

SUPPORT TO THE GOVERNMENT FOR DEVELOPMENT OF SOLAR POWERED CAPACITIES

Location: Albania

Business sector: Power and energy

Project number: 71819

Funding source: EBSF - EBRD Shareholder Special Fund

Contract type: Consultancy Services

Notice type: Invitation for expressions of interest (CSU)

Closing date: 31 Jan 2018 at 23:59 London

Assignment Description:

In May 2017 the European Bank for Reconstruction and Development (EBRD, or the Bank) and the Albanian Ministry of Energy and Industry (MEI) signed a Memorandum of Understanding (the MoU) on cooperation to develop the regulatory framework for solar power and the subsequent development of solar power projects. Following the signing of this MoU, the Bank is now proceeding to provide assistance to the Government of Albania, through engaging a consultant to provide support in: i) drafting the secondary legislation and regulatory framework for the competitive procurement of solar PV projects in Albania, and ii) assisting in the implementation of a competitive bidding process to procure 50-100 MW solar PV capacity in Albania.

The key objectives of this assignment are:

- 1) Reviewing the existing legal and regulatory arrangements in Albania, accounting for ongoing and planned reforms.
- 2) Adapt, for implementation in Albania, the Guidelines developed by EBRD on the design and implementation of competitive processes for supporting renewable energy, taking into account current arrangements, existing plans, and the market context.
- 3) Develop secondary legislation and regulatory rules needed to implement recommendations.
- 4) Conduct an assessment of the technical options for the solar PV programme (e.g. size, location, etc.) and provide recommendations.
- 5) Conduct a site-level strategic environmental and social assessment and master disclosure and engagement plan.
- 6) Provide implementation support to authorities for the support programme.

Reflecting the objectives of the assignment, the Consultant will need to undertake a number of tasks:

- 1) Task 1: Review of existing legislation and materials related to ongoing reforms, including:
 - a. Electricity market law

- b. Renewable energy law
 - c. Secondary legislation relevant to the operation of renewables (with specific a focus on PV)
 - d. Plans for the development of renewable energy and electricity market reforms (including those related to Albania's obligations under the Energy Community Treaty)
 - e. Outputs of ongoing assistance to Albanian authorities
- 2) Task 2: Adapt the Guidelines developed by EBRD for the design and implementation of competitive processes for renewable energy to the Albanian context. This will involve the refinement of the Guidelines to account for, among others, the:
- a. current legal framework and plans for the development of renewable energy;
 - b. feedback from industry stakeholders, including through formal consultations;
 - c. administrative capacity of the public institutions that will prepare the sites for permitting with a target to eliminate the permitting and licencing risk of the investors; and
 - d. major risks for investors.

The output of this work will be detailed recommendations for the design and implementation of the solar PV programme (including measures and preparatory works that need to take place for the allocation of risks so that investors mainly take the risk to construct and operate the PV projects).

- 3) Task 3: Development of secondary legislation and regulatory rules needed to implement recommendations for the solar PV programme. In all cases, the Consultant should ensure that the secondary legislation and regulatory rules (as well as the recommendations on regulatory options) lead to a bankable support framework (e.g. currency indexation, credit-worthiness of offtaker, etc.).
- a. Examples of secondary legislation that may be required (the full list of secondary legislation will be based on the assessments undertaken above) include:
 - i. Power purchase agreement for solar projects
 - ii. Network code
 - iii. Template agreements for connection to the grid
 - b. The Consultant should assist authorities to conduct consultations on the material developed with key stakeholders.
- 4) Task 4: Assessment, leading to recommendations, of the:
- a. Size of a solar PV programme under a new regime consisting of tenders. The Consultant's assessment of the size of the solar programme should be consistent with the work undertaken to assess different sites (see 2b below). It should also reflect other factors such as the administrative capacity of institutions (to among other issues prepare the sites for auctions/concessions), the funding that will be

available for covering the support provided to projects under the solar PV programme (e.g. funding to cover the cost of the premium component in a feed-in-premium scheme, which may be covered directly from public funds or recovered from other market participants), the likelihood of attracting private sector developers and investors, the demand for power and broader plans for the development of the electricity sector, etc. The Consultant should provide recommendations for the overall size of the solar PV programme, as well as the sizes of individual projects under the programme. The Consultant should also consider, when assessing optimum project size, the capacity of the domestic network to absorb solar power output and balancing issues.

b. Physical location of the programme.

i. The Consultant should define criteria to assess different options in agreement with the Steering Group for the Assignment. Examples of criteria include the capacity of the grid to absorb solar capacity, levels of solar irradiation, the extent to which it would be feasible to construct the projects at the site, the potential to expand the programme in the future, permitting and other environmental issues, public acceptance, etc.

ii. The Consultant should focus its assessment on a short-list of sites recommended by the Steering Group. However, the Consultant can also recommend additional sites drawing on its own experience and available information.

iii. The Consultant should primarily rely on existing sources to develop its recommendations for a suitable site. However, the Consultant is also expected to undertake limited primary research to refine and verify its recommendations – for example, adapting existing models of the electricity grid and limited field work.

c. The Consultant's recommendations on the size and location of the solar PV programme should also draw on feedback from stakeholders through consultations.

d. The Consultant will prepare a General Technical Design of the site to identify the location of the substations, connection to the grid and the access road.

5) Task 5: Undertake a site-level strategic environmental and social assessment and master disclosure and engagement plan. This will consist of three components:

a. Scoping Report: prepare a scoping report identifying all stakeholders affected by the solar PV programme.

b. Strategic environmental and social assessment: prepare a high level overview of the cumulative and aggregate EHSS impacts, both

positive and negative, of the solar PV programme, which will in turn support individual Project Companies in securing their environmental permits for and (b) assessing and managing the EHSS impacts of, their part of the overall solar PV programme.

- c. Master disclosure and engagement plan: draft a master disclosure and engagement plan to which all Project Companies operating on the solar PV programme site may subscribe in order to ensure that stakeholder engagement and corporate social responsibility activities across all projects are coordinated.

The focus of this assignment is the aggregate and cumulative impacts of the overall solar PV programme. The Consultant is not expected to review the EHSS impacts of any individual Project which will be the responsibility of the relevant Project Company and its advisors.

6) Task 6: Assistance to implement tender scheme:

- a. Based on the recommended form of the competitive process (e.g. auction, tender, etc.) the provision of support for administering the process (e.g. if required, provision of IT infrastructure).
- b. Assistance to the authorities in preparing the site for licencing, permitting
- c. Preparation of bidder information materials on the basis of the point 2 and 5.
- d. Assistance in drafting tender documents (pre-qualification requirements, location specifications, model PPA, etc.), drawing on information already included in the EBRD Guidelines.
- e. Assisting Albanian authorities in a dissemination strategy.
- f. Undertaking the assessment of tenders.
- g. Assistance to authorities during selection negotiations.

Assignment Duration: The assignment is expected to start in Q2 2018, and has an estimated overall duration of 24 months.

Cost Estimate for the Assignment: EUR 950,000; *exclusive of VAT.*

The consultant must determine whether any VAT would be chargeable on the services and the basis for that determination, without taking into consideration the Bank's special status as an IFI and state this to the Bank in their response to the Invitation for Expressions of Interest. To the extent that a consultant incurs input VAT on goods and services purchased in connection with the provision of services (e.g. VAT on airline ticket) which is not otherwise recoverable by the consultant from the local tax authority, the gross cost to the consultant of such expenses shall be treated as a reimbursable expense.

Funding Source: It is anticipated that the contract will be financed from the EBRD Shareholder Special Fund.

Eligibility: There are no eligibility restrictions.

Consultant Profile: Corporate services are required. The Consultant will be a firm or a group of firms with previous project experience related to all project objectives as outlined in the section Assignment Description above. More specifically, the Consultant should have previous experience in the following areas:

- I. Expertise in designing renewable energy support schemes (in particular, competitive bidding processes);
- II. Experience in drafting of renewable energy legislation and regulations, including power purchase agreements, integration of solar power capacities in networks, etc.;
- III. Experience in technical aspects of implementing and operating solar power capacities, including assessment of land and technology;
- IV. Experience in assessment of environmental and social aspects of solar power capacities.

The Consultant's previous experience in renewable energy projects in the EBRD countries of operation would be an additional asset.

The Consultant's team should include the following **key experts**:

- **Team Leader** - renewable energy policy expert with experience of designing renewable energy support schemes (in particular, competitive bidding processes); the expert should have preferably minimum 10 years of experience in the relevant area.
- **Regulatory Expert** with experience of the regulation of the electricity sector, including the integration of renewable energy in electricity markets and systems; the expert should have preferably minimum 7 years of experience in the relevant area.
- **Technical expert(s)** on solar power, with experience in the technical and operational aspects of solar photovoltaics, including forecasting generation and selection of sites; the expert(s) should have preferably minimum 10 years of experience in the relevant area.
- **Environmental expert(s)** to advise on environmental impact of the solar power projects, including procedures (e.g. ESIA) to comply with relevant Albanian legislation and EBRD's performance requirements; the expert(s) should have preferably minimum 7 years of experience in the relevant area.
- **Legal expert(s)** with experience of drafting energy sector legislation and regulations relating to renewable energy (for example, power purchase agreements). This should include international and local expertise; the

expert(s) should have preferably minimum 7 years of experience in the relevant area.

Submission Requirements: In order to determine the capability and experience of consultants seeking to be shortlisted for this assignment, the information submitted should include the following:

1. Company/group of firms' profile, organisation and staffing (max. 2-4 pages).
2. Details of previous **project experience** or similar assignments particularly undertaken in the previous five years, including information on contract value, contracting entity/client, project location/country, duration (mm/yy to mm/yy), expert months provided (if different from duration) , main activities, objectives.
3. CVs of **key experts** who could carry out the Assignment detailing qualifications, experience in similar assignments, particularly assignments undertaken in the previous five years, including information on contracting entity/client, project location/country, duration (mm/yy to mm/yy), expert months provided, assignment budget, main activities, objectives.
4. Completed Consultant Declaration Form and Contact Sheet, the template for which is available from the following web-link:

http://www.ebrd.com/pages/workingwithus/procurement/notices/csu/contact_sheet.doc

The above information should not exceed 20 pages excluding CVs and the Consultant Declaration Form and Contact Sheet.

The complete expression of interest (including CVs, Consultant Declaration and Contact Sheet) should be submitted, **in English electronically through e-Selection**, to reach the Bank not later than the closing date. The expression of interest **shall be one file** (pdf). The EBRD reserves the right to reject applications of firms submitting more than one file. Only if the permissible file size is exceeded (4MB), the Consultant may split the expression of interest into further files.

The EBRD's Contact Person:

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Note:

1. Following this invitation for expressions of interest, a shortlist of qualified firms will be formally invited to submit proposals.
2. The evaluation criteria will be as follows:
 - a. Consultant's previous experience in the following areas:
 - I. Expertise in designing renewable energy support schemes (in particular, competitive bidding processes) – 15%
 - II. Experience in drafting of renewable energy legislation and regulations, including power purchase agreements, integration of solar power capacities in networks, etc. – 15%
 - III. Experience in technical aspects of implementing and operating solar power capacities, including assessment of land and technology – 15%
 - IV. Experience in assessment of environmental and social aspects of solar power capacities – 15%.
 - b. Calibre of the key experts in line with procurement notice – 30%
 - c. Consultant's previous experience in renewable energy projects in the EBRD countries of operation – 10%