**Request for Proposal (RFP) Template**

**for Interconnected Minigrid Business Model**

May 2024 



**Notes to Readers:**

* This RFP template has been designed by RMI with support from the Global Energy Alliance for People and Planet (GEAPP) as part of a distributed energy resource (DER) toolkit that aims to accelerate DER project development in Nigeria.
* This is a generic template and is not based on any existing project.
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* Confidential customer information should not be publicized to DER developers or others without the consent of the customer or the necessary confidentiality agreements first.
* This generic template assumes the DisCo procuring the DER developer uses a Request for Qualifications (RFQ) phase beforehand to ensure applying developers are qualified and have signed a confidentiality agreement.
* Numbers in brackets and/or highlighted in yellow are placeholder numbers that can be modified to suit on project-specific considerations.
* Phrases enclosed in brackets are simply placeholders that should be replaced with the appropriate project-specific information.
* Throughout this template, footnotes and comments are used to provide commentary on specific aspects of the RFP. It is important to note that these footnotes and comments are not part of the RFP and are only intended to guide users of this template as they edit it for their specific projects.

[DISTRIBUTION LICENSEE NAME]

[LOGO]

**INTERCONNECTED MINIGRID PROJECT**

**Request for Proposal**

**for** **a**

**Mini-Grid Operator**

**for**

**[IMG Clusters]**

**in**

**[IMG Cluster Locations]**

**RFP Issue Date: [DATE], 202X**

**Proposals Submission Deadline: [DATE], 202X**

**PREFACE**

**[DISTRIBUTION LICENSEE NAME]** has prepared this Request for Proposal (“**RFP**”) document to invite Pre-Qualified Organizations wishing to submit proposals as a **Mini-Grid Operator** to develop, finance, build, own, and operate interconnected solar photovoltaic (“**PV**”), battery energy storage, and diesel or natural gas (CNG) generator energy systems – henceforth known as **Mini-Grids** – in **[IMG Cluster Locations].** The selected **Bidder** will be invited to sign a Tripartite Agreement (“**Agreement**”) with each community for which the Bidder is interested in operating a Mini-Grid. The obligation to provide power to the **[IMG Cluster Locations]** will be shared between the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]** as detailed in Section 4 of this document.

**[PLACEHOLDER – PROJECT BACKGROUND INFORMATION]**

**[DISTRIBUTION LICENSEE NAME]** has conducted preliminary feasibility studies on the project including customer enumeration, collection of load data for key customers using power analyzers and initial engagement of anchor customers.

This is a Stage 2 (of 2 total stages) RFP to procure a Mini-Grid Operator to provide electricity services to the listed communities in [IMG Cluster Locations]. Only **Pre-Qualified Organizations** that were notified by **[DISTRIBUTION LICENSEE NAME]** of successfully passing the Stage 1 Request for Qualifications (“**RFQ**”) and invited to submit a proposal in this Stage 2 RFP may submit proposals. This document is confidential and shall not be distributed except by **[DISTRIBUTION LICENSEE NAME]** to the Pre-Qualified Organizations.

This document has been produced from information relating to dates and periods referred to in this document. This document does not imply that any information or data is expressly agreed within the written scope of its services.

The Community Representatives of  **[IMG Cluster Locations]**, **[DISTRIBUTION LICENSEE NAME],** or any stakeholder providing assistance to **[IMG Cluster Locations]** and **[DISTRIBUTION LICENSEE NAME]** shall not be responsible in any way in connection with erroneous information or data provided to it by any third party, or for the effects of any such erroneous information or data whether or not contained or referred to in this document.

This information is provided on the basis that it is non-binding to Community Representatives of the **[IMG Cluster Locations]** and **[DISTRIBUTION LICENSEE NAME],** their staff, or advisors or any other stakeholder providing assistance to the Community Representatives of the Connected Communities in **[IMG Cluster Locations]** and **[DISTRIBUTION LICENSEE NAME].** **[DISTRIBUTION LICENSEE NAME]** reserves the right to not proceed with the initiative as well as the right not to discuss the initiative further with any respondent.

**[DISTRIBUTION LICENSEE NAME]** reserves the right to amend, modify or withdraw this document or any part of it, or to terminate or amend any of the procedures, processes or requirements detailed in this document at any time, without prior notice and without liability to compensate or reimburse any person pursuant to such amendment, modification, withdrawal or termination.

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# **DEFINITIONS AND INTERPRETATIONS**

In this RFP each of the following words and expressions shall have the following meanings:

|  |  |
| --- | --- |
| **“Agreement”** | means the Tripartite Agreement attached in Exhibit A. |
| **“Applicable Laws”** | means the Constitution of the Federal Republic of Nigeria (1999 as amended), any national, state or local law, statute, bye-law, ordinance, decree, directive, regulation, standard, circular, guideline, rule, code, delegated or subordinated legislation, judicial act or decision, judgment, order, proclamation, directive, executive order, other legislative measure, binding actions or enactments of the Federal Republic of Nigeria, including the Commission, or any other relevant authority in Nigeria currently in force and as may be amended or supplemented from time to time. |
| **“Assets and Infrastructure”** | means those assets and infrastructure that form what is being referred to as the Interconnected Network and/or Generation Assets, as applicable. |
| **“ATC&C Losses”** | means Aggregate Technical, Commercial and Collection losses that **[DISTRIBUTION LICENSEE NAME]** experiences on its feeders. Technical losses refer to the line losses and other losses within the actual Distribution Network. Commercial losses refer to energy theft or energy that is used and not accounted for. Collections losses refers to the delta in energy sold to and energy collected from customers. |
| **“Bank Guarantee for the DisCo”** | a bank guarantee (in a form and from a bank with a credit rating acceptable to the DisCo) provided by the Mini-Grid Operator for the benefit of the DisCo and for the monetary value of three months of estimated net payments to the DisCo. |
| **“Blended Cluster Tariff”** | refers to the tariff the **[IMG Cluster Locations]** Connected Community customers shall pay the Mini-Grid Operator for all electricity provided by both the Generation Assets and the DisCo’s Distribution Network as defined in Clause 9.1 of the Agreement. |
| **“Bidder”** | means an organization submitting a formal offer (proposal) to the DisCo and Connected Communityto meet the requirements stipulated in this Request for Proposals. |
| **“Business Day”** | means any day other than a weekend or public holiday in Nigeria. |
| **“Change in Law”** | means:  (a) the adoption, promulgation, bringing into effect, repeal, amendment, reinterpretation, change in application, change in interpretation or modification after the date of the Agreement of any Applicable Laws by any Relevant Authority;  (b) the imposition of any material condition not required as of the date hereof in connection with the issuance, renewal or modification of any Authorization by any Relevant Authority; or  (c) the change or modification of the Distribution License by the Relevant Authority or the imposition of other obligations imposing a cost on the DisCo;  which in case of any of the above establishes a material increase in cost, material reduction in revenue, or material delay in schedule or makes unenforceable, invalid or void any material obligation of the Parties. |
| **“Commission”** | means the Nigeria Electricity Regulatory Commission. |
| **“Community Representative”** | means the legally authorised representative of **[NAME OF COMMUNITY]** in **[IMG Cluster Locations]** to be connected to the Mini-Grid. |
| **“Confidential Information”** | means all information of or pertaining to any of the Parties,  disclosed from time to time during the course of the Agreement, which under all the circumstances must be treated as confidential and or proprietary. Confidential Information shall include but not limited to information relating to the Parties finances, internal processes, specifications, methods, designs, formulae, products and services, intellectual property, technology and business activities, of and concerning either of the Parties. |
| **“Connected Community”** | means all residential, commercial, and industrial electricity users in **[Name Of Community]** in **[IMG Cluster Locations].** |
| **“Connected Customer”** | means any customer within **[IMG Cluster Locations]** connected to the Mini-Grid. This includes residential, commercial, and industrial customers. |
| **“Customer Point(s) of Interconnection”** | means the point of electricity delivery to the Connected Community customers, including electricity from both the Generation Assets and the DisCo’s Distribution Network. |
| **“Customer Metering Systems”** | all meters and metering devices, equipment, electrical circuitry, recording equipment, communications equipment and related equipment used for measuring electricity delivered to the Connected Community customers by the Generation Assets of the Mini-Grid Operator or from the Distribution Network of the DisCo. |
| **“Date of Commercial Operation”** | means the date after which all testing and commissioning  has been completed in accordance with Good Industry Practices and is the initiation date to which the Mini-Grid Operator can start producing electricity for sale to the Connected Community pursuant to the Agreement. |
| **“Default Interest Rate”** | means the rate of 2% per annum above Central Bank of Nigeria Monetary Policy Rate or such equivalent rate as may be agreed between the Mini-Grid Operator and the DisCo. |
| **“Distribution Network”** | means any connection of cables, service lines and overhead lines, electrical apparatus/equipment and having design voltage of 33kV and below used to transport electric power on a distribution system, and is owned and operated by the DisCo. This Distribution Network is owned by **[DISTRIBUTION LICENSEE NAME]** and leased by the Mini-Grid Operator. |
| **“Distribution Network Availability”** | means the hours Distribution Network is made available per day, capped at the Grid Availability Standard, multiplied by the total kWh consumed per hour in a given month and divided by the total hours in that same month. |
| **“DisCo Extraordinary Backup Tariff”** | refers to the [X4] tariff for the hours supplied by the Mini-Grid Operator when the DisCo does not meet the Grid Availability Standard during a given month, and charged to the DisCo. The value associated with this term will be provided by the bidder based on the value of the generation they will need to use to offset using generator power. |
| **“DisCo Grid Tariff”** | refers to the tariff [X4] NGN/kWh the Mini-Grid Operator shall purchase electricity from the DisCo for resale to the Connected Community when the DisCo is providing power during the Grid Availability Standard hours, whereby X4 is the value provided in Schedule 7 of the Agreement. |
| **“Effective Date”** | means seven days following the fulfilment of the condition in Clause 2 of the Agreement or as agreed otherwise by the Parties. |
| **“Electricity Supply Discrepancy”** | the difference between the Grid Availability Standard (6 hours) and the actual number of hours the DisCo’s Distribution Network was available to meet the power capacity needs of the Connected Community (if the Grid Availability Standard was not met), multiplied by the total kWh consumed by the Connected Community in the given calendar month and divided by the total hours in that same month (as detailed in Clause 12.6.1.2 of the Agreement).. |
| **“Energy Payment”** | is the monthly value owed by the Mini-Grid Operator to the DisCo for electricity provided by the DisCo in a given month, calculated using the DisCo Grid Tariff. |
| **“Generation Assets”** | means the generation assets owned by the Mini-Grid Operator, including but not limited to solar photovoltaics, batteries, diesel or CNG gensets, that forms part of the Mini-Grid**.** |
| **“Generation Assets Site”** | located as specified in the map in Schedule 3, which is the site owned by the Landowner. |
| **“Grid Availability Standard”** | means the [6] hours, within a 24-hour basis according to calendar day, wherein the DisCo provides electricity supply to the Connected Community at the Grid Point(s) of Interconnection. |
| **“Grid Point(s) of Interconnection”** | means the point at which the DisCo’s Distribution Network interconnects to the Mini-Grid, Interconnected Network, or Connected Community; the point of electricity delivery from the DisCo’s Distribution Network to the Mini-Grid. |
| **“Good Industry Practices”** | means those practices, skills, diligence, prudence, methods, equipment, specifications and standards of safety and performance employed by experienced international contractors or concessionaires engaged in the execution of projects similar to the project to be executed under the Agreement, under the same or similar circumstances and conditions, which in the exercise of reasonable judgment in light of the facts known at the time the judgment was made, are considered good, safe and prudent practice commensurate with standards of safety, performance, dependability, efficiency and economy. |
| **“Initial Term”** | means the initial term length of the Agreement [10 years]. |
| **“Interconnected Network”** | means the section of Distribution Network being operated and maintained by the Mini-Grid Operator in exchange for the Usage Fee and the connections to the Connected Community within the geographical bounds provided in the map in Schedule 1. |
| **“Landowner”** | means the legal owner of the site where the Generation Assets are physically located (the Generation Assets Site). |
| **“Market Conditions”** | means the macro-economic and Connected Community-specific conditions that all tariffs in this document are based on. If the Market Conditions go above or below the thresholds detailed in Schedule 5 of the Agreement, it can trigger the Parties to apply for a tariff adjustment per the terms of the Agreement. |
| **“Maximum Capacity”** | means the maximum amount of electricity expressed in kW or kVA which can be transmitted from the Mini-Grid Operator’s Generation Assets to the Interconnected Network. |
| **“Metering Code”** | means the Nigeria Metering Code approved by the Commission for use in measuring the flow of energy within the transmission and distribution systems in Nigeria. |
| **“Metering System(s)”** | means the Grid Metering System (as defined in Clause 16.1 of the Agreement) and/or the Customer Metering Systems (as defined in Clause 16.2 of the Agreement), as the case may be. |
| **“Mini-Grid”** | means the electricity supply system, including the Generation Assets and Customer Metering Systems and cabling between the Generation Assets and the Customer Point(s) of Interconnection and associated and ancillary plant and equipment, situated on the Landowner’s site, connected to the DisCo’s Distribution Network, and supplying power from both the Generation Assets and the Distribution Network to the Customer Point(s) of Interconnection within the Interconnected Network area defined in Schedule 1. |
| **“Mini-Grid Availability Standard”** | means the level of availability of power defined in Clause 8.4 of the Agreement from the Mini-Grid to the Connected Community. |
| **“Mini-Grid Operator”** | means as defined in the preamble of the Agreement. |
| **“Mini-Grid Regulations**” | means the Nigeria Electricity Regulatory Commission Regulations 2016 for Mini-Grids Up to 1MW in force from time to time. |
| **“MYTO 2020 Tariff”** | means the NERC approved tariff that DisCos charge customers within their service territory |
| **“[IMG Cluster Locations]”** | means all of the communities in the IMG Cluster |
| **“Optional Blended Cluster Lower Reliability Tariff”** | means an optional Blended Cluster Tariff in lieu of the Blended Cluster Tariff that can be used for those customers who wish to be part of a demand response program and receive lower reliability as needed by the Mini-Grid Operator (as detailed in Clause 9.2 of the Agreement). |
| **“Optional Blended Cluster Time of Use Tariff”** | means an optional Blended Cluster Tariff that utilizes time of use rates (as detailed in Clause 9.3 of the Agreement). |
| **“Optional Electricity Resale”** | means the option for the Mini-Grid Operator to resell excess electricity to the DisCo pursuant to Clause 10.5 of the Agreement. |
| **“Parties”** | means any combination or singular identification of **[DISTRIBUTION LICENSEE NAME]**, the **[IMG Cluster Locations]** Community Representative, and the Mini-Grid Operator as used in context. |
| **“Permit”** | means a permit or equivalent granted by the Commission to the Mini-Grid Operator for the construction, operation and/or maintenance and ownership of the Mini-Grid. |
| **“Preferred Bidder”** | means the Bidder who is selected to move forward with the Tripartite Agreement with **[DISTRIBUTION LICENSEE NAME]**. |
| **“Productive Use Stimulation Strategy”** | means the Mini-Grid Operator’s strategy used to increase productive use—or customer’s use of appliances or other productive uses of electricity—in [IMG Cluster Locations]. |
| **“Project”** | means:   1. the development, financing, design, engineering, procurement, manufacture, factory testing, transportation, construction, erection, installation, equipping, completion, testing, commissioning, insurance, ownership, operation, maintenance and decommissioning of the Mini-Grid; 2. the supply and sale of the electricity to the Connected Community; and   all activities incidental to any of the foregoing in accordance with the Agreement. |
| **“Proposal Due Date”** | means the date that **[DISTRIBUTION LICENSEE NAME]** indicates the Stage 2 RFP is due by all Bidders to **[DISTRIBUTION LICENSEE NAME].** |
| **“Rate Design”** | means the framework used to set prices for the reliable provision of electricity and energy services. |
| **“Rate Design Strategy”** | means the Mini-Grid Operator’s strategy used in the rate design process for **[IMG Cluster Locations].** This includes the Rate Design methodology and rationale for the proposed tariffs over the duration of the Project. The Rate Design Strategy should show how the proposed tariffs will ensure sustainability of the Project and revenue to **[DISTRIBUTION LICENSEE NAME].** |
| **“Recoverable Expenditure”** | means the amount recoverable by the Mini-Grid Operator from **[DISTRIBUTION LICENSEE NAME]** in the event that **[DISTRIBUTION LICENSEE NAME]** is unable to meet their daily Grid Availability Standard. |
| **“Relevant Authority”** | means any court, local, national or supranational agency, inspectorate, minister, ministry, administrative or regulatory body, authority, industry body, official or public or statutory person, including the Commission, having (in each case) jurisdiction by Applicable Laws over either or both of the Parties, the Agreement, the Mini-Grid or other aspects of the subject matter of the Agreement and in each case within Nigeria. |
| **“Renewal Term”** | means any term length that the Agreement is extended past the Initial Term, which shall be defined in Clause 3.5 of the Agreement . |
| **“Site Walks”** | means the mandatory visits to each community that Bidders must make with **[DISTRIBUTION LICENSEE NAME]** on planned days to visit each community, appraise the land for a mini-grid, and get an understanding of the community’s load needs. |
| **“Scheduled Maintenance Outage”** | means a planned interruption of the Disco’s Distribution Network or Mini-Grid Operator’s Mini-Grid capability or any material part thereof that: a) has been scheduled by either the Disco or the Mini-Grid Operator and agreed to by the other Party; or b) is for inspection, testing, preventive maintenance, corrective maintenance, repairs, replacement or  improvement of the distribution of electricity from the Generation Assets. |
| **“Technical Codes”** | shall have the same meaning in the Mini-Grid Regulations. |
| **“Transmission Network Failure”** | means that the DisCo, outside of its control, does not receive electricity supply from the transmission system substation that supplies the distribution feeder that supplies the Connected Customer for more than 15 consecutive days. |
| **“Unscheduled Outage”** | means an unforeseen total or partial interruption of either the DisCo distribution network providing electricity to the Connected Community, or the Mini-Grid Operator Generation Asset unable to deliver electricity during a period as stated in Clause 15 of the Agreement. |
| **“Usage Fee”** | means the fee paid by the Mini-Grid Operator to the DisCo for use of the Distribution Network within the Interconnected Network. |
| **“Value of Failure to Accept DisCo Power”** | is calculated by dividing the total number of kWh’s consumed in the given calendar day by 24 hours, multiplied by the number of hours the Mini-Grid Operator failed to accept, then multiplying it by the DisCo Grid Tariff, pursuant to Clause 8.5.1 of the Agreement. |

# **INTRODUCTION**

**[DISTRIBUTION LICENSEE NAME]** is one of the 11 power distribution companies that was privatized on 1 November 2013. **[DISTRIBUTION LICENSEE NAME]** has a franchise for the distribution and sale of electricity across an area of **[Placeholder – Distribution Franchise Zone size] km2** in **[Placeholder – States within Disco Franchise Zone]**. In addition, **[DISTRIBUTION LICENSEE NAME]** is required to manage meter installations, carry out servicing and billing, co-ordinate consumer credit, and revenue collection.

**[DISTRIBUTION LICENSEE NAME]** is cognizant of the requirement to maintain power quality in line with prevailing Nigerian regulations as set by the Nigerian Electricity Regulatory Commission (the “Commission”) in their Customer Service Standards of Performance, together with Internationally accepted standards (IEC 60050: Area 601 Generation, Transmission and Distribution of Electricity-General). It is for this reason that the Company has prioritized plans to improve power supply and technical efficiency through investment in the network to reduce electrical losses.

As part of its commitment to improve power supply for its customers, **[DISTRIBUTION LICENSEE NAME]** has developed a program that enables customers who are underserved by **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network to better meet their electricity needs using mini-grids — including solar PV, battery storage, and diesel or CNG generators as emergency backup. The Nigerian Electricity Supply Industry (NESI) faces many challenges (e.g., supply shortages, lack of capital to finance network improvements, etc.) that prevents **[DISTRIBUTION LICENSEE NAME]** from being able to supply its customers with uninterrupted power supply.

This RFP is being issued as part of a program, which seeks to improve electricity supply in rural communities and reduce their dependency on costly and inefficient self-generation (such as diesel generators). By using a mini-grid to optimize solar output and using reinforced grid supply during the other hours (backed up by the mini-grid), **[DISTRIBUTION LICENSEE NAME]** and a Mini-Grid Operator can provide reliable electricity to underserved rural communities at a comparable cost to the existing customer’s cost for grid electricity and self-generation.

This also gives Mini-Grid Operators and **[DISTRIBUTION LICENSEE NAME]** the opportunity to work together towards the mutual goal of providing high-quality power to customers across **[DISTRIBUTION LICENSEE NAME]**’s service territory.

Through this IMG project, **[DISTRIBUTION LICENSEE NAME]**:

* identifies rural communities who are currently underserved by **[DISTRIBUTION LICENSEE NAME]**’s grid;
* ensures that developers and communities are able to connect to discuss the potential of a mini-grid solution;
* agrees to supplying grid electricity to reinforce the mini-grid to stabilize customer prices and continue to serve the community; and,

As part of this program, **[DISTRIBUTION LICENSEE NAME]** ] has identified and de-risked the **[IMG Cluster Locations]** to ensure that it is an appropriate site for a Mini-Grid Operator to provide reliable, affordable electricity using a mini-grid .

# **GENERAL INFORMATION**

* 1. This RFP is being issued to support both meeting the gap between the current and desired electricity reliability needs in **[IMG Cluster Locations]** and the requirements of **[DISTRIBUTION LICENSEE NAME]** to provide customers with safe, reliable electricity in the most cost-efficient manner.
  2. This RFP is not a commitment by **[DISTRIBUTION LICENSEE NAME]** to contract with any Bidder and it does not bind **[DISTRIBUTION LICENSEE NAME]** or their affiliates in any manner. **[DISTRIBUTION LICENSEE NAME]** will determine which Bidders, if any, they wish to engage in negotiations with that may lead to an executed Agreement under this solicitation.
  3. **[DISTRIBUTION LICENSEE NAME]** would prefer to sign an Agreement(s) with one Bidder for a mini-grid in each of the communities in **[IMG Cluster Locations]** to keep costs down for community members by allowing the Mini-Grid Operator to pool overhead costs and operational expenditures across the three communities. As such, there is an explicit advantage to submitting a proposal for all of [IMG Cluster Locations]. This will be weighed in the RFP in the selection matrix alongside the technical and operational strength of the proposal.
  4. The Agreement(s) referred to in this RFP are separate Tripartite Agreement(s) between each Community Representative of a Connected Community in [IMG Cluster Locations], **[DISTRIBUTION LICENSEE NAME]**, and a Mini-Grid Operator, a template of which is provided in Exhibit A. The Agreement was developed with the intent to provide customers with cost-effective, reliable, clean electricity while sharing the business opportunity between **[DISTRIBUTION LICENSEE NAME]** and a Mini-Grid Operator. Proposals from Bidders, including any suggested modifications to the Agreement, should be made in the spirit of this intent.

# **GENERAL PROVISIONS**

* 1. Conflict of Interest
     1. Bidders shall provide professional, objective, and impartial advice, at all times holding **[DISTRIBUTION LICENSEE NAME]**’s interests paramount, strictly avoiding conflicts with other assignments or its own corporate interests and acting without any consideration for future work.
     2. Bidders have an obligation to disclose to **[DISTRIBUTION LICENSEE NAME]** any situation of actual or potential conflict that impacts its capacity to serve the best interest of **[DISTRIBUTION LICENSEE NAME]**. Failure to disclose such situations may lead to the rejection of the RFP proposal.
     3. Bidders shall declare that there is no existing current or potential future fiduciary or pecuniary conflict of interest which would affect their entry into the Agreement.
     4. Bidders shall submit the Conflict of Interest form in Appendix 8 of this RFP to be considered for this project.
  2. Corrupt and Fraudulent Practices[[1]](#footnote-2)
     1. It is **[DISTRIBUTION LICENSEE NAME]**’s policy to require that Bidders, sub-contractors, sub-consultants, service providers or suppliers and any personnel thereof, observe the highest standard of ethics during the selection and execution of this contracts. In pursuance of this policy, **[DISTRIBUTION LICENSEE NAME]**:
        1. defines, for the purposes of this provision, the terms set forth below as follows:
           1. "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
           2. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
           3. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
           4. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
           5. “obstructive practice” is deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an **[DISTRIBUTION LICENSEE NAME]** investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of **[DISTRIBUTION LICENSEE NAME]**’s inspection and audit rights.
        2. will reject a proposal if it determines that the Bidders, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question.
     2. Bidders shall submit the Corrupt and Fraudulent Practices form in Appendix 9 of this RFP to be considered for this project.
  3. Mutual Non-Circumvention
     1. Each Party hereby irrevocably agrees and warrants that it and its Affiliates shall not, directly or indirectly, interfere with, circumvent, attempt to circumvent, avoid or bypass other Parties to the Agreement, or obviate or interfere with the relationship of any Party and its contacts for the purpose of gaining any benefit, whether such benefit is monetary or otherwise.
     2. Bidders shall submit the Mutual Non-Circumvention form in Appendix 10 of this RFP to be considered for this project.

# **OBLIGATIONS**

* 1. The **Mini-Grid Operator** is responsible for providing each of the communities in **[IMG Cluster Locations]** with reliable electricity for [**18 hours]** per day from the respective mini-grid in each Connected Community.
  2. **[DISTRIBUTION LICENSEE NAME]** is responsible for providing each of the mini-grids in **[IMG Cluster Locations]** power **with [6 hours**] of electricity per day (averaged daily), which is equivalent to what **[DISTRIBUTION LICENSEE NAME]** currently supplies the communities in **[IMG Cluster Locations]** (called the “**Grid Availability Standard**”). Prior to the Date of Commercial Operation, the grid availability and reliability will be performance tested to ensure **[DISTRIBUTION LICENSEE NAME]** can meet 6 hours of electricity supply daily on average. If **[DISTRIBUTION LICENSEE NAME]** cannot meet this metric during performance testing, the Parties will be able to re-negotiate the Agreement.
  3. The **Mini-Grid Operator** is responsible for backing up **[DISTRIBUTION LICENSEE NAME]**’s power supply to ensure each of the mini-grids in **[IMG Cluster Locations]** has reliable power 24-hours per day as much as possible [**95%] reliability on average annually**), which constitutes the “**Mini-Grid Availability Standard**”.
  4. The **Mini-Grid Operator** shall be responsible for making the necessary repairs to **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network within the Interconnected Network listed in Schedule 6 of the Agreement for each community in [IMG Cluster Locations], and shall ensure that such repairs conform to the requirements of the Technical Codes.

# **TRIPARTITE AGREEMENT OVERVIEW**

* 1. This section provides an overview of the key components of the Agreement template. Words and phrases used in this Section 6 shall have the meaning given to them in the Agreement, unless expressly provided otherwise.  The final terms of the tripartite agreement is subject to negotiation between the **[IMG Cluster Locations],** minigrid operator and **[DISTRIBUTION LICENSEE NAME]**
  2. **Initial Term:** The Agreement is for an Initial Term of [10 years].
  3. **Renewal Term**: Upon expiration of the Initial Term, the Agreement will be automatically renewed for a period of 1 year unless a Party provides the Parties with written notice 90 days prior to the expiration of the Initial Term or a subsequent Renewal Term of its intent not to extend this Agreement.
  4. **Obligation to Provide Power:** The obligation to provide power to **[IMG Cluster Locations]** will be shared between the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]** as detailed in Section 5.
  5. **Billing and Collections**
     1. The Mini-Grid Operator will be responsible for billing customers in **[IMG Cluster Locations]** for all electricity received (from both the Mini-Grid and **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network) and collecting the amount from all customers in [IMG Cluster Locations].
     2. **[DISTRIBUTION LICENSEE NAME]** will be responsible for billing the Mini-Grid Operator for electricity received at the Grid Point(s) of Interconnection. The Mini-Grid Operator will be responsible for settling with **[DISTRIBUTION LICENSEE NAME]** for electricity received from **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network at the contractually specified DisCo Grid Tariff and for the Usage Fee, minus any reconciled debts **[DISTRIBUTION LICENSEE NAME]** holds or incurs which will be subtracted from the Usage Fee.
  6. **Sale of Electricity from the Mini-Grid Operator to customers in [IMG Cluster Locations]**
     1. The Mini-Grid Operator shall sell electricity to the customers in **[IMG Cluster Locations]** at a **Blended Cluster Tariff**. This tariff will be calculated using the Multi-Year Tariff Order (MYTO) method in each community and blended per kWh to result in a tariff reflecting the proportion of electricity supplied from the Mini-Grid and **[DISTRIBUTION LICENSEE NAME]**’s grid. They can then be levelized across each community in the **[IMG Cluster Locations]** to result in one common Blended Cluster Tariff for all communities to capture shared operational and capital project expenditures.
        1. The Mini-Grid Operator has the opportunity to utilize various optional rate structures
     2. Each of the Community Representatives in [IMG Cluster Locations], **[DISTRIBUTION LICENSEE NAME]**, and the Mini-Grid Operator will agree to predefined Blended Cluster Tariffs for each year in the [10-year] Agreement upon signing the agreement. Market Conditions, such as inflation, should already be incorporated into the Blended Cluster Tariffs. To provide stability and transparency, the Blended Cluster Tariffs can only be adjusted due to extraordinary changes in Market Conditions, changes in the DisCo Grid Tariff, or changes to the Project economics due to **[DISTRIBUTION LICENSEE NAME]** and the Mini-Grid Operator agreeing to the resale of excess electricity to **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network (Optional Electricity Resale).
  7. **Sale of Electricity from [DISTRIBUTION LICENSEE NAME] to the Mini-Grid Operator**
     1. The Mini-Grid Operator shall purchase electricity from **[DISTRIBUTION LICENSEE NAME]** for resale to customers in **[IMG Cluster Locations]** at the **DisCo Grid Tariff**
     2. The DisCo Grid Tariff is intended to be tied to the applicable MYTO Tarif.
     3. This RFP is non-binding and the values of the DisCo Grid Tariff may change prior to finalization of the Agreement pending regulatory approval, negotiation, and market changes.
  8. **Usage Fee**
     1. The Mini-Grid Operator shall pay **[DISTRIBUTION LICENSEE NAME]** a **Usage Fee** for using **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network
     2. The Usage Fee is for all electricity it generates from its Generation Assets and sells to the **[IMG Cluster Locations]** customers. However, the Mini-Grid Operator shall not pay a Usage Fee for electricity received from **[DISTRIBUTION LICENSEE NAME]** that it distributes to the customers.
     3. The Usage Fee value will be based on the MYTO Distribution Use of System (DUOS) value stipulated in writing by the Commission. The Usage Fee value can be reduced by **[DISTRIBUTION LICENSEE NAME]** and the Mini-grid Operator based on the cost of upgrades and repairs needed to the Distribution Network within the Interconnected Network that are financed by the Mini-grid Operator
  9. **Bank Guarantee**
     1. Prior to the Effective Date, the Mini-Grid Operator will obtain and provide **[DISTRIBUTION LICENSEE NAME]** with a letter of bank guarantee for the monetary value of three months of estimated net payments to **[DISTRIBUTION LICENSEE NAME]**.
  10. **Distribution Network Upgrades**
      1. The Mini-Grid Operator shall make any upgrades to the Distribution Network as required to operate the Interconnected Network and Mini-Grid within the community.
      2. These upgrades will be the responsibility of the Mini-Grid Operator, and they will bear the cost for upgrades.
      3. **[DISTRIBUTION LICENSEE NAME]** will repay the Mini-Grid Operator for financing the Necessary Prior Distribution Network Upgrades through monthly payments for [five] (5) years. This amount will be deducted from the amount the Mini-Grid Operator owes **[DISTRIBUTION LICENSEE NAME]** for electricity supplied from the grid.
      4. All new installations, improvements, extensions, and expansions to the Distribution Network within the Interconnected Network made by the Mini-Grid Operator shall be transferred at their respective book values to **[DISTRIBUTION LICENSEE NAME]** at the end of the Initial Term or Renewal Terms, as applicable.
  11. **Market Conditions**
      1. The Blended Cluster Tariff schedule will rely on key **Market Conditions** and the threshold amount they can vary, which are detailed in Schedule 5 of the Agreement. The Market Conditions include:
         1. Nigerian Naira Inflation
         2. Diesel or CNG Fuel Price Change
         3. Change in the customers in [IMG Cluster Locations]’s consumption habits, resulting in greater electricity demand or diesel or CNG generator usage than planned;
         4. Availability of grid supply from **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network (number of hours grid is available).
  12. **Tariff Adjustments**
      1. **Blended Cluster Tariff:** The Blended Cluster Tariff can be adjusted due to Market Conditions exceeding the acceptable thresholds or due to changes in the DisCo Grid Tariff. Market Conditions will be assessed every [6 months]. If any Market Condition exceeds or is below the thresholds outlined, a tariff adjustment can be applied for. The tariff will then be re-levelized pursuant to blend adjustments. The Blended Cluster Tariff can be adjusted when there is a Commission-approved change in the DisCo Grid Tariff (see below), as the Blended Cluster Tariff is based on the DisCo Grid Tariff.
      2. **DisCo Extraordinary Backup Tariff:** The DisCo Extraordinary Backup Tariff can be adjusted due to Market Conditions exceeding the acceptable thresholds or due to changes in the DisCo Grid Tariff. Market Conditions will be assessed every [6 months]. If any Market Condition exceeds or is below the thresholds outlined, a tariff adjustment can be applied for. The tariff will then be re-levelized pursuant to blend adjustments.
      3. **DisCo Grid Tariffs:** Since the DisCo Grid Tariffs are tied to the applicable MYTO Tariff, the DisCo Grid Tariffs can be adjusted where there is a Commission-approved change to the DisCo Grid Tariffs through annual, minor or extraordinary reviews. The DisCo Grid Tariff can be adjusted if the Parties agree to change the Grid Availability Standard (which is the number of hours **[DISTRIBUTION LICENSEE NAME]** is obligated to supply power).
      4. **Usage Fee:** The Usage Fee can be adjusted by the Parties if there is a Commission-approved change to the MYTODUOS through annual, minor, or extraordinary reviews to reflect that change.
  13. **Optional Tariff Structures and Option to Resell Excess Mini-Grid Electricity to [DISTRIBUTION LICENSEE NAME]**
      1. **Optional Tariff Structures:** All Bidders also have the opportunity to develop a rate structure with a Blended Cluster Tariff that utilizes alternative tariff designs which can be incorporated into the Agreement, which may include:
         1. an Optional Blended Cluster Lower Reliability tariff that allows the Mini-Grid Operator to utilize demand response in times when there is more electricity demand than available power (see Clause 9.2 of the Agreement); and/or
         2. an Optional Blended Cluster Time of Use (TOU) tariff that optimizes the economics and electricity availability of the Mini-Grid (see Clause 9.3 of the Agreement); and/or
         3. another suitable tariff design proposed by the Mini-Grid Operator that is consistent with the principles outlined in the Agreement.
      2. **Option to Resell Excess Mini-Grid Electricity to [DISTRIBUTION LICENSEE NAME]:** The chosen Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]** can agree to and add an Optional Electricity Resale clause through an addendum to the Agreement after Project is operational. In that case, the Mini-Grid Operator would resell excess electricity generated by the Mini-Grid to **[DISTRIBUTION LICENSEE NAME]** to resell to its Distribution Network. The intent is to improve the Project economics for all Parties, while reducing the amount of electricity curtailed.
  14. **If [DISTRIBUTION LICENSEE NAME] Cannot Meet Its Grid Availability Standard**
      1. **[DISTRIBUTION LICENSEE NAME] owes the Mini-Grid Operator for Excess Backup Electricity produced by the Mini-Grid Operator:** 
         1. If **[DISTRIBUTION LICENSEE NAME]**’s grid supply falls below the Grid Availability Standard, the Mini-Grid Operator shall be entitled to supply electricity to the Connected Community from its Generation Assets while still paying the Usage Fee to **[DISTRIBUTION LICENSEE NAME]**.
         2. Additionally, **[DISTRIBUTION LICENSEE NAME]** will be liable to pay the Mini-Grid Operator the **Recoverable Expenditure** for not meeting the Grid Availability Standard in a given day. The Recoverable Expenditure equals the **DisCo Extraordinary Backup Tariff** multiplied by the **Electricity Supply Discrepancy**
            1. The **DisCo Extraordinary Backup Tariff** is the tariff the Bidder will provide which is commensurate with the average diesel or gas (CNG) fuel sources the Mini-Grid Operator used during the difference between the Grid Availability Standard (6 hours) and the actual number of hours the DisCo’s Distribution Network was available to meet the power capacity needs of the Connected Community.
            2. The **Electricity Supply Discrepancy** is the difference between the Grid Availability Standard (6 hours) and the actual number of hours the DisCo’s Distribution Network was available to meet the power capacity needs of the Connected Community (if the Grid Availability Standard was not met), multiplied by the total kWh consumed by the Connected Community in the given calendar month and divided by the total hours in that same month.
            3. See Clause 12.6 of the Agreement for equations to calculate these values.
      2. The Recoverable Expenditure will be subtracted from the amount the Mini-Grid Operator owes **[DISTRIBUTION LICENSEE NAME]** for the total Usage Fee each month.
         1. If **[DISTRIBUTION LICENSEE NAME]** accrues a Recoverable Expenditure that is greater than the amount the Mini-Grid Operator owes **[DISTRIBUTION LICENSEE NAME]** for the Usage Fee for a given month, the remaining liability **[DISTRIBUTION LICENSEE NAME]** owes the Mini-Grid Operator will be carried over to subsequent monthly invoice(s) until the full amount is recovered.
         2. The DisCo shall only settle an outstanding invoice at the end of the Agreement term, if applicable, but at no point during the Agreement term shall pay liability to the Mini-Grid Operator.
      3. **[DISTRIBUTION LICENSEE NAME] and the Mini-Grid Operator have the option to adjust the Grid Availability Standard**
         1. If **[DISTRIBUTION LICENSEE NAME]**’s average grid availability is below the Market Condition threshold at the time the Market Conditions are reviewed, the Parties can agree to lower the Grid Availability Standard through the processes laid out in the Agreement.
         2. Conversely, **[DISTRIBUTION LICENSEE NAME]** and the Mini-Grid Operator can also agree to increase the hours **[DISTRIBUTION LICENSEE NAME]** supplies the Mini-Grid per day (the Grid Availability Standard) through the processes laid out laid out in the Agreement.
         3. The intent of the conditions outlined in Clauses 6.14.3.1. and 6.14.3.2 is to provide the Mini-Grid Operator clarity on how much power is needed to supply **[IMG Cluster Locations]** consistently so it can choose to adjust the capacities of its generation assets to optimize for the load and reduce diesel generation.
         4. If the Grid Availability Standard is adjusted by **[DISTRIBUTION LICENSEE NAME]** and the Mini-Grid Operator, **[IMG Cluster Locations]** must be made aware of the adjustment and the tariffs must be adjusted to reflect the new Grid Availability Standard.
  15. **Asset Ownership**
      1. All new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network made by the Mini-Grid Operator will either be transferred at their respective book values to **[DISTRIBUTION LICENSEE NAME]** at the end of the Initial Term or Renewal Terms of the Agreement, or the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]** will agree to a reduced Usage Fee value that will adequately compensate the Mini-Grid Operator for financing the new installations, improvements, extensions and expansions to the Distribution Network within the Interconnected Network.
      2. The Mini-Grid Operator can first agree with **[DISTRIBUTION LICENSEE NAME]** to transfer the Generation Assets at their respective book values to **[DISTRIBUTION LICENSEE NAME]** at the end of the Agreement term, or transfer them to the community or third party at an agreed upon value if **[DISTRIBUTION LICENSEE NAME]** and the Mini-Grid Operator do not come to an agreement.
      3. If the Agreement terminates prematurely, Parties should refer to the Dispute Resolution steps and termination clauses to determine the appropriate transfer of Mini-Grid assets.

# **RATE STRUCTURE AND PRODUCTIVE USE STIMULATION OVERVIEW**

* 1. All Bidders should develop a rate structure for the communities in **[IMG Cluster Locations]** that:
     1. enables cost recovery for the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]**;
     2. enables customers to make well-informed decisions about their energy usage;
     3. supports the desired outcome of reducing reliance on self-generation in **[IMG Cluster Locations]** in the absence of reliable electricity from **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network;
     4. supports the desired outcome of increasing productive use in [IMG Cluster Locations];
     5. provides transparency to the customers in **[IMG Cluster Locations]** so that any incentives, riders, or subsidies are explicit and transparent to Mini-Grid customers;
     6. provides fair value for electricity services from the Mini-Grid, the Distribution Network, and any other services the Mini-Grid Operator provides;[[2]](#footnote-3)
     7. is customer-oriented so that the customer experience is simple and understandable;
     8. ensures all customers have equitable access to affordable electricity; and
     9. does not result in undue rate volatility for customers.
  2. As a baseline, all Bidders should develop a Blended Cluster Tariff as outlined in Clause 6.6.1 of this RFP.
  3. All Bidders also have the opportunity to develop a rate structure with a Blended Cluster Tariff that utilizes alternative tariff designs, which may include:
     1. a Time of Use (TOU) tariff that reflects the principles outlined in Clause 7.1 of this RFP and optimizes the economics and electricity availability of the Mini-Grid; and/or
     2. a Lower Reliability tariff that reflects the principles outlined in Clause 7.1 and allows the Mini-Grid Operator to utilize demand response in times when there is more electricity demand than available power; and/or
     3. another suitable tariff design proposed by the Bidder that is consistent with the principle outlined in 7.1
  4. The bidder has the opportunity to make the alternative tariff options outlined in 7.3 opt-out or opt-in. In either case, all tariffs should be clearly explained to all community members to ensure that the principles outlined in 7.1.2, 7.1.5, 7.1.6, 7.1.7, and 7.1.8 are met.
  5. Bidders shall submit a written Rate Design Strategy outlining how their proposed tariffs meet the principles outlined in 7.1 and a Rate Design, which outlines their proposed tariffs for the entirety of the Initial Term of the Agreement (15 years) in Appendix 5.
  6. Bidders shall submit a written Productive Use Stimulation Strategy outlining how they intend to stimulate productive use in [IMG Cluster Locations], either directly or through facilitating activities by other entities, programs, or organizations, over the duration of the project in Appendix 6.

# **COMMUNITY-SPECIFIC INFORMATION**

* 1. **About [IMG Cluster Locations]**
     1. **[Brief Description of the communities in the IMG clusters and their locations and GPS coordinates]**
     2. **[Further description of the communities to be served by the Mini-Grid, their load, energy demand, customer payment profile, customer profile mix, generator usage, etc]**
  2. **[IMG Cluster Locations] Load**
     1. The table below summarizes the total estimated annual energy consumption (kWh) and the peak demand (kW) for the IMG communities

|  |  |  |
| --- | --- | --- |
|  | **Annual Energy Consumption (MWh)** | **Peak Demand (kW)** |
| [IMG community 1] | **[IMG community 1’s annual energy consumption]** | **[IMG community 1’s (kW) and any clarifying comments and descriptions]** |
| [IMG community 2] | **[IMG community 2’s annual energy consumption]** | **[IMG community 2’s (kW) and any clarifying comments and descriptions]** |
| [IMG community 3] | **[IMG community 3’s annual energy consumption]** | **[IMG community 3’s (kW) and any clarifying comments and descriptions]** |

* + 1. **[Further descriptions & comments on IMG communities’ load including comments on peak vs off-peak load, critical loads, methods of obtaining load profile data, future load profile changes and other pertinent load information.]**
    2. **[Further descriptions & comments on IMG communities’ load including comments on peak vs off-peak load, critical loads, methods of obtaining load profile data, future load profile changes and other pertinent load information.]**
    3. Additional details can be shared during the site walk to help Bidders optimize their proposed Mini-Grid design.
    4. The Preferred Bidder(s) will have the opportunity to do its own load analysis if requested.
  1. **Mini-Grid Technologies and Recommended Sizing**
     1. To minimize generation costs and in consideration of the communities in the [IMG Cluster Locations]’s location and resources, the mini-grid must include solar PV energy generation with battery storage and diesel or compressed natural gas (CNG) generator backup. Other technologies and unproven technologies will not be considered.
     2. It is preferred (not mandatory) that the Mini-Grid be designed so that the portion of electricity expected to be produced from diesel generators is no greater than 35% during the Mini-Grid Availability Standard. Proposals with a portion of 35% or less diesel generation will be prioritized in the RFP scoring matrix.
     3. It is preferred (not mandatory) that the Mini-Grid be designed to maximize the system renewable penetration.
     4. It is ultimately the responsibility of the Mini-Grid Operator to size its mini-grid capacity to meet the power needs of the communities in the **[IMG Cluster Locations]** (within the constraints listed in this section).
     5. Based on techno-economic modeling of the available information, the recommended capacities for each technology are below. **[DISTRIBUTION LICENSEE NAME]** will consider proposals with sizes of technologies that vary from the below as long as the technologies will cost-effectively meet the communities in **[IMG Cluster Locations]**’s power demands as specified in this document. The Preferred Bidder(s) will have the opportunity to do its own load analysis if requested.

|  |  |  |  |
| --- | --- | --- | --- |
| **Community** | **Solar PV (kWp)** | **Battery Storage (Li-Ion kWh Equivalent)** | **Generator for Backup (kW)** |
| [IMG community 1] | **[Placeholder]** | **[Placeholder]** | **[Placeholder]** |
| [IMG community 2] | **[Placeholder]** | **[Placeholder]** | **[Placeholder]** |
| [IMG community 3] | **[Placeholder]** | **[Placeholder]** | **[Placeholder]** |

* 1. **[DISTRIBUTION LICENSEE NAME] Estimated Supply**
     1. **[DISTRIBUTION LICENSEE NAME]** is responsible for providing the Mini-Grid Operator with electricity for any 6 cumulative hours per day, averaged daily.
        1. The Bidder should factor the costs associated with providing electricity during **[DISTRIBUTION LICENSEE NAME]**’s Grid Availability Standard into the proposed DisCo Extraordinary Backup Tariff.
  2. **Site Information**
     1. The mini-grid for each community in **[IMG Cluster Locations]** should be located on land close to commercial and residential activity.
     2. The Bidder is responsible for coordinating the siting of each of its proposed mini-grid facility with each community in **[IMG Cluster Locations]** on that community’s property. All Bidders are advised to thoroughly investigate the proposed site conditions and surrounding areas and interconnection options and obtain or verify all information for the preparation of their proposal.
  3. **Site Walk:** A site walk will be required of all Bidders for each community in [IMG Cluster Locations].
     1. The site walk for [IMG community 1] will be XXXX, 2021
     2. The site walk for [IMG community 2] will be XXXX, 2021
     3. The site walk for [IMG community 3]will be XXXX, 2021

# **CONSTRAINTS**

* 1. **Date of Commercial Operation**
     1. The Date of Commercial Operation (the date where all testing and commissioning has been completed and the Mini-Grid Operator can start producing and selling electricity) must be within 12 months of the Effective Date (7 days after the Commission approves the Agreement and the parties sign the Agreement).
  2. **Reliability**
     1. The Mini-Grid Operator must provide **[IMG Cluster Locations]** sufficient power to meet its capacity requirements 95% of the time at all times of day (averaged annually), which defines the Mini-Grid Availability Standard.
  3. **Mini-Grid Technologies**
     1. All technology and installation components used must meet the minimum standards set forth by the Standard Organization of Nigeria (SON) and all guidelines set forth by the Renewable Energy Association of Nigeria (REAN).
  4. **Interconnection**
     1. Bidders must provide proposed electrical schematic diagrams providing details at the proposed point of interconnection and a protection single-line diagram with their proposal (see Appendix 3).
     2. The interconnection scheme proposed by Bidders must conform with the requirements in the technical codes in the Distribution Code for the Nigeria Electricity Distribution System and the 2014 Grid Code in Exhibit C.
     3. Each mini-grid must be interconnected to and supply all customers in the respective community in **[IMG Cluster Locations]** that are currently being served by the **[DISTRIBUTION LICENSEE NAME]** grid and those who both demonstrate willingness and ability to interconnect and pay for electricity from the mini-grid system, and are located close enough to the community that they do not require additional grid infrastructure to be interconnected.
     4. The Project must allow customers in each community within **[IMG Cluster Locations]** to accept power from **[DISTRIBUTION LICENSEE NAME]**’s grid during the hours **[DISTRIBUTION LICENSEE NAME]** is supposed to supply each respective mini-grid per the Grid Availability Standard and from the respective mini-grid during other hours.
     5. There must be a way to meter electricity accepted from **[DISTRIBUTION LICENSEE NAME]**’s grid at the Grid Point(s) of Interconnection, and a way to meter the total amount of electricity the customer consumes from **[DISTRIBUTION LICENSEE NAME]**’s grid and the Mini-Grid at the Customer Point(s) of Interconnection.
        1. If there is not currently a meter at the Grid Point(s) of Interconnection, the Mini-Grid Operator will be responsible for purchasing a metering and paying for meter installation. **[DISTRIBUTION LICENSEE NAME]** will select and install the meter.
        2. If customers in **[IMG Cluster Locations]** do not currently have a meter installed to determine how much electricity that customer consumes, the Mini-Grid operator will be responsible for installing and paying for **Customer Metering Systems**. The Mini-Grid Operator should recover costs for any meters installed for customers from customers in installments throughout the lifecycle of the Project.
     6. Bidders are responsible for following the established policies and procedures that are in effect regarding facility interconnection and operation with **[DISTRIBUTION LICENSEE NAME]**, as applicable.
     7. The Bidder is responsible for costs associated with connecting to the Grid Point(s) of Interconnection as required by **[DISTRIBUTION LICENSEE NAME]**, including any interconnection studies specific to the project.

# **PROPOSAL REQUIREMENTS**

* 1. **Documents to Include in Proposal:** Proposals must include the following:
     1. Bidder Information – *in one PDF*
        1. Appendix 1: Affidavit
        2. Appendix 2a: Applicant’s Organization
        3. Appendix 2b: Associated Organization
     2. Technical Proposal (including the below Appendices) – *in one PDF if reasonably possible*
        1. Appendix 3: Project Description and Technical Design
        2. Appendix 4: Proposed Project Schedule – *Option to submit in Microsoft Excel*
     3. Operational Proposal– *in one PDF*
        1. Appendix 5:
           1. Rate Structure Strategy for [IMG Cluster Locations]
           2. Proposed Blended Cluster Tariff Schedule
           3. Alternative Tariff Design Schedules (as applicable)
           4. DisCo Extraordinary Backup Tariff
        2. Appendix 6: Productive Use Stimulation Strategy for **[IMG Cluster Locations]**
        3. Appendix 7: Financing Information
     4. General Provisions – *in PDF*
        1. Appendix 8: Conflict of Interest
        2. Appendix 9: Corrupt and Fraudulent Practices
        3. Appendix 10: Mutual Non-Circumvention Clause
     5. Exhibit A: Tripartite Agreement Redlined – *in Microsoft Word*
        1. Bidders must redline the Agreement provided in Exhibit A using track changes with any **significant suggested edits** that will affect the Agreement’s intent, the Bidder’s financial proposal, or the Project’s technical requirements. Less significant changes that will not affect the intent, financial offering, or technical requirements of the Agreement can be negotiated during the negotiation process. If no changes are required (aside from the tariffs proposed), then Bidders must note this in their application.
  2. Proof of Investigations for All Three Sites – attached *in PDF*
     1. **Site Selection Requirements**
        1. For all three sites, the Bidder must have participated in mandatory Site Walks and have investigated potential mini-grid sites that would be suitable for the land parcel(s) to host the Generation Assets of a mini-grid that will serve the community before bid award.
        2. Bidders should understand land ownership, and intended development, and feasibility to host a mini-grid to demonstrate site investigation.
        3. **[DISTRIBUTION LICENSEE NAME]** does not expect the Bidder to have direct ownership, land lease or a binding lease agreement. However, the Bidder should be prepared to enter into a land lease conditional on becoming the Preferred Bidder and signing the Agreement in Exhibit A.
        4. **[DISTRIBUTION LICENSEE NAME]** is not responsible for procuring a land site, but it should be noted that **[DISTRIBUTION LICENSEE NAME]** reserves the right to offer an alternative project site to the selected bidder if proposed sites are not deemed technically, environmentally, or financially viable.
        5. The Bidder should submit documentation of photos taken on site visits and any conversations with Community Leaders or Landowners to prove understanding of 10.2.1.2 and in substitution of land lease, as stated in 10.2.1.3.
  3. **Proposal Deadline and Submission:** Proposals must be complete in all material respects and received no later than 11:59 p.m. WAT on the Proposal Due Date as indicated. Proposals must be submitted via [portal information].
     1. In addition to submitting the documents via the [portal], the Bidder should mail a hard copy of all documentation to **[DISTRIBUTION LICENSEE NAME]** at [address]. Hard copies of the proposals should be received no later than 11:59 p.m. WAT [seven days] after the Proposal Due Date as indicated.
  4. **Incomplete and Substantial Applications:** Incomplete Proposals will be rejected. The Bidder must submit a substantially responsive Proposal, i.e., one which conforms to all terms, conditions, and specifications of the RFP without material deviation or reservation. Failure to comply with this instruction will result in disqualification of the Bidder.
  5. **Use Forms Provided:** The Bidder must prepare a complete Proposal by completing the required Exhibits and Appendices. All items to be entered in the prescribed forms contained in the Exhibits and Appendices. If necessary, additional sheets may be attached to the Proposal.
  6. **Language:** The Proposal and all related correspondence and documents shall be written in the English language. Supporting documents and printed literature furnished by the bidder with the Proposal may be in any other language provided they are accompanied by a certified translation in the English language. Supporting materials which are not translated will not be considered. For the purpose of interpretation and evaluation of the Proposal, the English language translation shall prevail.
  7. **Proposal and Agreement Costs:** The bidder shall bear all costs associated with the preparation and submission of its Proposal, and the finalization and execution of the Agreement. **[DISTRIBUTION LICENSEE NAME]** will not be responsible or liable for these costs, regardless of the conduct or outcome of the procurement process.
  8. **Authority:** Each page of the Proposal, including the Exhibits and Appendices, should be initialed by a person or persons duly authorized to sign on behalf of the Bidder, and any associated individuals or Companies. Such authorization shall be indicated by one or more written *Powers of Attorney*.
  9. **Legality and Alterations:** A Proposal may be rejected if it is illegible or contains omissions, erasures, alterations, additions, or irregularities; except for those alterations necessary to correct errors made by the Bidder, in which case, such corrections shall be initialed by the person or persons signing the Proposal.
  10. **Changes from Stage 1 Information Provided:** If any information that was submitted during Stage 1 RFQ stage is now incorrect or obsolete, Bidders must notify **[DISTRIBUTION LICENSEE NAME]** in their proposal and flag clearly that the information has changed. **[DISTRIBUTION LICENSEE NAME]** reserve the right to reject Proposals where information from Stage 1 has changed to the detriment of the Bidders qualifications to adequately complete this project.

# **RFP PROCESS**

* 1. **Selective Tendering Process:** This RFP is a selective tendering process. This RFP is a Stage 2 (of 2 stages). Only Bidders who successfully passed Stage 1 and were notified of success by **[DISTRIBUTION LICENSEE NAME]** can submit proposals.
  2. **RFP Schedule:** The schedule and deadlines set out in this section apply to this Stage 2 RFP. **[DISTRIBUTION LICENSEE NAME]** reserves the right to revise this schedule at any time. **[DISTRIBUTION LICENSEE NAME]** will notify Bidders if dates change as applicable. The proposed schedule and timetable are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **ACTIVITY** | **DATE** | **DEADLINE** |
| **STAGE 2** | | | |
| 1 | Issue of Request for Proposal | XX, YYYY |  |
| 2a | Mandatory Site Walk [IMG community 1] | XX, YYYY |  |
| 2b | Mandatory Site Walk [IMG community 2] | XX, YYYY |  |
| 2c | Mandatory Site Walk [IMG community 3] | XX, YYYY |  |
| 3 | Deadline for submittal of queries and clarification by Bidder | XX, YYYY | 14 Calendar Days after the last No. 2 date |
| 4 | Deadline for **[DISTRIBUTION LICENSEE NAME]** to answer queries and clarifications | XX, YYYY | 10 Calendar Days after No. 3 |
| **5** | **Deadline for Submission of Proposals by Bidder** | **XX, YYYY** | **60 Calendar Days after No. 4** |
| 6 | Request for Clarifications by **[DISTRIBUTION LICENSEE NAME]** to Bidders (as needed) | XX, YYYY | 20 Calendar Days after No. 5 |
| 7 | Complete Evaluation of Proposals and Notification of Preferred Bidder(s) | XX, YYYY | 14 Calendar Days after No. 6 |
| 8 | Complete Negotiations of Project Agreement with Preferred Bidder(s) | XX, YYYY | 60 Calendar Days after No. 7 |
| 9 | **[DISTRIBUTION LICENSEE NAME]**’s Board Approves Agreement; Parties Sign Agreement | XX, YYYY | **[DISTRIBUTION LICENSEE NAME]** will aim to obtain board approval within 30 days on No. 8 |
| 10 | **[DISTRIBUTION LICENSEE NAME]**, the Representatives of the Connected Communities in [IMG Cluster Locations], and Preferred Bidder sign Letter of Intent, Exclusivity Agreement(s), and Tripartite Agreement; Preferred Bidder submits Agreement(s) to NERC for approval. | XX, YYYY | 5 Calendar Days after No. 9 (or other date agreed upon by the Parties). |
| 11 | Issue of Full Notice to Proceed by **[DISTRIBUTION LICENSEE NAME]** (Effective Date) | TBD | Date of NERC approval |
| 12 | Date of Commercial Operation | TBD | 12 Months after No. 11 |

* 1. **Communication Channels:** All related communications between **[DISTRIBUTION LICENSEE NAME]** and Bidders will be via [portal information]. All other forms of communication are not considered official and are discouraged.
  2. **Sharing of Bidder Clarifications:** All clarification questions asked by Bidders and the responses to those questions that are relevant to all Bidders will be anonymized and shared with all Bidders in Activity 5 above.
  3. **Clarifications:** If necessary, after the deadline for submission of Proposals, **[DISTRIBUTION LICENSEE NAME]** may seek clarification from a Bidder regarding its Proposal. The Bidder will also be advised of the date, time, and place for detailed clarification meeting(s) between **[DISTRIBUTION LICENSEE NAME]** and such Bidder, if so required.
  4. **Valid for 180 Days:** Proposals and proposal pricing must be valid for at least 180 days after the Proposal Due Date at which time Proposals shall expire unless the Bidder has been notified that its Proposal has been short-listed as the Preferred Bidder. **[DISTRIBUTION LICENSEE NAME]** may request Bidders, in writing, to extend the validity beyond this period.
  5. **Additional Proposals: [DISTRIBUTION LICENSEE NAME]** reserves the right to solicit additional proposals, if they deem it necessary to do so, and have the right to submit requests for additional information to Bidders during the evaluation process.
  6. **Comprehensive**: Each Proposal should be as comprehensive as possible to enable **[DISTRIBUTION LICENSEE NAME]** to make a definitive and final evaluation of the Proposal’s benefits without further contact with the Bidder.
  7. **Notification of Preferred Bidders:** On completion of the evaluation process, **[DISTRIBUTION LICENSEE NAME]** will invite the most highly ranked bidders—the Preferred Bidders—who satisfy the requirements of the RFP, to negotiate and finalize the Agreement. **[DISTRIBUTION LICENSEE NAME]** will notify the Preferred Bidders of the date, time and location of any meetings for this purpose. **[DISTRIBUTION LICENSEE NAME]** may request that the Preferred Bidders extend their Proposal validity in accordance with the RFP, if necessary. Lower ranked bidders may also be requested, if necessary, to extend their Proposal validity, as they are on standby
  8. **Preferred Bidders Fall Through:** If the initial Preferred Bidders fail to finalize its Agreement, **[DISTRIBUTION LICENSEE NAME]** may invite one or more of the Lower Ranked Bidders, in order of ranking, to negotiate the Agreement. **[DISTRIBUTION LICENSEE NAME]** may proceed with Lower Ranked Bidders if:
     1. They decide the finalization of the Agreement, by the Preferred Bidders, will not be completed within an acceptable timeframe;
     2. They discover that one or more of the Preferred Bidders have made material misrepresentation; or
     3. The Preferred Bidder(s) deviates from the terms of its Proposal;

**Notification of Unsuccessful Proposals:** Upon execution and ratification of the Agreement, **[DISTRIBUTION LICENSEE NAME]** will promptly inform the remaining Bidders that their Proposals were unsuccessful.

# **RFP PROPOSAL EVALUATION**

* 1. **Evaluators: [DISTRIBUTION LICENSEE NAME]** and its agents will be the sole proposal evaluators of proposals submitted by Bidders in response to this Stage 2 RFP.
  2. **Only Complete Proposals:** **[DISTRIBUTION LICENSEE NAME]** will evaluate and rank only Proposals determined to be complete and substantially responsive to the requirements of the RFP.
  3. **Right to Reject Proposals:** **[DISTRIBUTION LICENSEE NAME]** reserves the right to accept or reject any Proposal and to reject all Proposals, without thereby incurring any liability to the affected Bidders, their agents and/or assigns. **[DISTRIBUTION LICENSEE NAME]** reserves the right not to award any bidder a contract in response to this RFP and may terminate the selection process at any time without thereby incurring any liability to any Bidder, their agents and/or assigns.
  4. **Evaluation Phases:** **[DISTRIBUTION LICENSEE NAME]** will evaluate Proposals in the below Phases. Only Proposals which are determined to be complete and substantially responsive will proceed to Phase 2. Only Proposals which pass Phase 2 will be considered for Phase 3.
  5. ***PHASE 1 EVALUATION – DETERMINATION OF PROPOSAL RESPONSIVENESS***
     1. **Phase 1 Evaluation Criteria:** The initial phase of the evaluation process is the determination of the Proposal’s responsiveness. A proposal will be deemed non-responsive if:
        1. It is not received by the due date and time established in the RFP;
        2. It is not submitted in the required formats;
        3. Any required document outlined in Clause 10.1 of this RFP is missing;
        4. Any required document outlined in Clause 10.2 of this RFP is missing;
        5. Proposal is not signed by an authorized officer;
        6. Bidder does not participate in mandatory site walks;
        7. Bidder information does not match information submitted in Stage 1 RFQ or the Bidder has flagged any changes and those changes are acceptable to **[DISTRIBUTION LICENSEE NAME]**; or
        8. Proposal fails to comply with any other specific requirements of the RFP.
     2. **Phase 1 Minimum Threshold:** Once the complete and substantially responsive Proposals have been identified, they will move on to Phase 2 Evaluation. Non-complete and responsive Proposals will be rejected.
  6. ***PHASE 2 EVALUATION - TECHNICAL EVALUATION OF PROJECT***
     1. Proposals which are deemed to be complete and substantially responsive, having passed the requirements in Phase 1 Evaluation, will advance to a technical evaluation in Phase 2.
     2. **Phase 2 Evaluation Criteria:** Phase 2 of the evaluation process is to determine the technical appropriateness of the Proposal. Each acceptable Bidder's Proposal will be evaluated in accordance with the following criteria (with allotted scores as shown):

|  |  |  |
| --- | --- | --- |
|  | **Phase 2: Technical Evaluation of Project** | **Points Possible** |
| 1 | **Proposed Generation Technology** | **10** |
|  | a) Proposed generation technologies are solar PV, batteries, and diesel or CNG backup and the total generating capacity is below 1 MW for each Mini-Grid. | Pass/Fail |
|  | b) Proposed renewable technology brands/models have demonstrated successful commercial use and are compliant with relevant Nigerian technical standards for all proposed Mini-Grids. | 10 |
| **2** | **Proposed Communities to Receive a Mini-Grid** | **35** |
|  | a) Ability of proposed design for [IMG community 1] to provide [IMG community 1] sufficient electricity to meet load requirements. | 10 |
|  | b) Ability of proposed design for [IMG community 2] to provide [IMG community 2] sufficient electricity to meet load requirements. | 10 |
|  | c) Ability of proposed design for [IMG community 3] to provide [IMG community 3] sufficient electricity to meet load requirements. | 10 |
|  | d) Adequate design has been proposed for all communities in [IMG Cluster Locations] | 5 |
| **3** | **Proposed Technical Solution** | **10** |
|  | a) Portion of electricity expected to be produced from diesel or CNG generators is no greater than 35% during Mini-Grid Hours for all proposed Mini-Grids (Preferred) | 5 |
|  | b) Each proposed Mini-Grid is flexible to allow **[DISTRIBUTION LICENSEE NAME]** to serve the community 6 hours per day at varying times day to day | 5 |
| **4** | **Mini-Grid Design and Description** | **75** |
|  | a) Suitability and feasibility of proposed design for all proposed systems (electrical schematic diagrams, proposed point of interconnection, and protection single-line diagram), including compliance with technical codes. | 20 |
|  | b) Ease and technical suitability of proposed interconnection. | 5 |
|  | c) Reliability: Ability of proposed design to provide [IMG community 1] sufficient power to meet its requirements 95% of the time at all times of day. | 10 |
|  | d) Reliability: Ability of proposed design to provide [IMG community 2] sufficient power to meet its requirements 95% of the time at all times of day. | 10 |
|  | e) Reliability: Ability of proposed design to provide [IMG community 3] sufficient power to meet its requirements 95% of the time at all times of day. | 10 |
|  | e) Proposed equipment selection of non-generation assets are compliant with relevant Nigerian technical standards for all proposed Mini-Grids. | 10 |
|  | f) Similar Mini-Grid designs have demonstrated successful commercial use. | 10 |
| **4** | **Suitability of Site Layout, Site Investigations, and Implementation Considerations** | **130** |
|  | a) Demonstration of review and assessment of potential site locations in [IMG community 1] as reviewed on Site Walk. | 30 |
|  | b) Suitability of proposed site layout for [IMG community 1] . | 10 |
|  | c) Demonstration of review and assessment of potential site locations in [IMG community 2] as reviewed on Site Walk. | 30 |
|  | d) Suitability of proposed site layout for [IMG community 2] . | 10 |
|  | e) Demonstration of review and assessment of potential site locations in [IMG community 3] as reviewed on Site Walk. | 30 |
|  | f) Suitability of proposed site layout for [IMG community 3] . | 10 |
|  | g) Appropriate acknowledgement of any environmental hazards and site conditions for all proposed sites. | 10 |
| **5** | **Project Implementation Schedule** | **20** |
|  | a) Proposed implementation schedule is reasonable for the technology including development, procurement, and construction timelines for all proposed sites. | 10 |
|  | b) Proposed Date of Commercial Operation is less than 12 months from the Effective Date for all proposed sites. | 10 |
| **6** | **Operations and Maintenance** | **20** |
|  | a) Proposed operations and maintenance plan will sufficiently maintain electrical output and reliability standards from the Mini-Grid system for all proposed sites. | 15 |
|  | b) Proposed operations and maintenance plan has accounted for maintaining backup diesel or CNG generation appropriately for all proposed sites. | 5 |

* + 1. **Phase 2 Minimum Threshold:** Each Bidder will be evaluated based on the above criteria and scores.
       1. Bidders must achieve a minimum of 85% of the allotted maximum for Technical Evaluation of Project (Phase 2 Evaluation) for eligibility to advance to Phase 3 Evaluation.
  1. ***PHASE 3 EVALUATION – OPERATIONAL EVALUATION***
     1. Proposals which are deemed to be technically feasible and acceptable, having achieved the relevant score requirements in Phase 2 Evaluation, will advance to an operational evaluation in Phase 3.
     2. **Phase 3 Evaluation Criteria:** Phase 3 of the evaluation process is to determine the operational appropriateness of the Proposal. Each acceptable Bidder's Proposal will be evaluated in accordance with the following criteria (with allotted scores as shown):

|  |  |  |
| --- | --- | --- |
|  | **Phase 3: Operational Evaluation of Project** | **Points Possible** |
| **1** | **Rate Design Proposal** | **70** |
|  | a) Rate Design enables desired **project economic outcomes** for all Parties (cost recovery for the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]**, reduced customer reliance on expensive self-generation, and transparency to the customers in **[IMG Cluster Locations]** so that any incentives, riders, or subsidies are explicit and transparent to Mini-Grid customers) | 15 |
|  | b) Rate Design supports the desired outcome of **improving access to improved grid electricity** **for customers in [IMG Cluster Locations]** (provides opportunities to increase productive use, allows customers to make informed decisions about their energy usage, reduces unnecessary rate volatility) | 15 |
|  | c) Rate Design is **customer oriented** (provides fair value for electricity services, ensures all customers have equitable access to affordable electricity, is transparent) | 15 |
|  | d) Acceptable, reasonable, and well-justified DisCo Extraordinary Backup Tariff proposed. | 15 |
|  | e) Any modifications to Market Conditions are reasonable and justified. | 10 |
| **2** | **Productive Use Proposal** | **40** |
|  | a) Productive Use Strategy includes strategy for productive use stimulation for residential and commercial customers. | 20 |
|  | b) Productive Use Strategy includes strategy for productive use stimulation for industrial and agricultural customers. | 20 |
| **2** | **Ability to Finance Project** | **80** |
|  | a) Bidder is able to finance the Project, including the Mini-Grid(s) and all other components outlined. | 80 |
| **3** | **Proposed Tripartite Agreement Edits** | **20** |
|  | a) Any redlined changes to the Tripartite Agreement are reasonable and acceptable. | 20 |

* + 1. **Phase 3 Evaluation:** Each Bidder will be evaluated based on the above criteria and scored.
  1. ***FINAL EVALUATION AND COMBINED SCORING*** 
     1. The objective will be to select a Project that is technically feasible, will best contribute to the overall power objective of reliability and security of supply at least-cost to communities in the [IMG Cluster Locations], and is financially acceptable to **[DISTRIBUTION LICENSEE NAME]**.
     2. For Bidders who meet the minimum thresholds in Phase 1 and 2 and make it to the operational evaluation, scores for each stage will be weighted and combined to determine a final score for ranking.
     3. To calculate the total weighted score of the Bidder’s Proposal, **[DISTRIBUTION LICENSEE NAME]** will evaluate the technical experience of the Bidder with comparable Mini-Grid systems and success of projects. This will be done using documents the Bidder submitted during the RFQ stage. Bidders are welcome to submit any additional supporting documentation for **[DISTRIBUTION LICENSEE NAME]** to consider, but it is not required.
     4. The weighting for each section is as follows:

|  |  |
| --- | --- |
| **Phase / Criteria** | **Weighting** |
| RFQ Response – Technical Experience | 20% |
| Phase 1 – Proposal Responsiveness | N/A – All Proposals must be compliant |
| Phase 2 – Technical Evaluation | 30% |
| Phase 3 – Operational Evaluation | 50% |
| **TOTAL** | **100%** |

* + 1. **Highest Ranked Bidders:** The Highest Ranked Bidders are the Bidders whose Proposals are substantially responsive, who have successfully met the requirements of the Phase 2 Technical Evaluation, and whose Phase 3 Operational Evaluation best meets the overall power sector objective of reliability and security of supply at least cost to the [IMG Cluster Locations]. The Bidders selected for this status will therefore be the ones whose Proposals offer the best tariff relief to **[IMG Cluster Locations]** while providing technically strong solutions.

# **CONFIDENTIALITY**

* 1. In Stage 1 of this RFP, Bidder signed a Mutual Confidentiality Agreement with **[DISTRIBUTION LICENSEE NAME]**. During the term of this RFP, Bidder may receive or have access to data and information that is confidential and proprietary to **[IMG Cluster Locations]** and/or **[DISTRIBUTION LICENSEE NAME]**. All such data and information (“Confidential Information”) made available to, disclosed to, or otherwise made known to Bidder in connection with this RFP shall be considered the sole property of **[DISTRIBUTION LICENSEE NAME]**. Confidential Information may be used by Bidder only for the purposes of performing the obligations of the Bidder hereunder. Bidder shall not disclose Confidential Information to any third party without the prior written consent of **[DISTRIBUTION LICENSEE NAME]**. Bidder shall not use or duplicate any proprietary information belonging to or supplied by **[IMG Cluster Locations]** or **[DISTRIBUTION LICENSEE NAME]**, except as authorized by **[DISTRIBUTION LICENSEE NAME]**. These obligations of confidentiality and non-disclosure shall remain in effect for indefinite period. The Bidder agrees that this RFP and any response and discussion related thereto shall be considered Confidential Information.
  2. In the same vein of confidentiality, **[DISTRIBUTION LICENSEE NAME]** shall not share, duplicate, or use the Proposals received by Bidders without the written permission of the Bidder. **[DISTRIBUTION LICENSEE NAME]** shall not disclose Confidential Information to any third party without the prior written consent of the Bidder.

# **BIDDER’S RESPONSIBILITES**

* 1. Each Bidder is expected to carefully examine all instructions, conditions, forms and terms in the RFP and all clarifications and addenda issued in connection with the RFP. The Bidder is also responsible for informing itself with respect to all conditions which may affect the cost or the performance of the Project. Failure to do so, and failure to comply with the requirements of the RFP, will be at the Bidder's own risk, and no relief will be given for errors or omissions by the Bidder. Pursuant to the RFP, Proposals which are not substantially responsive to the requirements of the RFP will be rejected.
  2. It is the Bidder’s responsibility to submit all requested material by the deadlines specified in this RFP.
  3. The Bidder should make its proposal as comprehensive as possible so that **[DISTRIBUTION LICENSEE NAME]** may make a definitive and final evaluation of the proposal’s benefits to its customers without further contact with the Bidder.
  4. Bidders are responsible for the timely completion of the project and are required to submit proof of their financial and technical wherewithal to ensure the successful completion of the project.
  5. The Bidder will be responsible for any expenses the Bidder incurs in connection with the preparation and submission of a Proposal and/or any subsequent negotiations regarding a Proposal in response this RFP. **[DISTRIBUTION LICENSEE NAME]** will not reimburse Bidders for their expenses under any circumstances, regardless of whether the RFP process proceeds to a successful conclusion or is abandoned by **[DISTRIBUTION LICENSEE NAME]** at their discretion.

# **CONTACT INFORMATION**

* 1. All related communications between **[DISTRIBUTION LICENSEE NAME]** and Bidders will be via [portal information]. All other forms of communication are not considered official and are discouraged.

# **APPENDICES: REQUIRED BIDDER DOCUMENTATION**

* 1. All Appendices are in the following pages.

### APPENDIX 1: AFFIDAVIT

Affidavit

I, ............................................................................, being duly sworn do make oath and say as follows:

1. That I am of legal age and reside at:

........................................................................................................................

........................................................................................................................

*(Address)*

2. That I am the ..................................................................................... of the

*(Official Capacity)*

...................................................................., corporation/association/company,

*(Name of Firm)*

duly organized under the Laws of .......................................................................

*(Name of Country)*

3. That personally, and as ........................................................................ for and;

*(Official Capacity)*

on behalf of the corporation/association/company, I hereby certify that:

i. All statements made in this Bidder’s Proposal and in the required attachments are true and

correct,

ii. This Proposal is made for the express purpose of developing the proposed mini-grid project,

iii. The Bidder will make available to **[DISTRIBUTION LICENSEE NAME]** any information they may find necessary to verify any item in this Proposal or regarding the competence and general reputation of the Bidder,

iv. That I am duly authorized by the corporation/association/company to make these representations and to sign this Proposal.

v. The Bidder hereby represents that there are no liabilities, lawsuits, debts, etc. that could reasonably be expected to materially affect the Bidder's ability to arrange the necessary financing for the successful implementation of the proposed Project.

Signature: ...........................................................................................................

(Secretary/General Partner/ Individual Contractor/Applicant)

SUBSCRIBED AND SWORN TO before me this ................... day of .............................. 2021.....

at ...........................................................................................

Notary Public/Justice of the Peace:

................................................................................................................

### APPENDIX 2a: APPLICANT’S ORGANISATION\*

|  |  |
| --- | --- |
| Date: |  |
| Entity’s Name: |  |
| Entity’s Country of Incorporation: |  |
| Entity’s Address: |  |
| Entity’s Email Contact: |  |
| Entity’s Website: |  |
| Telephone No: |  |
| Fax No: |  |
| Address of Registered Office: |  |
| Local Contact and Address (if applicable): |  |
| Year Organized: |  |
| Type of Association: |  |
| Registration Number: |  |

\*In the event that the Applicant is comprised of more than one entity, separate forms shall be submitted for each such entity.

### APPENDIX 2b: ASSOCIATED ORGANISATION\*

|  |  |
| --- | --- |
| Date: |  |
| Entity’s Name: |  |
| Entity’s Country of Incorporation: |  |
| Entity’s Address: |  |
| Entity’s Email Contact: |  |
| Entity’s Website: |  |
| Telephone No: |  |
| Fax No: |  |
| Address of Registered Office: |  |
| Local Contact and Address (if applicable): |  |
| Year Organized: |  |
| Type of Association: |  |
| Registration Number: |  |

\*Individual form shall be submitted for each associated entity. Submit additional sheets as necessary.

APPENDIX 3: PROJECT DESCRIPTION AND TECHNICAL DESIGN

Bidder shall provide details regarding the Project under specific headings including the following:

**Proposed Generation Technology**

* Installed Capacity (kW), Battery Storage Capacity (kW & kWh), and Diesel or CNG Capacity (kW)
* Proposed PV Module to be used with specification sheet(s)
* Proposed Inverter to be used with specification sheet(s)
* Proposed Battery Energy Storage System (BESS) to be used with specification sheet(s)
* Proposed diesel or CNG generation to be used as backup power with specification sheet(s)

**Expected Generation Output**

* Expected electricity (kWh) to be produced by the Mini-Grid during the Mini-Grid Availability Standard
* Expected electricity (kWh) to be produced by solar PV and battery storage system and separately by the diesel or CNG generators during the Mini-Grid Availability Standard

**Mini-Grid Design and Description**

* Electrical schematic diagrams providing details at the proposed points of interconnection at interconnections and generation sources
* Protection single-line diagram that includes network layout for proposed distribution network in the Community
* Reliability expected
* Proposed power management system/microgrid controller to be used with specification sheet(s)
* Description and explanation of Mini-Grid technology to be used
* General Mini-Grid design and specifications
* Major systems and equipment descriptions

**Site Usage Plan**

* Location of where Mini-Grid will be located on each site in [IMG Cluster Locations], including a proposed site layout, and any planned modifications to be complete to make the site more suitable.
* Provide evidence in site plan that solar irradiance isn’t obstructed by shading.
* Acknowledgement that the Mini-Grid Operator will address or mitigate any environmental impacts identified by the Preliminary Environmental and Social Impact Assessment in Exhibit D, working with the Community Representatives of the Connected Communities in **[IMG Cluster Locations]** where appropriate.

**Site Investigations**

* List the necessary investigations that must be completed on the site to demonstrate suitability or confirm technical design fit.

**Project Implementation Considerations**

* Evidence that site conditions have been duly considered and that there are no impediments to successful delivery and installation of the Mini-Grid.

**Ongoing Operations and Maintenance**

* Provide an Operations and Maintenance plan, showing high-level planned maintenance schedules for key technologies.
* Provide plan for how backup diesel or CNG gensets will be maintained and refueled and by whom.
* Provide approach for monitoring mini-grid performance.
* Provide process for how non-performing/broken equipment will be replaced.

### APPENDIX 4: PROPOSED PROJECT SCHEDULE

Bidder shall provide a detailed schedule which supports and confirms completion of the Project within the Proposal timeframe.

Bidder’s schedule shall be submitted in Gantt chart format (in either a PDF or Excel) and shall include all milestones for financing, engineering, procurement, shipping, construction, startup, testing, etc. as necessary for successful completion and operation of the Project.

### APPENDIX 5: RATE DESIGN STRATEGY, PROPOSED BLENDED CLUSTER TARIFF SCHEDULE, ALTERNATIVE TARIFF DESIGN SCHEDULES, AND DISCO EXTRAORDINARY BACKUP TARIFF

**Rate Design Strategy:**

The Bidder shall submit a detailed written strategy encompassing their rate design methodology and rationale for [IMG Cluster Locations]’s rates over the duration of the Project. This Rate Design Strategy should show how the proposed tariffs will ensure sustainability of the Project and revenue to **[DISTRIBUTION LICENSEE NAME]**. The Bidder should also explain the extent to which the **[IMG Cluster Locations]** Blended Tariff and any optional tariffs will achieve the following:

1. enable cost recovery for the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]**;
2. enable customers to make well-informed decisions about their energy usage;
3. support the desired outcome of reducing reliance on self-generation in **[IMG Cluster Locations]** in the absence of reliable electricity from **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network;
4. support the desired outcome of increasing productive use in [IMG Cluster Locations];
5. provide transparency to the customers in **[IMG Cluster Locations]** so that any incentives, riders, or subsidies are explicit and transparent to Mini-Grid customers;
6. provide fair value for electricity services from the Mini-Grid, the Distribution Network, and any other services the Mini-Grid Operator provides;[[3]](#footnote-4)
7. be customer-oriented so that the customer experience is simple and understandable;
8. ensure all customers have equitable access to affordable electricity; and
9. not result in undue rate volatility for customers.

**Blended Cluster Tariff:**

Bidder shall submit its proposed **Blended Cluster Tariff** schedule for Schedule 5 of the Agreement in Exhibit A by filling in the blank spaces in the following table.

The Blended Cluster Tariff is the tariff all customers in **[IMG Cluster Locations]** shall pay for all electricity received (except where a Lower Reliability Tariff or a Blended Cluster Time of Use Tariff are used), including both from the Mini-Grid Generation Assets and from **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network, to be paid to the Mini-Grid Operator. The Blended Cluster Tariff shall be reflective of all Mini-Grid Costs, including the Usage Fee, which can be rate based. The Blended Cluster Tariff schedule shall be quoted in Nigerian Naira, in NGN/kWh. See Clause 9, Clause 11, Clause 14, and Schedule 5 of the Agreement for more details.

The tariff at which the Bidder shall pay **[DISTRIBUTION LICENSEE NAME]** for electrical energy received from the Distribution Network main grid (DisCo Grid Tariff) and Usage Fee is detailed in Schedule 5 and Schedule 10 of the Agreement respectively. These tariffs are subject to approval by the Commission.

***For the purpose of this RFP only and to allow [DISTRIBUTION LICENSEE NAME] to compare Proposals fairly, assume the DisCo Grid Tariff and Usage Fee values provided in Schedule 5 and Schedule 10 of the Agreement respectively.***

|  |  |
| --- | --- |
| **Year** | **Blended Cluster Tariff (N/kWh)** |
| Year 1 [2021, pending Date of Commercial Operation] |  |
| Year 2 |  |
| Year 3 |  |
| Year 4 |  |
| Year 5 |  |
| Year 6 |  |
| Year 7 |  |
| Year 8 |  |
| Year 9 |  |
| Year 10 |  |
| Year 11 |  |
| Year 12 |  |
| Year 13 |  |
| Year 14 |  |
| Year 15 |  |

**Alternative Tariff Design Schedules (as applicable):**

***OPTIONAL Blended Cluster Lower Reliability Tariff:*** If the Bidder Chooses, they can propose a rate schedule for offering a lower tariff to customers who are willing to enter a demand response program if the Grid does not supply power or the Mini-Grid is unable to meet demand for any extenuating circumstance. If the Bidder chooses to use this option, the bidder shall propose those tariffs in a table below.

[Insert Blended Cluster Lower Reliability Tariff Schedule]

***OPTIONAL Blended Cluster Time of Use Tariff:*** If the Bidder Chooses, they can propose a rate schedule for a Blended Cluster Time of Use Tariff. This Tariff would replace the Blended Cluster Tariff. If the Bidder chooses to use this option, the bidder shall propose those tariffs in a table below.

[Insert Blended Cluster Time of Use TariffSchedule]

***OPTIONAL Unspecified Rate Design(s):*** If the Bidder Chooses, they can propose an alternative rate schedule that would replace the Blended Cluster Tariff. If the Bidder chooses to use this option, the bidder shall propose those tariffs in a table below.

[Insert Unspecified Rate Design TariffSchedule]

**DisCo Extraordinary Backup Tariff:**

As stated in Clause 8.3 in the Agreement, where the grid supply is not made available by **[DISTRIBUTION LICENSEE NAME]** during the Grid Availability Hours as required in Clause 8.1, the Mini-Grid Operator shall be required to supply electricity to **[IMG Cluster Locations]** from its Generation Assets to maintain reliable supply to customers. During this time, the Mini-Grid Operator will still be liable to pay the Usage Fee. The DisCo Extraordinary Backup Tariff (referenced in Clause 12.6.1.1 of the Agreement) should be reflective only of the diesel or CNG generation costs associated with supply the community during the Grid Availability Hours when **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network is unable to do so.

If **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network falls below an availability of power of 6 hours (the Grid Availability Standard) during any given calendar month, **[DISTRIBUTION LICENSEE NAME]** will be liable to pay the Mini-Grid Operator NGN [X4]/kWh (**DisCo Extraordinary Backup Tariff**) multiplied by the number of kWh consumed by the customer during the respective time period.

As stated in Clause 14.4, the current state of the Market Conditions will be reviewed by the Parties every 3 years. If the Market Conditions exceed the High Threshold or go below the Low Thresholds at that time, the Parties agree to review the DisCo Extraordinary Backup Tariff referred to in 10.2 in order to reflect such change(s).

|  |  |
| --- | --- |
| **Year** | **DisCo Extraordinary Backup Tariff (N/kWh)** |
| Year 1 [2021, pending Date of Commercial Operation] |  |
| Year 2 |  |
| Year 3 |  |
| Year 4 |  |
| Year 5 |  |
| Year 6 |  |
| Year 7 |  |
| Year 8 |  |
| Year 9 |  |
| Year 10 |  |
| Year 11 |  |
| Year 12 |  |
| Year 13 |  |
| Year 14 |  |
| Year 15 |  |

**Market Conditions:**

If the Market Conditions in the Agreement exceed the High Threshold or go below the Low Thresholds outlined below, a tariff adjustment can be applied for as detailed in Clause 14.4 in the Agreement. If the Bidder proposes alternative Market Condition thresholds to those written in the Agreement, the bidder shall propose those by filling out the below table with the proposed alternative values.

|  |  |  |
| --- | --- | --- |
| **Market Condition** | **Low Threshold (not to go below)** | **High Threshold (not to exceed)** |
| Nigerian Naira Inflation (calculated over 3 years), according to the Nigerian National Bureau of Statistics[[4]](#footnote-5) |  |  |
| Diesel Fuel Price Change (calculated over 3 years), according to the Nigerian National Bureau of Statistics (Automotive Gas Oil index) |  |  |
| Change in [IMG Cluster Locations]’s consumption habits, resulting in needing more electricity or using diesel generator more than planned |  |  |
| Availability of grid supply from the DisCo’s Distribution Network during Grid Availability Standard (hours DisCo’s Distribution Network is available per day, averaged over the 3 years) |  |  |

### APPENDIX 6: PRODUCTIVE USE STIMULATION STRATEGY FOR [IMG CLUSTER LOCATIONS]

The Bidder shall submit a detailed written strategy for stimulating productive use of electricity by residential, commercial, industrial, and agricultural customers in **[IMG Cluster Locations]** over the duration of the Project. Productive use stimulation activities do not need to be carried out by the Bidder, and may include activities coordinated by the Bidder with other organizations.

### APPENDIX 7: FINANCING INFORMATION

The Bidder shall submit details of their expected financing arrangement in order to provide assurance the Bidder can finance the Project, including the following:

***Project Financing***

|  |  |  |  |
| --- | --- | --- | --- |
| **Financing Type** | **Source** | **Amount in USD** | **% of Total** |
| EQUITY FINANCING | Project Sponsor |  |  |
| Contractor/Supplier |  |  |
| Other Sources (Bidder shall list) |  |  |
| TOTAL EQUITY |  |  |
| DEBT FINANCING | Commercial Sources |  |  |
| Development Bank Sources |  |  |
| Other Sources |  |  |
| TOTAL DEBT |  |  |
| TOTAL FINANCING | |  |  |

Bidder shall submit supporting documentation from the sources of financing and a credit report. Supporting letters from the financing sources shall be accompanied by documentation to verify that the sources are capable of meeting the commitments.

The amount indicated as “TOTAL FINANCING” shall be the total financing required for the Project, inclusive of contingency funds.

**Foreign and Local Currency Financing:** Bidders should submit any additional information to clarify what portion of debt, equity, and/or grants the Bidders plans to obtain for the Project is local versus foreign currency financing.

**Supporting Documentation:** Bidder shall submit supporting documentation from the sources of financing and a credit report. Supporting letters from the financing sources (or equivalent) shall be accompanied by documentation to verify that the sources are capable of meeting the commitments.

### APPENDIX 8: CONFLICT OF INTEREST

The Bidder shall provide a document with its Application stating the following:

The Parties to the Agreement declare that there is no existing conflict of interest pursuant to Clause 4.1 of this RFP which would affect their entry into the Agreement.

Bidder Representative Signature: ...........................................................................................................

Bidder Representative Name: ...........................................................................................................

Date: ..........................................................................................................

### APPENDIX 9: CORRUPT AND FRAUDULENT PRACTICES

The Bidder shall provide a document with its Application stating the following:

The Parties to the Agreement declare that there is no Corrupt and Fraudulent Practices pursuant to Clause 4.2 of this RFP which would affect their entry into the Agreement.

Bidder Representative Signature: ...........................................................................................................

Bidder Representative Name: ...........................................................................................................

Date: ..........................................................................................................

### APPENDIX 10: MUTUAL NON-CIRCUMVENTION CLAUSE

The Bidder shall provide a document with its Application stating the following:

Each Party hereby irrevocably agrees and warrants that it and its Affiliates shall not, directly or indirectly, interfere with, circumvent, attempt to circumvent, avoid or bypass other Parties to the Agreement, or obviate or interfere with the relationship of any Party and its contacts for the purpose of gaining any benefit, whether such benefit is monetary or otherwise.

Bidder Representative Signature: ...........................................................................................................

Bidder Representative Name: ...........................................................................................................

Date: ..........................................................................................................

# **SUPPORTING EXHIBITS**

### EXHIBIT A: TRIPARTITE AGREEMENT

* + - The Agreement contract template is attached separately in a Microsoft Word doc. The Agreement is a binding contract between each community that the bidder is proposing a solution for in [IMG Cluster Locations], **[DISTRIBUTION LICENSEE NAME]**, and the Mini-Grid Operator for the sale of electricity to communities in [IMG Cluster Locations]. Bidders are required to redline (by using Track Changes) any substantial changes that will affect the financial or technical offering, and return it with their Proposal.

### EXHIBIT B: **[IMG Cluster Locations]** SITE INFORMATION

* + - **[DISTRIBUTION LICENSEE NAME]**, in conjunction with contractor RMI, derisked a land site in [IMG community 2] , but not in [IMG community 3] and [IMG community 1] . However, it is up to the Bidder if they prefer to use a different land site in [IMG community 2] .
    - [**Placeholder for Attachments that provides site information for each IMG site derisked, including potential DER sites, load profiles, photos, customer surveys, etc, ]**

Note that like all information provided as part of this RFP, this information is protected by the NDA Bidders

### EXHIBIT C: TECHNICAL CODES

* + - The Technical Codes reference the 2014 Grid Code and the Distribution Code for the Nigeria Electricity Distribution System.

### EXHIBIT D: PRELIMINARY ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

* + - [**Placeholder for PESIA reports for the IMG sites]**

1. The entirety of Clause 4.2 has been interpreted from the African Development Bank Group’s [Standard Bidding Document for the Procurement of Works](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Procurement/Project-related-Procurement/SBD-_Procurement_of_Works_-_September_2010_-_Revised_-February_2018.doc). [↑](#footnote-ref-2)
2. Such services may include but are not limited to energy efficiency, demand response, metering, and productive use stimulation. [↑](#footnote-ref-3)
3. Such services may include but are not limited to energy efficiency, demand response, metering, and productive use stimulation. [↑](#footnote-ref-4)
4. The inflation and diesel fuel price thresholds are based on historical data from the Nigerian National Bureau of Statistics. [↑](#footnote-ref-5)