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Reference No. BD/MZ/NEPRA-0119/2023-1610

October 16th, 2023

Registrar,  
National Electric Power Regulatory Authority ("Authority")  
NERPA Tower  
Attaturk Avenue (East)  
G-5/1  
Islamabad

**Subject: FURTHER SUBMISSION TO THE MOTION FOR LEAVE FOR REVIEW AGAINST THE DECISION OF NEPRA IN THE MATTER OF APPROVAL OF RFP SUBMITTED BY KE FOR SOLAR PROJECTS IN WINDER AND BELA DISTRICTS OF BALOCHISTAN (THE "PROJECT") DATED 14 OCTOBER 2022 AND AMENDMENT OF REQUEST FOR PROPOSAL (RFP) FOR THE PROJECT UNDER REGULATION 14(2) OF NEPRA COMPETITIVE BIDDING TARIFF (APPROVAL PROCEDURE) REGULATION, 2017**

REGISTRAR OFFICE  
Diary No. 14580  
Date: 17.10.23

Dear Sir,

We write in relation to the Request for Proposal ("RFP") submitted by K-Electric Limited ("KE") for the Project via letter no. BD/MZ/NEPRA-0786/2021-0423 dated 23 April 2021, submitted under NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2017 ("NCBTR"), the review petition subsequently filed on 14 November 2022 ("Review Petition") against the decision of the Authority in the matter of approval of RFP of the Project dated 14 October 2022 and KE's latter request to NEPRA for approval of Benchmark Tariff with 100% USD indexation for the Project via letter no. BD/MZ/NEPRA-0115/2023-1407 which was submitted on 14<sup>th</sup> July 2023.

Through this letter, we request NEPRA to consider open competitive bidding instead of "reverse auction with benchmark tariff" for the Project, to let the market determine the price of electricity as any benchmark set by the Authority would not be able to account for the rapidly changing market dynamics and may result in negligible participation in the bidding process. It is worth noting that the first few years of the 2020s have seen a number of acute economic, financial, geopolitical and covid related disruptions on a global scale. The Russia-Ukraine war has further exacerbated the economic fall outs from the pandemic leading to broader implications globally, resulting in unprecedented increase in commodity prices, increasing volatility and unpredictability in the global markets.

The economy at present is in a period of massive fiscal and monetary policy interventions that are difficult to capture. The unprecedented change can be seen from the local currency devaluation at a CAGR of 20% since 2020 with current USD/PKR exchange rate at 278, while the inflation rate has grown at 48% CAGR, with more than 100% increase in 2022 alone and 58% in 2023.

Therefore, in a period of unusually heightened volatility, open competitive bidding would be a more prudent approach as this would allow investors to factor in the uncertainty of future market conditions and have the opportunity to make a better representation of the market developments, expected returns, financing mix and its applicable rates, potentially leading to

**K-Electric Limited**

39-B KE House Sunset Boulevard, DHA- Phase 2, Karachi, Pakistan

greater participation. In current times of diminishing investor interest in Pakistan, the open bidding mechanism would incentivize the investors and ensure fast track implementation of the Project.

Please also note in the recent decision of the Authority dated 6<sup>th</sup> September 2023 in the matter of review motion filed by PPIB in the matter of RFP submitted by AEDB for competitive bidding of 600 MW solar PV projects at Muzaffargarh, the Authority has permitted open competitive bidding under NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2017 ("NCBTR"). Moreover, the Authority has also approved an indexation formula in its said decision which allows indexation of awarded tariff for variations in USD to PKR exchange rate and in KIBOR / SOFR.

We understand that the above decision has been made by the Authority considering that no bids were received by AEDB during the reverse competitive bidding process for the said project and that the revised decision on open competitive bidding and indexation formula approved by the Authority is to capture the uncertainties in the current macro-economic environment of Pakistan, as elaborated above.

It is also pertinent to mention here that KE in its above-mentioned Review Petition had also requested the Authority that the concessions and incentives being offered by the Federal Government to new upcoming solar projects shall also be allowed for the Project (once approved by the Authority), considering that this will provide parity and a level-playing field to the IPPs providing electricity to KE.

In view of the above, we would like to humbly request the Authority for approval of the same bidding and tariff indexation mechanism as approved for AEDB in its decision dated 6 September 2023 consisting of 80% USD based indexation and linkage of Awarded Tariff with SOFR and KIBOR variations with one-time exchange rate adjustment at COD of the 20% component of the tariff as provided in Section 14.1 of the amended RFP (enclosed as Annexure A), and provide a relaxation under Regulation 14(2) of NCBTR from determination of a Benchmark Tariff under Regulation 4(4) of the amended NCBTR for the Project, for the purpose of open competitive bidding as the same is in line with the requests made by KE in the Review Petition and considering that the decision on KE's Review Petition is still under deliberation by the Authority. Regulation 14(2) of the NCBTR confers powers upon the Authority to allow flexibility on the applicability of requirements for competitive bidding which are laid down in NCBTR. Regulation 14(2) is an exception to the general rule and the Authority has the complete discretion to exercise such exceptions on case-to-case basis for the interest of the sector. The Authority while exercising these powers gave relaxation from the requirement of Benchmark Tariff in the AEDB RFP Decision.

We further request the Authority that Land Cost, as it is to be approved by the GOB Cabinet, be treated as a separate line item and not be included in the bid evaluation of the bidders by the Relevant Agent.

We would like to emphasize that the modification of RFP is not a new submission altogether to NEPRA but a modification to specific sections of the already submitted RFP, aiming to opt an open bidding mechanism instead of a reverse bidding with benchmark tariff. By the time National Electric Power Regulatory Authority (Electric Power Procurement) Regulations, 2022

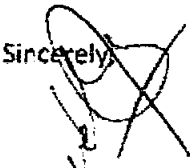
(“NEPPR”) came into effect, KE had already completed the prequalification process, announced the prequalification results to the applicants, submitted the RFP to NEPRA, and the hearings for the original RFP and the Review Petition were also held prior to the NEPPR taking effect.

It is essential to note that section 37 of the NEPPR explicitly states that any competitive process initiated or submitted to the Authority prior to the notification of NEPPR, i.e., 6 December 2022, shall be regulated under the framework of NCBTR. Since it is evident that the RFP was submitted to the Authority on 23 April 2021 prior to the notification of NEPPR, the exemption under Regulation 37 (2) of NEPPR is applicable to the submitted RFP.

We believe that open competitive bidding will not only guarantee a successful competitive bidding process but will also establish fairness, transparency and consistency in the sector as investors participating in the competitive bidding process for KE Renewable projects will be provided parity by way of similar tariff mechanism as other renewables across Pakistan. ***The selection of the successful bidder in any case will be based on the least cost principle, that is, the bidder offering the lowest tariff will be selected for project development subject to approval of the Authority.***

In view of the above, we have proposed amendments to the RFP, enclosed as Annexure-A, and request the Authority to grant its approval of the amended RFP, consistent with the principles and methodologies of open competitive bidding, and the revised indexations mentioned above.

We look forward to favorable consideration by the Authority.

Sincerely,  
  
\_\_\_\_\_  
Mudassir Zuberi  
Head of Business Development

# **K- ELECTRIC LTD REQUEST FOR PROPOSAL**

## **Winder and Bela Solar Projects**

This Request for Proposal (RFP) has been developed in line with  
NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2017

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## **Volume-I : Instruction to Bidders**



## **Abbreviations**

BOO	Build-Own-Operate
COD	Commercial Operations Date
CPI	Consumer Price Index (General) of Pakistan
EIA	Environmental Impact Assessment
EPC	Engineering, Procurement and Construction
EPA	Energy Purchase Agreement
IEC	International Engineering Council
IPPs	Independent Power Producers
KE	K-Electric
kW	Kilo Watt
kWh	Kilo Watt Hour
LOI	Letter of Intent
MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
PKR/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

## 1. Definitions

Capitalized Term	Meaning
Awarded Tariff	The Bid Tariff of the Successful Bidder as per the Tariff Approval.
Bid	A bid received in response to this RFP to implement a Project in accordance with this RFP which shall comprise of the Technical Proposal and Tariff Proposal.
Bidder	An individual company incorporated under the Companies Act, 2017 (or any predecessor or successor legislation), or foreign companies registered according to the laws of the country of origin, a consortium/joint venture or a natural person that is prequalified by the Relevant Agent and submits the Bid for the development, financing, construction, operation and maintenance of the Project
Bid Bond	An unconditional, irrevocable, on demand bank guarantee issued in favor of K-Electric Limited pursuant to Section 8.6 of this RFP, by at least an "AA" rated scheduled bank operating in Pakistan which is acceptable to K-Electric, valid for a period of at least thirteen (13) months from the bid submission deadline in the format and language as provided in Exhibit 8.
Bid Evaluation Report	The report to be prepared by K-Electric as the Relevant Agent and submitted to NEPRA pursuant to the NCBTR.
Bid Evaluation Committee	The committee formed by the Relevant Agent for bid evaluation.
Bid Processing Fee	A non-refundable processing fee of PKR 1,500,000/-
Bid Tariff	Non-indexed single tariff submitted for the life of the Project in Rs./kWh at the Reference Exchange Rate.
Business Day	Any Day on which banks are legally permitted to be open for business in Karachi, Pakistan.
Capacity	The nominal rated capacity of the Complex of 50 MWp at Winder and 100 MWp at Bela.
Capacity Factor	The ratio of annual plant net electrical output recorded by metering system at the 132 kV side of the step-up trafo and the maximum annual generation capacity in DC that will be approved by NEPRA for each Project.

<b>Capitalized Term</b>	<b>Meaning</b>
Commercial Operation Date (COD)	The meaning ascribed thereto in EPA.
Complex	The meaning ascribed thereto in EPA.
Consumer End Tariff	The meaning ascribed thereto in EPA.
Distribution Code	The distribution code 2005 approved by NEPRA which defines the technical and operational aspects of the relationship between Distribution Company and all those entities connected to the Distribution System, as maybe amended from time to time and as applicable to KE
Environment Impact Assessment (EIA)	The environmental study carried out by the consultant to assess the environmental impact during the construction and operations of the power plant.
Energy Purchase Agreement (EPA)	The Energy Purchase Agreement in the form provided in Exhibit 11 to be executed by the KE and the Seller and approved by NEPRA.
Feasibility Study Report (FSR)	The report attached as Exhibit 12 to this RFP.
Financial Close	The meaning ascribed thereto in the EPA.
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.
Grid Code	The Grid Code 2023 approved by NEPRA, which sets out the technical requirements, guidelines, rules and procedures to be adopted by the System Operator and all Code Participants for effective planning, seeking new connections or modification in the existing ones, reliable and coordinated protection of the National Grid, precise Metering at the Connection points and economic System Operation purposes for normal and abnormal Transmission System conditions, as it may be revised from time to time with any necessary approval by NEPRA and notified to the Bidder and as applicable, to KE

<b>Capitalized Term</b>	<b>Meaning</b>
Grievance Redressal Committee	The committee formed by the Relevant Agent for redressal of grievances.
Interconnection Point	The meaning ascribed thereto in the EPA.
K-Electric Limited	An integrated power utility company operating in Karachi and adjoining areas in Sindh and Baluchistan provinces, duly incorporated as a public limited company and existing under the Company Act 2017, having SECP registration number 0000002, with its principal office at KE House, 39-B, Sunset Boulevard, Phase-II, D.H.A, Karachi, Pakistan.
Land Cost	Balochistan Energy Company Limited (BECL) has proposed upfront land price of [Rs. 1,065.61 million] for each Project with 50 MWp capacity at Winder and 100 MWp at Bela however, this land price is subject to approval of the GOB Cabinet.
Letter of Intent (LOI)	The letter to be issued by K-Electric to the Successful Bidder pursuant to this RFP in the form attached as Exhibit 13.
Locations	The Site for each Project near the towns of (1) Winder; and (2) Bela, of the Lasbela district in Balochistan province with each such location fully described in Section 5.7.
NCBTR	National Electric Power Regulatory Authority Competitive Bidding Tariff (Approval Procedure) Regulations, 2017, as amended from time to time.
Open Competitive Bidding	The process of competitive bidding without the determination of a benchmark tariff.
Performance Guarantee (PG)	An unconditional, irrevocable, on demand bank guarantee issued in favor of K-Electric Limited pursuant to Section 8.7 of this RFP, by at least an "AA" rated scheduled bank operating in Pakistan which is acceptable to K-Electric, with a validity of 13 months, in the format and language as provided in Exhibit 9, as a pre-condition for the issuance of LOI.
Project(s)	The development, design, financing, insurance, construction, completion, commissioning, ownership, operation and maintenance of the Complex, and all activities incidental or ancillary thereto.
Reference Exchange Rate	USD to PKR rate of 300.5 or as determined by NEPRA for the purpose of Open Competitive Bidding.

<b>Capitalized Term</b>	<b>Meaning</b>
Relevant Agent	K-Electric Limited in its role as bidding agent for carrying out competitive bidding of tariff in accordance with NEPRA Competitive Tariff Bidding (Approval Procedure) Regulations, 2017.
Seller	The SPV that will sign EPA with KE subject to fulfillment of conditions in LOI.
Shareholders' Agreement	The meaning ascribed thereto in Section 6.1 of this document.
Site	The parcel of land with coordinates as mentioned in Section 5.7, identified by the Relevant Agent and allocated by GoB for the development of a Project(s) as envisaged under this RFP.
Special Purpose Vehicle (SPV)	A company to be formed by the Successful Bidder, KE and GoB in accordance with Section 6 with the specific purpose of undertaking a Project(s) awarded to it at the allocated Site.
Successful Bidder	The Bidder selected by the Relevant Agent in the bid evaluation process which will be issued the LOI by the Relevant Agent and which is subsequently approved by NEPRA.
Tariff Approval	NEPRA's approval of the tariff of the Successful Bidder in accordance with Section 12 of NCBTR 2017.
Tariff Proposal	The proposal submitted by the Bidder in accordance with the requirements outlined in Volume-III of this RFP and corresponding Exhibits mentioned in Section 8.1.
Technical Proposal	The proposal submitted by the Bidder in accordance with the requirements stipulated in Volume-II of this RFP and corresponding Exhibits mentioned in Section 8.1.
Term	A period of twenty-five (25) years or any other period as approved by NEPRA starting from Commercial Operations Date during which the Energy Purchase Agreement shall remain valid.

## **2. Rules of Interpretation**

In this RFP:

- 2.1 Headings are only for convenience and shall be ignored in construing this RFP.
- 2.2 The singular includes the plural and vice versa.
- 2.3 Other capitalized terms have the meaning given to them in the text of Instruction to bidders, attachments or exhibits in this RFP, if undefined, the terms will be clarified in the EPA.
- 2.4 Unless the context requires otherwise, references to times and dates are, and shall be construed to be, references to Pakistan Standard Time.
- 2.5 References to clauses and Exhibits are, unless the context otherwise requires, references to clauses and Exhibits to this RFP.
- 2.6 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
- 2.7 The term "K-Electric Limited" and "Relevant Agent" shall be synonymous with "KE" and vice versa.

### 3. Exhibits

Exhibits	Title
Exhibit 1	Form of Acknowledgement
Exhibit 2	Confidentiality Agreement
Exhibit 3	Form of Covenant of Integrity
Exhibit 4	Power of Attorney
Exhibit 5	Affidavit
Exhibit 6	Letter of Acceptance by the Bidder
Exhibit 7	Bid Evaluation Criteria
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Exhibit 15	Form of Clarifications to RFP document
Exhibit 16	Hard Barricading and Signage at Site
Exhibit 17	Hazard Substance Management Procedure
Exhibit 18	Waste Management Procedure

#### **4. Invitation to Bid**

- 4.1 This RFP is being floated in accordance with the NCBTR via Open Competitive Bidding.
- 4.2 Acting as Relevant Agent as stipulated in the NCBTR, KE hereby invites the prequalified applicants to submit technical and tariff proposals in accordance with the stipulated terms of this document.
- 4.3 The Bid shall be a single stage, two-envelope bidding process. The contents required for evaluation of the Bids are detailed in the ensuing clauses of this RFP.
- 4.4 This RFP document is divided as such that all three volumes are applicable for all three Projects. Whereas the Bid submission comprising of the Technical Proposal and the Tariff Proposal shall be separately provided by the Bidder for the number of Projects the Bidder has been considered qualified.
- 4.5 The Bidder not qualified for all three Projects shall have the option to Bid for any of the three Projects limited to the number of Projects it has been considered qualified.
- 4.6 The Bid should be separate for Winder and Bela since each of these Projects are planned to be developed under a separate and independent SPV structure. Each of these Projects will be carried out on BOO basis.
- 4.7 The Bid must comply with the RFP requirements at all times.
- 4.8 The Bids along with the Bid Bond must be delivered no later than the deadline specified in Section 7.1
- 4.9 The Bidder shall obtain relevant board approvals for participation in the Project(s) including but not limited to the board approval required for Exhibit 4 and Exhibit 14.
- 4.10 Relevant Agent will select Bidder based on evaluation criteria stipulated in Exhibit 7 of RFP. Tariff Proposal for each Project shall remain unopened until the evaluation/scoring of Technical Proposal for the Project is completed. Once completed, K-Electric will then open the Tariff Proposal of technically qualified Bidders. The Bidder offering the lowest Bid Tariff will be selected as the Successful Bidder. In the event that the lowest Bid Tariff of two or more Bidders are equal, the Bidder offering the maximum discount to the Bid Tariff will be selected as the Successful Bidder. In case of default or disqualification of a Successful Bidder, the next in line Bidder with the lowest Bid Tariff will be selected.
- 4.11 The Successful Bidder will be awarded the LOI for formation of SPV.
- 4.12 Subsequent to the formation of SPV, the SPV will be required to (i) obtain Generation License and Tariff Approval from NEPRA (ii) enter into EPC contract for the design, construction and commissioning of the Complex (iii) enter into EPA with KE, and other necessary Project agreements (iv) arrange the necessary financing for the Project(s) and achieve financial close (v) construct and implement the Project to achieve COD within the time period allowed by NEPRA in the Tariff Approval, and (vi) upon commissioning, operate and maintain the Complex for the Term to provide the generated electricity to KE as per the terms and conditions of the EPA and Tariff Approval.



**4.13 The Successful Bidder will implement the Project consistent with this RFP, the LOI, NEPRA's requirements stated in Generation License and Tariff Approval, and the EPA, and shall undertake all activities incidental or ancillary to implementation of the awarded Project in accordance with the aforementioned documents.**

## 5. Background for Development of Projects

- 5.1. K-Electric Limited ("KE") is a publicly listed utility company and the only vertically integrated power utility, engaged in the Generation, Transmission, and Distribution of electricity in Pakistan. K-Electric has exclusive distribution rights for Karachi and its adjoining areas including Dhabeji and Gharo in Sindh and Hub, Uthal, Winder and Bela in Balochistan. The Company has around 2.9 million industrial, commercial, agriculture and residential consumer base and is supplying electricity to over 20 million people.
- 5.2. KE not only produces electricity from its own generation units but has arrangements with external power producers as well. KE's licensed installed capacity including 900 MW of BQPS III is 2,817 MW. Further, KE has arrangements with external power producers for over 1,600 MW which includes supply from various IPPs covering gas, coal and solar technologies, and the National Grid without the backing of a sovereign guarantee or government's implementation agreement. Besides this, KE's transmission system comprises of 1,354 km of transmission lines, 71 grid stations and 179 power transformers. KE operates under the regulatory regime of NEPRA.
- 5.3. The Winder, and Bela towns are located in the Lasbela district of Balochistan which falls under KE distribution franchise. The existing transmission network from Winder to Bela is 66 kV which is planned to be replaced with a new transmission lines and grids of 132 kV. The program of this upgradation is currently under review of NEPRA for approval. The 132 kV transmission system is planned to be available before each Project's COD.
- 5.4. With the transmission system being upgraded to 132 kV in the Lasbela district, KE is planning to install under IPP mode, solar projects of 50 MWp Capacity at Winder and 100MWp at Bela through Open Competitive Bidding pursuant to NCBTR. This RFP is a step towards implementation of this plan.
- 5.5. Given the low power generation tariffs for solar power generation projects, these projects are expected to lower the overall generation cost for KE consumers.
- 5.6. The Projects will be installed at the Sites allocated by GoB situated at Winder and Bela in Balochistan. The details of interconnection of each of the Project along with the KE's transmission network is provided in the FSR attached as Exhibit 12. Brief details of the grid stations and their GPS Coordinates are provided in the table below. Please refer to the Volume II of this RFP for Project's technical requirements.

Grid	Project Capacity DC (MW)	Voltage Level (kV)	Capacity of Transformers (MVA)	Grid Coordinates
Winder	50	132	60 +20	25.382131°, 66.663569°
Bela	100	132	23	26.200398°, 66.316544°

### 5.7. Land Coordinates for the Projects

### 5.7.1. Winder

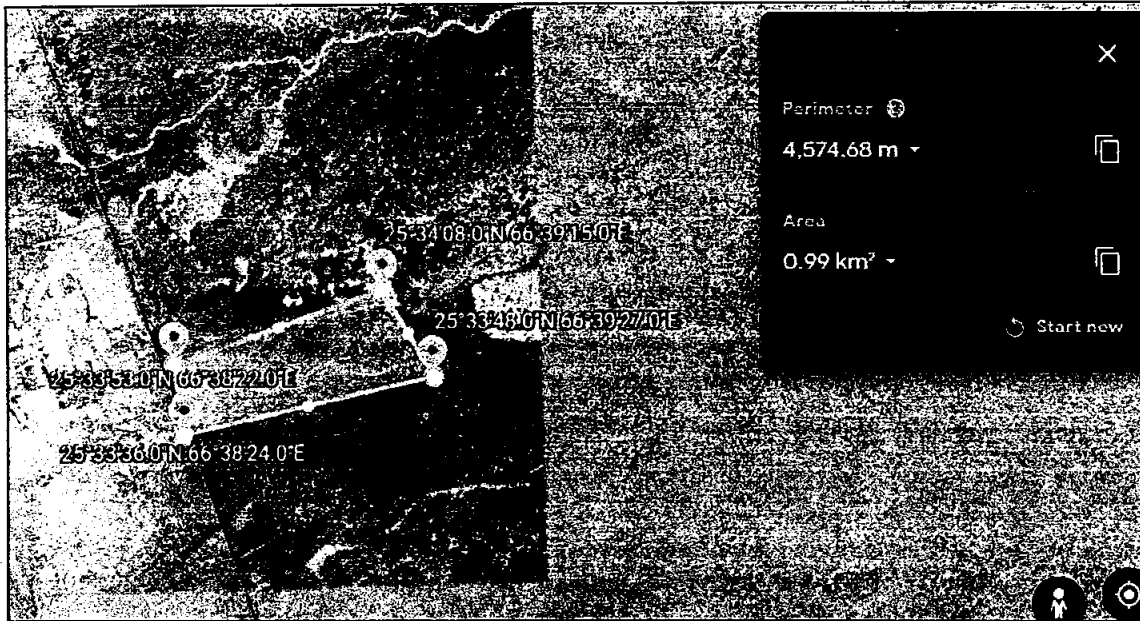
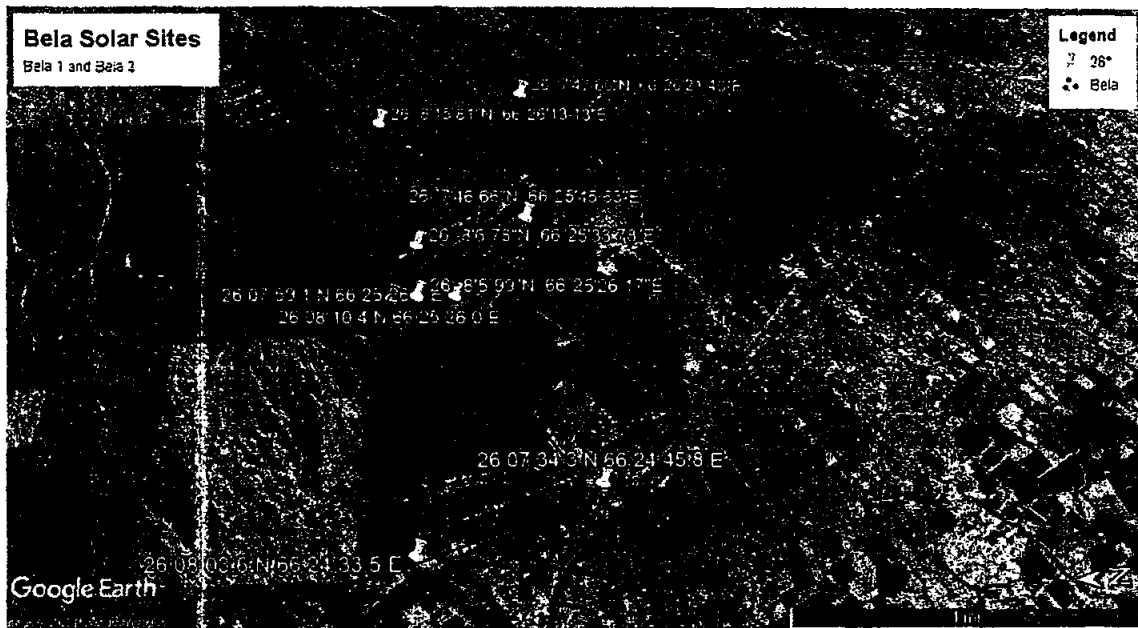


Figure 1 Land Demarcation with coordinates – Winder

### 5.7.2. Bela



**Figure 2** Land Demarcation with Coordinates - Bela

Site in Bela is over two adjacent parcels, Bela 1 and Bela 2, each measuring 250 acres.

## **6. Equity Shareholding in Each Project**

- 6.1. Upon issuance of the LOI the Successful Bidder shall form the SPV.
- 6.2. KE at its sole discretion will participate as a shareholder in the SPV either through its affiliate or its subsidiary, that may hold up to 25% shareholding in the SPV.
- 6.3. Government of Balochistan (GOB) has proposed to provide land through BECL against lease rentals.
- 6.4. The Successful Bidder shall have management control in the SPV.
- 6.5. The terms and conditions of equity injection will be part of the Shareholders' Agreement which will be shared with the Successful Bidder.
- 6.6. BECL will be responsible for land allocation for each Project.
- 6.7. Land will be transferred to SPV at or prior to the Financial Close in accordance with the Land Purchase Agreement to be entered between the SPV and BECL.
- 6.8. The Authority is requested to determine the Land Cost component. The land will be returned to BECL after completion of the lease period i.e., 30 years. Payments for the land Cost component will be made in addition to the Bid Tariff and will not be subject to any indexation.

## **7. RFP Process**

The purpose of this RFP is to hold Open Competitive Bidding under NCBTR. This RFP is being circulated to pre-qualified Bidders and NEPRA in parallel to give additional time to the Bidders for Bid preparation and submission. In case of change in any of the terms of this RFP after NEPRA approval, the changes will be communicated to Bidders. Bidders will be required to incorporate all such changes in the final Bid submission.

A pre-qualified Bidder interested in submitting its Bid for a Project pursuant to this RFP will be required to submit separate envelopes one each for Technical Proposal and Tariff Proposal for the number of Projects the Bidder has been considered qualified. In the event a Bidder is qualified to Bid for more than one Project, then the Bidder shall submit its Bid separately for each Project as above. Bids received against each Project shall be evaluated separately in accordance with the specific requirements of each Project. Based on the results of the bidding process and subject to the compliance with the RFP as well as regulatory requirements, a Bidder may be declared successful in a single or multiple Projects for which it has submitted its separate Bids. Selection of the Successful Bidder(s) to undertake the Project(s) will be pursuant to the evaluation criteria stipulated in Exhibit 7 of this RFP.

As is common practice, Tariff Proposals shall remain unopened until the technical evaluation has been completed. K-Electric will then open the Tariff Proposal of technically qualified Bidders and select the Successful Bidder(s) with the lowest Bid Tariff, in accordance with Exhibit 7.

KE reserves the right to seek clarifications on the Technical and/or Tariff Proposals received from the Bidders. K-Electric will then issue LOIs to the Successful Bidder(s) for the respective Projects.

## 7.1. Major Project Milestones

S. No.	Milestone	Timeline (T + x months)
1.	RFP Approval of NEPRA	T
2.	Last date for clarifications on the RFP	T+1
3.	Deadline for submission of bids	T+2
4.	Evaluation of Bids and selection of Successful Bidder	T+4
5.	Submission of Bid Evaluation Report to NEPRA	T+4
6.	LOI issuance along with the draft SHA by KE to the Successful Bidder(s) for initiation of project development activities	T+4
7.	Signing of SHA	T+4
8.	Formation of SPV	T+5
9.	Filing of Tariff and GL Application to NEPRA	T+5
10.	GL and Tariff Approval by NEPRA	T+6
11.	Submission of EPA to NEPRA for Approval	T+7
12.	Approval of EPA by NEPRA	T+9
13.	Transfer of land by BECL to SPV	T+9
14.	Financial Close – Winder	T+12
15.	Financial Close – Bela	T+12
16.	COD – Winder	T+22*
17.	COD – Bela	T+24*

Note: Construction activities will be initiated right after Financial Close. These timelines are subject to change in conjunction with NEPRA approval.

*\*the COD of the Projects is subject to completion of HVUB transmission line. Project cost for HVUB transmission line is currently under NEPRA approval in the KE's Investment Plan (KIP) and NEPRA is requested to expedite the approval of KIP as the Project COD timelines are contingent on the completion of HVUB transmission line.*

## 7.2. Reservation of Rights

Notwithstanding any other section of this RFP or any practice or custom of the trade or industry, KE, in its discretion, reserves the complete right to, at any time and from time to time, amend, modify, supplement or withdraw, cancel this RFP at any time and to reject any or all of the Project Proposals and/or make no award received without any liability, cost and/or obligation on the part of K-Electric or being under any obligation to inform the affected Bidders of the grounds of rejection/justification for KE's action. At any time KE can reject all proposals and make no award under this RFP. K-Electric is not obliged to proceed to award any contract. K-Electric shall notify the Bidder of the amendment, modification or supplement to the RFP in writing by electronic mail as soon as practicably possible. Any such amendment, modification

or supplement to the RFP shall be taken into account by the Bidder. In order to take into account such amendment, modification or supplement in the preparation of the Proposals by the Bidders, K-Electric may extend the schedule at its discretion.

The Bidder shall have the sole responsibility to determine and to satisfy itself by such means as it considers necessary or desirable as to all the matters pertaining to the execution of Project(s), including the precise location of Project, the weather conditions, the terrain and geological conditions at the selected site, availability of resources to be used in Project and all other factors that may affect the cost, duration and execution of Project.

K-Electric shall assume no responsibility regarding any interpretation made by the Bidder from the information furnished by K-Electric including any studies carried out by its consultants.

No verbal agreement or conversation with any director, officer, employee, representative or agent of K-Electric shall affect or modify any of the terms or obligations of K-Electric and the Bidder contained in the RFP.

### **7.3. Communications**

All communications from the Bidder concerning the RFP process, including any clarification, scheduling a meeting, shall be submitted by electronic mail addressing:

<b>Contact Person(s):</b>	Qasim Mehmud (Strategic Sourcing Lead – Project Procurement)
<b>Email:</b>	<a href="mailto:qasim.mehmud@ke.com.pk">qasim.mehmud@ke.com.pk</a>
<b>Address:</b>	Block J, 1st Floor, Procurement Division, Elander Road (Power House) Complex, Karachi, Pakistan

The Bidder shall provide the name, email and telephone contact details for the individual(s) authorized to communicate with K-Electric as per the Power of Attorney in the format attached as Exhibit 4.

### **7.4. Clarification on RFP Documents**

The Bidder may request clarifications on the RFP by completing the Form of Clarifications to RFP (Exhibit 15).

The Bidder shall make any clarifications requests before [●] in writing to the provided email. K-Electric may respond as frequently by the date as mentioned in the milestone. K-Electric will not respond to any clarifications received after the clarification deadline. K-Electric may also conduct a clarification pre-bid meeting with the Bidders and shall notify each Bidder of the date, time and location for the meetings. The clarification meetings, if required, shall be held in Karachi, Pakistan. Bidders shall be responsible for obtaining all visas and necessary travel documents. K-Electric shall provide reasonable assistance with such visas if requested in writing by the Bidder. Any other mode of informal communication will not be permitted during the RFP process and such communication shall be considered invalid.



### **7.5. Cost and Expenses**

The Bidder shall bear any and all costs and expenses incurred in relation to the preparation and submission of the Proposal(s), including but not limited to, costs and expenses for any investigation, fees and expenses of professional advisors, travel costs and expenses, and costs and expenses incurred as a result of any demonstrations, proposals, discussions and meetings. K-Electric shall not be responsible or liable in any manner whatsoever for such costs and expenses regardless of the manner and outcome of the RFP process.

### **7.6. Applicable Law and Dispute Procedure**

The RFP procedure, the RFP documents and all related documentation are exclusively governed by the laws of Pakistan. Any dispute between the parties involved with the RFP procedure shall be submitted exclusively to the courts of Karachi, Pakistan.

### **7.7 Grievance and Redressal Procedure**

- 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 Grievance Redressal Committee concerning its grievance not later than seven (7) days after the announcement with adequate particulars of the complaint and attaching copies of any documents relevant to the complaint.
- b) The Grievance Redressal Committee 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 Grievance Redressal Committee will have the following composition:
  - Two members shall be senior officers employed with KE who are not directly involved in the Project.
  - One member shall be an independent member with expertise in this area and engaged in its independent capacity by the Relevant Agent.
- d) The quorum of the Grievance Redressal Committee shall be three (3) members. In the event the decision of the Grievance Redressal Committee is not acceptable to the aggrieved Bidder, such aggrieved Bidder shall have the right to submit any dispute before a competent court at Karachi, Sindh.
- e) The decision by the Grievance Redressal Committee with respect to grievances shall be taken before opening of the financial bids.

## **8. Guidelines for Proposal Submission**

### **8.1. Bid Documents**

The Bidders shall submit the following Exhibits with their Proposal:

<b>Exhibits</b>	<b>Title</b>
<b>Technical</b>	
Exhibit 1	Form of Acknowledgement
Exhibit 2	Confidentiality Agreement
Exhibit 3	Form of Covenant of Integrity
Exhibit 4	Power of Attorney
Exhibit 5	Affidavit
Exhibit 6	Letter of Acceptance by the Bidder
Exhibit 8	Form of Bid Bond
Exhibit 16	Hard Barricading and Signage at Site
Exhibit 17	Hazard Substance Management Procedure
Exhibit 18	Waste Management Procedure
<b>Financial</b>	
Exhibit 10	Bid Tariff
Exhibit 14	Equity Commitment from Sponsors
<b>Other Forms</b>	
Exhibit 9	Form of Performance Guarantee
Exhibit 15	Form of Clarifications to RFP document

### **8.2. Proposal Submission Requirements**

All correspondence and documents shall be prepared and submitted in English Language.

The Proposal consisting of the Technical Proposal and Tariff Proposal shall consist of three hard copies (1 original plus 2 copies) and password protected electronic copies in USB and google drive/one drive, clearly marking the hard copy as "Original".

The paper copy shall be an exact color photocopy of the original and well organized in a bound book or ring binder with separators between each section. The PDF copies shall be exact scans of the paper original. Each PDF copy should be provided on a separate USB drive protectively included in the package, with each folder and file clearly and sequentially numbered and identified to allow for easy navigation. Documents that require signatures shall be hand signed by the authorized representative before conversion to PDF format.

In the event there is any discrepancy between the original hard copies and electronic copies, the hard copy shall govern. It is the Bidder's responsibility to ensure that the electronic copy aligns with the original hard copy.

### **8.3. Technical Proposal**

In its Technical Proposal, the Bidder must respond to the requirements stated in the Volume-II of the document. The Technical Proposal for each Project will be separate, as these will be evaluated separately and independently from each other. A technical proposal should be clearly marked so that it is easily identifiable to which Project it pertains.

Technical Proposal should comprise of the following documents:

- (a) Covering Letter
- (b) Technical Proposal duly signed and sealed
- (c) Document Checklist
- (d) Bid Bond
- (e) Technical Exhibits as covered in Section 8.1.

The Technical Proposal comprising one paper original, two paper copies, and electronic copies shall be in one sealed envelope labelled "TECHNICAL PROPOSAL", with the Bidder's name clearly displayed.

### **8.4. Tariff Proposal**

In its Tariff Proposal the Bidder must respond to the requirements stated in Volume-III of the RFP. Tariff Proposals shall remain sealed until the assessment of the Technical Proposals has been completed. The Tariff Proposals are also required to be submitted separately and independently for each Project.

Tariff Proposal should comprise of the following documents;

- (f) Covering Letter
- (g) Tariff Proposal duly signed and sealed.
- (h) Document Checklist
- (i) Financial Exhibits as covered in Section 8.1.

The Tariff Proposal shall be submitted as one paper original, two paper copies and electronic copies in one sealed envelope labelled "Tariff Proposal", with the Bidder's name clearly displayed.

### 8.5. Proposal Package

The Tariff Proposal and Technical Proposal shall be sealed in separate envelopes. The sealed envelope labelled "TECHNICAL PROPOSAL" and the sealed envelope labelled "TARIFF PROPOSAL" shall be placed inside one package with each such package clearly identifying to which Project it pertains. This enclosing package shall be clearly labelled in large, bold lettering as follows:

**K-ELECTRIC REQUEST FOR PROPOSAL**

**WINDER/ BELA PROPOSAL**

**[BIDDER'S NAME]**

**CONFIDENTIAL**

**DO NOT OPEN EXCEPT BY AUTHORIZED PERSON**

### 8.6. Bid Bond

The Bidder shall be required to provide a Bid Bond to the value equal to USD 1,000/MW for each Project for which the Bidder is submitting its bid. Such Bid Bond shall be issued by at least an "AA" rated scheduled bank operating in Pakistan, acceptable to KE or in case of foreign bank, having a correspondent bank in Pakistan. The Bid Bond shall be submitted together with the Bid submission. Bid bond shall be returned to the Successful Bidder (s) at the time of issuance of LOI and submission of Performance Guarantee whereas, same will be released to unsuccessful bidders at the award of successful bid while the Bid Bond of the next two top ranked Bidders shall be released upon signing of EPA with the Successful Bidder upon their consent. The Bid Bond shall be as per the format attached as Exhibit 8.

### 8.7. Performance Guarantee

The Successful Bidder shall be required to provide Performance Guarantee to the value equal to USD 5,000/MW for each Project. Such Performance Guarantee shall be issued by at least an "AA" rated scheduled bank operating in Pakistan, acceptable to KE or in case of foreign bank, having a correspondent bank in Pakistan. The Performance Guarantee shall be submitted prior to LOI issuance by KE with validity up to thirteen (13) months. The Performance Guarantee shall be as per the format attached as Exhibit 9.

### 8.8. Submission Deadline

The deadline for the submission of the proposals is 21<sup>st</sup> August 2021. Proposals submitted after this date will not be considered. The proposal should be submitted by courier or hand delivery to:

<b>Contact Person:</b>	Qasim Mehmud
<b>Title:</b>	Strategic Sourcing Lead - Project Procurement
<b>Address:</b>	Block J, 1st Floor, Procurement Division, Elandar Road (Power House) Complex, Karachi, Pakistan
<b>Postal Code:</b>	74200, Karachi, Pakistan

### **8.9. Bid Validity**

The Bidders shall provide the validity period of their bids for 12 months from Bid submission deadline.

In case the bidding process is prolonged due to any unforeseen circumstances, the Bidders may be requested to extend the Bid validity and Bid Bond. However, in any case, the period of such extension of Bid validity and Bid Bond will not be extended for a period of more than six (6) months.

### **8.10. Basis for Disqualification**

The Bidder's eligibility to participate in this process is subject to fulfillment of the pre-qualification criteria, however a Bid may be disqualified subject to following:

1. Any Bid which is conditional, or which contains material deviation from the requirements of this RFP.
2. Misrepresentation, withholding or concealment of information in the Bid.
3. If the Bidder is currently in willful default of its obligations to any bank or financial institution.
4. Failure of the Bidder to disclose and/or provide any additional information as may be required by KE during the bid evaluation process.
5. Failure to report promptly to KE any material change in the circumstances of the Bidder affecting its eligibility to submit the Bid(s) or to implement the Project(s) following submission of the Bid(s);
6. Failure to report to KE 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; or
7. 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 this RFP.

Notwithstanding anything in this section, K-Electric reserves the right to disqualify any Bidder if K-Electric determines, in its sole judgement, that the Bidder is technically and/or financially or otherwise incapable of executing the Project(s) and/or the Tariff Proposal does not meet or reflect the requirements of the RFP.

### **9. Bid Evaluation Committee**

The Bid Evaluation Committee would comprise of the following:

- a) One (1) independent consultant having expertise in competitive bidding and fulfilling the independence requirement of NCBTR.
- b) Four (4) representatives from KE having Technical, Commercial, and Financial Expertise.

## **10. Selection of Successful Bidder for each Project**

Once the Bids are technically evaluated, the Tariff Proposal of only the technically qualified Bidders will be opened. The Tariff Proposal and its evaluation will be done considering following points; The Tariff Proposal must meet the following two conditions as stated below to be eligible for further evaluation:

- While bidding for the Project, the Bidder shall submit a single tariff for the whole tariff control period (i.e., 25 years)
- The Bidder offering the lowest Bid Tariff will be selected as the Successful Bidder. In the event that the lowest Bid Tariff of two or more Bidders are equal, the Bidder offering the maximum discount on the Bid Tariff will be declared as the Successful Bidder.

### **10.1. Requirements after selection of Successful Bidder**

Upon the selection of Successful Bidder:

1. KE will submit Bid Evaluation Report to NEPRA.
2. KE will issue an LOI to the Successful Bidder separately for each Project the Bidder is declared successful, after receiving Performance Guarantee in favor of KE, which should be provided by the Successful Bidder within 10 Business Days after being declared successful. The Bid Bond of the Successful Bidder will be returned after receiving such Performance Guarantee. The Bid Bonds of other Bidders will be returned within 30 days from the announcement of results.
3. The Successful Bidder as notified by K-Electric shall enter into a Shareholders' Agreement with KE and complete all statutory requirements for incorporation of SPV.
4. The SPV shall file an application with the Registrar NEPRA for approval of tariff by NEPRA in accordance with Part VIII of the NCBTR.
5. KE will sign EPA with the SPV formed for each Project once the milestones in LOI are timely achieved.
6. The SPV must follow the NEPRA's regulatory framework and pay all the fees for award of the Generation License and Tariff Approval. Any other regulatory fees that may materialize on the Bidder shall also be borne by the Bidder.
7. In the event that a Bidder defaults in fulfilling its obligations under this RFP, the NCBTR or the LOI requirements, or withdraws its Bid after being declared successful, KE shall be entitled to encash the Bid Bond or the Performance Guarantee (as the case may be) of the defaulting Successful Bidder upon its failure to rectify the default(s) as notified in writing by KE to the Successful Bidder within the stipulated period with such rectification period be not less than 10 Business Days. Provided that if after being notified, the Successful Bidder

rectifies the default(s) within the stipulated period, KE shall not encash the Bid Bond or the Performance Guarantee (as the case may be) and the Successful Bidder shall be allowed to continue with the requirements under the LOI and NCBTR.

8. In case a Bidder withdraws its Bid after it has been submitted, KE shall encash the Bid Bond of such Bidder. Additionally, in the event of a default and subsequent disqualification of a Successful Bidder, KE reserves the right to replace such Successful Bidder with the next in line Bidder with the lowest Bid Tariff.
9. The SPV will be required to complete the regulatory process to obtain all relevant consents and approvals and achieve Financial Close in accordance with the timelines specified in the LOI. The SPV will be required to construct the Project consistent with the technical specifications, equipment details and design parameters that are consistent with the Technical Proposal of the Successful Bidder received pursuant to this RFP and agreed with the K-Electric in the EPA with the approval of the NEPRA. Any variations to above that are determined to be material by K-Electric, shall result in revocation of the LOI by K-Electric and encashment of Performance Guarantee provided that K-Electric shall notify in writing to the Successful Bidder of such material deviations and allow ten (10) Business Days for rectification of such material deviations.

## **11. No Lobbying**

Bidder firm, corporation or individual members of a Bidder, will not attempt to communicate directly or indirectly with any representative of the KE during the evaluation process except as expressly directed or permitted by KE, or except as may be required and permitted under another procurement competition, project or other assignment, in which event the Bidder will not have any discussions regarding the Project. KE reserves the right to disqualify the Bidder that, in KE's opinion, has engaged in lobbying in connection with this Project.



## **12. Disclaimer**

This RFP document is not an agreement or offer by KE to the prospective bidders or any other party. The information contained in this RFP has been prepared to assist each Bidder in making its own evaluation of the Project and does not purport to contain all of the information that such Bidder may desire with respect to the Project. In all cases, the Bidder is required to conduct its own due diligence, investigation and analysis including but not limited to Site assessment, interconnection assessment, energy yield etc. KE shall under no circumstances be responsible or liable to reimburse the cost associated with the preparation and submission of the bids regardless of the outcome of the bidding process. None of KE or its directors, officers, employees or advisors makes any representation or warranty, express or implied, as to the accuracy or completeness of this RFP or the information contained herein and none of KE or its directors, officers, employees or advisors shall not be liable for any of the information contained herein, or omitted from this RFP, nor for any of the written, oral, electronic or other communications transmitted to the Bidder in the course of Bidder's investigation and evaluation of the Project and submission of its Proposal pursuant to this RFP. Only those representations and warranties that are made in a definitive written agreement, when and if executed, and subject to any limitations and restrictions as may be specified in such definitive written agreement, shall have any legal effect. Each bidder shall be responsible for its own independent evaluation and assessment of the Project and should consult its own professional advisors and consultants accordingly.

## **Volume-II : Project Technical Requirements**

### 13. Project Requirements

Bidders should consider the following technical details in relation to the preparation of their Bid. Bidders are encouraged to provide any additional information or illustrations other than mentioned below which may best represent their proposal for each Site.

Developer will ensure that the plant is equipped with necessary technology to maximize energy yield and avoid unnecessary curtailment of power due to technological limitations.

Some of the specifications relating to the site's condition shall be considered for evaluation after Feasibility and EIA studies recommendation.

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. The verification of the new machinery will be done by the independent Engineer at the time of the commissioning of the Complex duly verified by the KE.

#### 13.1. Solar Panel

Panels considered for the Project should be Tier-1 as determined by BNEF. Tier-2 or above shall be disqualified without any assessment. Bidder shall select the technology of panel considering the site/area condition. Moreover, Feasibility Study Report will be shared later with the Bidder for further details of the site condition in accordance with Section 7.1 of Volume-I of this RFP.

##### a) Warranties:

S. No.	Description
I	Solar panels standard generation warranty of 25 to 30 years will be mandatory.

##### b) Standards:

Solar PV Modules shall be "Type Certified" on latest IEC/UL/NFPA standards by an internationally accredited certification body, acceptable to KE. The Solar PV modules will be selected as per below accepted international standards:

Standard	Description
IEC 61215	Crystalline silicon (c-Si) terrestrial PV modules – Design qualification and type approval
IEC 61646	Thin-film terrestrial PV modules - Design qualification and type approval
IEC 60364-4-41	Protection against electric shock
IEC 61701	Resistance to salt mist and corrosion
IEC 62804	System voltage durability test for c-Si modules
UL 1703	Comply with the National Electric Code, Occupational Safety and Health Administration and the National Fire Prevention Association. The modules perform to at least 90% of the manufacturer's nominal power.
IEC 62738	Plant Design
EN-50380	Datasheet and Nameplate information of PV modules as per standard
IEC 61724-1-2-3	Performance monitoring-Capacity Evaluation-Energy Evaluation
IEC 63049	PV System Installation
IEC 62446-2	System Maintenance

Standard	Description
IEC 62446-1	Documentation, Test and Inspection
IEC 60904-1	Measurements of PV current-voltage characteristics
IEC 60904-5	Determination of the equivalent cell temperature (ECT) of photovoltaic (PV) devices by the open-circuit voltage method
IEC 60904-7	Computation of the spectral mismatch correction for measurements of photovoltaic devices
IEC 61345	UV test for photovoltaic (PV) modules
IEC 61730-1	Scope of the work in progress includes PV module safety qualification requirements for construction
IEC 61730-2	Photovoltaic (PV) module safety qualification
IEC 61829,	Scope of the work in progress includes on-site measurement of I-V characteristics for crystalline silicon PV array
IEC 61853-1	Scope of the work in progress includes irradiance and temperature performance measurements and power rating for PV module performance testing and energy rating
IEC 61853-2	Scope of work in progress includes spectral response, incidence angle and module operating temperature measurements for PV module performance testing and energy rating
IEC 62716	Ammonia corrosion testing of photovoltaic (PV) modules
IEC 62446	Grid connected photovoltaic systems – Minimum requirements for system documentation, commissioning tests and inspection
82/618/NP	Specification for solar trackers used for photovoltaic systems.
ISO9001	Type tested and comply ISO9001
NFPA Article 690	Solar Electric Systems
NFPA Article 705	Interconnected Electrical Power Production sources

c) **Efficiency:**

S. No.	Description
i	Sun to DC efficiency of modules above 17% and loss of efficiency due to rise in temperature as per IEC standard

- d) The Bids should clearly indicate the details including the type of units, make and model of the Solar PV Modules to be installed in the Complex as per the Feasibility Study Report.
- e) It is recommended that the Bidders choose solar panels that have increased/improved efficiencies, extended warranties and insurance coverage.

### 13.2. Power Inverters

a) **Warranties:**

S.No.	Description
i	Inverters are procured from Companies in the manufacturing business for atleast 10 years which are used in Commercial/Utility scale projects (05 MW and above) and operational
ii	Provision of minimum standard warranty is mandatory

b) **Standards:**

String or central inverters can be used in the Project that comply with the below IEC or equivalent standards.

Standard	Description
IEC 61683	Photovoltaic systems—Power conditioners—Procedure for measuring efficiency
IEC 61721	Characteristics of the utility interface
IEC 62116	Islanding prevention measures for utility-interconnected photovoltaic inverters
IEC 62109-1 and 2	Safety of power converters for use in photovoltaic power systems
EN 61000-6-2 and 4	Electromagnetic Compatibility (EMC)
EN 50178	Electronic equipment for use in power installations
EN 50524	Datasheet and Nameplate for Inverters
EN 55022	Information technology equipment. Radio disturbance characteristics. Limits and methods of measurement.
EN 61000	Electromagnetic compatibility (EMC). Immunity for residential, commercial and light-industrial environments
IEC 62548	Installation and Safety Requirements for wiring
IEC 61683	PV systems – Power conditioners – Procedure for measuring efficiency
IEC 62093	Balance-of-system components for photovoltaic systems - Design qualification natural environments.
IEEE 519 1992	Compliance to Total Harmonic Distortion levels
UL 2703	Rack Mounting Systems and Clamping Devices for Flat-Plate Photovoltaic Modules and Panels
UL 3703	Trackers

c) **Efficiency:**

S.No.	Description
i	Inverter efficiency 97% or above
ii	Inverter used have built-in tolerance to variation in grid voltages/capable of riding through voltage sags/tolerance set points configurable to above +/- 5%
iii	Over-voltage and Overload protection of inverters
iv	THD 2.5% or lesser

### 13.3. Gas Insulated Switchgear (GIS)

The switchyard of the Complex will be GIS and it will be covered under the project cost. The GIS will be double bus-bar single breaker scheme comprising four transmission line bays so as to provide 132 kV double circuit in-out arrangement and remaining bays will be as per plant design.

GIS should comply below mentioned or equivalent Standards and Warranties.

- a) Warranty: Standard warranty period is mandatory
- b) Standards:

S.No.	Description
i	GIS complete bay should comply with IEC 62271-203 and IEC 60517 standard
ii	Circuit Breaker should comply IEC-62271-100
iii	Disconnecter & earth switches shall comply IEC 62271-102 01
iv	Current Transformers shall comply IEC 61869-2
v	Voltage transformers shall comply IEC 61869-3
vi	Routine tests to latest publications of – IEC 60233 for hollow porcelains IEC 60137 for bushings IEC 60168 and 60273 for high voltage post insulators IEC 60383 and 60305 for cap and pin string insulators
vii	Motors shall comply IEC 60034

#### 13.4. Power Transformer and Other Switchyard Equipment

The Complex design will include the step-up transformer considering (n-1) contingency. Step-up Transformer shall comprise of adequate electrical and mechanical protections to ensure safety and reliability.

All outdoor equipment i.e. surge arrestors, line traps, coupling capacitors, capacitive voltage transformers, line coupling device equipment and etc. shall be provided having adequate rating and as per below given IEC Standards.

- a) Warranty: Transformer warranty period of minimum 02 years is mandatory
- b) Standards:

Standards	Description
IEC 60076/60354	Power transformer selection as per IEC-60076 and IEC 60354 certified for type of installation
ISO9001	Transformer supplier is accredited to ISO 9001
IEC 60085	Certified transformers for electrical insulation
IEC 60296	Certified for Oil specification
IEC 60137	Certified for Primary and Secondary Bushings
IEC 60214/ IEC 60542	Certified transformers for tap changers
IEC 61869-1	Instrument transformers - Part 1: General requirements
IEC 61869-5	Instrument transformers - Part 5: Additional requirements for capacitor voltage transformers
IEC 61869-3	Instrument transformers - Part 3: Additional requirements for inductive voltage transformers
IEC 60099-4	Surge arresters - Part 4: Metal-oxide surge arresters without gaps for a.c. systems
IEC 60353	Line traps for a.c. power systems
IEC 60358-1	Coupling capacitors and capacitor dividers - Part 1: General rules

- c) Efficiency: Efficiency of Transformer at least 96%.

### **13.5. SCADA, Tele-Communication and Protection Schemes**

SCADA, telecommunication and tele-protection equipment of the Complex side are mandatory and will be covered in the Project cost. Non-compliance to such provision would lead to disqualification.

Specifications of the equipment will be finalized with the consent of KE. Two channels should be established till load dispatch center for data transfer to SCADA system. All telecom links should be capable of transmitting speech, telephone signaling, data and tele-protection signals.

Each transmission line will have dedicated protection relays. Bus-bar protection and step-up transformer protection will be as per Complex design.

Telco/Teleprotection and SCADA system for visibility of the plant in K-Electric's LDC Control room as per the specs/details provided by K-Electric.

### **13.6. Back-up Metering System**

Back-up metering system installation is mandatory, non-compliance of which would result in disqualification.

Back-up metering shall include ISKRA MT860 AMR meters of 0.2 accuracy class, dedicated CTs of 0.2 accuracy class, dedicated VTs and dedicated metering panels. All cabling between the meters and associated current transformers and voltage transformers shall be laid in rigid conduits as per the design standards.

### **13.7. Weather Station**

- a) Weather station will include the equipment to measure wind speed, tilted irradiance, horizontal irradiance, ambient temperature, PV panel temperature and etc. panels will be provided which shows weather conditions at the Project site to collect data and compare remotely with yield figures
- b) Alarm Management to flag any element of Power plant that falls outside pre-determined performance bands via fax/email/text message
- c) Recording of Weather station data after pre-set time intervals
- d) Provision of Hybrid forecast model where Hybrid Forecast Model means Predictive Tool/Software prepared and operated by the Forecasting Consultant to generate energy forecast for the Complex
- e) Weather Station data visibility in KE LDC Control Room

### **13.8. Civil/ Mounting Structure**

Mounting system should be directly anchored into the ground (driven piers, concrete footers, ground screws, etc). Mounting system should be able to withstand wind speeds and earthquakes in the region. Mounting System should be ICC ES AC428 and UL 2703 certified.

Mounting Systems having tracking system provision should have warranty of 10 years or above for both movable and non-movable parts., Structures are strong enough to bear wind loads, panel weight and ensure design operations for the life of the project.

Mounting structure shall also assess the weather conditions to incorporate suitable prevention from corrosive environment e.g.: galvanized steel, stainless steel, composites or aluminum, specialized coating such as C5. Pre-cast concrete ballasts/driven piles/earth screws/other type of Mounting systems to be preferred.

Civil design of Plant must have provision for flood water outlet. Feasibility Study Report will provide further detailed analysis of flooding at each Site.

Bidder should also consider the topography while designing to cater the shading impact.

### **13.9. Balance of System**

The developer will be expected to follow the industry best practices in selecting the BOS that will ensure that the system is able to service for the life of the project, broadly some of the aspects that the developer should look into are:

- a) Medium voltage switchgears, MV transformer, DC system, control and protection equipment of adequate capacities and should comply with IEC standards. MV and LV Cabling shall be according to site conditions and Plant design.
- b) RO plant if required for cleaning and plant operational services. RO Plant if considered for the project, the outgoing water should have manufacturer's recommended levels of TDS.
- c) All outdoor electronic equipment and panels should have protection class of IP65.
- d) Visibility and control of complete HV system in Control Room
- e) Substation properly equipped with LV power supplies, back-up power supplies, UPS, Diesel generators, auxiliary transformer, telephone and internet connection, lighting, HVAC, water supplies, drainage, fire and intruder alarms.
- f) PV plant earthing includes Array frame earthing, system (DC conductor) earthing, inverter earthing, lightning and surge protection.
- g) MV (11/22/33 KV) Switchgear supplier is accredited to ISO 9001 and MV (11/22/33 KV) Transformer supplier is accredited to ISO 9001 and IEC 60085 certified. IEC 60214 certified transformers for tap changers and transformer warranty period of minimum 02 years. Efficiency of Transformer at least 96%
- h) Incorrect polarity protection for DC cables and Insulation monitoring



- i) Junction boxes of IP rating 65/66/67/68 and Junction boxes enclosure fabricated from non-conductive material.
- j) Use of fuses when arrays formed of four or more strings for over-current protection.
- k) Double-pole DC switches usage to block both positive and negative PV array cables. DC switches used rated for system voltage and maximum current expected and DC switches equipped with safety signs
- l) Module cables have a temperature range -55 to 125°C. Single core double insulated DC cables used with mechanical resistance (animal proof/compression/tension/bending etc.)
- m) AC cables IEC-60502 certified (1 to 36KV) or IEC-60840 certified (30 to 150KV). Reputable AC cable supplier accredited to ISO 9001. Minimum 02-year warranty period of AC cables. AC cables are UV radiation and weather resistant.

### **13.10. Safety & Security**

- a) Lighting arrestors, proper grounding of all equipment is required.
- b) Provide surge protection on all electrical systems.
- c) All lines interconnecting solar arrays shall be underground.
- d) Relevant fire safety protection guidelines must be adopted.
- e) Lighting shall be provided at regular intervals to ensure required visibility at night.
- f) Bidders must ensure adequate fencing & surveillance to ensure security of the Complex as per the Site condition/requirement, security systems installation, lighting, security cameras, microwave sensors for security purpose shall also be preferred. Anti-theft module fiber system proposition. Anti-theft module mounting bolts with the use of synthetic resin.

### **13.11. Plant Monitoring System**

- a) Automatic data acquisition and monitoring technology for real time array/block wise generation as per plant design (use of SCADA system) for controlling within the Complex control room shall be the scope of this Project.
- b) Weather Station data, ambient and module temperature measurement, array DC voltage measurement and inverter data log should be maintained.

### **13.12. Interconnection Requirements**

- a) The interconnection point will be droppers from the terminal tower connected to the gantry of 132 kV transmission lines.
- b) Proposed interconnection scheme will be double circuit in-out from 132 kV transmission line.

### **13.13. Local Considerations**

- a) Developers are required to make themselves fully aware of the local conditions.
- b) Where possible, the developer will be required to source the human capital locally.

### **13.14. Local Industry**

- a) Developers are encouraged to source material, specifically the BOS equipment from local sources to support the local industry in accordance with the Customs General Order of the FBR.

### **13.15. Design Experience and Capability**

Bidder shall provide the information relating to the Design Consultant along with the relevant details/experience as per below mentioned criteria:

- a) Proven design experience with projects of comparable sizes (Minimum 05 projects with at least 02 solar power projects of 50 MW capacity each designed by the Consultant).
- b) Applicable experience of key design staff to be assigned to the Project (Each individual's role in the project to be specified).
- c) Minimum 50 MW projects with each project not less than 10 MW is interconnected with Grid in last 05 years.
- d) Well-defined row spacing to reduce inter-row shading and associated shading losses, layout to minimize cable runs and associated electrical losses, sufficient distance between rows to allow access for maintenance purposes etc. shall be evaluated under design criteria.

### **13.16. Yield Assessment**

- a) Yield should be greater than 21.5% and above.

### **13.17. Operations and Maintenance**

- a) The developer will be responsible for the O&M of the entire solar PV plant at each of the locations, scope of which includes:

Module cleaning, module connection integrity, junction boxes/combiners inspection, Thermographic detection of faults, Inverter servicing, mechanical integrity of mounting structure, vegetation control, Routine balance of plant servicing/inspection, Cable connection tightening/replacement of blown fuses, Lightning damage repair, Mounting structure/Tracking system fault repair, optimized loss due to soiling, additional points for automated cleaning mechanism provision, rectifying SCADA faults

- b) The developer will be responsible to claim any warranties or replacements that will arise during the life of the plant

- c) The developer will have to ensure operations to maintain the proposed Availability and Capacity Factor
- d) Array inspection and cleaning to maintain the required performance target, inspection of the inverter and rectification of faults to ensure plant availability.
- e) *Note: Technical specifications can be updated in light of Feasibility Study Report and subsequent approval of NEPRA.*

#### **13.18. HSE**

- a) Demonstrate a corporate commitment to safety, proven solutions, safe working practices and culture, training and supervision.
- b) Compliance to KE's Hazardous Substance Management Procedure as per Document No. KE-SP-017
- c) Compliance to Environmental, Health, Safety and Social Clauses for Contractors as per International Standards
- d) Compliance to KE's Hand Barricading and Signage at Site Policy
- e) Compliance to Contractors and Supplier's HSEQ Management Procedure as per International Standards
- f) Compliance to KE's Waste Management Procedure as per Document KE-SP-012
- g) Draft site-specific health and safety plan
- h) Acceptable safety statistics for at least one other Solar Power Project
- i) Demonstrate an understanding of the key environmental risks, provide adequate proposals for monitoring and managing those risks and complying with the environmental requirements of the Contract.

#### **13.19. Warranty**

Standard warranty of all components will be considered while evaluation of bids.

## **Volume-III : Tariff Proposal Requirements**

## 14. Quoted Tariff and Commercial Requirements

The tariff shall be consistent with the tariff structure given below. Any Bid which is inconsistent with the tariff structure shall be rejected.

### 14.1. Bid Tariff

The Bidders may bid a single Bid Tariff for each Project separately, rounded off to four decimal places for the Term.

The Land Cost will be treated as a separate line item and shall not be accounted for by the Bidder in its Bid Tariff. Therefore, the impact of Land Cost will not be included in the bid evaluation by the Relevant Agent.

The indexation applicable to the Bid Tariff will be as follows:

$$\text{Revised AT} = \text{AT} \cdot \text{Kx}\% \left[ \frac{\text{Rev KIBOR}}{\text{Ref KIBOR}} - 1 \right] + \text{AT} \cdot \text{Sx}\% \left[ \frac{\text{Rev SOFR}}{\text{Ref SOFR}} - 1 \right] + \text{AT} \cdot 80\% \cdot \left[ \frac{\text{ER Rev}}{\text{ER Ref}} - 1 \right] + \text{AT} \cdot 20\% \cdot \left[ \frac{\text{ER Rev (one time)}}{\text{ER Ref}} - 1 \right] + \text{AT}$$

AT	Awarded Tariff
Kx%	Percentage of AT to be indexed with KIBOR variation (to be determined by the Authority)
Sx%	Percentage of AT to be indexed with SOFR 41variation (to be determined by the Authority)
Rev SOFR	Quarterly revised Term or Daily SOFR, as the case may be based on GOP policy decision on the transition from LIBOR to SOFR, as on the last day of the preceding quarter
Rev KIBOR	Quarterly revised 3-month KIBOR, as on the last day of the preceding quarter
Ref KIBOR	23.08% <sup>1</sup>
Ref SOFR	5.4039% <sup>1</sup>
ER Ref	300.5 Rs./USD
ER Rev	The revised exchange rate as on the last day of the preceding quarter
ER Rev (one time)	The revised exchange rate as average of the exchange rates of each day during the maximum construction period of [10/12]

	months starting from the date of Financial Close. Thus, making this portion of tariff fixed throughout the control period.
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The Bidders will have the flexibility in choosing the mix of debt-to-equity, including the mix of the local and foreign debt, along with debt tenor. However, the above formula shall not be subject to change due to the actual debt-to-equity ratio and any combination of local and foreign financing and shall apply to the Awarded Tariff.

For the submission of the Bids, the following reference values shall be taken into account by the Bidders:

Description	Values	Remarks
Reference KIBOR	23.08% <sup>1</sup>	3-month KIBOR as of August 25, 2023
Reference SOFR	5.4039% <sup>1</sup>	Term SOFR as of August 25, 2023
Reference Exchange Rate	300.5 <sup>1</sup>	PKR/USD as of August 25, 2023 (NBP)
<i>1. or as otherwise approved by NEPRA.</i>		

#### **14.2. Bid Tariff Assumptions**

- 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 duly verified by the KE.
- c) All invoicing and payment terms are assumed to be in accordance with the standard Solar EPA to be issued to the Bidder sixty (60) days after issuance of RFP.
- d) No adjustment for certified emission reductions should be accounted for in the Bid Tariff.

#### **14.3. Pass-through Items**

Subject to the approval of NEPRA in Consumer End Tariff, following items shall be considered pass-through:

- a) Duties and/or taxes, not being of refundable nature, relating to the construction period directly imposed on the Successful Bidder up to Commercial Operations Date, will be allowed at actual upon production of verifiable documentary evidence to the satisfaction of the Authority.
- b) In case the Successful Bidder is obligated to pay any tax on its income from generation of electricity from solar, or any duties, taxes or cess not being of refundable nature, are imposed on the Successful Bidder, the exact amount paid by the Successful Bidder on these accounts will be reimbursed by KE on production of original filing documents.

In case of the above scenario, the Successful Bidder shall also submit to KE the details of any tax savings and KE shall deduct the amount of these savings from its payment to the Successful Bidder on accounts of taxation. The adjustment for duties and taxes will be restricted only to the extent of duties and taxes directly imposed on the Successful Bidder. No adjustment for duties and taxes imposed on third parties such as contractors, suppliers, consultants, etc., will be allowed.

- c) Payment into Worker's Profit Participation Fund and Worker's Welfare Fund.
- d) Withholding tax on dividend will not be a pass-through item.
- e) Alternative & Renewable Energy Policy, 2019 (ARE Policy 2019) states certain conditions, fulfillment of which can result in the exemption of duties on the import of items, being manufactured locally also. In case any Bidder proposes to import any plant, machinery or equipment that is also manufactured locally in accordance with the Customs General Order of the FBR, shall be reimbursed to the Successful Bidder subject to fulfillment of conditions as given in the ARE Policy 2019, for which certification shall be obtained by the Successful Bidder from AEDB. The Bidder is expected to have knowledge of applicable laws and regulations and shall not in any case hold KE accountable for information not provided under this document.

## Exhibits



## **Exhibit 1 – Form of Acknowledgement**

### **1.1. Instructions**

If Bidder wishes / does not wish to participate in the bidding process for this Project, then the Bidder must submit the form of acknowledgement letter prior to bid submission (within 03 days from the date of receipt of RFP Package) via email at following email addresses:

Qasim.mehmud@ke.com.pk

The Bidder to submit the hard copy of this form of acknowledgement letter to K-Electric along with the Bid.

### **1.2. Template**

[On Bidder's corporate letterhead]

[Date]

Strategic Sourcing Lead - Project Procurement  
K - Electric Limited  
1st Floor Procurement Division  
Building J  
Elander Road (Power House) Complex, Karachi, Pakistan

Subject: K-Electric, Request for Proposal for Development of Solar Projects in Lasbela District - Acknowledgement Letter

Dear Mr. \_\_\_\_\_,

In response to the Request for Proposal dated [xxx], we hereby duly acknowledge receipt of the Instructions to Bidders, Attachments and Exhibits that constitute the complete Request for Proposal. We would like to confirm:

☐ That we intend to participate in the Request for Proposal process and will submit our proposal as per your schedule.

or

☐ That we do not intend to participate in the Request for Proposal process.

For and on behalf of

Bidder company name:

Name of Bidder's authorized person:

Title:

Date:

Signature:

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## Exhibit 2 – Confidentiality Agreement

### CONFIDENTIALITY AGREEMENT (on stamp paper)

This Confidentiality Agreement (“**Agreement**”) is made at Karachi on this \_\_\_\_ day of \_\_\_\_\_, 2019.

#### By and between

**K-Electric LIMITED**, a public limited company duly incorporated and existing under the laws of Pakistan and having its registered office at KE House, 39B, Sunset Boulevard, Phase-II, DHA, Karachi, Pakistan, (hereafter referred to as “**KE or Disclosing Party**”).

#### And

[-----], [registered address] (hereinafter “**Company of Receiving Party**”)

(**KE** and **Company** are hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**”).

#### WHEREAS:

1. **KE** is in process of obtaining bids for the Development of Solar Projects in the Lasbela District at

Winder (50 MW)      ☐  
Bela (100 MW)      ☐

(referred to herein as the “**Project**”).

2. As part of these discussions, the Parties (either directly or through a representative) have and may in the future exchange Confidential Information pertaining to the Project.
3. COMPANY and KE wish to enter into this Agreement to safeguard the confidentiality of such Confidential Information.

NOW THEREFORE, in consideration of the mutual agreements contained herein, the Parties agree as follows:

1. In this Agreement, unless the context requires otherwise, the following terms shall have the meaning given below:

“**Affiliate(s)**” means in relation to a Party, any, corporation, partnership or other legal entity: (i) that is, directly or indirectly, controlled by such Party; or (ii) that directly or indirectly controls such

Party; or (c) that is, directly or indirectly, controlled by a Party that also, directly or indirectly, controls such a Party. For the purpose of this definition, a Party is directly controlled by another Party which owns or controls shares or other interests carrying in the aggregate at least fifty percent (50%) of the voting rights exercisable at a general or shareholders meeting of the first-mentioned Party or the right to appoint or dismiss a majority of the directors thereof.

**“Confidential Information”** means all information (in whatever form, including, but not limited to, oral, visual, written or electronic, or in any medium or by any method) relating to the Project, including but not limited to, all manuals, specifications, drawings, letters, telexes and any other material containing Confidential Information disclosed to the COMPANY by or on behalf of the KE in writing, in drawing or in any other form or acquired by the COMPANY from the KE regardless of whether such information was obtained prior to or after the Effective Date. Confidential Information shall also include all memoranda, reports, valuations, analyses and summaries of Confidential Information that the Receiving Party or any of its Affiliates derives from Confidential Information disclosed by the Disclosing Party.

2. Each Party agrees that the Confidential Information received by it shall be kept strictly confidential, shall only be used in relation to the Project and shall not be sold, traded, published or otherwise disclosed to anyone in any manner whatsoever, including by means of photocopy or reproduction, or electronic transmission, without the prior written consent of the Disclosing Party.

Receiving Party further agrees that, unless otherwise expressly permitted in this Agreement, it shall not disclose, and shall cause its representatives not to disclose (i) the existence or terms and conditions contained in this Agreement, (ii) the fact that Confidential Information has been made available to the Receiving Party or its representatives; (iii) the fact that discussions or negotiations are or were taking place concerning the Project, and (iv) the terms, conditions or other facts with respect to any such Project, if any, including the status thereof, to any third parties (other than such third parties who are permitted to receive Confidential Information hereunder) without the prior written consent of Disclosing Party.

3.1 The Receiving Party may disclose Confidential Information without the Disclosing Party's prior written consent only to the extent such information:

- (i) is required to be disclosed under applicable laws, rules or regulations, including a governmental order or decree, a ruling or judgment of a court of competent jurisdiction, arbitrator or the rules of any recognized stock exchange (“Applicable Laws”) (provided that the Receiving Party shall promptly give a written notice to the Disclosing Party prior to such disclosure, limit the disclosure to the extent legally allowable and seek to protect such information from further disclosure;
- (ii) is disclosed to the employees, officers or directors of Receiving Party and to their employees, officers or directors on a ‘need to know’ basis; or

- (iii) is disclosed to any professional consultant, legal counsel or agent retained by the Receiving Party where bona fide necessary for the proper performance of their duties in relation to the Project.

3.2 The following shall not constitute Confidential Information:

- (i) was in the lawful possession of the Receiving Party at the time of its receipt and can be proven by the Receiving Party that it did not had an obligation to keep it confidential;
- (ii) was in the public domain at the time of receipt or disclosure or subsequently becomes so through no fault of the Receiving Party or any person to whom Receiving Party disclosed Confidential Information;
- (iii) is developed by or for the Receiving Party at any time independently of the Confidential Information disclosed to it, as evidenced by its written records; or
- (iv) has been or hereafter is rightfully acquired from third parties who rightfully have possession of such information without an obligation to keep it confidential.

3.3 The Receiving Party shall not be liable for such inadvertent or unauthorized disclosure if it has used the same degree of care in safeguarding such Confidential Information as it uses for its own Confidential Information of like importance.

- 4. The Receiving Party shall be responsible to Disclosing Party for the compliance of the persons listed in paragraph 3.1(i) and (iii) to whom the Receiving Party has disclosed Confidential Information as though such persons and entities were Receiving Party. Prior to any disclosure to persons listed in paragraph 3.1(iii) Receiving Party shall obtain a written undertaking of confidentiality from such persons in the same form as this Agreement. The Receiving Party shall not make any statements and/or issue any press releases concerning the Project without the prior written consent of the Disclosing Party.
- 5. Any Confidential Information disclosed by or on behalf of the Disclosing Party shall remain the property of the Disclosing Party, and the Disclosing Party may demand the return thereof at any time upon giving written notice to the Receiving Party. The Receiving Party shall not acquire any right, title, interest or license in Confidential Information it receives pursuant to this Agreement and no actions pursuant to this Agreement shall be construed as conferring on the Receiving Party any licence under any patent, copyright or future patent owned by the Disclosing Party, its Affiliates or any of their shareholders or any other intellectual property right. Within thirty (30) days of receipt of a request to return Confidential Information, a Receiving Party shall return all original Confidential Information it has received and destroy, or procure the destruction of, all other Confidential Information, including any information retained on computer backup system, copies and reproductions (both written and electronic), in its, its Affiliates and any persons' to whom it was disclosed.

6. This Agreement shall terminate on the earlier of the third (3<sup>rd</sup>) anniversary of the Effective Date or receipt of written notice of termination. In addition to the obligation to return and/or destroy set forth in paragraph 5, following termination, the obligations of confidentiality set forth herein shall continue until the third (3<sup>rd</sup>) anniversary of the termination date. The provisions of this Agreement shall however apply retrospectively to any Confidential Information which may have been disclosed in connection with discussions and negotiations regarding the Project prior to the Effective Date. Notwithstanding anything else contained herein either Party has the right to terminate this Agreement at any time by furnishing the other Party with a one (01) month prior written notice without giving any reason for termination.
7. The Disclosing Party hereby represents and warrants that it has the right and authority to disclose the Confidential Information to the Receiving Party. The Disclosing Party, by providing such Confidential Information or otherwise, neither makes nor gives any representation, warranty or undertaking, express or implied, concerning the quality, reliability, accuracy, completeness or reasonableness of the Confidential Information. The Receiving Party shall use any Confidential Information at its own risk and the Disclosing Party shall have no liability to the Receiving Party resulting from the Receiving Party's use of such Confidential Information. Nothing contained herein shall be construed as requiring the Disclosing Party to enter into any business dealings, to negotiate in good faith, or to hold or to continue discussions concerning the Project with the Receiving Party. Neither this Agreement nor any actions of the Parties shall constitute or be construed to constitute a partnership, joint venture or any other cooperative relationship between the Parties. The obligations and liabilities of the Parties to this Agreement are several, not joint, or joint and several.
8. The liability of the Parties to each other for breach of this Agreement shall be limited to actual direct and foreseeable damages. In no event shall the Parties be liable to each other for any other damages, including loss of profits or business interruptions, or indirect, incidental, consequential, special, exemplary or punitive damages, decline in market capitalisation, however caused, regardless of negligence or fault. Receiving Party acknowledges and agrees that Disclosing Party may be irreparably harmed by the breach of this Agreement and damages may not be an adequate remedy. Disclosing Party shall be entitled to seek an injunction or specific performance for any threatened or actual breach of this Agreement by Receiving Party or any other person receiving Confidential Information pursuant to this Agreement. In addition to the above, the Disclosing Party may in its sole discretion pursue any and all other remedies available to it for such violation, breach or threatened breach including recovery of compensatory damages.
9. This Agreement shall be governed by and construed in accordance with the laws of Islamic republic of Pakistan. All claims, demands, causes of action, disputes, controversies and other matters in question ("Dispute") arising out of, relating to, or in connection with this Agreement, including any question regarding its existence, breach, validity, or termination, which cannot be amicably resolved by the Parties, shall be settled before a two (02) arbitrators appointed mutually by both the Parties and one (01) umpire appointed mutually by the two (02) arbitrators. For purposes of clarity, the arbitrators and the umpire shall be retired confirmed judges of the High Court of Sindh at Karachi. Such arbitration shall be held in accordance with the provisions of the Arbitration Act, 1940. The venue of such arbitration shall be Karachi, Pakistan and the language of arbitration proceedings shall be English in effect as of the Effective Date. Judgment upon such award may be entered in any court having jurisdiction thereof. A dispute shall be deemed to have arisen when either Party notifies the other Party in writing to that effect. Receiving Party acknowledges that

remedies at law may be inadequate to protect against breach of this Agreement; accordingly, the arbitrator may award both monetary and equitable relief, including injunctive relief and specific performance. The Disclosing Party may apply to any competent judicial authority for interim or conservatory relief; an application for such measures or an application for the enforcement of such measures ordered by the arbitrator shall not be deemed an infringement or waiver of the agreement to arbitrate and shall not affect the powers of the arbitrator.

10. This Agreement shall constitute the entire agreement between the Parties with respect to the subject matter hereof and neither Party shall have any obligation, express or implied by law, with respect to trade secret or proprietary information of the other Party except as set forth herein. This Agreement may not be modified or amended except in writing and signed by a duly authorized representative of each of the Parties. No failure or delay in exercising or any single or partial exercise, of any right, power or privilege under this Agreement shall operate as a waiver or preclude any further exercise of any right, power or privilege under this Agreement or otherwise. If any provision of this Agreement (or part thereof) is or becomes unlawful, invalid or void, the legality, validity, and enforceability of any other part of that provision or any other provision of this Agreement shall not be affected but shall continue in full force and effect. The unlawful, invalid or void provision shall be deleted from this Agreement but only to the extent of the invalidity so as to preserve this Agreement to the maximum extent possible.
11. All notices and other communications given under this Agreement shall be in writing in the English language and shall be deemed to have been properly given or made if: (a) personally handed to an authorized representative of the Party for which intended; (b) sent by postage prepaid, registered (return receipt requested) mail (airmail if international); (c) transmitted by facsimile with confirmation of receipt; or (d) transmitted by email (such notice by email shall be contained in an attachment and not in the body of the email); in each case at or to the address of the Party for which intended, as indicated below, or other address as may be designated by notice given in accordance with this paragraph:

<b>To XYZ:</b>  Attention: [name] Telephone: [number] Facsimile: [number]  Email:[name@XYZ.com]	<b>To : K-Electric Limited</b>  Attention: Qasim Mehmud Facsimile: Block J, 1st Floor, Procurement Division, Elander Road (Power House) Complex, Karachi, Pakistan <b>Postal Code:</b> 74200, Karachi, Pakistan  Email: Qasim.mehmud@ke.com.pk
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Notices and other communications given in accordance with this paragraph 11 shall be effective (a) on receipt by the addressee if personally delivered or transmitted by mail, and (b) on transmission to the addressee if transmitted by facsimile (with the correct recipient confirmation)

or by email during normal business hours at the place of the addressee or, if so transmitted outside such hours, at the opening of business on the next business day at such place.

12. This Agreement may be executed in two (02) counterparts and each of which shall be deemed an original, with the same effect as if the signatures on the counterparts were upon a single engrossment of this Agreement provided that this Agreement shall not be effective until all the counterparts have been executed.

IN WITNESS THEREOF, the Parties have caused this Agreement to be signed by their duly authorized representatives.

**Bidder Company**

**K-Electric Limited**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Signed in the presence of the following witnesses:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## **Exhibit 3 – Form of Covenant of Integrity**

### **1.1. Instructions**

The Bidder must promptly execute the Covenant of Integrity on its corporate letterhead. The executed Covenant of Integrity must be submitted to K-Electric.

### **1.2. Template**

[On Bidder letterhead]

[Date]

Attention:

Mr. Qasim Mehmud  
Strategic Sourcing Lead – Project Procurement  
K-Electric Limited  
1st Floor Procurement Division  
Building J, Elander Road  
(Power House) Complex, Karachi - 74200,  
Pakistan  
[www.ke.com.pk](http://www.ke.com.pk)

**Subject: Covenant of Integrity**

Dear Recipient,

The Bidder hereby undertakes that the bid was not concluded under the influence of an agreement, decision or conduct which influences an open and fair competition negatively. In addition, the Bidder hereby warrants and covenants that neither it, nor its affiliates or representatives has made, offered, promised, requested, solicited or accepted or authorised regarding the bid, nor will make, offer, promise, request, solicit or accept or authorise regarding the matters that are the subject of the bid, any payment or any transfer of anything of value, including without limitation any gift, service or entertainment, or other advantage, or a so-called facilitation payment, whether directly or indirectly, to or for the use or benefit of:

- (i) any public official including without limitation any person holding a legislative, administrative, or judicial office, including any person employed by or acting for a public agency, or public international organization or providing a public service;
- (ii) any director, officer or employee of a government owned or controlled company or any company or enterprise in which government owns an interest;
- (iii) any political party or political party official or candidate for office;
- (iv) any director, officer or employee of any other party or any of their respective affiliates;



- (v) any close family member of any of the foregoing;
- (vi) any other third party; or
- (vii) any agent or intermediary for the purposes of subsequent transfer (in whole or in part) to one or more of the foregoing, in each case where the payment, gift, service, entertainment, or advantage:
  - (A) would violate the laws of any jurisdiction applicable to the subject matter of, and its performance of its obligations under, the bid;
  - (B) would violate the laws of the country of formation of it or its ultimate parent company, the country where it or its ultimate parent company's shares are listed, or the countries where it or its ultimate parent company carry on business; or
  - (C) is for the purpose of:
    - (1) influencing the individual receiving such payment, gift, service, entertainment or advantage to act or refrain from acting in the exercise of his or her official duties;
    - (2) seeking with a view to obtaining from such individual any undue advantage; or
    - (3) inducing such individual to act or refrain from acting in the exercise of his or her official duties in order to obtain or retain business or other undue advantage in relation to the bid,

in each case, in violation of the principles set forth in articles 15, 16, 18 and 21 of the "United Nations Convention Against Corruption" signed by the Islamic Republic of Pakistan on 9 December 2003, and ratified by the Islamic Republic of Pakistan on 31 August 2007, and to the extent otherwise not in conflict with (A) or (B).

In the case of breach of any of the above warranties and/or covenants, without prejudice to any other right and remedy provided by law, equity or by contract, the Bidder shall indemnify and hold K-Electric harmless from and against all claims, damages, losses, expenses, fines or any third-party liability claims (excluding any consequential losses) arising out of or in connection with such breach.

For and on behalf of

Bidder company name: \_\_\_\_\_

Name of Bidder's authorized person: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## Exhibit 4 – Power of Attorney

*(The Bidder must execute the Power of Attorney on stamp paper and submit to K-Electric along with the Bid)*

### POWER OF ATTORNEY

TO ALL WHOM PRESENT, these presents shall come. \_\_\_\_\_, having its registered office at \_\_\_\_\_ (hereinafter called the "Company") send greetings.

WHEREAS the Company was incorporated under the \_\_\_\_\_ as a \_\_\_\_\_.

WHEREAS, by virtue of the powers conferred upon them by Article \_\_\_\_ of the Company's Articles of Association, the Board of Directors of the Company have passed the resolution dated \_\_\_\_\_ and entrusted to and conferred upon \_\_\_\_\_, the \_\_\_\_\_ of the Company. The following powers which shall be exercisable by him from the date that a power of Attorney enumerating the same is executed in his favor by \_\_\_\_\_.

NOW THESE PRESENTS WITNESS THAT, \_\_\_\_\_ s/o \_\_\_\_\_ holder of CNIC/Passport No. \_\_\_\_\_ is holding the position of \_\_\_\_\_ in the Company, is hereby appointed Attorney of the Company to act in the name and on behalf of the Company to do and perform the following act and things only:

1. To sign the application and its ancillary documents on behalf of the Company with respect to the bidding process for the Project(s) as specified in the Request for Proposal.
2. The Company hereby agrees to ratify and confirm all and whatever the said Attorney shall lawfully do or cause to be done by virtue of this Power of Attorney.
3. This Power of Attorney, unless earlier revoked, shall be valid until the completion of execution of bidding process and shall stand immediately revoked upon the execution of the same.

IN WITNESS WHEREOF the Common Seal of the Company has been affixed hereto at \_\_\_\_\_ on this \_\_\_\_\_ by the undersigned \_\_\_\_\_ of the Company pursuant to the resolution dated \_\_\_\_\_ passed by the Board of Directors of the Company.

Signature of Attorney

\_\_\_\_\_

THE COMMON SEAL of the Company  
is hereunto affixed in the presence of

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**WITNESSES:**

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Exhibit 5 – Affidavit

*(The Bidder must execute the Affidavit on stamp paper and submit to K-Electric along with complete Bid)*

### AFFIDAVIT

I, \_\_\_\_\_ S/o \_\_\_\_\_, permanent Resident of \_\_\_\_\_ holding CNIC/Passport No. \_\_\_\_\_ being a duly authorized representative of the \_\_\_\_\_ (“Applicant”) \_\_\_\_\_ (designation), do hereby declare as under:-

1. That I am the deponent of this affidavit and fully conversant with the facts stated herein and nothing has been concealed or mis-declared.
2. That the Bidder has applied to bid for the Project(s) of K-Electric Limited (“Relevant Agent”).
3. That the country of origin of Bidder is not any country upon which the government of Pakistan has imposed any trade embargo and/or sanctions, including but not limited to Israel and India.
4. That the Bidder and its members, representatives, personnel’s etc. do not have any restrictions with respect to travel in Pakistan.
5. That the Bidder does not have a conflict of interest with any of the parties involved in the bidding process of the Relevant Agent and further the Applicant hereby agrees that if the Applicant is found to be in conflict of interest with one or more parties involved in the bidding process, at any time, the Relevant Agent shall have the right to disqualify the Bidder.
6. The Bidder is considered to be in a conflict of interest with Relevant Agent, if the Bidder and the other parties in the bidding process including but not limited to have:
  - a) controlling shareholders in common or
  - b) a relationship with each other, directly or through common third parties, that puts the Bidder in a position to have access to material information about or improperly influence the proposal of any other Bidder involved in the bidding process or influence the decisions of the Relevant Agent regarding the bidding process
7. That the information and the assumptions provided by the Bidder are correct and complete and no material information is concealed by the Bidder in its Bid including any supporting documents;
8. The Bidder, if declared the Successful Bidder, will execute the project unconditionally;
9. That the Bidder and its members (in case of the Bidder being a consortium/joint venture) have not defaulted in their payment obligations and/or performance of major contracts over the past five years.
10. The Bidder or any officer, director or owner thereof, has not been in substantial noncompliance of the terms and conditions of prior project contracts.
11. That the Bidder and its members (if any) are solvent and have no liquidation application pending against them in any court of law.

12. That the information provided by the Bidder, on any litigation or arbitration resulting from contracts completed or under execution over the last five years is accurate and will not adversely affect the Relevant Agent in any way whatsoever. That the Bidder understands that a consistent history of award against the Bidder may result in rejection of the Bid of the Bidder by the Relevant Agent.
13. That the Bidder and its members (in case of the Bidder being a consortium/joint venture) have been compliant of the prevailing regulations over the past five years. The composition or the constitution of the consortium shall not be altered without the prior consent of the KE.
14. That the Bidder and its members (in case of the Bidder being consortium/ joint venture) confirms that all of the parties shall be jointly and severally liable to the KE till the Commercial Operation Date of the Project(s).
15. The Bidder, its owners, directors, and key employees, have not been prosecuted, blacklisted or barred during the past five years by the Relevant Agent, KE or any federal or provincial agency or any international DFI and are not subject to any international sanctions;
16. The Bidder should affirm that it has not been the cause of any serious health, safety, or environment hazard in any of its projects in Pakistan or any.
17. other place in the world over the past five years.
18. That the Bidder shall submit his statement on separate affidavit, in case the Bidder is claiming no litigation.
19. The Bidder hereby agrees if any provision of this RFP document is, against the law of Pakistan the remaining provisions of this RFP document shall remain in full force and effect.
20. The Bidder shall confirm that there has been no material change in records provided at the time of prequalification. In case of any material change, the Bidder shall submit a separate statement of changes.
21. The Bidder has the relevant technical and commercial expertise to successfully undertake the Project(s).

Whatever stated above is true and correct to the best of my knowledge and belief.

**DEPONENT**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

## **Exhibit 6 – Letter of Acceptance by the Bidder**

*(to be submitted on stamp paper)*

The Bidder accepts the following in order to proceed with bid evaluation:

- 1- It is necessary that the Bidder accepts all '**terms and conditions**' specified in the RFP.
- 2- Bidder has to accept '**Energy Purchase Agreement**' provided in Exhibit 11 of RFP.
- 3- It is required from Bidder to accept the '**Equity Structure**' specified in Section 6 of RFP.
- 4- The Bidder must conform the timelines stipulated in Section 7.1. of the RFP document. Any change to the project timeline will be communicated by the Relevant Agent to the Successful Bidder at the time of LOI issuance.
- 5- The Bid complies with all the recommendations provided in all the studies given with RFP:
  - a. Feasibility Study Report
  - b. Environmental and Social Impact Assessment
  - c. Load flow study

## Exhibit 7 – Bid Evaluation Criteria

### 1.1. Technical Evaluation

Given below are the technical specifications relevant to technology and energy yield of the solar power plant, non-compliance to which shall result in disqualification of the Bidder.

#### Knock-Off Criteria:

S.No.	Equipment	Mandatory Condition	Provision (Y/N)
1	Solar Panel	Tier-1	
2	Yield	Greater than 21.5%	
3	Grid Code	Compatibility of the Complex and equipment with technical standards of Grid Code (power factor, voltage variation, operating frequency range etc.), Distribution Code and other applicable document etc.	

Detailed Technical Scorecard is given below according to which, minimum criteria for qualification of Bidder is 75 out of 100 marks after passing the screening criteria provided in the table above.

S. No.	Evaluation Criteria	Score
1	<b>Solar Panels</b>	<b>09</b>
	Scoring shall be done as per Section 13.1 Volume-II of the RFP	
	Compliance with Standards (Relative) and Efficiency	
2	<b>Power Inverters</b>	<b>08</b>
	Scoring shall be done as per Section 13.2 Volume-II of the RFP	
	Compliance with Standards (Relative) and Efficiency	
3	<b>GIS</b>	<b>08</b>
	Scoring shall be done as per Section 13.3 Volume-II of the RFP	
4	<b>Power Transformers and other Switchyard equipment, SCADA, Telecommunication and Protection Schemes, Back-up Metering System</b>	<b>08</b>
	Scoring shall be done as per Section 13.4, 13.5 and 13.6 Volume-II of the RFP	
5	<b>Weather Station</b>	<b>06</b>
	Scoring shall be done as per Section 13.7 Volume-II of the RFP	
6	<b>Civil/Mounting Structure</b>	<b>10</b>
	Scoring shall be done as per Section 13.8 Volume-II of the RFP	
	Structure designed as per Site weather conditions	03
	Flood water arrangement	04
	Corrosion free material usage	03
7	<b>Balance of System</b>	<b>05</b>
	Scoring shall be done as per Section 13.9 Volume-II of the RFP	
8	<b>Safety and Security</b>	<b>04</b>

	Scoring shall be done as per Section 13.10 Volume-II of the RFP	
<b>9</b>	<b>Plant Monitoring System</b>	<b>05</b>
	Scoring shall be done as per Section 13.11 Volume-II of the RFP	
<b>10</b>	<b>Design Experience and Capability</b>	<b>04</b>
	Scoring shall be done as per Section 13.15 Volume-II of the RFP	
<b>11</b>	<b>Tracking System</b>	<b>10</b>
<b>12</b>	<b>O&amp;M Methodology</b>	<b>06</b>
	Scoring shall be done as per Section 13.17 Volume-II of the RFP	
<b>13</b>	<b>HSE</b>	<b>04</b>
	Scoring shall be done as per Section 13.18 Volume-II of the RFP	
<b>15</b>	<b>Warranty</b>	<b>08</b>
	Solar Panels	02
	Inverters	02
	GIS	02
	Power Transformer and Inverter Transformer etc.	02
<b>16</b>	Ability to contribute to local economic development	05
	<b>TOTAL</b>	<b>100</b>

## 1.2. Financial Evaluation

- (a) The selection will be based on the lowest Bid Tariff.
- (b) The lowest Bid Tariff of a technically compliant Bid, in accordance with Section 9, will be selected as the Successful Bidder.



**Exhibit 8 – Form of Bid Bond**

**FORM OF BID BOND**

(Bank Guarantee)

Guarantee No. \_\_\_\_\_  
Executed on \_\_\_\_\_  
Expiry date \_\_\_\_\_

Strategic Sourcing Lead (Project Procurement)  
K-Electric Ltd.,  
1st Floor, Procurement Division  
Elander Road (Power House) Complex  
Karachi, Pakistan

Name of Guarantor (Bank) with address: \_\_\_\_\_

Name of Principal (Bidder) with address: \_\_\_\_\_

Penal Sum of Security (express in words and figures): \_\_\_\_\_

Bid Reference No. and Date: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bid and at the request of the said Principal, we the Guarantor above-named are held and firmly bound unto the K-Electric Limited (hereinafter called The "Company") in the sum stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has submitted the accompanying Bid numbered dated as above for [the Development of [●] MW Solar Project in the Lasbela District].

WHEREAS, the Company has required as a condition for considering said Bid that the Principal furnish a Bid Bond in the above said sum to the Company, conditioned as under:

- (1) That the Bid Bond shall remain valid for a period of thirteen (13) months from the bid submission deadline.
- (2) That in the event of:
  - a) The Principal withdraws his Bid during the period of validity of Bid, or

b) Failure of the Successful Bidder to:

furnish the required Performance Guarantee, in accordance with Request for Proposal, Then the entire sum be paid immediately to the said Company as liquidated damages and not as penalty for the successful Bidder's failure to perform.

NOW THEREFORE, if the Successful Bidder shall, within the period specified therefore, on the prescribed form presented to him for signature enter into a Letter of Intent with the said Company in accordance with his Bid as accepted and furnish within thirty (30) days of his being requested to do so, a Performance Guarantee with good and sufficient surety, as may be required, upon the form prescribed by the said Company for the faithful performance and proper fulfilment of the said Letter of Intent or in the event of non-withdrawal of the said Bid within the time specified then this obligation shall be void and of no effect, but otherwise to remain in full force and effect.

PROVIDED THAT the Guarantor shall forthwith pay to the Company the said sum stated above upon first written demand of the Company without cavil or argument and without requiring the Company to prove or to show grounds or reasons for such demand, notice of which shall be sent by the Company to the Guarantor at its address given above.

PROVIDED ALSO THAT the Company shall be the sole and final judge for deciding whether the Principal has duly performed his obligations to sign the Letter of Intent and to furnish the requisite Performance Guarantee within the time stated above, or has defaulted in fulfilling said requirements and the Guarantor shall pay without objection the sum stated above upon first written demand from the Company forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounden Guarantor has executed the instrument under its seal on the date indicated above, the name and seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Guarantor (Bank)

Signature: \_\_\_\_\_

**Witness:**

1. \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
**Corporate Secretary (Seal)**

\_\_\_\_\_  
**Corporate Guarantor (Seal)**

1. \_\_\_\_\_

**Name, Title & Address (Seal)**

\_\_\_\_\_, 2020

Contact Name  
Address

**SUB:                    DEMAND FOR PAYMENT ON BID BOND**

Dear [CONTACT NAME],

In accordance with the terms and conditions of your Guarantee bearing No. \_\_\_\_\_ dated [DATE GUARANTEE EXECUTED] amounting to \_\_\_\_\_, issued by your Bank on behalf of \_\_\_\_\_ [DEBTOR] (enclosed).

Demand is hereby made for payment in full/partial of (amount), which payment must be received by us through a cashier's check, immediately, at the following address:

[COMPANY]  
[ADDRESS]

If you have any questions, call the undersigned immediately at [UNDERSIGNED'S TELEPHONE NUMBER].

An early response in this regard will be appreciated.

Sincerely.

## Exhibit 9 – Form of Performance Guarantee

### PERFORMANCE SECURITY

Guarantee No: \_\_\_\_\_  
Executed on: \_\_\_\_\_  
Amount: \_\_\_\_\_  
Expiry Date: \_\_\_\_\_

Strategic Sourcing Lead (Project Procurement)  
K-Electric Ltd.,  
1st Floor, Procurement Division  
Elander Road (Power House) Complex  
Karachi, Pakistan

Name of Guarantor (Bank) with address: \_\_\_\_\_

Name of Bidder with address: \_\_\_\_\_

Amount of Guarantee: \_\_\_\_\_  
(Express in words & figures)

RFP Date: \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the RFP (hereinafter called the Documents) and at the request of the said Bidder being our Client, we, the Guarantor above named hereby irrevocably and unconditionally bind ourselves to K Electric (hereinafter called the Company) in the sum of [●] for the payment of which sum well and truly to be made to the said Company to pay the Company on its first demand in writing without raising any cavil or objection whatsoever.

We understand that the Bidder has been notified dated \_\_\_\_\_ by the Company as the Successful Bidder for the development of [●] MW Solar Power Project at [/Bela/Winder] in the Lasbela District of Balochistan.

#### WHEREAS:

- A. The Bidder has been declared as the Successful by the Company to set up the solar power plant at [location] in accordance with the terms of the Request for Proposal.
- B. As required by the Beneficiary prior to the issuance of the Letter of Intent (the "LOI") 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 favor of the Beneficiary in order to secure the performance of the Successful Bidder's obligations under the LOI.

We, the Guarantor do hereby irrevocably and unconditionally guarantee to pay to the Company immediately without any delay upon the Company's first written demand without cavil or arguments and without requiring the Company to prove or to show grounds or reasons for such demands any sum or sums up to the amount stated above without reference to the Bidder or any other third party. Any demand by the Company shall be final and conclusive for all the purposes whatsoever. For the avoidance of doubt, time shall be of the essence of this Guarantee and the liability of the Guarantor shall be valid until expiry date continuing and co-extensive with that of the Bidder and shall be valid up to (Date) and shall not be diminished by any partial claim or demand made on the Guarantor under this Guarantee by the Company.

This Guarantee shall be solely governed and construed by the substantive and procedural laws of the Islamic Republic of Pakistan.

This guarantee shall come into force at once and be valid for a continuous period of [●] months ending on [expiry date]. Any demand by the Company should reach the Guarantor before (time and date)

IN WITNESS WHEREOF, the above-bounden Guarantor has executed this instrument under its seal on the date indicated above, the name and corporate seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Notwithstanding anything herein above this guarantee is [●] (in words) valid until [●] after which date the guarantee will become null and void irrespective of whether or not the original guarantee is returned to the bank for cancellation. Any claim made under this guarantee must be in writing and delivered to the bank's office at [●] on or before (time and date) after which we will no longer be liable to make payment to you.

\_\_\_\_\_  
Guarantor (Bank)

Signature: \_\_\_\_\_

**Witness:**

1. \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
**Corporate Secretary (Seal)**

\_\_\_\_\_  
**Corporate Guarantor (Seal)**

1. \_\_\_\_\_

**Name, Title & Address (Seal)**

\_\_\_\_\_, 2020

Contact Name  
Address

**SUB:                    DEMAND FOR PAYMENT ON PERFORMANCE GUARANTEE**  
**("Guarantee")**

Dear [CONTACT NAME],

In accordance with the terms and conditions of your Guarantee bearing No. \_\_\_\_\_ dated [DATE GUARANTEE EXECUTED] amounting to \_\_\_\_\_, issued by your Bank on behalf of \_\_\_\_\_ [DEBTOR] (enclosed).

Demand is hereby made for payment in full/partial of (amount), which payment must be received by us through a cashier's check, immediately, at the following address:

[COMPANY]  
[ADDRESS]

If you have any questions, call the undersigned immediately at [UNDERSIGNED'S TELEPHONE NUMBER].

An early response in this regard will be appreciated.

Sincerely.

### **Exhibit 10 – Bid Tariff**

Bidders are required to submit separate Exhibit 10 for each Project if the Bidder is bidding for more than one Project.

Bid Tariff in Rs./kWh.

## **Exhibit 11 –Energy Purchase Agreement**



**Exhibit 12 – Feasibility Study Report, Environmental Impact Assessment  
and Load Flow Study**

**Part A - Winder**

## Part B - Bela

## Exhibit 13 – Form of Letter of Intent to the Successful Bidder

This Letter of Intent (LOI) is executed in Karachi on \_\_\_\_\_ (“Effective Date”) between:

- 1 **K-ELECTRIC LIMITED**, being a public limited company duly incorporated and existing under the laws of Pakistan and having its registered office at KE House, 39-B, Sunset Boulevard, Phase-II, DHA, Karachi, Pakistan (hereinafter referred to as “**KE**”), which expression shall include wherever the context permits its successors-in-interest and assigns, of the First Part; and
- 2 **Successful Bidder, (company details)** which expression shall include wherever the context permits its successors-in-interest and permitted assigns, of the Second Part;

Each of **KE** and **Successful bidder** are individually referred to in this LOI as a “Party” and collectively as the “Parties”.

Whereas:

- A. The Successful Bidder will be awarded the LOI for formation of ‘SPV’
- B. KE at its sole discretion will participate as a shareholder in the SPV either through its affiliate or its subsidiary, that may hold up to 25% shareholding in the SPV. The terms and conditions of equity injection will be contemplated under a separate Shareholders’ Agreement.
- C. The SPV will be responsible to develop, construct, own and operate the [50/100] MWp Independent Power Plant (“**IPP**”) based on solar photovoltaic modules, to be located in [●] as mutually agreed between the Parties (“the **Project**”), in accordance with the milestones specified in this LOI for the Project.
- D. Subsequent to the formation of SPV, the SPV will be required to (i) obtain Generation License and Tariff Approval from NEPRA (ii) enter into EPC contract for the design, construction and commissioning of the Complex (iii) enter into EPA with KE, and other necessary Project agreements (iv) arrange the necessary financing for the Project(s) and achieve financial close (v) construct and implement the Project within the time period allowed by NEPRA in the Tariff Approval, and (vi) upon commissioning, operate and maintain the Complex for the Term to provide the generated electricity to KE.
- E. SPV shall be duly licensed by National Electric Power Regulatory Authority (“NEPRA”) under the Regulation of Generation, Transmission and Distribution Act, 1997 (“**NEPRA Act**”) and the Securities and Exchange Commission of Pakistan (“SECP”) to undertake this Project.
- F. SPV shall develop the Project under the build-own-operate (“**BOO**”) scheme with the Project life of not less than 25 years post Commercial Operations Date (“**CoD**”) and
- G. KE and SPV will enter into Energy Purchase Agreement (“**EPA**”) in accordance with the Exhibit 11 of RFP.

Now, therefore, in consideration of the mutual promises and covenants of the Parties set forth in this LOI, this LOI as provided under:

## **1. THE PROJECT**

- 1.1. For the purposes of this LOI, Successful Bidder and/or any of its sponsors and/or its affiliates together with any other individual or group or entity nominated by and duly accepted by KE, shall be the Main Sponsor(s) of the Project. It is anticipated that KE will execute a mutually acceptable Energy Purchase Agreement with SPV for the term agreed under the Energy Purchase Agreement. For the purposes of this LOI irrespective of any other Sponsor being added to the Project in the future, SPV or its designated affiliate shall remain as the developer for the Project for all intents and purposes and in its dealings with KE. The equity shareholding of the Lead Member of the Successful Bidder's (in case Successful Bidder is a consortium/joint venture) shall be higher of minimum 20% or greater than the equity shareholding of other members of the consortium/joint venture and shall maintain such shareholding for the term of the loan from the Project's Commercial Operations Date; any change prior thereto shall require approval of KE which shall not be unreasonably withheld.
- 1.2. SPV shall make all reasonable efforts to facilitate each other's internal approvals through mutual cooperation between the Parties in good faith.
- 1.3. SPV shall be responsible for raising financing for the Project.
- 1.4. Land will be transferred to SPV at or prior to the Financial Close in accordance with the Land Purchase Agreement to be entered between the SPV and GoB.
- 1.5. KE shall ensure the Project could be connected to its grid network. The cost and arrangement of interconnection up to the interconnection point to be situated at the Project site would be borne by KE.
- 1.6. Sponsors of the SPV shall take all the risks and liabilities of development of the Project and shall contribute the finances, expertise and overall business development in respect of the Project. SPV shall carry out all the project development activities, as listed in table 1.
- 1.7. SPV shall comply with all the regulations, which include warranties related to the performance of such plants in line with standards applied for new IPPs under Energy Purchase Agreement (EPA) and/or the applicable laws and regulations of the Islamic Republic of Pakistan. In addition, SPV shall be responsible for obtaining license/authorization from NEPRA under the NEPRA Act as well as ensuring that all relevant performance standards of NEPRA for the grant of any generation license in favor of SPV are duly complied with.
- 1.8. The Parties agree that SPV shall file tariff application with NEPRA and Tariff Approval shall be used for the purposes of the EPA.
- 1.9. The Parties agree to complete the milestones listed in Table 1 during the term of this LOI. In the event that, from the Effective Date of this LOI, any of these milestones has not been accomplished by SPV within the term of this LOI, KE shall have the right to terminate this LOI and encash the performance guarantee, unless otherwise agreed between the Parties.

- 1.10.1. This LOI shall become effective as of the Effective Date and shall remain in force until the earlier of any one of the events occurring as follows:
- (a) Expiry of the term of this LOI, which is 12 continuous Gregorian calendar months from the Effective Date, without renewal in writing between Parties; or
  - (b) Achievement of Financial Close by SPV; or
  - (c) Termination of this LOI by KE under clause 2.9 or by giving (60) days prior written notice to the other Party without assigning any reason.
- 1.10.2. The non-disclosure and non-circumvention requirements and obligations as provided herein will survive termination or expiry of this LOI and continue for two (2) years thereafter.
- 1.11. Notwithstanding anything in this LOI, KE shall have the right to encash the Performance Guarantee to its full outstanding value in case of any breach of the terms and conditions hereof.
- 1.12. SPV shall regularly update KE on the progress of the Project at monthly intervals. The scope of the progress report shall include both technical and commercial areas which shall be presented by SPV to KE's designated team. Without prejudice to the foregoing, KE shall at times be entitled to demand and receive from time-to-time specific information/reports/data on the progress of the Project and/or achievement of milestones.

S. No.	Milestone	Date
1. 1.	Signing of SHA	
2.	Formation of SPV	
3.	Filing of Tariff and GL Application to NEPRA	
4.	GL and Tariff Approval by NEPRA	
5.	Finalization of Project Agreements including EPC and PPA / Submission of EPA to NEPRA for Approval	
6.	Approval of EPA by NEPRA	
7.	Land Purchase Agreement	
8.	Financial Close – Winder	
9.	Financial Close – Bela	

*Table – 1 Project Development Activities*

## 2. CONFIDENTIAL INFORMATION

- 2.1. For the purposes of this LOI, "Confidential Information" shall mean any information, knowledge or data relating to the subject matter of this LOI which is not in the public domain and is disclosed by the disclosing party to the receiving party and is other than intellectual property of the disclosing party. All Confidential Information shared by the disclosing party to the receiving party shall

remain the exclusive property of the disclosing party and the receiving party shall not disclose the same to any other person or entity not being a signatory to this LOI unless:-

- (a) the said information/data is already in the public domain;
- (b) such disclosure is required by the order of the competent authority or judicial forum subject to prior intimation to the disclosing party.

- 2.2. No Party shall issue or make any public announcement or disclose any information regarding this LOI and its objects unless prior to such public announcement or disclosure it furnishes the other Party with a copy of such announcement or information and obtains the approval of the other Party to its terms. However, no Party shall be prohibited from issuing or making any such public announcement or disclosing such information if it is necessary to do so to comply with any applicable laws or regulations including but not limited to the listing regulations of the Karachi Stock Exchange.
- 2.3. Neither Party may assign, novate, substitute, sub-delegate, sub-contract or otherwise transfer any or all of its rights and obligations under this LOI, whether in whole or in part, without prior specific written consent of the other Party.
- 2.4. This LOI may not be released, discharged, supplemented, interpreted, amended, varied or modified in any manner except by an instrument in writing signed by duly authorized representatives of both the Parties to this LOI.
- 2.5. The validity, construction and implementation of this LOI shall be solely governed by the substantive and procedural laws of the Islamic Republic of Pakistan. Any disputes or claims arising under or in connection with this LOI shall be subject to the exclusive civil jurisdiction of the High Court of Sindh at Karachi to which the Parties to this LOI hereby irrevocably submit.
- 2.6. Neither of the Parties shall be liable to the other Party in contract, tort, negligence, breach of statutory duty, trust or otherwise for any indirect, direct and/or consequential losses or damages of whatsoever nature for any breach of the provisions of this LOI whether intentional or otherwise. In no way shall either Party be liable to the other for any loss of profits or loss of business opportunities for any delay or non-achievement of the milestones set out in this LOI whether under the provisions of the law of contract, tort, trust or any other theory of law.
- 3. Each Party warrants to the other that the person(s) signing below have all necessary capacity and authority, corporate or otherwise, to enter into, execute and implement this LOI in good faith on behalf of the Parties to this LOI.
- 4. This LOI is signed in two identical counterparts, each of which shall constitute one indivisible instrument.
- 5.1. All notices and other communications required under this LOI shall be given in writing, through personal delivery, courier mail or by facsimile transmission and shall be addressed to the following:

**KE:**

Attention: Mr. Shahab Qader Khan

Designation: Chief Strategy Officer

Address: KE House, 39-B, Sunset Boulevard, Phase II, DHA, Karachi

**SPV:**

Attention: [Name]

Designation: Chief Executive Officer

Address:

- 5.2. Any notices sent under Clause 6(a) above shall be deemed to be duly received where sent during normal business hours by personal delivery or facsimile transmission on the same business day as it was sent, and where sent by courier within three (3) business days of dispatch.
7. The provisions of this LOI are severable in nature and in the event that any one or more of its provisions are incapable of being implemented for any reason, this shall not affect the validity of the remaining provisions of this LOI and the Parties shall in good faith enter into negotiations to come up with an alternative provision which best reflects the understanding and mutual intention of the Parties at the time of entering into this LOI.
8. Notwithstanding anything to the contrary contained herein, this LOI shall be legally binding on both the Parties.
9. Neither Party makes any representations or warranties to the other Party under this LOI and each Party shall be responsible for conducting its own due diligence with regard to the subject matter of this LOI. Accordingly, each Party shall be strictly responsible for its own costs.
10. For the avoidance of doubt, time shall be of the essence of this LOI for Parties.
11. This LOI is personal in nature and does not create any third-party rights or interests in favor of any person or entity who is not a signatory to this LOI.

In witness thereof, the Parties hereby put their respective signatures on the date and year first above written.

***For and on behalf of KE:***

***For and on behalf of SPV:***

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**Shahab Qader Khan**  
Chief Strategy Officer

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**[Name]**  
Chief Executive Officer



## **Exhibit 14 – Equity Commitment from Sponsors**

**Bidders shall provide the evidence of available funding mechanism including signed equity commitment from sponsors.**

**Exhibit 15 – Form of Clarification to RFP Documents**

<b>S. No.</b>	<b>Clause Reference No. and title of RFP Doc.t</b>	<b>Original wording or issue for which clarification is sought</b>	<b>Bidder's Clarification Request</b>	<b>K-Electric's response to Bidder's Clarification Request</b>
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S. No.	Clause Reference No. and title of RFP Doc.t	Original wording or issue for which clarification is sought	Bidder's Clarification Request	K-Electric's response to Bidder's Clarification Request
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For an on behalf of

Bidder Company Name: \_\_\_\_\_

Name of Bidder's authorized person: \_\_\_\_\_

Title: \_\_\_\_\_

E-mail: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

## **Exhibit 16 – Hard Barricading and Signage at Site**

## **Exhibit 17 – Hazard Substance Management Procedure**

## **Exhibit 18 – Waste Management Procedure**