



GENERATION PROCUREMENT ENTITY
REQUEST FOR PROPOSALS
for
Supply of up to 100 MW (Net) of Electricity Generation from Renewable Energy Resources
on a Build, Own and Operate (BOO) Basis

Pre-Bid Meeting Questions and Answers

March 18, 2024

1. In the PowerPoint presentation, Mr. Elvy said that email bids will not be permitted. But will the electronic versions be uploaded or would they be submitted only in physical form electronically?

Answer:

(GPE's Response)

The physical copy should be delivered together with the pen drive (USB flash drive) which includes the digital copy.

For avoidance of any doubt: All paper and digital content of the bid must be delivered in physical form in person at the premises of the GPE as described in the RFP. Bids or parts of the bids delivered via email or in any other electronic form, or via postal services will not be accepted.

2. Adjustments made to the timetable indicated that dates for the submission of bids would have been changed.

Interconnection points have been the sore point for us. At the start of the bidding process, the GPE shared information on some interconnection points, but when you select those lines and having done your feasibility studies, many of those interconnection points are not suitable to accept the 50 MW. Every single one would have to be upgraded.

When you choose those lines based on the given available capacity and (our) feasibility study indicates that it is not possible to connect (the desired capacity), as we prepare the bids, we need to understand what is the intention going forward? Because in these interconnection points no one can connect 50 MW. So, we want the GPE to address that.

Secondly, when we have more than one winning bidder awarded at the same interconnection point, how are we going to deal with the shared costs? If two bidders are going to connect at the same interconnection point, how do we determine the sharing of the final costs between the two bidders (in case upgrades are needed)?

Answer:

(GPE's Response)

With regards to the interconnection points, the data is controlled by the System Operator. For transparency purposes, the GPE determined to publish all available interconnection points for Interested Parties and prospective bidders to see where they could potentially connect to the grid. In terms of what the feasibility study may have revealed to prospective bidders, that is not under the GPE's control. We appreciate the point you are making, that there are challenges with the capacity at those interconnection points, and that must be clarified by the System Operator. As it

relates to the costs of upgrades, this will be something that the System Operator would normally be responsible for. As for the interconnection costs, you must refer to the JPS Interconnection Guidelines and the OUR regulation.

(System Operator's Additional Response)

In response to the second question, the bidder is responsible for the interconnection to the existing JPS transmission asset and all costs related to that are borne by the bidder, as stated in the RFP documents. As it relates to the system improvements, we will be guided by MSETT, the policy maker, as to how JPS expands the grid based on the multiple choices made or the scenarios at that time and how the cost is dealt with at that time. So, it's clear that the interconnection costs are the responsibility of the bidder, but as it relates to system expansion that will be guided by policy.

Follow-up to Question 2

In terms of the interconnection responsibility, are you talking about the high voltage side of the power transformer in terms of costs to be covered by the bidder? If a study was done and an upgrade is required downstream or upstream of the line tap, who bears this cost, since this appears to be a grey area. As a bidder or investor, I am of the view that my responsibility ends from the high voltage side of the power transformer to the line tap. I understand that we may need to communicate with a sub-station or some other point, but in terms of certain infrastructure on the system, our view is that the cost of an upgrade should be borne by the Single Buyer, who would approach the OUR or the Government for approval.

Follow up to the second part of Question 2

If two bids win on the same interconnection point, will the costs be shared? Would it not be logical that the lower bid would go in first (capacity) and the second bid would pick up incremental costs on top of that, that is, if there are upgrades required, how do you allocate those costs between two bids that are at the same interconnection point, assuming that the first bid goes in first and the second bid picks up any additional costs that go beyond that interconnection node.

Answer:

(System Operator's Response)

Definition of interconnection - let's start here. If we have to open the lines, if you have to build a line extension to get to your location, at the capacity you need, the costs for such works are covered by the bidders. What the policy makers need to do at the point of the award, if there are multiple bids at the same interconnection point and there must be a cost sharing mechanism, there has to be some mechanism where the utility is afforded the cost to do the necessary expansion. The policy makers need to make that decision at that time. Right now, we are clear that interconnection is the line between the existing asset and the new asset, however, we do not know how many awards will be made at a particular node on the network. There may be multiple bids

(at the same interconnection point) in this RFP, this is why we have a feasibility study upfront (prepared by the potential bidders), and a grid impact study, based on scenarios, which will inform us as to how to proceed.

(OUR's Additional Response)

The capacity of the interconnection point is very important. Grid studies including multiple combinations of projects at a particular point must be assessed. These studies may reveal that the potential or capacity at a particular point is insufficient for the installation or the interconnection of multiple generators. This may call for discrimination as to which bid, or interconnection has the least grid impact. But this is an analysis that will have to be performed during the evaluation process.

Follow up to Question 2 (related to upgrade costs)

It makes no sense to deliberate on who shares the cost at the end of the process since this cost must be considered on bid submission. Hundreds of thousands of dollars may be required for an upgrade and, by including that cost, our bid becomes uncompetitive. So, the upgrade cost must be determined now. The RFP clearly states that whoever asks for an upgrade must bear the cost of the upgrade. There are indications that the line must be upgraded and our studies also indicate that a new plant will not be facilitated (with respect to the base case). We are not disputing the JPS studies, but the system is not ready and the cost is being thrown on the bidder. This makes the project more expensive.

Answer:

(GPE's Response)

To shorten the window of this entire process, the GPE has gone at great length to provide as much information as we could about the interconnection points. The requirement that each potential bidder undertake their own interconnection study existed in the past. The GPE has moved the process along to reduce the information asymmetry by providing more information than in the 2015 cycle. The information is limited in nature and, in the end, it will be the bidders' own studies that will determine that element of the bid.

(OUR's Additional Response)

The regulatory framework for renewables is clear when dealing with upgrades at interconnection points. The bidder, in preparing the project, would have undertaken their study to see whether the interconnection point can facilitate their project at that point in time. If it cannot and they have built that cost into the project, that would be considered on the assessment of the project. As was pointed out, part of the assessment that takes place is the impact on the entire system and the cost of that impact which may cause the project to become less competitive. It has always been the bidders' responsibility as to where they want to locate their plant and to undertake the upgrades at the interconnection point, upstream or downstream. That is the legal and regulatory framework.

3. If the land is leased from a government entity, would an agreement to lease along with a draft lease be sufficient for the RFP if it specifies what the land will be used for?

Answer:

(GPE's Response)

Ideally an executed lease should be provided. We do understand that depending on the entity that may control the land from the Government side by the date you are to submit the bid, you may not have an executed lease, however you need to demonstrate that you have done everything possible to secure the lease.

For avoidance of any doubt: Bidders need to provide sufficient evidence that a signed lease agreement for the duration of the project will be obtained before all the project agreements are executed.

4. The RFP asks for an interconnection feasibility study to be completed. The JPS interconnection guidelines outline an interconnection feasibility study and describe what is called an impact study which is to be done after the Licence is awarded. I wish to confirm that the impact study is the second study which is not to be submitted with the RFP.

Answer

(GPE's Response)

That is correct. The impact study is after the GPE has completed the bid evaluation process. The grid impact study will be performed after the bid award and will not be part of the evaluation process.

5. If we submit (a request) to JPS for a particular connection point and we get a feedback saying that in order to connect there, these are the updated lines, why can't JPS say that this (interconnection point) can take 20 MW without issues? That means that we need to go back to JPS each time and pay an additional cost for them to keep telling us what is causing the problem.

Answer:

(System Operator's Response)

In terms of the studies and the grid interconnection feasibility studies, the entire point is to be able to tell the developer what is needed to maintain and to interconnect their capacity. We would imagine that the developers would be making some business decisions in terms of the size of the plant that they can economically interconnect, then we would tell them what is necessary to interconnect. We will not go as far as to tell the developer the size of the plant they should develop.

We will inform you what is necessary for interconnecting your plant, but the studies (the JPS provides) have sufficient details in terms of their engineering results that you, in conjunction with your engineering team, could make a good determination of your project size. It foremost is a business decision, in terms of the size, what we can inform about are the technical requirements.

At the point when bidders make their submissions, they do not have all the information concerning what will be happening at that node on the grid. Therefore, the reason for the second study is to decide the cost, if any, to facilitate the connection of the new plants to the grid, having now received a clear understanding of what the scenario is in terms of the load flows at the points of interconnection.

We won't be able to say definitively what the cost to the grid will be until we get to the end of the process and that is the challenge everyone is alluding to. Based on how things will work out there is no way to know the cost until we get there. When we get there, the policy makers and regulators will need to make some decisions in terms of where that cost goes and how that cost is recovered.

(GPE's Additional Response)

As per the requirements in the RFP, the Bids are expected to reflect all costs for the project, including costs of the plant being connected to the grid, that is interconnection and facilities (costs) and if there are any upgrades required. Therefore, it is the Bidder's responsibility to get as good an estimate as possible from JPS as to what those costs are and include those costs in their Bid.

(OUR's Additional Response)

Exhibit 4 of the RFP specifies that the Bidder shall provide detailed project interconnection schedule that shows costs to interconnect at the distribution and transmission level. The Bidder shall propose the interconnection configuration and the cost for any network upgrades and any project specific works, both at no cost to JPS, to satisfy the requirements of interconnecting the plant to the grid, according to the Electricity Sector Book of Codes.

Follow up to Question 5

The RFP states that anybody asking for the upgrade should bear the cost. For example, if I got a line that I could tap into, but it is preventing access to the system because of additional cost, the Bidder will have to bear that cost and that cost becomes part of the total project cost. The additional cost to interconnect will have to be declared upfront. Why should the Bidder bear that cost since the system already needs upgrades and for any proposed project the system will require some upgrades. Why should the Bidder bear this cost?

Answer:

(GPE's Response)

The point has been heard and the policy makers (MSETT), OUR and the GPE will take this into consideration not only in this process but subsequent processes since this is the first of several RFPs.

6. Do all members of a consortium need to be first registered as an Interested Party or only the designated Managing Partner?

Answer:

(GPE's Response)

The designated Managing Partner is the one who should register as an interested party however, the GPE expects that Bidders will reflect their partners and who the members of their consortium are.

7. The RFP states that the consortium can be a bidder, however the requirement to Bid as a consortium are not defined. The RFP provides for unincorporated associations and joint ventures. Is it correct to assume that these sections and terms establish what is required to bid as a consortium?

It seems that the primary difference between an unincorporated association and a joint venture is a joint venture agreement. Would a teaming agreement or MOU that establishes the roles of the members of the consortium qualify as a joint venture agreement?

Answer:

(GPE's Response)

The GPE will respond in detail in writing, and note that in the RFP, Section 6.6, 6.7 and 6.8 that speaks to representations of the Bidders, qualifications of individuals and legal entities. In addition to disqualification of potential entities or individuals.

The intention of the RFP is to allow groups that may wish to bid but are not at the stage that they wish to form a company to have the right to submit a bid that would be duly considered as another company would or a joint venture in this regard. So, leaving some flexibility in terms of how the Bidders wish to come together to make a bid. Kindly also note section 7.5.3.

A joint venture agreement has a specific definition in Jamaican law and professional advice should be taken as to the proposed structure of Interested Parties.

8. In relation to the bid bonds, if there is not a specific company that has been formed by the consortium, can the bond be issued by one member of the consortium? How will you assess the bid bond?

Answer:

(GPE's Response)

The GPE will respond in writing, but the short answer is yes. Pursuant to the RFP, if the Bidder comprises more than one person or legal entities, the Bid shall contain only one Bid Bond with the face value for the total Offered Net Capacity and can be submitted by one person or entity or jointly with the other persons or legal entities on behalf of the Bidder.

9. This question was submitted in writing, but we have not received a response. We realize that the bonds are structured differently for performance security and construction security. Looking at the 2015 tender, the performance security was 1% of capital cost and that fee would transfer from performance security to construction. It would be easier to handle as a bond. In this RFP you have a performance security of a certain amount, so the Bidder must go to the bank for one to replace it with another. It is a bit not so easy from a cost perspective. We are asking if the GPE is open to revisiting or relaxing the size of the bonds across the requirements as part of the RFP.

Answer:

(GPE's Response)

The GPE received your question in writing, and the answer will be communicated in writing in short order.

The GPE is not revisiting the existing requirements at this time. Please see the GPE response to question 67 in Clarification #3 which was published on the GPE website.

10. Can a company that participated in the expression of interest that participated in the Bid (registration), be transferred to a related company or subsidiary of a company that information was already sent in?

Answer:

(GPE's Response)

The GPE will respond to the question in writing, however the EOI was open and not tied to the current RFP.

It is not mandatory to submit an EOI to participate in the bid. The submission of EOI provides useful information to the GPE to which may enhance the final RFP design.

Clarification to Question 10

If a company already submitted a registration form and received a Bidder Identification Number but has decided to bid as the subsidiary company rather than the company that previously registered?

Answer:

(GPE's Response)

The GPE will respond to the question in writing.

Each Bidder is required to register. Therefore, the subsidiary company would be provided to complete the registration process as stated in the RFP.

11. Can the bid bond be issued by a foreign bank that does not have an office in Jamaica?

The wording of the bid bond requires the issuing bank to have an office in Jamaica for the GPE to call on amount. Can the wording of the bid bond be modified to allow the bond to be issued by a foreign bank without an office in Jamaica?

Answer:

(GPE's Response)

The GPE will consider and respond to the question in writing.

The GPE is not opposed to such a bond being issued by a foreign bank that is a reputable financial institution at or above the capacity of Jamaican banks. In any event, the terms must satisfy the requirements of the RFP and the irrevocable recourse in the event of default.

12. This question was submitted in writing, regarding Vars. Where a plant is producing excess Vars, is there any consideration for Vars to be taken from the Facility at a cost to offset the cost the Facility must pay to the Single Buyer?

Answer:

(GPE's Response)

The GPE will respond to the question in writing.

Please see the GPE's response to question 25 in Clarification #3 which was published on the GPE's website.

13. If a Bidder has a project that is 50 MW, is there any restriction on the size of the power transformer in terms of MVA or are there any limitations or restrictions on the size of the inverters?

There have been wordings in various meetings and questions that may allude to it but is it strictly a limit of 50 MW that will be managed at the time of sale. To be clear, is there a limit on equipment capacity or is it just contractual?

Answer:

(OUR's Response)

The Bidder is responsible for sizing their equipment as economically as possible to the requirement for capacity and the performance specifications of the project. If a bidder oversized its equipment, that will be to the bidder's expense in terms of incremental cost, however if the bidder undersizes its equipment it may not meet the guaranteed

amount. Therefore, it is up to the Bidder to decide in an economical way to optimize the sizing of their equipment, to optimize cost and at the same time comply with performance and capacity requirements.

14. Is this meeting for EPC Bidding or IPP Bidding?

Answer:

(GPE's Response)

This meeting is for IPP Bidding. The Interested Parties as defined in the RFP are Bidders who are seeking to win the request for proposal which would allow them to generate. How the successful bidder builds its plant is subject to EPC consideration which the Bidder will undertake by itself or utilize an EPC contractor.

15. The RFP allows for alternative bids on the same project sites. Is it possible to have different prices for the varying capacity or are we only to bid one price but set a minimum capacity that we would execute if we were awarded on that site.

Answer:

(GPE's Response)

The idea behind the alternative bids is different from the minimum capacity for partial award. Bidders may have alternative bids with different prices which will be treated as independent projects which are mutually exclusive. Each project can have a minimum capacity for partial award; however, it will be at the price of the project. That is the minimum capacity the bidders wish to be awarded at the same price.

16. Regarding alternative bids, can we submit an alternative bid within the usual proposal framework? Can the GPE provide some guidance in this regard? Do we have to put the alternative bid inside the same proposal or do you leave it to each proponent to decide how we structure our bid? Do we include the alternative bid as an appendix or must we submit it as a separate proposal? Any guidelines in this regard will be helpful.

Answer:

(GPE's Response)

Section 4.9 of the RFP defines the alternative bids. It allows you to submit two bids related to the same project and it indicates that they must be submitted as separate bids. These two bids shall be deemed alternative bids and shall be mutually exclusive.

Follow up to Question 16:

So, you want two separate proposals in the same structural format, or we can have two proposals or two offers inside of one (envelope).

Answer:

(GPE's Response)

Let's respond to that in writing, after we discuss it internally.

The proposals should be submitted as separate offers/bids, in separate envelopes.

Follow up on alternative bids question:

Does that double the volume or performance requirements? Or will the main and the alternative bids be treated as two separate parts?

Answer:

They will be treated as two separate parts.

17. The bidder cannot be awarded more than 50MW, so when we submit the bid bond for more than one project, shall the bid bond cover the total volume, or just the maximum to be awarded (50MW in total)?

Answer:

(GPE's response)

Thank you for those two questions. We will respond in writing.

The bid bond will be indicated to cover the alternative bids, as a maximum of 50MW net capacity can be issued to a bidder in any event.

(Clarification given by the GPE at the end of the meeting)

Section 6.9 (of the RFP) says that in the face of an alternative bid, the bidder shall submit only one bid bond for an amount equivalent to the largest net capacity offer. So, if you have two alternative bids, you're going to submit a bid bond for the higher net capacity offered.

18. This is a question regarding the independence of the Independent Contractor with regard to the yield assessment for the project. There was a question asked of whether an owner's engineer could do the assessment, and I guess the answer that came back was "No", they wouldn't be able to. We understood that the intention of the independence was that it shouldn't be anyone in direct control of the project and it should also not be someone that has a stake in the project, but the owner's engineer wouldn't have either of those roles and responsibilities and it would be hired as a consultant that just did an assessment on the side. We have as much control as the

other. There's no real difference, so we'd want some clarity around that and how separate this entity needs to be.

Answer:

(GPE's response)

The independent (engineer) should not be controlled by the bidder. That's the easy answer. We'll be answering in writing also.

The above answer is sufficient – there must be an arm's length relationship as the engineer should have no interest in the project or be controlled or employed by the Bidder.

19. The bid bond is based on net capacity. But the performance security or the construction security is namely for the construction of the facility. What needs to be clarified is that the bid bond is based on a 50MW net capacity and the construction security is based on the maximum capacity of the facility. Is my understanding correct? Or is it 50MW across the board? The RFP states that the bid bond is a certain amount based on net capacity. However, the performance security is based on facility. I just wanted to be clear that there is no difference here.

Answer:

(GPE's Response)

It will be 50MW across the board. There will be no difference.

20. When do you expect the 168 MW tender to be launched?

Answer:

(GPE's response)

During the course of 2024.