

Tender No.: ESERA/RFP/13/2019-2020
Eswatini Energy Regulatory Authority

Request for Qualification

**Procurement of New Generation Capacity in Eswatini
(Second Tranche Procurement Programme)**

Briefing Note No. 02



Date of Issue: 20 October 2020

1 INTRODUCTION

This Briefing Note (“**Briefing Note No. 02**”) is issued pursuant to the Request for Qualification for the procurement of new generation capacity in Eswatini under the Second Tranche Procurement Programme launched by the Eswatini Energy Regulatory Authority (“**ESERA**”) on 07 August 2020 with Tender No.: ESERA/RFP/06/2020-2021 (the “**RFQ**”) and is subject to all the terms and conditions contained therein.

Terms defined in the RFQ and used in this Briefing Note with capitalized initial letters, bear the meanings given to them in the RFP, unless otherwise defined herein.

The purpose of this Briefing Note 02 is to provide an amendment to the RFQ.

Item No.	Request for Clarification	ESERA Response
	<p>The RFQ requires Applicants to demonstrate previous experience as either a lead developer or co-developer. This requirement will limit the participation of local parties to act as Lead Developers in the tender process. Furthermore, biomass plants developed as cogeneration projects in Eswatini do not appear to meet the experience requirement.</p> <p>We therefore request ESERA consider amending minimum experience requirements to encourage participation of local developers.</p>	<p>ESERA wishes to emphasise that a key objective of the biomass tender is to achieve high levels of local participation in the tender process as evidenced by the minimum levels of local participation set out in the RFQ. Whilst ESERA recognises the importance of such local participation in the tender process, it considers prior relevant Lead Developer experience as a vital qualification criterion within a Bidding group. ESERA acknowledges that recognition in respect of relevant experience needs to be given to a party that has successfully developed biomass plants on a cogeneration (but not necessarily on project finance) basis</p> <p>Taking into account the above, ESERA has decided to amend the RFQ as follows:</p> <ul style="list-style-type: none"> Applicants will still be required to demonstrate previous experience as lead developer or co-developer. However, the minimum lead developer or co-developer experience requirement will be removed from the Minimum Requirements and will not form part of the Stage 1 evaluation. Instead evaluation points will be granted under the Stage 2 evaluation for lead developer or co-developer experience as demonstrated by the Applicants. <p>Therefore Section 6.2 (Experience) will be moved from Section 6 (Minimum Requirements) to Section 5 (Project requirements) and amended as follows:</p> <p><i>“Experience</i></p> <p><i>The Lead Developer experience of an Applicant will not be considered as part of the Stage 1 evaluation. However, in the Stage 2 evaluation, evaluation points will be granted for Lead Developers / Applicant Members who demonstrate experience</i></p>

		<p><i>where they have acted as a lead developer or co-developer on power generation plants comprising biomass, gas, coal, wind, solar or hydro power plants, with an MEC greater than or equal to five (5) MW that have at least achieved financial close. Experience of acting as lead developer or owner on biomass cogeneration power plants will be considered as relevant experience.</i></p> <ul style="list-style-type: none">• Table 7-1 in Section 7.2 shall be replaced with the Table 1 in Annexure A of this Briefing Note 02.• ESERA has prepared a revised Application Form 4 that the Applicants shall use for submitting experience based on the amended experience requirements. The revised Application Form 4 is attached in Annexure B.
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Annexure A: Revised Point-based scoring criteria

Table 1: Point-based scoring criteria (Stage 2)

Item No.	Category	Description of criteria
1	Relevant experience (50 points)	<ul style="list-style-type: none"> • Experience in the development of power projects (solar, wind, biomass, hydro, etc.) as a developer, co-developer, biomass cogeneration developer/owner. • Strong preference will be given for experience on Projects that have achieved COD. • Strong preference will be given for biomass projects in Africa. • Additional demonstrated experience of Applicant relevant to the Projects.
2	Financial standing (20 points)	<ul style="list-style-type: none"> • Financial strength of Lead Developer (or parent company)
3	Project readiness (15 points)	<ul style="list-style-type: none"> • Project definition (capacity, site identification and secured site rights, status of the EIA process) • Identification of potential feedstock suppliers • Identification of local partners • Feasibility study on the Project including assessment of biomass feedstock supply • Other development work conducted on the Project
4	Eswatini participation (15 points)	<ul style="list-style-type: none"> • Proposed levels of equity in the Project Company to be held by Eswatini equity investors that are above the applicable minimum threshold

Item No.	Category	Description of criteria
		<ul style="list-style-type: none">• Proposed levels of debt funding in the Projects by Eswatini lending/financial institutions that are above the applicable minimum threshold• Proposed levels of feedstock procurement from Eswatini companies and/or Eswatini Nationals that are above the applicable minimum threshold• Proposed levels of EPC contract value to be allocated to Eswatini companies and/or Eswatini Nationals that are above the applicable minimum threshold• Proposed levels of O&M contract value to be allocated to Eswatini companies and/or Eswatini citizens that are above the applicable minimum threshold

Annexure B: Revised Application Form 4

APPLICANT IDENTITY:		DATE:
APPLICATION FORM 4: APPLICANT'S RELEVANT EXPERIENCE		

Notes to Applicants:

Applicants are to provide complete evidence of experience where they have acted as a lead developer or co-developer on power generation plants comprising biomass, gas, coal, wind, solar or hydro power plants, with an MEC greater than or equal to five (5) MW that have at least achieved financial close. Experience of acting as lead developer or owner on biomass cogeneration power plants will be considered as relevant experience.

- 1 For each project, the Applicants shall provide the following information:
 - (a) plant name and location;
 - (b) installed MW capacity;
 - (c) brief description of the project and the technology;
 - (d) the manufacturers and/or suppliers of main equipment;
 - (e) equity shareholding percentage and percentage of debt provided to the project by the Applicant Member;
 - (f) the role of the Applicant Member in the project;
 - (g) a brief description of the grid infrastructure constructed for the listed projects;
 - (h) name, address email and telephone contact details of the project company and its managing director;
 - (i) evidence of achievement of commercial operation date; where commercial operation has not been achieved, evidence of achievement of financial close; and
 - (j) audited accounts for the project company compliant with international accounting standards showing details of share ownership and names of principal officers at commercial operation date and for the most recent financial year. Where audited accounts cannot be provided, the Applicant shall provide a letter from a certified chartered accountant confirming the shareholding of the Applicant Member in the project at financial close / commercial operation date.