

**REQUEST FOR PROPOSALS FOR
THE ESTABLISHMENT OF 60MW WIND
POWER PLANTS IN (1 - 10)MW CAPACITIES
ON BUILD, OWN AND OPERATE BASIS**

International Competitive Bidding (ICB)

PROPOSAL FOR WIND POWER PLANT

TO BE CONNECTED TO MADAMPE GRID SUBSTATION

(Capacity: MW)

Tender No: TR/RED&PM/ICB/2019/002-1/C

November 2020

Ceylon Electricity Board

**No. 50, Sir Chittampalam A. Gardiner Mawatha, COLOMBO 00200,
SRI LANKA**



**Government of Sri Lanka
Ministry of Power (MOP)**



CEYLON ELECTRICITY BOARD

**Request for Proposals
Establishment of Wind Power Plant on Build Own and Operate Basis**

Definitions

1. "Request for Proposal", "RFP" shall mean this document consisting of three volumes along with their Annexes, Schedules and Exhibits.
2. "Project Proponent" shall have the meaning ascribed to it in Section 5 of Volume I of RFP.
3. "Project Company" shall mean the successful Project Proponent who have submitted a Performance Security
4. "W_P" Unit of the output power achieved by a Wind Towers under the Standard Test Conditions.
5. "MW" Unit of output power connected to the National grid.

Acronyms

AC	Alternative Current
CEB	Ceylon Electricity Board
EIA	Environmental Impact Assessment
GOSL	Government of Sri Lanka
GSS	Grid Sub Station
IEC	International Electrotechnical Commission
IEE	Initial Environmental Examination
IEEE	Institute of Electrical and Electronics Engineers
kWh	kilowatt-hour
LOI	Letter of Intent
MOP	Ministry of Power
NCRE	Non Conventional Renewable Energy
LKR	Sri Lankan Rupees
SCADA	Supervisory Control and Data Acquisition
SLSEA	Sri Lanka Sustainable Energy Authority
UL	Underwriters Laboratories

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**Government of Sri Lanka
Ministry of Power (MOP)**

CEYLON ELECTRICITY BOARD



**Request for Proposals
Establishment of Wind Power Plant on Build Own and Operate Basis**

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**Government of Sri Lanka
Ministry of Power (MOP)**

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**Request for Proposals
Establishment of Wind Power Plant on Build Own and Operate Basis**

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International Competitive Bidding (ICB)

PROPOSAL FOR WIND POWER PLANT

Tender No: TR/RED&PM/ICB/2019/002-1/C

November 2020

VOLUME I

**INSTRUCTIONS TO PROJECT
PROPONENTS**

Ceylon Electricity Board

**No. 50, Sir Chittampalam A. Gardiner Mawatha, COLOMBO 00200,
SRI LANKA**



1 INFORMATION TO PROJECT PROPONENTS

1.1 Introduction to Ceylon Electricity Board

The Ceylon Electricity Board (CEB) is a body corporate established in Sri Lanka by Act of Parliament No. 17 of 1969 amended by Act Nos. 31 of 1969, 29 of 1979, 32 of 1988 and 20 of 2009 and having its Head Office at, No. 50, Sir Chittampalam A. Gardiner Mawatha, in Colombo 02.

CEB has been established by the Government for the development and coordination of the electrical energy requirements of the country and is presently engaged in the generation, transmission, distribution and sale of electrical energy in Sri Lanka.

In addition to CEB's own installed generation capacity, CEB has been obtaining energy from Non-Conventional Renewable Energy (NCRE) sources. As at year 2018, there were 197 number of NCRE plants having an installed capacity of 609MW, connected to the Sri Lankan grid.

National Energy Policy of Sri Lanka¹ emphasises the Government's policy of ensuring energy security and promoting the development on indigenous resources. Promoting the development of economically viable NCRE sources is a key strategy under the national energy policy.

As Sri Lanka had already exploited all its large hydro potential, the focus has been turned to develop Solar and Wind Power, the most promising renewable generating sources left for the future to realize the government policy targets. Considering the rapid development of Solar and Wind power technologies and industry in Sri Lanka, it has been decided to move away from the current Feed-in Tariff and make all future Solar and Wind plants of 10MW_{or} lesser capacity to be developed on competitive basis to realize the maximum economic benefit to the country.

With the enactment of the Sri Lanka Sustainable Energy Authority (SLSEA) Act No. 35 of 2007, all renewable energy resources of the country were vested with the Republic of Sri Lanka. Act No. 35 of 2007 defines the Sri Lanka Sustainable Energy Authority (SLSEA) as the custodian of the renewable energy resources. Accordingly, an Energy Permit is required under section 16(1) of the Act, for utilisation by any person. This permit is issued by the SLSEA. The first step in obtaining the Energy Permit is the obtaining of a Provisional Approval (refer "On Grid Renewable Energy Development- "POLICIES AND PROCEDURES TO SECURE APPROVALS TO DEVELOP A RENEWABLE ENERGY PROJECT TO SUPPLY ELECTRICITY TO THE NATIONAL GRID" published in July 2011 by SLSEA). However, the projects indicated in this RFP are to be developed under competitive bidding approach and the successful project proponent/s are qualified to obtain the Provisional Approval/s for the respective projects.

¹See Government Gazette 1553/10 of 10th June 2008 for the official publication of the National Energy Policy

1.2 Scope of the Project

Cabinet Appointed Negotiation Committee (CANC) on behalf of CEB hereby invites Proposals in the prescribed format ("Proposal") for the design, supply, delivery, erection, testing, commissioning, operation and maintenance of Wind Power Plant as described below, hereinafter referred to as the Facility, (on Built Operate and Own basis).

The Facility shall include (but not limited to) site, Wind Power Plant, stand-by / auxiliary / emergency power requirements, water requirements, environmental impact mitigatory measures, transformers, switch gear & protection schemes, transmission lines (overhead or under-ground up to the Termination Point), SCADA facilities up to the Termination Point and all other appurtenant equipment to operate a Wind Power Plant. The Facility must comply to "CEB Guide for Grid Interconnection of Embedded Generators", with the addendum for Wind Power Plants and all other requirements as specified under Section 3, Project Description and Performance Specifications of this document.

The total wind power absorption capacity of each plant will be limited as stated in Section 1.3 of volume I. The bidders will be selected through competitive bidding process based on variable price option for the Grid Substation.

There is no restriction on the number of proposals that can be submitted by a single project proponent. Hence, one project proponent may submit any number of proposals for any number of projects as per clause 1.3 of Volume I. Therefore, any number of RFP documents are issued for one project proponent and each RFP document shall be issued after the payment of the fee specified in the relevant newspaper advertisement.

Project proponents have to submit bids after carrying out feasibility studies considering all the project costs including transmitting power to the specified grid substation. The feasibility study report along with the grid interconnection arrangement option (Option 1 or Option 2 of section 3.2 and Annex C of Volume I) shall be submitted with the proposal. In the case where option 2 is selected the Grid Interconnection confirmation letter from the Provincial Deputy General Manager of CEB (Annex C5) should be attached with the proposal.

The successful Project Proponents(hereafter referred to as "Project Companies"),will be invited to submit their applications to engage in and carrying on an on-grid renewable energy projects and their applications will be supported by exclusive concurrences granted by CEB, to connect to the national grid. After obtaining the Provisional Approval, all the rules and regulations applicable to any other renewable energy development project as stipulated by the SLSEA will be applicable to these projects too.

It shall be the duty of the Project Company to initiate all formalities to be applied for the Provisional Approval from SLSEA and all subsequent approvals required thereafter prior to signing of the Power Purchase Agreement with the CEB. The

attention of the Project Company is drawn to the On Grid Renewable Energy Development process published by SLSEA that stipulates these requirements in detail.

It is the sole duty of the Project Company to obtain all approvals, necessary to develop the Renewable Energy Resource of the proposed project site. GOSL/CEB does not take any responsibility if the Project Company fails to obtain any of the mandatory approvals required for renewable energy development and thus refused an Energy Permit as a result.

1.3 Site Location and Grid Interconnection

Identified Grid Substation for interconnection, the grid substation capacity limit for new wind power plants to be connected, connection voltage level, Termination Point and Point of Metering are given below:

	Grid Substation	Capacity Limit of Grid Substation	GPS Coordinates of the Grid Substation	
			Latitude	Longitude
1	Madampe	10 MW	7°29'50.8"N	79°51'15.0"E

Connection Voltage Level : 33kV

Termination point : as described in Section 3.2 of Volume I and Annex C

Metering Point : as described in Annex C

Plant capacity and Bidding options for Bidders;

Subject to not exceeding the **maximum grid capacity limits** specified in the above table the Project Proponents can offer proposals as below,

- Any number of power plants within the grid capacity limit.
- Capacity range 1MW – 10MW for each offer.
- Project Proponents shall purchase RFP's separately for each proposal intend to submit.

1.3.1 Land

Project Company shall procure or lease the land with an appropriate extent based on the plant layout specified in the feasibility report. Land which are physically separate may be used for a single plant. However, there would be only one common coupling/ metering point for a single plant.

Also the project company shall procure or lease the land required as the right of way of the interconnection line between physically separate Wind Towers. It is the responsibility of the project company to ensure the public safety, Operation & Maintenance of such lines.

It is required to submit one of the following set of documents to confirm the ownership or the ability to procure or lease the selected land.

- A copy of the Deed of the land certified by an Attorney-at-Law with the survey plan if the project proponent is the current owner

- A copy of the Lease Agreement (at least for 22 years) of the land certified by an Attorney-at-Law with the survey plan if the project proponent has been already leased the land.
- Agreement to sell attested by a Notary Public, with the certified copy of the Deed of the land and the survey plan (in the given format of Annex E)
- Agreement to lease (at least for 22 years) attested by a Notary Public, with the certified copies of the Deed of the land and the survey plan.
- In the case of LRC land (Land Reform Commission), approval letter issued by LRC indicating that land can be leased out (at least for 22 years) or sold for his Wind Power Project. The relevant survey plan and the complete detail of the land shall be provided with the proposal.
- In the case of land owned by a state institution, an approval letter from the Secretary of the relevant line Ministry stating that the particular land could be provided (at least for 22 years) in the future to the project proponent for the establishment of the proposed Wind Power Project. The relevant survey plan and the complete detail of the land shall be provided with the proposal.
- In the case of state land, an approval letter from the Secretary of Ministry of land stating that the particular land could be provided (at least for 22 years) in the future to the project proponent for the establishment of the proposed Wind Power Project. The relevant survey plan and the complete detail of the land shall be provided with the proposal.

It is also required to provide the location of the selected land as per the Annex B of Volume I of the RFP.

If the Project Company is unable to implement the Wind Power Project in the land which is indicated in the RFP due to practical reasons beyond its control, the Project Company may be allowed to select any other suitable land with the ability to connect the project to the same Grid Substation, subject to prior approval of CEB. However, in such an instance, all the terms and conditions mentioned in the RFP will remain unchanged.

1.4 Project Milestones Schedule

Activity		Date
Issue of RFP Documents (Date of Advertisement)	:	18 th November 2020
Requests for Clarifications up to	:	30 th December 2020(42 Days from Advertisement)
Pre Bid Meeting	:	13 th January 2021(56 Days from Advertisement)
Closing date of submission of Proposals	:	16 th February 2021 by 10.00hrs (90 Days from Advertisement)
Issue of Letter of Award	:	(after Cabinet approval)
Letter of Intent(LOI)	:	Within 90 days from the acceptance of Letter of Award
Signing of Power Purchase Agreement(PPA)	:	Within 12 months from the date of issue of Letter of Intent
Financial Closure	:	Within 06 months from the date of signing of PPA
Completion of all Preliminary Period obligations under the Project Agreements	:	Within 06 months from the date of signing of PPA
Commencement of construction Activities	:	Within 06 months from the date of signing of PPA
Commissioning and Testing	:	Within 12 months from the date of signing of PPA
Commercial Operation Date	:	Within 12 months from the date of signing of PPA

1.5 Disclaimer

- a. The content of this invitation is provided to Project Proponents to assist them in obtaining a general understanding of the proposed project. It does not constitute a recommendation to Project Proponent to participate in the proposed project.
- b. The information, estimates or opinions are based on present circumstances, intentions and beliefs and may require subsequent modification. While the CEB has taken all reasonable care to ensure that the information in this RFP is accurate, they make no representation or warranty, expressed or implied, nor takes any responsibility of any kind with respect to the completeness or accuracy of any of the information contained herein. Therefore, the CEB will not be liable for any loss or damage that may arise from interpretations, errors or omissions from this RFP.
- c. Project Proponents should not rely on presentation made by government employees or their agents in relation to this project, other than expressly provided for herein.
- d. Project Proponents shall bear all costs and expenses incurred by them associated with the preparation and submission of their Proposal. The CEB shall not be responsible or liable for such costs and expenses, including but not limited to those of professional advice.
Project Proponents shall have no rights to claim costs specified above.
- e. CEB shall have the right to accept or reject any or all the Proposals received. CEB reserves the right to terminate the process after the receipt of Proposals. CEB reserves the right to terminate the process if adequate competition has not been created or/ and the tariffs quoted by project proponents are not acceptable to the CEB.
- f. There shall be no contractual or other obligations by the CEB arising from this RFP.
- g. CEB shall have the right to seek any further information and/or clarifications that they may require from Project Proponents.
- h. CEB reserves the right not to disclose any details regarding the evaluation process.
- i. No verbal agreement or conversation with any officers, agents or employees of the GOSL/CEB, either before or after the execution of the Project
- j. CEB shall not be responsible for any interpretations or conclusions by the Project Proponent based on data furnished by the CEB or which the Project Proponent may obtain or arrive at from information given in the RFP.

2 INSTRUCTIONS TO PROJECT PROPONENTS

2.1 Wind Data (If available)

Wind speed and wind direction data at the nearest locations(if available) may be obtain from;

Sri Lanka Sustainable Energy Authority
Address: Block 5, 1st floor, BMICH, Bauddhaloka Mawatha, Colombo 00700.
Telephone:011 2 677445

2.2 Visits to Grid Substation

Project Proponents who expect to use the Option 1 for the Power Transmission (as referred in Section 3.2) may visit the relevant Grid Substation to obtain an understanding on the interconnection arrangement (with prior arrangement with the CEB).

2.3 Amendments to the RFP

The CEB reserves the right to amend, revise or modify this RFP. Any amendments, revisions or modifications of this RFP shall be made through the issuance of Addenda by the CEB and a copy of each Addendum shall be sent to all Project Proponents (who have purchased the RFP document as at the date of issuance of Addenda), on the same day by same means. The RFP may be so amended, revised or modified by way of such Addenda up to 7 days before the closing date for the submission of Proposals. However, it shall be the responsibility of the Project Proponents to ensure that they have obtained all such Addenda from the CEB.

If any Addendum is of a nature, which may require substantial changes in the proposals, the closing date may be extended by a number of days as in the opinion of the CEB, such Addendum shall enable Project Proponents to reconsider or revise their Proposals.

In case where CEB decide to extend the Closing Date for Submitting Proposals, it will be published in Newspapers and CEB website. The validity of the proposal and proposal security will be as per the extended closing date.

2.4 Requests for Clarifications

Project Proponents seeking any clarifications regarding this RFP may submit their written requests by facsimile, or by registered mail to:

The Chairman CANC
C/o; Deputy General Manager (RED & PM)
Ceylon Electricity Board
No. 6-1/2,
First Floor, Kalinga Place, Off Suleiman Avenue,
Colombo 05.
SRI LANKA

FAX: + 94 11 2583344

Such requests should be received no later than the date specified in **Project Milestones Schedule**, section 1.4, Volume I of RFP in order to be discussed at the pre-bid meeting. The CEB will not entertain any request for clarifications on the RFP after this date.

2.5 Pre-Bid Meeting

A Pre-Bid Meeting will be held on **as per Project Milestones Schedule in section 1.4, Volume I of RFP** at the,

Office of Deputy General Manager (RED & PM)
Ceylon Electricity Board
No. 6-1/2,
First Floor, Kalinga Place, Off Suleiman Avenue,
Colombo 05.
SRI LANKA

The Clarifications provided at the Pre-Bid Meeting shall strictly relate to any explanations that may be required in relation to the RFP documents issued to the prospective Project Proponents. The Pre-Bid Meeting is not intended to supplement or substitute the due diligence required to be undertaken by each Project Proponent. However, not attending to this Pre-Bid Meeting shall not disqualify a Project Proponent from furnishing a Proposal. Only those who have purchased this RFP or their authorised representatives shall be permitted to attend this meeting (only two participants are allowed per each purchased RFP document). A copy of the Paying-in-Voucher (PIV) issued by CEB for the purchase of the RFP document is required to be produced at the entrance.

2.6 Preparation of the Proposal

In order to prove compliance with all the requirements of this document, the project proponent shall submit the duly filled Forms given in the Volume II of this document, together with all other information/documentary proof requested in this RFP. The language of the proposal and all documents related to the proposal shall be in English language.

2.7 Technical and Commercial Data

The Technical and Commercial data /details furnished by the Project Proponent should demonstrate requisite knowledge of project requirements and understanding of the required tasks. The Proposal should be formulated to indicate the general approach or methodology that is proposed for the performance of Project including such detailed information that is considered relevant. The requested information as detailed out in Section 3 shall be forwarded along with the Proposal.

The Project Proponent is also required to forward its background, organisation of its consortium partners in the prescribed format.

2.7.1 Documents required to be submitted with the RFP

A Project Proponent shall submit a Proposal accompanied with the following documents:

- a. Duly completed Proposal Forms given in Volume II of RFP document.
- b. The feasibility study report (EIA or IEE reports are not necessary).
- c. Grid Interconnection confirmation letter from provincial Deputy General Manager of CEB (Annex C5) for grid interconnection if option 2 of Annex C of Volume I is selected.
- d. If the project proponent himself is the tenderer, it is mandatory for the Project Proponent to register under the Public Contract Act No. 3 of 1987 in Sri Lanka. The original of the certificate issued by the registrar shall be submitted along with the Proposal.
- e. If the Project Proponent appoints a local agent, representative or nominee to act on behalf of the Project Proponent, such a local agent, representative or nominee shall register himself with under the Public Contract Act No. 3 of 1987 of Sri Lanka. The original of the certificate issued by the registrar shall be submitted along with the Proposal.
- f. Duly executed Board Resolution or Power of Attorney to the authorised representative who is to sign on behalf of the Project Proponent.
- g. In case of the Project Proponent being a Joint Venture, the Joint Venture agreement and /or license which define precisely the general conditions under which it will function, the sponsoring member authorised to represent it, the shares of each participating member and the particular obligation of each and every member under the joint venture, all of whom shall be jointly and severally liable for any or all obligations under the Project Documents with CEB.
- h. Proposal Security as specified in Section 2.17.1
- i. Any other documents the Project Proponent considers necessary to demonstrate its ability to perform the work to be contracted.
- j. Additional documents, if any, to support the proposal.

2.7.2 Feasibility Study Report

The feasibility study report shall be submitted considering all the project cost including transmitting power to the specified grid substation. The report may include the project details, technical details as per section 3.2, Volume I and financing plan as per section 2.8.2, Volume I

2.8 Tariff Proposal

The Project Proponent shall submit its Tariff Proposal as per Section D of Volume II.

2.8.1 Tariff

The contract period is for 20 years. During this period, CEB undertakes to purchase energy generated from the Facility at the agreed tariff. The tariff payable will be a flat tariff for the entire contract period. There will not be any escalation to the Applicable Tariff during the entire Contract period. All the proposals which have tariffs above the maximum tariff (upper benchmark) will be rejected.

The Maximum Tariff (Upper Benchmark) = 14.54LKR/kWh

In the Tariff Proposal, the Project Proponent shall indicate the proposed Flat Tariff for the delivered energy measured at the Metering Point.

To consider the variation in foreign currency component involved in the Capital Cost of the Project, the tariff will be re-adjusted at the time of signing the Power Purchase Agreement, as given in the following formula.

Tariff proposed by the Project Proponent = Y Rs./kWh

80% of the proposed tariff will be re-adjusted based on the US Dollar (USD) variation:

Applicable Tariff = $0.2 \times Y + (0.8 \times Y \times P2/P1)$ Rs./kWh

Where,

P1 - LKR /USD indicative exchange rate applicable on the date of closing the proposals and published by the Central Bank of Sri Lanka

P2 - LKR /USD indicative exchange rate applicable on 07 (Seven) working days prior to signing the Power Purchase Agreement and published by Central Bank of Sri Lanka

This Applicable Tariff would determine the tariff applicable for the entire contract period of the Facility. There will not be any escalation to the Applicable Tariff during the entire Contract period. In order to be eligible for the escalation of Applicable Tariff the project proponent shall sign the LOI within the specified period from the date of acceptance of Letter of Award as indicated in section 1.4, Volume I of RFP.

2.8.2 Financing Plan

The Project Proponent shall furnish a financing plan of the Project. This must include an analysis giving due consideration to the total estimated cost, likely revenue streams, cost of funds (including both equity and debt) and the Proof of availability of adequate finances or the manner in which the required finances for the project are to be obtained. The financing plan should clearly indicate the equity component and its break up to demonstrate the commitments by each of the equity participants. The Project

Proponent shall also furnish details of expected loan capital for the Project, giving details of the amount of loan each lending institution is willing to consider upon the signing of the Power Purchase Agreement. (A "letter of comfort" issued by the bank should be attached with the Proposal, in support of this). The financing plan of the Project Proponent shall include the above information in the prescribed formats in Section C of the Volume II.

2.8.3 Currencies of Tariff and Payments

All Tariff payments shall only be in Sri Lanka Rupees. Payments for the purchase of electrical energy in respect of this Project would be calculated in Sri Lanka Rupees and will be paid in Sri Lanka Rupees. The Tariff calculations shall not be based on any other currencies or any baskets of currencies.

2.9 Term of the Power Purchase Agreement

The term of the Power Purchase Agreement shall be 20 years, commencing from the Commercial Operation Date.

2.10 Format, Sealing, Marking and Submission of Proposals

The Proposal containing all the documents (collectively referred to as "Proposal") shall be delivered together in a sealed package. The grid substation which the project to be connected should be specified in the cover page of the RFP documents clearly.

The package shall also be clearly labelled as a Proposal under this RFP giving the Project Proponent's name and address.

PROPOSAL FOR WIND POWER PLANT CONNECTED TO MADAMPE GRID SUBSTATION
(CAPACITY:MW)

PROJECT PROPONENT'S FULL NAME AND ADDRESS

The package containing the Proposal should include the original Proposal clearly marked "Original" on the first page and last page and further envelope should contain a copy of the Proposal clearly marked "Copy" on the first page and last page. In addition a CD (Compact Disc) containing a scanned copy of the Original document should be attached to the inside of the bottom cover page of the Original Proposal document (Please mark the name of the Project Proponent and the Grid substation on the CD). In the event of late delivery of the Proposal it shall be rejected and returned unopened to the Project Proponent whose address is stated on the package. **Under no circumstances proposals shall be accepted beyond the closing time.**

An envelope marked "Proposal Security" contains the original of the "Proposal Security" shall carry the name and address of the Project Proponent and the Grid

Substation should be included in the original proposal. The Proposal Security shall be substantially in accordance with the specimen given in Annex A1 of Volume I.

The Proposal containing all the above packages properly marked shall be delivered together in a sealed package to the following address **on 16th February 2021 at 10.00 hrs.**

**The Chairman CANC
Office of Deputy General Manager (RED & PM)
Ceylon Electricity Board
No. 6-1/2,
First Floor, Kalinga Place, Off Suleiman Avenue,
Colombo 05.
SRI LANKA**

If a proposal will be delivered **before 16th February 2021 during office hours (8.30hrs -16.00hrs)**, please handover to;

Deputy General Manager
RED & PM Branch
Ceylon Electricity Board
No. 6-1/2,
First Floor, Kalinga Place, Off Suleiman Avenue,
Colombo 05.
Sri Lanka
TEL: +94 11 2583344 / +94 11 2504203
FAX: +94 11 2583344

2.11 Validity of the Proposal

Each Proposal shall constitute a firm offer and that shall remain in force and valid for a period of One Hundred and Fifty (150) days following the Closing Date. During this period the proposed Bid shall remain valid and no Project Proponent shall withdraw its Proposal.

In the event of a Letter of Intent not being issued during this period, CEB will notify each Project Proponent by fax at least 14 days prior to the expiration date requesting an extension of the Proposal validity period along with the extension of the validity of the Proposal Security. If any Project Proponent does not agree to such extension, it may advise CEB of its decision in writing prior to the expiration of the original period and withdraws its Proposal without forfeiting its Proposal Security.

If the notice of withdrawal is not received by the CEB prior to the expiration date of the original validity period following the issuance by CEB of a notice of extension, the extension shall be considered to have been accepted by the Project Proponent and it shall extend the effective period of the Proposal Security accordingly or be disqualified.

2.12 Closing Date and Late Proposals

Proposals received after 10.00hrs on the closing date, as states in Section 1.4 of Volume I of RFP, shall not be accepted nor considered whatever the reasons for delay in receipt (including circumstances outside the control of the Project Proponent).

2.13 Proposal Opening

Proposal and the envelope containing the Proposal Security will be opened immediately following the closing of bids by the relevant Tender Opening Committee. Project Proponents or their authorised representatives who wish to attend the opening may do so (only two participants per project proponent are allowed).

Project Proponents' names, any withdrawals, quoted tariff, the presence or absence of valid Proposal Security and such other details as CEB may consider appropriate will be announced at the time of opening of the Proposal. Information of which is of a commercially sensitive nature will not be disclosed.

2.14 Confidentiality

GOSL and CEB reserve the right to release information contained in the Proposals to its agents, consultants and advisers for purposes of verifying and evaluating the Proposals. Neither GOSL, CEB nor their agents, consultants and advisers shall be liable in any manner whatsoever for any loss or damages resulting from any disclosure of such information before, during or after the bidding process.

2.15 Clarifications & Correction of Errors

To assist in the examination, evaluation and comparison of Proposals, CEB may at any time prior to the final evaluation and issue of the LOI, request any Project Proponent for clarification of its Proposal, including breakdown of costs and the Tariff.

Obvious arithmetical errors may be rectified. Where a Project Proponent wishes to correct other errors in relation to clarifications sought by CEB, which does not have an impact on the Tariff, CEB may accept such clarifications.

2.16 Cost of preparation of Detailed Proposal

The Project Proponents shall bear all costs and expenses associated with the preparation and submission of the Proposal. CEB shall not be responsible or liable for such costs and expenses, regardless of the conduct or outcome of the selection process. All costs and expenses involved in attending any meeting and/or visits to the site shall be at the sole cost and expense of the Project Proponent's.

2.17 Security Requirements

To guarantee the due performance of its obligations to construct and operate the Facility, the Project Proponent shall provide the following security instruments.

2.17.1 Proposal Security

Proposal security in the form of a Bank Guarantee issued by a commercial bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka or a bank based in another country but the guarantee “confirmed” by a commercial bank operating in Sri Lanka and payable to the Ceylon Electricity Board., substantially in the form specified in Annex A1.

Proposal shall be accompanied with a Proposal Security undertaking that the Proposal will be held valid for the period specified in Section 2.11 of this document and that the Proposal shall not be withdrawn during that period. Proposal Security shall amount to Sri Lankan Rupees Two Million (LKR 2,000,000/-) per MW. Failure to submit the Proposal Security at the time or before the closing of the bidding and in accordance with above requirements will result in the Bid being rejected. No alternate offers will be accepted under one Proposal Security.

The Proposal Security shall be unconditionally encashable, on the receipt of first written demand of the Ceylon Electricity Board and it should be irrevocable, unconditional and on-demand payable in Sri Lanka in Sri Lankan Rupees.

Failure to submit the proposal security as specified above is considered as a major deviation and the proposal will be considered as non - responsive.

The Proposal Securities of the Project Proponents **pending approval for awarding** will be returned after the expiry of the validity of the Proposal Security unless otherwise agreed to extend the same.

The Proposal Security shall be valid for no less than one hundred and eighty (180) Calendar Days from the Closing Date for submission of Proposal documents. In the event the date for the issuance of the Letter of Award is extended by the CEB and the Project Proponent agrees to such extension, the Proposal Security shall be revalidated to cover such additional periods.

The CEB may forfeit the Proposal Security:

- a. If - Project Proponent withdraws its Proposal during the specified validity period; or
- b. In the case of a successful Project Proponent, if he fails
 - i) to furnish the Letter of acceptance within the period stated in section 6.6 of Volume I of RFP from the receipt of Letter of Award.
 - ii) to furnish the Performance Security within the period stated in section 2.17.2 of Volume I of RFP.

2.17.2 Performance Security

Within 30 days of receipt of the Letter of award or 7 days before the expiry of the Proposal Security, whichever comes first, the Successful Project Proponent shall furnish a Performance Security agreeing to execute the terms and conditions stated in Annex A2.

The Proposal Security of a **successful Project Proponent** shall be discharged or returned, or both, (without interest) upon the Project Proponent's acceptance of the Letter of Award, and on furnishing of a Performance Security of LKR Ten Million (LKR 10,000,000/-) per MW valid for a period of 30 days after the commencement of Commercial Operations Date as defined in the Power Purchase Agreement.

This security shall be in the form of an irrevocable, unconditional and on demand Bank Guarantee issued by a reputed commercial bank operating in Sri Lanka or a bank based in another country but the guarantee "confirmed" by a bank operating in Sri Lanka, substantially in the form specified in ANNEX A2.

The successful Project Proponent's Performance Security shall be discharged or returned, or both, (without interest) on Commercial Operation Date.

The CEB may forfeit the Performance Security:

- a. If the project proponent fails to sign the LOI, within the period specified in the Project Milestone Schedule, Section 1.4, Volume I of RFP; or
- b. If the project proponent fails to submit the deed/plan of the land as per section 6.6 of volume I of RFP, within the period specified in the Project Milestone Schedule, Section 1.4, Volume I of RFP for issuing the LOI; or
- c. If Project Proponent withdraws its Proposal during the validity period of the LOI; or
- d. In case of Project Proponent fails to comply with the requirements of the Letter of Intent issued to it; or
- e. In case of Project Proponent unable to fulfil mandatory requirements as stipulated by the SLSEA and hence can no longer proceed to obtain an energy permit; or
- f. The Project Proponent failure to achieve the Commercial Operation Date as specified in the PPA".

2.18 Project Proponent's Responsibilities

The submission of the Proposal shall be deemed to be acknowledged by the Project Proponent that it has carried out and performed the necessary inspections and investigations required to ascertain the suitability of the site and the local conditions, equipment to be furnished or installed, and other matters which may affect the performance of its obligations under the Project Documents.

The Project Proponent affirms by submitting its Proposal, that it has examined carefully and is fully familiar with all the work involved and this RFP shall become an integral part of the Project Documents, if a LOI is issued to it, and accepts without any reservation the terms and conditions specified in the RFP.

It also affirms that it has familiarised itself with the laws and regulations in force in Sri Lanka (including Labour, Financial, Environmental and Industrial laws) and that complying with these laws and regulations shall not affect the completion of the works under the Project Documents.

The failure or omission of a Project Proponent to obtain, receive or examine any form, document or to visit the site and acquaint itself with conditions existing there shall in no way relieve it from any obligation with regard to its Proposal.

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3 PROJECT DESCRIPTION AND PERFORMANCE SPECIFICATIONS

The total installed plant capacity shall be as per section 1.3 of volume I, provided that it does not exceed the grid substation capacity limit. The technology proposed for the project shall have a proven track record with demonstrated success in countries with a similar level of technological development and infrastructure support, as in Sri Lanka. Equipment offered shall be new and unused. All equipment and plant design must conform to CEB regulations applied to any power plant connected to Sri Lankan power system as stipulated in the “CEB Guide for Grid Interconnection of Embedded Generators, Sri Lanka (2000)”, Annex D. CEB has the right to refuse interconnection of any equipment that does not conform to this code and the Project Proponent must bear any loss incurred as a result.

3.1 Technical Information

Project Proponent shall provide general technical information, where possible with Technical Literature to enable CEB to understand the operation of the plant and its peripherals / auxiliaries. The following minimum data shall be provided in this regard.

- a. Net Unit / Plant Capacity (MW) at standard atmospheric density according to DIN ISO 2533 or equivalent and at site conditions.
- b. Guaranteed Plant Capacity at the Interconnection Point at the mean annual wind speed of the site.
- c. Wind turbine specifications and power curve data. Wind turbines should be complied with International Standard IEC 61400-1. (Documentary proofs should be provided along with the Proposal).
- d. Preliminary plant layout including a single-line diagram of the electrical system up to grid interconnection and dynamic model of the plant (if available),
- e. Transport of wind turbines – proposed route, identified bottlenecks,
- f. Crane requirements for erection of wind turbines,
- g. An Expression of Interest from each of the prospective wind turbine suppliers to supply the required number of wind turbines for the project,
- h. Any other details, the Project Proponent deems necessary.

3.2 Power Transmission

The Project Proponent shall design, construct, test & commission, operate and maintain the power transmission line/s at 33kV voltage level, including all associated equipment up to the Termination Point. There are two options to select the Termination Point.

Option 1:

Termination point at the 33kV feeder Bay of the relevant grid substation. The company shall construct the line from the project location to the Termination Point under CEB supervision with CEB materials and the meter cubicle at the power plant as per Annex C.

Option 2:

Termination point at the nearest feasible point of 33kV level. This Termination Point has to be confirmed by the project proponent from the relevant Provincial Deputy General Manager of CEB. The company shall construct the line from the project location to the Termination Point under CEB supervision with CEB materials and the meter cubicle at the power plant as per Annex C.

The project proponent should select (tick) one option from the given two options in Annex C of Volume I of the RFP.

The power transmission lines shall be designed and constructed in accordance with construction standards for medium voltage power distribution line/s. Project Proponent shall supply the following data relating to the plant and equipment to be installed for the purposes of transmission of electrical energy up to the Termination Point, along with its proposal.

- a. Plant layout and Single line diagram up to the Grid Point showing all circuit breakers, isolators, current & potential transformers for metering and protection of the Facility, earthing switches, lightning arrestors, power transformers and inverters.
- b. Type & ratings of major equipment, MV & LV switch gear, etc. (For this purpose, the maximum fault level is given below;

	Grid Substation	Maximum 3-Phase Fault Level at 33kV level (kA)
1	Madampe	11.6

Protection scheme proposed to be provided for the bus-bars, transformers, inverters and other applicable switchgears, including fire protection to comply with the provisions of "CEB Guide for Grid Interconnection of Embedded Generators". Protection schemes may have interfacing with CEB equipment and these protective schemes shall be subjected to the concurrence of CEB.

- c. Details of the metering devices at the Facility including power and energy meters and recorders. Please note that these meters/recorders shall meter, record, and transmit the data on the power/energy flow to the CEB system.
- d. Any other detail, the Project Proponent deems necessary.

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4 ENVIRONMENTAL CONSIDERATIONS

4.1 Environmental Requirements

Within the scope of the project, the Project Proponent is required to assess the environmental impacts of the proposed Wind Power plant and obtain all relevant environmental clearances and approvals from the appropriate authorities in terms of applicable laws and regulations and the guidelines published by Central Environmental Authority².

Project Proponent is required to comply with National Environment Act No. 47 of 1980, National Environment (Protection & Quality) Regulations, No 1 of 1990, and to any amendments thereto, and also to any other applicable regulation or law. The Project Company shall comply with all Environmental Laws applicable to the Facility during the Term.

National Environment Act No. 47 of 1980 (Order under Section 23Z) has identified certain institutions in Sri Lanka as Project Approving Agencies (PAA).

4.2 Archaeological Requirements

In addition to the above requirements, the Project Proponents are required to comply with the requirements of the Antiquities Ordinance, as amended by Act No. 24, 1998 and regulations there under.

²Central Environmental Authority Environmental Impact Assessment (EIA) Process :
<http://www.cea.lk/web/index.php/en/environmental-impact-assessment-eia-procedure-in-sri-lanka>

5 DETAILS OF THE PROJECT PROPONENT

Project Proponents who wish to submit proposals may do so either as, an incorporated new company, or as an incorporated existing company or as a joint venture of such companies.

Special attention is drawn to section 2.3 of “On Grid Renewable Energy Development- “POLICIES AND PROCEDURES TO SECURE APPROVALS TO DEVELOP A RENEWABLE ENERGY PROJECT TO SUPPLY ELECTRICITY TO THE NATIONAL GRID” published in July 2011 by SLSEA, copied below.

“Name of Applicant: From previous experience, it is evident that little or no forethought is given to the status of the Applicant when progressing through the many phases of development of the project. To avoid complicated transactions later (e.g. when applying for tax concessions and duty exemptions, allowing in equity partners) it is advisable to make applications using a Special Purpose Company, incorporated a new or as a subsidiary of an existing company.”

Eligible Bidders:

All foreign and local prospective Project Proponents are eligible.

However it should be noted:

- a. Project Proponent whose Proposal has been declared as successful and who are party to the Letter of Intent shall not dispose of their interest or withdraw in relation to the proposal prior to execution of the Project Agreements referred in Section 7 (“Project Agreements”).

The Project may be undertaken by a special purpose company incorporated in Sri Lanka with limited liability. 100% shares of the Special Purpose Company are from the project proponent company.

Project Proponents shall also be required to meet the following criteria:

- a. No Project Proponent or its parent/affiliate companies shall have been suspended or black listed by CEB, the GOSL or by any other Government Agency in Sri Lanka, whether as an individual contractor or corporation or as a member of a joint venture.
- b. No Project Proponent or its parent/affiliate companies shall have a record of unsatisfactory past performance, particularly non-compliance with contractual terms, plans and specifications; nor any record of defective workmanship and materials supplied, abandonment of work or similar efficiencies.

- c. No Project Proponent or its parent/affiliate companies shall have inordinate overdue debts toward the Insurance, Revenue or Customs authorities of Sri Lanka or in any other country.
- d. No Project Proponent or its parent/affiliate companies shall have criminal or civil cases in court pending or finally decided against them involving non-payment of tax, duty, statutory dues or other undertaking with any Government or its sub-divisions, or instrumentalities including government-owned or controlled corporations.

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6 EVALUATION AND ISSUANCE OF THE FORMAL INVITATION

6.1 Outline of Evaluation Procedure

The actual evaluation process is a staged process. In the first stage, the responsiveness of the Proposals will be assessed for the compliance with the requirements and the procedures laid out in this RFP. The second stage of the evaluation process concentrates on the requirement of technical and commercial details of the Proposal. In the third stage, the evaluation will be based on the proposed tariff as specified in Section 6.5 of Volume I.

6.2 Right to Reject Proposals

CEB reserves the right to reject the Proposal of any Project Proponent who has qualified on the basis of fraudulent, suppressed or incomplete information. Project Proponents who submit proposals do so without recourse against GOSL, or CEB or their representative for either rejection by CEB or failure to execute a PPA, for any reason whatsoever.

6.3 First Stage Evaluation (Responsiveness)

CEB will examine the Proposals to determine whether they are complete, whether the required Proposal Security has been furnished, whether the documents have been properly signed, whether all annexes as required in the RFP are furnished and whether the Proposals are generally in order. A Proposal may be disqualified and excluded from further consideration for any valid reason including but not limited to, the reasons listed below:

- a. Failure to submit the proposal under the required package or envelope as described in paragraph 2.10 above.
- b. Failure to submit supporting documentation or any other clarification or any documents requested by CEB within the required time frame.
- c. Failure to submit Original of the Certificate of Purchase of RFP issued by the CEB
- d. Failure to submit Duly executed Power of Attorney or Board Resolution to the authorized representative who is to sign on behalf of the Project Proponent.
- e. Failure to submit Document/s to confirm the ownership or the ability to procure or lease the selected land as per Sec. 1.3.1 of RFP Volume I.
- f. Failure to complete any of the Proposal Forms.
- g. Willful misrepresentations in the Proposal.
- h. Illegal conduct or attempts to influence the GOSL, CEB, Evaluation Committee, Procurement Committee in evaluation of a Proposal outside the solicitation process.

i. Major Deviation/s.

Failure to submit any of the following items with the proposal will be considered as a Major Deviation and the proposal will not be considered for further evaluation.

1. Duly completed Proposal Letter signed by the authorized person and the original of the Certificate of Purchase of RFP.
2. Proposal Security,
 - Substantially in the given format (Annex A1) or
 - for the specified validity period or
 - for the specified value or
 - issued by a reputed commercial bank operating in Sri Lanka or by a bank based in another country with the guarantee “confirmed” by a commercial bank operating in Sri Lanka or
 - issued in the name of the Project Proponent.
3. Certification of Registration under the Public Contract Act No. 3 of 1987 -PCA3 (Original). In case, one Project Proponent submits more than one proposal for the same grid substation, it is allowed to attach the Original PCA 3 Form to one proposal and certified copies of the same for other proposals which he submitted for the same grid substation.
4. Duly completed Tariff Proposal signed by the authorized person (Section D of RFP Volume II)

If a Proposal is found to be non-responsive, it will be rejected, and may not subsequently be made responsive by correction or withdrawal of the item which resulted in the disqualification and/or rejection.

6.4 Second Stage Evaluation

The evaluation will be based on the information provided in the Proposal. The Proposals will be evaluated on the following criteria:

1. Finance ability of the Project	
1.1	A conditional letter of support should be included by the Project Proponent from the potential lenders for the full debt amount. It should also contain an undertaking from the potential lenders that no other or further security or guarantee in any manner whatsoever is required from the CEB/GOSL other than those provided for in the Project Documents.
1.2	A memorandum should be included by the Project Proponent duly signed by or on behalf of the intended subscribers supported by evidence of authentication where applicable, for equity in the project of their commitment to the project for the full amount of Required Equity.

2.	Specification of the plant
2.1	Technical Information as per Section 3 of RFP Volume I

Non-compliance with any one of the above criteria may disqualify the Project Proponent.

6.5 Third Stage Evaluation

The responsive Project Proponents of the above stages would thereafter be ranked in the order of the ascending order of the tariff (lowest to highest).

The successful Project Proponents will be chosen on the basis of the above ranking.

Selection criteria of project proponents for the balance grid capacities :

eg.

- Available Grid capacity : 5MW
- Capacities offered by technically and commercially responsive lowest ranked bidders (First and Second stage of evaluation as in 6.3 and 6.4 above).

Ranking of Responsive Bidders	Offered capacity	Remarks
Lowest	1MW	Selected
2 nd Lowest	3MW	Selected
3 rd Lowest	5MW	To be selected on confirmation of balance capacity (1MW) and Tariff
4 th Lowest	2MW	
5 th Lowest	2MW	

- 3rd lowest bidder will be invited for the same tariff for the balance 1MW capacity.
- If 3rd lowest bidder fails to accept the invitation, 4th and 5th lowest bidders will be invited to adjust the proposed tariff to the tariff of the 3rd lowest bidder for the balance 1MW capacity respectively.
- Based on the confirmation of the above bidders, selection will be done according to the original ranking order of responsive bidders.
- If any of the unselected responsive bidders do not accept the above invitation the offers of 3rd, 4th and 5th lowest will be rejected without forfeiting their proposal securities.

If a successful project proponent fails to submit the Letter of Acceptance within the time frame specified in the RFP, the next unselected responsive lowest bidders in the same grid substation will be invited. However, the invited Project Proponents have to adjust the proposed tariff & capacity to the tariff & capacity of the withdrawn bid.

The successful Project Proponents will be issued formal Letters of award to submit their applications to engage in and carrying on an on-grid renewable energy projects. Following submission of the Letters of Acceptance along with the Performance Security as specified in Section 2.17.2, Letters of Intent (LOI) will be issued in the prescribed format as given in this RFP (Annex A4). The successful Project Proponent shall meet all other requirements as specified by the SLSEA for Grid connected

Renewable energy development. However, nothing mentioned herein shall prejudice the right of CEB to terminate this process and/or refrain from issuing the formal invitation as mentioned above.

As Power Purchase Agreements will be entered into for the bid values as stipulated in Section 7 of RFP volume I, after the bidding process on variable price option is completed, agreements with different prices will be in effect for the same substation as there are many capacity segments in a particular substation.

If the project proponents having the same rank (due to offering same tariff) affects the selection for a specific grid substation, following procedure will be followed.

1. Each such Project Proponent will be invited to submit three alternate sealed tariff proposals marked as 1,2,3 each containing a tariff lower than the previously quoted tariff.
2. Envelops 1, 2, 3 should contain tariffs in descending order. For example, the price quoted in envelop 2 should be lower than the price in envelop 1 and the price quoted in envelop 3 should be lower than price in envelop 2.
3. Such Project Proponents will be called upon to a special proposal opening meeting and envelop 1 of all such Project Proponents will be opened first.
4. Based on the prices quoted in envelop 1, the lowest evaluated Proposal/s will be selected.
5. If the issue of project proponents having the same rank (due to offering same tariff) still remains, envelop 2 of relevant project proponents will be opened.
6. This will be continued if required, until all three envelops are opened.
7. All unopened envelopes, if any, will be returned.

During this stage if any Project Proponent does not agree to provide a lower tariff than his originally quoted price as requested above he may officially communicate his intention to CEB and withdraw his Proposal from the bidding process, without forfeiting his Proposal Security.

CEB reserves the right to terminate the RFP process if adequate competition has not been created or and the tariffs quoted by project proponents are not acceptable to the CEB.

6.6 Letter of Award and Letter of Intent

The successful Project Proponents will be issued formal Letter of Award to submit their Letter of Acceptance within 7 days of the receipt of the Letter of Award.

In order to issue the Letter of Intent as per the prescribed format, given in this RFP (Annex A4), it is mandatory to submit the following documents to CEB;

1. Letter of Acceptance within 7 days of the receipt of the Letter of Award
2. Performance Security with in the period specified in 2.17.2, Volume I of RFP
3. Duly certified copies of documents below within 90 days from the acceptance of the Letter of Award
 - 3.1 Certificate of Incorporation
 - 3.2 List of the Board of Directors

- 3.3 Location of the Registered Office
- 3.4 Resolution of the Board of Directors authorizing the persons entitled to witness the affixing of the Company Seal
- 3.5 Land Details;
For private land :
 - A copy of the Deed of the land in the name of the project proponent certified by an Attorney-at-Law with the survey plan
 - A copy of the Lease Agreement (at least for 22 years) of the land in the name of the project proponent certified by an Attorney-at-Law with the survey plan
- For LRC land /Land owned by state institutions /State land
 - A confirmation letter in the name of the project proponent and issued by the relevant authorised officer as specified in Clause 1.3.1.
- 3.6 Map(Colour, A3, Scale 1:50.000) indicating the plant location, address and GPS coordinates (2 sets)
- 3.7 Grid Interconnection confirmation letter

Non-submission of the above within the period specified above will result in forfeiture of the Proposal/Performance security respectively and the Letter of Intent(LOI) will not be issued.

Upon the issue of the Letters of Award and LOIs to the successful Project Proponents, the other Project Proponents will be informed of the identity of the successful Project Proponents, the tariffs offered by those Project Proponents, their own tariffs and their positions in the rank order of tariff.

If a successful Project Proponent fails to submit the Letter of Acceptance within the time frame specified in the RFP, the CEB in its discretion may invite the next ranked Project Proponent for the relevant grid substation as per conditions in section 6.5 of Volume I of RFP.

The Proposal Securities of the **unsuccessful Project Proponents** will be returned only after issuing of the Letter of Intent (LOI) to the successful Project Proponents or the expiry of the validity of the Proposal Securities unless or otherwise agreed to extend the same.

6.7 Cost and Risk in Finalising Project Agreements

The successful Project Proponents shall bear all costs incurred by it in relation to the finalization of the Project Agreements, including but not limited to those of professional advisers. Neither GOSL, CEB, or any representative of these parties shall have any liability whatsoever to the Project Proponent for any decision taken by the Project Proponent in relation to decisions taken by it in finalising and entering into the Project Agreements, whether or not in reliance on any matter supplied or represented by GOSL, CEB, or their representatives.

7 PROJECT AGREEMENTS

7.1 Introduction

Project Agreement is the model Power Purchase Agreement (PPA) set out in Volume III of this RFP. The Project Proponents should study the Project Agreement in detail when formulating their Proposals.

7.2 Requirement to Sign Power Purchase Agreement

As per the model power purchase agreement (Volume III of the RFP), the Seller should be a “company duly incorporated and validly existing under the laws of the Democratic Socialist Republic of Sri Lanka, has all requisite corporate and legal authority to execute this Agreement, and is permitted by applicable laws and regulations to sell independently produced power”.

If the project company is not incorporated in Sri Lanka, prior to signing the PPA, it is required to incorporate a company in Sri Lanka as above. CEB will transfer the LOI of the project company to this newly incorporated company on the payment of a prescribed fee.

7.3 The Power Purchase Agreement

The Power Purchase Agreement is signed between CEB and the Project Company and relates to the whole of the electrical energy generated and delivered by the facility. The Power Purchase Agreement will be signed only after obtaining environmental clearance and all other statutory clearances as stipulated by SLSEA including Energy Permit (EP) issued by the SLSEA. It is also required to obtain the no objection letter from Public Utilities Commission of Sri Lanka (PUCSL) to sign the PPA with the CEB. A prescribed PPA processing fee is applicable.

8 ANNEXES

Annex A1 : Form of Proposal Security

PROPOSAL SECURITY

WHEREAS _____ of _____ (hereinafter called and referred to as the “**Project Proponent**”) wishes to submit a Proposal to build-own-operate aMW Wind Power Plant connected to **Madampe** Grid Substation under Tender Number TR/RED&PM/ICB/2019/002-1/C.

AND WHEREAS in terms of the Guidelines for Request for Proposal document the Project Proponent is bound and obliged to furnish a Proposal Security along with its Proposal to ensure the due performance of the Project Proponent in terms of the Request for Proposal document.

AND WHEREAS at the request of the Project Proponent, we _____ of _____ a commercial bank having its registered office at _____ are agreeable to and desirous of giving such a proposal security.

WE HEREBY irrevocably undertake and are bound and obliged to pay to the Ceylon Electricity Board unconditionally and without demur any sum of money not exceeding a sum of LKR..... on their first demand.

Every demand hereunder shall be in writing and signed by the General Manager, Ceylon Electricity Board and shall be accompanied by a statement to the effect that the Project Proponent has failed and/or neglected to perform its obligations or abide by the terms of the Request for Proposal document. For all purposes connected with and relating to this Proposal Security, every such demand shall be conclusive proof that the amount so demanded is lawfully due under this Proposal Security.

All payments hereunder shall be made in Sri Lanka by cheque or bank draft drawn in favour of the Ceylon Electricity Board.

This Proposal Security shall be valid and binding and shall remain in full force and effect up to and including the _____ (Date) _____ (*should be 180 days from the closing date for submitting Proposals*) and thereafter shall be null and void and of no force or effect (whether the original hereof is returned or not) except in respect of any demand made on or before the aforesaid date.

IN WITNESS whereof this Proposal Security has been signed by the Authorised Signatories of the aforesaid _____ on this _____ day of _____ 20...

Authorised Signatory
Name:
Designation:

Authorised Signatory
Name:
Designation:

Annex A2 : Form of Performance Security

PERFORMANCE SECURITY

Plant Name: _____

WHEREAS _____ of _____ a Company incorporated in Sri Lanka (hereinafter called and referred to as the "Project Company") has submitted a proposal to build-own-operate aMW Wind Power Plant connected to **Madampe** Grid Substation under Tender Number TR/RED&PM/ICB/2019/002-1/C.

AND WHEREAS the proposal submitted by the Project Company has been successful.

AND WHEREAS in terms of the Request for Proposal document the Project Company is bound and obliged to furnish a Performance Security to secure the due performance of the Company in terms of the Request for Proposal document.

AND WHEREAS at the request of the Project Company, we _____ of _____ a Commercial Bank having its registered office at _____ are agreeable to and desirous of giving such a Performance Security;

WE HEREBY irrevocably undertake and are bound and obliged to pay to the Ceylon Electricity Board unconditionally and without demur any sum of money not exceeding a sum of LKR _____ on their first demand.

Every demand hereunder shall be in writing and signed by the General Manager, Ceylon Electricity Board and shall be accompanied by a statement to the effect that the Project Company has failed and/or neglected to perform its obligations or abide by the terms of the proposal. For all purposes connected with and relating to this Performance Security, every such demand shall be conclusive proof that the amount so demanded is lawfully due under this Performance Security.

All payments hereunder shall be made in Sri Lanka by cheque or bank draft drawn in favour of the Ceylon Electricity Board.

This Performance Security shall be valid and binding and shall remain in full force and effect up to and including the _____ (Date) (a date beyond 30 days from the commercial operation date) and thereafter shall be null and void and of no force or effect (whether the original hereof is returned or not) except in respect of any demand made on or before the aforesaid date.

IN WITNESS where of this Performance Security has been signed by the Authorised Signatories of the aforesaid _____ on this _____ day of _____ 20...

 Authorised Signatory
 Name:
 Designation:

 Authorised Signatory
 Name:
 Designation:

Annex A3: Wind Data (if available)

Please contact:

Sri Lanka Sustainable Energy Authority
Address: 1st floor, Block 5,
BMICH, BauddhalokaMawatha,
Colombo 00700.
Telephone: +9411 2 677445

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Annex A4: Letter of Intent

LETTER OF INTENT

<Company>

<Address>

Tender No: TR/RED&PM/ICB/2019/002-1/C

1. This Letter is issued by

the Ceylon Electricity Board (CEB) and agreed by the parties as signed below.
2. This letter,

constitutes a statement of intention only; and
 - 2.1 does not (nor is it intended to), in any way create any enforceable rights or obligations whatsoever against MOP, CEB or the Government of the Democratic Socialist Republic of Sri Lanka (GOSL) or any of its agencies or instrumentalities.
3. Further to the Request for Proposals dated for the design, supply delivery, installation, testing, commissioning, operation and maintenance of Wind Power Plant with a total installed capacity ofMW connected to **Madampe** Grid Substation, and the Project Proposal dated submitted by the Project Proponent which proposal includes the responses to the clarifications made in terms of Section 2.3, 2.4 and 2.5 of Volume I of the RFP, the CEB intend to enter into a Power Purchase Agreement subject to the Company satisfying the conditions set out in section 4 below;
4.
 - 4.1 All conditions as stipulated by Sri Lanka Sustainable Energy Authority Act and Public Utilities Commission of Sri Lanka to sign the PPA with the CEB.
 - 4.2 The Project Company shall comply with the provisions of the RFP Volume I.
 - 4.3 The Project Company shall fulfil all requirements as stated in 4.1, 4.2 above on or before..... (*Date of signing of PPA as per the project milestone schedule in Section 1.4 of the Volume I of the RFP document*)
5. The Performance Security shall be forfeited in the event of the Project Company failing to comply with paragraph 4.3 of this letter.

6. Neither the MOP nor CEB shall incur any liability whatsoever, in fulfilment or non-fulfilment of any one or more of the provisions contained in this letter or in the event of the failure of the project.
7. The Project Company shall not engage in any illegal conduct or other activity which influences or tends to influence MOP, CEB, GOSL or its other agencies, personnel, or representatives in the finalisation of the Power Purchase Agreement.
8. All notices and other communications required hereunder shall be in writing (and shall be deemed given upon receipt) and sent by registered mail to the following addresses.

Deputy General Manager (RED & PM)
Ceylon Electricity Board
No. 6-1/2,
First Floor, Kalinga Place, Off Suleiman Avenue,
Colombo 05.
SRI LANKA

Tele: + 94 11 2583344/+ 94 11 2504203
Fax: + 94 11 2583344

9. This letter of intent shall remain valid until the Commercial Operation Date.

.....
General Manager
Ceylon Electricity Board

Date:

We hereby agree to abide by the conditions of this Letter of Intent.

.....
Director
(Company)
Date:

Annex B : Location of the Land (in 1:50,000 Map)

Please mark the Location of the land in a 1:50,000 map (Colour) with following details:

- Extent of the land
- Address of the land
- Coordinates of the corners of the land (in Kandawala/Sri Lanka Grid system)

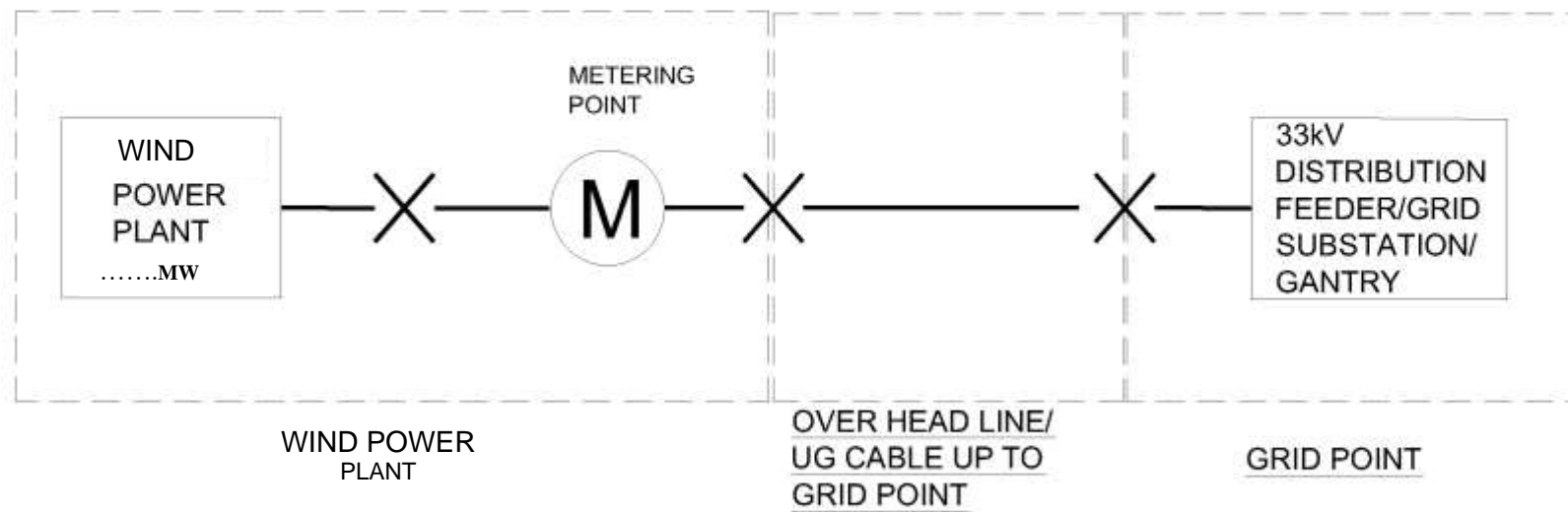
Information Copy - Not For Bidding

Annex C : Details of the Interconnection

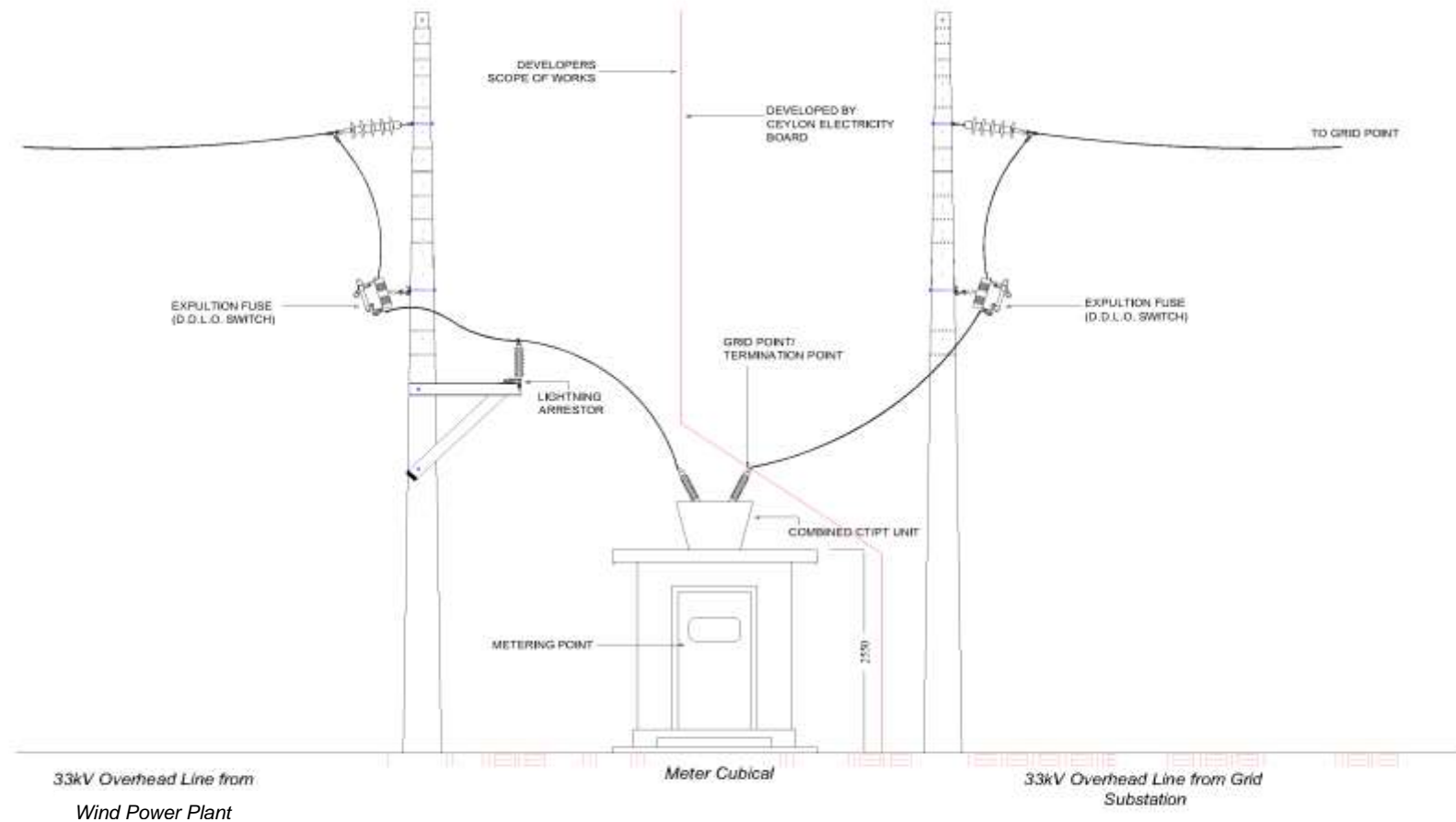
- Annex C1:** Single Line Diagram for Grid Interconnection of Wind Power Plant
- Annex C2:** Typical Arrangement for Metering and Grid Interconnection
- Annex C3:** Meter Cubicle (Project Company shall build the meter cubicle as per the drawings)
- Annex C4:** 33kV Line Route (Project Proponent shall provide the tentative line rout)
- Annex C5:** Grid Interconnection confirmation letter from the Provincial Deputy General Manager of CEB

Please select one option from the following interconnection arrangement options as per Section 3.2

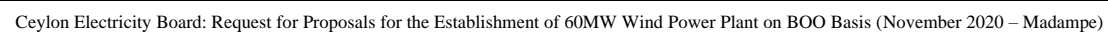
Option	Description	Please tick one option (X)
Option 1	Termination point at the 33kV relevant grid substation. The company shall construct the line from the project location to the Termination Point under CEB supervision with CEB materials and the meter cubicle at the Metering Point as per Annex C.	
Option 2	Termination point at the nearest feasible point of 33kV level. This Termination Point has to be confirmed by the project proponent from the relevant Provincial Deputy General Manager of CEB. The company shall construct the line from the project location to the Termination Point under CEB supervision with CEB materials and the meter cubicle at the Metering Point as per Annex C. (The confirmation letter from the Provincial Deputy General Manager of CEB should be attached- Annex C5)	



Annex C2



NOTE: GRID POINT / TERMINATION POINT & METER POINT AS PER POWER PURCHASE AGREEMENT



Annex C4 : 33kV Line Rout (in 1:50,000 Map)

Please mark the 33kV line route from the project location to the Termination Point at the relevant grid substation in a 1:50,000 map

Annex D : CEB Guide for Grid Interconnection of Embedded Generators

CEB GUIDE FOR GRID INTERCONNECTION OF EMBEDDED GENERATORS (DECEMBER 2000)

Part 1: Application, Evaluation and Interconnection Procedure

Part 2: Protection and Operation of Grid Interconnection

Addendum: Grid Connection Requirement for Wind Power Plants

The above three documents in electronic form can be downloaded by the following link;

<http://www.ceb.lk/tenders/>

Annex E: Agreement to Sell the Land

AGREEMENT TO SELL NO.

THIS AGREEMENT MADE AND ENTERED into at on this of Two Thousand and by and between (NIC No V) of in the Democratic Socialist Republic of Sri Lanka (herein after called and referred to as the Vendor which term or expression herein used shall where the context so requires or admits mean and include the said his heirs executors and administrators) of the ONE PART and (NIC No V) of (herein after called and referred to as the said Vendee which term or expression herein used shall where the context so requires or admits mean and include the said his heirs executors and administrators and assigns) of the OTHER PART.

WITNESSETH AS FOLLOWS

WHEREAS the said Vendor seized and possessed of under and by virtue of Deed of bearing No. dated attested by Notary Public of the Land marked Lot In Plan No dated made by Licensed Surveyor of the property situated at and more fully described in the Schedule hereto.

AND WHEREAS the Vendor has agreed with the Vendee to sell and transfer the property more fully described in the Schedule hereto upon the terms and conditions agreed to between the parties hereto as stipulated hereinafter for and only for the purpose of establishment ofMW Wind power plant on build, own and operate basis.

NOW THIS INDENTURE WITNESSETH that it is hereby expressly agreed by and between the parties as follows:-

1. That this agreement to sell shall come into effect on day of 20.... for a period of twenty years from there onwards.
2. That the Vendor shall and will sell and transfer to the Vendee and/or his nominee or nominees and the Vendee or his afore-written shall and will purchase from the said Vendor at or for the Price or sum of **RUPEES** (**Rs**/=) all that Property more fully described in the schedule hereto on or before day of 20.... together with all rights privileges easements servitude advantages and appurtenances whatsoever to the said property belonging or in anywise appertaining thereto upon and subject to the terms and conditions hereinafter set forth and contained.
3. That the Vendee had at or prior to the execution hereof paid to the Vendor a sum of **RUPEES** (**Rs**/=) as an advance payment or Part Payment of the consideration or purchase price aforementioned for the said property.
4. That the balance sum of **RUPEES** (**Rs**/=) of the purchase price shall be paid by the Vendee by a bank loan obtained from within of the execution hereof. (if necessary)
5. The Vendor has to produce all relevant documents to the Vendee to obtain the Bank loan.
6. In case of a bank loan, the seller must clear out the relevant issues regarding the land.
7. That the said sale and purchase of the said property shall take place on or before the day of 20.....
8. That the balance sum of **RUPEES** (**Rs**/=) of the purchase price shall be paid by the Vendee at the execution of the Deed of Transfer when the vacant possession is given.

9. That the transaction or sale referred to herein shall be made and completed on or before the date provided herein before namely the day of 20... upon:-
- (a) The Vendee or his nominee or nominees paying to the Vendor the purchased price less the advance or part payment paid hereunder.
 - (b) With the Vendee paying the balance consideration as afore-stated and the Vendee's Notary the Deed of Transfer of the said land and premises more fully described in the schedule hereto in favor of the Vendee such Deed of Transfer being drafted and prepared in the customary form by the Vendee's Notary at the cost and expense the Vendee and/or his nominee or nominees.
10. The Vendor shall handover the vacant possession of the said land and premises free of all or any encumbrances at the execution of the Transfer Deed.
11. That the Vendor shall and will give implied and express warranties of the title of the Deed of Transfer.

All notices or anything required to be given in writing herein shall be deemed sufficiently given or served if addressed and sent by registered post to the said Vendor and to the Vendee at their respective addresses afore-stated or to such other address as the parties hereto shall notify each other in writing sent by registered post.

IN WITNESS WHEREOF the parties hereunto and to one other of the same tenor and date as these presents set their respective hands at on thisday of Two Thousand and

THE SCHEDULES ABOVE REFERRED TO

NOTARY PUBLIC

**REQUEST FOR PROPOSALS FOR
THE ESTABLISHMENT OF 60MW WIND
POWER PLANTS IN (1 – 10)MW CAPACITIES
ON BUILD, OWN AND OPERATE BASIS**

International Competitive Bidding (ICB)

PROPOSAL FOR WIND POWER PLANT

Tender No: TR/RED&PM/ICB/2019/002-1/C

November 2020

VOLUME II

PROPOSAL LETTERS AND FORMS

Ceylon Electricity Board
No. 50, Sir Chittampalam A. Gardiner Mawatha, COLOMBO 00200,
SRI LANKA



Volume II**SECTION A****PROPOSAL LETTER FOR WIND POWER PLANT ON BUILD, OWN AND OPERATE BASIS AND CERTIFICATE OF PURCHASE OF RFP****Tender No: TR/RED&PM/ICB/2019/002-1/C**

Wind Power Plant connected to **Madampe** Grid substation
 CapacityMW

To: The General Manager, Ceylon Electricity Board

In response to the RFP entitled " REQUEST FOR PROPOSALS FOR THE ESTABLISHMENT OF 60MW WIND POWER PLANTS IN (1 - 10)MW CAPACITIES ON BUILD, OWN AND OPERATE BASIS " and in accordance with the Instructions to Project Proponents, the undersigned hereby proposes to the Ceylon Electricity Board an agency of the Ministry of Power and Renewable Energy of the Government of Sri Lanka, to finance, design, procure, construct, commission, operate and maintain a Wind power plant connected to **Madampe** Grid substation on a Build, Own and Operate basis, in accordance with the provisions of this RFP and the Project Agreement set out in the RFP.

The undersigned agrees that this proposal shall remain open for acceptance and shall remain irrevocable for a period of 150 calendar days from the Closing Date given in the RFP, and it shall remain binding upon the undersigned and may be accepted at any time before the expiration of that period. The undersigned certifies that he or she has examined and is fully familiar with all of the provisions of the RFP, the Project Agreements and any addenda thereto; has carefully reviewed the accuracy of all statements in the RFP and attachments thereto, and, by careful examination of the RFP, the Project Agreements and any addenda thereto, is satisfied as to the nature and location of all the works, the general and local conditions of the agreements and all other matters which can in any way affect the Facility or the cost thereof. The undersigned hereby agrees that the CEB or their representatives will not be responsible for any errors or omissions on the part of the undersigned in preparing this Proposal.

On acceptance of the Letter of Award the undersigned shall submit a Performance Security (Bond) in the form of a bank guarantee to an amount of LKR Ten Million (LKR10,000,000/-) per MW and agrees to execute the Power Purchase Agreement for the provision of the Facility to be financed, designed, constructed, commissioned, operated and maintained by a Project Company of the undersigned.

Attached hereto and by this reference incorporated herein and made a part of this proposal are the data required under the heading: "PROPOSAL FOR WIND POWER PLANT CONNECTED TO MADAMPE GRID SUBSTATION(..... MW)".

In addition to the proposal data required, the undersigned encloses the following additional information:

.....

The undersigned also acknowledges receipt, understanding, and full consideration of the following addenda to the RFP into the Proposal:

Addenda Nos: _____

Name: _____

In the Capacity of: _____ (Title)

duly authorized to sign proposal for an on behalf of

Project Proponent: _____ (Name)

Dated: _____

Office address:

_____ (P.O. Box or Street and No.)

_____ (Town)

_____ (Telephone No.) _____ (Telex No.)

_____ (Mobile No.)

_____ (Fax No.)

_____ (Email)

Signature: _____

CERTIFICATE OF PURCHASE OF RFP

(Original of this certificate of purchase to be filled and signed by the authorized person on behalf of the Project Proponent and submitted along with the Proposal)

REQUEST FOR PROPOSALS FOR THE ESTABLISHMENT OF 60MW WIND POWER PLANTS IN (1 - 10)MW CAPACITIES ON BUILD, OWN AND OPERATE BASIS

Tender No: TR/RED&PM/ICB/2019/002-1/C

Project Proponent's name:

.....

Non-refundable fee receipt No.(PIV No.& Date) :

Deputy General Manager (RED&PM)

Ceylon Electricity Board

Date:.....

I/We agree to abide by the conditions of the RFP purchased from the CEB and submit my/our "Proposal" as per the requirements of the RFP.

Grid Substation to be connected : **Madampe**

Name & Position of Signatory:

.....

Address of the Project Proponent:

.....

.....

.....

.....
Signature of the Project Proponent and the Seal

Date:

Volume II

SECTION B

DETAILS OF THE PROJECT PROPONENT

Date of Submission:

1. NAME OF THE ORGANIZATION*
 2. YEAR OF INCORPORATION*
 3. TYPE OF THE ORGANISATION* (State whether an Incorporated New Company/ Incorporated Existing Company/ Joint Venture/, etc.)
 4. OFFICE ADDRESS:*
- TELE/FAX NO: _____ EMAIL: _____
5. OBJECTIVES OR LINE OF BUSINESS:
 6. WHO IS ACTIVELY MANAGING THE AFFAIRS OF THE COMPANY?
 7. WHO IS THE REPRESENTATIVE FOR THE COMPANY IN RELATION TO THIS PROPOSAL?**

* Attach certified copies of relevant documents issued by Registrar of Companies and Memorandum of Association or Joint Venture Agreement as applicable.

** Attach Certified copy of Board's resolution or Power of Attorney authorizing its representative to file the proposal.

8. NAMES OF ALL INDIVIDUAL LEGAL ENTITIES COMPRISING THE PROJECT PROPONENT

Name of the * member/ Parent company/affiliate companies/partners	Office address (including phone and fax no.)	Role of the member in this project	% equity contribution **	Years of experience & type of work undertaken ***
---	--	---------------------------------------	---------------------------------	--

- * The Memorandum and Articles of Association (or the Joint Venture Agreement if applicable) shall be attached hereto and the lead member shall be identified.
Brochures, leaflets, annual reports, etc., describing each member (or relevant parent/affiliates/partners) shall be attached.
- ** Attach memorandum of commitment of members to provide the required equity.
- *** State the main activity or business of each member (or parent/affiliate)
i.e., Construction, design, project management, utility operations, finance, etc.

Note: If the annual report does not include audited profit and loss account and balance sheet, please supply those separately

9. EACH OF THE PROJECT PROPONENT'S MEMBERS AND RELEVANT PARENT/AFFILIATE COMPANIES' MEMBERS OF THE BOARD OF DIRECTORS

Members of the Board

Name:

Function:

Chief Executive Officer

Name:

Designation:

Attach a certified true copy of Board's Resolution or Power of Attorney authorizing its representative to file the proposal.

(Please use another sheet for additional information)

10. **EXPERIENCE RECORD OF THE PROPOSED WIND TURBINE MANUFACTURER(S)/ SUPPLIER(S) ***

Name and Address *:

Number of years of experience as a Wind Turbine manufacturer:

NAME AND ADDRESS OF THE CLIENT (Including Contact Telephone Numbers)	NAME OF THE PROJECT & LOCATION	WIND TURBINES				
		TOTAL CAPACITY	No. OF UNITS	MODEL	TURBINE TYPE	ACCUMULATED OPERATING HOURS

- * Literature/brochures/technical magazines describing the business/facilities/organization of manufacturer shall be attached, as well as an Expression of Interest for the supply of wind turbines.

Volume II

SECTION C

Financial Plan

The financing plan should include the following;

- Total estimated cost with a breakdown of Plant and equipment cost, construction cost, cost of land, cost of interconnection, operation & maintenance cost
- Likely revenue streams
- Cost of funds (including both equity and debt)
- Equity component and its break up to demonstrate the commitments by each of the equity participants
- Details of expected loan capital for the Project, giving details of the amount of loan each lending institution *
- Other Financing information

***A “letter of comfort” issued by the bank should be attached with the Proposal, in support of this**

Volume II**SECTION D****TARIFF PROPOSAL****Tender No: TR/RED&PM/ICB/2019/002-1/C**

Please note that the tariff payable will be a flat tariff for the entire contract period. There will not be any escalation to the applicable Tariff during the entire Contract period.

The Maximum Tariff (Upper Benchmark) = 14.54LKR/kWh

	LKR/kWh	
	In figure	In words
Tariff for delivery of energy from the Wind Power Project		

LKR/kWh: Sri Lankan Rupees per Kilo Watt hour

The figure shall be given only up to TWO decimal places

Name: _____

In the Capacity of: _____ (Title)

Duly authorized to sign proposal for an on behalf of

Project Proponent: _____ (Name)

Signature: _____

Dated: _____

Witnesses:

1.

2.

Name:

Name :

NIC/Passport No.:

NIC/Passport No.:

Volume II**SECTION E****COMPLIANCE SCHEDULE****Tender No: TR/RED&PM/ICB/2019/002-1/C**

NON AVAILABILITY OF ANY ONE OF THE FOLLOWING INFORMATION AND ANNEXES COULD ALSO RESULT IN THE REJECTION OF THE PROPOSAL (Refer Clause 6.3 & 6.4 of RFP Volume I)

	Requirement	Complied (Yes/No)	Remarks
1	Proposal Letter and Certificate of Purchase of RFP (Section A of Volume II of RFP) RFP should be purchased from CEB		Please annex the duly filled Proposal letter, original of the Certificate of Purchase of RFP and copy of the Pay-in-voucher of CEB
2	Proposal Security amounting to Sri Lankan Rupees 2 (Two) million per MW		Provide the Original Proposal Security
3	Certificate of Registration. [Requirement under the Public Contract Act No. 3 of 1987]		Provide as per section 6.3.i of Volume I of RFP (Form PCA3)
4	Details of the Project Proponent (Section B of Volume II of RFP)		Provide requested details and attach relevant documents
5	Duly executed Board Resolution or Power of Attorney to the authorized representative who is to sign on behalf of the Project Proponent.		Should be provided
6	Wind Turbine Specifications. Wind Turbines should be complied with international standard IEC 61400-1 or latest available equivalent Standards		Provide the Documentary proofs
7	Financial Plan (Section C of Volume II of RFP) Letter of Comfort from the potential lenders (Bank) for the full debt amount and a memorandum by the project proponent for the full equity amount		Provide requested details
8	Tariff Proposal (Section D of Volume II of RFP)		Attach duly filled tariff proposal
9	Technical Information		Provide the details as in 3.1 of Volume I

10	Plant layout including a single-line diagram of the electrical system up to grid interconnection		Should be provided
11	Expression of Interest from the prospective Wind Turbine supplier to supply the required number of Wind Turbines for the project		Should be provided
12	The relevant documents as specified in Section 1.3.1 of Volume I		Provide the relevant set of documents as specified in 1.3.1 of Volume I
13	Feasibility study report		Provide as per section 2.7.2 of Volume I of RFP

Name: _____

In the Capacity of: _____ (Title)

Duly authorized to sign proposal for an on behalf of Project Proponent:

_____ (Project Proponent's Name)

Signature: _____

Dated: _____

**REQUEST FOR PROPOSALS FOR
THE ESTABLISHMENT OF 60MW WIND
POWER PLANTS IN (1 - 10)MW CAPACITIES
ON BUILD, OWN AND OPERATE BASIS**

International Competitive Bidding (ICB)

PROPOSAL FOR WIND POWER PLANT

Tender No: TR/RED&PM/ICB/2019/002-1/C

November 2020

VOLUME III

POWER PURCHASE AGREEMENT

Ceylon Electricity Board

**No. 50, Sir Chittampalam A. Gardiner Mawatha, COLOMBO 00200,
SRI LANKA**



**AGREEMENT FOR PURCHASE OF ELECTRICAL ENERGY
BETWEEN
THE CEYLON ELECTRICITY BOARD
AND
xxxxxxx (Pvt) Ltd
xxxxxxxxxx Wind Power Project
Installed CapacitykW
Ref:**

This Agreement is made and entered into at Colombo this **xxth day of xxxx 201x** by and between the **Ceylon Electricity Board**, a body corporate duly constituted by Act No. 17 of 1969 and having its head office at 50, Sir Chittampalam A. Gardiner Mawatha, Colombo in the Democratic Socialist Republic of Sri Lanka (hereafter referred to as "**CEB**"), and **xxxxxx (Private) Limited** a limited liability company duly incorporated in Sri Lanka under the Companies Act No. 7 of 2007 and having its Registered office at **xxxxxxxxxxxxxxxxxx** (hereafter referred to as "**Seller**" which term or expression where the context so requires means and includes the said **xxxxxx (Private) Limited** and its successors and assigns, as permitted hereby).

WHEREAS, the Seller has submitted a proposal for sale to CEB of electrical energy from a small power production facility in Sri Lanka; and

WHEREAS, the Seller's project and tender of electrical energy for sale qualifies under the Small Power Producer Procurement Scheme of CEB, which is approved by the Government; and

WHEREAS, CEB may purchase electrical energy under applicable law and regulations of the Democratic Socialist Republic of Sri Lanka; and

WHEREAS, the Seller is a company duly incorporated and validly existing under the laws of the Democratic Socialist Republic of Sri Lanka, has all requisite corporate and legal authority to execute this Agreement, and is permitted by applicable laws and regulations to sell independently produced power; and

WHEREAS, the Seller wishes to sell and to deliver, and CEB wishes to purchase and to accept delivery of, the offered electrical energy to be produced by the Seller from the Facility described at Appendix B, all pursuant to the terms and conditions as set forth in this Agreement;

WHEREAS, CEB is a body corporate that is not able to assert any defences of sovereign immunity to enforcement of contracts with private entities.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the Seller and CEB hereby agree as follows:

ARTICLE 1 DEFINITIONS

When used with initial capitalization, whether in the singular or in the plural, the following terms shall have the following meanings:

"Agreement" means this document, including its appendices and all documents, regulations, or standards incorporated by reference, as such may be amended from time to time.

"Appendix A" means the appendix to this document defining the tariff applicable for sale of energy output to CEB by **(name of the seller)**

"Appendix B" means the appendix to this document setting out key specifications of the Seller's Facility

"Appendix C" means the appendix to this document defining the technical standards for testing the Facility for the purpose of demonstrating whether or not the Facility satisfies the grid connection requirements of CEB.

"Commercial Operation Date" means the following the day on which:

- (1) Subject to Article 4.3, the Seller notified CEB that electrical energy deliveries can commence, and
- (2) The Seller has commenced deliveries of electrical energy to CEB.

"Contract Year" means the twelve-month period beginning with the Commercial Operation Date and each succeeding twelve-month period.

"Due Date" means forty-five (45) days after the date on which CEB reads its meters installed at the Metering Point for the purpose of determining the amount of Energy Output of the Facility for the prior period, which reading shall occur pursuant to Article 5.2(a).

"Emergency" means a condition or situation, which is likely to result in disruption of service to CEB's customers, or is likely to endanger life or property.

"Energy Input" means the amount of Electrical Energy import to the facility from CEB Grid under the agreement entered into between the Seller and the CEB.

"Energy Output" means the amount of electrical energy generated by the Facility and delivered to CEB under this Agreement.

"Facility" means all of the Seller's equipment and appurtenant land at a single site or parcel of land utilised to produce and deliver Energy Output, including but not limited to, Seller's generation, transmission, metering, and protective equipment.

"Government" means the Government of the Democratic Socialist Republic of Sri Lanka.

"Grid Point" means the connection stud of the last facility side isolator located on the grid system of CEB; depicted as "G" on the diagram in Exhibit A.

"IEC Standards" means the relevant standards published by International Electrotechnical Commission of No. 3, rue de Varembe, P.O.Box 131, CH-1211 Geneva, Switzerland.

"Prudent Utility Practices" means accepted international practices, standards and engineering and operational considerations, including but not limited to, manufacturers' recommendations and the exercise of reasonable skill, diligence, foresight, and prudence that would be exercised or generally followed in the operation and maintenance of facilities similar to the Facility.

"Interconnection Guidelines" means the CEB Guide for Grid Interconnection of Embedded Generators, Sri Lanka (2000) or any subsequent version of this or a reasonable and prudent substitute guidance accepted by CEB or standard adopted by CEB to apply to interconnection of the facilities of Small Power Producers.

"Metering Point" means the point where CEB metering of Seller's Energy Output and Energy Input to the seller initially takes place and where title to electricity delivered by Seller passes to CEB. The Metering Point is shown as Point M on Exhibit A.

"Must Run Facility" means the Seller has operating control over the amount and timing of electrical energy to be generated by the Facility, subject only to Emergencies and such directions as may be issued by CEB for the protection of its electrical system.

"MW" means a megawatt or 1000 kilowatts.

"Month" or "month" means a calendar month.

"Party" means the Seller or CEB.

"Prime Rate" means the prime rate as announced from time to time by the Central Bank of Sri Lanka for Rupee amounts, and in force on such date and, for the purpose of this Agreement, a change in any such rate shall be effective on, or from date on which it is announced or, if such announcement provides for such change to come into effect on a later date, on and from such later date.

"Regulator" means the electricity regulatory authority of the Democratic Socialist Republic of Sri Lanka, the Public Utilities Commission of Sri Lanka (PUCSL) or his delegate.

"Scheduled Outage" means an outage which is scheduled in advance for the purpose of performing maintenance on the Facility.

"Small Power Producer" means the owner or operator of the Facility

"Transmission Line" means the transmission line which connects the generators to the Grid Point enabling the Seller to deliver electrical energy generated by the Facility to the CEB.

"Termination Point" means the connection stud of the facility side isolator located on the grid system of CEB; depicted as "T" on the diagram in Exhibit A.

"Unscheduled Outage" means an outage, which is not a Scheduled Outage.

ARTICLE 2 SALE AND PURCHASE OF ENERGY OUTPUT

2.1 Sale and purchase of Energy Output

The Seller shall deliver and sell, and CEB shall accept and purchase the electrical Energy Output generated by the Facility of the Seller, which Seller shall maintain its status as a Small Power Producer and which Energy Output shall be as specified in Appendix B for Quality of Electrical Energy at the Termination Point.

2.2 Obligations of the Seller

- a) The Seller shall notify CEB in writing at least 30 days prior to synchronising or operating the Seller's generators in parallel with the CEB grid system, and co-ordinate such commencement of operation with CEB. Seller if required may purchase energy from CEB National Grid ("Energy Input") after signing an agreement with the relevant provincial office of the CEB.
- b) Prior to the Commercial Operation Date and thereafter on or before 1st December of each subsequent Year, the Seller shall furnish to CEB an annual forecast that includes the following: (i) anticipated monthly generation (kWh), **mean wind speed (m/s)**, available capacity (kW), and (ii) Scheduled Outages for each year; provided, however, the Seller shall have no liability to CEB in the event that actual amount of electrical energy delivered to CEB, available capacity or the times of said delivery, differ from the amounts or times shown in said forecasts. The Seller shall provide the CEB following data monthly: (i) **half hourly wind speed (m/s)** and direction measured at site, (ii) half hourly energy generation by each s, throughout the Term of this Agreement, in a suitable electronic format.

- c) The Seller shall maintain the Facility according to Prudent Utility Practices to ensure that the installed capacity, as stated in Appendix B (Installed Capacity expressed in kW) of the Facility is available throughout the Term.
- d) The Seller shall notify CEB one month in advance of Scheduled Outages, including a non-binding estimate of expected length, and as soon as possible, of any Unscheduled Outages, including a non-binding estimate of expected length.
- e) Notwithstanding that the Seller's Facility is a Must Run Facility, whenever CEB's system or the systems with which it is directly interconnected experience an Emergency, or whenever it is necessary to aid in the restoration of service on CEB's system or on the systems with which it is directly or indirectly interconnected, CEB may, in its sole discretion, curtail or interrupt the taking of all or a portion of Energy Output thereunder, provided such curtailment or interruption shall continue only for so long as it is reasonably necessary under Prudent Utility Practices.
- f) The Seller shall comply strictly with Interconnection Guidelines and all CEB Standards applicable to interconnection of similar facilities. The Seller shall make all arrangements at its own expense necessary to make available the Energy Output to CEB at the Grid Point. CEB shall cooperate with the Seller in these arrangements.
- g) The Seller shall obtain all the necessary permission, clearances for construction and operation of the facility. The Seller should obtain the permit from the Sri Lanka Sustainable Energy Authority prior to the Commercial Operation of the power plant.

2.3 CEB's obligations

- a) CEB's obligations to make payments as described herein, shall continue during the term of this Agreement, and shall only be excused in the event of Force Majeure arising under Article 6 herein.
- b) Because the Seller's Facility is a Must Run Facility, CEB shall use its best efforts to coordinate and to minimize any periods of interruption, reduction, refusal, or curtailment as provided for in this Article with the periods of previously Scheduled Outage at the Facility. CEB shall, prior to initiating any interruption, reduction or refusal of Energy Output under this Article, use its best efforts to provide the Seller with a minimum of twenty-four (24) hours advance notice, such notice to include an explanation of the cause of the interruption, and an estimate of the start and duration of the interruption.
- c) CEB shall not assert the Seller's liability for, and the Seller shall not be liable to CEB for, any direct damages resulting from the Seller's inadvertent or accidental and non-negligent failure in meeting the Energy Output. Without CEB's prior written approval, the said limitation of the Seller's liability shall not apply where the Seller deliberately reduces Energy Output for the purpose of selling or attempting to sell electrical energy to any third party, or for the purpose of producing any other form of energy capable of being produced at the Facility.

2.4 Interruptions

- a) CEB may interrupt, reduce or refuse to purchase and accept delivery of all or a portion of Energy Output from the Facility, to the extent that such interruption, reduction or refusal is necessary, in CEB's sole discretion, under Emergencies or under Prudent Utility Practices, in order for CEB to install equipment, make repairs, replacements, investigations or inspections of CEB's electrical network.

- b) Even though the Seller's Facility is a Must Run Facility, CEB shall not be obligated to purchase or take Energy Output if the Facility is not operated and maintained in a manner consistent with Prudent Utility Practices in accordance with Article 4.

ARTICLE 3 TERM; TERMINATION

3.1 Term

As of the date and when signed below by all Parties, this Agreement shall commence and, subject to the termination provisions set forth in this Agreement, shall continue for a period of **twenty (20)** years, beginning on the Commercial Operation Date. Notwithstanding the foregoing, the applicable provisions of this Agreement shall remain in effect after termination hereof to the extent necessary to provide for final billings, billing adjustments, payments, and effectuation of all rights hereunder.

3.2 Default

- (a) Events of Default hereunder shall be each or any of the following events:

- (i) The Seller fails to achieve the milestones set forth in Article 11(b).
- (ii) The Seller fails to complete, abandons, or cancels construction of the Facility.
- (iii) <not applicable>
- (iv) The adjudged bankruptcy, dissolution, or liquidation of either Party, in which case the bankrupt, dissolved, or liquidated Party shall be deemed to be the Party in default hereunder.
- (v) Either Party fails to perform or observe any of the terms, conditions, or provisions of this Agreement and the appendices hereto, and such failure shall not be rectified or cured within sixty (60) days after written notice thereof from the non-defaulting Party, provided, however, that if such failure cannot reasonably be cured within such sixty (60) day period, such further period, not to exceed two years after written notice thereof, as reasonably shall be required to effect such cure, provided that the defaulting Party commences within such sixty (60) day period to effect such cure and at all times thereafter proceeds diligently to complete such cure as quickly as possible, subject to the provisions of Article 6.
- (vi) Without reasonable excuse, the failure of any party to make an undisputed payment when due and non-payment continues for more than ninety (90) days.
- (vii) The compulsory expropriation, acquisition or nationalisation of the material assets or equity of the Seller by any instrumentality of the Government, or the dissolution or reorganisation of CEB such that it cannot perform its obligations hereunder.
- (viii) Either Party contests and denies the enforceability of this Agreement, in which case the Party contesting enforceability shall be deemed to be the Party in default hereunder.

(b) Termination

Upon the occurrence of an Event of Default, in each and every case, the non-defaulting Party shall give 30 days written notice to the defaulting Party and may pursue any

remedies provided for in this Agreement or under law, and may terminate this Agreement by giving 60 days written notice to the other Party, provided that should CEB claim any Event of Default against the Seller, it shall notify and afford the Seller's lenders reasonable time, access and opportunity to remedy the event giving rise to the default, and shall cooperate with the Seller's lenders to this end.

ARTICLE 4 CONSTRUCTION; INTERCONNECTION; OPERATION; METERING

4.1 Approvals

- a) The Seller shall obtain and remain in compliance with all governmental and other environmental and other approvals, licenses, permits, and certificates necessary for the construction, and operation of the Facility for the duration of this agreement.
- b) The Seller shall obtain all licenses, permits, approvals and registrations necessary, imposed or required by the Government of Sri Lanka and/or any other agency or any local authority in Sri Lanka and shall comply with all legal requirements relating thereto, to enable the Seller to construct, develop, maintain and operate the Facility in accordance with this Agreement.
- c) The Seller shall obtain all customs clearances and approvals for the importation and transportation of all equipment necessary for the design, and construction of the Facility.
- d) The Seller shall obtain all necessary visas and work permits from Government agencies or departments in Sri Lanka to enable the Seller's expatriate officers and staff to work in Sri Lanka for the duration of their assignment.

4.2 Standards

- a) CEB's standards and requirements for equipment, transmission, and distribution including the Interconnection Guidelines shall apply to the Facility and to the Transmission Line.
- b) The Facility shall be operated by the Seller in a manner consistent with Prudent Utility Practices.

4.3 Testing

Upon completion of construction, the Facility shall be tested by and at the expense of the Seller as per with the technical standards set out in Appendix C hereof, and incorporated by reference herein. CEB shall be entitled to witness testing procedures. The Parties shall meet and agree to the procedures, standards, protective settings and a program for the testing of the Facility in accordance with the Appendix C hereto. CEB undertakes to accept and pay for all electrical output generation during any such testing. The Seller shall certify in writing to CEB as provided in Article 10 (h) (2), that the Facility conforms to the specifications for Quality of Electrical Energy at the Termination Point set out in Appendix B and incorporated by reference.

4.4 Inspection of Seller's equipment

Upon reasonable prior notice, CEB has the right to inspect the Seller's equipment of the Facility to ensure compliance with Prudent Utility Practices and the Interconnection Guidelines. Such access shall not interfere with the Seller's normal business operations. If, in the opinion of CEB, the Seller's equipment is not being so operated and maintained, CEB shall notify the Seller of any such discrepancies which the Seller shall correct promptly. Until such correction, CEB is not required to accept and pay for Energy Output.

4.5 Not used

4.6 Meters

- a) The CEB shall procure, own and maintain the all (main and backup) metering equipment ("Metering Equipment") employed for purposes of measurement and billing under this Agreement, at the cost and expense of the Seller. The Metering Equipment will be located at the Metering Point depicted as "M" in Exhibit A. The Metering Equipment shall be sealable.
- b) The Seller shall provide CEB access to the Facility at all reasonable times upon reasonable prior notice for the purpose of examining the operation of the Facility or other purposes reasonably related to performance under the terms of this Agreement. Such access shall not interfere with the Seller's normal business operations. All CEB personnel shall follow all Facility safety and procedural rules while on the Facility premises.
- c) The Metering Equipment shall be tested at least annually, at the Seller's expense, in accordance with Prudent Utility Practices. At any reasonable time, either Party may request a test of the accuracy of any metering equipment. Each Party shall bear the cost of a test requested by it. The results of meter calibrations or tests shall be available for examination by the Parties at all reasonable times. If, at any time, any metering equipment is found to be inaccurate by more than point five percent (0.5%), CEB shall cause such metering equipment to be made accurate or replaced as soon as possible. Each party shall be present for breaking the seals, testing, recalibration and sealing of meters. If either Party believes that there has been a meter failure or stoppage, it shall immediately notify the other. CEB shall then investigate and take corrective action if so required.
- d) Testing and calibration of meters, and any verification of meter accuracy, shall be performed pursuant to IEC Standards, by CEB or by a mutually agreed upon qualified independent third party. Calibration shall occur before use of the meters. All meters shall be sealed and locked by CEB after calibration. The Seller shall be notified of calibration, and have the right to be present at such testing and calibration.
- e) Any supplemental electrical energy purchased by Seller shall be pursuant to normal CEB tariffs for that category and amount of power.

4.7 Transmission Line

Seller shall design and construct the Transmission Line up to Grid Point as per CEB technical standards and IEC Standards at the cost and expense of the Seller so as to be available to transmit the electrical energy generated by the Facility as of the Commercial Operation Date. The Transmission Line up to Grid Point will be operated and maintained by the Seller at its own cost and expense.

4.8 Protective Apparatus

- a) Seller shall install at its own expense such protective apparatus as reasonably required by CEB to protect from damage the CEB system from fluctuations or variations in voltage, power, current and frequency of the Energy Output, and so as to satisfy the Specification of the Seller's Facility for Quality of Electrical Energy at the Termination Point set out in Appendix B herein.
- b) CEB shall have the right to review the design of all equipment of the Seller as to the adequacy of the protective apparatus provided at the Facility. The Seller shall be notified of the results of such review by CEB in writing within thirty (30) days of the receipt of

all specifications related to the proposed design. Any flaws perceived by CEB in the proposed design shall be described in the written notice. Any additions or modifications required by CEB shall be incorporated by the Seller.

ARTICLE 5 DELIVERY AND ACCEPTANCE OF ENERGY OUTPUT; PAYMENT

5.1 Title to Energy

CEB shall accept all Energy Output that substantially satisfies the specification of the Seller's Facility for Quality of Electrical Energy at the Termination Point set out in Appendix B herein, and title to such Energy Output shall pass from Seller to CEB at the Metering Point. Where these Specifications are not substantially satisfied, CEB may reject such Energy Output where it could reasonably damage CEB's system, by disconnecting the Facility from the CEB's system.

5.2 Billing

- a) CEB shall read its meters provided as in Article 4.6 (a) at the end of each month for determination of the electrical energy delivered to and accepted by CEB under the terms of this Agreement, and shall supply the results of such meter readings (including time and date of the reading) to the Seller within fifteen (15) days following the reading thereof.
- b) CEB shall pay the Seller on or before the Due Date the Tariff as calculated pursuant to the provisions of Appendix A for all Energy Output that is not disputed in good faith pursuant to Article 8. Any undisputed amounts unpaid after the Due Date shall bear interest at the Prime Rate compounded on a monthly basis. Either party may dispute any billing error, amount, or payment by written notification to the other Party within one (1) year of receipt of a meter reading or other alternative billing information pursuant to subpart (d) of this section, whether or not payment has been made by CEB. If dispute resolution is in favour of the Seller, CEB shall pay the disputed amount plus interest at the Prime Rate, compounded monthly, from the Due Date to the date payment is made. If resolution is in favour of CEB, the Seller shall refund any payment received of the disputed amount plus interest at the Prime Rate, compounded monthly, from the original Due Date to the date the refund is made. All such payments shall be due within fifteen (15) days of the date of such resolution.
- c) In the event that any data required for the purpose of determining payment hereunder are unavailable when required, such unavailable data may be estimated by CEB, subject to any required adjustment based upon actual data in the next subsequent payment month.
- d) To determine the amount of electrical energy delivered and accepted, billing and payment will be based on the first available of the following metering or estimation options in order of preference:
 - i. The primary (main) CEB meter measurement(s) when that CEB meter satisfies for the period at issue the accuracy standard in Article 4.6(c); or
 - ii. The backup CEB meter measurement when that meter satisfies the accuracy standard in Article 4.6(c) for the period of issue.
 - iii. Where all above meters and sub meters fail to accurately register electrical energy delivered and accepted, the average monthly electrical energy delivered and accepted during the previous twelve (12) billing periods prior to meter failure (or fewer months if the Facility is less than twelve months from the Commercial

- Operation Date), as adjusted or normalized for outages, shall be used to estimate electrical energy delivered and accepted by the Facility for the period of issue.
- e) CEB may set off amounts owed by CEB to the Seller regarding the Facility against amounts owed by the Seller to CEB regarding the Facility under this Agreement.
 - f) The Seller may interrupt, reduce or refuse to make available Energy Output to CEB only to the extent that the Seller reasonably determines that such interruption, reduction, or refusal is necessary in order to install equipment in, make repairs, replacements, investigations and inspections of, or perform maintenance on the Facility which directly affects, the Energy Output. The Seller shall, prior to initiating any interruption, reduction or refusal of Energy Output, use its best efforts to provide CEB a minimum of twenty-four (24) hours advance notice, such notice to include an explanation of the cause of the interruption, and an estimate of the start and duration of the interruption.
 - g) All payments made under this Agreement shall be calculated as per the Appendix A of this agreement. Any applicable Value Added Tax or similar Sales Taxes that is payable will then be added to such payments.
 - h) CEB shall supply and sell electricity to the Facility under normally applicable terms, conditions, and rates for the category of service and demand of the Facility's usage of power.

ARTICLE 6 FORCE MAJEURE

- a) For purposes of this Agreement, the term "Force Majeure" shall mean any of the following events not within the reasonable control and not due to the failure, negligence or persistent disregard of the Party whose performance is adversely affected or becomes impracticable, and who chooses to invoke Force Majeure:
 - i. Action of a court or public authority having or purporting to have jurisdiction or restraints by a court or regulatory agency;
 - ii. A break or fault in CEB's transmission or distribution systems or failure of CEB's or the Seller's transformers, switches, or other equipment necessary for delivery and receipt of electrical energy by CEB from the Seller;
 - iii. Any Act of God, fire, explosion, excessive rains, floods, tidal wave, epidemic, hurricane or earthquake;
 - iv. Any other cause, whether or not similar thereto, beyond the reasonable control of, and without the fault or negligence of, the party claiming Force Majeure.
 - v. Civil disturbance, insurrection, rebellion, hostilities, public disorder or public disobedience, sabotage, riot, embargo, blockade, quarantine, labour dispute, strikes, lockouts, acts of war or the public enemy whether or not war is declared;
 - vi. Nationalisation, expropriation, or confiscation of the assets or authority of CEB by any authority of the Government.
- b) Any obligations of either Party which arose before the occurrence of the Force Majeure event causing non-performance shall not be excused as a result of the occurrence of a Force Majeure event. The late payment of money owed is not excused by Force Majeure. No event resulting from a failure of a Party to operate and maintain their respective plant and equipment accordance with Prudent Utility Practices shall be deemed to be an event of Force Majeure.

- c) No default shall occur, provided that the adversely affected non-performing Party invoking Force Majeure shall:
 - i. Provide prompt notice in writing to the other Party of the occurrence of the Force Majeure, giving an estimation of its expected duration and the probable impact on the performance of its obligations hereunder, and submitting good and satisfactory evidence of the existence of the Force Majeure,
 - ii. Exercise all reasonable efforts to continue to perform its obligations hereunder,
 - iii. Expeditiously take action to correct or cure the Force Majeure and submit good and satisfactory evidence that it is making all reasonable efforts to correct or cure the Force Majeure,
 - iv. Exercise all reasonable efforts to mitigate or limit damages to the other Party, to the extent such action will not adversely affect its own interests, and
 - v. Provide prompt notice to the other Party of the cessation of the Force Majeure.
- d) If a Party is rendered wholly or partly unable to perform its duties and obligations under this Agreement because of a Force Majeure event, that Party shall be excused to the extent necessary from whatever performance is affected by the Force Majeure event to the extent so affected.
- e) "Notwithstanding the foregoing, if a Party is prevented from substantially performing its obligations under this Agreement for a period of three (3) years due to the occurrence of a Force Majeure event, the other Party may terminate the Agreement by ninety (90) days written notice given any time thereafter to the non performing Party, unless substantial performance is resumed prior to the expiration of the ninety (90) day period." CEB may not terminate the Agreement under this part due to a Force Majeure event described in Article 6(a) items (v) or (vi).

ARTICLE 7 RELATIONSHIP OF PARTIES; LIMITATION OF LIABILITY; INDEMNIFICATION

- a) The Parties do not intend to create any rights, or grant any remedies to, any third party beneficiary of this Agreement.
- b) Nothing in this Agreement shall be construed as creating any relationship between the Parties other than that of independent contractors for the sale and purchase of electrical energy generated at the Facility. No agency relationship of any kind is created by this Agreement.
- c) Notwithstanding subpart (d) hereof or any other provision of this Agreement to the contrary, neither CEB nor the Seller nor their respective officers, directors, agents, employees, parent, subsidiaries or affiliates shall be liable or responsible to the other party or its parent, subsidiaries, affiliates, officers, directors, agents, employees, successors or assigns, or their respective insurers, for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, including, without limitation, claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement).
- d) Each Party shall defend, indemnify and save the other party, its officers, directors, agents, employees and affiliates, harmless from and against any and all claims,

liabilities, actions, demands, judgements, losses, costs, expenses (including reasonable attorney's fee), suits, actions or damages arising by reason of bodily Injury, death, or damage to property sustained by any person or entity (whether or not a party to this Agreement):

- i. caused by or sustained on facilities owned or controlled by the Party, except to the extent caused by an act of negligence or wilful misconduct: by an officer, director, subcontractor, agent or employee of the other Party; or
 - ii. caused by an act of negligence or wilful misconduct of the Party or by an officer, director, subcontractor, agent or employee of the Party.
- e) If CEB and the Seller are both determined to have been negligent in a manner addressed by subpart (d) above, the obligations of the Seller and CEB shall be appropriately adjusted based on the percentage of the responsibility of each Party for such negligence.
- f) The Seller shall accept all liability and release CEB from and indemnify CEB against any liability for faults or damage to the CEB electrical system and the public, as a result of the operation of the Seller's equipment.

ARTICLE 8 DISPUTE RESOLUTION

- a) The parties agree that if there is any dispute or difference between them arising out of the Agreement or in the interpretation of any of the provisions thereof they shall endeavour to meet in an effort to resolve such dispute by discussion, within 30 days (Conciliation Period) of such dispute arising, failing such resolution then the parties in dispute shall refer at their costs the dispute to a mutually agreed expert with experience in the field of Power generation or related field or call upon the Government of Sri Lanka to appoint an expert in the field of Power generation or related field to resolve the matter within 60 days from the conciliation period, where the difference or dispute involves a claim in money this Article shall apply where the claim is less than Sri Lanka Rupees 1,000,000.00 . Where such dispute is not resolved as aforesaid at the end of ninety (90) days after the conciliation period notwithstanding the fact that the claim is less than Rs. 1,000,000.00 then the provisions of 8(b) shall apply.
- b) Any dispute that is not resolved under 8(a) above may be submitted by either party to arbitration for final settlement under the Arbitration Act No. 11 of 1995.
- c) The performance of the contract may continue during arbitration proceedings as far as possible.
- d) All proceedings and hearings by the Arbitrator shall be held in Sri Lanka in English language

ARTICLE 9 DELEGATION AND ASSIGNMENT

This Agreement shall inure to the benefit of and bind the respective successors, assigns, and delegates of the Parties. No assignment or delegation by the Seller of any of its rights, duties, or obligations here under shall be made or become effective without the prior written consent of CEB in each case being obtained, which consent shall not be unreasonably withheld by CEB or its successors in interest, except that without CEB consent the Seller may (1) delegate or assign some or all of its rights and duties to an affiliate whose principal functions are to hold the ownership interest in or to operate the Facility, or (2) assign or delegate to an unrelated entity for purposes of financing, obtaining equipment, or construction of the Facility. The Seller shall promptly notice CEB in writing of any assignment or delegation that it makes.

ARTICLE 10 MISCELLANEOUS PROVISIONS

- a) This Agreement may not be modified or amended except in writing signed on behalf of both Parties by their duly authorized officers.
- b) This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof, and all previous agreements, discussions, communications and correspondences with respect to the subject matter hereof are superseded by the execution of this Agreement.
- c) The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the Democratic Socialist Republic of Sri Lanka.
- d) Each Party represents and warrants to the other that the execution and performance of this Agreement does not conflict with any rules, regulations or requirements binding that Party, and that there is no legal or administrative action pending that prohibits or impairs the Party from performing under the Agreement.
- e) There shall be no implied waivers under this Agreement. The failure of either Party to require compliance with any provision of this Agreement shall not affect that Party's right to later enforce the same. It is agreed that the express waiver by either Party of performance of any of the terms of this Agreement or of any breach thereof shall not be held or deemed to be an implied waiver by that Party of any subsequent failure to perform the same or any other term or condition of this Agreement or of any breach thereof.
- f) If any clause of this Agreement is ruled invalid by a court of competent jurisdiction, it shall not affect the remainder of the Agreement if it can be construed to effect its essential purpose without the invalid clause.
- g) The headings in this Agreement are descriptive, and are not intended to affect the interpretation or meaning of the Agreement.
- h) Any notice, invoice, or other communication which is required or permitted by this Agreement, except as otherwise provided herein, shall be in writing and delivered by personal service, telecopy, or mailed postage prepaid, properly addressed as follows:
 - i. In the case of the Seller to: the person, the Seller, and address as indicated on the signature execution line below.
 - ii. In the case of CEB to: General Manager, Ceylon Electricity Board, No.50, Sir Chittampalam A Gardiner, Mawatha, Colombo 2, Sri Lanka.

Another address or addressee may be specified in a notice duly given as provided. Each notice, invoice or other communication which shall be mailed, delivered or transmitted in the manner described above shall be deemed sufficiently given and received for all purposes at such time as it is delivered to the addressee or at such time as delivery is refused by the addressee upon presentation.

ARTICLE 11 FIRST REFUSAL; MILESTONESa) First Refusal

At the conclusion of the Term of this Agreement, CEB shall have the right of first refusal on terms identical to those offered by a third party to the Seller, to purchase any electrical energy to be sold from the Facility after the term of this Agreement. The Seller shall inform CEB in writing of any such terms offered by a third party. CEB shall sixty (60) days thereafter to exercise its right of first refusal, if at all.

b) Milestones

- i. The Seller shall have a period of **eleven (11) months** for receipt of all permits and approvals necessary for land acquisition and use; construction, and operation of the Facility, from the date hereof.
- ii. The Seller shall have a period of **one (01) month** after achieving the Milestone (i) above, to achieve the Commercial Operation Date.

In witness whereof the Parties have executed this Agreement and one other of the same tenor, by affixing their respective common seals, as of the **xxth** day of the month of **xxxxxxx 20xx**.

CEYLON ELECTRICITY BOARD			THE SELLER		
	Seal			Seal	
1	By		1	By	
	Name			Name	
	Title	Chairman		Title	Director
2	By		2	By	
	Name			Name	
	Title	Vice Chairman		Title	Director
	Witness 1			Witness 1	
	Witness 2			Witness 2	

APPENDIX A
Tariff for Delivery of Energy Output
Calculation of the Tariff for Wind Technology

1. Payment for Energy Output

Payments to be made to the Seller under this Agreement will be as per the following flat tariff for the entire contract period. There will not be any escalation to the applicable Tariff during the entire Contract period.

Contract Year	Tariff (Rs/kWh)
1 - 20	<i>[tariff quoted by the Bidder with adjustments for foreign currency variations if given in the RFP]</i>

APPENDIX B**SPECIFICATIONS OF THE SELLER'S FACILITY**

NAME OF FACILITY	:	XXXXXXXXXX SPP DGM(EPT)/SP/
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LOCATION OF FACILITY:

Postal Address	:	
Telephone	:	
Route	:	Map is attached

<u>TYPE OF SOURCE</u>	:	Wind
TYPE OF POWER GENERATION TECHNOLOGY	:	Wind Turbine Generator

SPECIFICATION OF THE FACILITY:

Energy Source	:	Wind
Prime Mover (Indicate capacities in kW)	:	Wind Turbine (Unit Capacity)
Number of Units	:Units

GENERATOR SPECIFICATION:

Type	:	
No. of Generating Units	:	
Output Voltage	:	
Power Rating (indicate rates in kVA)	:	
Power Factor	:	
Method of output power Control	:	
Method of output voltage Control	:	

TRANSFORMER(S) SPECIFICATION:

Type	:	
Number of Transformers	:	
Unit Capacity (kVA)	:	
Primary / Secondary Voltage	:	

TRANSMISSION LINE SPECIFICATION

Conductor Type	:	
Number of Circuits	:	
Route Length	:	
Tower Type	:	

PROTECTION EQUIPMENT	:	As specified in the CEB Guide for Grid Interconnection of Embedded Generator (2000)
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QUALITY OF ELECTRICAL ENERGY AT THE TERMINATION POINT

Voltage	:	33 kV +/- 10%
Maximum Power Capacity (indicate in kW)	:	kW
Maximum Line Current	:	
Frequency	:	50 Hz
Power Factor	:	

ESTIMATED ANNUAL ENERGY OUT PUT

- a. Maximum estimated annual Energy Output

Month	kWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

- b. Minimum estimated annual Energy Output

Month	KWh
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TOTAL	

EXPECTED DATE OF TESTING	:	
PROPOSED GRID CONNECTION SCHEDULE	:	

APPENDIX C

TECHNICAL STANDARDS FOR TESTING OF THE FACILITY

1. The Engineering Recommendation G59/1 and connected documents thereto of The Energy Networks Association, 18 Stanhope Place, Marble Arch, London W2 2HH, United Kingdom
2. CEB Guide for Grid Interconnection of Embedded Generators, Sri Lanka (2000)
3. Any subsequent written agreement comes into force between the Seller and CEB on testing the Facility.

Information Copy - Not For Bidding

Exhibit A**INFORMATION TO BE INDICATED IN THE SINGLE LINE DIAGRAM**

1. The following are to be indicated in the Single-Line diagram:
 - (a). Grid Point "G", Termination Point "T" and Metering Point "M"
 - (b). Limits of Ownership for CEB & Seller
 - (c). All protection equipment
 - (d). Location of seller's energy metering equipment (if any)
2. VOLTAGE AT THE GRID POINT = 33kV (+10%, -10%)
3. VOLTAGE AT THE TERMINATION POINT = 33kV (+10%, -10%)

Single line diagram is given in page 83.

Note:

Metering Point	At this point CEB fixes its metering equipment for the measurement of Energy Output and the title of electrical energy passes to CEB.
Grid Point	Up to this point all developing costs shall be borne by the seller
Termination Point	The Seller owns all equipment except the portions marked as CEB's property up to this point and Seller has to operate and maintain them at his expense.

SINGLE LINE DIAGRAM OF THE FACILITY

Information Copy - Not For Bidding

ROUTE MAP (1: 50,000) AND PROJECT LOCATION

Information Copy - Not For Bidding