***Generic Request for Proposal Template for Public Use – September 2022***

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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 (or, “Mini-Grid Operator”) uses an RFQ phase beforehand to ensure applying developers are qualified and have signed a confidentiality agreement.
* Numbers in brackets and highlighted in yellow are placeholder numbers that can be modified to suit on project-specific considerations.
* Throughout this template, footnotes are used to provide commentary on specific aspects of the RFP. It is important to note that these footnotes are not part of the RFP and are only intended to guide users of this template as they edit it for their specific projects.

**[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**

**and**

[DISTRIBUTION LICENSEE NAME]

**LARGE COMMERCIAL & INDUSTRIAL DISCO-ENABLED DER SOLUTION**

**Request for Proposal**

**for** **an**

**Energy Services Company**

**(“Mini-Grid Operator”)**

**for**

**[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**

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

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

**PREFACE**

**[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]** have prepared this Request for Proposal (“**RFP**”) document to invite Pre-Qualified Organizations wishing to submit proposals as an Energy Services Company to develop, finance, build, own, and operate grid-tied solar photovoltaic (“**PV**”), battery energy storage, and diesel generator energy system – henceforth known as a **Mini-Grid** – at **[Placeholder – Interconnected Customer Name and Address].** While the services required are more accurately described by the term “Energy Services Company (ESCO)”, this RFP will henceforth refer to the Energy Services Company as a **Mini-Grid Operator** to be aligned with the 2016 Mini-Grid Regulations.

A Preferred Bidder will be invited to sign a Tripartite Agreement (“**Agreement**”) with **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]**. The obligation to provide power to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** will be shared between the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]** as detailed in Section 5 of this document.

This is a Stage 2 (of 2 total stages) RFP to procure a Mini-Grid Operator to provide electricity services to [**LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME**].[[1]](#footnote-2) Only **Pre-Qualified Organizations** that were notified by **[DISTRIBUTION LICENSEE NAME]** of successfully passing the Stage 1 Request for Qualifications (“**RFQ**”) and invited to bid in this Stage 2 RFP may submit proposals. This document is confidential and shall not be distributed except by **[DISTRIBUTION LICENSEE NAME]** or **[LARGE COMMERCIAL & INDUSTRIAL COMPANY 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.

[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME], **[DISTRIBUTION LICENSEE NAME]**, or any stakeholder providing assistance to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** 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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]**, their staff, or advisors or any other stakeholder providing assistance to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]**. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]** reserve the right to not proceed with the initiative as well as the right not to discuss the initiative further with any respondent.

**[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]** reserve the right to jointly 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

* 1. 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, Commission or any other relevant authority in Nigeria currently in force and as may be amended or supplemented from time to time.

“**Assets and** means those assets and infrastructure within the

**Infrastructure**” Mini-Grid owned and operated by the Mini-Grid Operator.

**“Bank Guarantee for** a bank guarantee (in a form and from a bank with a credit

**the DisCo”** rating acceptable to the DisCo) provided by the Mini-Grid Operator for the benefit of the DisCo and for the monetary value of 3 months of estimated net payments to the DisCo.

**“Bank Guarantee for** a bank guarantee (in a form and from a bank with a credit

**the Mini-Grid** rating acceptable to the Mini-Grid Operator) provided by

**Operator”** the Interconnected Customer) for the benefit of the Mini-Grid Operator and for the monetary value of the Minimum Consumption for a period of 3 months.

**“Bidder”** means an organization submitting a formal offer (proposal) to the DisCo and Interconnected Customerto 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 this 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.

**“Customer Point of** means the point of electricity delivery to the

**Interconnection”** Interconnected Customer, including electricity from both

the Mini-Grid and the DisCo’s Distribution Network.

**“Date of Commercial** means the date after which all testing and commissioning

**Operation”** 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 Interconnected Customer pursuant to this Agreement.

**“Default Interest** means the rate of 2% per annum above Central Bank of

**Rate”** Nigeria Monetary Policy Rate or such equivalent rate as may be agreed between the Mini-Grid Operator and the DisCo.

**“DisCo** refers to the [X5] tariff for the kWh supplied by the

**Extraordinary Backup** Mini-Grid Operator when the DisCo does not meet the

**Tariff”** Grid Availability Standard during a given month, and charged to the DisCo.

**“DisCo Grid Tariff”** refers to the tariff [X4] NGN/kWh the Mini-Grid Operator shall purchase electricity from the DisCo for resale to the Interconnected Customer during the Grid Priority Hours, whereby X4 is the value provided in Schedule 7 of the Agreement.

**“Distribution** means any connection of cables, service lines and overhead

**Network”** 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 operators by the DisCo.

**“Distribution Network** means the extreme case in which the percentage availability

**Failure”** of the grid during the Grid Priority Hours during a given month is below 50%.

**“Distribution Network** are calculated by subtracting the percentage availability

**Failure Costs”** of the grid during the Grid Priority Hours during the given month from 50%, and then multiplying it by the total kWh supplied during Grid Priority Hours during the respective month, and multiplying that by the DisCo Extraordinary Backup Tariff.

**“Effective Date”** means following the fulfilment of the condition in Clause 2 of the Agreement or as agreed otherwise by the Parties.

**“Electricity Supply** refers to the number of kWh calculated – if the DisCo’s

**Discrepancy”** Distribution Network was below [90%] availability during a given month – by subtracting the percentage availability of the grid during the Grid Priority Hours during the given month from [90%], and then and multiplying it by the total kWh supplied during Grid Priority Hours during the respective month.

**“Full Title Guarantee”** means, in respect of any plant to be transferred under this Agreement, as the case may be, that such plant is transferred with full title guarantee and free from all charges, liens, other encumbrances and third party claims

**“Generation** means the generation assets owned by the Mini-Grid

**Assets”** Operator, including but not limited to solar photovoltaics, batteries, diesel gensets, that forms part of the Mini-Grid**.**

**“Good Industry** means, in respect of any task and circumstance, exercising

**Practices”** that degree of skill, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced undertaking engaged in the same type of task under the same or similar circumstances, and includes undertaking such task.

**“Grid Availability** means the level of availability of power defined in Clause

**Standard”** 8.2 of the Agreement from the DisCo’s Distribution Network at the Grid Point of Interconnection.

**“Grid Metering** all meters and metering devices, equipment, electrical

**System”** circuitry, recording equipment, communications equipment and related equipment used for measuring electricity delivered by the Distribution Network.

**“Grid Point of** means the point at which the DisCo’s Distribution Network

**Interconnection”** interconnects to the Mini-Grid or Interconnected

Customer; the point of electricity delivery from the DisCo’s Distribution Network to the Mini-Grid.

**“Grid Priority Hours”** means between [3 pm and 8:59 am] daily.

**“Initial Term”** means the initial term length of the Agreement (20 years).

**“Interconnected** means **[LARGE COMMERCIAL & INDUSTRIAL Customer”** **COMPANY NAME]** at **[CUSTOMER ADDRESS]**.

**“Market Conditions”** means the macro-economic and Interconnected Customer-specific conditions that all tariffs in this document are based on set out in paragraph 1.6 of Schedule 6. If the Market Conditions go above or below the thresholds detailed in Schedule 6, it can trigger the Parties to apply for a tariff adjustment per the terms of this Agreement.

**“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 Systems”** means the Grid Metering System (as defined in Clause 15.1 in the Agreement) and/or the Mini-Grid Metering System (as defined in Clause 15.2 of the Tripartite Agreement), as the case may be.

**“Mini-Grid**” means the electricity supply system, including the Generation Assets and Mini-Grid Metering System and cabling between the Generation Assets and the Customer Point of Connection and associated and ancillary plant and equipment, situated on Interconnected Customer’s site, [connected to the Distribution Network] and supplying power from both the Generation Assets and the Distribution Network to the Customer Point of Connection (excluding the **Necessary Prior** **Distribution** **Network** **Upgrades**).

**“Mini-Grid Availability** means the level of availability of power defined in Clause

**Standard”** 8.4 in the Agreement from the Mini-Grid at the Customer Point of Interconnection.

**“Mini-Grid Metering** all meters and metering devices, equipment, electrical

**System”** circuitry, recording equipment, communications equipment and related equipment used for measuring electricity delivered to the Interconnected Customer by the Generation Assets of the Mini-Grid Operator.

**“Mini-Grid Operator”** means as defined in the Agreement.

**“Mini-Grid Priority** means between [9 am and 2:59 pm] daily.

**Hours”**

“**Mini-Grid** means the Nigeria Electricity Regulatory Commission

**Regulations**” Regulations 2016 for Mini-Grids up to 1MW in force from time to time.

**“Minimum** means the minimum kWh the Interconnected Customer

**Consumption**” shall accept from the Mini-Grid Operator (which includes electricity both from the Mini-Grid Generation Assets and the Distribution Network) every 12 months, as defined in Clause 9.2.

“**Necessary Prior** means the necessary upgrades to the Distribution

**Distribution** Network performed by the DisCo prior to the

**Network Upgrades”** Date of Commercial Operation as detailed in Clause 7.7 and listed in Schedule 3.

**"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.

**“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 Interconnected Customer; and
3. all activities incidental to any of the foregoing in accordance with this Agreement.

**“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 having (in each case) jurisdiction by Applicable Laws over either or both of the Parties, this Agreement, the Mini-Grid or other aspects of the subject matter of this Agreement and in each case within Nigeria.

**“Renewal Term”** shall have the meaning ascribed in Clause 3.5.

**“Scheduled** means an instance in which the available capacity or

**Maintenance Outage”** performanceof the DistributionNetworkor Mini-Grid is subject to a material reduction affecting electricity supplies to the Interconnected Customer that: a) has been scheduled and agreed to by either Disco or Mini-Grid Operator; and b) is for inspection, testing, preventive maintenance, corrective maintenance, repairs, replacement or improvement of the distribution network or generating assets.

**“Recoverable** refers to the liability the DisCo incurs to the Mini-Grid

**Expenditure”** Operator for the value of electricity the Mini-Grid Operator supplies the Interconnected Customer when the DisCo Distribution Network falls below the Grid Availability Standard during the Grid Priority Hours during a given calendar month.

**“Technical Codes”** shall have the same meaning in the Mini-Grid Regulations.

**“Transmission** means that the DisCo, outside of its control, does not

**Network Failure”** receive electricity supply from the transmission system substation that supplies the distribution feeder that supplies the Interconnected Customer for more than two (2) hours during the Grid Priority Hours and which can be verified from the Transmission Company of Nigeria (TCN).

“**Transmission** means the amount of excess electricity the Mini-Grid

**Network Failure Cost**” Operator provided to the Interconnected Customer that is directly due to Transmission Network Failure(s) and is above the [10%] grid backup supply the Mini-Grid Operator is expected to provide per the Grid Availability Standard and multiplied by the DisCo Extraordinary Backup Tariff to calculate the monetary cost of that excess electricity

**“Unscheduled Outage**” means an instance in which the available capacity or performance of the Distribution Network or Mini-Grid is subject to a reduction affecting electricity supplies to the Interconnected Customer which is not a Scheduled Outage.

# 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 **[DISTRIBUTION LICENSEE NAME]** 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]** is trying to enable customers who are underserved by the grid to better meet their electricity needs using mini-grids — including solar PV, battery storage, and diesel 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.

Currently, many large commercial and industrial customers complement or even supplement grid power with self-generation (such as diesel generators), which is often costly and inefficient. By using mini-grids during daytime hours 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 large commercial and industrial customers at a lower cost than existing self-generation.

This also gives mini-grid developers and **[DISTRIBUTION LICENSEE NAME]** the opportunity to work together towards the mutual goal of providing high-quality power to customers.

Through the [**LARGE COMMERCIAL & INDUSTRIAL DISCO FACLITATED DER SOLUTION]** Program, **[DISTRIBUTION LICENSEE NAME]**:

* identifies large commercial and industrial customers who are currently not receiving adequate power quality and reliability from **[DISTRIBUTION LICENSEE NAME]**’s grid;
* works with those customers to procure a Mini-Grid Operator to meet the customers’ power needs during [9 am – 3 pm]; and,
* performs grid upgrades to improve power supply during non-mini-grid hours.

As part of the **[LARGE COMMERCIAL & INDUSTRIAL DISCO FACLITATED DER SOLUTION]**, **[DISTRIBUTION LICENSEE NAME]**is working with **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** to procure 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 power requirements of **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** 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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** or **[DISTRIBUTION LICENSEE NAME]**to contract with any Bidder and it does not bind **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**, **[DISTRIBUTION LICENSEE NAME]**, or their affiliates in any manner. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[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. There is no penalty nor advantage from a **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]** perspective if Bidders submit one or multiple proposals, as each proposal will be evaluated separately.
  4. The Agreement referred to in this RFP is a tri-party agreement between **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**, **[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 Mini-Grid Operators. 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. Prospective Bidders shall provide professional, objective, and impartial advice, at all times holding the Client’s interests paramount, strictly avoiding conflicts with other assignments or its own corporate interests, and acting without any consideration for future work.
     2. Prospective Bidders have an obligation to disclose to the Client any situation of actual or potential conflict that impacts its capacity to serve the best interest of its Client. Failure to disclose such situations may lead to the rejection of the RFP proposal.
     3. Prospective 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. Prospective Bidders shall submit the Conflict of Interest form in Appendix 7 of this RFP to be considered for this project.
  2. Corrupt and Fraudulent Practices[[2]](#endnote-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 Bidder, 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. Prospective Bidders shall submit the Corrupt and Fraudulent Practices form in Appendix 8 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. Prospective Bidders shall submit the Mutual Non-Circumvention form in Appendix 9 of this RFP to be considered for this project.

# OBLIGATIONS

* 1. The Mini-Grid Operator is responsible for providing **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** with reliable power ([99%] availability of power annually) between 9:00am-2:59pm daily (the “**Mini-Grid Priority Hours**”).
  2. **[DISTRIBUTION LICENSEE NAME]**is responsible for providing **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** power with [90%] reliability monthly between [3 pm-8:59 am] daily (the “**Grid Priority Hours**”).
  3. The Mini-Grid Operator is responsible for backing up **[DISTRIBUTION LICENSEE NAME]**’s power supply to ensure **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** has reliable power as much as possible (namely ensuring that **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** ends up with [99%] reliability monthly on average).
  4. **[DISTRIBUTION LICENSEE NAME]**is responsible for providing **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** power with [90%] reliability averaged monthly and will make minor upgrades to the Distribution Network to ensure it can achieve this. After **[DISTRIBUTION LICENSEE NAME]** makes grid upgrades but prior to the Date of Commercial Operation, the grid availability and reliability will be performance tested to assure **[DISTRIBUTION LICENSEE NAME]** can meet 90% availability during Grid Priority Hours. If **[DISTRIBUTION LICENSEE NAME]**’s cannot meet 90% availability of power during the Grid Priority Hours during performance testing, the Parties will be able to re-negotiate the Agreement.

# 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.
  2. **Initial Term:** The Agreement is for an Initial Term of 20 years.
  3. **Obligation to Provide Power:** The obligation to provide power to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** will be shared between the Mini-Grid Operator and **[DISTRIBUTION LICENSEE NAME]** as detailed in Section 5.
  4. **Billing and Collections**
     1. The Mini-Grid Operator will be responsible for billing **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** for all electricity received (from both the Mini-Grid and **[DISTRIBUTION LICENSEE NAME]**’s grid) and collecting the amount from **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME].**
     2. **[DISTRIBUTION LICENSEE NAME]** will be responsible for billing the Mini-Grid Operator for electricity received at the Grid Point of Interconnection. The Mini-Grid Operator will be responsible for settling with **[DISTRIBUTION LICENSEE NAME]** for electricity received from the Distribution Network at the contractually-specified DisCo Grid Tariff, minus any debts **[DISTRIBUTION LICENSEE NAME]** holds or incurs.
  5. **Sale of Electricity from the Mini-Grid Operator to [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**
     1. The Mini-Grid Operator shall sell electricity to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** at a **Blended Tariff**, which is the tariff customers pay per kWh for all electricity consumed from both the Mini-Grid and **[DISTRIBUTION LICENSEE NAME]** grid.
     2. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME],** **[DISTRIBUTION LICENSEE NAME]**, and the Mini-Grid Operator will agree to a predefined Blended Tariff for each year in the 20-year Agreement upon signing the agreement. To provide stability and transparency, the Blended Tariff can only be adjusted due to changes in Market Conditions and changes in the DisCo Grid Tariff.
  6. **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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** at the **DisCo Grid Tariff** (see Schedule 7 of the Agreement for the DisCo Grid Tariff values).
     2. The DisCo Grid Tariff is intended to be tied to the Multi-Year Tariff Order (MYTO) 2020 [Tariff Band B][[3]](#footnote-3) for [MD-1][[4]](#footnote-4) customers.
     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.
     4. The Mini-Grid Operator can purchase electricity from **[DISTRIBUTION LICENSEE NAME]** outside of the Grid Priority Hours (i.e., during the Mini-Grid Priority Hours to complement its generation assets), but it is not obligated to. **[DISTRIBUTION LICENSEE NAME]** is not obligated to provide electricity supply during the Mini-Grid Priority Hours.
  7. **Minimum Consumption**
     1. An optional clause in the Agreement allows the Mini-Grid Operator and **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** to agree upon a reasonable **Minimum Consumption**, which is the minimum amount of total kWh **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** will consume or pay for every 12 months.
     2. The intent of this optional clause is to provide assurance to the Mini-Grid Operator that **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** does not plan to defect from the Agreement. Minimum Consumption levels proposed should be quantities of electricity than **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** is sure it will consume based on previous load data provided in this RFP.
  8. **Bank Guarantee**
     1. Prior to the Effective Date, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** will obtain and provide the Mini-Grid Operator with a letter of bank guarantee for the monetary value of the Minimum Consumption for a period of 3 months.
     2. There is an optional clause that, prior to the Effective Date, the Mini-Grid Operator will obtain and provide the DisCo with a letter of bank guarantee for the monetary value of 3 months of estimated net payments to the DisCo.
  9. **Market Conditions**
     1. The Blended Tariff schedule will rely on key **Market Conditions** and the threshold amount they can vary, which are detailed in Schedule 6 of the Agreement. The Market Conditions include:
        1. Nigerian Naira Inflation (calculated over 3 years);
        2. Fuel Price Change (calculated over 3 years);
        3. Change in **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]’s** consumption habits, resulting in greater electricity demand or diesel generator usage than planned;
        4. Proportion of electricity used during the Grid-Priority Hours versus the Mini-Grid Priority Hours deviates from data provided in this RFP; and,
        5. Availability of grid supply from **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network during Grid Priority Hours (% of time grid is available).
     2. Every 3 years the Market Conditions will be reviewed. If at that time they exceed their thresholds, the parties can apply and agree to adjust the **Blended Tariff, the Minimum Consumption, the DisCo Extraordinary Backup Tariff, and/or the Grid Availability Standard**.
  10. **Tariff Adjustments**
      1. **Blended Tariff:** The Blended 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 3 years. If any Market Condition exceeds or is below the thresholds outlined, a tariff adjustment can be applied for.
      2. **DisCo Grid Tariff:** Since the DisCo Grid Tariff is intended to be tied to the MYTO 2020 [Tariff Band B] for [MD-1] customers, the DisCo Grid Tariff can be adjusted where there is a Commission approved change to the DisCo Grid Tariff through annual, minor or extraordinary reviews or where the Grid Availability Standard is changed by the Parties which effects which MYTO Tariff Band the Interconnect Customer falls under.
      3. If the diesel fuel price is outside of the Market Condition thresholds, that shall only affect the DisCo Extraordinary Backup Tariff; it shall not affect the Blended Tariff. This is because the diesel generation should only be used as emergency backup power.
  11. **Availability of Power**
      1. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** has sensitive equipment that may be damaged if power supply is lost unexpectedly or if power quality is insufficient, driving the need for reliable power supply that instantaneously transitions between the Distribution Network supply and the Mini-Grid supply.
      2. The Mini-Grid must provide sufficient power to meet [**LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s load during the Mini-Grid Priority Hours and backup **[DISTRIBUTION LICENSEE NAME]**’s grid supply during the Grid Priority Hours.
      3. The Mini-Grid Operator will provide **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** sufficient power to meet its capacity requirements [99%] of the time at all times of day (averaged annually), which defines the **Mini-Grid Availability Standard**.
      4. **[DISTRIBUTION LICENSEE NAME]** will provide **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** with sufficient power from the Distribution Network 90% of the time during the Grid Priority Hours, which defines the **Grid Availability Standard**.
  12. **[DISTRIBUTION LICENSEE NAME]’s Commitment to Making Project-Financed Grid Upgrades**
      1. Prior to the Date of Commercial Operation, **[DISTRIBUTION LICENSEE NAME]** will make specific, preidentified upgrades to the nearby Distribution Network to enable **[DISTRIBUTION LICENSEE NAME]**to provide **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** with [90%] availability of power supply during the Grid Priority Hours. The grid upgrades required for **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** (“**Necessary Prior Distribution Network Upgrades**”) and their respective costs are listed in Schedule 3 of the Agreement (Exhibit A).
      2. Since **[DISTRIBUTION LICENSEE NAME]** has limited liquid capital available, and to prevent any delays in the project from **[DISTRIBUTION LICENSEE NAME]** financing the capital expenditures, the capital expense of the grid upgrades detailed in Schedule 3 shall be initially financed by the Mini-Grid Operator.
      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. **[DISTRIBUTION LICENSEE NAME]** is responsible for installation of the Necessary Prior Distribution Network Upgrades, and for any labor costs required. **[DISTRIBUTION LICENSEE NAME]** is also responsible for any future grid upgrades to be able to maintain its reliability standards, unless otherwise agreed to by **[DISTRIBUTION LICENSEE NAME]** and the Mini-Grid Operator.
  13. **If [DISTRIBUTION LICENSEE NAME] Cannot Meet Its Grid Availability Standard**
      1. **[DISTRIBUTION LICENSEE NAME] owes the Mini-Grid Developer for Excess Backup Electricity:** 
         1. If **[DISTRIBUTION LICENSEE NAME]**’s grid supply falls below the Grid Availability Standard ([90%] availability) during the Grid Priority Hours in a given calendar month, **[DISTRIBUTION LICENSEE NAME]** will be liable to pay the Mini-Grid Operator the **Recoverable Expenditure**.
         2. The Recoverable Expenditure equals the **DisCo Extraordinary Backup Tariff** multiplied by the **Electricity Supply Discrepancy** (which is the excess electricity the Mini-Grid Operator had to supply to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] to** make up for **[DISTRIBUTION LICENSEE NAME]** not meeting [90%] availability). See Clause 11.4 of the Agreement (in Exhibit A) for equations to calculate these values.
            1. The DisCo Extraordinary Backup Tariff is the tariff the Mini-Grid Operator will charge **[DISTRIBUTION LICENSEE NAME]** per kWh for excess backup electricity. This is a separate tariff because it is assumed the Mini-Grid Operator may have to run more expensive diesel generators the majority of this excess backup time.
         3. The Recoverable Expenditure will be subtracted from the total amount the Mini-Grid Operator owes **[DISTRIBUTION LICENSEE NAME]** for electricity supplied from the Distribution Network each month.
      2. **[DISTRIBUTION LICENSEE NAME], the Mini-Grid Operator, and [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] have the option to adjust the Grid Availability Standard**
         1. If **[DISTRIBUTION LICENSEE NAME]**’s average reliability is below the Market Condition threshold at the time the Market Conditions are reviewed, the parties can agree to lower the Grid Availability Standard.
         2. The intent of this is to allow the Mini-Grid Operator clarity on how much power is needed to supply to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] consistently** so it can choose to adjust the capacities of its generation assets to optimize for the load and reduce emergency diesel generation.
      3. **The Mini-Grid Operator and [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] would enter a bilateral arrangement if [DISTRIBUTION LICENSEE NAME]’s failure to meet its obligations is material, such as providing at least [70%] grid availability consistently.**
         1. If **[DISTRIBUTION LICENSEE NAME]**cannot meet a minimum of [70%] grid availability for 3 consecutive months for reasons not related to a Transmission Network Failure, and after the Parties follow the Dispute Resolution steps outlined in Clause 29 of the Agreement (per the Mini-Grid Regulations), **[DISTRIBUTION LICENSEE NAME]**’s obligation in the Agreement is terminated and the Mini-Grid Operator and **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** automatically enter a bilateral arrangement. This is detailed in Clause 17.4 of the Agreement.
         2. This intent of this clause is to protect both **[DISTRIBUTION LICENSEE NAME]** and the Mini-Grid Operator. If **[DISTRIBUTION LICENSEE NAME]** is not meeting its Grid Availability Standard, it owes the Mini-Grid Operator for excess electricity the Mini-Grid Operator produces. If this persists, **[DISTRIBUTION LICENSEE NAME]** could owe the Mini-Grid Operator more than the Mini-Grid Operator owes **[DISTRIBUTION LICENSEE NAME]** for electricity it supplies. This protects the Mini-Grid Operator from being owed money by **[DISTRIBUTION LICENSEE NAME]**, and provides a way for the Mini-Grid Operator to recover its costs through a bilateral arrangement with **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME].** This also protects **[DISTRIBUTION LICENSEE NAME]** from racking up debt to the Mini-Grid Operator without a clear termination point.
  14. **Situations in Which [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] Would Owe the Mini-Grid Operator for Excess Backup Electricity:**
      1. **Distribution Network Failure**
         1. If **[DISTRIBUTION LICENSEE NAME]**’s grid availability during the Grid Priority Hours is below 50% in a given month, the extra cost of providing excess backup power from the Mini-Grid is transferred to the customer via a surcharge over the following year. This is to prevent a Distribution Network Failure from **[DISTRIBUTION LICENSEE NAME]** racking up a large debt to the Mini-Grid Operator. Constant distribution network reliability underperformance can be addressed through dispute resolution and/or the termination clauses mentioned above.
      2. **Transmission Network Failure**
         1. Transmission Network Failures (above 2 hours in duration) trigger Force Majeure. However, while no party is at fault in the case of a Transmission Network Failure, the Agreement clarifies what happens in the case of a Transmission Network Failure:
            1. The Mini-Grid Operator’s responsible to provide [99%] power reliability to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] is** not suspended.
            2. In the case that **[DISTRIBUTION LICENSEE NAME]** is still able to meet its [90%] reliability metric for the month despite a TX collapse, no action is needed.
            3. In the case that **[DISTRIBUTION LICENSEE NAME]** is not able to meet its [90%] reliability, the extra cost of providing excess backup power from the Mini-Grid is transferred to the customer via a surcharge over the following year.

# CUSTOMER-SPECIFIC INFORMATION

* 1. **About [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**
     1. **[Brief Description of LC&I customer and their GPS coordinates]**
     2. **[Brief Description of LC&I customer’s facility to be served by the Mini-Grid]**
     3. **[Additional Description of LC&I customer as needed, included referencing any maps provided in the Exhibits]**

* 1. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] Financial, Credit, and Land Information**
     1. Exhibit B includes [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]’s financial and credit information, demonstrating it’s in good financial standing.
     2. Exhibit B also includes documents proving the property that sites **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** would site the Mini-Grid is not up for dispute.
  2. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]’s Load**
     1. The table below summarizes the total estimated annual energy consumption (kWh), the peak demand (kW) and the current installed capacity of the diesel generators located on site.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Annual Energy Consumption (kWh)** | **Peak (kW)** | **Installed Capacity (kVa)** |
| **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** | **[LC&I customer’s annual energy consumption]** | **[LC&I customer’s peak load (kW) and any clarifying comments and descriptions]** | **[LC&I customer’s installed backup generator power capacity (kVA) and any clarifying comments and descriptions]** |

* + 1. **[Further descriptions & comments on LC&I Customer’s 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 LC&I Customer’s load including comments on seasonality, critical loads, methods of obtaining load 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. The Mini-Grid must be solar PV energy generation with battery storage, and only use diesel generators as emergency backup. Other technologies and unproven technologies will not be considered.
     2. It is a corporate goal of **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s to “go green”. As such, the Mini-Grid must be designed to maximize solar PV and battery usage. Diesel generation should only be used as emergency backup (i.e., no more than [10%] of the time during the Mini-Grid Priority Hours).[[5]](#footnote-5)
     3. It is ultimately the responsibility of the Mini-Grid Operator to size its Mini-Grid capacity to meet the power needs of **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] (**within the constraints listed in Section 8).
     4. However, based on techno-economic modeling of the available information, the recommended capacities for each technology are below.[[6]](#footnote-6) **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]** will consider bids with sizes of technologies that vary from the below as long as the technologies will cost-effectively **meet [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s power demands as specified in this document.

|  |  |  |
| --- | --- | --- |
| **Solar PV (kWp)[[7]](#endnote-3)** | **Battery Storage (Li-Ion kWh Equivalent)** | **Diesel Generator for Emergency Backup (kW)** |
| **[Placeholder]** | **[Placeholder]** | Large enough to meet peak power |

* 1. **[DISTRIBUTION LICENSEE NAME] Estimated Supply**
     1. **[DISTRIBUTION LICENSEE NAME]** is responsible for providing the Mini-Grid Operator with electricity supply during the Grid Priority Hours with [90%] availability. Based on the data logger information and **assuming a randomized outage profile for** [10%] **downtime during the Grid Priority Hours**, it is estimated that **[DISTRIBUTION LICENSEE NAME]** would supply **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] with** the following amount of electricity and **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] would** require the following amount of backup power from the Mini-Grid:[[8]](#footnote-7)

|  |  |  |  |
| --- | --- | --- | --- |
| **Estimated Annual Total Energy Consumption (kWh)** | **Estimated Annual Energy Consumption during Grid Priority Hours (kWh)** | **Estimated Annual Energy Consumption Supplied by [DISTRIBUTION LICENSEE NAME] during Grid Priority Hours (kWh) – *[90%] of consumption*** | **Estimated Annual Backup Electricity Needed from Mini-Grid during Grid Priority Hours (kWh) – *[10%] of consumption*** |
| **[Placeholder]** | **[Placeholder]** | **[Placeholder]** | **[Placeholder]** |

* + 1. Providing the estimated annual backup electricity above should be factored into the Bidder’s proposed Blended Tariff.
  1. **Site Information**
     1. The Mini-Grid should be located on **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s property.[[9]](#footnote-8)
     2. **[Placeholder for information about the LARGE COMMERCIAL & INDUSTRIAL COMPANY’s rooftop angle, size, shading, access and/or plot size, shading, etc. The LARGE COMMERCIAL & INDUSTRIAL COMPANY’s preference for whether to locate the solar PV array on the rooftop or ground should be noted. Addition information such as maps should be provided in Exhibits and references here.]**
     3. The Bidder is responsible for coordinating the siting of its proposed facility with **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** on **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’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.
     4. **Site Walk:** An optional site walk will be offered to all bidders on **[DATE, 202X].**
  2. **Existing Diesel Generators**
     1. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** currently self-generates approximately **[XX%]** of its electricity using on-site diesel generators; the other **[XX%]** is purchased from **[DISTRIBUTION LICENSEE NAME]**.
     2. **[Placeholder for further comments on existing generators, number of generators, generator operating conditions and other pertinent generator related information]**
     3. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s diesel generators can be used by the Mini-Grid Operator if desired, or new diesel generators can be used as backup emergency power. If **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s diesel generators are used, the generators must be controllable by the Mini-Grid, the diesel generators must auto-transfer power and communicate automatically with the Mini-Grid, and the Mini-Grid Operator remains responsible for fueling, operations, and maintenance.
     4. It is the responsibility of the bidder to determine if they choose to use those generators or not and factor it into their pricing, including any automation and controls upgrades required to ensure Mini-Grid Operator assets can communicate with existing generators.
  3. **Distribution Network Upgrades Required**
     1. As mentioned in Section 6.12 above, **[DISTRIBUTION LICENSEE NAME]** will make specific, preidentified upgrades to the nearby Distribution Network to enable **[DISTRIBUTION LICENSEE NAME]**to provide **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** with [90%] availability of power supply during the Grid Priority Hours – the “Necessary Prior Distribution Network Upgrades”. The specific grid upgrades required to facilitate this project for **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and their respective estimated costs are listed in Schedule 3 of the Agreement (Exhibit A).
  4. **Asset Ownership**
     1. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** is interested in owning the Mini-Grid assets at the end of the contract period.[[10]](#footnote-9)

# 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 (when the Commission approves the signed Agreement).
  2. **Reliability**
     1. The Mini-Grid Operator must provide **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] sufficient** power to meet its capacity requirements [99%] of the time at all times of day (averaged annually), which defines the Mini-Grid Availability Standard.
     2. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] has** sensitive equipment that may be damaged if power supply is lost unexpectedly or if power quality is insufficient, driving the need for reliable power supply that instantaneously transitions between the Distribution Network supply and the Mini-Grid supply.
  3. **Mini-Grid Technologies**
     1. The Mini-Grid must be solar PV energy generation with battery storage, and only use diesel generators as emergency backup. Other technologies and unproven technologies will not be considered.
     2. It is a corporate goal of **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s to “go green”. As such, the Mini-Grid must be designed to maximize solar PV and battery usage. Diesel generation should only be used as emergency backup (i.e., no more than [10%] of the time during the Mini-Grid Priority Hours).
        1. To meet [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]’s corporate goal of “going green”, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** would prefer the Mini-Grid uses grid power before resorting to the emergency diesel generator backup power during the Mini-Grid Priority Hours, if the grid power is available. During the Mini-Grid Priority Hours, this would result in a dispatch order of 1) solar PV, 2) battery or **[DISTRIBUTION LICENSEE NAME]** grid power (depending on the developer’s preference), 3) emergency diesel generation.[[11]](#footnote-10)
     3. The technology and installation components used must meet the standards of the Commission and Standards Organization of Nigeria where applicable.
     4. For compliance with the Nigeria Electricity Regulatory Commission’s 2016 Regulation for Mini Grids, the Mini-Grid’s total generating capacity cannot exceed 1 MW (1,000 kW), under the definition of generating capacity specified in the Regulation.
  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 bid (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 F.
     3. The mini-grid must be interconnected to and supply [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]’s **[placeholder for detailed information about what buses and facilities need to be connected].**
     4. The Project must allow **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] to** accept power from **[DISTRIBUTION LICENSEE NAME]**’s grid during grid-priority hours; the Mini-Grid Operator shall provide all billing
     5. There must be a way to meter electricity accepted from **[DISTRIBUTION LICENSEE NAME]**’s grid at the Grid Point 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 of Interconnection.
     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 all costs associated with connecting to the Grid Point of Interconnection as required by **[DISTRIBUTION LICENSEE NAME]**, including any interconnection studies specific to the project.
     8. It is preferred that if the Mini-Grid is not performing, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] (**or an on-site Mini-Grid Operator staff member) can manually override the system so it can produce electricity from the backup diesel generators to prevent business downtime.

# 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. Financial Proposal – *in one PDF*
        1. Appendix 5: Proposed Blended Tariff Schedule, Blended Tariff Adjusters, and DisCo Extraordinary Backup Tariff
        2. Appendix 6: Financing Information
     4. Exhibit A: 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. **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].**
  3. **Incomplete and Substantial Applications:** Incomplete applications 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.
  4. **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, Annexes and Appendices. If necessary, additional sheets may be attached to the Proposal.
  5. **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.
  6. **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. Neither **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] nor** **[DISTRIBUTION LICENSEE NAME]** will be responsible or liable for these costs, regardless of the conduct or outcome of the procurement process.
  7. **Authority:** Each page of the Financial Proposal, including the Annexes, 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*.
  8. **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.
  9. **Changes from Stage 1 Information Provided:** If any information that was submitted during Stage 1 of this RFP process is now incorrect or obsolete, Bidders must notify **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]**in their proposal and flag clearly that that information has changed. **[DISTRIBUTION LICENSEE NAME]**and **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** reserve the right to reject Proposals where information from Stage 1 has changed.[[12]](#footnote-11)

# 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 bids.
  2. **RFP Schedule:** The schedule and deadlines set out in this section apply to this Stage 2 RFP. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** jointly reserve the right to revise this schedule at any time. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[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 | **[DATE]** |  |
| 2 | Optional Site Walk | **[DATE]** |  |
| 3 | Deadline for submittal of queries and clarification by Bidder | **[DATE]** | 14 Calendar Days after No. 2 |
| 4 | Deadline for **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]**to answer queries and clarifications | **[DATE]** | 10 Calendar Days after No. 3 |
| **5** | **Deadline for Submission of Proposals by Bidder** | **[DATE]** | **36 Calendar Days after No. 4** |
| 6 | Request for Clarifications by **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]**to Bidders (as needed) | **[DATE]** | 14 Calendar Days after No. 5 |
| 7 | Complete Evaluation of Proposals and Notification of Preferred Bidder(s) | **[DATE]** | 14 Calendar Days after No. 6 |
| 8 | Complete Negotiations of Project Agreement with Preferred Bidder(s) | **[DATE]** | 60 Calendar Days after No. 7 |
| 9 | **[DISTRIBUTION LICENSEE NAME]**’s Board Approves Agreement; Parties Sign Agreement | **[DATE]** | **[DISTRIBUTION LICENSEE NAME]** will aim to obtain board approval within 30 days on No. 8 |
| 10 | **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME],** **[DISTRIBUTION LICENSEE NAME]**, and Preferred Bidder sign Letter of Intent or Exclusivity Agreement; Preferred Bidder submits Agreement to NERC for Approval with the Required Additional Documentation | **[DATE]** | 60 Calendar Days after No. 9 (or other date agreed upon by the Parties) |
| 11 | Issue of Full Notice to Proceed by **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]**(Effective Date) | TBD | Upon NERC approval of Agreement |
| 12 | Date of Commercial Operation | TBD | 12 Months after No. 12 |

* 1. **Communication Channels:** All related communications between [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME], **[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, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[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 [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME], **[DISTRIBUTION LICENSEE NAME]**, and such Bidder, if so required.
  4. **Valid for 180 Days:** Proposals and bid 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 a Preferred Bidder. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** may request bidders, in writing, to extend the validity beyond this period.
  5. **Additional Proposals: [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** reserve 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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[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, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** will invite the Highest Ranked Bidders (Preferred Bidders) who satisfy the requirements of the RFP, to negotiate and finalize the Agreement. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** will notify the Preferred Bidders of the date, time and location of any meetings for this purpose. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[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, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** may invite one or more of the Lower Ranked Bidders, in order of ranking, to negotiate the Agreement. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[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;
     3. The Preferred Bidder(s) deviates from the terms of its Proposal; or
  9. **Notification of Unsuccessful Bids:** Upon execution and ratification of the Agreement, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** will promptly inform the remaining Bidders that their Proposals were unsuccessful.

# RFP PROPOSAL EVALUATION[[13]](#footnote-12)

* 1. **Evaluators:** While **[DISTRIBUTION LICENSEE NAME]** was the sole proposal evaluator in Stage 1, in Stage 2 **[DISTRIBUTION LICENSEE NAME]**and **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** will both score proposals submitted by Bidders. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** will average their scores equally to determine the score a proposal receives.
  2. **Only Complete Proposals:** **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[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:** **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** jointly reserve 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. **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]** reserve 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:** **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[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 bid 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 Section 9.1 is missing;
        4. Proposal is not signed by an authorized officer;
        5. Bidder information does not match information submitted in Stage 1 RFQ or the Bidder has flagged any changes and those changes are acceptable to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[DISTRIBUTION LICENSEE NAME]**; or
        6. 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 backup and the total generating capacity is below 1 MW. | Pass/Fail |
|  | b) Proposed renewable technology brands/models have demonstrated successful commercial use. | 10 |
| **2** | **Expected Generation Output** | **35** |
|  | a) Ability of proposed design to provide **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] sufficient** power to meet its capacity requirements. | 20 |
|  | b) Diesel generator will only be used as emergency backup. Portion of electricity expected to be produced from diesel generators is no greater than [10%] during Mini-Grid Priority Hours.[[14]](#footnote-13) | 15 |
| **3** | **Mini-Grid Design and Description** | **60** |
|  | a) Suitability and feasibility of proposed design (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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] sufficient** power to meet its capacity requirements [99%] of the time at all times of day. | 15 |
|  | d) If the Mini-Grid is not performing, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] (**or an on-site Mini-Grid Operator staff member) can manually override the system so it can produce electricity from the backup diesel generators to prevent business downtime. (Preferred) | 5 |
|  | e) Proposed equipment selection of non-generation assets. | 5 |
|  | f) Similar mini-grid designs have demonstrated successful commercial use. | 10 |
| **4** | **Suitability of Site Layout, Site Investigations, and Implementation Considerations** | **20** |
|  | a) Suitability of proposed site layout. | 15 |
|  | b) Appropriate acknowledgement of any environmental hazards and site conditions. | 5 |
| **5** | **Project Implementation Schedule** | **20** |
|  | a) Proposed implementation schedule is reasonable for the technology including development, procurement, and construction timelines. | 10 |
|  | b) Proposed Date of Commercial Operation is less than 12 months from the Effective Date. | 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. | 15 |
|  | b) Proposed operations and maintenance plan has accounted for maintaining backup diesel generation appropriately. | 5 |

* + 1. **Phase 2 Minimum Threshold:** Each Bidder will be evaluated based on the above criteria and scores must achieve a minimum of 120 PTS of the allotted maximum score of 165 PTS for Technical Evaluation of Project (Phase 2 Evaluation) for eligibility to advance to Phase 3 Evaluation.
  1. ***PHASE 3 EVALUATION – FINANCIAL 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 a financial evaluation in Phase 3.
     2. **Phase 3 Evaluation Criteria:** Phase 3 of the evaluation process is to determine the financial 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: Financial Evaluation of Project** | **Points Possible** |
| **1** | **Financial Proposal** | **110** |
|  | a) Blended Tariff schedule proposed. | 60 |
|  | b) Acceptable and reasonable Minimum Consumption value proposed. If there is no minimum consumption, a full score is received. | 15 |
|  | c) Acceptable, reasonable, and well-justified DisCo Extraordinary Backup Tariff proposed. | 15 |
|  | d) Any modifications to Market Conditions are reasonable and justified. | 10 |
| **2** | **Ability to Finance Project** | **80** |
|  | a) Bidder is able to finance the Project, including the Mini-Grid, the Necessary Prior Distribution Network Upgrades, 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 out of the total of 200 PTS.
  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 [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME], 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 financial evaluation, scores for each stage will be weighted and combined to determine a final score for ranking.
     3. The weighting for each section is as follows:

|  |  |
| --- | --- |
| **Phase / Criteria** | **Weighting** |
| RFQ Response – Technical Experience | 20% |
| Phase 1 – Proposal Responsiveness | N/A – All bids must be compliant |
| Phase 2 – Technical Evaluation | 30% |
| Phase 3 – Financial Evaluation | 70% |
| **TOTAL** | **100%** |

* + 1. **Highest Ranked Bidders:** The Highest Ranked Bidders are the Bidders who have relevant technical experience, whose Proposals are substantially responsive and provide a technically-sound design, and whose Phase 3 Financial Evaluation best meets the overall power sector objective of reliability and security of supply at least cost to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME].** The Bidders selected for this status will therefore be the ones whose Proposals offer the best tariff relief to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** while providing technically strong solutions.

# CONFIDENTIALITY

* 1. In Stage 1 of this RFP, Bidder signed a Mutual Confidentiality Agreement. During the term of this RFP, Bidder may receive or have access to data and information that is confidential and proprietary to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and**/or **[DISTRIBUTION LICENSEE NAME]**, including information in this RFP and its supporting Exhibits. 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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and/or **[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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**. Bidder shall not use or duplicate any proprietary information belonging to or supplied by **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] or** **[DISTRIBUTION LICENSEE NAME]**, except as authorized by **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] or** **[DISTRIBUTION LICENSEE NAME]** respectively in writing. 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. 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 examine carefully 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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] and** **[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 Bidder incurs in connection with the preparation and submission of a Proposal and/or any subsequent negotiations regarding a Proposal in response this RFP. Neither **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] nor** **[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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** and **[DISTRIBUTION LICENSEE NAME]**at their discretion.

# CONTACT INFORMATION

* 1. All related communications between **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**, **[DISTRIBUTION LICENSEE NAME]**and potential 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]**and **[LARGE COMMERCIAL & INDUSTRIAL COMPANY 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 ORGANIZATION\*

|  |  |
| --- | --- |
| 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 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 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 Priority Hours
* Expected electricity (kWh) expected to be produced by solar PV and battery storage system and *separately* expected electricity (kWh) expected to be produced by the diesel generators during the Mini-Grid Priority Hours

**Mini-Grid Design and Description**

* Electrical schematic diagrams providing details at the proposed points of interconnection
* Protection single-line diagram
* Reliability expected
* Ability of proposed design to allow **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] to** manually override the system so **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** can produce electricity from the backup diesel generators to prevent business downtime
* 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 [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s site, 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 G, working with **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] where** appropriate.[[15]](#footnote-14)

**Site Investigations**

* List the necessary investigations that have to 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 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: PROPOSED BLENDED TARIFF SCHEDULE, BLENDED TARIFF ADJUSTERS, AND DISCO EXTRAORDINARY BACKUP TARIFF

**Blended Tariff:** Bidder shall submit its proposed BlendedTariffschedule for Schedule 6 of the Agreement in Exhibit A by filling in the blank spaces in the following table.

The Blended Tariff is the tariff **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] shall** pay for all electricity received, including both from the Mini-Grid and from the Distribution Network, to be paid to the Mini-Grid Operator. The Blended Tariff schedule shall be quoted in Nigerian Naira, in NGN/kWh. See Clause 9, Clause 13, and Schedule 6 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 is detailed in Schedule 7 of the Agreement. These tariffs are subject to approval by the Commission. For the purpose of this proposal, assume the values provided in Schedule 7 of the Agreement.

|  |  |
| --- | --- |
| **Year** | **X1 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 |  |
| Year 16 |  |
| Year 17 |  |
| Year 18 |  |
| Year 19 |  |
| Year 20 |  |

**Minimum Consumption:** The Bidder has the option to propose a Minimum Consumption, which is a minimum amount of total electricity **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] must** consume every 12 months. If **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] does** not accept that minimum amount of kWh, **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** shall pay the deficit between the number of kWh consumed and the minimum number of kWh multiplied by the average Blended Tariff for that time period. Note this is optional and Bidders are not required to submit a Minimum Consumption value. If Bidders choose not to submit a Minimum Consumption value, the Bidder should write “N/A” in the space below.

The Bidder proposes the below Minimum Consumption:

|  |  |
| --- | --- |
| Minimum Consumption each 12 months, commencing on Date of Commercial Operation (kWh) |  |

**Extraordinary Backup Tariff:** As stated in Clause 11.4 in the Agreement, where the grid supply is not made available by **[DISTRIBUTION LICENSEE NAME]** during the Grid Priority Hours as required in Clause 8.1, the Mini-Grid Operator shall be required to supply electricity to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME] from** its Generation Assets to maintain reliable supply to [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]. If **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network falls below an availability of power of [90%] during the Grid Priority Hours during any given calendar month, **[DISTRIBUTION LICENSEE NAME]** will be liable to pay the Minigrid 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 13.4 of the Agreement, the current state of the Market Conditions detailed in Schedule 6 will be reviewed by the Parties every 3 years. If the Market Conditions in Schedule 6 exceed the High Threshold or go below the Low Thresholds at that time, the Parties agree to review the Extraordinary Backup Tariff referred to in 11.4 in order to reflect such change(s).

The Bidder proposes the Extraordinary Backup Tariffs below. The DisCo Extraordinary Backup Tariffs factor in assumed Market Conditions over the period of the Initial Term of the Agreement, such as inflation.

|  |  |
| --- | --- |
| **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 |  |
| Year 16 |  |
| Year 17 |  |
| Year 18 |  |
| Year 19 |  |
| Year 20 |  |

**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 13 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.

|  |  |  |
| --- | --- | --- |
| **Market Condition** | **Low Threshold (not to go below)** | **High Threshold (not to exceed)** |
| Nigerian Naira Inflation, Annual (calculated over 3 years), according to the Nigerian National Bureau of Statistics | 8% | 16% |
| Diesel Fuel Price Change (calculated over 3 years), according to the Nigerian National Bureau of Statistics (Automotive Gas Oil index) | 8% | 16% |
| Change in [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]’s consumption habits, resulting in needing more electricity or using diesel generator more than planned | Needing 20% less electricity than data provided in this RFP suggests during Mini-Grid Priority Hours; Needing 20% less electricity from the diesel gensets than data provided in this RFP suggests | Needing 20% more electricity than data provided in this RFP suggests during Mini-Grid Priority Hours; Needing 20% more electricity from the diesel gensets than data provided in this RFP suggests |
| Proportion of electricity used during the Grid-Priority Hours versus the Mini-Grid Priority Hours deviates from data provided in the RFP | -20% | +20% |
| Availability of grid supply from **[DISTRIBUTION LICENSEE NAME]**’s Distribution Network during Grid Priority Hours (% of time grid is available) | [85%] [This is if the Grid Availability Standard is 90%; this value can be adjusted if the Grid Availability Standard is higher or lower] | 100% |

### APPENDIX 6: 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** | **Specify Currency of Financing (e.g., Naira, USD, etc.)** | **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 |  |  |  |
| GRANT FUNDING | TOTAL GRANT |  |  |  |
| TOTAL FINANCING | |  |  |  |

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 7: 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 Section 4.1 of this RFP which would affect their entry into the Agreement.

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

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

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

### APPENDIX 8: 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 Section 4.2 of this RFP which would affect their entry into the Agreement.

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

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

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

### APPENDIX 9: 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 **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**, **[DISTRIBUTION LICENSEE NAME]**, and the Mini-Grid Operator for the sale of electricity to **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME].** 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: **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** FINANCIAL, CREDIT, AND LAND INFORMATION

Attached separately are:

* + - [LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]’s credit report.
    - Two (2) years of audited accounts.
    - Proof of ability to use the site land and that the land is not up for dispute.

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

## EXHIBIT C: DATA LOGGER INFORMATION

**[Placeholder for data logging information]**

## EXHIBIT D: **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** HISTORIC DIESEL CONSUMPTION

**[Placeholder for information about historic diesel usage]**

## EXHIBIT E: **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]** SITE INFORMATION

Site information regarding **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s property is attached separately. This includes a site map, photos of the available rooftop and land space, and other information.

## EXHIBIT F: TECHNICAL CODES

The Technical Codes provided into the 2014 Grid Code and the Distribution Code for the Nigeria Electricity Distribution System.

## EXHIBIT G: PRELIMINARY ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

A subcontractor completed a Preliminary Environmental and Social Impact Assessment for **[LARGE COMMERCIAL & INDUSTRIAL COMPANY NAME]**’s property, which is attached separately. Bidders should use this report to proposal what environmental and social assessments will be needed or how any hazards will be addressed.[[16]](#footnote-15)

## Endnotes

1. Making this a stage 2 RFP is optional and assumes the DisCo is using an RFQ during stage 1 beforehand. [↑](#footnote-ref-2)
2. The entirety of Section 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). [↑](#endnote-ref-2)
3. This will depend on the Grid Priority Hours and Grid Availability Standard to determine the correct MYTO tariff band per NERC's regulations. [↑](#footnote-ref-3)
4. This depends on the customer's classification. [↑](#footnote-ref-4)
5. This is an optional clause to add and include in the RFP. Keeping the diesel generation limit to under 30-40% will likely optimize economics. [↑](#footnote-ref-5)
6. This is optional to include, in the case that preliminary techno-economic modeling has been completed. [↑](#footnote-ref-6)
7. The solar PV and battery capacity were calculated assuming a minimum of 90% of electricity provided by the Mini-Grid was from renewable energy sources (solar PV and battery), and that the diesel generators are only used for emergency backup power. [↑](#endnote-ref-3)
8. If this information exists, it is preferable to include. If it does not, then providing as much detail as possible to DER developers bidding will help them correctly size the DER system. [↑](#footnote-ref-7)
9. This template is for a DER system that will be located on the LC&I customer's site. If the DER is to be located off-site, that will require additional information to be added and for the DisCo to provide information about how the DER system will be connected to the customer. [↑](#footnote-ref-8)
10. Optional to specify if the customer would like to own the assets at the end of the contract term. [↑](#footnote-ref-9)
11. Optional clause, as noted above. [↑](#footnote-ref-10)
12. Optional depending on if there is a Stage 1 RFQ. [↑](#footnote-ref-11)
13. If there is not a Stage 1 RFQ, the evaluation process would need be modified. [↑](#footnote-ref-12)
14. Optional as discussed above. [↑](#footnote-ref-13)
15. This is optional for if one exists. [↑](#footnote-ref-14)
16. Optional if one was conducted prior to RFP. [↑](#footnote-ref-15)