



Competitive bidding for Wind Projects

Concession Package

Invitation and Disclaimer

Section A: Interpretation

Section B: Information for Bidders

Section C: Instructions to Bidders

Section D: Proformas

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Invitation and Disclaimer

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Invitation to Bid

- (a) Alternative Energy Development Board (**AEDB**) invites through this Request for Proposals (**RFP**) eligible Bidders to submit Bids for the concessions to develop wind power projects of aggregate capacity of [\bullet]¹ MW to be located within the Interconnection Ready Zones in Pakistan, on Build, Own, Operate (BOO) basis (the **Projects**).
- (b) The Successful Bidders will be issued a Letter of Conditional Award (the **LOCA**) and, subject to the fulfillment of the conditions under the LOCA, the Letter of Support (the **LOS**) by AEDB and will be required to (a) arrange the necessary financing for the Project and to execute the Implementation Agreement (**IA**) and the Energy Purchase Agreement (**EPA**) and other contracts required for the design, financing, insurance, construction, operation and maintenance of the Complex; (b) implement the Project, and (c) upon Commissioning, operate the Complex for a period of twenty five (25) years so as to provide the electricity to the Purchaser at the Tariff approved by NEPRA arrived through competitive bidding.
- (c) The Successful Bidders will implement the Projects awarded to them consistent with the LOS, the IA and the EPA, and shall undertake all activities incidental or ancillary to implementation of the awarded Projects in accordance with the said documents within the timelines stated in the Project Development Schedule at clause 1 of Section B.
- (d) This RFP is structured on a single stage, two-envelope bidding process. The contents required for each envelope and the basis for evaluation of the Bids are detailed in the ensuing Sections of this RFP.
- (e) Each Bid must comply with the RFP requirements. The Bids (along with the Bid Bond and the Bid Processing Fee) must be delivered no later than the Deadline specified in clause 1.7 of Section C at the address specified in clause 1.10 of Section C.
- (f) Capitalized expressions used but not defined herein shall bear the meaning ascribed thereto in Section A.
- (g) This invitation and the RFP is subject to the Disclaimer attached herewith.

¹ Quantum to be confirmed by NTDC as per CCOE's decision.



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Invitation and Disclaimer

Yours truly,

Chief Executive Officer
Alternative Energy Development Board (AEDB)
2nd Floor, OPF Building, Shahrah-e-Jumhuriat,
Sector G-5/2, Islamabad



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Invitation and Disclaimer

Important Notice to All Bidders

DISCLAIMER

This RFP prepared by AEDB is subject to the following disclaimers.

Neither the Government of Pakistan (GOP) nor AEDB warrants the completeness of the information presented herein, nor makes any representation that the information presented herein constitutes all the information necessary to prepare the Bid or to develop a Project. Each Bidder accepts full responsibility for conducting its own independent analysis and feasibility of its Bid and the Project and for gathering and evaluating all necessary information. The Bidder assumes all risks associated with the Bid and the Project, and no adjustments whatsoever will be made based on the Bidder's interpretation of the information provided.

The GOP and AEDB expressly disavow any obligation or duty (whether in contract, tort, administrative law or any other legal doctrine or theory) to any Bidder. No Bidder is entitled to rely on the GOP's or AEDB's involvement in the preparation of this RFP or in the solicitation process as a basis for preparing the Bid or developing their Project.

All information submitted in response to the RFP becomes the property of AEDB and AEDB does not accept any responsibility for maintaining the confidentiality of the material submitted to AEDB or any trade secrets or proprietary data contained therein.

In submitting a Bid in response to this RFP, each Bidder certifies that it understands, accepts and agrees to the disclaimers on this page. Nothing contained in any other provision of the RFP nor any statements made orally or in writing by any person or party shall have the effect of negating or superseding any of the disclaimers set forth on this page.

Section A – Interpretation

Alternative Energy Development Board

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Section A – Interpretation

Alternative Energy Development Board

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1. INTERPRETATION

1.1 ABBREVIATIONS

AEDB	Alternative Energy Development Board
ARE	Alternative and Renewable Energy
ARLT	Adjusted Reference Levelized Tariff
BOO	Build, Own and Operate
COD	Commercial Operations Date
CPI	Consumer Price Index (General) of Pakistan
DISCOs	Distribution Companies
EIA	Environmental Impact Assessment
EPA	Energy Purchase Agreement
GOP	Government of Pakistan
IA	Implementation Agreement
IEE	Initial Environmental Examination
IPPs	Independent Power Producers
kW	Kilowatt
kWh	Kilowatt hour
LC	Letter of Credit
LOCA	Letter of Conditional Award
LOI	Letter of Intent/Interest
LOS	Letter of Support
MW	Megawatt
NEPRA	National Electric Power Regulatory Authority
NTDC	National Transmission and Despatch Company Limited

Section A – Interpretation

Alternative Energy Development Board

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Pakistan	The Islamic Republic of Pakistan
PKR or Rs	Pakistani Rupees
PST	Pakistan Standard Time
RFP	Request for Proposals
US CPI	United States of America Consumer Price Index (All Urban Consumers)
USD/US\$	United States Dollars
WTG(s)	Wind Turbine Generator(s)

1.2 DEFINITIONS

Adjusted Debt Repayment Component	The component, expressed in Rs./kWh, arrived at by adjusting the foreign Debt Repayment Component pursuant to clause 6.2 Section B.
Adjusted Reference Tariff	The Tariff for each Agreement Year derived from the Adjusted Reference Tariff Table.
Adjusted Reference Levelized Tariff	The levelized tariff derived from the Adjusted Reference Tariff Table.
Adjusted Reference Tariff Table	The Reference Tariff Table adjusted for Rupee devaluation in accordance with clause 6.2 of Section B, to be submitted by the Bidder in Proforma 11, Section D.
AEDB	The Alternative Energy Development Board, a statutory body corporate formed under the Alternative Energy Development Board Act, 2010 (or its successor).
Applicable Benchmark Tariff	The Benchmark Tariff applicable to the specific Bidder based on the mix of foreign and local loan stated in its Bid, calculated per clause 7.4 of Section B.

Section A – Interpretation

Alternative Energy Development Board

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Benchmark Tariff	[The benchmark tariff for competitive bidding for wind power generation projects determined by NEPRA vide no. [● dated ● being US Cents ●/kWh on 100% foreign financing and ●/kWh on 100% local financing (or a mix of the two)].] ¹
Bid	A bid in response to this RFP to implement a Project in accordance with this RFP.
Bidder	A special purpose company incorporated under the Companies Act, 2017 (or any predecessor or successor legislation), that meets the eligibility criteria stated in clause 4.2 of Section B that submits a Bid.
Bid Bond	An unconditional, irrevocable, on demand bank guarantee issued in PKR equivalent of United States Dollars Ten Thousand (US\$ 10,000/-) per MW of the Bid capacity by an “A” rated scheduled bank operating in Pakistan, valid for a period of at least sixty (60) days after the Bid Validity Period (as may be extended pursuant to clause 4.4(h) of Section B), in the format and language as provided in Section D, or equivalent in PKR at the T.T/OD PKR/USD sell side rate published by National Bank of Pakistan on [insert date].
Bid Model	The financial model accompanying the Bid using the template provided by AEDB in electronic form along with this RFP.
Bid Processing Fee	A non-refundable processing fee of United States Dollars Three Hundred (US\$ 300) per MW of the Bid capacity payable in PKR submitted along with the Bid, with the rate of conversion being the T.T/OD PKR/USD sell side rate published by National Bank of

¹ NEPRA to give a new benchmark tariff

Section A – Interpretation

Alternative Energy Development Board

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Pakistan on *[insert date]*.

Bid Letter	The cover letter for Bid in the format of proforma 1 of Section D.
Bid Validity Period	The meaning ascribed thereto in clause 1.8 of Section C.
Committee for Redressal of Grievances	A five-member committee constituted for redressal of grievances of the aggrieved Bidder(s).
Deadline	The meaning ascribed thereto in clause 1.7 of Section C.
Debt Repayment Schedule	The debt repayment schedule provided by the Bidder in the form provided in Proforma 12 of Section D.
Debt Repayment Component	The component (principal and interest) of the Tariff for debt repayment.
Energy Purchase Agreement (EPA)	The tripartite Energy Purchase Agreement in the form provided in Exhibit 6 of Section E to be entered into by and between the Purchaser, NTDC and the Seller (a copy of which shall be delivered to AEDB before the execution of the Implementation Agreement) for the purchase and sale of electricity generated by the Complex.
Generation License	The license to be issued by NEPRA permitting the generation and supply of electricity by the Seller from the Complex in accordance with the terms and conditions of such license.
Implementation Agreement (IA)	The agreement in the form provided in Exhibit 5 of Section E to be entered into by and between the GOP and the Seller for the concession to implement the Project.
Interconnection Point	The meaning ascribed thereto in the Energy Purchase Agreement.

Section A – Interpretation

Alternative Energy Development Board

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Interconnection Ready Zone(s)	The grid interconnection zones located in [Jhimpir, Jamshoro, Gharo and Rajanpur] ² with the respective capacities set out in clause 8.1 of Section B.
Letter of Conditional Award	The letter of award of the Project (subject to conditions) to be issued by AEDB to the Successful Bidders, in the form provided at Exhibit 2 of Section E.
Letter of Intent or LOI	A letter of intent for wind energy project, issued by AEDB or a Provincial Government.
Letter of Support or LOS	Means: (i) for a Successful Bidder granted the LOI by AEDB, the Letter of Support to be issued by AEDB in the form provided at Exhibit 4A of Section E, and (ii) for a Successful Bidder granted the LOI by the Provincial Government, the tri-partite Letter of Support to be issued jointly by AEDB and the relevant department of the Provincial Government in the form provided at Exhibit 4B of Section E.
NEPRA Regulations	National Electric Power Regulatory Authority Competitive Bidding Tariff (Approval Procedure) Regulations, 2017, as amended or superseded by subsequent regulations from time to time.
NTDC	National Transmission and Despatch Company Limited of Pakistan, a public limited company incorporated under the laws of Pakistan, with its principal office at WAPDA House, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan.

² To be confirmed by NTDC.

Section A – Interpretation

Alternative Energy Development Board

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Performance Guarantee or PG	The bank guarantee in the form provided at Exhibit 3 of Section E to be submitted by a Successful Bidder to AEDB from an “A” rated scheduled Bank in the sum of United States Dollars Twenty Two Thousand and Five Hundred (US\$ 22,500) per MW of the capacity Bid by the Bidder, or equivalent in PKR, as a condition for the issue of the LOS.
Person	A foreign or Pakistani individual or entity including, without limitation, a corporation, company, individual, trust, sole proprietorship, joint-venture, consortium or group of one or more of the foregoing.
Project Processing Fee	The sum of United States Dollars Fifty Thousand (US\$ 50,000) for projects up to 50 MW and United States Dollars One Hundred Thousand (US\$ 100,000) for projects having capacity greater than 50 MW payable by a Successful Bidder to AEDB as a condition for grant of the LOS for processing the Project on and beyond the stage of the LOS.
Project	The development, design, financing, insurance, construction, completion, Commissioning, ownership, operation and maintenance of the Complex, and all activities incidental or ancillary thereto.
Provincial Government	The Government of the Province where the Interconnection Ready Zone(s) is situated and which has issued the LOI to the Bidder.
Purchaser ³	The Central Power Purchasing Agency (Guarantee) Limited, with its principal office located at [Shaheed-e-Millat, Secretariat, Blue Area, Islamabad, Pakistan,] and its successors and permitted assigns.

³ NEPRA to guide in relation to the limitations on interconnection voltage and the relevant purchaser under NEPRA (Sale of Electric Power by Renewable Energy Companies) Guidelines, 2015 and if need be clarificatory guidelines may have to be issued.

Section A – Interpretation

Alternative Energy Development Board

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RFP	<p>This Request for Proposal comprising the following (including any amendment thereto issued by AEDB):</p> <ul style="list-style-type: none">(i) Invitation to Bid(ii) Disclaimer(iii) Section A: Interpretations(iv) Section B: Information for Bidders(v) Section C: Instruction to Bidders(vi) Section D: Proformas(vii) Section E: Exhibits
Reference Date	<p>[•]⁴ being the date of NEPRA's tariff determination announcing the Benchmark Tariff for the purposes of competitive bidding for wind power projects.</p>
Reference Tariff	<p>The Tariff offered by a Bidder for each Agreement Year in the Reference Tariff Table.</p>
Reference Levelized Tariff	<p>The levelized Tariff derived from the Reference Tariff Table.</p>
Reference Tariff Table	<p>The tariff table submitted by a Bidder with all components of the Tariff stated therein in Proforma 9, Section D.</p>
Responsiveness Test	<p>The tests set out in Exhibit 1 of Section E for rapid filtering-out of non-responsive Bids.</p>

⁴ New benchmark tariff date to be inserted.

Section A – Interpretation

Alternative Energy Development Board

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Site	The parcel of land for the Project identified in the Bid and held by the Bidder pursuant to a valid Site Title.
Site Title	<p>Any of the following instruments evidencing the Bidder's title to the Site, namely:-</p> <ul style="list-style-type: none">(i) registered sale/conveyance deed;(ii) registered lease deed for a term not less than 30 years;(iii) a final order of allotment of the Site to the Bidder by the Provincial Government pursuant to the Statement of Conditions notified by the Provincial Government under the Colonization of Government Lands Act 1912 clearly identifying the Site with no further steps remaining for the title to the Site to vest exclusively in favour of the Bidder other than the execution of a deed of lease; or(iv) an agreement to lease executed by the Bidder with the Provincial Government clearly identifying the Site.
Successful Bidder	The meaning ascribed thereto in clause 4.4(c) of Section B.
Tariff	Until the Tariff Approval, means the tariff bid by the Bidder in its Bid and, after the Tariff Approval, means the tariff approved in the Tariff Approval.
Tariff Approval	NEPRA's approval of the Tariff of a Successful Bidder.
Technically Non-Qualified Bidder	The meaning ascribed thereto in clause 4.3.2(b) of Section B.
Technically Qualified Bidder	The meaning ascribed thereto clause 4.3.2(b) of Section B.
Technically Non-Qualified Bid	The meaning ascribed thereto in clause 4.3.2(b) of Section B.

Section A – Interpretation

Alternative Energy Development Board

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Technically Qualified Bid

The meaning ascribed thereto in clause 4.3.2(b) of Section B.

1.3 RULES OF INTERPRETATION

- (a) In this RFP:
 - (i) headings are only for convenience, and shall be ignored in construing this RFP;
 - (ii) the singular includes the plural and vice versa;
 - (iii) capitalized terms used herein and not defined in this RFP bear the meanings as ascribed to them in either the IA or the EPA, provided, terms defined in this RFP and also defined in the IA or the EPA shall, for the purposes of this RFP, bear the meaning given in this RFP;
 - (iv) unless the context requires otherwise, references to times and dates are, and shall be construed to be, references to Pakistan Standard Time;
 - (v) references to clauses, Sections, Proformas and Exhibits are, unless the context otherwise requires, references to clauses, Sections, Proformas and Exhibits to this RFP;
 - (vi) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of or legislative provision substituted for, and any subordinate legislation under, that legislation or legislative provision; and
 - (vii) the terms “interest” or “markup” is used interchangeably and shall wherever they are used describe or denote the return paid to lenders on debt or profit on debt.

Section B – Information for Bidders

Alternative Energy Development Board

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Section B – Information for Bidders

Alternative Energy Development Board

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1. BIDDING AND PROJECT DEVELOPMENT SCHEDULE

Activity	Timeframe
	<i>Calendar Days from Day zero (D0)¹</i>
Publication of RFP	D 0
Issuance of RFP to eligible Bidders (last date for issuance of RFP)	7
Pre-Bid meeting(s)	15
Deadline for submission of Bids ²	45
Opening of Envelope I (Technical)	45
Evaluation of technical Bids	65
Announcement of Technically Qualified Bidders	65
Opening of Envelope II (Financial) of Technically Qualified Bidders and commencement of evaluation of Envelope II (Financial)	66
Evaluation of Envelope II (Financial), issuance of LOCA to the Successful Bidders and submission of AEDB's bid evaluation report to NEPRA pursuant to the NEPRA Regulations	95 ³
Application to NEPRA by the Successful Bidders for Generation License and Tariff Approval	115
Approval of Tariff by NEPRA and intimation to GOP for notification. ⁴	150
Submission of Performance Guarantee, payment of Project Processing Fee and fulfillment of other conditions of LOCA	180
Letter of Support	200

¹ Where any day on which an activity is to be performed is not a working day, the activity shall be performed on the next working day and the timeframes shall stand modified accordingly.

² In case of any clarifications or corrigenda to the RFP if the need arises, the time taken by NEPRA for approval to be excluded from the stated timeframes. If the corrigenda or clarification is material, AEDB may announce an extension to the Deadline and the timeframes will stand modified accordingly.

³ The aggrieved Bidders may apply to the Committee for Redressal of Grievances within 15 days of announcement of the Technically Qualified Bidders and the Committee will give its decision within 15 days thereafter. Should any Technically Non-Qualified Bidder be declared a Technically Qualified Bidder, its Envelope II will be opened publicly and its Envelope II will be included in the evaluation within the financial evaluation period noted above.

⁴ Should NEPRA decide to hold a public hearing pursuant to regulation 12(7) of NEPRA Regulations, the time taken in the hearing and the determination thereon shall stand excluded.

Section B – Information for Bidders

Alternative Energy Development Board

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Post LOS Activities	Months
Execution of Project Agreements (from date of LOS)	6
Financial Closing (from date of LOS)	6
Commercial Operation Date (from Financial Close)	18 or 24 (as applicable) ⁵

By submitting a Bid, the Bidder is deemed to covenant to adhere to the above bidding and project development schedule (as may be extended by AEDB pursuant to clause 4.4(h) of Section B).

⁵ Maximum 18 months construction period is allowed for the projects up to 100 MW whereas 24 months maximum construction period is allowed for the projects above 100 MW.

Section B – Information for Bidders

Alternative Energy Development Board

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2. THE POWER SECTOR IN PAKISTAN

As this bidding is being held among the LOI holders, they are deemed to be familiar with the power sector in Pakistan. Further information about the power sector in Pakistan can be gathered by visiting the websites of NEPRA, CPPA-G, NTDC and Ministry of Energy. The Bidders however are required to carry out their own independent due diligence and no representation, warranty or assurance as to the accuracy and sufficiency of such information is made or deemed to be made for the purposes of this RFP.

3. WIND POWER

3.1 INTRODUCTION

Wind energy has been highlighted as one of the most feasible alternative energy technologies in Pakistan. The Gharo-Keti Bandar Wind Corridor, spreading 60 km along the coastline of Sindh province and over 170 km inland, alone has identified potential to generate 60,000 MW of electricity. To date, a total of twenty four projects of 1233 MW of wind energy are connected to the national grid and another twelve projects of 610 MW are under construction. These projects were awarded tariff under cost plus and upfront tariff regimes. Now, consistent with the international trends and best practices, the next phase of induction of wind power in Pakistan has been envisaged on competitive bidding basis pursuant to [NEPRA's tariff determination no. • dated •⁶].

3.2 ALTERNATIVE ENERGY DEVELOPMENT BOARD

Alternative Energy Development Board is the focal agency mandated with the promotion and development of Alternative & Renewable Energy (ARE) technologies in the country. As per its mandate, AEDB has been actively promoting the ARE technologies in the country by implementing policies and programs on ARE technologies, facilitating development of ARE based power generation projects, encouraging indigenous manufacturing of ARE equipment and appliances and promoting provision of ARE based energy services in energy deprived areas. AEDB has been pursuing the development of ARE based power projects through private investors.

⁶ NEPRA's benchmark tariff determination reference number and date to be inserted.

Section B – Information for Bidders

Alternative Energy Development Board

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3.3 HISTORY OF WIND TARIFFS IN PAKISTAN

In order to facilitate development of wind power generation, NEPRA in the past has determined a series of cost plus and upfront tariffs for generation of electricity from wind power. Considering that the wind industry has seen immense growth in the last few years, NEPRA and AEDB are of the view that it is an opportune time to transition from cost plus and upfront tariffs to a competitive bidding model, in line with the Government of Pakistan's overall aims to promote competition within the power sector for the benefit of consumers.

3.4 BENCHMARK TARIFF ON BOO BASIS

[After discussion with all stakeholders and taking into consideration international prices, technologies and trends, on [●]⁷, NEPRA announced the Benchmark Tariff for competitive bidding by relevant agencies for wind power generation. The Bidders are assumed to have reviewed the NEPRA's Benchmark Tariff determination (available on www.nepra.org.pk).]

3.5 BIDDING AMONGST LOI HOLDERS IN THE INTERCONNECTION READY ZONES

- (a) Pursuant to the Cabinet Committee on Energy's decision in case no. CCE-12/04/2019 (V) and taking into consideration that:
 - i) Cabinet has decided that the tariff for upcoming wind projects will be awarded through an auction process,
 - ii) a number of LOIs have been issued to potential wind power project developers and many developers have already acquired land and conducted feasibility studies and acquired a legitimate expectation for participation in the procurement of wind power projects to the exclusion of non-LOI holders, and
 - iii) the number of LOIs issued and in the field is higher than the foreseeable grid interconnection capacity for [●]⁸ MWs in the Interconnection Ready Zone(s),
 - iv) the current round of bidding is limited to developers that already hold an LOI for project sites falling within the Interconnection Ready Zone(s) and meet the

⁷ NEPRA's benchmark tariff determination date to be inserted.

⁸ To be confirmed by NTDC.

Section B – Information for Bidders

Alternative Energy Development Board

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minimum technical requirements stated in this RFP.

3.6 REVERSE AUCTION

The Benchmark Tariff issued by NEPRA sets the ceiling for the Tariff permitted to be offered by the Bidders. Any Bidder offering a Reference Levelized Tariff above the Applicable Benchmark Tariff will be deemed as financially non-responsive and will be disqualified.

3.7 IMPLEMENTATION AGREEMENT; ENERGY PURCHASE AGREEMENT

By participating in the bidding process, the Bidders are deemed to have signified their acceptance to the terms of the LOCA, LOS, the IA and the EPA, drafts whereof are annexed to this RFP. Except for Project-specific additions or modifications required to the IA and the EPA, the IA and the EPA will be executed by the Successful Bidders, NTDC and the Purchaser in the form of the drafts appended as Exhibits 5 and 6 of Section E.

4. THE BIDDING PROCESS

4.1 WHO CAN BID

- (a) Any Bidder who (i) meets the eligibility criteria set out in clause 4.2 of this Section B, (ii) has purchased this RFP from AEDB, and (iii) pays the prescribed fees, can submit a Bid under this RFP.
- (b) Each Bid must correspond to the installed capacity stipulated in the respective LOI but shall not be lower than ninety six percent (96%) and higher than one hundred and four percent (104%) of the LOI capacity. Bidders holding more than one LOI may submit a Bid in respect of one or more LOIs held by them and are not obligated to submit a Bid for all LOIs held by them, provided, should a Bidder wish to submit more than one Bid, it shall submit a separate Bid for each LOI. The Bidding will follow “one LOI, One Bid” principle. No Bidder can submit a Bid for a Project in respect of which it does not hold an LOI.

4.2 ELIGIBILITY REQUIREMENTS

- (a) The Bidders must fulfill the following eligibility requirements, to the satisfaction of AEDB, in order to be eligible to submit a Bid:

Section B – Information for Bidders

Alternative Energy Development Board

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- i) The Bidder must hold a valid LOI issued by AEDB or the Provincial Government for development of a wind power project. The LOI shall be valid as of the date of the submission of the Bid;
- ii) The Bidder must have a Site suitable for the Project, with the Site coordinates (WGS 84 system) and other particulars clearly stipulated in the Site Title for precise identification of the Site (if the Site Title is a land allotment letter issued by or an agreement to lease signed by the Provincial Government and does not contain the Site coordinates, a separate letter from the Provincial Government stating the Site coordinates in WGS 84 system must be provided);
- iii) The Bidder must not be subject to any insolvency or analogous proceedings nor shall any of its shareholders be subject to any insolvency or analogous proceedings in Pakistan or in any other jurisdiction;
- iv) Neither any shareholders of the Bidder nor its contractors or suppliers of equipment shall have the nationality, country of incorporation or domicile from amongst the countries proscribed by Pakistan;
- v) The shareholders of the Bidder must be the same as those stated in its application for the grant of the LOI. Should there be any change of shareholders since the grant of the LOI and up to the date of submission of the Bid, a valid permission either from AEDB or the Provincial Government's energy department (as applicable) must be provided. Once the Bid is submitted, the Initial Shareholders and the Main Sponsors identified in Annex 16 to the Bid Letter shall not be changed prior to the COD and, except as provided in the IA, thereafter;
- vi) The proposed Site must be located within the Interconnection Ready Zone(s) [[.] km radius of the [named grid stations];⁹ and
- vii) Any pending litigation by the Bidder or its sponsors/shareholders/directors against AEDB, GOP or the Provincial Government must be withdrawn before submission of the Bid.

⁹ NTDC to advice.

Section B – Information for Bidders

Alternative Energy Development Board

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- (b) Any Bidder found to be in breach of the foregoing eligibility requirements shall stand disqualified. Should such ineligibility surface at any later stage including after the execution of the IA and the EPA, the Project award shall stand cancelled.

4.3 **BIDDING APPROACH**

- (a) A single-stage, two-envelope bidding approach will be adopted.
- (b) Bidders are required to meet the minimum technical requirements as provided in the RFP, particularly in clause 5.1 of this Section B.
- (c) AEDB has at any time the right to reject any or all Bids without assigning any reason, the determination of which shall solely be of AEDB and shall not be challenged or questioned other than by representation before the Committee for Redressal of Grievances.

4.3.2 **Envelope I – Technical**

- (a) In Envelope-I technical information will be submitted along with the Bid Bond and Bid Processing Fee.
- (b) Contents of Envelope-I will be evaluated for responsiveness against the Responsiveness Test (Exhibit 1 of Section E). A Bid satisfying the Responsiveness Test and not otherwise found to be non-compliant with the other terms of this RFP shall be declared a qualified Bid (**Technically Qualified Bid**), and the Bidder submitting the Technically Qualified Bid shall be considered a technically qualified bidder (**Technically Qualified Bidder**). A Bid not satisfying the Responsiveness Test or otherwise found to be non-compliant with the other terms of this RFP shall be declared a non-qualified bid (**Technically Non-Qualified Bid**), and the Bidder submitting the Technically Non-Qualified Bid shall be considered a technically non-qualified bidder (**Technically Non-Qualified Bidder**).
- (c) A Bidder noted as Technically Non-Qualified Bidder and informed accordingly by AEDB may make a representation before the Committee for Redressal of Grievances challenging its technical non-qualification within fifteen (15) days of its declaration as a Technically Non-Qualified Bidder.

Section B – Information for Bidders

Alternative Energy Development Board

Request For Proposal_Wind_2020

- (d) AEDB may outsource the evaluation exercise. If AEDB opts to carry out the evaluation exercise itself, the technical evaluation committee would comprise the following:
 - i) four representatives of AEDB,
 - ii) two representative of the Purchaser,
 - iii) two representative of the NTDC, and
 - iv) two representative each of the Provincial Energy Departments.

4.3.3 Envelope II – Financial

- (a) Envelope-II of only Technically Qualified Bidders will be opened in presence of the Technically Qualified Bidders. The Envelopes-II and Bid Bonds of Technically Non-Qualified Bidders will be returned un-opened (except for any representations pending before the Committee for Redressal of Grievances until its decision is given).
- (b) Envelope-II shall contain the Tariff bid by the Bidder along with all required information stated in this RFP. Information given in Envelope-II of Technically Qualified Bidders will be evaluated.
- (c) The contents of Envelope-II and the Tariff shall be consistent with the tariff structure stated in this Section B (clause 7). The Bidders are required to carefully review the tariff structure and comply therewith, which is a material condition for the validity of the Bids – any Bid which is inconsistent with the tariff structure stated in this Section B shall be deemed non-responsive and shall be rejected.
- (d) AEDB may outsource the evaluation exercise. If AEDB opts to carry out the evaluation exercise itself, the financial evaluation committee would comprise the following:
 - i) four representatives of AEDB,
 - ii) two representative of the Purchaser,
 - iii) two representative each of the Provincial Energy Departments, and

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- iv) two representative of PPIB.

4.4 SELECTION OF SUCCESSFUL BIDDERS

- (a) Bids will be evaluated and compared on the basis of Adjusted Reference Levelized Tariff (**ARLT**). Compliant Bids offering the lowest ARLTs will be ranked in the ascending order (lowest ranked first, highest ranked last) and the Successful Bidders will be the ones offering the lowest Tariffs. AEDB will issue the LOCA to such Successful Bidders. For the avoidance of doubt, the foremost criterion for selection of Successful Bidders is the Tariff, and it is clarified that some Interconnection Ready Zones may not attract a Project due to the Projects with the lowest Tariffs falling in other Interconnection Ready Zones.
- (b) The Benchmark Tariff sets the ceiling for the Reference Levelized Tariff the Bidders may offer. Any Reference Levelized Tariff based on a mix of local and foreign debt financing should be lower than the Applicable Benchmark Tariff. Any Bidder offering Reference Levelized Tariff above the Applicable Benchmark Tariff will be deemed financially non-responsive and shall be disqualified.
- (c) The ARLTs offered by the Bidders will be evaluated by AEDB in accordance with the NEPRA Regulations and this RFP. The **Successful Bidders** will be the ones announced by AEDB pursuant to regulation 11 of the NEPRA Regulations by issuing the Letters of Conditional Award in the form set out at Exhibit 2 of Section E. AEDB shall simultaneously with the issuance of LOCA submit the bid evaluation report to NEPRA. AEDB will post a list of the Successful Bidders on its website.
- (d) The Successful Bidders will be required to file an application for approval of their respective Tariffs to NEPRA within the timeframe specified in this behalf in the bidding and project development schedule at clause 1 of Section B.
- (e) In the event that any of the Successful Bidders defaults in fulfilling its obligations under this RFP, the NEPRA's regulatory framework or LOCA, or withdraws its Bid pursuant to clause 4.4(h) of this Section B, AEDB may replace such Bidder with the Bidder next in the list prepared by AEDB in ascending order, with or without the condition of matching the Tariff offered by such defaulting or withdrawing Successful Bidder, whose financial Bid (Envelope II) was compliant with this RFP and was duly evaluated by AEDB.

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- (f) The Successful Bidders must follow NEPRA's regulatory framework and pay all fees stipulated therein for award of the Generation License and their respective tariffs.
- (g) Subject to fulfillment of the conditions prescribed under the LOCA, the Successful Bidder will be issued the LOS for the Project and its Bid Bond shall be released. The validity of the LOS will be 6 months. The terms of the LOS shall govern the processing of the Project and the obligations of the Successful Bidder until Financial Closing.
- (h) It is expected that the LOS will be issued within the Bid Validity Period (see clause 1.8 of Section C). However, due to unforeseen circumstances, the bidding process may prolong in which case the Bidders may be asked to extend the Bid Validity Period and the Bid Bond by AEDB. The Bidders shall extend the Bid Validity Period together with the Bid Bond for a period at least sixty (60) days beyond the then-expected date of issue of the LOS (as intimated by AEDB) (hereinafter the "**Extended Bid Validity Period**"). The period of extension of the Bid Validity Period shall not exceed six (6) months. In the event the bidding process is not completed/LOS is not issued till the expiry of the Extended Bid Validity Period, the Bidders shall have the option either to extend the Bid Validity Period together with the Bid Bond for a period at least sixty (60) days beyond the then-expected date of issue of the LOS (as intimated by AEDB) or withdraw their Bids without penalty or forfeiture of the Bid Bond. If a Successful Bidder withdraws, the process outlined in clause 4.4(e) of this Section B shall be followed, mutatis mutandis, for selection of a replacement Successful Bidder.
- (i) No Bidder may withdraw or revoke its Bid during the Bid Validity Period. In case a Bidder defaults at any stage or does not comply with the requirements of this RFP within the respective timeframes, AEDB shall encash the Bid Bond of such Bidder.
- (j) The Bid Bonds of unsuccessful Bidders will be returned upon issue of LOS by AEDB to the Successful Bidders.

4.5 **BASIS FOR REJECTION OF BID**

- (a) Without prejudice to the other provisions of this RFP, the following may be the basis for rejection of a Bid by AEDB at any stage of the bidding process:
 - i) any Bid which is conditional or which contains or necessitates material deviation from the requirements of this RFP or the drafts of the LOS, LOCA, IA and the EPA appended with this RFP;

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- ii) misrepresentation, withholding or concealment of information in the Bid;
- iii) failure of the Bidder to disclose or provide any additional information as may be required by AEDB during the evaluation process;
- iv) if the Bidder is currently in willful default of its obligations to any bank or financial institution;
- v) if AEDB determines in its discretion (reasonably exercised) that the Bidder is prohibited from doing business with the GOP or the relevant energy department of the Provincial Government on grounds which may include but are not limited to public policy or national interest;
- vi) failure to report promptly to AEDB any material change in the circumstances of the Bidder affecting its eligibility to submit the Bid or to perform the Bid and implement the Project following submission of the Bid;
- vii) failure to report to AEDB any information that at the relevant time or with the passage of time results in or is likely to result in any information provided in the Bid or any documents submitted therewith ceasing to remain accurate or becoming misleading;
- viii) failure to comply with the requirements of this RFP including, without limitation, failure to submit documents and information consistent and compliant with the requirements of this RFP or failure to commit to the required bidding and project development schedule provided in clause 1 this Section B; or
- ix) any discrepancy between the Bid Model and the Proformas 8, 9, 10, 11 and 12 of Section D provided or delivered by the Bidder along with the financial Bid.

5. TECHNICAL BID (ENVELOPE I)

5.1 MINIMUM TECHNICAL REQUIREMENTS

- (a) The offered plant and equipment should be compatible with NTDC's/DISCO's system and the Grid Code. Technical requirements including but not limited to the following, must be complied with:

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- i) The Complex and each generator will be capable of operating in the range of 0.80 lagging and 0.95 leading power factor.
- ii) The performance parameters of the Complex, including the operating frequency range, shall be in conformity with the Grid Code.
- iii) The specific model of wind turbine generator shall be “Type Certified” on latest IEC standards by an internationally accredited certification body acceptable to AEDB. If the type certification is in process by the Deadline, then a written commitment from the original equipment manufacturer shall be provided confirming that the Type Certificate shall be available before the Financial Closing at the sole risk of the Bidder. By delivering the afore-said written commitment, the Bidder is deemed to have undertaken that its Bid or the Project awarded to it will stand disqualified if the requisite Type Certificate is not available prior to Financial Closing.

If Type Certificates for wind turbines are not issued for a design life beyond 20 years, the Bidders will provide certificates from (1) the original equipment manufacturer of the wind turbine generator, (2) the EPC contractor, and (3) itself, certifying that the WTG and the plant will have a design life of 25 years from the Commercial Operations Date.

- iv) The Complex shall be connected with the national grid system at 132 kV voltage level and shall be capable of operating within the range specified in the Grid Code on the 132 kV high voltage system which range shall not be exceeded.
 - v) The Site for the Complex must be situated within the Interconnection Ready Zone(s) and within [●] km radius of the [named grid stations]¹⁰.
 - vi) The wind turbine generation system shall be designed, manufactured and tested in accordance with the latest IEC standards.
- (b) The Bidder must have completed and delivered along with its technical proposal in Envelope I the following:

¹⁰ NTDC to confirm.

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- i) Energy yield estimation report (such report must include the micro siting of the proposed wind farm and annual energy yield numbers at different probability levels after incorporation of all the applicable losses),
 - ii) Wind resource assessment report specific to the Project Site (such report must be based on minimum two (2) years of on-site data or data of the neighboring mast. The data used for the resource assessment must also be submitted together with the report),
 - iii) Topographic survey, and
 - iv) Initial environmental examination or environmental impact assessment, as the case may be, approved by the relevant Provincial Environment Protection Agency.
- (c) The Bids should clearly indicate the details including the type of units, make and model of the WTGs and other major items of plant and equipment to be installed in the Complex.
- (d) Affidavit of compliance with the minimum technical requirements per Proforma 4 and conforming information and documents per Proforma 6 of Section D must be provided.

6. FINANCIAL BID (ENVELOPE II)

6.1 SUBMISSION

- (a) The financial Bid in Envelope-II must be submitted per the Proformas specified in Section D, and must contain all required information and documents specified therein. The tariff tables and the underlying calculations will be verified during evaluation of the financial Bid (Envelope-II).
- (b) All entries in the Reference Tariff Table and the Adjusted Reference Tariff Table shall be rounded to four decimal places.
- (c) The Bidders proposing mix of local and foreign debt financing are required to also provide the Adjusted Reference Tariff Table with Adjusted Reference Levelized Tariff. For the avoidance of doubt, it is clarified that the Reference Tariff Table of the Bidder

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proposing 100% local loan shall be deemed to be the Adjusted Reference Tariff Table for the purposes of financial evaluation of the Bid.

6.2 ADJUSTED REFERENCE LEVELISED TARIFF

- (a) The Benchmark Tariff stipulates a discount rate of 10% for calculating the levelized tariff. However, in order to enable comparison of the tariffs bid by the Bidders based on a mix of foreign and local currency loans or between exclusively foreign or local currency loans, an 'equalisation method' is to be followed as stated herein.

Note: Only USD denominated loans are permitted for the Projects bidding under this RFP for foreign currency loans.

- (b) The PKR devaluation forecast of the USD loan for the term of the loan will be applied by the Bidder to the Debt Repayment Component (both principal repayment and interest) corresponding to the USD loan in order to account for the effects of PKR devaluation. Based thereon, the Adjusted Debt Repayment Component shall be calculated and depicted per Proforma 10 of Section D. The per annum PKR devaluation assumption to be applied by all Bidders with USD loans is as follows:

[•] % per annum ¹¹

- (c) The Adjusted Reference Levelized Tariff shall then be calculated in the following manner:
- i) The total tariff (all components, with the Adjusted Debt Repayment Component replacing the un-adjusted Debt Repayment Component) for each year over the Term of the EPA shall be determined and then discounted to the first year, using a discount rate of 10%; and
 - ii) The sum of the discounted tariff shall then be compounded on fixed annuity basis over the Term, at the rate of 10 %. ¹²

¹¹ NEPRA to confirm.

¹² NEPRA to confirm.

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- (d) Based on the foregoing, each Bidder shall be required to provide as part of its financial Bid:
 - i) Reference Tariff Table with year-wise details of all Tariff components for the Term of the EPA (25 years);
 - ii) Reference Levelised Tariff;
 - iii) Adjusted Reference Tariff Table with year-wise detail of all Tariff components for the Term of the EPA (25 years) (replacing the Debt Repayment Component in the Reference Tariff Table with the Adjusted Debt Repayment Component); and
 - iv) Adjusted Reference Levelized Tariff.
- (e) The Adjusted Reference Tariff is for the purposes of Bid evaluation only and the tariff payments will be based on the Reference Tariff (subject to Tariff Approval) after indexations/adjustments as applicable.
- (f) The Bidders must deliver the Bid Model filled up in compliance with the instructions provided therein and this RFP in an electronic form (USB) clearly marked in indelible ink with the name of the Bidder along with the financial Bid. The 'Main Input' page of the Bid Model must also be printed out, signed and delivered by the Bidder along with the financial Bid (at Annex 24). The pages named 'Proforma 8', 'Proforma 9', 'Proforma 10', 'Proforma 11' and 'Proforma 12' of the Bid Model delivered by the Bidders in electronic form must be consistent with the Proformas 8, 9, 10, 11 and 12 provided by the Bidder in hard form along with the financial Bid respectively.

6.3 PROJECT DEBT

- (a) The Bidder will provide a summary of the "Terms and Conditions of Debt Financing" including the LIBOR / KIBOR prevalent on the Reference Date plus proposed spreads thereon for ascertainment of Debt Repayment Component of the Reference Tariff, debt-equity ratio and proposed division of local and foreign financing.
- (b) No subsequent change in the Debt Repayment Component (other than indexations for LIBOR/KIBOR variation and/or foreign exchange indexation on the Debt Repayment Component for the USD loan) will be permitted following the submission of the Bid.

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- (c) The debt repayment schedule shall provide for equal quarterly or semi-annual repayment installments (comprising principal and interest) throughout the debt period; front-end or rear-end loading of debt repayments is not permitted.
- (d) The debt repayment schedule provided in the Bid shall form the basis for computation of element 'a' in Schedule 2 to the IA, subject to the Project cost not exceeding United States Dollars [One Million Eight Hundred Thousand (US\$ 1,800,000¹³) per MW of installed capacity] and subject to the debt-equity ratio allowed hereunder in clause 7.3.2(b) below.
- (e) The debt period should not be less than []¹⁴ years.
- (f) NEPRA is expected to grant the Benchmark Tariff separately for 100% local financing and 100% foreign financing. This RFP is prepared on the assumption that commercial interest based loans will be taken into account while determining the Benchmark Tariff for local financing with the condition that the Bidders shall endeavor to obtain the concessional financing (including State Bank of Pakistan's Financing Scheme for Renewable Energy, 2019) and, where such financing is available, corresponding adjustments will be made in the interest component of the Reference Tariff accordingly.

7. THE TARIFF STRUCTURE

7.1 BASIC STRUCTURE

- (a) The Tariff will be a single-part, energy only, tariff in Rs/kWh that will constitute the Energy Price for the energy delivered at the Interconnection Point.
- (b) The Debt Repayment Component must be calculated using the annuity method (yielding a uniform component for each loan facility).
- (c) The Tariff comprises the following components:

¹³ This number is derived from reverse calculations from the earlier benchmark tariff dated 27 January 2017. Need to be revised by NEPRA on the basis of current market conditions.

¹⁴ NEPRA to confirm

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- i) O&M (foreign and local)
- ii) Insurance
- iii) Return on Equity
- iv) Principal Repayment (foreign/local currency loan)
- v) Interest /Mark-up (foreign/local currency loan)
- (d) The wind risk will not be borne by the Purchaser. Subject to the terms of the EPA, the Purchaser will purchase the entire generation of the Complex.
- (e) In situations where the Purchaser is unable to off-take electricity due to constraints in NTDC Interconnection Facilities or the grid, the Project will be compensated for the energy not off-taken at the full Tariff in accordance with the EPA.

7.2 ALL INCLUSIVE TARIFF

- (a) Except for the items specifically excluded in clause 7.3.3 of this Section B (pass-through items), the Tariff shall be all-inclusive for all actual or contingent, foreseen or unforeseen costs or expenditures, capital and operating costs and returns of the Bidder, including, without limitation:
 - i) EPC Cost
 - ii) Non-EPC Cost
 - iii) Project Development Costs
 - iv) Insurance During Construction
 - v) Interest During Construction
 - vi) Commitment fees, management fees, draw down fees and all other financial charge related to debt & equity raising
 - vii) LC Charges
 - viii) Mobilization Charges

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- ix) Cost of land
- x) Working capital
- (b) Except as expressly stated in this RFP or in the Tariff Approval, other than the Tariff, no additional items of cost or return under any head whatsoever will be admissible to the Bidder.

7.3 ASSUMPTIONS

7.3.1 Technical

- (a) All plant and equipment shall be new and shall be designed, manufactured and tested in accordance with the latest IEC standards or other equivalent standards.
- (b) The verification of the new machinery will be done by the independent Engineer at the time of the Commissioning of the Complex.
- (c) The Project up to 100 MW should achieve Commercial Operations Date within eighteen (18) months whereas the Project above 100 MW should achieve Commercial Operations Date within twenty four (24) months after Financial Closing.

7.3.2 Financial and Fiscal

- (a) The Tariff will be applicable for the Term of the EPA, being 25 years from the Commercial Operations Date.
- (b) Minimum equity requirement is 10% of the total project cost. There will be no limit on the maximum amount of equity; however, equity exceeding 25% of the total project cost will be treated as debt for the purposes of calculation of compensation under Schedule 2 of the IA.
- (c) Debt financing through mix of local and foreign financing (USD only) is permitted and the Debt Repayment Component will be adjusted accordingly.
- (d) No corporate income tax on the Bidder's income from sale of electricity and no minimum turnover tax is to be assumed.
- (e) All invoicing and payment terms are assumed to be in accordance with the standard form EPA at Exhibit 6 of Section E for wind power projects.

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- (f) No adjustment for certified emission reductions should be accounted for in the Tariff. However, upon actual realization of carbon credits, the same shall be shared between the Purchaser and the Seller in accordance with the Policy for Development of RE for Power Generation 2006.

7.3.3 Pass-through Items

- (a) If the Seller is obligated to pay any tax on its income from generation of electricity, or any duties or taxes not being of refundable nature are imposed on the Seller up to the Commercial Operations Date for the import of its plant, machinery and equipment, the exact amount paid by the Seller on these accounts will be reimbursed by the Purchaser on production of original filing documents. This payment should be considered as a pass-through payment spread over a twelve months period. Furthermore, in such a scenario, the Seller shall also submit to the Purchaser details of any tax savings and the Purchaser shall deduct the amount of these savings from its payment to the Company on account of taxation. The adjustment for duties and taxes will be restricted only to the extent of duties and taxes directly imposed on the Seller. No adjustment for duties and taxes imposed on third parties such as contractors, suppliers, consultants, etc., will be allowed.
- (b) Withholding tax on dividend will not be passed-through in the Tariff or otherwise under the EPA.
- (c) In case any Bidder proposes to import any plant, machinery or equipment that is also manufactured locally, the Bid should account for the additional duties so that the Tariff Bid by the Bidder is inclusive of customs duty; pass-through of such duty subsequent to the bidding is not allowed.

7.4 MIXED LOAN TARIFF

- (a) The Benchmark Tariff has been calculated on the basis of project financing structure of equity plus 100% foreign loan or equity plus 100% local loan. As the Reference Levelized Tariff based on a mix of local and foreign debt (USD) must not exceed the Benchmark Tariff based on 100% local currency financing (see clause 4.4(b)), the Reference Levelized Tariff for a mix of foreign and local currency loans shall be taken as the sum of "A" and "B" below:

A	=	Benchmark Tariff calculated on the basis of project financing structure of
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		equity plus 100% USD loan x USD loan as a percentage of the Project's total debt
B	=	Benchmark Tariff calculated on the basis of project financing structure of equity plus 100% PKR loan x PKR loan as a percentage of the Project's total debt

7.5 ADJUSTMENTS TO TARIFF

Exchange Rates, Interest Rates and Inflation Rates

- (a) The **Reference Exchange Rate** for the purposes of Bidding and indexation identified in NEPRA's Benchmark Tariff determination is PKR • to US\$ 1¹⁵.
- (b) 3-month KIBOR at [•%] and 3-month LIBOR at [•%]¹⁶ are taken as the reference interest rates and these values will be used as the reference values for the purposes of indexations to the Interest Charges component of the Tariff. The Bidders are encouraged to arrange loans with lowest spread over the above values in order to quote the lowest Tariff.
- (c) Consumer Price Index (General) as notified by Pakistan Bureau of Statistics, Government of Pakistan as of the Reference Date is •¹⁷.
- (d) United States of America Consumer Price Index (All Urban Consumers) for the Reference Date is •¹⁸.

7.6 TARIFF COMPONENT-WISE INDEXATION¹⁹

¹⁵ NEPRA to decide. Reference Exchange Rate preceding seven (7) days of the Deadline may be taken.

¹⁶ NEPRA to decide.

¹⁷ NEPRA to decide.

¹⁸ NEPRA to decide.

¹⁹ NEPRA to decide.

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- (a) The components of the Tariff and the indexations admissible for each component of the Reference Tariff are per the following table:

Years	O&M		Insurance	Return on Equity	Debt Repayment	
	Local	Foreign			Foreign debt	Local debt
Indexation	Pak CPI	PKR/US\$; US CPI	PKR/US\$	PKR/US\$	PKR/USD; LIBOR	KIBOR

- (b) The values of the indices and the resultant Energy Price payable following the application of the indices will be confirmed by NEPRA on application by the Seller for each calendar quarter during the Term.

The formulae for the indexation are given hereinafter.

7.6.2 Indexation applicable to O&M

Foreign O&M

$$OM_{(REV)} = OM_{(REF)} * US\ CPI_{(REV)} / US\ CPI_{(REF)} * ER_{(REV)} / ER_{(REF)}$$

Where

$OM_{(REV)}$ = The revised applicable foreign O&M component

$OM_{(REF)}$ = The reference foreign O&M component of Reference Tariff, not to exceed 50% of the total O&M component (foreign plus local) ²⁰

$US\ CPI_{(REV)}$ = The revised US CPI (All Urban Consumers) ²¹

$US\ CPI_{(REF)}$ = The reference US CPI (All Urban Consumers) [as of 7th working day preceding the Deadline]

$ER_{(REV)}$ = The revised TT & OD selling rate of US Dollar notified by the National Bank of Pakistan ²²

$ER_{(REF)}$ = The TT&OD PKR/USD sell side rate published by the National Bank of Pakistan [for the 7th working day preceding the Deadline]

Local O&M

²⁰ NEPRA to confirm.

²¹ As of which date? NEPRA to confirm.

²² As of which date? NEPRA to confirm

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$$OM_{(LREV)} = OM_{(LREF)} * CPI_{(REV)} / CPI_{(REF)}$$

Where

$OM_{(LREV)}$ = The revised applicable local O&M component

$OM_{(LREF)}$ = The reference local O&M component of Reference Tariff

$CPI_{(REV)}$ = The revised CPI (General) ²³

$CPI_{(REF)}$ = The reference CPI (General) [as of 7th working day preceding the Deadline]

7.6.3 Indexations applicable to Insurance

Insurance component will be subject to indexation on annual basis as follows:

$$Ins_{(Rev)} = Ins_{(Ref)} * ER_{(Rev)} / ER_{(Ref)}^{24}$$

Where:

$Ins_{(Rev)}$ = Revised insurance component

$Ins_{(Ref)}$ = Insurance component of Reference Tariff

$ER_{(Rev)}$ = The revised TT & OD selling rate of US Dollar notified by the National Bank of Pakistan ²⁵

$ER_{(Ref)}$ = The TT&OD PKR/USD sell side rate published by the National Bank of Pakistan [for the 7th working day preceding the Deadline]

7.6.4 Return on Equity (ROE)

- (a) After COD, ROE component of tariff will be indexed quarterly on account of variation in PKR/US\$ parity according to the following formula:

$$ROE_{(Rev)} = ROE_{(Ref)} * ER_{(Rev)} / ER_{(Ref)}$$

Where:

²³ As of which date? NEPRA to confirm

²⁴ NEPRA to confirm the formula.

²⁵ As of which date? NEPRA to confirm

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$ROE_{(Rev)}$	=	Revised ROE component
$ROE_{(Ref)}$	=	ROE component of Reference Tariff
$ER_{(Rev)}$	=	The revised TT & OD selling rate of US Dollar notified by the National Bank of Pakistan ²⁶
$ER_{(Ref)}$	=	The TT&OD PKR/USD sell side rate published by the National Bank of Pakistan [for the 7 th working day preceding the Deadline]

7.6.5 Indexations applicable to Debt Repayment Component

The Debt Repayment Component (principal and interest) will be adjusted on quarterly basis as follows:

Foreign Loans

$$PC_{(FRev)} = PC_{(FRef)} * ER_{(Rev)} / ER_{(Ref)}$$

$$IC_{(FRev)} = IC_{(FRef)} * ER_{(Rev)} / ER_{(Ref)} * LIBOR_{(Rev)} / LIBOR_{(Ref)}$$

Where

$PC_{(FRev)}$	=	The revised foreign principal component
$PC_{(FRef)}$	=	The reference foreign principal component of the Reference Tariff for the year of the current quarter
$ER_{(Rev)}$	=	The revised TT & OD selling rate of US Dollar notified by the National Bank of Pakistan ²⁷
$ER_{(Ref)}$	=	The TT&OD PKR/USD sell side rate published by the National Bank of Pakistan [for the 7 th working day preceding the Deadline]
$IC_{(FRev)}$	=	The revised foreign interest component
$IC_{(FRef)}$	=	The reference foreign interest component of the Reference Tariff for the year of the current quarter
$LIBOR_{(Ref)}$	=	The reference 3-month LIBOR of [• %] published by [insert source of record]

²⁶ As of which date? NEPRA to confirm.

²⁷ As of which date? NEPRA to confirm.

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$LIBOR_{(Rev)}$ = The revised 3-months LIBOR published by *[insert source of record]* for USD on the last day of the preceding quarter

Pak Rupee Loans

$IC_{(LRev)}$ = $IC_{(LRef)} * KIBOR_{(Rev)} / KIBOR_{(Ref)}$

Where

$IC_{(LRev)}$ = The revised local interest component

$IC_{(LRef)}$ = The reference local interest component of the Reference Tariff for the year of the current quarter

$KIBOR_{(Ref)}$ = The reference 3-month KIBOR of [\bullet %] published by *[insert source of record]*²⁸

$KIBOR_{(Rev)}$ = The revised 3-months KIBOR published by *[insert source of record]*²⁹ for USD on the last day of the preceding quarter

8. GENERAL

8.1 INTERCONNECTION READY ZONES³⁰

- (a) This round of bidding is for the Interconnection Ready Zones depicted in Exhibit 7. Each Interconnection Ready Zone supports installed capacity per the following:

Sr. No.	Area	Capacity	Interconnection Ready Zone with Grid wise Capacity
1.	[Jhimpir]	[\bullet] MW	[\bullet] [\bullet]
2.	[Jamshoro]	[\bullet] MW	

²⁸ NEPRA to confirm

²⁹ NEPRA to confirm

³⁰ To be confirmed by NTDC.

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3. [Gharo/Thatta] [●] MW [●]
4. [Rajapur] [●] MW [●]

- (b) For a given Interconnection Ready Zone, the Bids will be ranked on the same basis as stated in clause 4.4 of this Section B.
- (c) The Bidding will be conducted for aggregate capacity of [●]³¹ MW in the Interconnection Ready Zone(s). Where in a certain Interconnection Ready Zone the financial Bid of a Bidder ranking last in the list of lowest Bidders with its LOI capacity (subject to clause 4.1(b) of this Section B) exceeding the aggregate capacity of such Interconnection Ready Zone minus the sum of capacities of all Bidders ranking above such Bidder, it will have the option to either get LOCA from AEDB for capacity lower than that stated in its LOI (subject to clause 4.1(b) of this Section B) or to withdraw its Bid without forfeiture of the Bid Bond.
- (d) Where the financial Bid of two or more Bidders is equal and the capacity to be awarded in a given Interconnection Ready Zone is in excess of the aggregate capacity of such Bids then such Bidders will have an option to revise their financial Bid to the lower side or withdraw their Bids without forfeiture of the Bid Bond.

³¹ To be confirmed.

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1. BID SUBMISSION DETAILS

1.1 RESPONSIBILITIES OF THE BIDDERS

- (a) The Bidders are advised to carefully note and comply with the requirements of this RFP.
- (b) The Bidders are responsible to carry out the necessary due diligence and conduct their own investigations to obtain pertinent information and related data, entirely at Bidders' own risk, costs and consequences. Neither AEDB nor any public sector entity assumes any responsibility for any information provided to the Bidder in connection with this Bid or the Project.
- (c) The Bidders shall bear all costs associated with the preparation and submission of their Bids. The GOP, AEDB, relevant Provincial Government departments and the Purchaser or any other government agency, instrumentality or department shall under no circumstance be responsible or liable to reimburse such costs, regardless of the outcome of the bidding or the evaluation process.

1.2 BID REQUIREMENTS

- (a) The Bid shall be prepared strictly in accordance with this RFP in its entirety. Any conditional Bid will be deemed unresponsive and shall be rejected.
- (b) A Bidder may submit only one Bid per LOI held by the Bidder.
- (c) All information pertaining to the Bid must be typed and filled in English language.
- (d) Each page of the Bid Letter and its Annexes as well as each page of the contents of both the Envelopes must be numbered, signed and stamped by the Bidder.

1.3 PRE-BID MEETING

A pre-Bid meeting will be held to answer the questions of the Bidders. AEDB will notify the Bidders of the date, time and location of the pre-Bid meeting.

1.4 CLARIFICATIONS ON RFP

- (a) Clarifications may be requested in writing addressed to the CEO, AEDB, (with a copy sent simultaneously via email to [•]) not later than fifteen (15) days before the Deadline.

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- (b) AEDB may respond to inquiries made in a timely manner, but is under no obligation to respond to inquiries that in AEDB's opinion are already addressed in this RFP or under the applicable laws.
- (c) All clarifications issued by AEDB will be notified to all the Bidders. Where a clarification request necessitates a material modification to the requirements of this RFP, AEDB may extend the Deadline for Bid submission subject to NEPRA's approval.

1.5 REDRESSAL OF GRIEVANCES

- (a) From and after the announcement of the Technically Qualified Bidders, any Bidder feeling aggrieved by the evaluation outcome may lodge a written complaint before the Committee for Redressal of Grievances concerning its grievance not later than fifteen (15) days after the announcement with adequate particulars of the complaint and attaching copies of any documents relevant to the complaint.
- (b) The Committee for Redressal of Grievances shall decide the complaint within fifteen (15) days of the receipt of the complaint subject to timely cooperation by the complainant and, if applicable, by any respondent.
- (c) The mere fact of lodging of a complaint shall not warrant suspension of the Bidding process.
- (d) The Committee for Redressal of Grievances comprises:
 - (i) CEO, AEDB
 - (ii) Joint Secretary (Power Division), Ministry of Energy
 - (iii) CEO, Purchaser
 - (iv) MD, NTDCL
 - (v) Director (Legal), PPIB
- (e) The quorum for the Committee for Redressal of Grievances shall be three (3) members.

Section C – Instructions to Bidders

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1.6 PREPARATION OF BID

Bidders are required to prepare their Bids in two envelopes i.e. Envelope I (Technical) and Envelope II (Financial) as required below, and submit six (6) sets of each (one original and five copies), separately packed and each marked accordingly, at the address given below by the Deadline as specified hereunder. Each page of the original set of Envelope I and Envelope II is to be signed by an authorized representative of the Bidder identified in the Bid Letter. Each pack of original and photocopied Envelope I and Envelope II must indicate the name, registration number and address of the Bidder. Bids shall be submitted in hard copy packages; Bids submitted by facsimile, electronic mail, telex, or telegram shall not be accepted.

1.7 DEADLINE FOR RECEIPT OF BIDS

Bid must be delivered as stipulated above on or before 1200 hours PST on [●] (the **Deadline**). Any Bid received in AEDB after the Deadline shall not be entertained, (even if dispatched before the Deadline).

1.8 BID VALIDITY PERIOD

The Bid shall remain valid, and open for acceptance by AEDB for a period of not less than one hundred and eighty (180) days from the Deadline for receipt of Bids (as may be extended pursuant to the terms of this RFP, including clause 4.4(h) of Section B, the **Bid Validity Period**). Any Bid stated to be valid for a shorter period than the Bid Validity Period will be deemed non-responsive and shall be rejected by AEDB.

1.9 OPENING OF BIDS

- (a) Envelope-I (Technical) will be opened at AEDB head office, Islamabad, at 1300 hours PST on the Deadline in the presence of the Bidders who may opt to attend the Bid opening. Only one representative per Bidder is allowed to attend the Bid opening.
- (b) Envelope-II (Financial) of only the Technically Qualified Bidders will be opened in the presence of the Bidders who may opt to attend at a date and time intimated by AEDB after evaluation of Envelope- I. Only one representative per Bidder is allowed to attend the Bid opening.

1.10 ADDRESS FOR BID SUBMISSION

The Chief Executive Officer

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Alternative Energy Development Board (AEDB)

2nd Floor OPF Building, Shahrah-e-Jumhuriat

Sector G-5/2, Islamabad

1.11 CONTENTS OF ENVELOPE I (TECHNICAL)

Envelope I (Technical) of the Bid must contain the following items in the form of the Proformas mentioned against each item, and the instructions given thereon:

Sr. No.	Description of Items	Applicable Proforma	To be provided in Envelope I as:
1.	Bid Letter	Proforma 1	Bid Letter
2.	List of Annexes to Bid Letter	Proforma 2	Annex 1 to the Bid Letter
3.	Bid Processing Fee	No Proforma	Annex 2 to the Bid Letter
4.	Bid Bond (in the form of bank guarantee)	Proforma 3	Annex 3 to the Bid Letter
5.	Affidavit	Proforma 4	Annex 4 to the Bid Letter
6.	Integrity Pact	Proforma 5	Annex 5 to the Bid Letter
7.	Technical Data	Proforma 6	Annex 6 to the Bid Letter
8.	Energy Yield Assessment Report	No Proforma	Annex 7 to the Bid Letter
9.	Brochures and technical details of the power plant	No Proforma	Annex 8 to the Bid Letter
10.	Wind Resource Assessment	No Proforma	Annex 9 to the Bid Letter
11.	Soil Investigation Study and Topographical Investigation Map	No Proforma	Annex 10 to the Bid Letter
12.	IEE/EIA Approval from relevant Environmental Protection Agency	No Proforma	Annex 11 to the Bid Letter
13.	Type Certificate and letter from WTG manufacturer confirming design life of 25 years and Bidder	No Proforma	Annex 12 to the Bid Letter

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confirming operability of plant for
25 years

- | | | | |
|-----|----------------------------------------------------------------------------------------|-------------|----------------------------|
| 14. | Certified Copy of Letter of Intent ¹ | No Proforma | Annex 13 to the Bid Letter |
| 15. | Certified Copy of the Site Title with
Site coordinates (WGS 84 system) ² | No Proforma | Annex 14 to the Bid Letter |
| 16. | Corporate details (per NEPRA
Regulations) | No Proforma | Annex 15 to the Bid Letter |

1.12 CONTENTS OF ENVELOPE II (FINANCIAL)

Envelope II (Financial) of the Bid must contain the following items in the form of the Proformas mentioned against each item and the instructions given thereon and in the RFP:

Sr. No.	Description of Items	Applicable Proforma	To be provided in Envelope I as:
1.	Bidder's confirmation on tariff requirements	Proforma 7	Annex 16 to the Bid Letter
2.	Project cost summary	Proforma 8	Annex 17 to the Bid Letter
3.	Financing Plan	No Proforma	Annex 18 to the Bid Letter
4.	Reference Tariff Table with Reference Levelized Tariff	Proforma 9	Annex 19 to the Bid Letter
5.	Adjusted Debt Repayment Component Table (for USD loan only)	Proforma 10	Annex 20 to the Bid Letter
6.	Adjusted Reference Tariff Table with Adjusted Reference Levelized Tariff	Proforma 11	Annex 21 to the Bid Letter
7.	Debt Repayment Schedule	Proforma 12	Annex 22 to the Bid Letter

¹ Original not required. Copy to be certified by the CEO or a director of the Bidder.

² Original not required. Copy to be certified by the CEO or a director of the Bidder.

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|----|---------------------------------------------------------|-------------|----------------------------|
| 8. | Copy of term sheet certified by Lenders' Agent/Arranger | No Proforma | Annex 23 to the Bid Letter |
| 9. | 'Main Input' page of the Bid Model | No Proforma | Annex 24 to the Bid Letter |

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1. PROFORMAS FOR ENVELOPE I

1.1 PROFORMA 1: BID LETTER

Date: [●]

Chief Executive Officer
Alternative Energy Development Board (AEDB)
2nd Floor OPF Building, G-5/2
Islamabad, Pakistan

Subject: Bid of [●] for [●] MW Wind IPP at [●]

I [*Title/Position, Company*], acting as the duly authorised representative for and on behalf of [*name of the Bidder*] (“Bidder”) confirm the Bidder’s interest in developing, financing, insuring, installing, testing, commissioning, owning, operating and maintaining a [●] MW wind power project (“the Project”) at [Site] in furtherance whereof I on behalf of the Bidder hereby certify, represent, warrant and agree that:

- (a) This Bid Letter, along with all its annexes listed in ‘Annex 1 to Bid Letter’ hereto, and contents of Envelopes I and II, forms our Bid and is submitted pursuant to the Request of Proposal (RFP) dated [] issued by the Alternative Energy Development Board (“AEDB”).
- (b) Having examined and being fully familiar with all the provisions of the RFP (including its proformas and exhibits), receipt of which is hereby duly acknowledged, and having evaluated, following our own studies undertaken under our responsibility, the nature and scope of the contractual obligations to be executed, the financing structure, the IA, the EPA, the Site Title and the applicable legal framework, the Bidder hereby offers to undertake the development of its [●] MW Project:
 - (i) on BOO basis in compliance with all requirements of the RFP,
 - (ii) on Tariff as offered in Envelope II of our Bid, subject to NEPRA’s approval.
- (c) We hereby agree that our Bid constitutes our unconditional, firm, irrevocable offer that is binding upon us and will remain valid for the Bid Validity Period.

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- (d) We have provided and attached hereto a Bid Bond dated [●] issued by [name of issuing bank] in the amount of [PKR/USD state amount in words] (PKR/USD [show amount in figure]) in accordance with Proforma 3 of Section D of the RFP.
- (e) We certify that (i) the information submitted as part of our Bid is complete and accurate, (ii) the Bidder will be bound to this Bid and to the development of the Project, and (iii) we accept the documents, terms and conditions of the RFP.
- (f) We understand the evaluation criteria and the process for selection of Successful Bidders and acknowledge that AEDB is not obligated to accept our Bid and may at any time reject our Bid at its sole discretion.
- (g) We commit ourselves, if required, to extend the validity of our Bid and the Bid Bond until the issuance of the LOS to the Successful Bidders, pursuant to clause 4.4(h) of Section B of the RFP.
- (h) We confirm our commitment to the bidding and project development schedule stated at clause 1 of Section B of the RFP. We further commit ourselves, if advised by AEDB to do so, to furnish the Performance Guarantee and submit the Processing Fee and to execute the IA and the EPA consistent with the aforesaid bidding and project development schedule.
- (i) We further commit ourselves to provide any additional information, clarification and data in respect of the Bid, if required by AEDB and to pay all fees and charges in terms of the RFP.
- (j) Capitalised terms used and not defined herein carry the meanings assigned thereto in the RFP.

In [location], on this [date].

The undersigned is duly authorized to execute the Bid for and on behalf of the Bidder.

[Signature and Seal]

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1.2 **PROFORMA 2: LIST OF ANNEXES TO BID LETTER**

Annex 1: List of Annexes to Bid Letter

Envelope I

Sr. No.	Description of Items	To be provided in Envelope I as:	Completed and Submitted
1.	Bid Letter	Bid Letter	
2.	List of Annexes to Bid Letter	Annex 1 to the Bid Letter	
3.	Bid Processing Fee	Annex 2 to the Bid Letter	
4.	Bid Bond (in the form of bank guarantee)	Annex 3 to the Bid Letter	
5.	Affidavit	Annex 4 to the Bid Letter	
6.	Integrity Pact	Annex 5 to the Bid Letter	
7.	Technical Data	Annex 6 to the Bid Letter	
8.	Energy Yield Assessment Report	Annex 7 to the Bid Letter	
9.	Brochures and technical details of the power plant	Annex 8 to the Bid Letter	
10.	Wind Resource Assessment	Annex 9 to the Bid Letter	
11.	Soil Investigation Study and Topographical Investigation Map	Annex 10 to the Bid Letter	
12.	IEE/EIA Approval from relevant Environmental Protection Agency	Annex 11 to the Bid Letter	
13.	Type Certificate and letter from WTG manufacturer confirming design life of 25 years and Bidder confirming operability of plant for 25 years	Annex 12 to the Bid Letter	

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| 14. | Certified Copy of Letter of Intent ¹ | Annex 13 to the Bid Letter |
| 15. | Certified Copy of Site Title with Site coordinates (WGS 84 system) ² | Annex 14 to the Bid Letter |
| 16. | Corporate details (per NEPR Regulations) | Annex 15 to the Bid Letter |

Envelope II

Sr. No.	Description of Items	To be provided in Completed and Submitted Envelope II as:
1.	Bidder's confirmation on tariff requirements	Annex 16 to the Bid Letter
2.	Project cost summary	Annex 17 to the Bid Letter
3.	Financing Plan	Annex 18 to the Bid Letter
4.	Reference Tariff Table with Reference Levelized Tariff	Annex 19 to the Bid Letter
5.	Adjusted Debt Repayment Component Table (for USD loan only)	Annex 20 to the Bid Letter
6.	Adjusted Reference Tariff Table with Adjusted Reference Levelized Tariff	Annex 21 to the Bid Letter
7.	Debt Repayment Schedule (with electronic copy in USB)	Annex 22 to the Bid Letter
8.	Copy of term sheet certified by Lenders' Agent/Arranger	Annex 23 to the Bid Letter

¹ Original not required. Copy to be certified by the CEO or a director of the Bidder.

² Original not required. Copy to be certified by the CEO or a director of the Bidder.

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9. 'Main Input' page of the Bid Model Annex 24 to the Bid Letter

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Annex 2: Bid Processing Fee

[Original Pay Order]

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1.3 PROFORMA 3: BID BOND (IN THE FORM OF A BANK GUARANTEE)

Annex 3: Bid Bond

Guarantee No.: [●]

Chief Executive Officer
Alternate Energy Development Board

Date of this Guarantee: *[in words]*

Amount of this Guarantee: PKR *[in figures] (in words)*

Valid up to: [●]

THIS GUARANTEE is executed at [---place---] on this [---] day of [--- month ---] [--- year ---] by:

[--- Name of the issuing Bank ---] having its registered office at [●] (hereinafter referred to as the “**Guarantor**”, which expression shall mean and include its successors and assigns);

In favour of the Alternative Energy Development Board (**AEDB**), hereinafter referred to as the “**Beneficiary**”, which expression shall mean and include its successors and assigns.

Our client [*Bidder's name*] (hereinafter referred to as the “**Bidder**”, which expression shall mean and include its successors and assigns) is submitting a bid (hereinafter referred to as the “**Bid**”) for the development of a [●] MW wind power project in Pakistan on Build, Own & Operate (BOO) basis (hereinafter referred to as the “**Project**”) in response to the Request of Proposals dated [] issued by the Beneficiary as amended, modified, supplemented or varied by the Beneficiary from time to time (hereinafter referred to as the “**RFP**”).

On the request of the Bidder, the Guarantor hereby furnishes to the Beneficiary this Guarantee (hereinafter referred as the “**Bid Bond**”), and the Guarantor does hereby guarantee unconditionally and irrevocably to pay the Beneficiary up to a sum of [*amount in words*] (*[amount in figures]*), payable in Pak Rupees (hereinafter referred to as the “**Guaranteed Sum**”) in accordance with the following:

- (a) Immediately upon receipt of the Beneficiary’s first written request stating:

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- (i) that the Bidder has withdrawn its Bid during the Bid Validity Period as defined in the RFP; or
- (ii) that the Bidder has misrepresented in the Bid; or
- (iii) that the Bidder has failed to act and perform in accordance with the RFP or the Letter of Conditional Award (LOCA);

then, notwithstanding any objection of the Bidder or of any other party, the Guarantor shall, on the first working day following the Beneficiary's demand under this Bid Bond, pay the Guaranteed Sum to the Beneficiary. The decision of the Beneficiary as to the Bidder's default, delay or failure in performance shall be final and unquestionable.

- (b) Any payments made to the Beneficiary on its request shall be net and free of and without any present or future deductions such as for the payment of any taxes, executions, duties, expenses, fees, deductions or retentions regardless of the nature thereof or the authority levying the same.
- (c) The Beneficiary may, if and when and in such manner as the Beneficiary in its sole discretion deems appropriate, grant time or other indulgence to or accept or make any composition or arrangement with the Bidder and/or vary, renew, discharge, realize, release, enforce or deal with any other securities, guarantees, obligations, decrees, contracts, or agreements, now or hereinafter made or held by the Beneficiary, and such acts shall not affect in any way whatsoever the Beneficiary's rights under this Bid Bond, and shall not affect in any way whatsoever the Guarantor's liability hereunder, or discharge the Guarantor from its obligations under this Bid Bond.
- (d) The Guarantor's obligations as set out in this Bid Bond shall be continuing obligations and shall not be modified or impaired upon the happening, from time to time, regardless of the Guarantor's assent or otherwise, of any act or omission, or any circumstances or events which would otherwise discharge, impact or otherwise affect any of the Guarantor's obligations contained in this Bid Bond.
- (e) Demands under this Bid Bond may be made at any time and from time to time in accordance with its terms.
- (f) No delay or failure to exercise any right or remedy under this Bid Bond by the Beneficiary shall constitute a waiver of such right or remedy. No single or partial exercise of any right or remedy

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shall preclude any other or further exercise thereof or of any other right or remedy. No waiver by the Beneficiary shall be valid unless made in writing.

- (g) No set-off, counter claim, reduction, or diminution of any obligation that the Guarantor has or may have against the Beneficiary shall be available to it against the Beneficiary in connection with any of its obligations to the Beneficiary under this Bid Bond. The Guarantor shall make all payments under this Bid Bond in Pak Rupees, and in full, without set-off or counterclaim and free and clear of any deductions or withholdings in immediately available, freely transferable, cleared funds for value on the due date to the Beneficiary, provided that, if the Guarantor is required to make any deduction or withholding from such payments under applicable law, it shall pay to the Beneficiary such additional amount necessary to ensure that the Beneficiary receives an amount equal to the amount which it would have received had no such deduction or withholding been made.
- (h) The Guarantor hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this Bid Bond, which obligations are valid and legally binding on and enforceable against the Guarantor under the laws of Pakistan. Further, that the signatory(ies) to this Bid Bond are the Guarantor's duly authorized officers.
- (i) This Bid Bond shall be governed by the laws of Pakistan, and shall come into full force and effect immediately upon submission and shall continue in full force and effect until the official closing of the counters of the Guarantor [*name of Branch*] on [*insert date, one hundred and eighty days following the Deadline of Bid submission*] (the "Expiry Date").
- (j) The Guarantor's maximum liability under this Bid Bond is limited to the sum of PKR [•] (Pakistan Rupees [•] only). The Guarantor's obligation under this Bid Bond is limited to payment of claims lodged in writing and presented at the counters of the Guarantor, [*name of the Branch*] [*city*], on or before the Expiry Date, following which date, subject to any liability for claims presented on or before the Expiry Date, the Guarantor shall stand fully discharged and released from any and all obligations, claims and liabilities under this Bid Bond whether or not this Bid Bond is returned to the Guarantor.
- (k) This Bid Bond is the full and complete understanding between the Guarantor and the Beneficiary in relation to the matters contained herein, and this undertaking of the Guarantor shall not be

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modified, amended, or amplified in any way by reference to any document, understanding, instrument or agreement referred to therein.

- (l) Capitalised terms not otherwise defined herein shall bear the meaning ascribed to them in the RFP.

For and on behalf of the Guarantor:

[To be signed by the authorized signatory(ies) of the Bank]

[Dated and Stamped with the Bank's Stamp]

[Also to be witnessed by two adult male witnesses, specifying in each case, the full name, CNIC number and address]

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1.4 PROFORMA 4: AFFIDAVIT

Annex 4: Affidavit

Affidavit, strictly as per sample given below to be printed on stamp of PKR 100 and properly signed, sworn and notarized.

AFFIDAVIT

I, [name, son of/daughter of, resident of], [designation] of the [Bidder] being duly authorized in this behalf vide resolution of the board of directors of [Bidder], a certified copy whereof is attached, do hereby affirm on oath as follows:

- (a) that the capitalised terms used herein bear the meaning ascribed to them in the Request for Proposal dated [●] (**RFP**) issued by AEDB for the development of wind power projects;
- (b) that the bidding and project development schedule set out in clause 1 of Section B of the RFP shall be binding on the [name of Bidder] (the **Bidder**);
- (c) that the criteria set out in clause 5.1 of Section B of the RFP for minimum technical requirements will be legally binding on the Bidder, if the Bidder were to be selected as a Successful Bidder;
- (d) that in case the Bidder is selected as the Successful Bidder, the Bidder will ensure that the plant and equipment shall be compatible with the Grid System and the Grid Code and that the minimum technical requirements stated in the RFP and the requirements of EPA and its schedules shall be complied with;
- (e) that all the information stated in the Bid and all the documents supporting the Bid are true and correct to the best of the Bidder's knowledge and belief and the Bidder has not concealed, or misstated any information required in the RFP which is material for the purposes of its Bid the disclosure of which may be prejudicial to the Bidder or material for the evaluation of the Bid;
- (f) that Bidder shall execute the Project unconditionally (in accordance with the project agreements); and
- (g) that the Site is within the Interconnection Ready Zone ([name]).

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Deponent

Verification:

I solemnly declare and affirm that the contents of this affidavit are true and correct to the best of my knowledge and belief and that this affidavit constitutes legally sworn and affirmed undertakings and covenants of the [full name of the corporate entity/bidder] pursuant to the resolution of its board of directors dated ●, a certified copy whereof is attached herewith.

Deponent

[Oath Commissioner's signature and seal]

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1.5 PROFORMA 5: INTEGRITY PACT

Annex 5: Integrity Pact

Bidders are required to submit the signed and stamped integrity pact in the form provided below:

“Integrity Pact

(Capitalized terms used but not defined in this Integrity Pact shall bear the meaning defined in the Request for Proposal dated [●] (RFP) issued by the Alternative Energy Development Board inviting bids for development of wind power projects, or drafts Implementation Agreement or Energy Purchase Agreement provided at Exhibits 5 and 6 of Section E of the RFP)

- (a) The [insert the name of the Bidder] (the **Bidder**) hereby declares that it has not obtained or induced the procurement of the Bid, LOI, Site Title, or any contract, consent, approval, right, interest, privilege or other obligation or benefit related to the foregoing from the GOP, the Provincial Government or any Public Sector Entity through any corrupt or illegal business practice.
- (b) Without limiting the generality of the foregoing, the Bidder represents and warrants that it has fully disclosed in writing all commissions, brokerage and other fees, and other compensation (other than compensation paid to employees of the Bidder for services provided) paid or payable to any Person within or outside Pakistan in relation to the Project and has not given or agreed to give and shall not give, or agree to give to any Person within or outside Pakistan either directly or indirectly through any natural or juridical Person, including its affiliates, employees, agents, associates, brokers, consultants, officers, directors, promoters, shareholders, sponsors or subsidiaries (and any of their employees, agents, associates, brokers, consultants, officers, directors, promoters, shareholders or sponsors), any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or inducing the procurement of the Bid, LOI or the Site Title, or any contract, right, interest, privilege or other obligation or benefit related to Bid, or LOI or the Site Title or the Project from the GOP, the Provincial Government or any Public Sector Entity, except that which has been expressly declared pursuant hereto.
- (c) The Bidder accepts full responsibility and strict liability for making any intentional false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of the representations and warranties contained herein or in the Bid and the declarations required hereby. The Bidder agrees in the event that any of the representations and

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warranties made by it in above clauses 1 and 2 are proved to be materially incorrect, then any contract, consent, approval, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to the GOP/AEDB, be voidable and without legal effect at the option of the GOP/AEDB.

- (d) Notwithstanding any rights and remedies that are available to and may be exercised by the GOP/AEDB in this regard, the Bidder agrees to indemnify the GOP and AEDB for any loss or damage incurred by it on account of its corrupt business practices and shall further pay compensation to the GOP and AEDB in an amount equivalent to ten (10) times the amount of any commission, gratification, bribe, finder's fee or kickback paid or given by the Bidder (either directly or indirectly through any natural or juridical Person, including its affiliates, employees, agents, associates, brokers, consultants, officers, directors, promoters, shareholders, sponsors or subsidiaries (and any of their employees, agents, associates, brokers, consultants, officers, directors, promoters, shareholders or sponsors), as aforesaid for the purpose of obtaining or inducing the procurement of the Bid, LOI or the Site Title, or any contract, consent, approval, right, interest, privilege or other obligation or benefit related to the Bid, or LOI or the Site Title, or the Project from the GOP, the Provincial Government or any Public Sector Entity.”

Important Note: Original must be signed by the authorized person.

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1.6 PROFORMA 6: TECHNICAL DATA

Annex 6: Technical Data

Technical Data

WTG:

Name of Manufacturer

Capacity of Complex (MW)

Design Life, years

Generator and Accessories (per unit):

Manufacturer

Type/model/ year of manufacture

Rated voltage at generator terminal, kV

Rated output (MW)

Annual Plant Capacity Factor

No. of Phases

Frequency range (Hz)

Rated speed (rpm)

Generator short circuit ratio

Power factor: (lagging and leading)

Transformers

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Annex 7: Energy Yield Assessment Report

[Note: The yield assessment is to be given as net generation delivered at the Interconnection Point, being gross generation less all auxiliary losses]

The energy yield assessment report must include the micro siting of the proposed wind farm, annual energy yield numbers at different probability levels after incorporation of all the applicable losses

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Annex 8: Brochures and Technical Details of the Power Plant

Instructions for Bidder:

Bidders are required to submit the following documents pertaining to the offered Power Plant:

- (a) Information Brochure
- (b) Technical Details / Manuals for the WTG and main equipment
- (c) Details of EPC Contractor and O&M Operator

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Annex 9: Wind Resource Assessment

The wind resource assessment report must be based on minimum 02 years of on-site data or data of the neighboring mast. The data used for the resource assessment must also be submitted together with the report.

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Annex 10: Soil Investigation Study and Topographical Investigation Map

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Annex 11: IEE/EIA Approval from Environmental Protection Agency

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Annex 12: Type Certificate and Letter from WTG Manufacturer

[Type Certificate and letter from WTG manufacturer confirming design life of 25 years and Bidder confirming operability of plant for 25 years]

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Annex 13: Certified Copy of Letter of Intent

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Annex 14: Certified Copy of the Site Title with Site Coordinates (WGS 84 system)

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Annex 15: Corporate Details

Bidder shall provide the following information/documents along with supporting documents (certified by the duly authorized person submitting the Bid):

- (a) Certificate of incorporation of the Bidder
- (b) Up to date constituent documents/Articles and Memorandum of Association of the Bidder
- (c) Latest Form A (or equivalent) of the Bidder filed with the Securities and Exchange Commission of Pakistan; if none has been filed, the reason therefor.
- (d) Particulars of Initial Shareholders and the Main Sponsor with ultimate beneficial ownership of the Bidder
- (e) Copies of audited annual accounts of the Bidder for the last 3 years or since incorporation if incorporated less than 3 year ago. If the Bidder SPV is recently incorporated, the three years audited accounts of the Main Sponsors to be provided. For Bidders incorporated for a period less than the period within which the audited accounts are to be finalized, a certificate of good financial standing from a chartered accountancy firm with satisfactory QCR rating by ICAP (along with evidence of such rating) certifying the availability of adequate financial resources (with adequate particulars) for the Bidder to fund the equity portion of the Project cost.
- (f) Details of any formal, direct or indirect, connection between the Bidder and existing participants in the power sector, including ownership or shareholding, consulting, service agreement, etc.

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2. PROFORMAS FOR ENVELOPE II

2.1 PROFORMA 7: CONFIRMATIONS ON TARIFF REQUIREMENTS

Annex 16 to the Bid Letter

(Capitalized terms used but not defined herein shall bear the meaning defined in the Request for Proposal dated [●] (RFP) issued by the Alternative Energy Development Board inviting bids for development of wind power projects, and the drafts Implementation Agreement and the Energy Purchase Agreement provided at Exhibits 5 and 6 of Section E of the RFP)

[name of the Bidder] hereby confirms that:

- (a) the Tariff is based on the requirements of the RFP and is inclusive of all Project costs, including but not limited to, capital cost, EPC cost (for brand new WTGs and balance of plant), O&M cost, insurance, debt repayment, interest during construction, return on equity, all financing and consulting and advisory fees and charges and all costs for or incidental to the generation and delivery of electric energy from the Complex for the term of the Project;
- (b) the Tariff is inclusive of all applicable Taxes, levies, fees of Public Sector Entities and customs duties applicable on or in relation to the Project as of the Deadline; and
- (c) subject to Tariff Approval by NEPRA, the Reference Tariff Table shall remain constant for the Term of the EPA (with such indexations and adjustments as may be allowed by NEPRA);

Important Note: Original must be signed by the authorized person

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2.2 PROFORMA 8: PROJECT COST SUMMARY

Annex 17: Project Cost Summary

Cost Head	US\$ (million)
EPC cost	
Project development cost	
Duties and taxes	
Insurance during construction	
Financial charges	
Interest during construction	
Other costs (give particulars)	
Total Project Cost	

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Annex 18: Financing Plan

(Capitalized terms used but not defined herein shall bear the meaning defined in the Request for Proposal dated [●] (RFP) issued by the Alternative Energy Development Board inviting bids for development of wind power projects)

Describe the Financing Plan, both debt and equity, with sources and other adequate particulars thereof, in an amount sufficient to fund the total Project cost and appropriate particulars of Bidder's access to the sources of the debt and equity funds.

No change to Tariff or the terms of the EPA will be permitted if the Financing Plan changes for any reason.

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2.3 PROFORMA 9: REFERENCE TARIFF TABLE

Annex 19: Reference Tariff Table with Reference Levelized Tariff

All components in Rs./kWh				Foreign Debt		Local Debt		Total		
Year	O&M		Insurance	ROE	Principal	Interest	Principal	Interest	PKR	US\$
	local	foreign								
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
Reference Levelised Tariff (based on local: foreign debt mix applicable to the Bidder)										

2.4 PROFORMA 10: ADJUSTED DEBT REPAYMENT COMPONENT TABLE (FOR USD LOAN ONLY)

Annex 20: Adjusted Debt Repayment Component Table

Instructions

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Assumed exchange rate should be based on Rupee devaluation rate assumption provided in clause 6.2(b) of Section B.

The Adjusted Debt Repayment Component (from the table below) will be filled in in place of reference foreign debt repayment component in the Adjusted Reference Tariff Table. This will be used only for purpose of evaluation of Bids.

	Reference Debt Repayment (Rs./kWh)		Adjustment Factor	Adjusted Debt Repayment (Rs./kWh)	
	Principal	Interest		Principal	Interest
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
N...					

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2.5 PROFORMA 11: ADJUSTED REFERENCE TARIFF TABLE

Annex 21: Adjusted Reference Tariff Table with Adjusted Reference Levelized Tariff

Instructions

- Fill all columns as per Reference Tariff Table, except for foreign Debt Repayment Components.
- Fill foreign Debt Repayment Component rows as per Adjusted Debt Repayment Component Table (per Proforma 10, Annex 20)
- If foreign loan is not applicable, fill out below table exactly the same way as the Reference Tariff Table with nil values in the rows for foreign debt.

All components in Rs./kWh				Foreign Debt		Local Debt		Total		
Year	O&M		Insurance	ROE	Principal	Interest	Principal	Interest	USD	PKR
	local	foreign								
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
Adjusted Reference Levelized Tariff										

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Applicable Benchmark Tariff (based on local: foreign debt mix applicable to the Bidder) ³		

³ Based on the foreign loan percentage per clause 7.4(a) of Section B.

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2.6 PROFORMA 12: DEBT REPAYMENT SCHEDULE

Annex 22: Debt Repayment Schedule⁴

Instructions for Bidders:

- (a) Add rows in accordance with proposed debt repayment period.
- (b) Separate Debt Repayment Schedules should be provided for local and foreign loans.

2.6.1 Local Loan

PKR Debt									
Yr.	Period	Opening Balance	Principal Repayment	Interest Repayment	Closing Balance	Total Debt Repayment	Principal Repayment	Interest Repayment	Total Debt Repayment
		Millions PKR	Millions PKR	Millions PKR	Millions PKR	Millions PKR	PKR/kWh	PKR/kWh	PKR/kWh
1	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
2	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
3	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
4	Q1								

⁴ The debt period should not be less than [ten (10)] years. NEPRA to confirm.

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	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
5	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
6	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
7	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
8	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
9	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
10	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								

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N	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
	Total of 1 - Nth Year								

2.6.2 Foreign Loan

Foreign Debt													
Yr.	Period	Opening Balance	Principal Repayment	Interest Repayment	Closing Balance	Total Debt Repayment	Principal Repayment		Interest Repayment		Total Debt Repayment		
		Millions USD	Millions USD	Millions USD	Millions USD	Millions USD	USD/kWh	PKR/kWh ⁵	USD/kWh	PKR/kWh	USD/kWh	PKR/kWh	
1	Q1												
	Q2												
	Q3												
	Q4												
	(Sum of Q1 to Q4)												
2	Q1												
	Q2												
	Q3												
	Q4												
	(Sum of Q1 to Q4)												
3	Q1												
	Q2												
	Q3												
	Q4												
	(Sum												

⁵ NEPRA to confirm. The exchange rate TT/OD sell side rate of the National Bank of Pakistan on the 7th working day before the Deadline may be used.

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	of Q1 to Q4)								
4	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
5	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
6	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
7	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
8	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
9	Q1								
	Q2								
	Q3								
	Q4								
	(Sum								

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	of Q1 to Q4)								
10	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
N	Q1								
	Q2								
	Q3								
	Q4								
	(Sum of Q1 to Q4)								
	Total of 1 - Nth Year								

Important Note: Original must be signed by the authorized person

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Annex 23: Copy of Term Sheet certified by the Lenders' Agent/Arranger

Append a copy of the Term Sheet signed by the Lenders or their agent/arranger. The Term Sheet shall as a minimum state the total debt and key terms of the debt committed under the Term Sheet, if syndication is envisaged then the name of each syndicate member with its respective lending commitment, the key conditions precedent to Financial Closing, the fees and charges (including any break or early termination fees) and other terms customary for Term Sheets.

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Annex 24: ‘Main Input’ Page of the Bid Model

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1. EXHIBITS

1.1 EXHIBIT 1: RESPONSIVENESS TEST

This Responsive Test is the procedure to determine responsiveness of Bids pursuant to clause 4.3.2 of Section B and will be utilized by AEDB for that purpose. For a Bid to be a Technically Qualified Bid, the answers to all the questions in the following table must be **YES**.

Sr. NO.	Technical Qualifications Measure	Yes/No/Remarks
1	Has the Bidder submitted a complete Bid as evidenced by submission of the following complete documents?	
A	Originals (except where expressly mentioned otherwise) of all contents/attachments of Envelope I and Envelope II as per Section C of RFP.	
B	Five photocopies of all contents of Envelope I and Envelope II	
C	Bid Letter (Proforma 1, Section D)	
D	Affidavit (Proforma 4, Section D)	
E	Signed and stamped Integrity Pact in the form provided in Proforma 5, Section D)	
F	Technical Data (Proforma 6, Section D)	
G	Valid LOI	
H	Site Title along with Site coordinates (WGS 84 system)	
2	Is the Bid Valid up to 180 days after the Deadline for receipt of Bid?	
3	Bidder satisfies the following criteria:	
A	Bidder has purchased the RFP from AEDB	
B	All Proformas and Annexes required for Envelope I are submitted.	

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- 4 Is the Bid Bond acceptable:**
 - A Is the issuing bank acceptable to AEDB?
 - B Is the form identical with Proforma 3, Section D of the RFP?
 - C Is the amount in accordance with the RFP?
 - D Is the validity date in accordance with the RFP (not less than 60 Days in excess of Bid Validity Period)
- 5 Is the affidavit and technical data submitted as per requirement of RFP (Proformas 4 and 6, Section D)?**
- 6 Has the Bidder confirmed in the Bid Letter adherence to the project development schedule in clause 1 of Section B?**

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1.2 EXHIBIT 2: LETTER OF CONDITIONAL AWARD

[Name & Address of Successful Bidder]

Subject: LETTER OF CONDITIONAL AWARD (LOCA)¹

Dear Sir,

With reference of the Request of Proposal (RFP) dated [●] issued by AEDB inviting bids for development of wind power projects through reverse auction and your Bid dated [●] in response thereof, AEDB is pleased to convey that [name of Successful Bidder] (the Bidder) has been selected as a Successful Bidder for award of the Project subject to following conditions:

- (i) that the Bidder shall duly apply to NEPRA for approval of tariff pursuant to the requirements of NEPRA Regulations within fifteen (15) days of this letter, and
- (ii) that the Bidder shall duly apply to NEPRA for grant of generation license within fifteen (15) days of this letter, and
- [(iii) that the Bidder shall forthwith apply to [NTDC or relevant DISCO] with all requisite information and documents to procure approval of interconnection study].²

The Bidder shall submit the Performance Guarantee and pay the Project Processing Fee to AEDB within seven (7) days following the last to occur of the grant of tariff, grant of generation license, and the approval of interconnection study whereupon AEDB will issue the Letter of Support in the form provided in the RFP to the Bidder.

¹ Subject to outcome of Grievance Committee's Decision.

² Subject to relaxation of the requirement in NEPRA Regulations for the interconnection study to accompany the Bid evaluation report submitted by AEDB to NEPRA.

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This letter and any right or interest of the Successful Bidder in the Project pursuant hereto are conditional upon NEPRA's satisfaction with the bid evaluation report submitted by AEDB to NEPRA, NEPRA's award of the tariff and generation license to the Successful Bidder and the approval of the interconnection study by [NTDC/DISCO].

Capitalised terms used but not defined herein shall bear the meaning ascribed to them in the RFP.

Yours sincerely,

Chief Executive officer
Alternative Energy Development Board

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1.3 EXHIBIT 3: PERFORMANCE GUARANTEE

PERFORMANCE GUARANTEE

To: The Alternative Energy Development Board
[Address]

Date of the Performance Guarantee: [•]

Amount of the Performance Guarantee: [US\$ • (United States Dollars •)] (hereinafter referred to as the "Guaranteed Sum")

Date of issuance: [•]

Validity upto: [•]

THIS PERFORMANCE GUARANTEE is executed at [•] on this [•] day of [•] 20• **BY:**

[Name of the issuing Bank] having our registered office at [•] [and branch office at •] ³ (hereinafter referred to as the "**Guarantor**", which expression shall mean and include its successors and permitted assigns);

On the request and on behalf of [Bidders' name] (hereinafter referred to as the (the "**Successful Bidder**")), which expression shall mean and include its successors and permitted assigns);

In favour of the Alternative Energy Development Board ("**AEDB**") (hereinafter referred to as the "**Beneficiary**", which expression shall mean and include its successors and assigns).

WHEREAS:

- A. Upon the request and proposal of the Successful Bidder to set up an electricity generation facility utilising wind as the renewable energy resource in Pakistan, the Beneficiary has issued a Letter of Conditional Award to the Successful Bidder dated [•].
- B. As required by the Beneficiary prior to the issuance of the Letter of Support (the "**LOS**") to the Successful Bidder, and in consideration thereof, the Guarantor, at the request and on behalf of the Successful Bidder, hereby furnishes this irrevocable, unconditional, without recourse, on demand bank guarantee (hereinafter referred to as the "**Performance Guarantee**") in favour of the Beneficiary in order to secure the performance of the

³ Insert if issuing branch is at an address other than the registered address.

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Successful Bidder's obligations under the LOS (hereinafter referred to as the "**Guaranteed Obligations**").

NOW THEREFORE, this Performance Guarantee witnesseth as under:-

1. In the event that the Successful Bidder defaults in or delays to perform the Guaranteed Obligations, of which events the Beneficiary shall be the sole arbiter, the Guarantor shall on the Beneficiary's first written demand pay to the Beneficiary the entire sum of or any portion of the Guaranteed Sum as specified in the Beneficiary's written demand on the business day next following the receipt of the written demand (the "**Due Date**"). Such first written demand of the Beneficiary shall be required only to state that the Successful Bidder has defaulted in or delayed to perform the Guaranteed Obligation stated in the written demand.
2. The Guarantor hereby binds itself unconditionally and irrevocably and undertakes and guarantees to pay the Guaranteed Sum as primary obligor and not merely as surety on first written demand of the Beneficiary without protest or demur and without reference, notice or recourse to the Successful Bidder or any other person and hereby expressly waives all rights to deny its obligation to the Beneficiary irrespective of any dispute, difference or disagreement between the Successful Bidder and the Beneficiary or contest by any other party or person.
3. At any time during the validity of this Performance Guarantee, the Beneficiary may at its sole discretion and decision demand payment of the entire Guaranteed Sum or any portion thereof from the Guarantor. The decision of the Beneficiary as to the Successful Bidder's default or delay in performing the Guaranteed Obligations shall be final and binding on the Guarantor which shall not be questioned by the Guarantor in any manner whatsoever.
4. This Performance Guarantee shall remain in full force and be effective for a period up to [•] and the Guarantor's obligations under this Performance Guarantee shall be for payment of the Guaranteed Sum or part thereof as may be demanded by the Beneficiary from time to time.
5. The Beneficiary may, if and when and in such manner as the Beneficiary in its sole discretion deems appropriate, grant time or other indulgence to or accept or make any composition or arrangement with the Successful Bidder and/or vary, renew, discharge, realize, release, enforce or deal with any other securities, guarantees, obligations, decrees, contracts, or agreements, now or hereinafter made or held by the Beneficiary, and such acts shall not affect in any way whatsoever the Beneficiary's rights under this Performance Guarantee, and shall not affect in any way whatsoever the Guarantor's liability hereunder, or discharge the Guarantor from its obligations under this Performance Guarantee.
6. The Guarantor's obligations as set out in this Performance Guarantee shall be continuing obligations and shall not be modified or impaired upon the happening, from time to time, without the Guarantor's assent or otherwise, of any act or omission, or any circumstances or

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events which would otherwise discharge, impact or otherwise affect any of Guarantor's obligations contained in this Performance Guarantee.

7. Demands under this Performance Guarantee may be made from time to time in accordance with its terms. Partial payments of the Guaranteed Sum shall not discharge this Performance Guarantee and this Guarantee shall remain in full force and effect in accordance with its terms for the difference from time to time between the aggregate total of the partial payments made and the Guaranteed Sum.
8. No delay or failure to exercise any right or remedy under this Performance Guarantee by the Beneficiary shall constitute a waiver of such right or remedy. No single or partial exercise of any right or remedy shall preclude any other or further exercise thereof or of any other right or remedy. No waiver by the Beneficiary shall be valid unless made in writing.
9. No set-off, counter claim, reduction, or diminution of any obligation that the Guarantor has or may have against the Beneficiary shall be available to it against the Beneficiary in connection with any of its obligations to the Beneficiary under this Performance Guarantee. The Guarantor shall make all payments under this Performance Guarantee in United States Dollars and in full, without set-off or counterclaim and free and clear of any deductions or withholdings in immediately available, freely transferable, cleared funds for value on the Due Date to the Beneficiary, provided that if the Guarantor is required to make any deduction or withholding from such payments under applicable law, it shall pay to the Beneficiary such additional amount necessary to ensure that the Beneficiary receives an amount equal to the amount which it would have received had no such deduction or withholding been made. In the event under the laws of Pakistan the payment of the Guaranteed Sum in a currency other than Pakistan Rupees is prohibited or becomes unlawful, or the due execution, validity, enforceability or performance of the obligations of the Guarantor hereunder is questioned by any Court, the State Bank of Pakistan or other competent authority or agency with jurisdiction over the Guarantor on the grounds of the Guaranteed Sum being denominated in a foreign currency, this Performance Guarantee shall secure and shall be deemed always to have secured the Guaranteed Sum in equivalent Pakistan Rupees calculated at the average of the National Bank of Pakistan TT & OD selling rate for United States Dollars prevalent on the date of issuance of this Performance Guarantee and payment of the whole or part of the Guaranteed Sum as demanded by the Beneficiary may in such event be made by the Guarantor in Pakistan Rupees.
10. The Guarantor hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority, and has obtained all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this Performance Guarantee, which obligations are valid and legally binding on and enforceable against the Guarantor under the Laws of Pakistan. Further, that the signatory(ies) to this Performance Guarantee are the Guarantor's duly authorized officers.

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11. This Performance Guarantee shall be governed by the laws of Pakistan.
12. Capitalised terms not otherwise defined herein shall bear the meaning ascribed to them in the LOS.
13. This Performance Guarantee shall expire at the official closing of the counters of the Guarantor, [name of the Branch] [city], on [● expiry date] (the "Expiry Date"). The Guarantor's obligations under this Performance Guarantee are limited to payment of claims lodged in writing and presented at the counters of the Guarantor at [name of the Branch] [city], on or before the Expiry Date. Except for demands made by the Beneficiary under this Performance Guarantee on or before the Expiry Date, the Guarantor shall stand fully discharged and released from any and all obligations, claims and liabilities under this Performance Guarantee whether or not this instrument of Performance Guarantee is returned to the Guarantor.

For and on behalf of the Guarantor:

[To be signed by the authorized signatory of the Bank,
Dated and Stamped with the Bank's Stamp]

[Also to be witnessed by two adult male witnesses, specifying in each case, the full name, National Identity Card # if any, and address]

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1.4 EXHIBIT 4A: LETTER OF SUPPORT

LETTER OF SUPPORT

[Date]

The Chief Executive Officer

[Project Company]

Subject: LETTER OF SUPPORT FOR THE ESTABLISHMENT OF A WIND POWER GENERATION FACILITY HAVING INSTALLED CAPACITY OF [•] MW (ISO GROSS) LOCATED AT [•], PROVINCE OF PAKISTAN

Dear Sir,

A. REFERENCE

[•], a company incorporated under the Companies Act, 2017 (or any predecessor or successor legislation), under certificate of incorporation no. [•] dated [•], (the “**Project Company**”):

- (i) having been issued a Letter of Conditional Award dated [•] consequent upon it being declared a Successful Bidder following the round of bidding pursuant to the Request for Proposals dated [•] issued by AEDB;
- (ii) having applied to and received from the National Electric Power Regulatory Authority (“**NEPRA**”) a tariff determination [•] dated [•] on the terms and conditions set out therein (as amended from time to time, the “**Tariff Determination**”);
- (iii) having received from NEPRA a electricity generation licence no. [•] dated [•] (the “**Generation Licence**”) for the generation of electric power on the terms and conditions set out therein;
- (iv) having procured the approval of interconnection study of the Project from National Transmission and Despatch Company] / [relevant Distribution Company]; and
- (iv) having paid a non-refundable Project Processing Fee of [•] dollars [US\$] in favour of AEDB;

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is now issued this Letter of Support (the “**LOS**”), on the terms and conditions set out herein, by AEDB for the development, design, engineering, manufacture, procurement, financing, construction, completion, testing and commissioning, insurance, ownership, operation and maintenance of an approximately [●] MW (ISO gross installed capacity) power generation facility (the “**Complex**”) to be located near [●] and all activities incidental thereto (the “**Project**”).

The Complex shall be a renewable electricity generation facility utilising wind as the renewable energy resource for generation of electricity.

The Project Company has posted in favour of AEDB an irrevocable, unconditional, on demand, without recourse bank guarantee on terms acceptable to AEDB dated ● issued by ● (the “**Performance Guarantee**”) in the amount of US Dollars ●. The Performance Guarantee secures the Project Company's obligations to execute the Project Agreements (*reference paragraph B(1)*), to achieve Financial Closing (*reference paragraph B(2)*), to pay the Termination Amount (*reference paragraph B(6)*) and to fulfill all obligations under and in accordance with the terms of this LOS. The Performance Guarantee shall remain valid and in full force till the expiry of three (3) months beyond the Required Financial Closing Date (*as specified in paragraph B(2)*); provided however, in the event the Financial Closing is achieved on or prior to the Required Financial Closing Date, the Performance Guarantee shall be returned to the Project Company on the date of its achievement of Financial Closing. The Performance Guarantee shall be encashable in accordance with the terms of this LOS at any time prior to Financial Closing, on call at any time during the period of its validity by AEDB. The Project Company hereby agrees that it shall have no claim against AEDB, the Government of Pakistan (the “**GOP**”), the Government of [●] (the “**Provincial Government**”) or any agency or instrumentality thereof on any grounds whatsoever if AEDB acting in its sole discretion shall make any call upon or encash the Performance Guarantee provided that such call or encashment is made in accordance with the terms of this LOS, and the Project Company hereby waives, to the fullest extent permissible by law, any such claim. It is agreed that the amounts encashed under the Performance Guarantee in accordance with the terms of this LOS are reasonable and constitute liquidated damages to the GOP and AEDB for the Project Company's failure to (as applicable) (a) execute the Project Agreements (*reference paragraph B(1)*), (b) timely achieve Financial Closing (*reference paragraph B(2)*), (c) pay the Termination Amount (*reference paragraph B(6)*), and (d) failure to fulfil any obligation under this LOS, in each case, in accordance with the terms of this LOS, and it is understood and agreed that the encashment in full of the Performance Guarantee by AEDB is in lieu of actual damages for such occurrence and the collection of such sums pursuant to such Performance Guarantee pursuant to this LOS is the sole remedy of the GOP and AEDB for such events.

Until Financial Closing (as defined hereinafter), this LOS and the provisions of the Project Agreements (as defined hereunder) that become effective immediately upon signing of the Project Agreements shall

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govern the implementation of the Project and shall supersede all other documents and agreements. In the event of any conflict between this LOS and the provisions of the Project Agreements that become effective upon signing, this LOS shall govern and prevail. Effective on the date Financial Closing is achieved by the Project Company, the Project Agreements shall supersede the LOS. AEDB shall cancel and return the Performance Guarantee to the Project Company on the date Financial Closing is achieved.

B. AUTHORIZATION

AEDB hereby conveys its permission to the Project Company to implement the Project in accordance with the terms of this LOS and, when the Project Agreements become effective, in accordance with the Project Agreements. Electricity produced by the Complex shall be sold to the Central Power Purchasing Agency (Guarantee) Limited (the "**Purchaser**") in accordance with the Generation Licence, the Tariff Determination and the provisions of the Energy Purchase Agreement ("**EPA**") to be entered into between the Project Company, National Transmission and Dispatch Company Limited (**NTDC**) and the Purchaser. The Project Company shall be responsible for performing and causing the performance of all activities necessary and incidental to its obligations under this LOS, including the following:

1. The Project Company shall, on or prior to the Required Financial Closing Date or (if applicable in terms of this LOS) the Extended Required Financial Closing Date, negotiate and sign an Implementation Agreement ("**IA**") with the President of the Islamic Republic of Pakistan, a EPA with the Purchaser and NTDC, and, if the land for the Complex is allocated by the Provincial Government to the Project Company, a deed of lease with the Provincial Government ("**Site Lease**"), failing which the Performance Guarantee shall be encashed for the full amount thereof by AEDB provided that if the delay is caused by the actions of the GOP, AEDB or the Purchaser, then the Project Company shall not be penalized.

The IA, EPA and, if applicable, the Site Lease are collectively referred to in this LOS as the "**Project Agreements**".

2. Unless Financial Closing is delayed or not achieved on account of any Consents (as defined in the IA) not being issued to the Project Company despite its compliance with its obligations under the IA relating thereto by the Required Financial Closing Date or the Extended Financial Closing Date, the Project Company shall achieve Financial Closing no later than [●] (the "**Required Financial Closing Date**"), failing which the Performance Guarantee shall be encashed in the full amount thereof by AEDB, provided that if the delay is caused by actions of the GOP, AEDB or the Purchaser, then the

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Project Company shall not be penalized. In addition to any other consequences set out in the Project Agreements, if AEDB determines that any delay by the Project Company in achieving Financial Closing by the Required Financial Closing Date is due to events beyond the reasonable control of the Project Company or that Financial Closing can be achieved shortly, AEDB shall be entitled (acting on an application in writing made to it by the Project Company at least thirty (30) days before the Required Financial Closing Date) to grant in writing to the Project Company a one-time extension of up to a maximum period of six (6) months beyond the Required Financial Closing Date (such extended date being hereinafter referred to as the “**Extended Required Financial Closing Date**”) and this LOS shall stand correspondingly extended on the same terms and conditions for such additional period. No claim for an extension to the Required Financial Closing Date and the period of validity of this LOS shall be accommodated or considered by AEDB unless the following actions are taken by the Project Company to the satisfaction of AEDB (i) the Project Company extends the period of validity of the Performance Guarantee so that the Performance Guarantee is valid on the same terms and conditions up till three (3) months beyond the Extended Required Financial Closing Date; (ii) the maximum amount in which the Performance Guarantee can be called is doubled; and (iii) if the Tariff Determination stipulates the Financial Closing to be achieved by the Required Financial Closing Date, the consent in writing of NEPRA to extension in the Required Financial Closing Date is obtained by the Project Company and is delivered to AEDB. Following any extension as aforesaid, the Project Company shall submit monthly reports that set out in adequate detail the additional efforts made by the Project Company to achieve Financial Closing no later than the Extended Required Financial Closing Date and the progress achieved in that regard. In the event the Performance Guarantee is extended in accordance with the terms of this LOS up till three (3) months beyond the Extended Required Financial Closing Date, then, unless the Performance Guarantee (as extended and doubled in amount) is encashed earlier by AEDB in terms provided in this LOS, the Performance Guarantee shall expire and shall be returned to the Project Company on the date on which Financial Closing is achieved by the Project Company on or before the Extended Required Financial Closing Date. For the avoidance of doubt, all references in this LOS and the Project Agreements to the Performance Guarantee and the circumstances in which it may be encashed by AEDB or when it is to be returned by AEDB mean and include the Performance Guarantee as extended and doubled in its amount for the purposes of extension to the Required Financial Closing Date.

For the purposes of this LOS, “Financial Closing” bears the meaning given thereto in the

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draft IA appended with the Request for Proposal dated [●]. The Lenders (or their Agent) will certify the achievement of Financial Closing in writing to AEDB.

In no event shall Financial Closing be deemed to have occurred unless the Project Company has paid all amounts then due and owing to AEDB under this LOS.

3. The Project Company shall pay an amount equivalent to twenty (20) percent of the Project Processing Fee should the Required Financial Closing Date be extended pursuant to paragraph B(2) as additional processing fee.
4. Where land for the Complex is allocated to the Project Company by Provincial Government, the Project Company shall forthwith upon execution of the Site Lease deposit the tenancy and/or other charges therein mentioned and shall take and keep possession of the Site at its own expense and cost. Where the Complex is to be built on land not allocated by Provincial Government, the Project Company shall demonstrate title to the land satisfactory to AEDB for a term not less than the initial term of the EPA.
5. The Project Company shall also be responsible for performing and causing any and all other activities necessary and incidental to its obligations under this LOS.
6. The Project Company will have the option (to be exercised in writing only) to terminate this LOS and all (and only all) of the Project Agreements executed by the counterparties thereto at any time before the Required Financial Closing Date. Such termination option may only be exercised upon payment by the Project Company to AEDB of an amount ("**Termination Amount**") equal to (i) the maximum amount in which the Performance Guarantee can be encashed multiplied by the number of months from the date of issuance of this LOS to the date of receipt by AEDB of the Termination Amount (rounded up to the next whole number) divided by the total number of months from the date of issuance of the LOS to the Required Financial Closing Date, and (ii) any other amount due under this LOS. In the event of termination of this LOS and/or the Project Agreements by the Project Company without payment of the Termination Amount, AEDB shall be entitled to encash the Performance Guarantee. For the avoidance of any doubt, in the event that the Project Company exercises the termination option during the additional period provided for achieving Financial Closing, the entire doubled amount of the Performance Guarantee shall be encashable on call by AEDB and the "Termination Amount" shall be construed accordingly.

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C. PROJECT COMPANY

The rights and obligations of the Project Company hereunder shall be performed by the Project Company, provided always that, the Main Sponsor (*as defined in paragraph D*) shall remain primarily responsible for all acts and omissions of the Project Company.

D. EQUITY CONTRIBUTION

[●] (the “**Main Sponsor**”) will be required to hold at least twenty (20) percent of the equity (being the issued and subscribed share capital from time to time) in the Project Company until the Commercial Operations Date (as defined in the EPA). The Initial Shareholders (as defined in the IA) shall together hold not less than fifty one (51) percent of the equity (being the issued and subscribed share capital from time to time) in the Project Company from the date this LOS becomes effective until, subject to the terms of the IA, the sixth (6th) anniversary of the Commercial Operations Date (as defined in the EPA).

E. TERMINATION OF THE LETTER OF SUPPORT

This LOS will automatically terminate, without notice on the earlier of (i) Financial Closing, and (ii) the *date* which is seven (7) days after the Required Financial Closing Date or the Extended Required Financial Closing Date, unless terminated earlier as provided herein above or unless extended in writing by AEDB in accordance with the terms hereof. Neither of the Main Sponsor, the Initial Shareholders or the Project Company shall have any claim against AEDB, the GOP, the Provincial Government or any of their components, organizations, institutions, agencies or instrumentalities on any ground(s) whatsoever arising from the expiration or termination of this LOS as aforesaid. In the event of termination of this LOS for failure of the Project Company to achieve Financial Closing by the Required Financial Closing Date or Extended Required Financial Closing Date, each of the Project Agreements will automatically terminate. If the land for the Complex is leased by the Provincial Government, the Project Company shall, on termination as aforesaid, vacate the Site and hand over its possession to such Provincial Government free from all encumbrances, liens or claims.

F. GENERAL

1. The Project Company shall be responsible for the performance of its obligations hereunder jointly and severally with the Main Sponsor.
2. The Project Company shall ensure that the specific model of the wind turbine generators for the Project shall be type certified according to the latest IEC standards from an internationally accredited certification body acceptable to AEDB. The Project Company

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shall provide a written commitment from the original equipment manufacturer confirming that the type certificate shall be available before the Financial Closing at the sole risk of the Project Company. AEDB shall be entitled to encash the Performance Guarantee if the said type certificate is not provided by the Project Company before the Financial Closing.

3. Any notice or communication by or to the Project Company under this LOS shall be deemed a notice or communication to or by the Main Sponsor and the Initial Shareholders.
4. The Project Company represents and warrants to AEDB that it is duly authorised to accept, agree, enter into, deliver and perform this LOS in accordance with its terms on behalf of itself, the Main Sponsor and the Initial Shareholders.
5. This LOS shall be governed by and construed in accordance with the laws of Pakistan and the Courts of Pakistan at Islamabad shall have exclusive jurisdiction in relation to any dispute or matter arising out of or in connection herewith.
6. This LOS shall become effective on the date on which a copy of this LOS signed by the Project Company is received by AEDB.
7. This LOS and the rights and obligations hereunder of the Project Company, the Main Sponsor and the Initial Shareholders shall not be assigned, transferred, sold, mortgaged or encumbered without the prior consent in writing of AEDB.
8. Capitalized terms (i) shall bear the meanings ascribed to them in the pertinent paragraphs of this LOS, and (ii) where used but not defined in this LOS, shall bear the meanings ascribed to them in the draft IA and EPA appended with the Request for Proposal dated [●].

Kindly sign the attached copy of this LOS at the place indicated and return the same to us.

With regards,

Yours sincerely,

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Chief Executive officer
Alternative Energy Development Board

Received, Agreed and Accepted by the Project Company

Name _____
Title: _____

On (_____)

Cc:

- a. The Secretary, Ministry of Water & Power, Islamabad
- b. [●], Lahore
- c. CEO, CPPA(G) Limited, Islamabad

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1.5 EXHIBIT 4B: TRIPARTITE LETTER OF SUPPORT

Chief Executive Officer

[•]

Subject: **TRIPARTITE LETTER OF SUPPORT TO THE PROJECT COMPANY FOR THE ESTABLISHMENT OF A [•] GENERATION FACILITY WITH INSTALLED CAPACITY OF [•] MW TO BE LOCATED AT [•], DISTRICT [•], [PROVINCE], PAKISTAN**

Dear Sir,

A. REFERENCE

Whereas, the Government of [•], through the [•], [Energy Department], issued a Letter of Interest (LOI) No. [•] dated [•] to [•], with incorporation number [•] with registered address at [•] (Project Company) and the Project Company:

- (i) having been issued a Letter of Conditional Award dated [•] consequent upon it being declared a Successful Bidder following the round of bidding pursuant to the Request for Proposals dated [•] issued by AEDB;
- (ii) having applied to and received from the National Electric Power Regulatory Authority (“NEPRA”) a tariff determination [•] dated [•] on the terms and conditions set out therein (as amended from time to time, the “Tariff Determination”);
- (iii) having received from NEPRA a electricity generation licence no. [•] dated [•] (the “Generation Licence”) for the generation of electric power on the terms and conditions set out therein;
- (iv) having procured the approval of interconnection study of the Project from National Transmission and Despatch Company / [relevant Distribution Company]; and
- (iv) having paid a non-refundable Project Processing Fee of [•] US Dollars;

is now issued this Letter of Support (the “LOS”), on the terms and conditions set out herein, by AEDB for the development, design, engineering, manufacture, procurement, financing, construction, completion, testing and commissioning, insurance, ownership, operation and maintenance of an approximately [•] MW (ISO gross installed capacity) power generation facility (the “Complex”) to be located near [•] and all activities incidental thereto (the “Project”).

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The Complex shall be a renewable electricity generation facility utilising wind as the renewable energy resource for generation of electricity.

The Project Company has posted in favour of AEDB an irrevocable, unconditional, on demand, without recourse bank guarantee on terms acceptable to AEDB dated ● issued by ● (the “**Performance Guarantee**”) in the amount of US Dollars ●. The Performance Guarantee secures the Project Company's obligations to execute the Project Agreements (*reference paragraph B(1)*), to achieve Financial Closing (*reference paragraph B(2)*), to pay the Termination Amount (*reference paragraph B(6)*) and to fulfill all obligations under and in accordance with the terms of this LOS. The Performance Guarantee shall remain valid and in full force till the expiry of three (3) months beyond the Required Financial Closing Date (*as specified in paragraph B(2)*); provided however, in the event the Financial Closing is achieved on or prior to the Required Financial Closing Date, the Performance Guarantee shall be returned to the Project Company on the date of its achievement of Financial Closing. The Performance Guarantee shall be encashable in accordance with the terms of this LOS at any time prior to Financial Closing, on call at any time during the period of its validity by AEDB. The Project Company hereby agrees that it shall have no claim against AEDB, the Government of Pakistan (the “**GOP**”), the Government of [●] (the “**Provincial Government**”) or any agency or instrumentality thereof on any grounds whatsoever if AEDB acting in its sole discretion shall make any call upon or encash the Performance Guarantee provided that such call or encashment is made in accordance with the terms of this LOS, and the Project Company hereby waives, to the fullest extent permissible by law, any such claim. It is agreed that the amounts encashed under the Performance Guarantee in accordance with the terms of this LOS are reasonable and constitute liquidated damages to the GOP and AEDB for the Project Company's failure to (as applicable) (a) execute the Project Agreements (*reference paragraph B(1)*), (b) timely achieve Financial Closing (*reference paragraph B(2)*), (c) pay the Termination Amount (*reference paragraph B(6)*), and (d) failure to fulfil any obligation under this LOS, in each case, in accordance with the terms of this LOS, and it is understood and agreed that the encashment in full of the Performance Guarantee by AEDB is in lieu of actual damages for such occurrence and the collection of such sums pursuant to such Performance Guarantee pursuant to this LOS is the sole remedy of the GOP and AEDB for such events.

Until Financial Closing (as defined hereinafter), this LOS and the provisions of the Project Agreements (as defined hereunder) that become effective immediately upon signing of the Project Agreements shall govern the implementation of the Project and shall supersede all other documents and agreements. In the event of any conflict between this LOS and the provisions of the Project Agreements that become effective upon signing, this LOS shall govern and prevail. Effective on the date Financial Closing is achieved by the Project Company, the Project Agreements shall supersede the LOS. AEDB shall cancel and return the Performance Guarantee to the Project Company on the date Financial Closing is achieved.

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B. AUTHORIZATION

AEDB hereby conveys its permission to the Project Company to implement the Project in accordance with the terms of this LOS and, when the Project Agreements become effective, in accordance with the Project Agreements. Electricity produced by the Complex shall be sold to the Central Power Purchasing Agency (Guarantee) Limited (the "**Purchaser**") in accordance with the Generation Licence, the Tariff Determination and the provisions of the Energy Purchase Agreement ("**EPA**") to be entered into between the Project Company, National Transmission and Dispatch Company Limited (**NTDC**) and the Purchaser. The Project Company shall be responsible for performing and causing the performance of all activities necessary and incidental to its obligations under this LOS, including the following:

1. The Project Company shall, on or prior to the Required Financial Closing Date or (if applicable in terms of this LOS) the Extended Required Financial Closing Date, negotiate and sign an Implementation Agreement ("**IA**") with the President of the Islamic Republic of Pakistan, a EPA with NTDC and the Purchaser, and, if the land for the Complex is allocated by the Provincial Government to the Project Company, a deed of lease with the Provincial Government ("**Site Lease**"), failing which the Performance Guarantee shall be encashed for the full amount thereof by AEDB provided that if the delay is caused by the actions of the GOP, AEDB or the Purchaser, then the Project Company shall not be penalized.

The IA, EPA and, if applicable, the Site Lease are collectively referred to in this LOS as the "**Project Agreements**".

2. Unless Financial Closing is delayed or not achieved on account of any Consents (as defined in the IA) not being issued to the Project Company despite its compliance with its obligations under the IA relating thereto by the Required Financial Closing Date or the Extended Financial Closing Date, the Project Company shall achieve Financial Closing no later than [●] (the "**Required Financial Closing Date**"), failing which the Performance Guarantee shall be encashed in the full amount thereof by AEDB, provided that if the delay is caused by actions of the GOP, AEDB or the Purchaser, then the Project Company shall not be penalized. In addition to any other consequences set out in the Project Agreements, if AEDB determines that any delay by the Project Company in achieving Financial Closing by the Required Financial Closing Date is due to events beyond the reasonable control of the Project Company or that Financial Closing can be achieved shortly, AEDB shall be entitled (acting on an application in writing made to it by the Project Company at least thirty (30) days before the Required Financial Closing

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Date) to grant in writing to the Project Company a one-time extension of up to a maximum period of six (6) months beyond the Required Financial Closing Date (such extended date being hereinafter referred to as the “**Extended Required Financial Closing Date**”) and this LOS shall stand correspondingly extended on the same terms and conditions for such additional period. No claim for an extension to the Required Financial Closing Date and the period of validity of this LOS shall be accommodated or considered by AEDB unless the following actions are taken by the Project Company to the satisfaction of AEDB (i) the Project Company extends the period of validity of the Performance Guarantee so that the Performance Guarantee is valid on the same terms and conditions up till three (3) months beyond the Extended Required Financial Closing Date; (ii) the maximum amount in which the Performance Guarantee can be called is doubled; and (iii) if the Tariff Determination stipulates the Financial Closing to be achieved by the Required Financial Closing Date, the consent in writing of NEPRA to extension in the Required Financial Closing Date is obtained by the Project Company and is delivered to AEDB. Following any extension as aforesaid, the Project Company shall submit monthly reports that set out in adequate detail the additional efforts made by the Project Company to achieve Financial Closing no later than the Extended Required Financial Closing Date and the progress achieved in that regard. In the event the Performance Guarantee is extended in accordance with the terms of this LOS up till three (3) months beyond the Extended Required Financial Closing Date, then, unless the Performance Guarantee (as extended and doubled in amount) is encashed earlier by AEDB in terms provided in this LOS, the Performance Guarantee shall expire and shall be returned to the Project Company on the date on which Financial Closing is achieved by the Project Company on or before the Extended Required Financial Closing Date. For the avoidance of doubt, all references in this LOS and the Project Agreements to the Performance Guarantee and the circumstances in which it may be encashed by AEDB or when it is to be returned by AEDB mean and include the Performance Guarantee as extended and doubled in its amount for the purposes of extension to the Required Financial Closing Date.

For the purposes of this LOS, “Financial Closing” bears the meaning given thereto in the draft IA appended with the Request for Proposal dated [●]. The Lenders (or their Agent) will certify the achievement of Financial Closing in writing to AEDB.

In no event shall Financial Closing be deemed to have occurred unless the Project Company has paid all amounts then due and owing to AEDB under this LOS.

3. The Project Company shall pay an amount equivalent to twenty (20) percent of the

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Project Processing Fee should the Required Financial Closing Date be extended pursuant to paragraph B(2) as additional processing fee.

4. Where land for the Complex is allocated to the Project Company by Provincial Government, the Project Company shall forthwith upon execution of the Site Lease deposit the tenancy and/or other charges therein mentioned and shall take and keep possession of the Site at its own expense and cost. Where the Complex is to be built on land not allocated by Provincial Government, the Project Company shall demonstrate title to the land satisfactory to AEDB for a term not less than the initial term of the EPA.
5. The Project Company shall also be responsible for performing and causing any and all other activities necessary and incidental to its obligations under this LOS.
6. The Project Company will have the option (to be exercised in writing only) to terminate this LOS and all (and only all) of the Project Agreements executed by the counterparties thereto at any time before the Required Financial Closing Date. Such termination option may only be exercised upon payment by the Project Company to AEDB of an amount (“**Termination Amount**”) equal to (i) the maximum amount in which the Performance Guarantee can be encashed multiplied by the number of months from the date of issuance of this LOS to the date of receipt by AEDB of the Termination Amount (rounded up to the next whole number) divided by the total number of months from the date of issuance of the LOS to the Required Financial Closing Date, and (ii) any other amount due under this LOS. In the event of termination of this LOS and/or the Project Agreements by the Project Company without payment of the Termination Amount, AEDB shall be entitled to encash the Performance Guarantee. For the avoidance of any doubt, in the event that the Project Company exercises the termination option during the additional period provided for achieving Financial Closing, the entire doubled amount of the Performance Guarantee shall be encashable on call by AEDB and the “Termination Amount” shall be construed accordingly.

C. PROJECT COMPANY

The rights and obligations of the Project Company hereunder shall be performed by the Project Company, provided always that, the Main Sponsor (*as defined in paragraph D*) shall remain primarily responsible for all acts and omissions of the Project Company.

D. EQUITY CONTRIBUTION

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[●] (the “**Main Sponsor**”) will be required to hold at least twenty (20) percent of the equity (being the issued and subscribed share capital from time to time) in the Project Company until the Commercial Operations Date (as defined in the EPA). The Initial Shareholders (as defined in the IA) shall together hold not less than fifty one (51) percent of the equity (being the issued and subscribed share capital from time to time) in the Project Company from the date this LOS becomes effective until, subject to the terms of the IA, the sixth (6th) anniversary of the Commercial Operations Date (as defined in the EPA).

E. TERMINATION OF THE LETTER OF SUPPORT

This LOS will automatically terminate, without notice on the earlier of (i) Financial Closing, and (ii) the *date* which is seven (7) days after the Required Financial Closing Date or the Extended Required Financial Closing Date, unless terminated earlier as provided herein above or unless extended in writing by AEDB in accordance with the terms hereof. Neither of the Main Sponsor, the Initial Shareholders or the Project Company shall have any claim against AEDB, the GOP, the Provincial Government or any of their components, organizations, institutions, agencies or instrumentalities on any ground(s) whatsoever arising from the expiration or termination of this LOS as aforesaid. In the event of termination of this LOS for failure of the Project Company to achieve Financial Closing by the Required Financial Closing Date or Extended Required Financial Closing Date, each of the Project Agreements will automatically terminate. If the land for the Complex is leased by the Provincial Government, the Project Company shall, on termination as aforesaid, vacate the Site and hand over its possession to such Provincial Government free from all encumbrances, liens or claims.

F. GENERAL

1. The Project Company shall be responsible for the performance of its obligations hereunder jointly and severally with the Main Sponsor.
2. The Project Company shall ensure that the specific model of the wind turbine generators for the Project shall be type certified according to the latest IEC standards from an internationally accredited certification body acceptable to AEDB. The Project Company shall provide a written commitment from the original equipment manufacturer confirming that the type certificate shall be available before the Financial Closing at the sole risk of the Project Company. AEDB shall be entitled to encash the Performance Guarantee if the said type certificate is not provided by the Project Company before the Financial Closing.
3. Any notice or communication by or to the Project Company under this LOS shall be deemed a notice or communication to or by the Main Sponsor and the Initial

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Shareholders.

4. The Project Company represents and warrants to AEDB that it is duly authorised to accept, agree, enter into, deliver and perform this LOS in accordance with its terms on behalf of itself, the Main Sponsor and the Initial Shareholders.
5. This LOS shall be governed by and construed in accordance with the laws of Pakistan and the Courts of Pakistan at Islamabad shall have exclusive jurisdiction in relation to any dispute or matter arising out of or in connection herewith.
6. This LOS shall become effective on the date on which a copy of this LOS signed by the Project Company is received by AEDB.
7. This LOS and the rights and obligations hereunder of the Project Company, the Main Sponsor and the Initial Shareholders shall not be assigned, transferred, sold, mortgaged or encumbered without the prior consent in writing of AEDB.
8. Capitalized terms (i) shall bear the meanings ascribed to them in the pertinent paragraphs of this LOS, and (ii) where used but not defined in this LOS, shall bear the meanings ascribed to them in the draft IA and EPA appended with the Request for Proposal dated [●].

Kindly sign the attached copy of this LOS at the place indicated and return the same to us.

<div>Chief Executive Officer Alternative Energy Development Board Government of Pakistan For and on behalf of the President of the Islamic Republic of Pakistan</div>	<div>[Managing Director] [●] For and on behalf of Government of the [●]</div>
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<hr/> <p>Chief Executive Officer For and on Behalf of the Project Company</p>	
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Witnessed:

1. _____	2. _____
Name:	Name:
Address:	Address:
CNIC:	CNIC:

- Cc:
1. Secretary Water and Power, Islamabad
 2. Registrar, NEPRA, Islamabad
 3. Chief Secretary, [Punjab]
 4. [Secretary, Energy, Provincial Government of [●] / Azad Jammu and Kashmir]
 5. Managing Director, NTDC, Lahore
 6. Chief Executive Officer, CPPA-G, Islamabad
 7. [Chief Executive Officer, relevant DISCO]