

Addendum 01

Thursday, 06 January 2022

This addendum is issued with respect to the **RFP No.: IRADe/SARI/2021-22/03- Request for proposal for Assessing the Potential Benefits of Cross Border Electricity Trade for Affordable Supply of Electricity, Facilitating Grid Balancing of Renewable Energy Integration, and Suggesting a Framework for Ancillary Service Market in the South Asia Region** issued on **28th December 2021**. This addendum has been issued to inform the following:

- a. The last date of submission of Proposals has been extended to **25th January 2022**.
- b. The responses against pre-bid queries received for the above mentioned RFP is listed below:

| SN. | RFP Reference & Clause | Comments/Queries | Response from IRADe |
|---|-------------------------|--|--|
| Queries from GE Energy Consulting, Bangalore | | | |
| 1. | General Clarification | <p>We would like to request SARI/EI to kindly consider an extension of at least 10 business days in the bid submission deadline. This is in order to allow suitably sufficient time to the prospective bidders to consider all responses to the clarifications (due by 5th Jan) and subsequent discussions during the pre-bid meeting (assumed date post 5th Jan) appropriately in their offers.</p> <p>Trust you would consider our request favorably.</p> | The submission of Technical and Financial Proposals have been extended to 25 th Jan 2022 |
| 2. | 3.4. Objective of Study | <p>We understand that this analysis needs to be undertaken considering all 8 South Asian Countries (viz. Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka). However, there may be significant challenges related to data and information sharing with some countries.</p> <p>Request if these challenges are considered while deciding on the study scope and countries to be covered along with suitable mitigation measures to address them.</p> | The study needs to be done for the BBINS countries (Bangladesh, Bhutan, India, Nepal and Sri Lanka). |
| 3. | 3.5. Scope of work | For the purpose of this scope, we request if clarity could be provided in | All data will have to be obtained by the |

| SN. | RFP Reference & Clause | Comments/Queries | Response from IRADe |
|-----|--|--|--|
| | 3.5.1. Review and Analyze based on the master plans available in each country, or carrying out comprehensive modeling exercise, if projections are not available. | terms of whether the Consultants would be required to undertake such demand- supply position modelling <u>OR</u> whether this would be part of input data provided. This is requested since there is a significant scope difference between the options, both in terms of execution time as well as the level-of-effort. Therefore, based on this consideration the Consultants can prepare their bid submission. | consultant. |
| 4. | 3.5. Scope of work 3.5.3. Based on the analysis of 3.5.1. and 3.5.2., carry out comprehensive energy modelling exercise ⁹ and develop likely scenarios including a scenario of unconstrained trade of power, utilizing various diversities (demand-supply, generation mix on daily/weekly/monthly/ seasonal basis, etc., including for balancing), between the countries of South Asia, through bilateral, trilateral, and multilateral contracts..... | Request clarity on whether the consideration for contractual arrangements (bilateral, trilateral, and multilateral) would have to be considered only for year 2019/2020 <u>OR</u> whether this would be required to be done for entire 15/25-year study duration. The particulars of such contracts (especially proposed in future) would be required as an input if they are required to be included in any forward- looking analysis, which we assume would be provided to the Consultants. | The study would have to be done for the 2019/20 onwards for every year for 15 years, and the for the 25 th year. All information would have to be obtained by the consultant from the public domain. |
| 5. | 3.5. Scope of work 3.5.6. The study at 3.5.5 should be extended over a period of the next 15 years. A scenario of 25 years may also be considered.... | We understand from the scope description that this part of the analysis (ACES reduction) is primarily required to be done for the base year (e.g., 2019-20) with projections only up to next 15 years. Any analysis for period post 15 years is not mandatory and would be decided based on mutual discussions. Request kind confirmation of the above understanding. | As mentioned in the point no. 4 above, the average cost of supply reduction, after the yearly estimation for 15 years, would have to be done for a single additional scenario of 25 years. |
| 6. | 3.5. Scope of work 3.5.9. suggest a draft broad regional framework and | We understand that there will not be any conflict of interest for the OEM company performing studies as Consultant herein, and they (Consultants or any of their associates/affiliates) shall not be precluded | This is a general study to quantify the benefits of regional trade on the reduction of average cost of supply, as well as the |

| SN. | RFP Reference & Clause | Comments/Queries | Response from IRADe |
|-----|---|---|---|
| | <p>business model for regional ancillary services market.....</p> <p>3.5.10. suggest a draft roadmap (regional and country wise) as well as an action plan for implementation of the regional framework for ancillary services market in the Region. This will also include a suggested minimum set of changes that may be required in each of the South Asian nation to implement road map and the action plans.</p> | <p>from participating in any future goods, works or services/software supply tender(s) resulting out of recommendations from this study on account of such Conflict of Interest.</p> <p>We request confirmation of the above understanding.</p> | <p>propose the regional ancillary services framework. USAID’s SARI/EI program causes studies to be carried out, and does not ask for supply of software for implementing the same. So, there will not be any conflict of interest.</p> |
| 7. | 3.6. Deliverables | <p>As per the table, there are about 90 days considered for providing the detailed draft interim report, which would mean all modelling and analysis needs to be completed within this duration. We also understand that there may be some uncertainties relating to data availability for all 8 countries to be considered under this study. Based on our previous experiences with similar studies, we have following requests w.r.t. deliverables timeline:</p> <ul style="list-style-type: none"> – The 90 days duration may not be sufficient for these activities (which form the crux of the study) and we may consider suitable enhancements in the same (depending on data availability) to ensure robust modelling and thus accuracy of outputs. This could be either within the total study timelines of 7 months, or with extension, as deemed fit. – Alternatively, we may link these timelines to the date of data sharing with the Consultants. We have observed that the data availability/sharing is the most critical aspect affecting the execution time, and thus this will ensure that the timelines are | <p>The timelines cannot be extended. As already mentioned, it has already been mentioned in Point no.2 above, that the study is only to be conducted for 5 countries (BBINS). Data would have to be obtained by the consultant from the public domain. In case of data not being available in the public domain, the SARI/EI team at IRADe will support the consultant in obtaining the data.</p> |

| SN. | RFP Reference & Clause | Comments/Queries | Response from IRADe |
|-----|---|--|--|
| | | sensitive to this aspect. | |
| 8. | 4.1.2. Technical Bid form 4.1.2.2. Resource Plan 3. If an external advisor/consultant is hired, scanned Letter of the association clearly substantiating..... | We understand that Two Firms can also associate for submitting the responses under this RFP (with one as Lead Firm and other(s) as Sub consultant). In this case, the Letter of Association (issued by the Sub consultant in favor of the Lead Firm) is the only documentation required to be submitted as part of the Technical Proposal. | Consortium is allowed under this RFP; however, the contract shall be with the lead Firm only. The letter of association from the Sub Consultant needs to be furnished. |
| 9 | 4.1.3. Financial Bid | We request if information can be provided with regards to the expected budget for this study. This would help the Consultants suitably prepare the resource allocation and financial proposal. | No specific budget allocated. |
| 10. | 4.2. Bid Assessment 4.2.4. Lodgment of Bids 3. Bids are to be in English and all financial bids and costs are to be in Indian Rupees. | We request clarification if the Consultants can have the option of submitting the Financial Bids and receiving payments either in United States Dollars or India Rupees. | All payments shall be made in Indian Rupees only. |
| 11. | 4.4. Payment Schedule | The table provided does not include the payment percentages against each of the deliverable milestones. Request if the same may be included. | Provided in Annexure 1 |
| 12. | 5.5. Annex V: Financial Bid Format | Request if the following may be considered for inclusion in the last line above the table “.....We further declare that these are FIRM (fixed) prices and shall remain unchanged for the entire period of consultancy/assignment, provided that the study is completed as per the originally agreed schedule.” The above is requested primarily to provide comfort against unreasonable stretching of the study owing to lack of data availability by the Countries. | No change in the Tender Document. The Study needs to be completed within the agreed timelines. |

| SN. | Queries | Response from IRADe |
|---|--|--|
| Queries from MRC Consultants and Transaction Advisers, Spain | | |
| 13. | Please clarify the meaning of balancing cost (e.g. in point 3.5.8 of the Scope of Work). Is this the contribution of each generation unit to the overall system-wide imbalance costs? | This pertains to point nos. 3.5.2, 3.5.3 and 3.5.6. Intermittencies of variable renewable generation like wind and solar power require compensating or balancing standby generation/energy storage devices to ramp up when the renewable generation goes down or to ramp down when the renewable generation goes up. This requires capital investment if done with each country keeping this standby generation/energy storage separately installed. Also, the transmission system for the evacuation of the intermittent power to the grid would be under-utilized, which is a cost. So, it is a system cost to manage the intermittencies. The extra effective cost per unit of renewable generation to compensate for the intermittent renewable generation to meet the demand is what is meant by balancing cost per unit of renewable generation. This need would reduce due to complementarities of generation resources within the South Asian countries, as well as complementarities of demand. How much this would reduce would translate to reduction of capital investment, as well as operational efficiencies. |
| 14. | Are associations between two companies possible, i.e.: in the form of JV/ consortium? If so, should only the lead company have and provide the DUNS number, or all the companies within the association? | Associations and Consortiums as allowed under this RFP. However, the contract shall be with the Lead Firm only. Therefore, the DUNS No. of the lead Organization should suffice. |

Issued by:

Phalguni Dasgupta

Phalguni Dasgupta

Programme Administrator – SARI/EI
IRADe – Integrated Research and Action for Development
B-44, Shivalik, Malviya Nagar
New Delhi - 110017 (India)
Email: pdasgupta@irade.org

Annexure 1

Payment Schedule with Payment percentage

| SN | Deliverable | Timeline | Payment % |
|----|---|--|-----------|
| 1. | Submission of inception report covering detailed methodology, approach, analytical framework, detailed description of the model, of integrated modelling framework, modelling strategy and associated steps in detail and overall steps for the entire assignment and acceptance of the same. | within 20 days from the date of signing of the contract | 25% |
| 2. | Submission of detailed draft interim report covering all the analysis and modelling findings from 3.5.1. to 3.5.10. including a detailed presentation on the draft interim report and acceptance of the same. | within 110 days from the date of signing of the contract | 20% |
| 3. | Prepare a detailed Draft Report covering all aspects based on the analyses conducted in 3.5.1. to 3.5.10 and incorporating comments of the SARI/EI team. Submission of the Draft Report to SARI/EI including a detailed presentation on the draft report and acceptance of the same and presentation before SAFIR Working Group members and other stakeholders of the same. | within 150 days from the date of signing of the contract | 25% |
| 4. | Revise the Report as per the comments received from the SAFIR Working Group and South Asian stakeholders, submit the revised draft report including a detailed presentation on the revised draft report and acceptance of the same. | within 180 days from the date of signing of the contract | 10% |
| 5. | Submission of the final report and including a detailed presentation on the final report after incorporating comments of SAFIR working group members, stakeholders, USAID and SARI/EI and acceptance of the same. | within 210 days from the date of signing of the contract | 20% |