

Question 144

Section 1, Invitation to Applicants, paragraph 10 provides a list of indicative maximum tariff rates for the following renewables: a) Bagasse-15.16 US cents /kwh; B) Hydro-Power - 11.13 US cents / kwh; C) Waste to Energy -14.88 US Cents/kwh; D) Wind - 13.36 US cents / kwh and e) Utility scale PV - 26.73 US cents/ kwh. What tariff rate is applicable for energy produced from biomass produced as an energy crop (such as high fibre cane, vetiver grass, king grass, leucaena etc) from energy plantations established specifically for this purpose?"

Answer: Since a ceiling was not indicated for your particular process of biomass, it would be in your best interest to not exceed the highest ceiling indicated in the RFP as the proposal(s) will be competing with other proposals.

Question 145

Section 2.2 23rd line of the RFP. If JPS is to be the counterparty to the PPA, they will have to have uninterrupted license to transmit and distribute electricity coincident with the PPA term length in order to be able to finance the project(s).

Answer: JPS is considered to be an on-going concern and as the nation's grid operator, there would naturally have to be a provision for the continuation of electricity services beyond their licence as well as any contingent obligations. At the moment, it is not contemplated that there will be a movement of JPS's licence date for each request for additional generation to be provided by independent power producers therefore, the foregoing can be taken into consideration by your financiers or you may choose to adjust the tenure of your offer accordingly.

Question 146

Are we allowed to submit a bid for ourselves (100%) in addition to submitting a bid as a co-developer (50/50%) for another project?

Answer: The RFP does not prohibit you from submitting as many proposals you would like to subject to clauses "3.2.18 Multiple and Alternative Proposals" and "3.2.1 Joint Ventures".

Question 147

While we appreciate the need to eliminate potential frivolous proposals, several aspects of the RFP process create undue hardship for potential proposers and may be viewed as irritants which militate against submission of a range of credible proposals for renewable energy solutions. Our company supports the sentiment stated at the Pre-Bid Meeting that OUR's stated preference for firm capacity and lowest cost might result in no utility scale PV solutions, which by definition are energy only projects, being selected. This would be a travesty given the geographical

location and solar radiation of Jamaica. Similarly, the time lines for project construction start and commissioning dates militate against projects utilizing some of the technologies identified in the RFP, including hydro-power, as they cannot be completed in one year.

On the financial side, the requirement that 1% of project cost be submitted as proposal security in addition to the US\$8,000 non-refundable processing fee, is onerous and as articulated at the Pre-Bid Meeting, might result in several Boards not approving proposal submission by their companies. Our recommendation is that this fee should be paid after Stage 3 – Economic Evaluation and prior to an award being made.

In our opinion, OUR should not stipulate that there should be 20% equity in the proposed venture. OUR having recognized that limited competition exists in the Jamaican electricity industry, the RFP process should have as one of its aims, ensuring more competition.

In summary, our proposal is that the RFP process, in particular the abovementioned aspects, should be seriously re-examined to ensure that they support the desired result of the increasing the renewable energy product mix to power the anticipated development needs of Jamaica.

Answer: The RFP provisions concerning the Proposal Security have been amended and restated in Addendum 1 as available on the OUR website. The proposal submission deadline and relative commissioning timelines have been amended and restated in Addendum 1.

Projects with technologies that allow them to be commissioned in 2015 are expected to do so as it is generally in the interest of the project to begin production as soon as possible. Technologies that require more construction time are allowed such in Addendum 2.

The 20% equity participation or greater is to ensure sponsor's commitment to the project.

Question 148

Page (Clause) – 48 (168th). Construction Security Deposit to be defined and quantified

Answer: The Construction Security Deposit will be addressed in the PPA. Please see PPAs for firm capacity and available energy only on website.

Question 149

There is language to the effect that partners to a Joint Venture shall be jointly and severally liable for actions of the JV. Most, if not all, project bids will be structured as non-recourse, single-purpose entities created solely to develop, construct and operate their respective projects. Therefore, all liabilities of the project company, including obligations under the PPA, are “non-recourse” to the partners of the JV who own and control the JV. Please clarify whether or not there is a conflict with the language in the RFP and the ownership and financing structures typically employed in the development of independent power projects.

Answer: Non-recourse as per industry practice would apply to the formation of the joint venture for preparation and submission of the project proposal. The issue of joint and several liability comes into play after the project has been formally awarded and the power purchase agreement executed.

Question 150

Are there any specific GOJ Treasury restrictions or procedures may limit the ability for bidders to immediately convert Jamaican dollars to US dollars that the bidders need to be aware of?

Answer: Proposers are expected to do their due diligence and are advised to contact the relevant Government financial regulatory authorities such as the Bank of Jamaica or the Financial Services Commission.