

## RESTRICTED COMMERCIALY CONFIDENTIAL



Closing date 21 September 2010

Invitation to Tender – Low Carbon Development Initiative intends to engage a consultant to provide a multipurpose solar PV financial model

### 1. Introduction

The LCDI is a Community Interest Company enterprise created by Renewables East in 2009. It is a public funded delivery vehicle to identify and overcome the early-stage development risks and barriers currently halting progress on delivering low carbon commercial developments; in order to create financially viable solutions the market can invest in.

LCDI in conjunction with our local authority partners and ERDF are reviewing a number of options to accelerate low carbon energy infrastructure in the East of England.

This invitation to tender, outlines the requirements for a financial model for ground or roof mounted Photovoltaic systems. The project areas include new and existing development, as well as residential, offices, industrial units and large warehouses. The non-residential buildings may be owner occupied, Building owner(s) & Tenant(s), or Building owner(s) & vacant.

The purpose of this ITT is

- To seek bids for a multipurpose solar PV model to assess the financial viability of PV installations at a range of sites.

### 2. Further Information

LCDI will create a site specific special purpose vehicle (SPV) to deliver the energy infrastructure projects.

All Electricity generated on site firstly will be sold at below market rates directly to the user under a suitable PPA, whilst excess electricity will be exported to the grid and eligible for the export FIT. Each site should also be eligible for the generating FIT.

A separate feasibility assessment will be conducted by technical consultants. The technical consultant's feasibility assessments may link with the financial model.

Separate heating and district heating/cooling technical and financial feasibility studies may also be undertaken for suitable project sites.

The outcomes of LCDI's work will be shared and incorporated in to planning future projects in the region.

Should you require any further information on this brief to complete your tender submission, please contact John Heath by email:

[johnheath@renewableseast.org.uk](mailto:johnheath@renewableseast.org.uk)

### **3. About Renewables East**

LCDI is a Community Interest Company established by Renewables East in 2009.

Renewables East is a private company delivering the services associated with being the renewable energy agency for the East of England. The Company is funded by the East of England Development Agency (EEDA) and officially designated as an EEDA sister organisation. For the year 2008/09, RE has been allocated £2.4M from various sources including EEDA, EMDA, EU, Local Authorities and central government to continue its mission.

The objectives of the Company are:

- To enable the East of England to meet its adopted target for the production of energy from renewable resources, within the context of national energy policy and the need to move towards a lower carbon economy; and
- To maximise the rate of growth of the renewable energy sector and the economic benefits to the East of England and East Midlands' regions, especially through stimulating investment and job opportunities, supply chain development and innovation.

Renewables East's primary work areas are Bioenergy (Biomass and Biofuels,) Offshore/Onshore Wind, Planning, Supply Chain Development and the Mass Market Renewables agenda. If you have not already done so, you may find a visit to our web-site useful [www.renewableseast.org.uk](http://www.renewableseast.org.uk).

### **4. Scope of work**

A simple but robust Solar PV financial model, primarily for the purposes of potential investors/project financing banks, capable of analysing the rate of return and testing the sensitivity of major variables. A secondary function of the model will be a 'dashboard' front end to use as a business development tool to potential building owners or tenants.

The model should be 'user-friendly', allowing LCDI personnel to test the financial viability of a range of scenarios, as well as providing a necessary level of detail for potential investors and participants.

The model should include the investment, operational cost/income and the projected rate of return of the project. The model should also have the flexibility to analyse the rate of return for multiple investors (based on unequal contributions), and over variable project lifetimes and provide a cash flow analysis over these lifetimes.

It is expected the model will incorporate technology and site characteristics, including:

- Solar resource
- Efficiency of technology selections (modules and inverters)
- System degradation over time

It is expected the model will also incorporate and evaluate the following:

- Annual on site renewable energy generation, onsite renewable energy use, renewable energy exported to the grid, and electricity imported from the grid

#### CAPEX

- Site preparation cost
- Construction/system cost and phasing
- Cost of grid connection

#### Revenue

- Sale of electricity to the grid and/or the building occupier/s
- ROCs/double ROCs/feed in tariffs (generation and export)/other carbon credits

#### O&M

- Lease of land or roof space to host the project
- Operation, maintenance and plant replacement costs
- Insurance

#### Financing

- Separation of pre-construction costs
- Mix of debt/equity finance during construction phase
- Securitisation options

This work is scheduled to be undertaken in September 2010. Given the limited timeframe, it is envisaged that the respondent will have an existing model that requires only minor modifications to meet the criteria above.

Preference will be given to respondents with financial models that have been used to successfully raise finance for large Solar PV systems, especially for large commercial/warehouses or a portfolio of residential sites.

LCDI will own all rights to use of the model, and will be able to share outputs of the model with project partners and potential investors.

## **5. Tender Details**

Applicants who wish to submit a tender bid must include a covering letter detailing:

- title - 'Invitation to Tender for Low Carbon Development Initiative solar PV financial model
- postal address and named contact details
- Indication as to whether an SME or not
- total number of pages.

The tender submission should be page numbered with the Company/Consultant name on the bottom of each page. Tender criteria should form the page headings for the main body of the tender submission.

Tenders on average should be no longer than 10 pages including a two page executive summary.

Any materials produced will be the property of LCDI and Renewables East and will need to be supplied in formats (hard copy and/or electronic) that can be reproduced by us without further project cost.

Responses to this tender should be submitted electronically and must be received by Renewables East no later than 12:00 hours on 21 September 2010, they should be sent via email to:

John Heath  
Delivery Manager  
Renewables East  
[johnheath@renewableseast.org.uk](mailto:johnheath@renewableseast.org.uk)

The successful applicant will be notified by 30 September 2010 at the latest and must be in a position to start work immediately upon notification.

## **6. Tender Criteria and Weighting**

The tenders will be assessed against the following criteria:-

30% - Value for money

- Please outline what you would provide for £5,000 (including VAT and expenses); and Up to £9,999 (including VAT and expenses)
- Completeness of response to entire scope of tender, clear and concise proposal
- Discounting structures offered
- Add value beyond the scope of the tender
- Project management, reporting mechanisms, project team structure and roles and responsibilities evidenced

50% - Experience (of both the organisation and the individuals who will be assigned to this project) in the undertaking of model development for a range of PV developments, together with contactable references.

- Minimum of 3 relevant case studies and contactable references
- CVs of the individuals to be assigned to this project, highlighting their relevant experience
- An outline of the depth and breadth of projects where your financial model has been used to test the financial viability of site/s for roof or ground mounted PV and successfully used to raise finance. Please include details on the number of projects, project size and type of the development (portfolio, ground mounted, residential or warehouse roofs etc), and level of finance secured.
- Proposed methodology for delivering this scope of work and model availability

20% - Evidence of knowledge and experience of low carbon and renewable energy policy and implementation at both national and regional level, and of economic development policies and measures

Any information provided will be treated with total confidentiality.

## **7. Tender process**

Applicants are advised to ensure that they are fully conversant with the nature and extent of the obligations to be accepted by them if their Tenders are accepted.

Renewables East reserves the right to extend proposed timescales if extensive Tender clarification is required during evaluation or for any other reason.

Applicants should be aware that queries raised by Applicants that affect the Tender process will be circulated to all Applicants. Responses of a commercially sensitive nature will be confined to the correspondent(s).

Any Applicant who directly or indirectly canvasses any member or officer of Renewables East concerning the award of the Contract for the provision of the Services, or who directly or indirectly obtains or attempts to obtain information from any such member or officer concerning any other Tender or proposed Tender for the Services will be disqualified.

It is the responsibility of Applicants to obtain for themselves and at their own expense all information necessary for the preparation of their Tenders. Information supplied by Renewables East (whether in these Tender Documents or otherwise) is supplied solely for general guidance in the preparation of the Tenders. Applicants must satisfy themselves by their own investigations with regard to the accuracy of any such information and no responsibility is accepted by Renewables East for any inaccurate information obtained by Applicants.

All information supplied by Renewables East in connection with this Invitation to Pre-qualify and Tender shall be regarded as confidential by the Applicant except that such information may be disclosed for the purpose of obtaining sureties and quotations necessary for the preparation of the Tender. Renewables East reserves the right to ask all Applicants to complete a separate Confidentiality Agreement and if deemed necessary this will be forwarded under separate cover for completion and return within a specific timescale no later than the tender return date.

The Tender Documents are and shall remain the property of Renewables East and must be returned upon demand.

No servant or agent of Renewables East has authority to vary or waive any part of the Tender Documents or procedure other than the Authorised Officer nominated by Renewables East who shall only do so in writing.

Renewables East will not consider individual requests for extension of the closing date and the time specified above, but may at its own absolute discretion extend generally the closing date and time.

Renewables East reserves the right to request such further information from Applicants as it deems necessary to assist the clarification of Tender submissions.

Renewables East reserves the right to dismiss those tender applications that do not meet the specific tender details required.

**8. Restricted and Commercially Confidential**

PLEASE NOTE THAT THE INFORMATION CONTAINED WITHIN THIS TENDER DOCUMENT AND ASSOCIATED DOCUMENTS IS NOT IN THE PUBLIC DOMAIN AND REMAINS COMMERCIALY CONFIDENTIAL. THE INFORMATION IS NOT TO BE USED FOR ANY PURPOSES OTHER THAN TO RESPOND TO THE TENDER