



Bartica RFP Responses #3

Responses to questions received in relation to:

**MINISTRY OF PUBLIC INFRASTRUCTURE (MOPI)
REQUEST FOR RENEWABLE ENERGY PROPOSALS
GUYANA POWER & LIGHT INC. - BARTICA POWER SYSTEMS**

Question:

1. The RFP states that it is soliciting competitive proposals from suitable firms as independent Power Producers (IPPs), to design and develop a generation system utilizing an appropriate renewable energy technology, or combination of technologies, under a Build, Own, Operate and Transfer (BOOT) structure. However, in response to my company's question about the timing of the transfer, which has profound implications for the selling price of the energy, the response was that there was no need to transfer the project. BOOT may be described as a financing arrangement in which a developer designs and builds a complete project at little or no cost to a Government or a joint venture partner, owns and operates the project as a business for a specified period usually 10 – 20 years after which the developer as project owner, transfers the projects assets to the Government or partner at a previously agreed price. Transfer of the project is, by definition, integral to the BOOT structure. In contrast, with a Build, Own Operate (BOO) contract, a private company is granted the right to develop, finance, design, build, own, operate, and maintain a project. The private sector company owns the project outright and retains the operating revenue risk and all of the surplus operating revenue in perpetuity. This structure could be implemented with encouragement from a Government, including through financial incentives for example, tax exempt status. However, the private developer owns and operates the project independently. Other structures include Build, Operate, Transfer (BOT) and Build Lease, Transfer (BLT). Please provide clarity as to precisely the structure anticipated in the proposed arrangement. If it is BOOT as the RFP states, please advise at what time in the project life cycle, does the Government anticipate the transfer.

Response:

As stated in the RFP this project will be done on a BOOT basis.

The timeline for transfer would be dependent on the project cost, financing costs, proposed selling price for energy, rate of return etc. The proposal should include your proposed timeline for transfer. This would vary for each proposal and it is for this reason the various proposals will be evaluated based on the criteria outlined in the RFP with BOOT periods ranging from 10 to 25 years.

Question:

2. The RFP states that the Government of Guyana shall be the owner of any renewable energy and/or carbon credits generated by the facility. Please elaborate and describe in what circumstances is it envisaged that the Government shall own the renewable energy when VI immediately above in the RFP confirms that the proposing party shall **sell** electricity from the proposed facility.

Response:

This section refers to the Carbon Credits generated through the use of renewable energy. Government of Guyana shall be the owner of the Carbon Credits generated through the use of renewable energy.

Question:

3. Given its pivotal relevance to arriving at the selling cost for energy to be generated by the project, which is to be submitted under the initial proposal phase of the RFP, please advise:
 - When potential proposers will be afforded information on whether the Government will be financially responsible for the land preparation including clearing, terracing, drainage, water, access and internal roads, supply of perimeter fence and security lighting;

Response:

For the purpose of preparation of the proposal and evaluation, assume there are no costs to the developer for these aspects.

Question:

- When will the land be identified and its relevant characteristics shared with potential proposers? These should include the soil type, stability, and geotechnical report identifying the depth of rock bed etc

Response:

This will be dependent on the proposed energy supply option and will be the subject of the second stage when a Full Comprehensive Proposal is required.

Question:

4. With reference to two years' wind data, the Guyana Hydromet Office has advised that as its anemometers at Bartica, are positioned to measure the wind speed at 2 meters and are not functioning, there is no relevant wind data for Bartica available. Wind turbines operate significantly higher than 2 meters. Can you advise any other sources of this information in Guyana? Reliable wind data is critical to the design of a wind project.

Response:

We are not aware of any other sources of wind data for Bartica at this time.

Question:

5. Among our previous questions, we requested information on the interconnection requirements for connecting to the grid and the response was that this is subject to the negotiated PPA. In fact, this is a technical requirement which outlines the capacitive and inductive power factors needed at the interconnection point which can be fully variable and continuously acting over the full capacitive and inductive range. It may require placing a dynamic device at the interconnection point. The question therefore remains, what is the electric grid interconnection code specifically at Bartica?

Response:

The network connection standard is the NESCS (National Electrical Safety Code) published by the IEEE.