

**GOVERNMENT OF THE DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA**

MINISTRY OF POWER



CEYLON ELECTRICITY BOARD

**REQUEST FOR PROPOSAL
FOR THE DEVELOPMENT OF SECOND 300MW LNG
COMBINED CYCLE POWER PLANT AT KERAWALAPITIYA
ON BOOT BASIS**

RFP NO.: CEB/AGM(TR)/DGM(PPD)/LNG2-2020
International Competitive Bidding (ICB)

VOLUME I

**REQUEST FOR PROSAL AND
INSTRUCTIONS TO PROJECT PROPONENTS**

JUNE 2021

Contents of RFP

Volume I – Request for Proposal and Instructions to Project Proponents

Volume II – Proposal letters and forms

Volume III – Draft Power Purchase Agreement

Volume IV – Draft Implementation Agreement

Volume V – Draft Liquid Fuel Supply Agreement

Volume VI – Draft Land Lease Agreement

Information Copy - Not for Submission

CEYLON ELECTRICITY BOARD

DEVELOPMENT OF SECOND 300 MW LNG COMBINED CYCLE POWER PLANT AT KEREWALAPITIYA ON BOOT BASIS

REQUEST FOR PROPOSAL

1. Introduction

The Ceylon Electricity Board (CEB) on behalf of the Cabinet Appointed Negotiating Committee (CANC) invites interested Project Proponents to submit proposals to develop on build-own-operate-and-transfer (BOOT) basis a Combined Cycle Power Plant of net output of $300 \pm 10\%$ MWe (270-330MWe), dual Fuel (Liquid Fuel and Gas Fuel), at the specified location at Kerawalapitiya along with support facilities. However, the maximum net output of the plant when operating on Gas Fuel should not be more than 350 MWe.

The successful Project Proponent selected will be required to establish a project company (Company), incorporated under the Companies Act No. 7 of 2007 with a registered office in Sri Lanka.

An operational period of twenty five (25) years following the commencement of Combined Cycle Operation the Facility is provided in the Project Agreements. At the end of the Operational Period, the Company at the option of CEB, will transfer ownership and all rights of the Facility to CEB including peaceful vacant possession of the Site to CEB as more fully described in the Land Lease Agreement.

“Guide Lines on Government Tender Procedure (Part II) for Private Sector Infrastructure Projects (Revised Edition – January 1998)” is applicable for this procurement.

2. The Company shall:

- a) enter into the Project Agreements, which shall comprise Power Purchase Agreement and Land Lease Agreement with CEB, Implementation Agreement with Government of Sri Lanka (GOSL), Liquid Fuel Supply Agreement (LFSA) with Ceylon Petroleum Corporation (CPC) and Gas Fuel Supply Agreement (GFSA) with Gas Fuel supplier when Gas Fuel supply is available at the Site boundary in the future;
- b) prepare an Environmental Impact Assessment Study Report for the proposed Facility and obtain the Environmental Protection License for the Facility from the Central Environment Authority pursuant to the National Environmental Act No. 47 of 1988;
- c) obtain a Generation License from Public Utility Commission of Sri Lanka (PUCSL) pursuant to the Electricity Act No. 20 of 2009 and as amended;
- d) obtain and maintain all other permits and licenses necessary to construct and operate the Facility including but not limited to environmental permits, permits for importation of materials and equipment for the Facility, permits for construction of

the Facility, and any other permits and/or licenses required for construction, operation and maintenance of the Company, according to applicable laws;

- e) finalise the construction contract(s), operation and maintenance agreement(s) and all other agreements including the loan agreements required to finance, construct, operate, maintain and transfer the Facility;
- f) provide and arrange the necessary financing for complete execution of the Facility in accordance with the terms and requirements of the Project Agreements;
- g) design, procure, construct, and commission the Facility within the agreed time schedule in the Project Agreements;
- h) operate and maintain the Facility for the Operational Period specified in the Project Agreements or as may be otherwise agreed between the Parties;
- i) at the end of the Operational Period, transfer the Facility to CEB at CEB's option and the Site shall be handed over to CEB as detailed in the Land Lease Agreement.

3. Request for Proposal (RFP)

The interested Project Proponents shall submit their proposals in accordance with the RFP prepared by CEB for this purpose. The RFP will be available for examination and purchase at the address given in the item 8 below from 2021.06.21.

A complete set of the RFP Document can be purchased by interested Project Proponents between 9:00 hrs and 15:00 hrs on working days until, 30 days prior to Proposal Closing date given in Clause 3.20 on submission of written application to the Deputy General Manager (Private Power Development), CEB at the address given in the item 8 below and upon payment of a non-refundable fee of Sri Lankan Rupees four hundred thousand (LKR 400,000) or US Dollars two thousand three hundred (USD 2,300).

4. Submission of Proposals and Closing Date

Proposals shall be submitted by hand or by courier to the address given in Clause 3.20, not later than 11.00 hrs on 2021.09.13.

5. Proposal security

Each proposal must be accompanied by a Proposal Security for an amount of Sri Lankan Rupees six hundred million (LKR 600 million) or US Dollars three million three hundred thousand (USD 3.3 million) in the form as stipulated in the RFP.

6. Employer's Right to Reject

CEB reserves the right to reject any or all Proposals or cancel/ withdraw the Request For Proposal without assigning any reason whatsoever and in such case no Project Proponent/ intending Project Proponent shall have any claim arising out of such action.

7. Local Address of the Project Proponent

Each Project Proponent shall provide postal address including a local postal address, e-mail address and fax number for receipt of RFP related information and at the time of purchasing the RFP Document.

8. Address for Communication and Clarification of Proposal

Deputy General Manager
Private Power Development Branch
Ceylon Electricity Board
2nd Floor, GOBA Building
Sir Chittampalam A. Gardiner Mawatha
Colombo 00200
Sri Lanka

Yours faithfully
Ceylon Electricity Board

General Manager

Information Copy - Not for Submission

Contents

1.0	INFORMATION FOR PROJECT PROPONENTS	1
1.1	Introduction to Ceylon Electricity Board	1
1.2	Brief Scope of the Project	2
1.3	Request for Proposal (RFP)	3
1.4	Private Sector Participation	4
1.5	Government Support	4
1.6	Procurement Milestone Schedule	6
	Note: Days for completion - Counted from date of issue of RFP	6
1.7	Disclaimer	6
2.0	DESCRIPTION OF THE PROJECT	8
2.1	The Facility in Brief	8
2.2	Technical Information	8
2.3	Station Load Profile	9
2.4	Feasibility Study	9
2.5	Site	9
2.6	Site Plan	10
2.7	Access and the Transportation of Plant & Equipment to the Site	10
2.8	Site Utilities	10
2.9	Environmental Consideration	11
2.10	Archaeological Requirements	11
2.11	Permitting Procedures and Requirements	11
3.0	INSTRUCTIONS TO PROJECT PROPONENTS	12
3.1	Issuing RFP document	12
3.2	Pre-proposal Meeting and Site Visit	12
3.3	Clarification	13
3.4	Amendments	14
3.5	Amendments to Draft Project Agreements	14
3.6	Project Proponents and Project Proponents' Prerequisites	15
3.7	Consortiums	16
3.8	Proposal Responsiveness	16
3.9	Language of the Proposal	17

3.10	Proposal Structure	17
3.11	Proposal Preparation	18
3.12	Project Proponent's Duty to inform itself	18
3.13	Mandatory Proposal Requirements	19
3.14	Cost and Risk of Proposals	20
3.15	Interest Movements	21
3.16	Proposal Validity	21
3.17	Proposal Security	21
3.18	Project Bonds	22
3.19	Proposal Authorisation	23
3.20	Submission of Proposal, Format, Sealing and Marking	23
3.21	Modification and Withdrawal of Proposal	25
3.22	Proposal Closing	26
3.23	Late Proposals	26
3.24	Proposal Opening - Technical Proposals	26
3.25	Financial Proposals	27
3.26	Confidentiality	27
4.0	PROPOSAL REQUIREMENTS	28
4.1	Complete Proposal	28
4.2	Technical Proposal	28
4.3	Financial Proposal	33
5.0	PROJECT AGREEMENTS	36
5.1	Power Purchase Agreement (PPA),	37
5.2	Implementation Agreement	38
5.3	Liquid Fuel Supply Agreement (LFSA)	39
5.4	Land Lease Agreement (LLA)	40
6.0	QUALIFICATION REQUIREMENT FOR PROJECT PROPONENTS	41
6.1	Composition of Project Proponent	41
6.2	Technical Experience	41
6.3	Financial Capability	43
7.0	EVALUATION PROCEDURE	44
7.1	Outline of Evaluation Procedure	44

7.2	Clarification of Proposals	44
7.3	Right to Reject Proposals.....	44
7.4	First Stage Evaluation: Responsiveness	45
7.5	Second Stage Evaluation: Technical Proposals.....	45
7.6	Third Stage Evaluation: Financial Proposal.....	47
7.7	Short Listing and Award	49
7.8	Cost of Finalising Project Agreements	51

Annex I:	Definitions and Interpretation	53
Annex II:	Form of Proposal Security	58
Annex III:	Form of Preliminary Obligation Bond	59
Annex IV:	Required Approvals, Consents, Permits and Licenses	61
Annex V:	Clarifications Form	63
Annex VI:	Proposed Amendments to Project Agreements	64
Annex VII:	Responsiveness Test	65
Annex VIII:	Fuel Specification (Liquid Fuel)	67
Annex IX:	Fuel Specification (Gas Fuel)	68
Annex X:	Site Plan	69
Annex XI:	General Layout of the Plant Facility Area	70

CEYLON ELECTRICITY BOARD

DEVELOPMENT OF SECOND 300 MW LNG COMBINED CYCLE POWER PLANT AT KEREWALAPITIYA ON BOOT BASIS

INSTRUCTIONS TO PROJECT PROPONENTS

1.0 INFORMATION FOR PROJECT PROPONENTS

1.1 Introduction to Ceylon Electricity Board

Ceylon Electricity Board (“CEB”), fully owned by the Government of Sri Lanka, is a body corporate established by Act No.17 of 1969, having its Head Office at, No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 00200, Sri Lanka.

CEB has been established for the development and co-ordination of the generation, supply and distribution of electrical energy requirements of the country. The Ministry of Power oversees the functions of CEB.

CEB consists of 1,554MW of thermal power plants (coal and oil fired) and 1,383 MW of hydro power plants at present. The Independent Power Producers own thermal power capacity of about 604 MW in aggregate. Mini hydro and wind plants owned by private sector consist more than 557 MW. The total installed capacity of the CEB network is 4,265 MW, of which, 2,168 MW is thermal generating plants.

In 2020, electrical energy produced by these plants amounted to 15,713 GWh, meeting a peak demand of 2,717 MW.

Transmission of electricity in Sri Lanka is carried out at 220 kV and 132 kV and CEB currently operates a 220/132 kV transmission network. Primary distribution voltages are at 33 kV and 11 kV. Low voltage distribution is carried out at 400 V. More information about the CEB network can be obtained from www.ceb.lk.

While CEB distributes electricity to the consumers in greater part of the country, Lanka Electricity Company distributes in some places. More than 99% of households of Sri Lanka are electrified at present.

The electricity industry is regulated by Public Utility Commission of Sri Lanka (PUCSL) established by the Public Utility Commission of Sri Lanka Act No. 35 of 2002. Granting of the generation, transmission and distribution licenses are carried out by the PUCSL. While CEB has six numbers of licenses for its generation, transmission and distribution, CEB is the sole transmission licensee in Sri Lanka. The CEB tariffs for the final electricity consumers are regulated by the PUCSL.

PUCSL has granted transmission license to CEB (Licensee No. EL/T/09-002) to transmit electricity (to procure and sell electricity in bulk) in Sri Lanka.

1.2 Brief Scope of the Project

Transmission Licensee of CEB hereby invites proposals from the interested Project Proponents in a prescribed format ("Proposal") for design, finance, supply, delivery, erection, testing, commissioning, operation, maintenance and transfer of Combined Cycle power plant in the range from 270 MWe to 330 MWe (net output) powered by dual Fuel, Liquid Fuel and Gas Fuel at a future date when it is available at the boundary of the Site at Kerawalapitiya in Gampaha District in Western Province. The net output of the plant when operating on Gas Fuel should not be more than 350 MWe. The Facility shall be connected to the CEB grid system at the Interconnection Point at Kerawalapitiya Grid Substation situated adjacent to the site for this Project.

This Project will be developed on build-own-operate-and-transfer (BOOT) basis by private sector participation. The Combined Cycle Operational Period before transferring the Facility to the CEB is twenty five (25) years.

The Proposals to be received by CEB in accordance with this RFP will be evaluated and the Project Agreements will be executed with the successful Project Proponent in accordance with the terms and conditions of this RFP.

The successful Project Proponent shall establish a single purpose project company (Company) incorporated under the Companies Act, No. 7 of 2007, and under and in terms of paragraph (c) of subsection (1) of section 9 of the Sri Lanka Electricity Act, No. 20 of 2009 that will finance, design, procure, construct, test, commission, operate and maintain the Facility. Under the aforesaid paragraph of the Sri Lanka Electricity Act, the Secretary to the Treasury has determined the number of government shares applicable for the Company as One (Golden Share) and it will be held by the Secretary to the Treasury on behalf of the GOSL. Following rights are to be conferred with the above Golden Share:

- i) The concurrence of the Golden Shareholder will be required by the Company to sub lease any of the lands leased to or to be leased by the Ceylon Electricity Board or any other government agency for the purpose of this project;
- ii) The concurrence of the Golden Shareholder will be required to amend any clause in the Articles of Association of the Company which grants specific rights to the Golden Shareholder or which affects the rights of the Golden Shareholder;
- iii) The Golden Shareholder can request the Board of Directors of the company to meet with him or his nominee, once in every quarter to discuss issues related to the operation of the Company which is of interest to the Government; and
- iv) No individual, cooperation or consortium acting individually or in consent can acquire directly or indirectly shares of the Company without prior approval of the Golden Shareholder.

At the end of the Term, at the option of the CEB, the Company will transfer ownership of the Facility to the CEB.

The Facility shall be based on one or two gas turbines with heat recovery steam generators, one steam turbine, electrical generators, generator transformers with other auxiliaries including Fuel supply system (Liquid Fuel and Gas Fuel) storage/treatment systems, stand-by/auxiliary/emergency power requirements, water requirements, liquid and solid waste disposal systems, environmental impact

mitigatory measures and monitoring systems, auxiliary and unit transformers, switchgear & protection and control schemes, transmissions lines (overhead or underground up to the Interconnection Point), SCADA facilities up to the Interconnection point, metering equipment and all other appurtenant equipment to make a complete power generating facility up to the Interconnection Point

The financing of the Project through a mixture of equity and debt is sole responsibility of the Company. At least 20% of the financing required by the Company to develop this Project shall be in the form of equity. The Company shall obtain the balance portion of the financing in the form of debt from commercial sources with support from export credit agencies and international financial institutions.

The Facility is planned to meet CEB's Long Term Generation Expansion Plan. PUCSL has granted approval for the CEB's Long Term Generation Expansion Plan for 2018-2037 which covers the 300 MW LNG based Combined Cycle Power Plant in Western Province.

1.3 Request for Proposal (RFP)

The scope of the project, bidding procedure, minimum technical requirements, contract terms, evaluation criteria, agreements, etc. are prescribed in this RFP. The RFP includes following volumes;

Request for Proposal and Instructions to Project Proponents	Volume I
Proposal Letters and Forms	Volume II
Draft Power Purchase Agreement	Volume III
Draft Implementation Agreement	Volume IV
Draft Liquid Fuel Supply Agreement	Volume V
Draft Land Lease Agreement	Volume VI

This RFP has been prepared by the CEB for the purpose of soliciting Proposals from interested Project Proponents. The RFP has been drafted to embody commercial values and risk allocations consistent with the interests of Project Proponents and their Lenders contemplating limited or non-recourse financing of the Project.

While the CEB considers the assumptions made in preparing this RFP to be reasonable, whether to rely on them in preparing Proposals is a matter solely for the Project Proponents to judge and neither the CEB, Government of Sri Lanka (GOSL) neither any Government Agency nor their Representatives shall take responsibility for the Project Proponents' decisions. Proposals shall be made at the Project Proponent's sole cost and risk. Finalisation and execution of the Project Agreements will be at the sole cost and risk of the successful Project Proponent.

The Company will enter into agreements for the financing, development and operation and maintenance of the Facility. Drafts of those of the agreements to which CEB, GOSL or GOSL Agencies are a party (the Project Agreements) are provided as part of this RFP and are outlined in Clause 3.0. The Company shall enter into a Gas Fuel Supply Agreement (GFSA) with Gas Fuel supplier when Gas Fuel supply is available at the Site boundary in the future.

1.4 Private Sector Participation

The private sector has been and is expected to continue to play an increasing role in power sector development activities. At present the following Independent Power Producers are generating electrical power to the CEB national grid.

Developer	Year	Capacity	Modality
Asia Power (Pvt.) Ltd	1998	51MW	BOO
Sojitz Kelanitissa (Pvt.) Ltd	2003	165MW	BOOT
West Coast (Pvt) Ltd	2010	270MW	BOOT
Northern Power	2009	30MW	BOO
ACE Power Generation Embilipitiya (Pvt) Ltd	2005	100 MW	BOO
ACE Power Generation Matara (Pvt) Ltd	2002	20 MW	BOO

Further the Generation Licences have been issued to number of Small Power Producers. The PPAs between CEB and the Independent Power Producers, Lakdhanavi (Pvt) Ltd (24 MW), ACE Power Generation Anuradhapura (Pvt) Ltd (20 MW) and Heladhanavi (Pvt) Ltd. (100 MW) have automatically terminated at the end of term of these Agreements.

1.5 Government Support

Any direct or unconditional GOSL guarantees are not available to the Company for the project finance save and except the undertakings provided in the Project Agreements. The Company and the Lenders to the Company must look to revenues earned through the effective and efficient operation of the Facility for returns on investments and service of debt, together with the security provided for the project revenues under the Project Agreements.

Accordingly, Project Proponents' Proposals shall not assume or rely on any privileges, concessions or guarantees from the Government or Government Agencies in preparing the Project Proposal. Any such assumptions may be regarded as a material deviation and may result in the rejection of the Proposal.

In view of the compelling technical and financial characteristics and the long-term nature of BOOT projects, the GOSL through its instrumentality, Board of Investment of Sri Lanka (BOI) may provide successful project implementing company with certain concessions and incentives to provide high quality and low-cost infrastructure to the public of the country. The Project Proponents are required to liaise with BOI to obtain incentives and concessions and other forms of support. The Project Proponents are advised to obtain the confirmation from BOI on the above prior to furnishing the Proposal.

1.5.1 Incentives, Concessions under the Board of Investment Act of Sri Lanka
BOI could facilitate power generation projects under section 17 of the BOI Law and will be eligible for the following concessions and privileges:

- i) Custom duty exemptions for importation of capital and construction goods excluding the Negative List during the construction period of the project;
- ii) Residence visa facilities for the shareholder expatriates of the company;

- iii) All income, proceeds on sale of the investments can be repatriated through an inward investment account opened by the investor; and
- iv) BOI has informed that Sri Lanka has entered in to avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on income for specified period with 42 countries.

In addition to above concession, Project Proponents who will invest USD 3 Million and above is eligible for investment incentives in the form of enhanced Capital Allowance in addition to the normal depreciation allowance is available for Project Proponents based on their investment value under the Inland Revenue Act no. 24 of 2017.

1.5.2 Tax, Duties & Levies

Project Proponents are required to include all taxes, duties and levies as stated below in their respective Proposals.

1.5.2.1 During Construction Period

All the Taxes, duties and levies during the construction period shall be borne by the Project Proponent and shall be included in the proposal other than the Custom duty exemptions granted by BOI for importation of capital and construction goods excluding the Negative List during construction period of the project. All direct taxes including corporate income tax, individual income tax, remittance tax and other taxes that may be levied in accordance to the laws and regulations in being as of the date 21 days prior to the closing date for submission of proposal in Sri Lanka, on the Contractor's Equipment, and consumable acquired for the purpose of the Contract and on the services performed under the Contract shall be borne by the Project Proponent and included in the proposed tariff. Nothing in the Contract shall relieve the Contractor from its responsibility to pay any tax that may be levied in Sri Lanka on profits made by it in respect of the Contract.

All taxes, duties and other charges imposed outside Sri Lanka on the production, manufacture, sale and transport of the contractor's equipment, plant, materials and supplies to be used on or furnished under the contract, and on the services performed under the contract shall be borne by the Project Proponent and included in the proposed tariff.

1.5.2.2 During Operational Period

During Operational Period, all Reimbursable Taxes as defined in Schedule 1 of PPA for Operations and Maintenance requirements will be reimbursed by CEB.

1.6 Procurement Milestone Schedule

	Activity	Days for Completion
1	Publishing of Advertisement	0
2	Commencement of Issuing RFP	0
3	Pre Proposal Meeting (Clause 3.2) 28 Days after commencement of issuing RFP document	28
4	Clarifications by parties who have purchased the RFP (Clause 3.3) Up to 30 days prior to Proposal Closing	54
5	Issue of Amendments by CANC/CEB 20 days prior to Proposal Closing	64
6	Proposal Closing (Clause 3.22) 84 days from advertisement	84
7	Opening of Technical Proposal (Clause 3.24)	84
8	Opening of Financial Proposal (Clause 7.1[iii]) Estimated 4 weeks from Proposal Closing	112
9	Issue of LOI Estimated 8 weeks from Proposal Closing	140
10	Signing of Project Agreements (Clause 7.7[iv]) Within 28 Days from LOI (Note: Start of Preliminary Period)	168
11	Financial Closure During Preliminary Period	437
12	Issue of Construction Notice (Clause 4.6 of Vol. III) 270 days from Signing of PPA	438
13	Scheduled Open Cycle Operation Date (SOCOD) 12Months from Construction Notice	803
14	Scheduled Combined Cycle (L) Operation Date "SCLOD" 24 Months from Construction Notice	1168

Note: Days for completion - Counted from date of issue of RFP

1.7 Disclaimer

The information given in this RFP is furnished by the CEB in good faith. The CEB disclaims all or any responsibility whatsoever to anyone for information contained in this RFP or for any representation or statement herein, whether express or implied.

Without prejudice to the generality of the foregoing, this RFP does not contain, nor does the GOSL, CEB or any GOSL Agency or their Representatives, make any promise, representation or warranty whatsoever, whether express or implied (and no such Representatives have any authority to make such representations and warranties), that information contained in this RFP is accurate, complete or reasonable or that it constitutes all the information necessary to prepare a Proposal or develop the Facility.

All such Persons expressly disavow any obligation or duty (whether in contract, tort or otherwise) to any Project Proponent and disclaim any and all liability based on or relating to any such information or representations or warranties (express or

implied) contained in, or errors or omissions from, this RFP or based on or relating to the use of this RFP or any other written or oral communication transmitted to or information provided to or otherwise acquired by a Project Proponent.

Each Project Proponent accepts full responsibility for conducting an independent analysis of the feasibility of the Facility and for gathering and presenting all necessary information. No Project Proponent is entitled to rely on the involvement of the CEB, any Government Agency or Representatives in the preparation of this RFP or in the solicitation process as a basis for bidding on or developing the Facility. Except as otherwise stated, the information provided in this RFP shall form no part of the Project Agreements or any other document defining the agreements between the CEB and Government Agencies, or of any Proposal submitted in response to this RFP. No adjustments will be made to any Proposal, or to any agreements between the CEB and Government Agencies based on a Project Proponent's interpretation of the information provided.

In submitting a Proposal in response to this RFP, the Project Proponent certifies that it understands, accepts and agrees to the disclaimers on this page. Nothing contained in any other provision of the RFP, nor any statement made orally or in writing by any person or party shall have the effect of negating or superseding any of the disclaimers on this page.

Queries relating to the information contained in this RFP shall be directed only to the contact persons referred to herein in the circumstances stated. No other person, whether employee, agent, adviser or other, has been authorised to give any information or to make any representations in respect of the RFP or the project and, if given or made, such information or representation may not be relied upon as having been authorised by the CEB or any Government Agency.

This RFP is confidential and personal to you. It is provided to you on the understanding that it is not to be duplicated or distributed to any other person.

2.0 DESCRIPTION OF THE PROJECT

2.1 The Facility in Brief

The Facility is a Combined Cycle Power Plant to be developed in the site at Kerawalapitiya, with one or two gas turbines and one steam turbine in configuration having a net output at the Interconnection Point at Kerawalapitiya CEB Grid Substation adjacent to the Site, in the range from 270 MWe to 330 MWe when operating on Liquid Fuel at the Interconnection Point at CEB Grid Substation adjacent to the Site. For avoidance of doubt the maximum net output of the plant when operating on Gas Fuel is limited to 350 MWe.

This RFP is to invite the Proposals from the interested Project Proponents for the financing, design, procurement, construction, commissioning, operation, maintenance and transfer of the Facility on BOOT basis.

The Facility shall comply with the relevant Minimum Functional Specification as specified in Schedule 5 of the PPA.

The technology proposed for the project shall have a proven track record, demonstrated success in countries with a similar level of technological development and infrastructure support as in Sri Lanka. Equipment to be offered shall be brand new and unused.

The input energy source for this Facility is Liquid Fuel until Gas Fuel is available at boundary of the Site. The Facility shall be made capable of operating with Liquid Fuel and Gas Fuel. Government of Sri Lanka (GOSL) is currently in the process of initiating to select a developer for the supply of Gas Fuel through a Floating Storage and Regasification Unit (FSRU) for the Colombo based power plants. GOSL assures that Gas Fuel will be available at the site boundary to operate the Facility from the 2nd contract year onwards. However, if Gas Fuel is available before the 2nd Contract Year, the Company is required to operate the plant on Gas Fuel from that date.

As part of the Facility, the Company shall provide 220 kV power transmission cables, accessories and all associated equipment, including meters up to the Interconnection Point as required for interconnecting the Facility to the CEB System. Two numbers of SF₆ feeder Generator bays will be provided by the CEB at Kerawalapitiya GIS.

2.2 Technical Information

Project Proponents shall provide general technical information in regard to the proposed Facility in their Proposal. The following minimum technical information shall be provided.

- i) Design and Guaranteed plant capacity of the facility at the site conditions at the Interconnection Point.
- ii) Design and guaranteed no-Load energy requirement (kJ/hour) for each gas turbine and Incremental heat rate of the Facility at the site conditions in respect to the load at the Interconnection Point.

- iii) Make, Type, Model, ratings, year of manufacture/production and the manufacturers of each major unit of the Facility
- iv) Details of Gas turbines
- v) Details of Steam turbine
- vi) Details of Heat recovery steam generators
- vii) Details of Electrical generators, AVR, Exciters including reactive power controller etc.
- viii) Details of main switchgear including synchronizing method to CEB Network
- ix) Details of Main Transformer, Unit Transformer, Station Service Transformer, any other Auxiliary systems.
- x) Governor details capable of providing house load operation.
- xi) Details of Liquid Fuel system, Gas Fuel system, Lube oil system, Hydraulic oil system, Sea water condenser Cooling system including Cooling towers, demineralized water, service water, liquid and solid waste disposal, heating & ventilation system, environmental impact mitigatory systems, fire detection & Protection, exhaust and any other related system.
- xii) Details AC & DC equipment including, MV & LV Switchgear, Motors, Inverters, Converters, Batteries & battery chargers etc.
- xiii) Details of Instrumentation, Control & Protection systems, emission & pollution control systems etc.,
- xiv) Details of Power transmission system including lines from the generator transformers to the Interconnection Point including all the associated equipment
- xv) Communication Systems,
- xvi) Details of metering including their memories devices at the facility including kW and kWh and kvar meters and chart recorders including computers to download the data in the memories at the Interconnection Point
- xvii) Black Start facility,
- xviii) Start-up times with start-up curves.
- xix) Switch Yard

2.3 Station Load Profile

The Facility is intended for base load and intermediate load service, and it must therefore be capable of two-shift operation. Open cycle operation before the Combined Cycle Operation Date (CCOD) is required. Open cycle operation during the Combined Cycle Operational Period is required only on the request of CEB.

The Facility will be required to operate on Dispatch Instructions from the CEB System Control Centre, which will dispatch the Facility according to merit order dispatch procedures. Dispatch will depend on the availability of generators with lower marginal cost.

2.4 Feasibility

CEB's Long Term Generation Expansion Plan for 2018-2037 has identified 300 MW LNG Combined Cycle Power Plant at Kerawalapitiya in Western Province.

2.5 Site

The Site is located at Kerawalapitiya within a new industrial development reclaimed from the Muthurajawela swamp in the Gampaha District, 12 km north of the Colombo city centre where CEB will allocate twelve (12) Acre land.

The Hamilton Canal, a 20 m wide waterway, runs between the CEB property and the coast in a north-south direction parallel to the coast. The Site is waterlogged and has an uneven topography.

The Company will be given the Site on lease by CEB at a nominal cost [refer Clause 5.4(iii)] for the duration of the Term. The Company will be required to fence and secure the Site and shall be responsible for construction of all internal roads and services within the Facility.

Cooling water corridor which is common to the existing and future power plants is available from the sea to the proposed power plant location. Details of the cooling water corridor is given in Annex X. Length of the cooling water path is 2 km, approximately. Project Proponents are required to perform studies about the cooling water intake and discharge locations and how the cooling water pipes are laid with the existing pipelines and future pipelines and within the roads and canals.

2.6 Site Plan

Site Plan is given in the Annex IX.

General Layout of the Plant Facility Area is given in the Annex X

2.7 Access and the Transportation of Plant & Equipment to the Site

The Company shall be responsible for transportation of all plant, equipment and materials to the Site and shall meet the costs of all Works save those expressly stated in this RFP as being the responsibility of other parties. The Project Proponent, in preparing its Proposal, has a duty to study itself of the access route and all issues and costs involved in performing its responsibilities and to cost into its Proposal all works reasonably required for transporting all loads to the Site.

Project Proponents' attention is drawn to the crossing of the Kelani River and, in particular, to the load carrying limitations of the Kelani and Friendship bridges. Heavy loads are not permitted over the Kelani Bridge. The capacity of the Friendship Bridge will depend on, amongst others, the bogie spacing of the transporting trailer. Project Proponents planning a river crossing by barge should take particular care to ensure that access between the river and the public road system is viable.

2.8 Site Utilities

Project Proponents shall make provision in their Proposals for construction and commissioning power supply requirements. The Company may apply to the CEB for a 33 kV connection to the Site for power during the Construction Period. CEB, upon request of the project company, will facilitate to obtain station auxiliary power supply for construction, testing and commissioning of the facility according to the same terms and conditions applicable at the relevant time to the relevant category of CEB's general purpose consumers. All costs of providing electricity supply to the Site shall be borne by the Company.

There is no town water supply to the Site sufficient to meet the needs of the Facility. Project Proponents must therefore consider other sources of water for domestic

needs, fire service and other power station purposes and make due allowance in their Proposals for the corresponding treatment requirements.

Collection and treatment of wastewater, removal of solid waste and other site utilities shall be the responsibility of the Company.

2.9 Environmental Consideration

In accordance with the National Environment Act no. 47 of 1980 and amendments thereto, and such other relevant Act, the Company is required to obtain the Environmental Protection Licence for the Project upon submitting the Environmental Impact Assessment (EIA) Study Report in regard to the Project. To commence the EIA proceedings, the Company is required to make an application to the Central Environmental Authority (CEA) of Sri Lanka and obtain Terms of Reference (TOR) for the Study. In accordance with the TOR, the Company has to carry out the EIA study and submit the EIA Study report to the CEA or Project approving Agency for the Environmental Protection Licence. According to Clause 4.2 of the draft PPA given in Volume III of this RFP, obtaining the Environmental Protection Licence is a Preliminary Obligation of the Company.

2.10 Archaeological Requirements

In addition to the Environmental Protection Licence requirement, the Company is required to comply with the requirements of the Antiquities Ordinance, as amended by Act No. 24, 1998 and regulations there under.

2.11 Permitting Procedures and Requirements

The Company shall be responsible for obtaining all necessary consents, permits, licences and approvals for the execution of the Project and for otherwise conforming to all appropriate legislation and regulations. Project Proponents shall inform themselves of the full extent of such requirements including those listed in Annex IV and price their Proposals accordingly.

3.0 INSTRUCTIONS TO PROJECT PROPONENTS

3.1 Issuing RFP document

In connection with the Request for Proposals for development of Combined Cycle Power Plant having net output of $300\pm 10\%$ MWe (270-330MWe) at the Interconnection Point on BOOT basis, any party interested in submitting a proposal is required to purchase RFP document from CEB. The Project Proponent shall examine all instructions, forms, terms, conditions, technical requirements, financial requirements, draft agreement and other information given in the RFP document. Failure to furnish all information required as per the RFP document or submission of the proposal not substantially responsive to the RFP document in every respect will be at the Project Proponent's risk and may result in rejection of its Proposal.

3.2 Pre-proposal Meeting and Site Visit

On behalf of the CANC appointed for this Project by GOSL, CEB will hold a Pre-proposal Meeting on 2021.07.20 at 10:00 hours at the office of Additional General Manager (Transmission). The purpose of the Pre-proposal Meeting is to clarify the issues regarding the RFP document. The Project Proponents are requested to submit their queries in writing by way of a request for clarification in accordance with Clause 3.3, provided they are received no later than 5 working days before the Pre-proposal Meeting, such questions will receive a response at the meeting. No answers or clarifications will be provided at the Pre-proposal Meeting in response to questions relating to decisions of the GOSL, CEB or CPC about the structure of the Project. The GOSL, CEB and CPC may reserve their position on any questions or requests for clarification made at the Pre-proposal Meeting.

A site inspection will be organised at the time of the Pre-proposal Meeting to give Project Proponents the opportunity to visit the Site and ascertain its location and characteristics, and assess their influence on implementation of the Project and the costs and revenues associated with its development and operation. The Project Proponents are advised to visit and examine the Site where the Works are to be installed and its surroundings and obtain for itself its own responsibility all information that may be necessary for preparing the Proposal and enter into agreements for installation of Works.

Additional visits to view the Site may be arranged by an agreement with CEB. However, Project Proponents are requested to note that the time available for such visits will depend on the availability of CEB's staff and the number of other requests for such visits. Such additional visits will only be arranged between the hours of 08.30 and 17.00 on Business Days. Neither the Government, nor CEB nor any Government Agency shall be under any obligation to answer any questions raised during such additional visits.

CEB shall extend reasonable assistance and co-operation in showing the Site to the Project Proponents. However, neither CEB nor the GOSL nor any Government Agency shall be responsible for any misunderstanding or misrepresentations concerning the Site or information given by any of its Representatives in the course

of the site visit. Requests for clarification made during the site visit will be responded to in accordance with the provisions of Clause 3.3.

The cost of visiting the Site shall be borne by the Project Proponent, fully. The Project Proponent and any of its personnel or agents will be granted permission by CEB on written request from them to enter the Site for the purpose of such examination but only upon the express condition that the Project Proponent and any of its personnel or agents will release and indemnify the CEB and its personnel or agents all liabilities in respect of thereof and the Project Proponent will be responsible for the personnel injury or death, loss of damage to property and any other loss. Damage, costs and expenses incurred as a result of the Inspection.

Amendments to the RFP (including the draft Project Agreements) arising from matters raised at the Pre-proposal Meeting will be made through an issue of Addenda and not through the minutes of the meeting.

The following will be transmitted without undue delay to all Project Proponents:

- i) Minutes of the Pre-proposal Meeting;
- ii) Summary of all questions and requests for clarification raised at the Pre-proposal Meeting (without disclosing the Project Proponent's identity), together with answers (which will be provided by way of an Additional Notification);
- iii) Amendments to the RFP (by way of Addenda).

Any Additional Notifications or Addenda arising from the Pre-proposal Meeting will be issued in accordance with Clauses 3.3, 3.4 and 3.5. In the case of any discrepancy between any answer given at the Pre-proposal Meeting and that confirmed later in writing, the answer given in writing by way of an Additional Notification shall prevail.

Project Proponents who purchase this RFP after the date of the Pre-proposal meeting will also receive copies of the minutes, the summary of requests for clarification, Additional Notifications, Addenda and any other written information given to Project Proponents at the Pre-proposal Meeting.

Non-attendance at the Pre-proposal Meeting will not be a cause for disqualification of the Project Proponent. Only those who have purchased the RFP document and their authorised representatives shall be permitted to attend this meeting. Project Proponents may send a maximum of three attendees to the meeting and the site visit. Project Proponents are requested to confirm their attendance in writing to the Deputy General Manager (Private Power Development) at least one week before the meeting and to give the names of proposed attendees.

3.3 Clarification

Project Proponents desiring any explanations and/or clarifications regarding this RFP Document may submit their written requests by facsimile, e-mail or by registered post to:

Deputy General Manager
Private Power Development Branch
Ceylon Electricity Board

2nd Floor, GOBA Building
Sir Chittampalam A. Gardiner Mawatha
Colombo 00200
Sri Lanka

Tel No.: +94 11 233 8249
Fax no.: +94 11 233 8249
Email Address: dgmpdpd.tr@ceb.lk

Requests for clarification shall be submitted using the form set out in Annex V, "Clarification Form". The CEB will reply to such requests for clarification by an Additional Notification issued within ten days from the date of receipt of the request. Additional Notifications will be sent to all Project Proponents without specifying the source of the request. Requests for clarification shall be received no later than thirty (30) Days prior to Proposal Closing, and no Additional Notification or other reply shall be made with respect to requests received later than this deadline.

3.4 Amendments

Only clarifications or amendments to the RFP made by the issuance of Addenda shall be considered binding on CEB. Project Proponents are cautioned that no Representative of the CEB or is authorised to explain or interpret the RFP, and that any interpretation or explanation, if not given in the form of an Addendum, must not be relied upon.

CEB may issue Addenda at any time up to twenty (20) days prior to Proposal Closing. A copy of each Addendum shall be sent to all Project Proponents on the same date by the same means. Project Proponents shall promptly acknowledge by facsimile receipt of Addenda and shall note in their Proposals all Addenda received. Late receipt of an Addendum by the Project Proponent or failure to acknowledge receipt thereof shall not relieve the Project Proponent of being bound by such Addendum.

In order to afford Project Proponents reasonable time in which to take clarifications or amendments into account in preparing their Proposals, the CEB may, at its discretion extend the Proposal Closing in accordance with Clauses 3.22.

3.5 Amendments to Draft Project Agreements

It is important that the Project is expedited and the Project Agreements are executed without protracted delay. The drafts of the Project Agreements provided in the RFP are therefore written to offer adequate incentives to prospective Project Proponents and protection to their Lenders.

Project Proponents are encouraged to minimise amendments to the Project Agreements. However, if Project Proponents have concerns with the Project that in their view are not satisfactorily addressed in the draft Project Agreements provided as a part of this RFP, the Project Proponents may propose amendments to the Project Agreements in the format specified in Annex VI, "Proposed Amendments to Project Agreements". Amendments to the draft Project Agreements shall be

requested during Clarification period, in accordance with Clauses 3.3 above. In proposing amendments to the Project Agreements, Project Proponent shall;

- i) obtain advice, as appropriate, from their relevant advisors and/or Lenders, as appropriate; and
- ii) allow sufficient time for the CEB to consider such amendments, discuss them with Project Proponents (if appropriate and desirable), and to determine a response and issue Addenda (if appropriate).

The GOSL, CEB or CPC may accept, at its sole discretion the amendments requested. Accepted amendments will be incorporated into the draft Project Agreements through Addenda issued pursuant to Clauses 3.4.

Project Proponent's Proposals shall be based on the draft Project Agreements incorporating the accepted amendments made by Addendums.

3.6 Project Proponents and Project Proponents' Prerequisites

For the purpose of this RFP generally, a party who has purchased this RFP, shall be an individual party or parties to a bidding consortium each party being a properly constituted company, corporation, firm, joint venture or other entity, duly organised and existing and registered under the laws of its country.

The Project Proponent shall demonstrate in its Proposal that through its constituent members and its proposed associations it has the technical capability, experience and expertise to finance, design, procure, construct, commission, operate and maintain the Facility. In particular, the Project Proponent shall provide evidence of a successful track record in respect of:

- i) the ability of proposed contractors and suppliers to successfully procure and construct power plants of similar size and technology in countries with a level of technological development and infrastructure support similar to Sri Lanka; and
- ii) the plant and equipment proposed for incorporation into the Facility.
- iii) The proposed Combined Cycle Power plant shall be built up using proven models of gas turbines, heat recovery steam generators, steam turbine, electric generators, transformers and other required auxiliary equipment.

No Project Proponent, or member of the Project Proponent's consortium, or their parent or affiliate companies, shall have:

- i) suspension or blacklisting imposed on them by any government or any government agency for any reason whatsoever.
- ii) a record of unsatisfactory past performance, including breach of contract, untimely completion, poor claims history and defective workmanship.
- iii) inordinate overdue debts toward the insurance, revenue or customs authorities of Sri Lanka or of their country of incorporation.

- iv) a record of criminal or civil court cases pending or decided against them involving non-payment of tax, duty or other undertaking with the any government or any government agency.
- v) associated as a member of another Project Proponent's consortium

3.7 Consortiums

The Project Proponent, being a consortium of prospective shareholders in the Company and preparing a Proposal as a joint venture company or other form of partnership, shall meet the following conditions:

- i) The Project Proponent shall identify a lead member who shall undertake to maintain not less than 15% of the required equity for the project for a period of not less than 5 years from the Combined Cycle Operation Date. This shall be included in the articles of association of the Company.
- ii) The lead member shall be responsible for all communications with and for the Project Proponent. The lead member shall submit the Proposal with powers of attorney, in terms acceptable to the CEB, executed by all members authorizing the lead member and all signatories to execute the Proposal on their behalf.
- iii) The lead member shall also submit duly certified resolutions from the Board of each member company authorizing that member's participation in the Proposal.
- iv) In the case of a company or incorporated joint venture, the Project Proponent shall provide its memorandum and articles of association, in the case of some other form of partnership agreement, it shall provide a memorandum amongst its members demonstrating their commitment to the Project and stating the proposed equity contributions.
- v) The Proposal shall be signed so as to legally bind all members, jointly and severally, and the Proposal shall be submitted with a copy of the consortium agreement providing the jointly and severally responsible with respect to the Project.
- vi) The Project Proponent shall provide as part of its Proposal details of the role to be played by each of its members, their intended equity commitment and the organization of the proposed Project Company.
- vii) Once the Project Proponent has submitted its Proposal and for as long as the Proposal is under consideration by the CEB, the members may not dispose of their interest in, or withdraw from, the bidding consortium prior to execution of the Project Agreements.

3.8 Proposal Responsiveness

The Project Proponent shall submit only one substantially responsive proposal (the Proposal), i.e. one that conforms to the terms, conditions and specifications of the RFP without material deviation or reservation and otherwise fulfils the "Mandatory

Proposal Requirements” specified in Clauses 3.13. Failure to comply with this instruction may result in rejection of the Proposal.

The Project Proponent may submit no more than one Proposal although it may include options proposing different distributions of equity among shareholders.

Project Proponent’s attention is drawn to the provisions of Clause 1.5 and to the Project Proponent’s need to finance the Project without any direct and unconditional Government guarantees save those undertakings expressly provided in this RFP and more particularly in Clause 3 of Volume IV. For the avoidance of doubt, the Project Proponent’s proposal shall assume no Government counter guarantee will be available to support an application to a multilateral agency for sovereign risk cover such as the World Bank Partial Risk Guarantee or the Asian Development Bank Political Risk Guarantee.

3.9 Language of the Proposal

The Proposal and all related correspondence, communications and document in relation to this RFP shall be in the English language. Supporting document and printed literature furnished by the Project Proponent with the Proposal may be in any other language and may be accepted for reference only, provided they are accompanied by an appropriate translation in English language. Supporting materials that are not translated in to English language will not be considered.

3.10 Proposal Structure

Proposal shall comprise two separate parts; a Technical Proposal and a Financial Proposal. Project Proponents’ Proposal shall include the following documents (refer “*Proposal Letters and Forms*”, Volume II):

- (i) Technical Proposal
 - Document Reference Check list.
 - All completed forms and required supporting documents including followings;
 - ✓ Technical Proposal Letter (Section A, Vol. II)
 - ✓ Qualifications of the Project Proponent (Section B, Vol. II)
 - ✓ Project Milestones Schedule (Section C, Vol. II)
 - ✓ Technical Data (Section D, Vol. II)
 - ✓ Project Proponent’s Organisational, Staffing and QA Plan (Section E, Vol. II,)
 - ✓ Project Proponent’s Transfer Plan (Section F, Vol. II)
 - ✓ Proposal Security (Annex II, Vol. I)
- (ii) Financial Proposal
 - Financial Proposal Letter (Section G, Vol. II)
 - (Vol. II, Section H) Not Applicable
 - Project Financial Data (Section I, Vol. II)
 - Financing Plan (Section J, Vol. II)
 - Lender’s Commitment Letter (Section K, Vol. II)
 - Electronic Format of completed Financial Template (I-2 of Section I, Vol. II)
 - Hard copy of duly filled Financial Template in A3 size papers

3.11 Proposal Preparation

If the Proposal consists of more than one volume, the Project Proponent shall clearly number the constituent volumes and provide an indexed table of contents for each volume.

The Proposal shall be typed using indelible ink and shall be clearly legible and suitable for copying. The person or persons duly authorised to sign for the Project Proponent shall initial each sheet and any erasures or changes. Any erasures and changes that are not signed, dated and legible will not be taken into consideration.

All pages of the Proposal shall bear the name of the Project Proponent.

The Project Proponent shall complete the "Proposal Letters and Forms" in Volume II of this RFP and will otherwise provide information required under the RFP in the format requested. Each sheet of the Proposal forms submitted under cover of the Proposal letters required under Volume II of this RFP shall conform to the formats specified in Volume II of this RFP, and shall be initialled by the signatories (if more than one), of the Proposal letters. Signatures and initials shall be in blue indelible ink.

Technical data as well as dimensions and measurements on the drawings submitted with the Proposal shall be quoted in SI units.

3.12 Project Proponent's Duty to inform itself

Project Proponents' attention is drawn to the "Disclaimer", Clause 1.7 and to the Project Proponents' duty to inform itself.

The submission of this Proposal will be construed as acknowledgement by the Project Proponent that it has satisfied itself as to the nature and location of the Project, the general and local conditions of the Site and its environs, the services to be provided, and other matters which, if the Project Proponent's Proposal is accepted, may affect the Project Proponent's performance of its obligations under the Project Agreements. In particular, in submitting its Proposal, the Project Proponent is deemed to have, amongst others:

- i) carefully examined and familiarised itself with this RFP, including the draft Project Agreements.
- ii) familiarised itself with the laws and regulations of Sri Lanka, including labour, environmental and financial laws, and satisfied itself that complying with these laws and regulations has been fully considered.
- iii) carefully examined all available information not being part of the RFP including studies, maps, reports, charts, records, laws, regulations and other sources;
- iv) made its own interpretations, deductions, conclusions and assessment of the Site, the geotechnical, meteorological, hydrological, atmospheric and all other ambient, surface and subsurface conditions in and around the Site and the circumstances that the Project Proponent, if its Proposal is accepted, may experience or encounter in implementing the Project.
- v) informed itself of the restrictions, procedures, costs, timings and difficulties associated with:

- a) restrictions and constraints, if any, imposed by the existing infrastructure including roads, bridges and harbours;
 - b) the local labour market and the visas, work permits and other approvals for expatriate personnel;
 - c) customs clearances and other approvals for the importation of plant, equipment and materials;
 - d) the market in Sri Lanka for Fuel and proposed changes thereto;
 - e) legal, regulatory and institutional reform in Sri Lanka including restructuring proposals for the energy sector, financial sector and other relevant sectors;
 - f) financial and currency matters.
- vi) informed itself of the legal, regulatory and institutional reform processes in Sri Lanka, particularly as they relate to relevant sectors such as the energy sector and financial sector;
 - vii) made full allowance in its Proposal for the resources required to fulfil its obligations under the Project Agreements.

The failure of any Project Proponent to receive or examine any form or document, or to otherwise fully inform itself shall not be grounds for the Project Proponent to subsequently alter its Proposal after submission, nor shall it in any way relieve the Project Proponent from any responsibility for successfully executing the Project within the terms of the Project Agreements.

3.13 Mandatory Proposal Requirements

Failure of the Project Proponent to meet the requirements of the “Responsiveness Test”, Annex VII and comply with the requirements of this Clause 3.13 shall constitute grounds for rejection of the Proposal:

- i) if the following conditions are not met, the Proposal may be deemed non-responsive and rejected:
 - a) Proof of purchase of RFP from CEB
 - b) The Proposal is marked and sealed in accordance with the requirements of Clause 3.20;
 - c) The proposal contains the information as required under this RFP and in the formats specified in Proposal Letters and Forms, Volume II as appropriate.
 - d) The Proposal is valid for a period of not less than Two Hundred Seventy (270) Days pursuant to Clause 3.16 and is accompanied by a Proposal Security complying with the requirements of Clause 3.17;
 - e) A signed Technical Proposal letter is provided with the Proposal in the form specified in Clause 3.19;
 - f) A Pre-proposal agreement or joint venture agreement is provided where the various participants agree to jointly carry out their obligations pursuant to the Project Agreements;
 - g) Resolutions from the Board of each member company authorising their participation in the Proposal;
 - h) Power(s)-of-attorney enforceable under the Laws of Sri Lanka are provided with the requisite certificate of non-revocation confirming the authority of the signatories to sign for and on behalf of the Project Proponent.

- ii) The CEB will not consider any Proposal that proposes the following:
 - a) A Facility that does not conform to the Minimum Functional Specification, Schedule 5 of Volume III.
 - b) Incomplete scope, ill-defined site or contractual interfaces, or open assumptions (e.g. subsurface conditions at the Site, future market conditions for Fuel in Sri Lanka);
 - c) Relaxation of environmental standards;
 - d) Use of second-hand plant, equipment, components and materials;
 - e) Reliance on Government privileges, concessions and/or guarantees not expressly provided for in the Project Agreements;
 - f) Material deviations to the draft Project Agreements that, in the opinion of the CEB, would or is likely to reduce the benefits of the Project accruing to the CEB.

- iii) The Project Proponent's Financial Proposal will not be opened until after its Technical Proposal has been evaluated. To enable responsiveness of key elements of the Financial Proposal to be confirmed as part of the First Stage evaluation (Responsiveness Test), the Technical Proposal shall contain an explicit and unequivocal affirmation regarding the contents of the Financial Proposal. The affirmation shall be provided as an attachment to the Technical Proposal letter and shall be in the form specified in Section A of Part I of Volume II.

As a condition of Proposal responsiveness, the affirmation shall confirm the following:

- a) The Tariff offered by the Project Proponent complies with the structure and pricing mechanisms specified in the draft PPA;
- b) The Project Proponent's Financing Plan provided as Section J of Part II of Volume II of its Proposal is comprehensive and has been endorsed by the Project Proponent's Financial Advisor as bankable without material change to either the Project Agreements or the Government's support package, such endorsement being in the form specified in Section G, Part II of Volume II
- c) The Financial Proposal contains a memorandum from all intended subscribers of equity committing them to:
 - I. the full amount of the required equity, being no less than 20% of the Project's total capital requirements;
 - II. disbursement of equity in accordance with PPA requirements.
- d) The Financing Plan proposes a financing structure based on fixed interest rates, a DSCR (Debt Service Coverage Ratio) in all years of the Combined Cycle Operational Period of no less than 1.3.
- e) The Lead Member of the Project Proponent shall retain at least 15% of the equity capital in the Company for a minimum of five (5) years from CCOD.

3.14 Cost and Risk of Proposals

Project Proponents shall bear all costs, including those of professional advisors, incurred by them in preparing and submitting their Proposals, executing the Project

Agreements and finalising financing regardless of the conduct or outcome of the evaluation process, or subsequent financial ability of the Project. Neither the CEB, GOSL, nor any GOSL Agency, nor any representative of these parties shall have any liability whatsoever to any Project Proponent in respect of any decision taken by Project Proponents in relation to their Proposals whether or not in reliance on any matter supplied by the Government, any Government Agency, or any their representatives.

3.15 Interest Movements

The Project Proponent shall bear all risks associated with movements in interest rates over the period up to the expiration of the Proposal validity period.

3.16 Proposal Validity

Each Proposal shall constitute a firm offer and one that shall remain valid and open for acceptance for a period of two hundred and seventy (270) Days from the Proposal Closing Date. During this period, the proposed Tariff shall remain valid and no Project Proponent shall withdraw its Proposal. Any Proposal offering less than the stipulated Proposal validity period will be rejected.

Prior to expiration of the original Proposal validity period, the CEB may request one or more of the Project Proponents to extend the period of validity for a specified period. The request for an extension to the original validity date and the responses to it shall be made in writing. If any Project Proponent does not agree to such extension, it may advise the CEB of its decision in writing prior to the expiration of the original period without forfeiting its Proposal Security, and withdraw its Proposal. If, following the issuance by the CEB of a notice of extension, a notice of withdrawal is not received by the CEB prior to the expiration date of the original validity period, the extension shall be considered to have been accepted by the Project Proponent and the Project Proponent shall extend the effective period of the Proposal Security accordingly or be disqualified.

A Project Proponent agreeing to the request will not be permitted to modify its Proposal, but will be required to extend the validity of its Proposal Security accordingly. The provisions of Clause 3.17 regarding release and forfeiture of Proposal Security shall continue to apply during the extended period of Proposal validity.

3.17 Proposal Security

A Proposal Security payable in Sri Lanka shall be furnished to the CEB with the Proposal. The Proposal Security shall be to the value of Sri Lankan Rupees Six Hundred (600) Million or US Dollars three million three hundred thousand (USD 3.3Million). This security shall be in the form of a bank guarantee issued by a commercial bank operating in Sri Lanka approved by Central Bank of Sri Lanka or a bank based in another country but the guarantee confirmed by a bank operating in Sri Lanka approved by Central Bank of Sri Lanka, in the form provided in Annex II. The Proposal Security shall be valid for a period of not less than three hundred (300) Days from Proposal

Closing Date. Any Proposal not accompanied by a Proposal Security complying with Clause 3.17 will be rejected.

A Project Proponent shall forfeit the Proposal Security without any notice, demand, or other legal process and CEB shall encash the Proposal Security:

- i) if the Project Proponent withdraws its Proposal during the period of Proposal validity; or
- ii) if the project Proponent's Proposal contains any false statement or material misrepresentations; or
- iii) if a member of the Project Proponent disposes of or withdraws its interest in the Project prior to execution of the Project Agreements so that it no longer complies with the qualification requirements.
- iv) in the case of a shortlisted Project Proponent, if it fails to:
 - a) response for clarifications requested by CANC under Clause 7.7 (ii);
 - b) execute the Project Agreements within four (4) weeks of the issuance of LOI; or
 - c) furnish the Preliminary Obligation Bond by the time and in the form required by the RFP.

Project Proponents who decline the CEB request to extend the validity of their Proposals in pursuant to Clause 3.16 shall have their Proposal Security returned to them upon the expiration of their Proposal validity.

After the shortlisted Project Proponents have been selected and have extended the validity periods of their Proposals if necessary, pursuant to Clause 3.16, the Proposal Security of those Project Proponents who were not shortlisted will be returned.

The Proposal Securities of shortlisted Project Proponents will be discharged or returned, or both, without interest, upon the sooner of the expiration date of their Proposals or the execution of the Project Agreements with the Company formed by the successful Project Proponent. The return of the Proposal Security of the successful Project Proponent shall be conditional on the furnishing of a Preliminary Obligation Bond pursuant to Clause 3.18.

3.18 Project Bonds

Prior to the signing of the Project Agreements, the Project Proponent shall form the Company and shall provide the CEB with a Preliminary Obligation Bond, in the form specified in Annex III to the value of Sri Lankan Rupees one thousand and one hundred (1,100) Million or US Dollars six (6) Million.

The Preliminary Obligation Bond will be discharged or returned, or both, (without interest) upon achievement of Financial Closure and provision of the Construction Performance Bond to the value of Sri Lankan Rupees five thousand (5,000) Million

pursuant to Clause 5.3.2(i) of the PPA. The Preliminary Obligation Bond may be forfeited in accordance with the provisions of the PPA.

The Construction Performance Bond will be discharged or returned, or both, (without interest) upon achievement of CCOD and provision of the Operations Performance Bond to the value of US Dollars seven point five (7.5) Million pursuant to Clause 6.2.1 of the PPA. The Construction Performance Bond may be forfeited in accordance with the provisions of the PPA.

3.19 Proposal Authorisation

The Technical Proposal Letter, the Financial Proposal Letter and the Proposal Forms shall be signed by the person or persons duly authorised to bind the Project Proponent to the Proposal. Proof of authorisation in the form of written notarially executed power(s)-of-attorney and resolutions of each member's board in terms acceptable to the CEB from consortium members to authorise the signatories to sign on their behalf shall be attached to the Technical Proposal Letter and Financial Proposal Letter.

The forms for the Proposal letters and the Proposal Security and other securities, as appropriate, shall be adopted without modification other than inclusion of dates, references to addenda, names of signatories, addresses and the like.

3.20 Submission of Proposal, Format, Sealing and Marking

Project Proponents shall submit their Proposal in hard copies as follows;

- i) one (1) original of the "Technical Proposal" (clearly marked as "Original") and two (2) copies (clearly marked as "Copy 1" and "Copy 2"); and
- ii) one (1) original of the "Financial Proposal" (clearly marked as "Original") and two (2) copies (clearly marked as "Copy 1" and "Copy 2"). Electronic copy of Financial Template I-2 of Section I, Volume II in Excel shall also be provided in each of above "Original", "Copy 1", "Copy 2" and "Copy 3" of this Financial Proposal.

Any discrepancy between the Original and a Copy will be resolved in favour of the Original.

In addition to the hard copies, electronic copies of "Technical Proposal" and "Financial Proposal" in PDF format may also be provided with respective set of Original documents referred above. Evaluation of Proposal shall only be based on the hard copies submitted.

The Proposal, comprising both "Technical Proposal" and "Financial Proposal", shall be delivered in a sealed package labelled in bold letters:

**SECOND 300MW LNG COMBINED CYCLE POWER PLANT AT
KERAWALAPITIYA
“SEALED PROPOSAL – DO NOT OPEN”**

RFP No:

Project Proponent's Full Name and Address:

The Proposal shall be submitted to the following address no later than the Proposal Closing time:

Chairman, CANC
C/o Additional General Manager (Transmission)
No. 50, Ceylon Electricity Board
4th Floor, CEB Head Office Building
Sir Chittampalam A Gardiner Mawatha,
Colombo 02
Sri Lanka.

If the Proposal is not sealed and marked as specified above, the CEB may reject it as non-conforming and will assume no responsibility for its misplacement or premature opening. The package shall also clearly state the Project Proponent's name and address.

Within this package will be three inner packages:

- i) **Inner Package 1:** The Technical Proposal shall be enclosed in the Proposal package in a separate sealed inner package bearing the following identification:

**TECHNICAL PROPOSAL FOR
SECOND 300MW LNG COMBINED CYCLE POWER PLANT AT
KERAWALAPITIYA**

RFP No:

Project Proponent's Full Name and Address

The Inner Package 1 will contain four sealed envelopes as following:

- a) One (1) envelope, containing original of the Technical Proposal document clearly marked “Original” on the envelope and the first and the last pages of the document; and
- b) Two further envelopes, each containing the copies of the Technical Proposal clearly marked “Copy 1” and “Copy 2” on the envelope and the first and the last pages of the document; and

- c) One further envelope, containing original Proposal Security document clearly marked "Proposal Security" on the envelope and the first and the last pages of the document.
- ii) **Inner Package 2:** The Financial Proposal shall be enclosed in the Proposal package in a separate sealed envelope bearing the following identification:

DO NOT OPEN
<p>FINANCIAL PROPOSAL FOR SECOND 300MW LNG COMBINED CYCLE POWER PLANT AT KERAWALAPITIYA</p> <p>RFP No:</p> <p>Project Proponent's Full Name and Address</p>

The Inner Package 2 will contain three sealed envelopes as following:

- a) One envelope, containing original of the Financial Proposal document with clearly marked "Original" on the envelope and the first and the last pages of the document, hard copy and Electronic copy of Financial Template I-2 of Section I of Part II, Volume II in Excel form; and
- b) Two further envelopes, each containing the copies of the Financial Proposal clearly marked "Copy 1" and "Copy 2" on the envelope and the first and the last pages of the document, hard copy and Electronic copy of Financial Template I-2 of Section I of Part II, Volume II in Excel form.

The name and address of the Project Proponent shall be written on each of the inner packages allowing the return of the Proposal unopened in the event of revision or withdrawal prior to Proposal Closing or late delivery or, in the case of the Financial Proposal, the Proposal not reaching the Third Stage Evaluation.

3.21 Modification and Withdrawal of Proposal

At any time prior to Proposal Closing a Project Proponent may modify or withdraw its Proposal after submission, provided that the modification or withdrawal is received in writing by the CEB prior to Proposal Closing and complies with the following:

- i) A Project Proponent's modified Proposal shall be prepared, sealed, marked and delivered in accordance with the requirements for submission of Proposals, including those specified in Clause 3.20 (including Proposal Security), with envelopes additionally marked "MODIFICATION". On receipt of the modified Proposal the CEB shall return to the Project Proponent its prior unopened Proposal (including the original Proposal Security), if the Project Proponent so requests in writing.
- i) A Project Proponent may request in writing that its unopened Proposal be withdrawn and, provided such request is received prior to Proposal Closing, such

Proposal (including Proposal Security), shall be returned to the Project Proponent. Withdrawal of a Proposal during the interval between the Proposal Closing and before the expiration of the period of Proposal validity specified in the Proposal Letter will result in the forfeiture of the Proposal Security pursuant to Clause 3.17.

3.22 Proposal Closing

Proposal Closing shall be 11:00 hrs Sri Lankan standard time on 2021.09.13. Proposals must be received by the CEB at the address stipulated in Clause 3.20 by Proposal Closing. Submission of Proposal, Format, Sealing and Marking

Proposal submission must be made to the address specified in Clause 3.20 by either of the following methods:

- i) Hand-delivery.
- ii) Courier.

Proposals submitted by means other than (i) or (ii) above will not be accepted.

The CEB may, at its discretion, extend the deadline for submission of Proposals by issuing an Addendum.

3.23 Late Proposals

Any Proposal received late will be rejected and returned unopened regardless of the reason for the delay. It is the sole responsibility of the Project Proponent to comply the provisions of this RFP for submission of Proposals.

3.24 Proposal Opening - Technical Proposals

For all Proposals properly lodged with the Bid Opening Committee, the envelopes containing the Technical Proposals, the corresponding Proposal Securities will be opened at the offices of CEB immediately following the Proposal Closing. Project Proponents choosing to attend the opening shall sign a register evidencing their attendance.

At the opening of the Technical Proposals, Bid Opening Committee will examine the Proposals and record Project Proponents' names, any withdrawals, the presence or absence of Proposal Securities, whether the documents have been properly signed and complete and such other details as the CEB may consider appropriate. Bid Opening Committee will prepare minutes of the openings of the Technical Proposals and will immediately announce:

- i) the names of the Project Proponents;
- ii) the value of the Proposal Security and the name of the issuing agency;
- iii) whether both the technical and financial proposals have been received.

Information of a commercially sensitive nature to each Proposal will not be disclosed.

Proposals for which a notice of withdrawal has been received pursuant to Clause 3.21 will not be opened.

Financial Proposals shall be held by CEB pending their opening at the start of the Third Stage Evaluation. In the case of the Financial Proposals, the Proposals not reaching the Third Stage Evaluation shall be returned unopened.

3.25 Financial Proposals

Financial Proposals of the Project Proponents whose Technical Proposals have passed the First Stage Evaluation and Second Stage Evaluation shall be opened at the offices of CEB on a date to be announced later. Those Project Proponents whose Technical Proposals have passed the First Stage Evaluation and Second Stage Evaluation and wish to attend the opening of the Financial Proposals, may do so.

3.26 Confidentiality

After Proposals have been opened, all information relating to the examination, clarification, evaluation and comparison of Proposals and recommendations concerning the short listing of Project Proponents and award of the Project shall not be disclosed to Project Proponents or other persons not officially concerned with such process except as provided for herein.

Neither the GOSL nor CEB nor any Government Agency, nor any of their Representatives will be liable for any loss or damages resulting from any disclosure before, during and after the bidding process.

Any effort by a Project Proponent to influence the GOSL, CEB or any Government Agency or any of their Representatives in the process of examining, clarifying, evaluating and comparing Proposals, and in decisions concerning award of the Project, may result in the rejection of the Project Proponent's Proposal and forfeiture of the Proposal Security.

4.0 PROPOSAL REQUIREMENTS

4.1 Complete Proposal

The complete Proposal shall constitute two principle packages, Technical Proposal and Financial Proposal. Project Proponents shall clearly understand the difference between the Technical Proposal and Financial Proposal. Any information related to the Tariff and any document containing such information shall be included in the Financial Proposal only. Inclusion of such information in the Technical Proposal may result the Proposal non-responsive. The Project Proponent shall enclose its Technical Proposal and its Financial Proposal in separate sealed envelopes as specified in Clause 3.20.

4.2 Technical Proposal

The Technical Proposal shall demonstrate a sound knowledge of the requirements of the Project, an understanding of the obligations of the Company, and the capacity and capability of the Company to undertake the Project in compliance with the Project Agreements.

The Technical Proposal shall be submitted under cover of a letter that shall be in the form specified in Section A of Volume II. The information provided in the Technical Proposal shall be presented in the formats specified including those provided in Sections B to F of Volume II. Failure to provide this information in full and in the forms specified may result the Proposal as non-responsive.

The Technical Proposal shall respond to the request for information under this Clause 4.2 and other provisions of this RFP (unless the information forms part of the Financial Proposal). To the extent that the forms do not accommodate information requested in the RFP (other than information forming part of the Financial Proposal), then Project Proponents shall append such information to the Technical Proposal. Project Proponent may also submit such other documents as may further demonstrate their ability to undertake the Project in accordance with the Project Agreements.

4.2.1 Project Technical Details

Project Proponents shall provide general technical information, with technical literature where available, to enable the CEB to fully understand the Facility proposed by the Project Proponent and to make judgements about, amongst others, its efficiency, durability, reliability and general compliance with the Minimum Functional Specification.

The information to be provided as part of the Technical Proposal shall include, amongst others:

i) **Design**

Applicable standards for design, materials, manufacture, mechanical and electrical works, civil and structural works, communications, fire protection, heating and ventilation, operation and maintenance, and all other works to

be undertaken to fulfil the requirements of the Project Agreements. The design life of the Facility shall be shall be not less than twenty six (26) years.

Indicative Site layout drawings showing locations of key features of the proposed Facility including buildings, Fuel storage tanks, cooling water system, water treatment and storage facilities, services, interconnection, access roads and, as appropriate, cooling towers. Such locations shall be within the areas designated on the Indicative Site Plan as being available for the particular purposes. The indicative Site layout drawings shall nominate the location of drainage and effluent discharge points.

The Project Proponent's transportation plan for transporting plant, equipment and materials to the Site shall describe the routes to be taken for normal and heavy loads and shall specify, works required to be carried out, and the assumed responsibility for undertaking and paying for such works.

ii) Generating Plant and Auxiliaries

Site civil works including all site utilities and services, including raising building platforms, constructing dykes as necessary and construct effective drainage and dewatering systems to prevent flooding of buildings and plant facilities.

The Net Dependable Capacity of the plant in MWe at the Site conditions and burning the Fuel specified in the RFP shall be guaranteed by the Company for the Operational Period.

Outline design of the Facility's electrical plant and systems, including redundancy levels to be provided and in particular the mode of connection to the CEB System.

Outline design of Facility auxiliaries, services and systems including Fuel, lube oil, hydraulic oil, cooling water, demineralised water, service water, combustion, cooling and sealing air, atomising air system, heating and ventilation system, fire detection and protection system and exhaust systems. Related data, with details of equipment redundancy levels, shall be provided.

Details of generating plant including:

- a) Make, type and model of each Unit, the number of Units [and whether any Units will share a common generator].
- b) Start-up times, loading rates and other dynamic parameters.
- c) Gas turbine generator, AVR, exciters including reactive power control, etc.
- d) Heat Recovery Steam Generators and accessories.
- e) Steam turbine generator and related equipment.
- f) Confirmation that the proposed Facility would employ proven technology. Experience reference sheets or similar evidence of proven performance on other projects shall be provided in respect of major plant items.

iii) Cooling Water and Water Supply

Details of the cooling system based on sea water hybrid cooling towers. In this respect, the Project Proponent shall:

- a) nominate the location of cooling water abstraction and discharge points;
- b) nominate the type of cooling water treatment;
- c) provide specifications of proposed equipment, pumps, plant, structures and other cooling system features, as appropriate.

The water requirements for the operation of the Facility and the water treatment facilities and on-site storage to be provided as part of the Facility.

Effluent limits of segregated wastewater system and location of effluent discharge point.

iv) Fuel Supply

- a) Details of the dual Fuel system (Liquid Fuel and Gas Fuel)
- b) The technical and other details of connecting the Facility to the Gas Fuel supply. This supply will be brought to the boundary of the Site by the Gas Fuel Supplier.
- c) Details of the Liquid Fuel storage facilities

v) Electrical Interconnection

Single line diagram up to the Interconnection Point showing all circuit breakers, isolators, Metering Point, current and potential transformers for metering and protection, earthing switches, lightning arrestors, power transformers and generators.

The maximum, make and break fault contributions to the CEB system from the Facility at 220 kV [and at 33 kV (if used)], including motor and generator contributions.

vi) Instrumentation and Control

Instrumentation, control and protection systems including the relay protection scheme proposed by the Project Proponent for line, busbars, transformers, generators, etc. including fire protection. Protection schemes may have interfacing with CEB equipment and these protective schemes are subject to concurrence of CEB.

Communications systems and equipment for:

- a) direct digital communications of dispatch instructions
- b) voice communication with the CEB System Control Centre

- c) normal voice, email and facsimile communication

Metering devices and proposed location of Main Meter and Check Meter.

vii) General

All other details necessary to enable the CEB to ascertain if the proposed Facility will meet the Minimum Functional Specification.

4.2.2 Target Availability

The Company will contract under the PPA to achieve availability levels with respect to the Net Dependable Capacity taking into account planned maintenance outages, forced outages and partial de-ratings as follows:

- i) Target Availability for each Contract Year to be as nominated by the Project Proponent in its Proposal (refer Section E of Volume II) and agreed between the Parties prior to execution of the Project Agreements;
- ii) Target Availability over the Combined Cycle Operational Period, calculated as an arithmetical average of all Contract Years, to be no less than ninety percent (90%). Target Availability over the Open Cycle Period is ninety percent (90%).

Subject to the conditions specified in Paragraph 8.5.3 of Schedule 8 of the PPA, the Target Availability for any individual Contract Year may be adjusted by up to two percent (2%) provided that availability over the Combined Cycle Operational Period achieves the Target Availability specified in (ii) above.

4.2.3 Organisational, Staffing and QA Plan

The Project Proponent shall submit a detailed organisational chart, staffing plan and proposed quality assurance program in accordance with the requirements outlined in Section E of Volume II.

4.2.4 Transfer Plan

The Project Proponent shall submit a detailed Transfer Plan in accordance with the requirements outlined in Section F of Volume II.

4.2.5 Insurance Plan

The Project Proponent shall submit a detailed insurance plan for the Facility. The plan shall accord with the Project Agreements and shall specify the type of insurances, the amount of cover and the proposed provider.

4.2.6 Domestic Participation

Project Proponents shall provide information about the extent to which they plan to employ local contractors, suppliers and labour during the Construction Period and Operational Period.

4.2.7 Services and Utilities

The Company will be required to arrange or provide all services and utilities for the Project. The Company may apply to the CEB during the Construction Period for a 33 kV connection on the same terms and prices as apply ordinarily to general purpose consumers. Maximum construction power supply that can be offered during the Construction Period is 1MVA.

4.2.8 Environmental Obligations

The Company will be required to carry out an Environmental Impact Assessment Study. Under the Environmental Law, the Company shall apply for, and obtain, an Environmental Protection License from the Central Environmental Authority and shall meet the conditions of that license at all times during the Construction Period and Operational Period.

The Project Proponent shall describe qualitatively and quantitatively the potential environmental impacts of the Facility it proposes and shall support its submission with details including:

- i) A description of environmental mitigation and protection measures to be implemented.
- ii) The quantities and types of all liquid and solid effluents, including sewage, that will be produced at the Site, and the methods to be employed for neutralizing these effluents. The proposed methods for disposal of all liquid and solid wastes from the power station including any Fuel sludge/wastes should be clearly outlined in the Proposal.
- iii) The quantities and rates of emissions of pollutants, including the types of pollutants, and details of the proposed methods of pollution control and types of pollution control equipment and other mitigation measures. Guaranteed emission rates should also be provided.
- iv) The effects on the marine environment including water temperature, coastal morphology and marine biodiversity. The siting of abstraction and discharge points for cooling water and other such details shall be provided.
- v) Construction effects (e.g. impacts associated with transportation of plant to the Site, construction within the Site Services Corridor, etc.).

4.2.9 Project Milestones Schedule

The Project Proponent shall submit a Project Milestones Schedule pursuant to the requirements set out in Section C of Volume II. The Project Milestones Schedule shall provide a realistic programme by which SOCOD and SCCOD will be achieved.

4.2.10 Affirmations relating to the Financial Proposal

To enable CANC to confirm the responsiveness of the Proposal according to the Responsiveness Test prior to detailed evaluation of Technical Proposals, Project Proponents shall include with their Technical Proposals a formal affirmation in

relation to its Financial Proposal. Such affirmation shall be in the form specified in the attachment to the Technical Proposal letter (Section A of Volume II).

4.3 Financial Proposal

Project Proponents shall complete the Financial Proposal strictly in accordance with the RFP and, where specified, the required information shall be provided in the requested format including those formats defined in Volume II. The Financial Proposal shall include:

- i) Financial Proposal letter, and
- ii) completed Forms, and other information as required pursuant to this RFP
- iii) Electronic format of completed Financial Template
- iv) Hard copy of duly completed Financial Template in A3 size papers
- v) any additional documents as may be required to meet specified information requirements or to demonstrate the Project Proponent's capacity to undertake the Project in accordance with the Project Agreements.

Failure to provide such information in full shall be cause for rejection of the Proposal on the basis of non-responsiveness.

4.3.1 Tariff

Project Proponents shall base its proposed payments for electricity on the Tariff structure and payment terms specified in the PPA. The Tariff includes two principal elements; viz. Capacity Charge and Energy Charge:

- i) **Capacity Charges** represents payment for Available Capacity and consists of three components:
 - a) US Dollar component of Capital Cost Recovery rate (DCCR), which covers debt service payments and return on equity in US Dollars, is calculated and is not subject to escalation;
 - b) Rupee component of Capital Cost Recovery rate (RCCR), which covers debt service payments and return on equity in Rupees, is calculated in Rupees and is not subject to escalation
 - c) US Dollar component of Fixed Operation and Maintenance payment (DFOM) which covers fixed operation and maintenance costs and is indexed to the US Consumer Price Index (USCPI)
 - d) Rupee component of Fixed Operation and Maintenance payment (RFOM) which covers fixed operation and maintenance costs (in LKR) and is indexed to Colombo Consumers Price Index (CCPI).
- ii) **Energy Charges** for net electrical output are also composed of following components.
 - a) Fuel costs, with payment being made on the basis of Fuel Energy Rates (FER) which reflect the cost of the energy content of Fuel in Rupees;
 - b) Fuel Transport cost in Rupees (FTR), if applicable

- c) US Dollar component of Variable Operation and Maintenance (DVOM) indexed to the US consumer price index (USCPI);
- d) Rupee component of Variable Operation and Maintenance (RVOM) indexed to CCPI.
- e) In addition, provision is made for payment of Start-up Allowances according to the number of cold starts, warm starts and hot starts.
- f) The Tariff structure and mechanisms specified in the PPA will apply irrespective of the Project Proponent's Technical Proposal.

4.3.2 Cash Flow

In making the Financial Proposal, Project Proponents are required to provide a cash flow statement for the Term of the PPA in the format specified in Section I of Volume II. This should indicate all sources and uses of funds.

The basis of payment for electricity by CEB to the Company will vary across the Term of the PPA according to the following distinct periods:

- i) **Open Cycle Commissioning Period** - CEB shall pay to the Company the Energy Charge for the Metered Output using the open cycle values payment terms but there will be no Capacity Charges and no Start-Up Charges payable during this period and no liquidated damages for non-achievement of a Dispatch Instruction or Target Availability;
- ii) **Open Cycle Operational Period** - Capacity Charges and Energy Charges will be paid for any Available Capacity and Metered Output. Start-Up Charges will be payable for each Start-Up requested by CEB in this period. Payments of Capacity Charges will be based on Actually Achieved Monthly Availability and the applicable Capital Cost Recovery Rate for the Open Cycle Period. Payments of Energy Charges will be based on the Metered Output during any Contract Year.
- iii) **Combined Cycle (L) Commissioning Period** - CEB shall pay to the Company the Energy Charge for the Metered Output using the combined cycle values payment terms but there will be no Capacity Charges and no Start-Up Allowances payable during this period and no liquidated damages for non-achievement of a Dispatch Instruction or Target Availability;
- iv) **Combined Cycle (L) Operational Period** - Capacity Charges and Energy Charges will be paid for any Available Capacity and Metered Output. Start-Up Allowances will be payable for each Start-Up requested by CEB in this period. Payments of Capacity Charges will be based on Actually Achieved Monthly Availability and the applicable Capital Cost Recovery Rate for the Contract Year. Payments of Energy Charges will be based on the Metered Output during any Contract Year.
- v) **Combined Cycle (N) Commissioning Period**-CEB shall pay to the Company the Energy Charge for the Metered Output using the combined cycle values payment terms but there will be no Capacity Charges and no Start-Up Allowances payable during this period and no liquidated damages for non-achievement of a Dispatch Instruction or Target Availability
- vi) **Combined Cycle (N) Operational Period** - Capacity Charges and Energy Charges will be paid for any Available Capacity and Metered Output. Start-Up Allowances will be payable for each Start-Up requested by CEB in this period.

Payments of Capacity Charges will be based on Actually Achieved Monthly Availability and the applicable Capital Cost Recovery Rate for the Contract Year. Payments of Energy Charges will be based on the Metered Output during any Contract Year.

4.3.3 Project Cost

The Capital Cost Recovery Rate component of the Tariff is intended to cover the service and repayment of all project debt and to provide a return on invested equity.

Project Proponents shall include the total project cost in the Financial Template for the purpose of calculating the projected cash flow statements specified in Section I of Volume II.

4.3.4 Financing Plan

Project Proponents shall provide a detailed Financing Plan for the Project prepared in accordance with the requirements of Section J of Volume II. The Financing Plan shall be developed in collaboration with the Project Proponents' Financial Advisors and Lenders and will be evaluated according to its detail, level of development and bankability. However, this financial plan has to be developed within the prescribed conditions of the RFP.

The Company shall not be permitted to pass interest or exchange rate risk through the PPA to CEB other than to the extent allowed under the Project Agreements. Project Proponents shall offer fixed interest rates for the Debt finance for the Project in their proposal. These fixed rates will be used for the evaluation of the proposal and calculate the Base Capital Recovery Cost for payment of Capacity Charges in each Contract Year.

4.3.5 Payment for Electricity and Supporting Cost Data

The Forms submitted by Project Proponents in compliance with the requirements for the Financial Proposal shall provide the required base rates for calculating the Capacity Charge and Energy Charge components in their relevant currencies.

Project Proponents may be required to justify their calculations of electricity prices and provide supporting documentation and cost data, as requested. Such information provided by the Project Proponent will be treated as confidential.

The contracted Capacity Charge, Energy Charge and other scheduled electricity payments shall be paid in accordance with the terms and conditions of the PPA. All payments for the purchase of capacity and energy from the Facility will be calculated in US Dollars or in Sri Lankan Rupees as the case may be. The calculated US Dollar component will be paid in Sri Lankan Rupees at the prevailing exchange rate of the day. Conversion of Rupees to US Dollars for the payment of costs and dividends outside Sri Lanka is the sole responsibility of the Company.

4.3.6 Deviations from the Project Agreements

The Project Proponent shall confirm in its Proposal its acceptance of, and willingness to execute, the Project Agreements without amendment save only the amendments made prior to Proposal Closing which were subsequently admitted and incorporated by the CEB in the Project Agreements.

5.0 PROJECT AGREEMENTS

The draft Project Agreements given in this RFP are:

- i) Power Purchase Agreement (PPA) - The RFP provides a draft PPA in Volume III. The Company shall enter into the PPA with CEB for the sale of the output of the Facility
- ii) Liquid Fuel Supply Agreement (LFSA) - The RFP provides a draft LFSA in Volume V. The Company shall enter into the LFSA with the CPC to obtain Liquid Fuel supply from CPC.
- iii) Land Lease Agreement - The RFP provides a draft Land Lease Agreement in Volume VI. The Company shall enter into the Lease Agreement with CEB for the use of the Site.
- iv) Implementation Agreement – The RFP provides a draft Implementation Agreement in Volume IV. The Company shall enter into the Implementation Agreement with GOSL.

The Company shall enter into a Gas Fuel Supply Agreement with the Gas Fuel Supplier when the Gas Fuel supply is available at the boundary of the Site and ready to supply Gas Fuel to the Facility. The Company shall obtain the CEB's consent for the Gas Fuel Supply Agreement before signing the Gas Fuel Supply Agreement.

Project Proponents are required to study the draft Project Agreements in detail in preparing their Proposals which shall be made on the basis of these Project Agreements. The risk allocations underlying the Project Agreements are on the basis of financeability of the Project. Lenders security interests have been recognized in the Project Agreements.

The Project Agreements will be executed at a same time. The effective dates of the Agreements will be the dates of the execution of them.

The Project Agreements shall be governed by and interpreted in accordance with the laws of the Democratic Socialist Republic of Sri Lanka. The ruling language shall be English, which shall also be the language for any documents or information or communications relating to the Project Agreements. Disputes not amicably resolved may in certain circumstances be referred for binding Expert resolution or shall otherwise be referred to international arbitration in Colombo under UNCITRAL rules.

Following the evaluation of the Proposals received by CEB, the Project Agreements will be executed with the successful Project Proponent according to the process specified in Clause 7.7.

In the Sub-Sections of this Clause 5, the general features of the Project Agreements are explained. The explanations are not exhaustive and Project Proponents should not rely on the explanations in precedence over the Project Agreements.

5.1 Power Purchase Agreement (PPA),

A draft PPA is provided in Volume III of this RFP. The purpose of PPA which is to be signed between the CEB and the Company is the sale and purchase of available capacity and energy by the Company and CEB respectively in accordance with the terms and conditions of the PPA.

- i) The PPA identifies 3 periods, Preliminary period, Construction Period and Operational Period;
- ii) The term of the Preliminary Period is nine (9) months. Obtaining the Environmental Protection License, achieving the Financial Closure, appointing the EPC Contractor etc. are some of the major obligations of the Company during the Preliminary Period. All obligations of CEB and the Company during the Preliminary Obligation Period are given in the PPA;
- iii) Provision of Preliminary Obligation Bond by the Company in favour of CEB is required at the time of executing the PPA. This Bond may be called by CEB in the event of the Company does not proceed to the Construction Period. The PPA is effective from the date of the execution of the PPA;
- iv) In the event of Preliminary Obligations are not fulfilled at the end of the Preliminary Period any Party can terminate the PPA without any liability to other Party;
- v) Provision of a Construction Performance Bond by the Company for performance of its obligations during the Construction Period;
- vi) Construction Period obligation of the Company to finance, design, procure, construct and commission the Facility in accordance with the Minimum Functional Specification as provided in Schedule 5 of the PPA and commence the commercial operation by the Scheduled Combined Cycle Operation date or pay the liquidated damages to CEB;
- vii) Construction Period obligation of CEB to provide the Interconnection Point to the Company to connect the Facility to the CEB System;
- viii) Provision of an Operation Performance Bond by the Company for performance of its obligations during the Operational Period;
- ix) Operational Period obligation of the Company to maintain the Facility to achieve availability targets and operate the Facility in accordance with Dispatch Instructions issued by CEB;
- x) Operational Period obligation of CEB to purchase capacity and energy and to make payments to the Company according to the Capacity Charges, Energy Charges and such other sums payable under the Schedule 9 of the PPA during the Operational Period;
- xi) Liquidated damages are payable to the CEB by the Company for non- achieving of Net Dependable Capacity during testing period and for non- achieving of

Dispatch Instructions and Adjustable Target Availability during the Contract Years;

- xii) Requirement for the CEB to support their payment obligations by letters of credit;
- xiii) Changes in Law provisions to indemnify the Company from the effects of changes in law, subject to such effects exceeding a threshold value in any Contract Year;
- xiv) Provision for early termination in specified circumstances as given in the CEB's and the Company's termination Clauses in the PPA;
- xv) Upon termination, Buy-Out and transfer for specified events relating to CEB's right to terminate; and with enforced Buy-Out at the Company's option in specified events relating to the Company's right to terminate;
- xvi) Option of CEB to Buy-Out and cause a transfer of the Facility for at the end of the Operational Period with transfer being effected in accordance with the agreed Transfer Plan.

5.2 Implementation Agreement

The draft Implementation Agreement is provided as Volume IV of this RFP. The parties to the Implementation Agreement are the Company and the Government.

The Implementation Agreement provides for, amongst others:

- i) An undertaking by the Company to finance and implement the Project;
- ii) An undertaking by the Government to provide reasonable assistance to the Company in obtaining a Generation License and required approvals, consents, permits and licenses;
- iii) An undertaking by the Company not to amend materially those agreements without the Government's consent;
- iv) An undertaking by the Government not to impose on the Company obligations or standards that, compared to other privately financed generation facilities of similar capacity, are discriminatory;
- v) An assurance of performance by CEB of its undertakings under the PPA including undisputed payment of Capacity Charges, Energy Charges, such other undisputed sums payable under the Schedule 9 of the PPA and the Buy-Out Price;
- vi) The Government will assist BOI to enter into the BOI Agreement pursuant to which the Company is eligible for exemptions and privileges under Section 17 of the BOI Law;
- vii) An undertaking by the Government that it will enter into a Direct Agreement with the project Lenders in respect of specified interests;

- viii) Force Majeure provisions;
- ix) Limitation of liability for consequential loss suffered by the other party;
- x) Provision for early termination in specified circumstances relating to bankruptcy, material breach, force majeure and the like, subject to the Direct Agreement. Termination of the Implementation Agreement will be triggered if the PPA is terminated. On termination of the Implementation Agreement, the Lease will terminate.

5.3 Liquid Fuel Supply Agreement (LFSA)

- i) A draft LFSA is provided in the Volume V of this RFP. The purpose of LFSA which is between the CPC and the Company is to sell and purchase Liquid Fuel for the Facility;
- ii) CPC to supply Liquid Fuel to the Company and the company to purchase Liquid Fuel and pay for it at agreed price as per the LFSA;
- iii) The Company must nominate its requirements for any week on a date in that week agreed between the Parties;
- iv) Obligation of CPC to supply Liquid Fuel to the Company on the nominated date with the proviso that neither Party will be in breach of their obligations to supply or take the Liquid Fuel if the Liquid Fuel is supplied or taken within seven (7) days of that date. Fuel not supplied constitutes shortfall;
- v) Right of the Company to reject Liquid Fuel which falls short of minimum quality specification, with rejected Liquid Fuel constituting shortfall;
- vi) CPC liability to the Company for any Shortfall, payable as liquidated damages [by reference to Capacity Charge under the PPA] unless an event of Shortfall continues for more than thirty seven (37) days, in which case the Shortfall shall be treated as an event of Force Majeure under the PPA;
- vii) Option allowing the Company to purchase its Liquid Fuel from others with the prior agreement of CEB in the event of CPC default or Force Majeure;
- viii) The Company shall maintain a storage of Liquid Fuel, sufficient for at least seven (7) days continuous operation at Net Dependable Capacity at their premises;
- ix) Requirement that the Company gives advance notice of not less than sixty (60) days to CPC of its yearly Liquid Fuel requirements on quarterly basis and its firm Liquid Fuel requirement in any month on weekly basis, subject to the Company's right to revise its nomination at any time up to thirty five (35) days prior to such a week;
- x) Obligation of Company to pay liquidated damages in the event that it fails to take Liquid Fuel;

- xi) Right of CPC to interrupt the supply of Liquid Fuel in the case of payment default, Force Majeure and hazardous operations by the Company;
- xii) Liquidated damages are payable by CPC to the Company if by reason of CPC default the Facility does not achieve the Open Cycle Operation Date or Combined Cycle Operation Date on or before their corresponding Scheduled Operation Dates, as adjusted for Extensions of Time;
- xiii) Termination of either the PPA or Implementation Agreement will trigger the termination of the LFSA.

5.4 Land Lease Agreement (LLA)

The draft Land Lease Agreement is provided as Volume VI of this RFP. The parties to the Land Lease Agreement are the Company and CEB. The Lease relates to the rights of the Company to the Site and provides for, amongst others:

- i) Right of exclusive occupation and quiet enjoyment of the Site for the purposes stated in the Lease, subject to rights of access of, and the giving of easements to, CEB and to such other parties as are reasonably required for other services to or crossing the leased area;
- ii) Term of the Lease is co-terminus with the PPA, [plus a period not exceeding 18 months for site clean-up as may be required by CEB];
- iii) Nominal annual rent under the Lease of Sri Lankan Rupees one hundred thousand (LKR 100,000.00), with all costs including any utilities and services required for the area being borne by the Company;
- iv) Obligation on the Company to construct security fencing and perimeter security systems around the Site of a reasonable standard and to ensure compliance of its personnel, agents, contractors and their personnel with prevailing CEB security and safety rules and regulations during access and occupancy of the Site or when accessing adjacent property of CEB or CPC, as permitted;
- v) Obligation to maintain fire prevention and hazard limitation systems at the Site to a standard reasonably satisfactory to CEB;
- vi) Termination of the Lease triggered by termination of the Implementation Agreement with transfer of the Site upon termination subject to the provisions of the agreed Transfer Plan;

6.0 QUALIFICATION REQUIREMENT FOR PROJECT PROPONENTS

6.1 Composition of Project Proponent

- i) A Project Proponent shall be a company, corporation, firm, Joint Venture Company duly registered under the laws of its country or a consortium of such companies, corporations, firms or Joint Venture Companies.
- ii) In the case of the consortium the Project Proponent shall nominate a Lead Member. The Lead Member shall undertake to retain no less than fifteen percent (15%) of the total required equity for the project for not less than five (5) years after the Combined Cycle Operation Date. The Lead Member shall submit an undertaking satisfactory to CEB that it will maintain not less than fifteen percent (15%) the required equity for the Project for a period of five (5) years from the Combined Cycle Operation Date. Holding of retain no less than fifteen percent (15%) of the total required equity for the project for not less than five (5) years after the Combined Cycle Operation Date shall be included in the Article of Association of the Company.
- iii) In the case of the consortium the Project Proponent shall provide in the Proposal details of role of each member in relation to the Project, their intended equity commitment and the organization of the consortium and a memorandum amongst the members demonstrating their commitment to the project and the equity contributions that may be required of them. All the members of the consortium shall sign the Proposal so as to legally bind all members jointly and severally. The Proposal shall be submitted with a copy of the consortium agreement providing jointly and severally responsible with respect of the Project.

6.2 Technical Experience

- i) Project Proponent's Project Development Experience:
Any Project Proponent or at least one member of the consortium, in the case of the Project Proponent is a consortium, shall have experience in successful development (from the Financial Closure) of independent and separate thermal power generation projects with a capacity of 150 MW or more in a single project in the last fifteen (15) years prior to the Proposal Closing Date.
- ii) EPC Contractor's Experience:
The Project Proponent shall provide expression of interests from the intended EPC contractors one of whom will be selected as the EPC contractor for the Construction of the Combined Cycle Power Plant by the Company. The selected EPC contractor shall have executed as EPC contractor at least one (1) Combined Cycle Power Plant project including all associated civil works, having installed capacity not less than 250MW, in the past fifteen (15) years, and this plant shall be the outside the EPC contractor's country. The plant shall have been in successful operation over period of not less than two (2) years prior to the Proposal Closing Date. In the event, the Project Proponent is also a EPC contractor, the same conditions will apply.

iii) O&M Contractor's Experience:

O&M Contractor chosen shall have experience in successful operation and maintenance of at least one combined cycle power plant having capacity not less than 150 MW for a period of more than two (2) Years in the last fifteen (15) Years prior to the Proposal Closing Date. The Project Proponent shall provide expression of interests from intended O&M contractors one of whom will be selected as the O&M contractor for the operation and maintenance of the Combined Cycle Power Plant by the Company.

In the case of Project Proponent, EPC Contractor and O&M Contractor, experience of parent company, subsidiary or any affiliate will not be considered.

iv) Major Equipment & Equipment Manufacturer's Experience

- a) Gas turbine: The manufacturer of gas turbine should have designed, manufactured and commissioned at least two (2) gas turbines of similar design and similar or higher capacity intended for the proposed Combined Cycle Power Plant, which should have satisfactory performance record within last ten (10) Years prior to the Proposal Closing Date of over sixteen thousand (16,000) operating hours for each Gas turbine, out of which six thousand (6,000) running hours shall be on Liquid Fuel operation.
- b) HRSG: The manufacturer of heat recovery steam generator (HRSG) should have designed, manufactured and commissioned at least two (2) HRSGs of similar design and similar or higher capacity intended for the proposed Combined Cycle Power Plant, which should have satisfactory performance record within last ten (10) Years prior to the Proposal Closing Date of over sixteen thousand (16,000) operating hours for each HRSG.
- c) Steam turbine: The manufacturer of steam turbine should have designed, manufactured and commissioned at least two (2) steam turbines of similar design and similar or higher capacity intended for the proposed Combined Cycle Power Plant, which should have satisfactory performance record within last ten (10) Years prior to the Proposal Closing Date of over sixteen thousand (16,000) operating hours for each Steam turbine.
- d) Generator: The manufacturer of electrical generator should have designed manufactured and commissioned at least two (2) generators of similar design and similar or higher capacity intended for the proposed Combined Cycle Power Plant, which should have satisfactory performance record within last ten (10) Years prior to the Proposal Closing Date of over ten thousand (10,000) operating hours for each Generator.
- e) Transformer: The manufacturer of transformers should have designed manufactured and commissioned at least two (2) transformers of similar design and similar or higher capacity intended for the proposed Combined Cycle Power Plant, which should have satisfactory performance record within last ten (10) years prior to the Proposal Closing Date of over five (5) years for each transformer.

Expressions of Interest from the prospective suppliers of gas turbines, steam turbines HRSGs, Generator and Transformer confirming their commitment to supply the required plant shall be included with the Proposal.

- v) The Project Proponents shall provide the information on technical experience in the format given in the Forms in Volume II.

6.3 Financial Capability.

- i) Any Project Proponent shall demonstrate by certified audited accounts, annual Net Worth that is equal to or in excess of USD 100 million in one of the last three (3) fiscal years while annual net worth shall not be less than USD 80 million in any of the last three (3) fiscal years. In case the Project Proponent is a consortium, the net worth requirement of each member will be proportionate to the disclosed intended equity stake in the Company. The certified audited accounts for the last three fiscal years are as follows.

- Financial year ending March 31 or June 30 or September 30 or December 31, 2017 (Year 1)
- Financial year ending March 31 or June 30 or September 30 or December 31, 2018 (Year 2)
- Financial year ending March 31 or June 30 or September 30 or December 31, 2019 (Year 3)

In case year 2019 financial accounts are unaudited, letter from the auditor with the undertaking of the audit shall be submitted along with the 2019 unaudited accounts

- ii) The Project Proponent, or each member of the consortium if the Project Proponent is a consortium, shall demonstrate by certified audited accounts that they can invest the agreed equity in the Company.
- iii) The Project Proponents shall provide the information on financial capability in the format given in the Section B 14 of Volume II.

7.0 EVALUATION PROCEDURE

7.1 Outline of Evaluation Procedure

The evaluation process is a staged process:

- i) **First Stage: Responsiveness** - the Proposal is reviewed for completeness and substantial responsiveness in accordance with the Responsiveness Test specified in Annex VII (Refer Clause 7.4). At this stage of evaluation of the Proposals, the GOSL/CEB will determine the responsiveness of each proposal to the RFP. GOSL/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.
- ii) **Second Stage: Technical Proposals** – For those Proposals that satisfy the First Stage evaluation requirements, the Technical Proposals are evaluated to verify whether they meet the qualification & experience requirements of the RFP, and in particular whether the proposed Facility complies with the Minimum Functional Specification (Refer Clause 7.5).
- iii) **Third Stage: Financial Proposals** – the Financial Proposals of those Proposals meeting the required standards of the First and Second Stages will be opened and evaluated. At this stage, the proposed tariff is the most important factor. The selection of the successful Project Proponent will be governed by the objective of obtaining the required capacity at the optimum tariff. The Letter of Intent (LOI) will be issued to Project Proponent, compliant with this objective, having place the Preliminary Obligation Bond and will then be required to sign the Project Agreements by the date specified in the LOI.

7.2 Clarification of Proposals

During the examination, evaluation and comparison of Proposals, CANC may, at its discretion, ask the Project Proponents for clarification of their Proposals. Request for clarifications and responses shall be in writing and no change in the Tariff or substance of the Proposal shall be sought, offered or permitted.

7.3 Right to Reject Proposals

The GOSL/CEB reserves the right to accept or reject any Proposal and to annul the bidding process and reject all Proposals at any time prior to the signing of the Project Agreements, without thereby incurring any liability to the affected Project Proponent or Project Proponents. Project Proponents shall not have any recourse against the CEB, GOSL or any GOSL Agency or their representatives for either rejection by the GOSL/CEB or failure to execute the Project Agreements for any reason whatsoever. The GOSL/CEB reserves the right to reject the Proposal of any Project Proponent who has qualified on the fraudulent, suppressed or incomplete information. Project Proponents who submit proposals do so without recourse against GOSL, CPC or

CEB or their representative for either rejection by GOSL or failure to execute a PPA, IA or LFSA for any reason whatsoever.

7.4 First Stage Evaluation: Responsiveness

In the First Stage Evaluation of Proposals, CANC will determine the responsiveness of each Proposal to the mandatory requirements as set out in Clause 3.13.

A Proposal may be disqualified and excluded from further consideration for a failure to meet all conditions of this Clause 7.4 or for any other valid reason including those listed below:

- i) Failure to be responsive, as determined by the Responsiveness Test. Responsiveness criteria to be met under the Responsiveness Test are set out in Annex VII.
- ii) Receipt by CANC of a Proposal after the Proposal Closing.
- iii) Failure to submit completed, signed Proposal Forms given under Volume II.
- iv) Failure to submit supporting documentation or any other clarification or any documents requested by CANC within the required time frame during Proposal evaluation.
- v) Material misrepresentations in the Proposal.
- vi) Illegal conduct or attempt to influence the GOSL/CEB, or any Government Agency or any of their Representatives in their evaluation of a Proposal other than by means expressly sanctioned in the RFP.
- vii) Determination by CANC that the Project Proponent is unlikely to be able to fulfil the terms or conditions of the Proposals and of the Project Agreements.
- viii) Failure to provide the Proposal Security.

Proposals accepted by CANC in accordance with these principles will qualify for the Second Stage of the evaluation. If a Proposal is found to be not substantially responsive, it will be rejected by the CANC and may not subsequently be made responsive by correction or withdrawal of non-conforming deviations or reservations.

7.5 Second Stage Evaluation: Technical Proposals.

The Second Stage evaluation will then be conducted on the basis of satisfactory responses to the information requirements set out in the RFP and the proposal forms. The Evaluation will be based on the information provided in the Proposal. The proposals will be evaluated in detailed on the following minimum criteria:

- 7.5.1 Compliance to Milestone Schedules: The Proposals which are not achieving OCOD and CCOD as specified in Clause 1.6 and Table C3 of Section C, Part I of Volume II, will be rejected.

Construction Period Requirements:

- i) A construction schedule in the required format shall be provided showing, amongst others, Scheduled Open Cycle Operation Date and Scheduled Combined Cycle Operation Date being achieved;
- ii) The timetable given in the RFP and the Scheduled Operation Dates in the PPA are accepted unconditionally;
- iii) An undertaking is provided that construction impacts specified in the PPA are not exceeded.

7.5.2 Experience Requirement:

- i) Project development experience: Evaluation of Project development experience of the Project Proponent as per Clause 6.2 (i);
- ii) EPC Contractor's Experience: Evaluation of EPC Contractor's experience as per Clause 6.2 (ii);
- iii) O&M Contractor's Experience: Evaluation of O&M Contractors' experience as per Clause 6.2 (iii);
- iv) Evaluation of proposed Major Equipment: Manufacturer's Experience of major equipment and operational experience of the same as per Clause 6.2 (iv); and
- v) Financial Capability: Evaluation Financial Capability of the Project Proponent as per Clause 6.3.

7.5.3 Compliance with Minimum Functional Specification

The Second Stage evaluation will be conducted to confirm compliance with the Minimum Functional Specification as specified in Schedule 5 of PPA and with the Company's other obligations as set out in the Project Agreements. The Proposals will be assessed according to their technical compliance with the Project Agreements and the Project Proponents' satisfactory responses to the RFP information requirements. Among the issues to be satisfied are:

- i) Facility Design Requirements (refer Section D of Volume II):
 - a) The Technical Proposal shall include an outline design of the Facility conforming to the Minimum Functional Specification;
 - b) Expressions of Interest shall be included from the prospective suppliers of gas turbines, steam turbines HRSGs, generators and step-up transformers confirming their commitment to supply the required plant.
- ii) Construction Period Requirements:
 - a) A detailed construction schedule in the required format shall be provided showing, amongst others, Scheduled Open Cycle Operation Date and Scheduled Combined Cycle Operation Date being achieved;
 - b) The timetable given in the RFP and the Scheduled Operation Dates in the PPA are accepted unconditionally;

- c) Expression of Interest is included from the proposed EPC contractor(s) to provide their service for the project.

iii) Operational Period Requirements

- a) Emissions, discharges, noise and other impacts during the Operational Period are within the limits specified in Paragraph 5.4 of Schedule 5 of the PPA;
- b) The Organisational, Staffing and QA Plan complies with the minimum requirements and is complete, containing an organisational structure of the proposed Company, a comprehensive staffing plan for the Facility and a proposed quality assurance program;
- c) The Target Availability of the Facility over the Operational Period shall be not less than the availability levels proposed in Clause 4.2.2.

iv) Transfer

The Transfer Plan complies with the specified minimum requirements.

7.5.4 Correction of Errors – Technical Proposal

Where Technical Proposals contain arithmetic errors, the amounts stated in the Proposal will be adjusted according to the following procedure:

- i) Where a discrepancy is noted between total amounts and the sum of individual components, the total amounts shall prevail;
- ii) Where there is a discrepancy between amounts in figures and in words, the amount in words will govern.

If CANC wishes to further consider a corrected Proposal, it will inform the Project Proponent in writing of the arithmetical adjustments made.

7.5.5 Technical Non-compliance

Where Technical Proposals contain material non-compliances, the Project Proponent will be disqualified from the Second Stage Evaluation and the Proposal rejected. Technical Proposals containing minor non-compliances that are likely to result in higher costs or losses to GOSL, CEB, CPC or other Government Agencies, the US Dollar or rupee amounts of such costs or losses may be estimated and factored into the Third Stage Evaluation. Such costs or losses may be included in a calculation of an “evaluated tariff” for the purposes of comparing Financial Proposals.

Proposals passing the first two stages of the evaluation process will proceed to the Third Stage Evaluation.

7.6 Third Stage Evaluation: Financial Proposal

- 7.6.1 All Proposals, which have passed the first two stages of the evaluation process, will proceed to the Third Stage. Responsiveness of Financial Proposal

Financial Proposals will be examined initially to confirm that they are responsive. Non-responsive Proposals will be rejected. Criteria to be satisfied in meeting responsiveness are:

- i) The Financial Proposal is complete, with all letters, annexes and Forms are duly completed and properly signed as stipulated in the RFP;
- ii) The Financial Proposal letter is provided in the required form;
- iii) The letter from the Project Proponent's Financial Advisor or supporting banks is provided in the required form;
- iv) Contract Base Rates have been completed and other financial data provided;
- v) The Financial Template provided under Section I of Volume II is in the required hardcopy and electronic formats;
- vi) The Tariff offered by the Project Proponent complies with the structure and pricing mechanisms specified in Volume III (Draft PPA);
- vii) The Project Proponent's Financing Plan provided as per Section J of Volume II is comprehensive;
- viii) The Financial Proposal contains a memorandum from all intended subscribers of equity committing them to:
 - a) the full amount of the Required Equity, being no less than 20% of the Project's total capital requirements;
 - b) disbursement of equity in accordance with PPA requirements.
- ix) The Financing Plan proposes a financing structure based on fixed interest rate and a debt service coverage ratio in all years of the Combined Cycle Operational Period of not less than 1.3, which is the calculated ratio of Net operating cash flow and Net capital flow of table "Cash Flow" of the Financial Template;
- x) The lead member of the Project Proponent shall retain at least 15% of the equity capital in the Company for a minimum of five (5) years from CCOD; Letter of commitment from the lead member for the same shall be attached with the price proposal.

7.6.2 Correction of Errors – Financial Proposal

Responsive Financial Proposals will then be checked for arithmetic errors. In the event of discrepancies, the amounts stated in the Proposal will be adjusted in accordance with the following procedure:

- i) Where a discrepancy is noted between total amounts and the sum of individual components, the total amounts shall prevail;
- ii) Where there is any discrepancy among input data and output values indicated in the Financial Proposal, electronic format of completed Financial Template and information in the hard copy of Financial Template, shall prevail.

If CANC wishes to further consider a corrected Proposal, it will inform the Project Proponent in writing of the arithmetical adjustments made.

Where the Project Proponent wishes to correct other errors in relation to clarifications sought by CANC which do not alter the Project Proponent's score, CANC shall accept such clarifications.

7.6.3 Assessment and Ranking

The data provided by Project Proponents in all responsive Financial Proposals will be evaluated as follows:

- i) Any additional costs likely to be incurred by the CEB, Government or Government Agencies as a consequence of any non-material technical non-compliances identified in the Second Stage Evaluation will be factored into the calculation of the levelized tariff;
- ii) The Project Proponents' Financing Plans will be evaluated for completeness, degree of development, level of commitment and quality of the Project Proponent's financial advice. The quality of financial advice will be judged according to, amongst others, the Financial Advisor's experience in project finance, the power sector and the region;
- iii) A spread sheet evaluation model will be used to compute the levelized tariff. Project Proponents are requested to include the costs as described under Clause 1.5.2 with respect to the Taxes and duties;
- iv) The data forming the Financial Proposal will then be entered into a computer spread sheet evaluation model to compute the Levelized tariff;
- v) The Project Proponents would thereafter be ranked in the order of the lowest Levelized Tariff (The Short List).

7.7 Short Listing and Award

The Project will be awarded to a Project Proponent according to the following procedure:

- i) Based on lowest levelized tariff, a shortlist of the highest-ranked Project Proponents will be prepared. The shortlist will contain no less than three Project Proponents (provided that three conforming Proposals are received). If necessary, the CEB will ask shortlisted Project Proponents to extend the validity period of their Proposals pursuant to Clause 3.16. The Proposal Securities of those Project Proponents who were not shortlisted will be returned pursuant to Clause 3.17;
- ii) The CANC would then call upon the highest-ranked Project Proponent in the Short List to provide any further clarifications that the CANC may deem necessary in relation to their financial proposal.

As part of this clarifications process, the CANC would require direct confirmation and clarifications from the Lenders of Project Proponent (after financial evaluation) within the period specified by CANC on the following:

- a. specify revisions of amendments, if any, required by the Lenders in respect of the Project Agreements;
 - b. the time required to achieve financial closure for the project. (The Project Proponent may indicate an earlier target date for financial closure);
 - c. Confirmation on the Lenders Commitment Letter from the project Lenders providing details of the indicative terms for each source of debt provided to the project such as the LIBOR, interest rate spread, swap costs, tenor, grace period etc. Any specific conditions affecting the CEB, CPC or GOSL for providing the debt should be clearly stated.
- iii) In the event of the response/amendments to above by the highest-ranked Project Proponent or their Lenders are not acceptable to CANC, next ranked Project Proponent will call for clarification same as above. This process to be continued for the selection of final Project Proponent.
- iv) The selected Project Proponent will be chosen on the basis of the lowest Levelized Tariff and the responses to the clarifications received from the Lenders referred to above, with a view to obtaining the optimum economic advantage to the CEB.

LOI will be issued to the selected Project Proponent who will be required to execute the Project Agreements within four (4) weeks having achieved the milestones set out in the LOI.

“The GOSL/CEB reserve the right not to issue a LOI to any Project Proponent”

Letter of Intent

The project Proponent who is issued with Letter of Intent (LOI) will be required to execute the Project Agreements within the time frame indicated in the LOI. There shall be no negotiations with the Project Proponent on the Project Agreements after the issue of the LOI. On acceptance of the LOI, any unopened envelopes containing the Financial Proposals of the other Project Proponents will be returned, and such Project Proponents will be informed of the identity of the successful Project Proponent, the calculated Levelized Tariff based on the offer and their position in the rank order of Levelized Tariff. Should the successful Project Proponent fail to submit the Preliminary Obligation Bond or execute the PPA, FSA, IA and LLA within the time frame specified in the LOI, the CEB/GOSL in their discretion may issue a LOI to the next ranked Project Proponent.

- v) Upon finalization of the Project Agreements and prior to their execution, the successful Project Proponent will:
- (a) provide the CEB with:

- a formal opinion from its Financial Advisor to the effect that the Project Agreements are bankable and that Financial Closure will be achieved without need for amending the Project Agreements or seeking Government support in addition to that provided for in the RFP;
 - documentation from the Project Proponent's Lenders confirming their intended participation in the Project; and
- (b) obtain from the Company and provide the CEB with duly certified copies of the following:
- certificate of the Company's incorporation
 - list of members of the Company's board of directors
 - location of the Company's registered office
 - copy of the resolution of the Company's board of directors authorizing persons to witness the affixing of the Company seal.
- (c) reach formal agreement with its Lenders, the Government, CEB, and CPC, as applicable, on the final wording of the Direct Agreements;
- (d) provide the CEB with the Preliminary Obligation Bond in accordance with Clause 3.18.
- vi) Upon execution of the Project Agreements with the Company, the remaining Proposal Securities held by the CEB will be returned to the Project Proponents.
- vii) The CEB will have the right to reject all Proposals and not make an award.

7.8 Cost of Finalising Project Agreements

The successful Project Proponent (or Project Proponents) shall bear all costs incurred by it in relation to finalisation of the Project Agreements, including those of professional advisers. Neither the CEB, GOSL nor any Government Agency nor their Representatives shall have any liability whatsoever to the Project Proponent in relation to its decisions or actions in finalising and executing the Project Agreements, whether or not it has acted in reliance on any matter supplied or represented by CEB, Government, or Government Agency or their Representatives.

LIST OF ANNEXES

Annex I:	Definitions and Interpretation
Annex II:	Form of Proposal Security
Annex III:	Form of Preliminary Obligation Bond
Annex IV:	Required Approvals, Consents, Permits and Licenses
Annex V:	Clarifications Form
Annex VI:	Proposed Amendments to Project Agreements
Annex VII:	Responsiveness Test
Annex VIII:	Fuel Specification
Annex IX:	Site Plan
Annex X:	General Layout of the Plant Facility Area

ANNEX I: DEFINITIONS AND INTERPRETATION

1.0 Definitions & Interpretation

1.1 Interpretation

The provisions of Clause 1 of Volume III “Draft Power Purchase Agreement” shall apply in interpreting this Volume I and Volume II of the RFP.

Unless the context requires otherwise or it is expressly stated to the contrary, references to Clauses, sections, paragraphs and annexes are references to clauses, sections, paragraphs and annexes of this Volume I.

1.2 Definitions

In addition to those terms and expressions defined below, other capitalised terms and acronyms used in this Volume I and Volume II shall have the meanings specified in Volume III (Draft PPA: refer Schedule 1 and Schedule 5), Volume IV (Draft Implementation Agreement: refer Schedule 1), Volume V (Draft LFSA: refer Schedule 1) and Volume VI (Draft LLA: refer Schedule 1), as appropriate.

Addendum	means an addendum issued in writing by the CEB to all Project Proponents pursuant to Clause 3.4 which may delete, modify, extend or otherwise amend any part of the RFP (including the draft Project Agreements)
Additional Notification	means notifications issued pursuant to Clause 3.3 in response to Project Proponents’ requests for clarification
Archaeological Impact Assessment	means an assessment undertaken pursuant to Department of Archaeology
AVR	means Automatic Voltage Regulator
Bidding Period	means the period for preparing Proposals beginning with the issue of the RFP by the CEB and ending on Proposal Closing
BOI	means the Board of Investment of Sri Lanka
BOO	means build-own-and-operate
BOOT	means build-own-operate-and-transfer
CANC	Cabinet Appointed Negotiating Committee
CCGT	means Combined Cycle Gas Turbine

CCR	means Capital Cost Recovery Rate which has the meaning attributed to it in Schedule 1 of the PPA
CEA	means the Central Environmental Authority of Sri Lanka
CEB	means the Ceylon Electricity Board
Cold Start	shall have the meaning attributed to it in Paragraph 9.10 (“Start-Up Charge”) of Schedule 9 of Volume III (Draft PPA)
CPC	means the Ceylon Petroleum Corporation
Disclaimer	means the denial of liability for by the CEB, GOSL and GOSL Agencies information contained in this RFP as provided at the front of this Volume I and labelled “Disclaimer”
DSCR	means debt service coverage ratio, defined as cash flow available for debt service divided by principal and interest payments falling due on senior debt. Cash carried forward shall be excluded from the calculation of DSCR in a given period
EIA	means Environmental Impact Assessment
EIA Study	means the study to be undertaken by the Company in preparing the Environmental Impact Assessment
EPC	means Engineering, Procurement and Construction
First Stage Evaluation	means the first stage of the Proposal evaluation process (Responsiveness) as described in Clause 7.4
Financial Advisor	means the bank(s) or other financial institution(s) appointed by the Project Proponent for the development of the financial aspects of the Proposal, such bank(s) and institution(s) ordinarily offering and being experienced in the provision of financial advisory services for projects of the type and nature of the Facility

Financial Template	means the spreadsheet format for submission of Project costs, Facility performance data and financing assumptions as set out in I-2 of Section I, Volume II
Financing Plan	means the Project Proponent's plan provided pursuant to Section J of Volume II for raising equity and debt for the limited recourse financing of the Project and for meeting its obligations to shareholders and Lenders
Forms	means one or more of the forms provided in Sections A to K of Volume II to be completed by Project Proponents
Gas Fuel	Gas Fuel complied to the Specification of Item (II), Annex VIII: Fuel Specification
Government Agency	means the Government or any authority, ministry, department or inspectorate in Sri Lanka
Gross Heat Rate	means the Heat Rate determined by measuring the electrical output of the Facility at the generator terminals (in kWh) and the HHV of the specified Fuel (in kJ)
GWh	means gigawatt hours
GT	means Gas Turbine
Heat Rate	means the heat content (in kJ) of Fuel consumed to produce guaranteed electrical output (in kWh)
Hot Start	shall have the meaning attributed to it in Paragraph 9.10 ("Start-Up Charge") of Schedule 9 of Volume III (Draft PPA)
HRSG	means Heat Recovery Steam Generator
IDC	means Interest during construction, meaning interest charges incurred prior to CCOD and capitalised
IPP	means Independent Power Producer
ISO	means International Standards Organisation
kV	means kilovolt

LECO	means the Lanka Electric Company (Private) Limited
Liquid Fuel	Liquid Fuel complied to the Specification of Item (I), Annex VIII: Fuel Specification
Long Term Generation Expansion Plan (or LTGEP)	means the generation plan prepared by CEB for 2018-2037, in which is defined the least-cost implementation sequence of generation projects to meet forecast demand in Sri Lanka
MOP	means the Ministry of Power
Muthurajawela Tank Farm	means the tank farm at Kerawalapitiya by CPC from which the Facility would be supplied with Fuel if the Company enters into the FSA with CPC
MW	means megawatt
MWe	means megawatt electrical
Net Heat Rate	means the Heat Rate determined by measuring the electrical output of the Facility at the Interconnection Point (in kWh) and the HHV of the specified Fuel (in kJ)
PPA	means the Power Purchase Agreement, a draft of which is provided as Volume III of this RFP
Pre-proposal Meeting	means the meeting described in Clause 3.2
Project Milestones Schedule	have the meaning attributed to it in Section C1 of Volume II
Project Proponent	shall have the meaning attributed to it in Clause 3.6
Proposal Closing	means the time and date specified in Clause 3.22 by which Proposals must be received by CANC in accordance with Clause 3.22
Proposal Security	means the security provided by Project Proponents pursuant to Clause 3.17
RFP	means the Request for Proposal document comprising Instructions to Project Proponents (this volume), Proposal Letters and Forms (Volume I), Draft Power Purchase Agreement (Volume III), Draft Implementation Agreement (Volume IV), Draft Liquid

	Fuel Supply Agreement (Volume V) and Draft Lease (Volume VI)
RLNG	Re-gasified Liquid Natural Gas
Representatives	means the employees, agents or advisers of a Government Agency
Responsiveness Test	means the test set out in Annex VII to be applied in part satisfaction of the first stage evaluation of Proposals described in Clause 7.4
Second Stage Evaluation	means the second stage of the Proposal evaluation process (Technical Proposals) as described in Clause 7.5
Target Generation	means the projected generation of the Facility for the purposes of Proposal evaluation, such generation being the MWh that the Facility would generate based on full dispatch for Target Availability
Tariff	means the prices, pricing structure and pricing mechanisms specified in the PPA by which payments for electricity are calculated
Third Stage Evaluation	means the third stage of the Proposal evaluation process (Financial Proposals) as described in Clause 7.6
Transfer Plan	means the plan to be prepared by the Project Proponent pursuant to Section F of Volume II
Warm Start	shall have the meaning attributed to it in Paragraph 9.10 (“Start-Up Charge”) of Schedule 9 of Volume III (Draft PPA).

ANNEX II: FORM OF PROPOSAL SECURITY

Form of Proposal Security

(Refer Clause 3.17)

WHEREAS _____
of _____

(hereinafter called and referred to as the "Project Proponent") has submitted a Proposal to CEB to build, own operate and transfer a Combined Cycle Power Plant;

AND WHEREAS in terms of the Request for Proposals No. CEB/AGM(TR)/DGM(PPD)/LNG2-2020 (Volume I – Instructions to Project Proponents) the Project Proponent is bound and obliged to furnish a Proposal Security along with the Proposal to secure the due performance of the Project Proponent in terms of the Request for Proposals;

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 and not exceeding a sum of Sri Lankan Rupees _____ on their first demand.

Every demand hereunder shall be in writing and signed by the General Manager of the Ceylon Electricity Board (or by any person for the time being acting in or performing the functions of the General Manager) 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 Proposals. 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.

This Proposal Security shall be valid and binding and shall remain in full force and effect up to and including the _____ 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 _____.

IN WITNESS whereof this Proposal Security has been signed by the authorised signatories of the aforesaid _____ on this day of _____ 2021.

Authorised Signatory

Name:
Designation:

Authorised Signatory

Name:
Designation:

ANNEX III: FORM OF PRELIMINARY OBLIGATION BOND

(Refer Clause 3.18)

WHEREAS _____ of _____,

a Company incorporated in Sri Lanka (hereinafter called and referred to as the "Company") has entered into a Power Purchase Agreement (hereinafter called and referred to as "the Power Purchase Agreement") with the Ceylon Electricity Board;

AND WHEREAS under the terms of the Request for Proposals No. CEB/AGM(TR)/DGM(PPD)/LNG2-2020 (Volume I, Instructions to Project Proponents) the Company is bound and obliged to furnish a Preliminary Obligation Bond to secure the due performance of the Company during the Preliminary Period in terms of the Power Purchase Agreement;

AND WHEREAS at the request of the Company,

we _____ of _____

a Commercial Bank having its registered office at _____

are agreeable to and desirous of giving such a Preliminary Obligation Bond;

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

Every demand hereunder shall be in writing and signed by the General Manager of the Ceylon Electricity Board (or by any person for the time being acting in or performing the functions of the General Manager) and shall be accompanied by a statement to the effect that the Company has failed and/or neglected to perform its obligations under the Power Purchase Agreement.

For all purposes connected with and relating to this Preliminary Obligation Bond, every such demand shall be conclusive proof that the amount so demanded is lawfully due under this Preliminary Obligation Bond.

The rights and remedies of the Ceylon Electricity Board hereunder shall be deemed to be in addition to and not in substitution of any of the rights and remedies of the Ceylon Electricity Board under the Power Purchase Agreement and this Preliminary Obligation Bond shall not be prejudiced or affected by any indulgence or forbearance of the Ceylon Electricity Board towards the Company in connection with the Power Purchase Agreement.

This Preliminary Obligation Bond shall be valid and binding and shall remain in full force and effect up to and including the _____ 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 _____.

IN WITNESS whereof this Preliminary Obligation Bond has been signed by the authorised signatories of the aforesaid _____

on this day of _____ 2021.

Authorised Signatory

Name:
Designation:

Authorised Signatory

Name:
Designation:

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ANNEX IV: REQUIRED APPROVALS, CONSENTS, PERMITS AND LICENSES

The approvals, consents, permits and licenses to be obtained by the Company shall include those listed below:

	Description of Consent	Government Agency
1.	BOI Status: Status of the Project confirmed under the terms of the BOI Agreement.	BOI
2.	Generation License: License issued to the Company under section 2 of the Electricity Act No. 19 of 2009, as amended.	PUCSL
3.	Environmental Approvals:	
	(i) Letters from the MOP and CEA approving the EIA Study	MOP / CEA
	(ii) Environmental Protection License to be issued by CEA	CEA
	(iv) Consent under the Coastal Conservation Act to abstract sea water	Coastal Conservation & Coastal Resource Management
	(v) Archaeological Permit ;	Depart of Archaeological
	(vi) Required local authority approvals, consents, permits and licenses	Local authorities
4.	Visas and work permits: Visas and work permits for foreign personnel properly employed in connection with the Project by the Company for the period such personnel are so employed.	BOI / Controller of Immigration & Emigration
5.	Building consents:	
	(i) Building and Construction License for the construction of new buildings or structures	Urban Development Authority
	(ii) Permit to build chimneys, stacks and other tall buildings or structures	Civil Aviation Department
	(iii) Consent under the Fire Regulations	Ministry of Defence (Fire Dept)
	(iv) Consent to carry out works on Hamilton Canal	Land Reclamation and Development Dept
	(v) Consent to carry out construction works in coastal littoral zone	Coastal Conservation Department

	Description of Consent	Government Agency
6.	<p>Financial consents:</p> <p>All necessary permits and consents required for the effectiveness of the Financing Agreements and related agreements, including in any event:</p> <ul style="list-style-type: none"> (i) Approval the for the Company to borrow and make payments in foreign currency, and (ii) Approval required for the ownership by foreign persons and entities of equity in the Company. 	Central Bank of Sri Lanka
7.	<p>Fuel supply consents:</p> <p>All necessary approvals, consents, permits and licenses to either implement the Fuel Supply Agreement with CPC or to facilitate Fuel supply arrangements with an alternative supplier</p>	CPC
8.	<p>Insurance:</p> <p>Exemption from Control of Insurance (Amendment) Act No. 42 (1986) to permit the Company to obtain insurance and re-insurance for the Project with insurers outside Sri Lanka; in particular:</p> <ul style="list-style-type: none"> (i) Remittance or deposit of premiums in foreign currencies to insurers; (ii) Proceeds of any claims under the Company's policies may be deposited or retained in foreign currencies outside Sri Lanka; (iii) Conduct and settlement of claims may be undertaken at the sole discretion of the insurers; (iv) Disputes between the insured and insurer will be resolved by the insurers according to such law as the insured and insurer agree. 	Controller of Insurance

ANNEX V: CLARIFICATION FORM

(Refer Clause 3.3)

To:

.....

CLARIFICATIONS FOR THE REQUEST FOR PROPOSAL FOR THE DEVELOPMENT OF 2nd 300 MW LNG POWER PLANT AT KERAWALAPITIYA

RFP Document No:

Date:

Sent by:

Fax No:

No.	Volume	Clause	Clarifications sought

ANNEX VI: PROPOSED AMENDMENTS TO THE PROJECT AGREEMENTS

(Refer Clause 3.5)

To:

.....

PROPOSED AMENDMENTS FOR THE REQUEST FOR PROPOSAL FOR THE DEVELOPMENT OF 2nd 300 MW LNG POWER PLANT AT KERAWALAPITIYA

RFP Document No:

Date:

Sent by:

Fax No:

Item No.	Volume & clause reference	Proposed Clarification / amendment	Reason for the request

ANNEX VII: RESPONSIVENESS TEST

(Refer Clause 7.4)

The responsiveness of Proposals will be determined in part by reference to the Project Proponent's ability to satisfy all requirements of this Annex:

	Description	Yes	No	Remarks
1.	Completeness of Proposal			
1.1	Proposal is correctly sealed and marked (Clause 3.20)			
1.2	Technical Proposal Letter signed and correct format (Section A of Vol. II)			
1.3	Affirmation regarding Financial Proposal is provided (Attachment to Technical Proposal Letter)			
1.4	Satisfactory Proposal Security (Annex II)			
1.5	Proposal is valid for nine (9) months or more (Clause 3.16)			
1.6	Completed "Document reference check list" (Vol. II)			
1.7	All Forms required to assess Project Proponents, EPC contractors, O&M Contractors & Major Equipment qualifications, and other required information are provided (Section B of Vol. II)			
1.8	All Forms, technical data and other required information is provided (Section D of Vol. II)			
1.9	Project Milestones Schedule (Section C of Vol. II)			
1.10	Project Proponent's Organisational Staffing and QA Plan (Section E of Vol. II)			
1.11	Project Proponent's Transfer Plan provided (Section F of Vol. II)			
1.12	Certificate of purchase of RFP document (Clause 3.13 and Item 2, Part I of Vol. II)			
2.	General Requirements			
2.1	Powers of attorney confirming signatories' authority (Clause 3.7)			
2.2	Board resolutions from each member of the Project Proponent (Clause 3.7)			
2.3	JV or Pre-proposal agreement (Clause 3.7)			

2.4	Project Milestones Schedule is complete and confirms SOCOD and SCCOD (Clause 4.2.9)			
2.5	The Proposal includes an insurance plan for the Facility (Clause 4.2.5)			
2.6	Project Proponent has named an internationally known Financial Advisor or arranger?			
2.7	No open or unacceptable assumptions made by Project Proponent in its Proposal.			
3.	Basic Technical, Experience & Qualification requirements			
3.1	Scope is complete and interfaces are well-defined (Clause 3.13.ii)			
3.2	The net output of the plant complies with the Scope of the Project (Vol I, Clause 1.2)			
3.3	Preliminary designs and descriptions are provided, applicable standards are met, new plant and materials are proposed (Clause 3.13.ii)			
3.4	Project Proponents qualification requirement (Clauses 6.2 & 6.3)			
3.5	Experience reference sheets are provided for major equipment items showing them to be proven technology (Clause 6.2.iv)			
3.6	Project Proponent has proposed suitably qualified EPC contractor(s); (Clause 6.2.ii)			
3.7	Project Proponent has proposed suitably qualified O&M contractor(s) (Clause 6.2.iii)			
3.8	Operational, Staffing & QA Plan is acceptable (Section E of Vol. II)			
3.9	Transfer Plan is acceptable (Section F of Vol. II)			
3.10	Cost of decommissioning required at the end of term is indicated in the Transfer Plan (Section F of Vol. II)			

ANNEX VIII: FUEL SPECIFICATION

(I) Liquid Fuel Specification

Please refer to Part 2 of Schedule 2 - Measurement and Testing of Draft LFSA

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ANNEX IX: FUEL SPECIFICATION

(II) Gas Fuel Specification (Indicative)

Specification for Re-Gasified Liquid Natural Gas (RLNG), shall be free from dust, gum forming constituents and other deleterious solid and/or liquid matter.

Item	Specification
Water content	Less than 112 kg per million standard cubic meters
Total Sulphur including H ₂ S	Not more than 30 mg/Sm ³ expected, H ₂ S content not more than 15 mg/Sm ³
Methane	Not less than 84.0 Mol %
Ethane	Not more than 10 Mol %
Propene	Not more than 5.0 Mol %
Butane and heavier	Not more than 3.0 Mol %
Pentane and heavier	Not more than 0.25 Mol %
Nitrogen	Not more than 7 Mol %
Oxygen	Not more than 0.5 Mol %
Total Non hydrocarbon	Not more than 8.0 Mol %
Higher Heating Value (HHV)	In the range of 48 to 54 MMBtu/t
Lower Heating Value (LHV)	In the range of 43 to 49 MMBtu/t
Pressure	40 bars - 65 bars
Temperature	Greater than 5°C

ANNEX X: SITE PLAN

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ANNEX XI: GENERAL LAYOUT OF THE PLANT FACILITY AREA

