
Office of Utilities Regulation

REQUEST FOR PROPOSALS

for

**Supply of up to 37 MW (Net) of Electricity
Generation from Renewable Energy
Resources on a Build, Own and Operate
(BOO) Basis**



OFFICE OF UTILITIES REGULATION

JULY 31, 2015

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1 INVITATION TO APPLICANTS

- 1st. The Office of Utilities Regulation (the Office or OUR) hereby invites interested entities to submit proposals for the provision of new Generating Capacity from renewable energy sources up to 37 MW (Net) to the national grid of Jamaica on a Build, Own and Operate (BOO) Basis.
- 2nd. Applicants may submit proposals for the supply of one or more plants of varying configurations greater than 100kW and up to 37 MW (Net) of renewable energy electricity generation. Plant design ratings should be based on the chosen site's ambient conditions.
- 3rd. Alternative proposals will be considered.
- 4th. Proposals should be submitted in accordance with this RFP and all submissions will be evaluated in accordance with the criteria specified herein. The Applicant is also required to make full and frank disclosure of any liabilities, litigation (pending and/or active), fiduciary obligations, debts, etc. that could reasonably be expected to materially affect the Applicant's ability to arrange the necessary financing and contractual agreements, or its general ability to successfully implement the proposed project.
- 5th. Requests for additional information, including information on the existing Jamaica Public Service Company Limited (JPS) and independent power producer (IPP) owned generating facilities and operations, and/or questions concerning this tender exercise, may be submitted in writing to:

37 MW Renewable Energy RFP
Office of Utilities Regulation
Third Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10
Jamaica, W.I.

Facsimile: (876) 929 3635
E-mail: 37MWrfp@our.org.jm

- 6th. Proposals must be marked "Supply of up to 37 MW (Net) of Electricity Generation from Renewable Energy Resources on a Build, Own and Operate (BOO) Basis" and deposited in the Tender Box provided at the address below by 3:00 pm Eastern Standard Time (EST) on 27 January 2016.

Office of Utilities Regulation
Third Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10
Jamaica, W.I.

- 7th. All Proposals and alternatives must be accompanied by a non-refundable fee of Eight Thousand United States Dollars (US\$8,000.00), along with the required Proposal Security. However, the fee will be refunded to Applicants whose Proposals are disqualified, based on the terms governing submission at the Proposal opening.
- 8th. Physical submission of sealed Proposals is required. Electronic submission of Proposals, such as by electronic mail, is not permitted. Late Proposals will be rejected. A soft copy of the Proposal in searchable PDF format or equivalent, Dynamic Model and Data for Generator, and a functional electronic copy of the Tariff Model in a Microsoft Excel spread sheet or compatible format are to be provided with each submission.
- 9th. Applicants are invited to attend the opening of the Proposals at the address above at 3:15 p.m. EST on 27 January 2016.
- 10th. Thank you for your interest and we look forward to receiving your Proposal.



Ambassador Peter Black
Secretary to the Office

INFORMATION FOR APPLICANTS

1.1 DEFINITIONS

The following terms will have the meanings defined herein:

Term	Definition
Applicant	Entity (individual, corporation, partnership, or consortium) that submits a Proposal to develop the Project.
Business Day	A Day on which business by and between banks may be carried on in Kingston Jamaica, but in no event shall it include a Saturday or Sunday or Public Holidays.
Construction Security Deposit	Within thirty (30) Days prior to the Commencement of Construction, the Company shall provide, or cause to be provided on its behalf, to JPS a security deposit (the "Construction Security Deposit") of five percent (5%) of capital cost of the Project for Firm Capacity Projects and one percent (1%) for Energy Only Projects. The Construction Security Deposit and any interest accrued thereon may be applied to the payment of liquidated damages or other Damages and accrued interest thereon.
Conversion Rate	The weighted average sales rates for Dollars as published by the Bank of Jamaica in the daily foreign exchange summary for the last Business Day of the Month for which payment is due.
Day	Unless otherwise specified, "Day" shall mean a calendar day.
Dependable Capacity	The amount of sustained capacity in kW from the Complex after commissioning, as determined by periodic testing.
Dynamic Model and Data for Generator	<p>The representation of the proposed generator that conforms to the requirements for the IEEE or IEC test procedures for generators. This includes but is not limited to such representation of the generator, its excitation system and its governor control system to facilitate time-based power system stability simulations in addition to all other Steady State operating parameters of the plant.</p> <p>These must be compatible with and can be successfully imported into DIgSILENT PowerFactory and PTI PSS/E power systems software.</p>

Term	Definition
Energy Only	Power that is inherently intermittent or where a Dependable Capacity is not guaranteed.
Facility/ Complex	Combination of Plants, buildings and equipment at a particular location used to generate electricity from renewable energy sources for supply to the national grid.
Firm Capacity	An amount of power that can be guaranteed and made available to the grid for dispatch outside of an accepted maintenance schedule.
Fixed Payment	The component of the monthly invoice submitted to JPS for payment to the operator of a Facility for the supply of energy which accounts for the provision of Dependable Capacity.
Generation Code	The guiding principles, operating procedures and technical standards governing operation of the Jamaican Power System Grid and all interconnected generating facilities approved/promulgated by the OUR from time to time.
Generating Unit	Smallest individual generator including its auxiliaries.
Government or GOJ	Government of Jamaica.
Grid	The network system for transmission and distribution of electricity by which the public receives electricity service.
Grid Impact	The additional network cost to facilitate the plant on the Transmission/Distribution system beyond the interconnection works.
GWh	Gigawatt hour
Highest Ranked Applicants	Applicants who have submitted Proposals which have been ranked highest evaluated Proposals as determined in accordance with Section 2.8 of the RFP.
IEC	International Electrotechnical Commission
IEEE	Institute of Electrical and Electronics Engineers
Investment Grade/Bankable Data	A complete engineering study in order to detail the technical parameters of the renewable resource data being measured. This should include all seasonal, daily and hourly information as may be required by the bidder's financiers for project approval.

Term	Definition
Jamaica Public Service Company Limited or JPS	A vertically integrated electric utility and the sole retailer of electric power in Jamaica operating under the Amended and Restated All-Island Electric Licence, 2011 as amended.
JPS Licence	The Amended and Restated All-Island Electric Licence, 2011 as amended from time to time.
kV	Kilovolt
kW	Kilowatt
Licence	The Licence granted by the Minister pursuant to Section 3 of the Electric Lighting Act, or such other legislation in replacement thereof, which authorizes the power provider to generate and supply electricity.
MW	Megawatt
Minister	Minister of Government with portfolio responsibility for energy
Ministry	Ministry of Government with portfolio responsibility for energy
MSTEM	Ministry of Science, Technology, Energy and Mining
MVA	Megavolt Ampere
MCM	Thousands of circular mils
Net Energy Output	Net energy delivered from the Facility to the Grid at the point of interconnection between the Facility and the Grid.
Office of Utilities Regulation or OUR	Statutory body established under the Office of Utilities Regulation Act, which is responsible for, inter alia, regulating the electricity sector.
O&M	Operation and Maintenance.
OUR Act	The Office of Utilities Regulation Act, as amended from time to time.
Performance Security Deposit	Within ten (10) Days after the later of the dates on which the Licence and PPA are signed, the Project Company shall furnish a Performance Security Deposit in the amount of five percent (5%) of capital cost of the Project for Firm Capacity Projects and one percent (1%) for Energy Only Projects.
Plant	Combination of Generating Units.

Term	Definition
Power Purchase Agreement or PPA	Agreement to be entered into by JPS and the Project Company governing the supply and purchase of energy from the Facility, and substantially in the form set out in Appendix F or Appendix G as the case may be.
Project	The design, financing, construction, ownership, operation and maintenance of a Facility and all activities incidental thereto.
Project Agreements	Collectively, the Power Purchase Agreement, Licence and all other related agreements necessary for development and operation of the Project.
Project Company	A company duly incorporated under the laws of Jamaica which will assume legal and financial responsibility for building, owning and operating the Project.
Project Sponsor	An Applicant whose project has been selected for grant of Licence in accordance with the RFP evaluation criteria.
Proposal	A written offer in response to and based on the covenants, terms and conditions of this RFP for building, owning and operating the Project.
Proven Generating Technology	Power generation technology that meets the local statutory and environmental standards and that has been in successful commercial operation for at least three (3) years.
PTI PSS/E	Siemens Power Technology Institute - Power System Simulator for Engineering
Renewable Fuel Feed Stock	Any renewable materials that the Plant uses in a conversion process to ultimately generate electricity. This material should be indigenous to Jamaica.
Request for Proposal or RFP	Collectively, all the information, instructions, covenants, terms and conditions contained in this document, including all sections, exhibits, appendices, addenda and associated documents.
SCADA	Supervisory Control and Data Acquisition.
Security Package	The documents and agreements outlined in Section 4 of this RFP.
Site	The land and other places to be used by the Project Company for the construction, operation and maintenance of the Project.

Term	Definition
Tariff Model	A functional unprotected, fully accessible and fully editable electronic spreadsheet(s) in a Microsoft Excel spread sheet or compatible format that demonstrates the relationships between the inputs, conversion factors, any other considerations and the respective outputs which represents the proposed tariff for a Project.
Variable Payment	The component of the monthly invoice submitted to JPS for payment to the operator of a Facility for the supply of Net Energy Output.

1.2 BACKGROUND

- 11th. MSTEM has portfolio responsibility for the energy sector and, as such, has the role of formulating and promulgating the implementation of Jamaica's energy policy. The National Energy Policy 2009 – 2030 (NEP) has identified fuel diversification and the development of the country's renewable energy sources as two of its main objectives. The request for supply of electrical energy and/or capacity from renewable sources embodied in this RFP is in keeping with GOJ's efforts to achieve the targets set in the NEP for incorporation of renewable energy sources in the country's energy mix.
- 12th. The OUR is a multi-sector regulatory agency established in 1995 by the Office of Utilities Regulation Act (the OUR Act).
- 13th. Schedule 1 of the OUR Act defines "prescribed utility services" over which the OUR has regulatory remit as follows:
1. The provision of telecommunication services.
 2. The provision of sewerage services.
 3. The generation, transmission, distribution and supply of electricity.
 4. The supply or distribution of water.

With respect to the electricity sector, the OUR has responsibility for, *inter alia*:

- Direct regulation of the electricity sector including the establishment of tariffs and service standards.

- 14th. Section 4 (1) of the OUR Act sets out the functions of the OUR. Section 4(3) provides that in the performance of its functions under the OUR Act, the OUR shall undertake such measures as it considers necessary or desirable to –
- (a) encourage competition in the provision of prescribed utility services;
 - (b) protect the interests of consumers in relation to the supply of a prescribed utility service;
 - (c) encourage the development and use of indigenous resources;

- (d) promote and encourage the development of modern and efficient utility services; and
 - (e) enquire into the nature and extent of the prescribed utility services provided by a licensee or specified organization.
- 15th. Based on the projected system configuration for 2015 in conjunction with the NEP, 115MW of generation projects based on renewable energy resources were requested in a 2012 RFP. That process yielded 80.3 MW of “as available” energy generation. The OUR has now been requested by Cabinet to complete the procurement of 37 MW (Net) from renewable energy sources which is the subject of this Request for Proposal (RFP).
- 16th. The electricity sector is comprised of a vertically integrated company, the Jamaica Public Service Company Limited (JPS), that owns the transmission and distribution grid and accounts for approximately 69% or 644.5MW of the total generating capacity on the national grid. The remaining 31% of the generating capacity is owned and operated by independent power producers (IPPs).
- 17th. The full complement of JPS’ production capacity consists of eighteen (18) thermal power generating units located at four (4) sites (Rockfort, Hunts Bay, Bogue and Old Harbour), nine (9) hydro plants independently sited across the Island and a small wind plant (3 MW) at Munro in the south central part of the Island.
- 18th. JPS’ current ownership structure consists of East-West Power of South Korea and Marubeni Corporation of Japan (through its subsidiary Marubeni Caribbean Power Holdings, Inc.) each controlling 40% of the company’s shares. The GOJ owns 19.9% of the shares and the remaining 0.1% of shares is held by private shareholders. Up until 2001, when the company was sold to the Atlanta-based Mirant Corporation, the company was 99.9% owned by the GOJ. In 2007 Mirant Corporation transferred its 80% equity in the company to Marubeni Corporation (through its subsidiary Marubeni Caribbean Power Holdings, Inc). Marubeni Corporation has since brought East-West Power on board as an equal partner as a result of a transaction in which it transferred half of its shares in JPS to the Korean company.

- 19th. JPS is currently serving a population of over two point seven (2.7) million. At the end of 2014, JPS had a customer base of six hundred and six thousand six hundred and fifty-four (606,654) including residential, commercial and industrial consumers. Of this amount, approximately 89% were residential customers. JPS supplies consumers from an installed system capacity of approximately 945.1MW of which 300.6MW is provided by IPPs. Of the 644.5MW of capacity owned by JPS, 292MW of its base-load capacity is over thirty-five (35) years old and are some of the most inefficient plants supplying the Grid.
- 20th. JPS' Amended and Restated All-Island Electric Licence, 2011 as amended, states that JPS has the exclusive right to transmit, distribute and supply electricity for public and private purposes in all parts of the Island of Jamaica. JPS has a non-exclusive right to generate electricity. In July 2012, the exclusive rights contained in JPS' Licence were successfully challenged in the Supreme Court by representatives of the lobby group, Citizens United to Reduce Electricity (CURE). The matter was appealed in the Court of Appeal which reversed parts of the decision of the lower court and confirmed the legality of JPS' exclusive rights. CURE has since been granted leave to appeal the Court of Appeal's ruling to the United Kingdom based Privy Council.
- 21st. There are a number of self-generators, mainly in the bauxite-alumina and the sugar sectors that substantially operate independently of the national grid.
- 22nd. In 2014 the annual sales recorded by JPS was 3,013 GWh. To date, the highest peak demand registered on the system was 644.4 MW and the average system load factor is approximately seventy-five percent (75%).
- 23rd. The transmission and distribution system is comprised of approximately 14,000 kilometres of power lines and forty-three (43) substations. The system is supported by twelve (12) 138/69 kV inter-bus transformers with a total capacity of 798 MVA and fifty three (53) 69 kV transformers (total capacity of 1026 MVA). The primary distribution system is constructed on

a network of 24 kV, 13.8 kV and 12 kV power lines. Total system losses are now at approximately twenty-seven percent (27%).

- 24th. Standard conductors, mostly of dimensions 595 MCM and 394.5 MCM, are used throughout the transmission system. Varied sizes of conductors are used on the distribution systems.
- 25th. While the current landscape of the Jamaican electricity industry is characterised by limited competition, the introduction of electric power wheeling is expected to stimulate competition by way of attracting a greater share of self-generation into national energy production. In addition, it increases the options available to existing self-generators to effectively meet their energy needs, while operating in multiple-locations. At present the JPS Licence only contemplates persons wheeling to their own facilities.
- 26th. JPS' tariff regime is currently set based on a review process which takes place at five (5)-year intervals based on a Performance Based Rate-Making Mechanism (PBRM). The last tariff review was done for the period 2014 - 2019.

1.3 JAMAICA ENERGY SECTOR POLICY

- 27th. Jamaica's National Energy Policy 2009 – 2030 and draft National Renewable Energy Policy 2009 – 2030 can be accessed respectively on MSTEM's website as follows:

<http://mstem.gov.jm/?q=jamaica%E2%80%99s-national-energy-policy-2009-2030>

<http://www.mstem.gov.jm/sites/default/files/pdf/Draft%20Renewable%20Energy%20Policy.pdf>

1.4 LEGAL AND REGULATORY FRAMEWORK FOR THE ELECTRICITY SECTOR

- 28th. The legal and regulatory framework governing Jamaica's power sector is currently contained in and regulated pursuant to the following:

- The OUR Act

- The Electric Lighting Act. Note that the Jamaica Parliament recently approved the Electricity Act which will repeal the Electric Lighting Act. As of the date of this RFP the Electricity Act had not yet taken effect. Once it enters into law, persons may view the Act on the Jamaica Parliament website: japarliament.gov.jm.
- JPS' Amended and Restated All-Island Electric Licence, 2011

29th. These documents are available for viewing and may be down-loaded from the OUR website (<http://www.our.org.jm/>).

1.5 PRIVATE SECTOR PARTICIPATION IN THE POWER SECTOR

30th. Since the mid-1990s the GOJ has pursued the inclusion of private sector participation in the electricity sector.

31st. Current IPPs contracted to supply firm capacity to JPS are as follows:

- Jamaica Private Power Company Limited – 61 MW (low speed diesel)
- Jamaica Energy Partners – 124 MW (medium speed diesel)
- Jamalco – 11 MW (Oil-fired steam)
- West Kingston Power Partners – 65.5 MW (medium speed diesel)

32nd. Current IPPs contracted to supply energy only to JPS are as follows:

- Wigton Windfarm with installed capacity of 20.7 MW
- Wigton Windfarm expansion, 18 MW
- Jamaica Broilers supplying approximately 2 MW on an as available basis
- Munro Wind Farm – JPS, 3 MW
- Maggotty Hydro - JPS, 6.37 MW

33rd. Proposals in progress for energy from renewable sources:

- Wigton Windfarm III, 24 MW
- BMR Jamaica Wind Limited - Wind Farm 36 MW
- Content Solar Jamaica Limited - 20 MW PV

1.6 RENEWABLE ENERGY CONTRIBUTION

- 34th. In the Jamaican electricity system, renewable energy generation is supplied mainly by wind and hydroelectric technologies.
- 35th. In 2014, annual generation from renewable energy sources accounted for approximately 6% of total system generation. With contributions of 2.5% and 3.5% from hydro and wind respectively.

1.7 ELECTRICITY DEMAND

- 36th. Electricity consumption in Jamaica is dictated by the pattern of daily economic and domestic activities as indicated in section 1.2 - Background.

1.8 NON-GUARANTEE OF DATA ACCURACY

- 37th. All information and data provided by the OUR with this RFP are furnished solely for the convenience of the Applicant and are not intended as representations or warranties. The OUR shall not be responsible for the accuracy or completeness of such information, investigations, records or interpretations. The Applicant shall be responsible for conducting its own investigation to establish sufficient and accurate information in support of its Proposal. The Applicant assumes all risks associated with the Project, and no adjustments will be provided or made based on the Applicant's interpretation of the information provided.

1.9 PROPOSALS SUBMITTED BY JPS

- 38th. Under provisions contained in the JPS Licence, JPS may submit Proposals in response to this RFP in competition with other Applicants. Any such Proposal will be evaluated in the same manner as all other Proposals in accordance with the criteria set out in this RFP.

1.10 PROCUREMENT PROCESS AND SCHEDULE

The proposed process and timetable are as follows:

No	ACTIVITY	DATE
1	Issue of Request for Proposal	31 July, 2015
2	Pre-bid meeting	28 August, 2015
3	Deadline for Submission of Proposals by Applicants	27 January, 2016
4	Complete Evaluation of Proposals	26 April, 2016
5	Notify Highest Ranked Applicants	06 May, 2016
6	Complete negotiation of Project Agreements	03 November, 2016
7	Highest Ranked Applicants Post Performance Security Deposit by	14 November, 2016
8	Begin Construction	03 July, 2017
9	Proposed Commissioning Date (Energy Only)	28 December, 2018
10	Proposed Commissioning Date (Firm Capacity)	27 December, 2019

2 INSTRUCTIONS TO APPLICANTS

2.1 REQUEST FOR PROPOSAL

2.1.1 OUR Communications with Applicants and Clarifications

- 39th. Except as otherwise specified in this RFP, the OUR will not enter into any communications with Applicants and prospective Applicants in connection with this procurement except to provide clarification regarding the RFP and the procurement process. The OUR will respond in writing to any request for clarification where such written request for clarification is received not later than thirty (30) Days before the deadline for submission of Proposals. Any Applicant or prospective Applicant requiring clarification on the RFP or procurement process may notify the OUR in writing at the address indicated below:

**Office of Utilities Regulation
3rd Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10
Jamaica, W.I.**

Attention: 37 MW Renewable Energy RFP

Facsimile: (876) 929 3635
E-mail: 37MWrfp@our.org.jm

- 40th. The OUR's reply to requests for clarification submitted in accordance with this RFP shall be in the form of a circular letter or Addendum which will be posted on the OUR's website.

2.1.2 Amendments to RFP

- 41st. No later than fourteen (14) Days prior to the deadline for submission of Proposals, the OUR may issue Addenda on its website which may delete, modify, or extend any provision of the RFP. All prospective Applicants are therefore expected to check the website regularly for updates, clarifications and Addenda. Upon submission of a Proposal, Applicants are deemed to have read all Addenda issued in respect of the RFP. Additionally Applicants are required to acknowledge receipt of all Addenda in their

Proposal. The Applicant's late receipt of any Addendum or failure to read any Addendum shall not relieve the Applicant from being bound by the information, terms and conditions contained therein.

- 42nd. Unless the clarification or amendment to the RFP is in the formal manner described above, no representation or explanation to Applicants shall be considered valid or binding on the OUR as to the meaning of any provision of the RFP or as to the Project. Applicants are cautioned that no employee of the OUR or consultant to the OUR is authorized to explain or provide an interpretation of the RFP except as provided in this RFP, and that any interpretation or explanation, if not given in writing by the OUR pursuant to Section 2.1.1, must not be relied upon.
- 43rd. In order to afford Applicants reasonable time in which to take a clarification or amendment into account in preparing their Proposals, the OUR may, at its discretion, extend the deadline for the submission of Proposals.

2.2 PREPARATION OF PROPOSAL

2.2.1 Joint Ventures

- 44th. Applicants may form a joint venture for the purpose of submitting a Proposal and shall then also comply with the following requirements:
- One of the partners shall be nominated as the managing partner and this authorization shall be evidenced by submitting a Power of Attorney signed by legally authorized signatories of all the partners;
 - The managing partner shall be authorized to bind, incur liabilities and receive instructions for and on behalf of any and all partners of the joint venture;
 - All partners of the joint venture shall be jointly and severally liable for the actions of the joint venture and the managing partner, and a relevant statement to this effect shall be included in the agreement entered into by the joint venture partners.
 - A copy of the agreement entered into by the joint venture partners shall be submitted with the Proposal.

2.2.2 Language of Proposal

45th. The Proposal and all related correspondence and documents shall be written in the English language. Supporting documents and printed literature furnished by the Applicant with the Proposal may be in any other language provided they are accompanied by a certified translation in the English language. Supporting materials which are not translated may not be considered. For the purpose of interpretation and evaluation of the Proposal, the English language translation shall prevail.

2.2.3 Cost of Preparing Proposals

46th. The Applicant shall bear all costs associated with the preparation and submission of its Proposal and the finalization and execution of the agreements comprising the Security Package. The OUR will not be responsible or liable for these costs, regardless of the conduct or outcome of the procurement process.

2.2.4 Prior Submission by Prospective Applicants

47th. Applicants are required to return the Receipt at **Appendix B** to confirm their intention to submit a Proposal and are encouraged to do this promptly **by 12 August 2015** in order to be included on the OUR's mailing list of prospective Applicants who will receive responses to queries, any Addenda to the RFP and other instructions directly from the OUR. However, Applicants still have the primary responsibility to visit the OUR's website on a timely basis to ensure that they have received any new or updated material.

2.2.5 Proposal Structure and Contents

48th. Applicants shall submit all information and documents described in or required by this RFP, including its annexes, exhibits and appendices in its Proposal.

49th. The information required in the Proposal as set out in Appendix A includes the following:

- Exhibit 1 Proposal Letter (Attachment – Proposal Security)
- Exhibit 2 Affidavit
- Exhibit 3A Applicant's Organization
- Exhibit 3B Associated Organization

- Exhibit 4 Information to be furnished by Applicants
- Exhibit 5 Information to be furnished by Unincorporated Association
- Exhibit 6 Detailed Information to be furnished by Applicant:
 - Annex A Articles of Incorporation, etc.
 - Annex B Certificates of Registration
 - Annex C Curriculum Vitae of Key Personnel
 - Annex D Technical Capabilities
 - Annex E Project Experience
 - Annex F Audited Financial Statements
 - Annex G Valid Tax Compliance Certificate
 - Annex H Credit Report
- Exhibit 7 Project Description, Data and Feasibility Report
- Exhibit 8 Special Requirements
- Exhibit 9 Proposed Tariff
- Exhibit 10 Cost Data in Support of Tariff Proposal
- Exhibit 11 Financial Data in Support of Tariff Proposal
- Exhibit 12 Breakdown of Construction Costs
- Exhibit 13 Additional Supporting Data
- Exhibit 14 Project Performance Specifications and Drawings
- Exhibit 15 Proposed Project Schedule
- Exhibit 16 Disclosure
- Exhibit 17 Interconnection Schedule

50th. 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.

51st. For determining the combined financial capability of an Applicant comprised of more than one entity, including an unincorporated

association, each member shall complete and submit “Annex F of Exhibit 6 – Audited Financial Statements” for evaluation.

- 52nd. The Applicant must submit a substantially responsive Proposal, i.e. one which conforms to all terms, conditions and specifications of the RFP without material deviation or reservation. Failure to comply with this instruction will result in disqualification of the Applicant.
- 53rd. Where applicable, the Applicant must prepare the Proposal by completing the exhibits, annexes and appendices. All items to be entered in the prescribed forms contained in the exhibits, annexes and appendices shall be typed or written in indelible ink. If necessary, additional sheets may be attached to the Proposal.
- 54th. Each page of the Proposal, including the annexes, exhibits and appendices, should be initialled by a person or persons duly authorized to sign on behalf of the Applicant and any associated individuals or companies. Such authorization shall be indicated by one or more written powers-of-attorney.
- 55th. A Proposal may be rejected if it is illegible or contains omissions, erasures, alterations, additions, or irregularities; except for those alterations necessary to correct errors made by the Applicant, in which case such corrections shall be initialled by the person or persons signing the Proposal.

2.2.6 Sites and Site Visits

- 56th. The Applicant shall be responsible for all matters relating to the siting of its proposed Facility. The Applicant is advised to thoroughly investigate their proposed Sites, conditions and surrounding areas, interconnection and obtain or verify all information necessary for the preparation of its Proposal.
- 57th. The Applicant should consult with the relevant government agencies and owners of the proposed Sites in order to get all necessary approvals and agreements required for implementation of the proposed Project.
- 58th. Failure to fully investigate their Site shall not be deemed as acceptable grounds for the Applicant to subsequently alter its Proposal or the agreements comprising the Security Package, nor shall it be the basis for any claim.

2.2.7 Proposal Letter

- 59th. The Applicant shall complete the Proposal Letter and provide the necessary Power(s) of Attorney as required. The Applicant shall also provide the Proposal Security in the form indicated.

2.2.8 Description of Project and Technical Feasibility Report

- 60th. The Applicant shall provide a Project Feasibility Report in accordance with Exhibit 7.

2.2.9 Special Requirements

Plant Configuration

- 61st. The request is for up to 37 MW (Net) of generating capacity. Applicants shall be guided by the Generation Code as may be amended from time to time and the JPS Interconnection Guidelines. These documents may be viewed on the OUR's website.

Logistics

- 62nd. 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.

Labour

- 63rd. The Project Sponsor/Project Company shall be responsible for all matters relating to use of local labour and shall recognize the rights of local labour, including the right to form or belong to trade unions.

Site Utilities

- 64th. The Project Sponsor/Project Company shall, at its own expense, arrange for, develop and maintain utilities at the Site to execute the Project, including but not limited to:
- Potable Water;

- Sanitary and Sewerage Facilities;
- Telecommunications services;
- Construction Power.

Inputs

- 65th. The Project Sponsor/Project Company shall make its own arrangements for the procurement of all inputs required for completion and operation of the Project.

Environmental and Statutory Requirements

- 66th. Applicants are required to submit an initial environmental impact report indicating expected impacts on the physical, ecological and socio-economic environments.

- 67th. The Project Sponsor shall ensure that the Project satisfies all applicable environmental and statutory requirements and will be required to provide a full Environmental Impact Assessment Report in conformance with the requirements of the relevant government agencies prior to commencement of construction.

Project Milestone Schedule

- 68th. The Project Company shall supply the OUR with a detailed Project Milestone Schedule and shall commence construction of the Project on the date agreed with the OUR and shall complete construction in accordance with the specified deadline.

2.2.10 Proposed Tariff

- 69th. The Applicant shall submit its proposed Tariff, which shall be for the execution and completion of the Project as defined in the Proposal, in accordance with Exhibit 9. Additional backup sheets and calculations may be submitted as necessary to explain the Applicant's Tariff.

- 70th. The Applicant shall calculate its Tariff based on the following parameters:
- a. For Proposals offering energy only, the tariffs must be totally represented on a per kWh basis.

- b. For Proposals offering energy only, the Plant will be accepted on the grid as available. The tariff shall be based on the capacity of the Plant and the expected capacity factor of the technology being offered.

For example: Proposed tariff in US cents per kWh broken out as, Base energy price – subject to Exchange rate adjustment, Base O&M price – subject to an inflation index.

- c. For Proposals offering firm capacity, the Applicant shall follow the instructions set out below for calculating the Capacity Price, Fixed O&M Price, Variable O&M Price and Renewable Fuel Feed Stock Price. Additionally, all components of the prices should be clearly outlined in the Tariff model.
- d. For Firm capacity projects: Capacity price and Fixed Operational & Maintenance should be in US c/kW-month – (capacity being guaranteed should be stated). The Variable Operational & Maintenance and Renewable Fuel Feed Stock price if applicable should be in US c/kWh.
- e. For Proposals offering firm capacity, interest during construction should be included in accordance with the construction schedule.
- f. For Proposals offering firm capacity, energy sold will be based on the Dependable Capacity of the Plant, expected availability and economic dispatch by JPS.
- g. For Proposals offering firm capacity, all of the Project Company's fixed costs will be compensated through a fixed payment to be paid by the grid operator which will take into account Plant availability and Dependable Capacity. To the extent that Dependable Capacity is proposed and not available when required, appropriate liquidated damages will apply.

71st. All of the Project Company's variable costs will be compensated through a variable payment to be paid by the grid operator, which will take into account Fuel Feed Stock Price and the Variable O&M Price.

72nd. The components of the Tariff that may be indexed after commencement of operation are set out in the table in Exhibit 9. The base for these will be the cost data to be provided by the Applicant in the Proposal and should be as of thirty (30) Days prior to the deadline for submission of Proposals. The Tariff should therefore be based on cost data as of thirty (30) Days prior to the deadline for submission of Proposals.

- 73rd. All assumptions regarding the costs of variables which will impact the Tariff are to be clearly stated.
- 74th. Expected costs associated with accessing the Site should be included.
- 75th. The Applicant shall comply with the customs duties, import controls and tax requirements and include these in the cost estimates.
- 76th. The Tariff and all associated costs shall be quoted by Applicants in United States Dollars. However, all payments will be made in equivalent Jamaican Dollars.

2.2.11 Supporting Cost Data

- 77th. The Applicant is required to provide the Cost Data requested as per Exhibit 10 in support of its Tariff calculations.

2.2.12 Financial Data

- 78th. The Applicant is required to provide the financial information as per Exhibit 11. The Tariff calculations shall be based on the structure of financing defined in Exhibit 11, which allows the Applicant to prepare a financing structure with different levels of equity based on the proposed level of borrowing.
- 79th. In support of its Tariff calculations, the Applicant shall submit with its Proposal a functional electronic copy of a Tariff Model in a Microsoft Excel spreadsheet or compatible format. This model should include fixed and variable costs that incorporate the input costs, financing and output assumptions from which the proposed tariffs are derived. The Tariff Model should be able to do sensitivities, and a user guide should be attached.

2.2.13 Breakdown of Construction Costs

- 80th. Applicants are required to submit a detailed breakdown of capital costs as per Exhibit 12.

2.2.14 Technical Specifications and Data

- 81st. The Applicant shall submit its proposed technical design which would allow the Facilities to meet the proposed minimum functional specifications to be included in the Power Purchase Agreement (PPA). Of necessity, the minimum functional specifications and other technical data will be made available to the grid operator.

82nd. Applicants should supply, and meet respectively *inter-alia* the following:

Data:

- Expected net Plant(s) output profile with details of expected variations on a daily, weekly, monthly and annual basis as appropriate, according to expected ambient Site conditions;
- Design for proposed Generating Units, other proposed facilities and associated equipment;

Specifications

- Compliance with relevant environmental and statutory requirements;
- Plant(s) must be able to operate on the JPS network in parallel with other Generating Units;
- Plant(s) must be able to start and operate independently of the system;
- Plant(s) operating frequency should be 50 Hz, 3 Phase and 0.90 lagging and 0.95 leading power factor;
- High voltage is expected to be based on an acceptable entry point on the existing JPS' grid and required interconnection facilities must be included in the Proposal;
- Ability for the Plant to supply services to the network according to the Generation Code such as: reactive power (static and dynamic) for voltage control as required and frequency support, should the need arise;
- Vibrations, noise, gaseous emissions and effluents shall be at acceptable levels and comply with existing regulatory requirements;
- Fault levels and protection systems must be acceptable based on JPS' grid requirements;
- All utility requirements for interconnection with JPS' grid must be complied with, including those relating to the supply of reactive power.

2.2.15 Additional Supporting Data

83rd. The Proposal shall address the specific items requested in Exhibit 13, entitled "Additional Supporting Data".

2.2.16 Performance Specifications and Drawings

84th. Detailed specifications and necessary drawings must be provided in accordance with Exhibit 14.

2.2.17 Construction Schedule

85th. The Proposal shall contain the Applicant's detailed schedule for the implementation of the Project in accordance with Exhibit 15.

2.2.18 Proposal Validity

86th. All Proposals shall remain valid for a period of one (1) year from the deadline for submission of Proposals. Any Proposal offering less than the stipulated Proposal validity will be rejected.

87th. Prior to expiry of the Proposal's validity period, the OUR may request one or more of the Applicants to extend the validity of their Proposal and the Proposal Security for a specified period. The request and the responses thereto shall be made in writing. An Applicant may refuse the request without forfeiting its Proposal Security. An Applicant agreeing to the request will not be required nor permitted to modify its Proposal, but will be required to extend the validity of its Proposal and Proposal Security accordingly. The provisions of the RFP regarding discharge and forfeiture of Proposal Security shall continue to apply during the extended period of the Proposal validity.

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.
- 92nd. The attention of Applicants is drawn to the provisions regarding the rejection of Proposals which are not substantially responsive to the requirements of the RFP. Each Proposal and alternative Proposal must meet the critical requirements identified in the RFP.

2.2.20 Proposal Security

- 93rd. 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. Where an Applicant submits multiple Proposals, each such Proposal shall be accompanied by the required Proposal Security. However in the case of a Proposal which consists of a base or preferred Proposal and one or more alternatives, the Applicant shall submit a Proposal Security valued at one percent (1%) of the Proposal or its alternatives with the highest total capital cost included in the set.
- 94th. The Proposal Security shall, at the Applicant's option, be in the form of a certified cheque, or an unconditional letter of credit, issued by a reputable financial institution.
- 95th. The Proposal Security shall be valid for one (1) year from the deadline for submission of Proposals.
- 96th. Any Proposal not submitted with a Proposal Security acceptable to the OUR shall be rejected.

- 97th. The Proposal Security shall be forfeited without any notice, demand, or other legal process:
- If an Applicant withdraws its Proposal during the period of Proposal validity; or
 - If an Applicant's Proposal contains any false statements or material misrepresentations; or
 - In the case of a successful Applicant, if it fails within the specified time limits to:
 - Execute the Project Agreements, or
 - Furnish the required Performance Security.
- 98th. The Proposal Security shall be returned to an Applicant:
- In the event that the Proposal Security has expired;
 - If the Applicant's Proposal is determined to be non-responsive to the RFP requirements;
 - In the event that the Project Agreements have been concluded for the quota of 37 MW of power which has been filled by other Applicants; or
 - In the event that the Applicant has executed the Project Agreements and has furnished the required Performance Security Deposit.

2.2.21 Pre-Bid Meeting

- 99th. The OUR intends to host a Pre-Bid Meeting on the date indicated in the procurement process and schedule set out in Section 1.10. Notice of the Pre-Bid Meeting will be published on the OUR's website.
- 100th. The purpose of the Pre-Bid Meeting is to answer any questions prospective Applicants may have concerning the RFP. Prospective Applicants may continue to submit questions concerning the RFP in writing to the OUR up to thirty (30) Days before the deadline for Submission of Proposals. No further questions regarding the RFP will be entertained after that time.
- 101st. Any additional information or any modifications to the RFP will be made available by the OUR exclusively through the issuance of a circular letter an Addendum to the RFP as published on the OUR's website.

102nd. Prospective Applicants are therefore **strongly encouraged** to submit their questions to the OUR as soon as possible.

2.2.22 Markings and Presentation of Proposal

103rd. Applicants shall prepare one (1) original and three (3) copies of the documents comprising each Proposal as described in the RFP. This also applies to Proposals which comprise a base or preferred Proposal and one or more alternatives. One original of the completed Proposal is to be clearly marked "ORIGINAL OF PROPOSAL" and all other completed copies are to be clearly marked "COPY OF PROPOSAL". The Original of Proposal shall be signed and pages initialled using indelible blue ink. An Applicant submitting a Proposal which includes a base or preferred Proposal and one or more alternatives must also clearly identify the proposals as "ORIGINAL BASE PROPOSAL" or "ORIGINAL PREFERRED PROPOSAL"; "COPY OF BASE PROPOSAL" or "COPY OF PREFERRED PROPOSAL" and "ORIGINAL ALTERNATIVE PROPOSAL" and "COPY OF ALTERNATIVE PROPOSAL" as appropriate. In the event of any discrepancy between the original and any copy, the original shall prevail.

104th. Also a soft copy of each Proposal in searchable PDF format along with a functional electronic copy of its related Tariff Model in a Microsoft Excel spread sheet or compatible format is to be provided with each submission on an appropriate medium (such as a Compact Disk, USB Drive).

105th. If the Proposal consists of more than one volume, the Applicant must clearly number the volumes constituting the Proposal and provide an indexed table of contents for each volume.

106th. The complete Proposal shall be without alterations except as necessary to accord with instructions issued by the OUR or to correct errors made by the Applicant. All such corrections shall be initialled by the person or persons signing the Proposal.

2.3 SUBMISSION OF PROPOSAL

2.3.1 Sealing and Labelling of Proposal

- 107th. The Applicant shall submit its Proposal(s) in sealed envelopes or boxes on the deadline for submission of Proposals. The envelopes or boxes containing the Proposals must be addressed to the OUR as follows:

**Office of Utilities Regulation
Third Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10
Jamaica, W.I.**

- 108th. Below the above address the following must be written in bold letters:

**"SUPPLY OF UP TO 37 MW (NET) OF ELECTRICITY GENERATION
FROM RENEWABLE ENERGY RESOURCES**

**SEALED PROPOSAL - DO NOT OPEN PRIOR TO 3:00 P.M. ON 27
JANUARY 2016"**

- 109th. If the envelope or box is not sealed and marked as instructed, the OUR will assume no responsibility for the misplacement or premature opening of the Proposal submitted.

2.3.2 Deadline for Submission of Proposal

- 110th. Proposals marked as specified above shall be deposited in the Tender Box provided at the address below by **3:00 p.m. Eastern Standard Time on 27 January 2016.**

**Office of Utilities Regulation
Third Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10
Jamaica, W.I.**

- 111th. Electronic submission of Proposals will not be permitted.

- 112th. The OUR may, at its sole discretion, extend the deadline for submission of Proposals by issuing an Addendum in accordance with this RFP, after which all rights and obligations of the OUR and Applicants shall be subject to the new deadline.

2.3.3 Treatment of Late Proposals

- 113th. It is the sole responsibility of the Applicants to ensure that the OUR receives its Proposal(s) by the date and time specified as the deadline for submission of Proposals above. Any Proposal received after the deadline for submission of Proposals will not be considered. Applicant(s) who have submitted late Proposals will be notified and their Proposal(s) returned unopened.

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.
- 115th. However, Applicants whose Proposals are disqualified based on the terms governing submission requirements at the Proposal opening will be refunded the processing fee less any bank charges incurred by the OUR to negotiate the cheque and any costs incurred in effecting the refund of the balance.

2.3.5 Modifications and Withdrawals

- 116th. Applicants may modify or withdraw their Proposal(s) after submission, provided that the modification or notice of withdrawal is received in writing by the OUR prior to the deadline for submission of Proposals.
- 117th. Applicants' modification or notice of withdrawal shall be prepared, sealed, marked and delivered in accordance with the provisions of the RFP for the submission of Proposals, with the envelopes additionally marked "MODIFICATION" or "WITHDRAWAL" as appropriate.
- 118th. Subject to the provisions of the RFP, no Proposal may be modified subsequent to the deadline for submission of Proposals.

- 119th. Withdrawal of a Proposal during the interval between the deadline for submission of Proposals and the expiration of the period of Proposal validity specified in this RFP will result in the forfeiture of the Proposal Security.

2.3.6 Status of Proposals

- 120th. Proposals submitted by the Applicants will become the property of the OUR.

2.4 PROPOSAL OPENING AND EVALUATION

2.4.1 Opening of Proposals

- 121st. The OUR will open the Proposals in respect of submissions made pursuant to this RFP, in a public session at **3:15 p.m. EST on 27 January 2016** at the following address:

Office of Utilities Regulation
Third Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10
Jamaica, W.I.

- 122nd. Applicants are invited to attend the opening of the Proposals. All persons present shall sign a register evidencing their attendance.

- 123rd. Proposals for which a notice of withdrawal has been submitted, pursuant to the RFP, will not be opened. Otherwise, the OUR will open and examine Proposals to determine whether they comply with the RFP requirements as to labelling and number of originals and copies, evidence of a soft copy of the Proposal, whether the requisite processing fee and Proposal Securities have been furnished, whether the documents have been properly signed, and generally whether the Proposals appear to be in order.

- 124th. For each Proposal opened, the OUR will announce:

- The name of the Applicant
- Whether there is evidence of payment of the processing fee

- The amount of the Proposal Security
- The proposed generating capacity
- The type of renewable energy technology proposed
- The total Project cost

2.4.2 Communication with Applicants After Proposal Opening

- 125th. After opening of the Proposals, the OUR shall not be obliged to disclose to Applicants information relating to the examination, clarification, evaluation and comparison of Proposals, and recommendations concerning the selection of the Project(s), except as required by this RFP.
- 126th. Any effort by or on behalf of an Applicant to influence the OUR or any of its officials in the process of examination, clarification, evaluation and comparison of Proposals, and in decisions concerning the award of the Project, will result in the rejection of the Applicant's Proposal and forfeiture of its Proposal Security.

2.4.3 Confidentiality

- 127th. All documents submitted by the Applicants and marked confidential will be treated as confidential except in instances where technical data is required for the PPA, systems analysis and interconnection considerations, in which event they will be shared with the grid operator. Notwithstanding the foregoing, the OUR shall be at liberty to release any or all information submitted by Applicants to its consultants or agents for purposes of the evaluation of the Proposals, the National Contracts Commission, the Contractor-General, or as may be required by law.
- 128th. The OUR reserves the right to use the intelligence obtained from the process to inform policy formulation going forward.
- 129th. The OUR is not obliged to return the original nor the copies of any Proposal submitted by an Applicant, once it has been opened. A summary of the results of the procurement will be published after execution of all the Project Agreements.

2.4.4 Clarification of Proposals

130th. During the examination, evaluation and comparison of Proposals, the OUR may, at its discretion, ask the Applicants for clarification of their Proposals. Requests for clarifications and responses shall be in writing and no change in the Tariff or substance of the Proposal shall be sought, offered or permitted by the Applicant.

2.4.5 Determination of Responsiveness

131st. Prior to the detailed evaluation of the Proposals, the OUR will determine whether each Proposal is substantially responsive to the requirements of the RFP based on a review and evaluation of information provided by the Applicant. If a Proposal is not substantially responsive to the requirements of the RFP, it will be rejected.

132nd. For the purpose of this clause, a substantially responsive Proposal is one which conforms to all the terms, conditions and specifications of the RFP without material deviation or reservation. A material deviation or reservation is one which:

- a. affects in a substantial way the scope, quality or performance of the Project in a manner inconsistent with the RFP documents; or
- b. in the sole opinion of the OUR, limits or changes, in a substantial way, , the OUR's rights or the Applicant's obligations which are inconsistent with the RFP documents; and
- c. the rectification of such deviation or reservation would affect unfairly the competitive position of other Applicants presenting substantially responsive Proposals.

133rd. Notwithstanding the above, the OUR reserves the right to accept or reject any Proposal, to waive minor deviations in Proposals received, and to annul the RFP process and reject all Proposals at any time prior to the final selection of Projects for recommendation for grant of Licence to supply electricity. Any or all Applicants may be disqualified from the selection process and excluded from further consideration for, *inter alia*, any one of the following reasons:

- Submission of a Proposal to the OUR after the required deadline;

- Failure to submit required supporting documentation within the required timeframe;
- Failure to submit a Proposal with all forms completed and information and data provided as required by the RFP;
- Material inconsistencies in the information submitted;
- Misrepresentations in the completed Proposal and supporting documentation, or
- Failure to pay any deposits or fees as required in this RFP.

2.4.6 Correction of Errors

134th. Proposals determined to be substantially responsive will be checked for any arithmetic errors in computation and summation and recalculated if necessary. Quoted unit prices shall govern in the recalculations. Where there is a discrepancy between amounts in figures and in words, the amounts in words will prevail. All corrections that could affect the comparative ranking of Proposals will be explained. All corrections are considered binding on the Applicant. Applicants affected by changes will be notified of the detailed changes. The Applicant must accept such arithmetic corrections or its Proposal will be rejected.

135th. The amount stated in the Proposal will be adjusted in accordance with the above procedure for the correction of errors.

2.4.7 Evaluation of Proposals

136th. The OUR will evaluate and rank only Proposals determined to be substantially responsive to the requirements of the RFP.

137th. Acting in its sole discretion, the OUR reserves the right to accept or reject any Proposal and to reject all Proposals, without thereby incurring any liability to the affected Applicants, their agents and/or assigns. The OUR reserves the right not to recommend any Applicant for grant of Licence to supply electricity, and may terminate the selection process at any time without thereby incurring any liability to any Applicant, their agents and/or assigns.

138th. The selection process to be used by the OUR will involve the following stages:

- Determination of Proposal Responsiveness
- Stage 1: Evaluation of Applicant's Ability to Implement Project
- Stage 2: Technical Evaluation of Project
- Stage 3: Economic Evaluation of Project

139th. Only Proposals which are determined to be responsive will proceed to Stage 1. Only Proposals which pass Stage 1 will be considered for Stage 2, and only Proposals which pass Stage 2 will be considered for Stage 3.

2.5 DETERMINATION OF PROPOSAL RESPONSIVENESS

140th. The initial stage of the evaluation process is the determination of the Proposal's responsiveness. A bid will be deemed non-responsive if:

- a) It is not received by the due date and time established in the RFP;
- b) It is not accompanied by the prescribed fees and proposal security;
- c) It is not submitted in the required form;
- d) It does not include sufficient information for it to be evaluated;
- e) A Tariff Model used to calculate the tariff is not provided;
- f) A Dynamic Model and Data are not provided;
- g) Proposal is not signed by an authorized officer , or
- h) Proposal fails to comply with any other specific requirements of the RFP.

141st. Once the responsive proposals have been identified they will move on to Stage 1 Evaluation. Non-responsive Proposals will be rejected.

2.6 STAGE 1 EVALUATION - APPLICANT'S ABILITY TO IMPLEMENT PROJECT

2.6.1 Evaluation Criteria - Stage 1

142nd. During Stage 1, a detailed evaluation of the Applicant's ability to implement the project will be carried out. Applicants will be evaluated based on:

- Track record
- Ability to raise financing
- Technical capability and qualifications
- Ability to implement the Project in a timely manner
- Current ownership and operations of similar installations and/or related technologies and equipment

143rd. The OUR wishes to attract Applicants who have a strong track record in the development of renewable power generation projects.

144th. If an Applicant has insufficient experience in any specific area, it may associate itself with other individuals or companies, whose experience must be demonstrated in the Proposal.

2.6.2 Track Record

145th. Each Applicant must demonstrate experience in the development of power generation facilities including the renewable energy technology being proposed. This includes demonstration of adequate knowledge of related construction, operation and maintenance practices. If the Applicant is relying on the experience information of associated entities then the associated entities must provide written declaration of consent along with supporting power of attorney.

2.6.3 Ability to Raise Financing for the Venture

146th. Each Applicant must demonstrate its ability to provide equity and raise loan capital such as would be required to finance the implementation of the proposed Project. The Applicant must provide a) a detailed credit report from its bankers or financiers, b) audited financial statements for the

past three (3) years supported by the parent entity's or equity partner's audited financial statements in the event that the Applicant's financial statements are insufficient for the purposes of the Project. If an Applicant associates with other individuals or companies, then the names, background information and audited financial statements for these individuals or companies must be provided. If the Applicant is relying on the financial information of associated entities then the associated entities must provide written declaration of consent along with supporting power of attorney.

2.6.4 Technical Capability and Qualification

147th. An Applicant must provide evidence of having within its organization the technical capability to manage the anticipated needs for implementation of the proposed Project, as well as the operation and maintenance of the various systems and the overall Project Facility. If the Applicant is relying on the technical capabilities and qualifications of associated entities then the associated entities must provide written declaration of consent along with supporting power of attorney.

148th. Curriculum Vitae (CV) of key personnel in the areas of project management, project finance, engineering, plant construction, operations and maintenance, which the Applicant proposes to employ for technical support, as well as those to be employed during the negotiation and implementation phases of the venture, shall be submitted.

2.6.5 Ability to Implement the Project in a Timely Manner

149th. Each Applicant should provide evidence of its ability to implement the Project within the required timeframe. The Applicant should provide any available evidence of relevant engineering and design work as well as evidence of previous involvement in similar projects.

2.6.6 Stage 1 Evaluation Scores

150th. Each acceptable Applicant's Proposal will be evaluated in accordance with the following criteria (with allotted scores as shown):

A. Experience [20%]

a. Scale of operations in power generation projects. (5%)

- b. Scope of activities in the development of power generation projects in the region or places similar to Jamaica. (5%)
- c. Track record of successfully developing and operating renewable based power generation projects in the region or places similar to Jamaica. (5%)
- d. Period of involvement in Scale at a. and Scope at b. above. (5%)

B. Ability to Finance Project [35%]

- a. Audited financial statements and other supporting data and information for the last three (3) years will be analyzed to determine the financial condition, performance and capability of each Applicant and its associated entities. (5%)
- b. Credit report and capacity to borrow funds. (10%)
- c. Provision of a financial model that shows the relationships between inputs and outputs of the proposal. (10%)
- d. Ability to provide equity. (10%)

C. Technical Capability and Qualifications of Key Persons Employed or to be Contracted by Applicant [20%]

- a. Competence of key personnel (as evidenced by CVs). (10%)
- b. Indicated use and/or development of local labour throughout project implementation. (2%)
- c. Existing systems for management of engineering, construction and operations & maintenance of proposed facilities. (3%)
- d. Experience with existing technologies in renewable based power generation. (5%)

D. Ability to Implement the Project in a Timely Manner. [15%]

Evidence of existing and workable plans and designs for the proposed or similar Facilities using the renewable technology on which the Proposal is based.

E. Current Ownership of similar installations and/or related renewable technologies and equipment. [10%]

F. Firm Capacity Proposals must be able to guarantee the delivery of power upon request with availability of at least 90%. [Yes/No]

151st. Each Applicant will be evaluated based on the above criteria and scores and must achieve a minimum of 50% of the total score for its Proposal, with at least an achievement of 60% of ability to finance the project (category B) and positively satisfy criteria F, if applicable, to be selected for Stage 2 Evaluation.

152nd. The OUR reserves the right to solely determine the acceptability of an Applicant and is not bound to take into account any representation or further information provided to the OUR subsequent to the deadline for submission of Proposals regarding the status of any particular Applicant.

2.7 STAGE 2 EVALUATION - TECHNICAL EVALUATION

153rd. Proposals of Applicants who achieve or exceed the minimum required score at Stage 1 will be subject to a detailed technical evaluation at Stage 2.

2.7.1 Evaluation Criteria – Stage 2

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

- Proposed Renewable Plant Technology [8%]
- Renewable Energy source data and/or arrangement for provision of renewable Fuel Feed Stock [25%]
- Availability and Suitability of Proposed Site [25%]
- Design of Project Facilities [12%]
- Proposed Arrangements for Construction of Project Facilities [10%]

- Proposed Arrangements for Operation & Maintenance of Facilities [10%]
- Ability to provide Grid support in the areas of voltage and frequency control. [10%]
- Compliance with Environmental and Statutory Requirements [Yes/No]

155th. A Proposal must obtain a minimum of 50% of the allotted maximum score for each Stage 2 evaluation criteria, and an overall score for Stage 2 in excess of 60%, for eligibility to advance to Stage 3 evaluation.

2.7.2 Proposed Technology [8%]

- Years of successful commercial use of proposed renewable technology
 - ❖ 3 Years and over [5%]
 - ❖ Under 3 years [1%]
- Technological enhancements in Proposal that could improve performance of the proposed project. [2%]

2.7.3 Renewable Energy Source Data or Arrangement for the Supply of Renewable Energy Fuel Feed Stock [25%]

- a) Number of years of Investment/Bankable Grade Data which should cover all parameters relevant to the technology type including seasonal, daily, and hourly information [10%]

Number of Years of Investment Grade Data	Score
Less than 1	1%
1 to 2	5%
2 to 5	8%
Greater than 5	10%

- b) Ability to forecast plant output [15%]

Use both criteria (a) and (b) above OR only (c) below

- c) Agreement for the continuous supply of renewable energy Fuel Feed Stock [25%]

2.7.4 Availability and Suitability of Site [25%]

- Suitability of Proposed Site [2.5%]
- Demonstrated ability to secure proposed Site [2.5%]
- Ease of interconnection [5%]
- Extent to which Plant will not require network modification to the Grid apart from interconnection modifications for suitable Grid operation [15%]

2.7.5 Design of Project Facilities [12%]

- Suitability of proposed design [10%]
- Commercial experience of similar designs [2%]

2.7.6 Arrangements for Construction [10%]

- Proposed arrangements for construction of facilities [5%]
- Experience of proposed supply/construction /installation Contractor(s) [3%]
- Local labour content in project [2%]

2.7.7 Arrangements for Operation and Maintenance [10%]

- Proposed arrangements for operation and maintenance of facilities [5%]
- Experience of proposed O&M Contractor/personnel [3%]
- Local personnel retained [2%]

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%]

2.7.9 Compliance with Environmental and Statutory Requirements

- Proposed regulatory and statutory compliance as per Exhibit 8 [Yes/No]

2.7.10 As per Exhibit 17, has Applicant provided a working electronic copy of its:

- Proposed Tariff Model [Yes/No]
- Dynamic Model and Data of generator for stability compatible and which can be successfully imported into DIgSILENT PowerFactory and PTI PSS/E power systems software. [Yes/No]

156th. Each Applicant will be evaluated based on the above criteria and scores and must achieve a minimum of 70% of the total score for its Proposal, with at least an achievement of 37% of the 50% allotted between Source Data & Availability and Suitability of Site, as well as positively satisfy all criteria in 2.7.9 and 2.7.10, to be selected for Stage 3 Evaluation.

2.8 STAGE 3 EVALUATION – ECONOMIC EVALUATION

157th. Proposals which are deemed to be technically feasible and acceptable having achieved the relevant score requirements at the Stage 2 Evaluation will advance to an economic evaluation at Stage 3.

2.8.1 Evaluation Criteria – Stage 3

158th. Economic comparison will be based on the expected Plant output parameters and associated costs including Grid Impact. The objective will be to select a Project or Projects that will best contribute to the overall power sector objective of reliability and security of supply at least cost to consumers.

2.9 HIGHEST RANKED APPLICANT

The Highest Ranked Applicants are the Applicants whose Proposals are substantially responsive, who have successfully met the requirements of Stage 1 and Stage 2, and whose Economic Evaluation best meets the overall power sector objective of reliability and security of supply at least cost to consumers. The Applicants selected for this status will therefore be those whose individual or particular combination of Proposals offer the best

improvement in tariff to the electricity consumers. One or more Applicants may be selected as a Highest Ranked Applicant.

2.10 SELECTION CYCLE

159th. Applicants are advised that the following cycle of events has been established by the OUR for the selection of the successful Proposal(s) and implementation of the Project(s):

- (a) Receive Proposals.
- (b) Determine Responsiveness.
- (c) Carry out preliminary clarifications to address inconsistencies and correct arithmetic errors only.
- (d) Perform Evaluation to identify the Highest Ranked Applicants.
- (e) Hold clarification meetings with the Highest Ranked Applicants, if necessary.
- (f) OUR issues Notification of Project Selection to Highest Ranked Applicant(s) and informs all other Applicants whose proposals reached the Stage 3 evaluation (the "Lower Ranked Applicants") of the ranking of their Proposals.
- (g) OUR invites Highest Ranked Applicant(s) to negotiate and finalize Project Agreements.
- (h) If any of the Highest Ranked Applicant(s) fail to finalize its Project Agreements, the OUR may invite any one or more of the Lower Ranked Applicants, in order of ranking, to negotiate the Project Agreements.
- (i) Identification or Formation of Project Company.
- (j) Execution of Project Agreements.
- (k) Project Company provides Performance Security Deposit as necessary.
- (l) Unsuccessful Applicants are informed of completion of the procurement process and their respective Proposal Security is returned.

2.10.1 Clarifications

160th. If necessary, after the deadline for submission of Proposals, the OUR may seek clarification from an Applicant regarding its Proposal. The Applicant

will also be advised of the date, time and place for detailed clarification meetings between the OUR and such Applicant, if so required.

2.10.2 Finalization of Project Agreements

161st. On completion of the evaluation process, the OUR will invite the Highest Ranked Applicants who satisfy the requirements of the RFP, to negotiate and finalize the Project Agreements. The OUR will notify the Highest Ranked Applicants of the date, time and location of any meetings for this purpose. The OUR may request that the Highest Ranked Applicants extend their Proposal validity in accordance with the RFP, if necessary. Lower Ranked Applicants may also be requested, if necessary, to extend their Proposal validity as they are on standby.

162nd. The OUR may proceed to a Lower Ranked Applicant if:

- (a) it decides that the finalization of the Project Agreements by any one or more of the Highest Ranked Applicants will not be completed within an acceptable timeframe;
- (b) it discovers that any one or more of the Highest Ranked Applicants has made a material misrepresentation;
- (c) any one or more of the Highest Ranked Applicants deviates from the terms of its Proposal; or
- (d) any one or more of the Highest Ranked Applicants fails to maintain the Proposal Security or provide the Performance Security Deposit as required.

163rd. Upon execution and ratification of the Project Agreements and the furnishing by the Highest Ranked Applicant(s) of their Performance Security in accordance with the provisions of the RFP, the OUR will promptly inform the remaining Applicants that their Proposals were unsuccessful and discharge or return their Proposal securities.

2.10.3 Performance Security Deposit Requirements

164th. Within ten (10) Days after the later of the dates on which the Licence and PPA are signed, the Project Company shall furnish a Performance Security Deposit in the amount of five percent (5%) of the expected total capital cost of the Project for Firm Capacity Projects and one percent (1%) of the expected total capital cost of the Project for Energy Only Projects. The

Performance Security Deposit shall be in the form of either a) an unconditional letter of credit or b) a certified cheque issued by a reputable financial institution. All costs of obtaining and maintaining the Performance Security Deposit shall be borne by the Project Company. Failure to produce the Performance Security Deposit as required may result in disqualification of the Proposal and forfeiture of the Proposal Security.

- 165th. The Performance Security Deposit shall be valid until the Project Company posts a Construction Security Deposit. If the OUR determines that the successful Applicant has made any false representation, has failed to comply with the requirements of the RFP, or has breached the provisions of any Project Agreement before the Construction Security Deposit is posted, the OUR shall be entitled to recommend the termination of the Licence and to draw upon the Performance Security Deposit.

2.10.4 Applicant's Responsibilities

- 166th. Each Applicant is expected to examine carefully all instructions, conditions, forms and terms in the RFP and all clarifications and Addenda issued in connection with the RFP. The Applicant is also responsible for informing itself with respect to all conditions which may affect the cost or the performance of the Project. Failure to do so, and failure to comply with the requirements of the RFP, will be at the Applicant's own risk, and no relief will be given for errors or omissions by the Applicant. Pursuant to the RFP, Proposals which are not substantially responsive to the requirements of the RFP will be rejected.

3 SECURITY PACKAGE AND FINANCING STRUCTURE

3.1 SECURITY PACKAGE

3.1.1 Granting of Licence

167th. The Project Company will be required to apply for and obtain a Licence from the Minister issued pursuant to the provisions of the Electric Lighting Act, or such other legislation promulgated in replacement of this Act. Pursuant to the Licence, the Minister will grant the Project Company the right to design, build, own and operate the Complex and sell electrical energy to the national grid. The current requirements and procedures for Licence Application can be found on our website. The format of the Licence is attached as Appendix D.

3.1.2 Principles of Power Purchase Agreement

168th. The Project Company will enter into a PPA on or before the Project's financial closing. Pursuant to the PPA, the Project Company will build, own and operate the Complex and will sell power to the JPS Grid on a Firm Capacity or Energy Only basis.

169th. The key features of the PPA are as follows:

- The initial term will be for up to twenty (20) years from the date of commissioning of the Complex and may be extended for an additional period.
 - If Firm Capacity is offered:
 - The Complex will be dispatchable subject to approved scheduled outages.
 - The capacity of the Complex will be tested at regular intervals and the Project Company will be paid a fixed amount per kW of tested capacity up to the maximum agreed capacity.
 - Payment will include a Fixed Payment and a Variable Payment:
 - The Fixed Payment will be based on agreed fixed costs including cost of construction, fixed O&M costs and capital recovery costs (debt service and return on equity).
 - The Variable Payment will be based on the Net Energy Output and the agreed Variable Price, which will be based on agreed variable costs.

- Liquidated damages will be assessed against the Project Company for the following:
 - Delays in commissioning
 - Shortfalls in capacity
 - Failure to meet dispatch requirements
 - The Project Company will be required to provide a Performance Security Deposit.
- If the Plant is to provide Energy Only, payment will be a Variable Payment only:
 - The Variable Payment will be based on the Net Energy Output and the agreed Variable Price.
- Liquidated damages will be assessed against the Project Company with Energy Only Proposals for the following:
 - Shortfalls in initial contracted capacity
 - Shortfalls in ongoing contracted capacity
- Either Party may terminate the PPA under certain specified conditions.
- Certain tariff components may be indexed to reflect changes in costs faced by the Project Company that are due to factors outside its reasonable control.

3.1.3 Renewable Fuel Supply

170th. The Project Company shall enter into an agreement with an appropriate party for supply of Renewable Fuel Feed Stock to be used by the Complex where this is applicable.

3.1.4 Required Insurance Coverage

171st. Unless otherwise expressly provided in the Project Agreements, the Project Company shall, at its sole expense, take out and maintain, in effect, at all times during the terms of the Project Agreements, the required insurance coverage such as:

- All Risks Marine Cargo Insurance
- All Risks Property Damage/Operational Insurance

- Workmen's Compensation Insurance
- Comprehensive Third Party Liability Insurance
- Comprehensive Automobile Liability Insurance
- Excess Umbrella Liability Insurance.

3.1.5 Government Approvals

172nd. The Project Company shall be solely responsible for securing all requisite approvals and permits such as environmental and developmental approvals from the relevant government and statutory organizations.

3.1.6 Principles of Engineering, Procurement & Construction Agreement

173rd. The Project Company may enter into an Engineering, Procurement & Construction (EPC) Agreement with a reputable construction contractor to complete the design and construction of the Project at a fixed price, in accordance with the Project Milestone Schedule and the specifications agreed in the PPA.

174th. The following are some of the terms and conditions that shall be included in the EPC Agreement:

- The contractor shall abide by all applicable laws of Jamaica.
- The contract shall reflect the applicable provisions from the Project Agreements for which the Project Company is responsible.
- The contract shall contain Plant performance guarantees by the contractor.
- In the case where construction is completed but the Plant fails to meet performance guarantees, the contractor will be required to pay damages in an amount sufficient to cover at a minimum the liquidated damages that will be assessed under the PPA.
- The contractor shall undertake to complete the Project in accordance with an agreed schedule consistent with the Project Milestone Schedule. In the event of failure to complete construction by the scheduled date, the contractor shall be required to pay damages in an amount at a minimum sufficient to cover the liquidated damages that will be assessed under the PPA.

- The performance of the contractor shall be secured by a Performance Security Deposit. The amount of the Performance Bond should not be less than five percent (5%) of capital cost of the Project for Firm Capacity Projects and one percent (1%) for Energy Only Projects.. The Performance Security Deposit shall cover the warranty period for the Facility.
- In the case where the contractor abandons construction or fails to pursue construction with due diligence, the Project Company shall have the right to replace the contractor and require the contractor to pay any additional costs resulting from its default.
- The contractor shall provide an unlimited completion guarantee for the Project Facility which is assignable without the contractor's consent.

3.1.7 Arrangement for Use of Site

175th. The Project Company shall be solely responsible for all matters relating to the Project Site including access, interconnection and costs.

3.1.8 Principles of Operation and Maintenance Agreement

176th. The Project Company may enter into an Operations and Maintenance Agreement ("O&M Agreement") with a reputable Operations and Maintenance Contractor ("O&M Contractor"), if the Project Company intends to perform these functions via a contractor.

177th. The following are some of the terms and conditions that would be required in the O&M Agreement:

- The O&M Agreement shall reflect the applicable obligations of the Project Company under the Licence and PPA.
- The O&M Agreement shall specify various price components directly tied to the Tariff under the PPA and provide the explanation and adequate information for future adjustments.
- The O&M Agreement shall be specific in regard to the spare parts and consumables included in the base price.
- The O&M Agreement shall address any improvements or additions to be made to the plant in the future.
- The O&M Agreement shall provide for Plant operations during emergency conditions.

- The O&M Contractor shall undertake to operate and maintain the Project consistent with the standards set forth in the PPA. In the event of failure to do so, the O&M Contractor will be required to pay damages in an amount at a minimum sufficient to cover the liquidated damages that will be assessed under the provisions of the PPA.
- The performance of the O&M Contractor shall be secured by way of a Performance Bond.

3.2 FINANCING STRUCTURE

- 178th. The Project Company will be responsible for mobilizing the financing for the Project. Agreements required to secure financing for the Project will be entered into between the Project Company and the institutions providing the financing for the Project and shall be based on the financial plan presented by the Applicant in its Proposal. Any subsequent changes to the financial plan after finalization of the Project Agreements will require the approval of the OUR.
- 179th. The financial plan provided by the Project Company shall describe the sources of funds and the terms of financing for both debt and equity as applicable. The terms of the proposed financing shall be outlined in the Proposal. The Project Sponsor shall also provide details on the different financing sources. The funds shall be in amounts sufficient to cover all applicable costs.
- 180th. Financing will be in the form of equity and debt. Repayment and returns on equity will not be guaranteed. At least twenty percent (20%) of the financing for the Project shall be in the form of equity.

4 APPENDIX A: APPLICANTS PROPOSAL AND SUPPORTING DATA

APPLICANT'S PROPOSAL

SUBMITTED BY:

ADDRESS:

.....

.....

.....

TELEPHONE :.....

FACSIMILE:

E-MAIL:

4.1 EXHIBIT 1: PROPOSAL LETTER

Date:

Office of Utilities Regulation
3rd Floor, PCJ Resource Centre
36 Trafalgar Road
Kingston 10
Jamaica, W. I.

Attn: Ambassador Peter Black

Re: Request for Proposal for the Supply of up to 37 MW (Net) of Electricity Generation from Renewable Energy Resources on a Build, Own and Operate (BOO) Basis dated 31 July 2015 (RFP)

Dear Sir:

Having examined the captioned RFP, we, the undersigned, offer to design, finance, procure, construct, operate and maintain a [insert MW] [insert Type of Plant] Power Generation Project specified in the attached proposal (the "Proposal") and to supply electric power to the Jamaica Public Service Company Limited (JPS) Grid in conformity with the RFP and all Addenda, Appendices and Exhibits attached thereto. The total Project Cost as specified in Exhibit 10 attached hereto is [\$].

We agree to abide by this Proposal for the period of one (1) year from the deadline for submission of proposals as prescribed in the RFP and this Proposal shall remain binding upon us and may be accepted by the Office of Utilities Regulation (OUR) at any time before the expiration of that period. This Proposal shall constitute a binding offer until it expires or an agreement is executed which supersedes it.

We have provided and included herein a Proposal Security in an amount equal to 1% of the estimated project cost (US\$.....). We also enclose the non-refundable processing fee of Eight Thousand United States Dollars (US\$8,000.00).

We certify that (i) the information submitted as part of this Proposal to the OUR is complete and accurate and (ii) the Proposal has been submitted in the legal name of the entity which would be bound by any resulting agreements.

We understand that you are not bound to accept any proposal you may receive.
Yours sincerely,

Authorized Signature [*In full and initials*]:

Name and Title of Signatory:

Name of Entity:

Address:

Attachments - Proposal Security
- Power of Attorney

Signature
(Applicant shall submit a Power of Attorney for its Duly Authorized Representatives)

4.2 EXHIBIT 2: AFFIDAVIT

Affidavit

I,, being duly sworn do make oath and say as follows:

- 1) That I am of legal age and reside at:

.....
.....
.....

(Ad

(Ad

(Ad

- 2) That I am the of the
(Official Capacity)

.....,
corporation/association/company,
(Name of Firm)

duly organized under the laws of
.....
(Name of Country)

- 3) That personally, and as for and
(Official Capacity)

on behalf of the corporation/association/company, I hereby certify that:

- a. All statements made in this Applicant's Proposal and in the required attachments are true and correct,
- b. This Proposal is made for the express purpose of developing the proposed power generation project,
- c. The Applicant will make available to the Office of Utilities Regulation (OUR) or any authorized agent of the OUR any information they may find necessary to verify any item in this Proposal or regarding the competence and general reputation of the Applicant,

d. That I am duly authorized by the corporation/association/company to make these representations and to sign this Proposal.

Signature:
(Secretary/General Partner/ Individual Contractor/ Applicant)

SUBSCRIBED AND SWORN TO before me this day of
201.....

at

Notary Public/Justice of the Peace:

.....

4.3 EXHIBIT 3A: APPLICANT'S ORGANISATION*

Date:

1. Entity's Name:

2. Entity's Country of Incorporation:

3. Entity's Address:

.....

4. Entity's email contact:

5. Entity's Website:

6. Telephone No: Fax No:

7. Address of Registered Office:

.....

8. Local Contact and Address (if any):

9. Year Organized:

10. Type of Association:

11. Type and Scale of Operation:

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

4.4 EXHIBIT 3B: ASSOCIATED ORGANISATION*

Date:

1. Entity's Name:

2. Entity's Country of Incorporation:

3. Entity's Address:

.....

4. Entity's email contact:

5. Entity's Website:

6. Telephone No: Fax No:

7. Address of Registered Office:

.....

8. Local Contact and Address (if any):

9. Year Organized:

10. Type of Association:

11. Type and Scale of Operation:

* Individual form shall be submitted for each associated entity. Submit additional sheets as necessary.

4.5 EXHIBIT 4: INFORMATION TO BE FURNISHED BY APPLICANT *

List below all stockholders and other persons owning 5% or more of stock or other interest in the Applicant, the Associated Entities and/or the Project Company.

	NAME	TYPES OF INTEREST OR NUMBER OF SHARES OWNED	VALUE	EXTENT OF CONTROL (%)**
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

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

** Equity holdings

OFFICIALS OF THE APPLICANT

MEMBERS OF THE BOARD OF DIRECTORS

NAME	DESIGNATION
1.
2.
3.
4.
5.

State below the name of the individual who is actively managing the affairs of the Corporation.

NAME:

ADDRESS:

DESIGNATION:

Herewith attached is a certified copy of Resolution authorizing corporation's representative to file the Proposal and sign subsequent agreements.

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

4.6 EXHIBIT 5: INFORMATION TO BE FURNISHED BY UNINCORPORATED ASSOCIATIONS *

Date of Registration:

Securities and Exchange Commission Registration No:

State whether the Unincorporated Association is:

- General Partnership
- Limited Partnership
- Other

	NAME OF MEMBERS OF UNINCORPORATED ASSOCIATION	ADDRESS	AGE	OCCUPATION	VALUE OF CONTRIBUTION
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
				TOTAL	

State below the name of the individual who is actively managing the affairs of the Unincorporated Association.

NAME:

ADDRESS:

.....

DESIGNATION:

Herewith attached is a certified copy of Appointment of business manager and his Authority.

* For each associated firm or partner.

4.7 EXHIBIT 6: DETAILED INFORMATION ABOUT APPLICANT¹

1. ORGANISATION DOCUMENTATION, CLEARANCES AND EXPERIENCES

We/I hereby submit for your examination and consideration certified true/photocopies of the following:

ANNEX A - Articles of Incorporation and by-laws, or other organizational documents, in English.

ANNEX B - Certificate of registration with the relevant companies' registration authority.

ANNEX C - Curriculum Vitae of key personnel who will be responsible for developing, managing and operating the Project.

2. TECHNICAL CAPABILITY AND MANAGEMENT ABILITY

ANNEX D - For technical capability, literature/brochures describing Applicant's facilities and accomplishments and information on technical personnel resources.

ANNEX E - For experience, the Applicant shall list similar projects undertaken within the last ten (10) years.

For each project listed, the Applicant shall furnish the following detailed information:

- (a) Nature and location of project
- (b) Financing and equity structure for the project
- (c) Technical data/information on major developments implemented
- (d) Description of role performed by the Applicant in the project
- (e) Names of any engineering consultants

¹ For each firm or partner.

(f) Names of any legal or financial advisors

3. FINANCIAL CAPABILITY

We hereby submit as "ANNEX F" our audited Financial Statements for the last three (3) years.

We hereby submit as "ANNEX G" our Credit Report (see Appendix E form Credit Report) covering at least the last three (3) years.

4. TAX COMPLIANCE CERTIFICATE

We hereby submit as "ANNEX H" our valid tax compliance certificate².

5. ADDITIONAL INFORMATION

We hereby submit additional information generally describing related projects and operations that we are currently implementing.

² All Applicants who are registered or resident in Jamaica are required to submit a tax compliance certificate valid as at the deadline for submission of Proposals.

4.8 EXHIBIT 7: PROJECT DESCRIPTION AND DATA

Applicant shall provide details regarding the Project under specific headings including the following:

4.8.1 Plant Performance Guarantees

- Net power output (MW) to the JPS Grid after transformer losses
- Plant Availability
- Capacity Factor
- Conversion efficiencies
- Environmental impact

4.8.2 Description of Facilities

- Description and explanation of technology to be used
- General plant specifications
- Major systems and equipment description

4.8.3 Location and Access to Site

- Location of Site
- Interconnection arrangement
- Description of access route to Site
- Evidence of ability to secure use of Site
- Potential Grid impact

4.8.4 Site Investigations

- Evidence that the necessary investigations have been done to demonstrate suitability of Site including Site sub-surface investigations and Renewable Fuel Feed Stock availability.

4.8.5 Site Ambient Conditions

- Expected Site ambient conditions and Plant performance and output rated at expected Site ambient conditions.

4.8.6 Technical Feasibility Study

Applicant shall include a Project Feasibility Report with their Proposal which includes the following:

- Technology to be used;
- Expected Plant output capacity;
- Output voltage and transformer specifications;
- Plant output capability curve
- Plant Reactive Power Capability
- Site civil works;
- Mechanical / Electrical equipment;
- SCADA interface facilities;
- Telecommunication and control systems;
- Site location and access;
- Results of any Site subsurface investigations confirming suitability;
- Expected Site conditions / meteorological data to support Project feasibility;
- Expected Plant output profile at expected Site ambient conditions.
- This should include the interconnection study

4.9 EXHIBIT 8: SPECIAL REQUIREMENTS

4.9.1 Project Logistics

- Details of proposed arrangements for supply and installation of Facilities.
- Evidence that local conditions have been duly considered and that there are no impediments to successful delivery and installation of the Facilities.

4.9.2 Use of Local Labour

- Plan for use of local labour for construction and operation
- Evidence that local labour considerations have been adequately addressed.

4.9.3 Site Utilities

- Evidence³ that adequate arrangements will be made to secure the necessary Site utilities including:
 - Potable Water;
 - Sanitary and Sewerage facilities;
 - Telecommunications services;
 - Construction Power.

4.9.4 Accessing of Inputs

- Evidence that adequate arrangements have been made to ensure that the necessary inputs, for the proper implementation of the Project, including renewable energy/Fuel Feed Stock source, appropriate and environmentally viable feedstock (where applicable), will be available.
- Evidence to indicate adequacy of the expected inputs for the proper implementation of the Project.

³ Evidence of adequate arrangement includes letters from the service providers/regulatory agencies or term sheet(s) in the case of renewable Fuel Feed Stock.

4.9.5 Regulatory and Statutory Compliance

- Environmental impact report explaining expected impacts of the Project on the physical, ecological and socioeconomic environments.
- Evidence that the standards of all relevant regulatory and statutory agencies will be met.

4.9.6 Proposed Project Implementation Schedule

- Applicant shall provide a detailed schedule which supports and confirms completion of the Project within the Proposal timeframe.
- Applicant's schedule shall be submitted in Gantt chart format and shall include all milestones for financing, engineering, procurement, shipping, construction, startup, testing, etc. as necessary for successful completion and operation of the Project.

4.10 EXHIBIT 9: PROPOSED TARIFF

Applicant shall submit its proposed Tariff along with supporting calculations, in writing and in a functional electronic copy of its Tariff Model that demonstrates the relationships between the inputs, conversion factors, any other considerations and outputs in a Microsoft Excel spread sheet or compatible format. That is, the components of the fixed and variable tariff should be clearly shown in the working Tariff Model as applicable. The Tariff shall be quoted in United States Dollars only, payable in Jamaican Dollars based on the Conversion Rate.

The Tariff for Firm Capacity Proposals shall be presented by filling in the blank spaces in the following Table 5-1 and the Tariff for Energy Only Proposals in Table 5 -2 accordingly.

Table 5-1: Firm Capacity Proposed Tariff Components as Applicable

Tariff Component	Unit	Base Price	Basis for Adjustment	Frequency of Adjustment
Capacity Price	US\$/kW/ Month		- US\$/J\$ Exchange Rate	Monthly
Fixed O&M Price	US\$/kW/ Month		- US CPI - US\$/J\$ Exchange Rate	Annually
Variable O&M Price	US\$/kWh		- US CPI - US\$/J\$ Exchange Rate	Annually
Renewable Fuel Feed Stock Price	US\$/kWh		To be based on fuel type	Monthly

Table 5-2: Energy Only Proposed Tariff Components as Applicable

Tariff Component	Unit	Base Price	Basis for Adjustment	Frequency of Adjustment
Energy Price	US\$/kW/ Month		- US\$/J\$ Exchange Rate	Monthly
Variable O&M Price	US\$/kWh		- US CPI - US\$/J\$ Exchange Rate	Annually
Renewable Fuel Feed Stock Price	US\$/kWh		According to fuel type	Monthly

4.11 EXHIBIT 10: COST DATA IN SUPPORT OF TARIFF

Applicant shall submit details of its cost data in support of the Tariff. Costs shall be quoted in United States (US) Dollars.

A functional electronic copy of its tariff model for the Project in a Microsoft Excel spread sheet or compatible format is required with each submission. This model should incorporate the input cost, financing terms and energy assumptions from which the proposed tariffs are derived. The Model should be able to do sensitivities and a user guide should be attached.

The cost items in the table below should be fully broken into their constituent elements.

Table 5-2: Proposed Capital Costs

CAPITAL COST ITEM	DESCRIPTION	PROPOSED COST (US \$)
Development Costs	Project development costs incurred prior to start of construction, including financial closing costs.	
Construction Costs	All costs related to supply and installation of the Facilities for delivering power to the JPS Grid including all applicable foreign and local taxes. See breakdown in Exhibit 12.	
Project Company Costs During Construction	Management and Insurance Costs Capitalized interest during construction Other costs including fees, etc.	
Working Capital	Working capital for initial operation and management.	
Capitalized O&M costs	Costs associated with operation and maintenance activities prior to commissioning.	

CAPITAL COST ITEM	DESCRIPTION	PROPOSED COST (US \$)
Other capitalized costs (if any)	Please give description	
TOTAL COST OF THE PROJECT		

“TOTAL COST OF THE PROJECT” is inclusive of contingency costs.

Table 5-3: Proposed Annual Operating Costs

COST ITEM	DESCRIPTION	PROPOSED ANNUAL COST (US \$)
Plant fixed operating and maintenance costs	Plant operating and maintenance costs which do not vary with Plant output including equipment and personnel costs, etc.	
Insurance costs	Cost of insurance during the operating period	
Renewable Fuel Feed Stock costs	Any direct costs related to accessing and/or obtaining the fuel to be used.	
Plant variable operating and maintenance costs	Plant operating and maintenance costs which vary with Plant output.	
Other operating costs	Please state, if any.	

4.12 EXHIBIT 11: FINANCIAL DATA IN SUPPORT OF TARIFF

The Tariff shall be based on a financing plan for the Project and supporting financial data relating to debt and equity. The Applicant shall submit details of the financing including the following:

Table 5-4: Project Financing

Financing Type	Source	Amount in USD	% of Total
EQUITY FINANCING	Project Sponsor		
	Contractor/Supplier		
	Other Sources (Applicant shall list)		
	TOTAL EQUITY		
DEBT FINANCING	Export Credits		
	Commercial Sources		
	Multilateral Sources		
	Other Sources		
	TOTAL DEBT		
TOTAL FINANCING			

In support of the financing plan, Applicant is required to submit financial data, including the following:

- Interest rates
- Grace periods
- Fees
- Conditionalities

Applicant shall submit supporting documentation from the sources of financing and a credit report. Supporting letters from the financing sources shall be accompanied by documentation to verify that the sources are capable of meeting the commitments.

The amount indicated as “TOTAL FINANCING” shall be the total financing required for the Project, inclusive of contingency funds.

Applicant shall submit a functioning electronic tariff model for the Project which demonstrates the financial feasibility and sustainability of the Project.

4.13 EXHIBIT 12: BREAKDOWN OF CONSTRUCTION COST

Applicant shall submit a detailed breakdown of the construction cost by major components of the Project.

4.14 EXHIBIT 13: ADDITIONAL SUPPORTING DATA

Applicant shall provide the following Project information:

- Applicant's organization chart and key personnel for the management of the Project Company during pre-construction, construction and the operation stages of the Project, including resumes of key personnel showing past experience in performing their designated management position.
- Applicant's proposed chart and description of organization during the operation stage of the Project to include manpower requirements for operations and maintenance.
- Listing of proposed subcontracts for the major elements of the Project to include subcontractors' name, address, scope of supply or services and amount of subcontract.
- Applicant's proposed training program for Jamaican nationals.
- Applicant's proposed Project insurance plan to meet the insurance coverage required under the Project Agreements.

The Applicant shall provide equipment experience including past performance data for three (3) continuous years of reliable commercial operation to include:

- Name, address, telephone and facsimile number of owner.
- Description and location of project.
- Operating history.

4.15 EXHIBIT 14: PERFORMANCE SPECIFICATIONS AND DRAWINGS

Applicant shall provide the specifications for the Facilities, including detailed specifications for the major systems and equipment including:

- Manufacturer
- Model
- Codes/ standards
- Ratings

Applicant shall also provide preliminary designs and drawings relating to the Facilities.

4.16 EXHIBIT 15: PROPOSED PROJECT SCHEDULE

Applicant shall provide a detailed Project implementation schedule in a functional electronic Gantt chart compatible with Microsoft Project.

4.17 EXHIBIT 16: DISCLOSURE

Disclosure

The Applicant hereby represents that there are no liabilities, lawsuits, debts, etc. that could reasonably be expected to materially affect the Applicant's ability to arrange the necessary financing for the successful implementation of the proposed Project except: [Complete as necessary].

4.18 EXHIBIT 17: PROPOSED INTERCONNECTION DATA

- 1) Applicant shall provide a detailed Project interconnection schedule that shows cost to interconnect at the distribution and transmission level as follows:
 - a) Only the proposed plant has to interconnect into that facility. Indicate the proposed interconnection configuration and the cost for any network upgrades and any project specific works to satisfy the requirements of interconnection of the Plant to the Grid according to the Generation Code.

- b) Indicate interconnection configuration and the cost to satisfy the requirements of the Generation Code if any other plants up to the remainder of the 37 MW also plan to interconnect into that facility as may be advised by JPS or on consultation with JPS before submitting their Proposal.
- 2) Applicants shall also provide a Dynamic Model and Data of their Plant in an electronic format that is fully compatible and that can be imported into with PTI PSS/E and DIgSILENT PowerFactory power systems software. This is necessary to evaluate the proposal at Stage 3.
- 3) Applicant also agrees that its Dynamic Model and Data will be made available to the Grid Operator for the purposes of performing any system analysis simulation.

5 APPENDIX B: NOTICE OF RECEIPT OF REQUEST FOR PROPOSAL

The undersigned received (or accessed) the “Request for Proposal for Supply of up to 37 MW (Net) of Electricity Generation from Renewable Energy Resources on a Build, Own and Operate (BOO) Basis”.

We have reviewed the documents and we intend to submit a Proposal.

Further, we understand that our duly completed Proposal Document will be due on **27 January 2016**.

At the present time, we anticipate our Proposal Document will be based upon the following corporate or joint venture arrangements:

Lead Firm :

Address :

Contact Details :

.....

Other Firm/Partner* :

Address :

Contact Details :

Applicant's Representative :

(Name & Designation)

.....

(Signature)

Date :

* Details should be provided for each Other Firm/Partner.

6 APPENDIX C: SOURCES FOR ADDITIONAL INFORMATION

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. These may include:

- 1) Ministry of Science, Technology, Energy and Mining
- 2) The Petroleum Corporation of Jamaica
- 3) Jamaica Public Service Company Limited
- 4) Petrojam Limited
- 5) National Environment and Planning Agency
- 6) Water Resources Authority
- 7) National Solid Waste Management Authority
- 8) National Works Agency
- 9) Local Authorities
- 10) Port Authority of Jamaica
- 11) Jamaica Customs Agency
- 12) Ministry of Finance and Planning
- 13) Office of the Prime Minister
- 14) Bureau of Standards Jamaica
- 15) Government Electrical Inspectorate
- 16) Tax Administration Jamaica
- 17) Jamaica Promotions Corporation (JAMPRO)
- 18) Ministry of Labour and Social Security

Applicants may also refer to relevant documents on the electricity sector that are posted on the OUR's website.

7 APPENDIX D: FORM OF LICENCE

THE ELECTRIC LIGHTING ACT
[name of Licensee]
Supply of Electricity Licence, 201[]

1. SHORT TITLE

This Licence may be cited as “[Licensee] Supply of Electricity Licence, 201[]”.

2. INTERPRETATION

2.1 In this Licence –

“**Acts**” shall have the meaning set out in Clause 2.2

“**Commercial Operations Date**” shall have the meaning given thereto in the relevant Power Purchase Agreement (“PPA”)

“**Control**” or “**Controlled**” in relation to the Licensee, means the power of a person(s), and/or corporate entity to determine and implement the Licensee’s policies and the day to day operations of such policies and the day to day operations of the facilities or services in relation to the Licensed Business, including inter alia, the construction, development and maintenance of the facilities and provisioning of the services in relation to the Licensed Business.

“**ELA**” means the Electric Lighting Act.

“**Facility**” means the **[capacity of the plant]** MW **[renewable source]** generation facility, together with building and auxiliary equipment located on lands **[site location]** in the parish of **[name of parish]**, Jamaica.

“**Government**” means the Government of Jamaica.

“**Governmental Authority**” means any ministry, department, agency of Government or statutory body and shall include any acts carried out by any of the said bodies in the exercise of government public policy.

“**Governmental Requirements**” means any Acts of Parliament, or subsidiary legislation made thereunder, and shall include inter alia, Government guidelines, policies and ministerial directives.

“**Licence**” means the **[name of company]** supply of Electricity Licence 201[]

“**Licensed Business**” means the generation and supply of electricity as carried out under this Licence and any other licence required by Jamaican law.

“**Licensee**” is for the purposes of this Licence **[name of Licensee and location of registered office]**.

“Minister” means the Minister with the portfolio responsibility for electricity.

“National Grid” means the public electricity transmission system in Jamaica but does not include the network used for the distribution of electricity to individual members of the public.

“Office” means the Office of Utilities Regulation.

“OUR Act” means the Office of Utilities Regulation Act.

“Power Purchase Agreement” means the agreement for sale and purchase of power supplied from the Facility and entered into by the Licensee and the Power Purchaser.

“Power Purchaser” means the Jamaica Public Service Company Limited or its successor or assignee, or any other entity licensed to operate the National Grid.

“Pro Forma Transaction” means

- (a) an assignment from one or more individuals to a body corporate owned or controlled by the same individual or individuals without any change in their relative interests;
- (b) an assignment from a body corporate to shareholders without effecting any change in the disposition of their interests;
- (c) a reorganization of a body corporate that involves no change in the beneficial ownership thereof;
- (d) an assignment or transfer -
 - (i) from a body corporate to its wholly owned subsidiary or *vice versa*;
 - (ii) between wholly owned subsidiaries of the same holding company;
- (e) an assignment from a body corporate to another body corporate owned or controlled by the assignor's shareholders without a substantial change in their relative interests.

“ Purchase Price” shall have the meaning set forth in Clause 12.8

“Tribunal” means any tribunal established by the Minister under this Licence or pursuant to any relevant legislation or instrument to hear appeals arising from a

decision or failure to act by the Office.

2.2 This Licence shall be read and construed, subject in all respects to the provisions of the ELA, the OUR Act and any applicable legislation ("**the Acts**").

2.3 References to any Act or statutory provision includes a reference to:

- (i) That Act or statutory provision as may from time to time be amended, extended, replaced or re-enacted or consolidated; and
- (ii) All statutory instruments or orders made pursuant to it.

2.4 Unless the context otherwise requires, expressions in this Licence which are not defined herein shall bear the same meanings ascribed to those expressions under the Acts or the Power Purchase Agreement. In the event that there is a conflict, the meaning set forth in the Power Purchase Agreement should take precedence.

3. GRANT OF LICENCE

3.1 The Minister, pursuant to the powers conferred under Section 3 of the ELA, as well as Section 4A of the OUR Act, hereby grants to the Licensee a Licence authorising the Licensee to develop, operate and maintain the Licensed Business and operate and maintain the Facility, in order to generate, sell and supply bulk electricity therefrom to the National Grid, subject to the provisions of this Licence and the attached Schedule as well as the relevant Acts and PPA..

3.2 This Licence shall be null, void and of no legal effect in the event that the relevant parties fail to execute the PPA within [] of the date of this Licence.

3.3 The Licensee in carrying out the Licensed Business shall be subject to regulation by the Office pursuant to the Acts.

4. DURATION

4.1 Subject to the provisions contained herein this Licence shall have full force and effect from the date of execution by the Minister (hereinafter called "**the commencement Date**"). Notwithstanding the foregoing, the term of the Licence shall be for a period of **twenty (20) years** from the Commercial Operations Date

and shall terminate on the twentieth (20th) anniversary of the Commercial Operations Date, provided however that the Licensee shall have the right to operate the Licensed Business and sell such electricity to the National Grid: .

- (a) arising as a result of the testing and commissioning activities of the Facility prior to the Commercial Operations Date;
- (b) arising from operations of units that have successfully passed all the required testing activities and have been certified appropriately as meeting the contracted requirements to operate prior to the Commercial Operations Date; or
- (c) as may be reasonably required by the public electricity supply system prior to the Commercial Operations Date.

4.2 The Licensee may apply in writing to the Minister and copied to the Office for a renewal of the Licence no later than five (5) years prior to the date on which this Licence expires.

4.3 The Minister may, in response to the application for renewal of the Licence, grant such renewal upon the recommendation of the Office.

5. ASSIGNMENT OF LICENCE

5.1 This Licence may not be assigned or transferred by the Licensee without the prior written consent of the Minister, such consent not to be unreasonably withheld.

5.2 The Licensee may, contingent on the prior approval of the Minister, transfer control of its operations.

5.3 An application for approval of an assignment or transfer under this clause 5 shall be made in writing to the Minister who shall grant such approval, within thirty (30) days if he is satisfied, upon the recommendation of the Office, that the assignee or transferee satisfies the requisite requirements as regards the obligations imposed on the Licensee by this Licence or relevant Acts and is in all material

respects a fit and proper person to hold such Licence.

5.4 Clause 5.3 shall not apply to a Pro Forma Transaction and the following provisions shall apply in relation thereto -

- (i) Within forty-five (45) days after the completion of the Pro Forma Transaction the Licensee shall-
 - (a) apply in writing to the Office for approval of the Pro forma Transaction;
and
 - (b) submit to the Office with such application, information pertaining to the Pro Forma Transaction, including proof of the completion of the transaction and certification of the transaction as a Pro Forma Transaction by the Licensee, and such other written information as the Office may require.
- (ii) Such Pro Forma Transaction shall not be recognized and shall be deemed null and void for the purposes of the obligations under this Licence if the provisions of paragraph (i) of clause 5.4 are not strictly adhered to and/or the Office does not approve the transaction as a Pro Forma Transaction.

6. RATES/PRICES

The prices to be charged and/or rates to be applied by the Licensee in respect of the supply of electricity pursuant to this Licence shall be determined by the Office and shall be included in the Power Purchase Agreement.

7. REGULATORY SERVICE FEE

7.1 For each financial year of the Licence (i.e. the period running from April 1 in one year to March 31 of the following year), the Licensee shall pay to the Office on or before May 1, of that year, an annual Regulatory Service Fee:

- (i) calculated based on the revenues as may be derived from the sale of energy to the Power Purchaser under the terms of the Power Purchase Agreement using the formula set out below:

Regulatory Service Fee: (RF) = BUSP x 1PPR

Where BUSP = The revenue attributable to the Power Purchaser in the audited financial statements of the Licensee for the financial year ending in the calendar year preceding the due date of the regulatory service fee payment.

1PPR = One Ten Thousandth (0.0001)

OR

(ii) the applicable annual minimum Regulatory Service Fee as may be prescribed by the OUR from time to time if greater than (i) above:

OR

(iii) such other Regulatory Service Fee as may be prescribed by the Office pursuant to the OUR Act.

7.2 Notwithstanding the foregoing, immediately upon the issuance of this Licence, the Licensee shall pay to the Office the sum of [] representing the annual minimum Regulatory Service Fee applicable to the period April 1, 20 [] to March 31, 20 [], prorated from the date of this Licence to March 31, 20 []

7.3 In the event that the Licensee will not be in operation for a full financial year of the Licence, the Regulatory Service Fee payable for such period shall be the applicable annual minimum Regulatory Service Fee prescribed for that period.

8 OBLIGATIONS OF THE LICENSEE

8.1 The Licensee shall:

- (i) Discharge its obligations and perform the duties imposed or authorized as set out in this Licence, the Power Purchase Agreement, the Acts, and any applicable codes or Standards.
- (ii) Comply with any order made by the Minister pursuant to this Licence or to powers vested in him by any relevant legislation applicable hereto with all reasonable promptitude.
- (iii) Comply with any memorandum, determination, order or directive made by the Office pursuant to this Licence or any applicable legislation with all reasonable promptitude.

- (iv) Maintain and keep in good repair all equipment and facilities used in carrying out the Licensed Business.
- 8.2 The accounts and records of the Licensee shall be maintained in such manner as may be prescribed by the Office from time to time after consultation with the Licensee.
- 8.3 The accounts and records kept by the Licensee should be sufficient to separate the activities of the Licensed Business from any other business of the Licensee.
- 8.4 The Licensee shall provide such information, reports, and records as may be reasonably requested by the Office from time to time.
- 8.5 Where the Minister has exercised step-in rights pursuant to clause 12 of this Licence, the Licensee shall be obliged to cooperate with the Minister and shall take all necessary steps, including the assignment of any relevant contracts, to facilitate the completion and/or operation of the Facility.

9.0 INFORMATION REPORTING AND AUDITED ACCOUNTS

- 9.1 The Licensee shall procure and furnish to the Office, in such manner and at such times in respect of the items set out at **SCHEDULE 1** or, as the Office may reasonably require, such other information and reports as the Office may consider necessary concerning the performance by the Licensee of its obligations under this Licence.
- 9.2 The accounts of the Licensee shall be audited annually at the expense of the Licensee by an independent auditor of the Licensee's choice provided that such auditor shall be of good standing and reputation.
- 9.3 The Licensee shall send to the Office within four (4) months of the end of the Licensee's financial year a copy of the annual audited balance sheet and profit and loss account of the Licensee related to the supply of electricity pursuant to this Licence and such operating and other statistics as the Office may reasonably require.

10.0 DISCHARGE OF OBLIGATIONS AND POWER OF LICENSEE

- 10.1 Save as set out in this Licence, the Licensee shall discharge its obligations and perform the duties imposed or authorized under the Acts and shall enjoy the rights and exercise all powers conferred on “undertakers” authorized to supply electricity pursuant to the ELA..
- 10.2 The Licensee shall not be obliged to undertake extension of any transmission or distribution lines to deliver the power generated, save as provided in the Power

Purchase Agreement.

- 10.3 The Licensee may exercise such rights and shall observe such conditions relating to easements, way leaves, entry of private property and the construction of any lines above, or below ground, as may be prescribed by law.
- 10.4 If in the construction, maintenance and repair of its electric lines, it shall be necessary for the Licensee to disturb public ways and places or the plant of any other utility provider, the Licensee shall restore or pay the cost of restoring such public ways and places and utility plant to at least as good condition as they were before such disturbance.

11. FORCE MAJEURE

The Licensee shall be excused for any non-compliance with this Licence caused by **“Force Majeure”**, which, for the purpose of this Licence, means any event or circumstance or combination of such events or circumstances that:

- (i) occurs inside Jamaica, except as provided in paragraph (h) below;
- (ii) is outside the reasonable control of the Licensee;
- (iii) cannot be prevented or overcome by the exercise of reasonable diligence; and
- (iv) materially and adversely affects the performance by the Licensee of its obligations under this Licence, to the extent that such event(s) or circumstance(s) meet the foregoing requirements (i) through (iii), including:
 - (a) acts of God, fire, explosion, chemical contamination, earthquakes, flood, lightning, drought, tsunami, flood, torrential rain, storm, cyclone, typhoon, or tornado, pestilence or other natural catastrophes, epidemics or plague, or any strikes, work to rule, go-slows or other labour disturbances that directly affect the assets of the Licensee;
 - (b) obligations under licences (other than this Licence), concessions or permits or other Governmental Requirements that are necessary for the Licensee to conduct its business and which will adversely impact performance under this

Licence;

- (c) any strikes, work to rule, go-slows or other labour disturbances that extend beyond the Facility are widespread, nation-wide or are of a political nature, including labour actions associated with or directed against a ruling political party, or those that are directed against the Licensee (or its contractors or suppliers) as part of a broader pattern of labour actions against companies or facilities with foreign ownership or management;
- (d) expropriation, requisition, confiscation, nationalization or compulsory acquisition by a Governmental Authority of the Licensee or any substantial portion of the Facility;
- (e) acts of war (whether or not declared), invasion, blockade or embargo;
- (f) acts of terrorism or threat from terrorists, widespread riot, violent demonstrations, widespread armed insurrection, widespread rebellion or revolution;
- (g) the closing or drastic reduction in capacity of public harbours, ports, docks, canals, roads, airports or other infrastructure, the rationing thereof or any import or export restrictions; or
- (h) to the extent that they result in disruption of the Licensee's ability to receive shipments of fuel, major equipment or critical spare parts, any strikes, work to rule, go-slows or other labour disturbances that occur outside of Jamaica.

12. STEP-IN AND ACQUISITION RIGHTS

- 12.1 After the Commercial Operations Date, if the Licensee shall have ceased to operate all, or any substantial part of the Facility necessary for the performance of functions under this Licence for a period of forty-eight (48) consecutive hours (the “**Initial Period**”) without the prior consent of the Minister (“**Step-in Event**”), the Minister or his designee may enter any site at which the Licensee operates the Licensed Business (“Site”) and may assume operational control of that Facility, provided that:

- (i) the Minister shall give prompt notice to the Licensee determining that the Initial Period has concluded. Such notice shall be given by means reasonably calculated to ensure prompt actual notice to the Licensee.
- (ii) A Step-in Event shall not have occurred and the Minister or his designee shall not be entitled to enter any of the Licensee's Sites for the purpose of assumption of operational control if the cessation of operation under clause 12.1 resulted from:
 - (a) circumstances beyond the reasonable control of the Licensee; such as an event of Force Majeure or a material breach by the Power Purchaser under the Power Purchase Agreement; or
 - (b) a forced outage as defined in the Power Purchase Agreement; or
 - (c) a scheduled or maintenance outage as defined in the Power Purchase Agreement; or
 - (d) an action or failure to act by the Minister or the Office in contravention of any right or entitlement of the Licensee under applicable legislation or regulation being in force, or this Licence; or
 - (e) to the extent that the Licensee is proceeding with diligence and good faith to overcome or remedy such event and such event is overcome and remedied within forty-eight (48) hours immediately after the Initial Period.

12.2 If the Minister or his designee assumes operational control of all or part of the Facility upon the occurrence of a Step-in Event in terms of clause 12.1, the Minister or his designee shall operate the Facility in accordance with prudent utility practice and in any event in accordance with standards no lower than those which were binding on the Licensee prior to the occurrence of the Step-in Event.

12.3 Upon the occurrence of a Step-in Event the Minister or his designee shall be entitled to operate all or part of the Facility until such time as the Licensee has

demonstrated to the reasonable satisfaction of the Minister that it can resume normal operation of the Facility in accordance with the terms and conditions of this Licence and the Acts, and that Step-in Event has been or will be overcome or remedied.

12.4 The Licensee must demonstrate to the Minister that it can and will secure or otherwise acquire and utilize:

- (a) requisite qualified and skilled personnel;
- (b) sufficient financial resources; and
- (c) any other resources identified to be needed to resume proper operation of the system and any generating facility in accordance with the terms and conditions of this Licence and to overcome or remedy the Step-in Event.

12.5 Where the Licensee is unable to demonstrate its ability to resume normal operation of the Facility to the reasonable satisfaction of the Minister within ninety (90) days after the Initial Period, the Minister shall have the right to acquire, and/or to have his designee acquire all of the rights, title and interest of the Licensee in the Facility for an amount equal to fifty percent (50%) of the "Purchase Price" which shall be formulated in accordance with clause 12.8 below (the "**Purchase Price**")

12.6 If a Licensee event of default under the Power Purchase Agreement occurs and continues, the Minister shall have the right to suspend this Licence until such event of default has been cured in accordance with the terms of the Power Purchase Agreement, provided that if the Power Purchase Agreement terminates because of a Licensee event of default, the Minister shall have the right to acquire, and/or to have his designee acquire all of the rights, title and interest of the Licensee in the Licensed Business and Facility for an amount equal to fifty percent (50%) of the "Purchase Price" which shall be formulated in accordance with clause 12.8 below.

12.7 If the Minister elects to exercise his right to acquire all such rights, title and

interest, of the Licensee in the Licensed Business and Facility pursuant to this clause 12, payments in accordance with clause 12.5 or 12.6, as the case may be, shall be made to the Licensee no later than one (1) year after the notice of election to exercise such right.

12.8 The “purchase price” referred to in clauses 12.5 and 12.6 above shall be calculated at the present value of the Licensed Business and Facility, present value being determined by the discounted cash flow methodology. The cash flows to be used in the calculation of the Purchase Price shall be the net cash and cash equivalent from operations of the Licensed Business and Facility as reflected in the audited financial statements from the last financial period prior to the date of the Minister’s election to acquire the Licensed Business and Facility and the projected annual cash flow for the subsequent fifteen (15) years at the level of the last audited statement. The applicable interest rate to be used in the calculation of the Purchase Price shall be the United States Department of the Treasury one (1) year Treasury Bill rates for the relevant financial period.

12.9 The Minister shall only indemnify and hold the Licensee harmless from any loss or damage to the Licensed Business and Facility and for any injury to persons incurred as a direct result of the Minister’s or designee’s negligence or wilful misconduct in the operation of the Licensed Business and Facility during the period that the Minister or his designee operates the Licensed Business and Facility and then only to the extent that such loss, damage or injury is not covered by insurance.

12.10 The Minister may designate any other qualified person as his designee for the purpose of exercising any of the powers conferred in this clause 12.

13. AMENDMENT TO LICENCE

This Licence may be modified at any time during the term of its continuance by agreement between the Licensee and the Minister and upon the advice of the Office.

14. SUSPENSION OR REVOCATION

14.1 The Minister may, on the recommendation of the Office, at any time suspend or revoke this Licence by not less than thirty (30) days' notice in writing (the “**Notice**

of Suspension or Revocation”) to the Licensee:

- (a) if it shall have been determined that the Licensee has failed to comply with any term or condition of this Licence or to carry out in good faith and with reasonable diligence the activities referred to in this Licence, including compliance with directives, orders, memorandum, or determinations issued by the Office, which determination shall specify in exact detail the respects in which the Licensee so failed, provided that such failure shall have continued for a period of thirty (30) days and shall have impaired the Licensed Business;
- (b) if the Licensee is insolvent or bankrupt, or has gone into compulsory or voluntary liquidation, or has entered into any agreements with its creditors for relief of debt, or taken advantage of any law for the benefit of debtors, other than for the purpose of amalgamation or reconstruction;
- (c) if any fee or financial obligation payable under this Licence or in relation to any related statute or any fine imposed by a court of law is unpaid thirty (30) days after it has become due, and after the expiration of this thirty (30) day period it remains unpaid for a further period of thirty (30) days after the Office has given the Licensee notice that the payment is overdue; or
- (d) if any principal officer of the Licensee is convicted of a criminal offence by a court of law, which offence has impaired the Licensee's ability to perform its obligations under this Licence.

14.2 Prior to the recommendation for the suspension or revocation of this Licence pursuant to paragraph 14.1, the Licensee shall within a thirty (30) day notification period be given an opportunity to be heard by the Minister, including making written submissions to the Minister as to why this Licence should not be suspended or revoked.

15. RIGHTS OF ACTION RESERVED

Nothing specified or contained in this Licence shall be construed as depriving the

Licensee of its ordinary rights to appeal to the Courts of Jamaica to redress any wrongs it may suffer or to enforce any rights to which it may be entitled under the Licence or otherwise.

16. ARBITRATION

In the event of any difference whatever arising under this Licence between the Government and the Licensee or between the Minister and the Licensee the matter in dispute shall be referred to arbitration in accordance with the applicable arbitration provisions of the Arbitration Act and the decision thereon shall be final and conclusive.

17. NOTICES

- 17.1 Any notice, document or other instrument required or permitted to be given or delivered to any person under any provisions of this Licence shall be in writing and may be delivered or given by registered mail addressed to the person to whom the notice is to be given, or delivery is to be made at the address below or any such other address as may be specified from time to time by the relevant person and if so given or delivered by mail shall be deemed to have been given or delivered five (5) days after the date on which it is deposited in the mail as registered mail.

THE MINISTER

Address: Ministry of Science, Technology, Energy and Mining
PCJ Building
36 Trafalgar Road
Kingston 10

Attention The Honourable Minister

THE LICENSEE

Address [Name and address of Company]

- 17.2 If notice is given or any document delivered other than by registered mail, as provided in the preceding clause, such notice shall not be deemed to have been given or document delivered until it is actually received by the person to whom the notice is given or delivery is made.

- 17.3 Any person may change its address for the purposes of this clause by giving notice of such change by hand delivery, or registered mail, which change shall not become effective until it is actually received by the person to whom the notice is addressed.

18. APPEALS TRIBUNAL

- 18.1 Subject to the provisions of any subsequent legislation, the Minister may empanel a Tribunal to hear appeals by the Licensee and such Tribunal shall consist of three (3) members appointed by the Minister as follows:
- (a) one member shall be a former Judge of the Supreme Court or the Court of Appeal and shall be the chairman of the Tribunal (the “**Chairman**”);
 - (b) one member shall be appointed on the recommendation of the Licensee; and
 - (c) one member shall be appointed on the recommendation of the Office.
- 18.2 There shall be paid to the Chairman and other members of the Tribunal in respect of any appeal, such remuneration, whether by way of honorarium, salary or fees, and such allowances as the Minister may determine.
- 18.3 The decisions of the Tribunal shall be by a majority of votes of the members.
- 18.4 The Tribunal shall regulate its own proceedings.
- 18.5 Subject to any relevant legislation or instrument, the members of the Tribunal shall hold office for a period of two (2) years unless sooner terminated by the Minister.

19. APPEALS OF OFFICE DECISIONS

- 19.1 If the Licensee is aggrieved by a decision of, or failure to act, by the Office under this Licence, the Licensee may appeal to the Tribunal:
- (a) in the case of a decision of the Office, within thirty (30) days after notification to the Licensee of that decision;
 - (b) in the case of a failure of the Office to act, within twenty-one (21) days after the date on which the Office was required to act.

19.2 On hearing an appeal under this Licence, the Tribunal shall have regard to the legality, rationality and procedural propriety of the Office in arriving at its decision and may:

- (a) confirm, modify or reverse the decision of the Office or any part thereof;
or
- (b) by a direction in writing, refer the decision back to the Office for reconsideration by it, either generally or in relation to any matter specified in the direction,

and the Tribunal shall, at the same time, state the reasons for its decision.

19.3 The Tribunal may, on application by the Licensee, order that the decision of the Office to which an appeal relates shall not have effect until the appeal is determined.

19.4 The Tribunal may dismiss an appeal if it is of the opinion that the appeal is frivolous or vexatious or not made in good faith.

19.5 Where the Tribunal dismisses an appeal, it shall inform the Licensee and the Office in writing stating the reasons for its decision.

19.6 In making a decision, the Tribunal shall observe reasonable standards of procedural fairness and the rules of natural justice and act in a timely fashion.

20. GOVERNING LAW

This Licence shall be governed and construed in accordance with the laws of Jamaica.

21. WAIVER

No failure or delay by any person to exercise any right, power or remedy under this Licence will operate as a waiver of it, nor will any partial exercise preclude any further exercise of the same or of some other right, power or remedy.

22. SEVERABILITY

If any term or provision in this Licence is found in whole or in part to be illegal or unenforceable under any Acts, that term or provision or part thereof, shall to that extent be deemed not to form part of this Licence and the enforceability of the remainder of this Licence shall not be affected.

23. EXPIRATION OF POWER PURCHASER'S LICENCE

In the event that the licence of the Power Purchaser to operate the National Grid, expires or is otherwise terminated prior to the expiration or termination of this Licence, then the Minister shall take such steps as are necessary to ensure that any other

person that is subsequently authorized to operate the National Grid shall assume the existing rights and obligations of the Power Purchaser under the Power Purchase Agreement for the duration of this Licence.

Dated this day of201[].

The Honourable []
Minister of Science, Technology Energy and Mining

SCHEDULE I

(Clause 9.1)

Submissions by the Licensee:

The Licensee shall submit to the Office the under mentioned documents on or before the date specified in respect of each and in addition, inter alia, any amendment or modification in respect of each.

- (i) One Hundred Eighty (180) days prior to Commercial Operations Date, the Licensee shall provide its proposed plan for the operations and maintenance of the Facility (the "O&M Plan") and any operation and maintenance contract entered into by the Licensee, together with all amendments executed as of that date (but excluding the commercial terms of such operation and maintenance contract);
- (ii) Thirty (30) days prior to commencement of construction, the Licensee shall lodge with the Office a copy of the construction contract entered into by the Licensee for the Facility, including all schedules, plans and specifications attached thereto, plus all amendments executed as of that date (but excluding the commercial terms of such construction contract);
- (iii) As soon as available but prior to commencement of construction the Licensee shall lodge with the Office copies of any contracts executed with direct contractors for the Facility (but excluding the commercial terms of such contracts);
- (iv) One Hundred Eighty (180) days prior to Commercial Operations Date the Licensee shall lodge with the Office copies of all permits, licences, approvals and other Governmental Authorizations that have been issued to the Licensee for the design, financing, construction, ownership, operation and maintenance of the Facility;
- (v) Ninety (90) days prior to Commercial Operations Date, the Licensee shall lodge with the Office a start-up and test schedule for commissioning of the Facility, including, without limitation, appropriate milestone dates for such start-up and testing;
- (vi) Thirty (30) days prior to commencement of construction, copies of all insurance policies and certificates of insurance required to be obtained together with all amendments.
- (vii) Thirty (30) days prior to Commercial Operations Date, the Licensee shall lodge with the Office the final design drawings for the construction of the Facility;
- (viii) Ten (10) days prior to Commercial Operations Date of the Facility, the Licensee shall lodge with the Office certificate(s) signed by the licensed professional engineers of the Licensee's construction contractor stating that the Facility:

- (a) has been constructed in accordance with the construction contract, the final design drawings, and prudent utility practice; and
- (b) is designed and constructed to have a useful life of at least twenty (20) years.

8 APPENDIX E: FORM OF CREDIT REPORT

Credit Report

- 1) Name of Individual/Partnerships/Corporations
- 2) Address
- 3) National ID/TRN
- 4) Name of owner/s of the Partnerships/Corporations
- 5) History and extent of credit facilities granted:
 - a. Date banking relationship commenced:
 - b. Credit extended in:

No.	Applicable Period	Category	(US\$/JA\$)
		Low to mid five figures	
		Mid to high five figures	
		Low to mid six figures	
		Mid to high six figures	
		Low to mid seven figures	
		Mid to high seven figures	

- 6) Bankruptcies
- 7) Court judgments
- 8) Other

The bank may relate information solely about its transactions or experiences with the customer. For example, the bank may disclose that the customer had a history of delinquency and could give other information about the status of any loans or deposits with it.

Other information should include but not be limited to customer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.