiple submissions are going into a particular sub-station, and if it could redound to another bid being non-responsive? Thank you.

Answer:

Certainly multiple submissions in a particular sub-station is a possible scenario, but it is not clear why this would render a bid unviable. What

was said was, to the extent that the grid needs to be modified to accommodate any proposal the OUR would want to assess that as part of the economic evaluation of the bid. Also, to the extent that the incorporation of that proposal is among the least cost combination to the consumers, the OUR would want to see that that modification occurs. The OUR would ensure that it determines what is necessary and then assess the cost.

Given that renewable resources tend to be location specific, it may be that there could be more than one proposal in a particular area. It would be a good idea to look at that possibility, that there could be more than one entrant into a proposed interconnection point up to the 37 MW. The bidder could then take this risk factor into consideration in preparing its bid.

Question 27

Given that your start-up time is 2019, you are going out based on this for 37-megawatts of capacity. I don't hear any consideration for the energy component, of that sort of energy

implication of that, but it is likely that another procuring authority after you could go out for procurement of other bids in the timeframe which could inevitably place a negative bias on firm capacity projects being proposed now. So my question is, what assurance can you give that there will be no consideration for non-economic curtailment in this process of the PPA? Can you assure us that there will be no consideration for non-economic curtailment? Non-economic curtailment, meaning, outside of the merit order you will not try to impose a curtailment. Because in 2019 it is highly likely that we could have at a 400-megawatt system more than half of the system being renewables non-dispatchable with other capacity which are non-dispatchable also. I am asking the question, can you give that assurance that in this process you will not try to pre-empt and impose a curtailment, non-economic curtailment.

Answer:

The easy answer to that is no. The OUR cannot give any such assurance and is also not looking

beyond the 37 MW at this point. The RFP doesn't refer to anything like that. The OUR cannot guarantee what happens later, but it can assure that decisions will be taken in the best interest of the consumers. Now, investors will see what the draft contracts will look like and those will give some comfort as to the terms of the performance of a project going forward. There will also be a licence, and that will give bidders the comfort in terms of what the Government may or may not do going forward. Bidders bidding under this process don't need to worry about that at this stage.

Question 28

We know the unsolicited process up to 25-megawatts is closed. Could you indicate possibility when it will reopen?

Answer:

The short answer is again no, but persons could probably follow up on that with the Ministry of Science, Technology, Energy and Mining.