

Expression of Interest (EOI)



Solar Energy Power Generation Project (SEPG)

Independent Power Producer (IPP)

Kavieng & Alotau

May 10 2017



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Section A – Principal’s Request

Project Overview

As a core component of its economic growth and climate resilience strategy, the Government of Papua New Guinea is looking to increase its use of renewable energy sources. PNG Power Ltd (PPL), the state-owned, vertically integrated utility, is playing a key role in implementing this strategy. PPL has major transmission and distribution networks in Port Moresby, Ramu Valley and Gazelle Peninsula (Rabaul) that are partly supplied by hydropower plants. It also supplies electricity to 16 regional centres which are predominantly powered by diesel generators.

The Asian Development Bank (ADB) is providing technical assistance to PPL with a focus on two of the isolated diesel centres that are suitable for the inclusion of solar generation facilities and contracted on an Independent Power Producer (IPP) basis. These two sites are Kavieng and Alotau.

Based on the success of these two pilot sites, PPL may implement a national roll-out plan for solar farms on a number of the remaining diesel powered regional centres.

PPL is seeking an experienced IPP to finance, install and operate the two solar PV farms, each of approximately **1MWac capacity and approx. 500kWh storage** (Plants) for a term of 15 years (Term).

The proposed scope of works for the IPP is to include (but not limited to) the following:

- Arrangement of finance for the Plants, based on Power Purchase Agreements (PPAs) with PPL as the off-taker for the Term
- Engineering, Procurement and Construction (EPC) of the Plants
- Commissioning and Testing of the Plants to meet specified performance criteria
- Operation and Maintenance (including site up-keep and security) to meet KPIs of the Plants for the Term
- Ongoing metering, billing and necessary administration for the Plants for the Term
- Refurbishment and handover of the Plants to PPL at the end of the Term

Please note that the land for the Plants will be identified prior to the formal Tender being released, and will either be provided to the IPP free of charge or leased by the IPP for the Term, and incorporated into the PPA price.

This evaluation process is a two-step process, with this EOI forming step one. Based on the received EOI submissions, PPL will shortlist 3-4 potential IPP providers who will be invited to submit a full binding tender.

EOI and Tender costs are to be borne by the applicant.

Timeline

Item	Indicative Date
EOI Released	10 May 2017
EOI SUBMISSION DUE DATE	31 May 2017
Shortlist Potential IPPs	23 June 2017
Tender Released	30 June 2017
Bidders Conference (In PNG)	Week of 17 July 2017
Tender Responses Due	8 September 2017
Tender Evaluation, Clarifications and Selection	13 October 2017
Contract Award	10 November 2017
Construction and Practical Completion	30 June 2018

Governance

The Asian Development Bank is providing technical assistance to PPL for the preparation and execution of this tender. The ADB is a member of the Project Steering Committee (PSC) for the tender, which is chaired by the CEO of PPL and includes senior PPL staff and representatives from Kumul Consolidated Holdings. The evaluation of EoIs and project proposals will be conducted by the PSC, who will make a recommendation to the PPL Board. The PPL Board has the authority to award the contract. The involvement of the ADB is strictly limited to technical assistance, no ADB financing is being offered.

Evaluation Criteria

The following criteria (in no specific order) will be used to evaluate the EOI submissions:

- Capacity to deliver and operate the Plants
- Capacity to mobilize required funding
- Ethical Conduct
- Experience in PNG
- Experience with solar IPPs
- Experience with ground mounted solar plants of 1MW capacity or greater
- Financial Strength and Company Structure
- Health and Safety Credentials
- Indicative Price
- Quality of Submission

Section B – EOI Response

Please complete the following table, and attach any additional supporting information (with a total limit of 20 pages for all attachments, not including financial statements). The EOI Response must be submitted by 5pm on 31 May 2017 in either soft or hard copy to:

Mr Togaro Asiba

Acting Director Strategic Planning & Business Development

Cnr Wards Road & Cordia St, PO Box 1105, Boroko, NCD, 111, Papua New Guinea

Email: TAsiba@pngpower.com.pg

Questions on the EOI process or content should be submitted in writing only to both of the following contact persons:

Mr. Togaro Asiba, Acting Director Strategic Planning & Business Development

TAsiba@pngpower.com.pg

Mr. Jarrod Harrington, Business Environment Team Leader (PNG), ADB Pacific Private Sector Development Initiative

jarrod.harrington@adbpsdi.org

Subject	Response
Section 1: <u>Primary Contact Details</u>	
1.1 Company Name	
1.2 Contact Person Name	
1.3 Contact Person Email	
1.4 Contact Person Phone	
Section 2: <u>Ownership & Management</u>	
2.1 Please give details of: a) the proposed contracting company entity b) all directors (name, address, contact information) c) copy of the certificate of incorporation d) copy of the Articles of Association/Incorporation	
2.2 Please describe your ownership structure including giving details of all ultimate owners of your business.	
2.3 Is your business currently solvent?	<input type="checkbox"/> Yes <input type="checkbox"/> If No, please explain.
2.4 Has your business been insolvent at any point during the last three years?	<input type="checkbox"/> If Yes, please explain the history and current status. <input type="checkbox"/> No

Subject	Response
2.5 If a joint venture is being proposed, please provide details of the JV structure, including percentage ownership of each partner	
2.6 If a joint venture is being proposed, please provide details of the history of the JV including previous projects completed as a JV.	
2.7 Give details of any changes of ownership of your company that have taken place in the last five (5) years.	
Section 3: <u>Financial Capacity</u>	
<p>3.1 Please submit the following information:</p> <p>a) copies of its last three (3) years annual reports and audited accounts;</p> <p>b) name and address of principal banker;</p> <p>c) additional / subsequent statements issued to shareholders or to the press since May 1 2016; and</p> <p>If applicable, entities who engage in a joint venture must provide financial statements and all ultimate holding company details for all joint venture partners.</p>	
3.2 Please confirm that you can obtain a 10% Performance Bond from your bankers if required.	
Section 4: <u>Health, Safety, Security and Environment (HSSE)</u>	
4.1 Does your company have a written HSSE policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Subject	Response
4.2 Please describe how you implement and manage the above policy during construction and operation phases of projects.	
Section 5: <u>Ethical Conduct</u>	
5.1 Does your company have a written ethical conduct policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.2 Do any of your business's directors or owners (if privately owned) have any criminal convictions for offences involving corruption or dishonesty.	<input type="checkbox"/> If Yes, please provide full details. <input type="checkbox"/> No
<p>5.3 With regards to bribery or corruption or dishonest dealings with third parties, in the last 3 years have any external investigations been commenced in which you have been involved or implicated in, or the subject of corrupt or dishonest dealings.</p> <p>Have you been required to disclose any corrupt dealings under relevant laws or stock exchange requirements? If so, please provide details.</p>	<input type="checkbox"/> If Yes, please provide full details. <input type="checkbox"/> No
5.4 Do you agree never to make facilitation, or "grease", payments in connection with the project?	

Subject	Response
Section 6: <u>Litigation & Dispute Resolution</u>	
6.1 Has your company been involved in any material litigation in the past 5 years (whether as claimant, defendant or third party)? details.	<input type="checkbox"/> If Yes, please provide full details. <input type="checkbox"/> No
6.2 Has your company been involved in any arbitration, expert determination or other material non-judicial dispute resolution procedures in the past 5 years?	<input type="checkbox"/> If Yes, please provide full details. <input type="checkbox"/> No
6.3 Is your company aware of any material claims, demands, actions, suits or enquiries from any party (including any governmental authority) or proceedings pending or threatened against it or any of its affiliates?	<input type="checkbox"/> If Yes, please provide full details. <input type="checkbox"/> No
6.4 Is your company aware of any outstanding material notices, judgements, orders, decrees, arbitral awards or decisions of a court, tribunal, arbitrator or governmental authority involving it which would have an adverse effect upon its ability to perform its obligations under any proposed contract?	<input type="checkbox"/> If Yes, please provide full details. <input type="checkbox"/> No
Section 7: <u>Resources & Workload</u>	
7.1 Provide the names and titles of the key individuals who will be responsible for coordinating and delivering the project.	
7.2 Provide the location from which any potential contract will be resourced from, with reference to the facilities available at that location.	

Subject	Response
<p>7.3 List known future commitments from 2017 to 2019 (inclusive) showing:</p> <ul style="list-style-type: none"> a. Name/location of project b. Work being/to be performed by your company c. Planned completion dates d. Commencement dates where appropriate e. Estimated peak workforce/average man-hours per annum 	
<p>7.4 What labour contract will be used to employ workers for the construction phase of this work?</p>	
<p>Section 8: <u>Capability / Experience</u></p>	
<p>8.1 Outline your organisation's experience with Solar IPP contracts, and provide recent examples.</p>	
<p>8.2 Outline your organisation's experience with Solar EPC contracts, and provide recent examples.</p>	
<p>8.3 Outline your organization's work and contracting experience in PNG</p>	
<p>8.4 Outline your organisation's capability in executing the construction of the project detailing potential direct labour sources and any subcontractors.</p>	
<p>8.5 Provide a list of the work that would potentially be sub-contracted. Provide examples of working with these sub-contractors on past projects.</p>	

Subject	Response
<p>8.6 Based on your market knowledge and previous experience please provide an indicative IPP rate - \$/MWh for a 1MWdc solar plant with 500kWh storage. Please provide a list of supporting assumptions.</p>	
<p>8.7 Based on your market knowledge and previous experience please provide an indicative EPC rate - \$/Wdc for a 1MWdc solar plant with 500kWh storage. Please provide a list of supporting assumptions.</p>	
<p>8.8 Based on your market knowledge and previous experience please provide an indicative O&M rate - \$/kWdc/annum for a 1MWdc solar plant. Please provide a list of supporting assumptions.</p>	
<p>Section 9: Any Other Information</p>	
<p>9.1 Please provide any further information in support of your submission which demonstrates your ability to execute the scope in a timely and cost efficient manner.</p>	