

REQUEST FOR PROPOSALS

TECHNICAL ASSISTANCE FOR THE

2010-11022A Renewable Energy IPP Framework

Submission Deadline: **4:00 PM**

LOCAL TIME

December 3, 2010

Submission Place:

Administrator Imamuddeen Talba
Nigerian Electricity Regulatory Commission
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P.M.B. 136, Garki
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Phone: +234 9 67 28 952

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SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

REQUEST FOR PROPOSALS

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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$323,000 to the Nigerian Electricity Regulatory Commission (NERC). The purpose of this technical assistance (TA) grant is to provide NERC assistance with the development of a regulatory framework which can address some of the most significant barriers to investment in the power sector, and specifically encourage the implementation of renewable energy solutions through pricing incentives. This TA will assist the Grantee in developing an Independent Power Producer (IPP) framework (Project) which will provide clear guidelines on the licensing requirements procedures for IPP investments, create model power purchase agreements to facilitate the sale of power to the national grid, and create an electricity tariff regime which accurately reflects the costs of power production, and which gives preferential treatment to IPPs utilizing renewable energy technologies. The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the TA.

1.1 BACKGROUND SUMMARY

Nigeria is endowed with an abundance of natural resources, including immense renewable energy potential. According to studies funded by the United Nations Industrial Development Organization and the World Bank, Nigeria holds 14,250 megawatts of hydropower generation potential, only about 2,000 megawatts of which has been utilized. Additionally, the country has considerable wind generation potential, receives significant solar irradiance, and produces large amounts of organic waste ideal for biomass power generation.

To support the growth of the sector, the Grantee is seeking assistance with the development of a regulatory framework which can address some of the most significant barriers to investment in the sector, and specifically encourage the implementation of renewable energy solutions through pricing incentives.

This TA will assist the Grantee in developing an IPP framework as well as provide clear guidelines on the licensing requirements procedures for IPP investments, create model power purchase agreements to facilitate the sale of power to the national grid, and create an electricity tariff regime which accurately reflects the costs of power production, and which will give preferential treatment to IPPs utilizing renewable energy technologies.

A background Definitional Mission conducted by CORE International is provided for reference in Annex 2.

1.2 OBJECTIVE

The objective of this TA is to provide the Grantee with support in the development of a regulatory framework to facilitate private investment in the Nigerian power sector. The framework will be focused on licensing requirements and procedures for IPPs, the development of model power purchase agreements to facilitate the sale of electricity to the national grid, and

the development of an electricity tariff which provides investment incentives to renewable energy IPPs.

The Terms of Reference (TOR) for this TA are attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals (RFP) will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established by a USTDA grant of US\$323,000. **The USTDA grant of US\$323,000 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$323,000 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called Renewable Energy IPP Framework.

2.2 DEFINITIONS

Please note the following definitions of terms as used in this RFP.

The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.

The term "Offeror" means the U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

2.3 DEFINITIONAL MISSION REPORT

USTDA sponsored a Definitional Mission performed by CORE International to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. A copy of the report is attached at Annex 2 for background information only. Please note that the TOR referenced in the report are included in this RFP as Annex 5.

2.4 EXAMINATION OF DOCUMENTS

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Technical Assistance.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution and completion of the Technical Assistance.

2.5 PROJECT FUNDING SOURCE

The Technical Assistance will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$323,000.

2.6 RESPONSIBILITY FOR COSTS

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. Neither USTDA nor the Grantee assumes any obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, final selection or negotiation of a contract.

2.7 TAXES

Offerors should submit proposals that note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country.

2.8 CONFIDENTIALITY

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

2.9 ECONOMY OF PROPOSALS

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

2.10 OFFEROR CERTIFICATIONS

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for

specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English, and only English.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

The **Cover Letter** in the proposal must be addressed to:

Administrator Imamuddeen Talba
Nigerian Electricity Regulatory Commission
Adamawa Plaza
Plot 1099, First Avenue
Off Shehu Shagari Way, CBD
P.M.B. 136, Garki
Abuja, Nigeria
Phone: +234 9 67 28 952
Electronic Mail: italba@nercng.org

An Original and eight (8) copies of your proposal must be received at the above address no later than 4:00 PM, on December 3, 2010.

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

Upon timely receipt, all proposals become the property of the Grantee.

2.14 PACKAGING

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content including "original" or "copy number x"; the original and eight (8) copies should be collectively wrapped and sealed, and clearly labeled.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly wrapped, sealed and labeled.

2.15 AUTHORIZED SIGNATURE

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

2.16 EFFECTIVE PERIOD OF PROPOSAL

The proposal shall be binding upon the Offeror for ninety (90) days after the proposal due date, and Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

2.17 EXCEPTIONS

All Offerors agree by their response to this RFP announcement to abide by the procedures set forth herein. No exceptions shall be permitted.

2.18 OFFEROR QUALIFICATIONS

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory, Technical Assistance and/or other services similar to those required in the TOR, as applicable.

2.19 RIGHT TO REJECT PROPOSALS

The Grantee reserves the right to reject any and all proposals.

2.20 PRIME CONTRACTOR RESPONSIBILITY

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

2.21 AWARD

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

2.22 COMPLETE SERVICES

The successful Offeror shall be required to (a) provide local transportation, office space and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA.

2.23 INVOICING AND PAYMENT

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee's approval of each invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA's Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses attached in Annex 4.

Section 3: PROPOSAL FORMAT AND CONTENT

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$323,000, which is a fixed amount.

Offerors shall submit one (1) original and eight (8) copies of the proposal. Proposals received by fax cannot be accepted.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Company Information,
- Organizational Structure, Management Plan, and Key Personnel,
- Technical Approach and Work Plan, and
- Experience and Qualifications.

Detailed requirements and directions for the preparation of the proposal are presented below.

3.1 EXECUTIVE SUMMARY

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

3.2 COMPANY INFORMATION

For convenience, the information required in this Section 3.2 may be submitted in the form attached in Annex 6 hereto.

3.2.1 Company Profile

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information requested in sections 3.2.5 and 3.2.6 below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (*) next to the names of those principal officers who will be involved in the TECHNICAL ASSISTANCE.
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
7. Project Manager's name, address, telephone number, e-mail address and fax number.

3.2.2 Offeror's Authorized Negotiator

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

3.2.3 Negotiation Prerequisites

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the TECHNICAL ASSISTANCE as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

3.2.4 Offeror's Representations

If any of the following representations cannot be made, or if there are exceptions, the Offeror must provide an explanation.

1. Offeror is a corporation *[insert applicable type of entity if not a corporation]* duly organized, validly existing and in good standing under the laws of the State of _____. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the TECHNICAL ASSISTANCE. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of _____. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

3.2.5 Subcontractor Profile

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).

3.2.6 Subcontractor's Representations

If any of the following representations cannot be made, or if there are exceptions, the Subcontractor must provide an explanation.

1. Subcontractor is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of _____. The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Technical Assistance and to perform the Technical Assistance. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. Neither the subcontractor nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Technical Assistance. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Technical Assistance.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

3.4 TECHNICAL APPROACH AND WORK PLAN

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any work space or facilities needed to complete the Technical Assistance.

3.5 EXPERIENCE AND QUALIFICATIONS

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Technical Assistance. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project. The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided for each of the Offeror and any subcontractor, including the following information:

- Project name,
- Name and address of client (indicate if joint venture),
- Client contact person (name/ position/ current phone and fax numbers),
- Period of Contract,
- Description of services provided,
- Dollar amount of Contract, and
- Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to or larger in scope than the Technical Assistance as described in this RFP.

Section 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. The Grantee will notify USTDA of the best qualified Offeror, and upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria:

1. Experience of the firm in feed-in tariff setting approaches 25%
2. International experience of the firm in developing tariffs in regional market settings 15%
3. Experience of the firm in similar projects in Africa 5%

- | | |
|---|-----|
| 4. Experience of the proposed experts | 25% |
| 5. Technical approach of the firm for the study | 20% |
| 6. Approach for economic analysis and financing renewable energy projects | 10% |

Proposals that do not include all requested information may be considered non-responsive.

Price will not be a factor in contractor selection.

ANNEX 1

Nigerian Electricity Regulatory Commission
Adamawa Plaza,
Plot 1099, First Avenue
Off Shehu Shagari Way, Central Business District
P.M.B. 136, Garki,
Abuja, F.C.T,
Nigeria
Telephone: +234-9-6700991
E-mail: info@nercng.org
Website: <http://www.nercng.org/>

201011022A Renewable Energy IPP Framework

POC: Nina Patel, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Renewable Energy IPP Framework. The Grantee invites the submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability for technical assistance (TA) for the Nigerian Electricity Regulatory Commission (NERC) to develop a regulatory framework designed to provide investment incentives to independent power producers (IPPs) utilizing renewable energy resources (Project).

NERC serves as the Government of Nigeria's independent electricity sector regulator. NERC is seeking assistance with the development of a regulatory framework which can address some of the most significant barriers to investment in the sector, and specifically encourage the implementation of renewable energy solutions through pricing incentives. By providing a regulatory framework conducive to IPPs, NERC aims to transfer the burden of financing power generation from the government to the private sector, thereby improving the sector's overall performance and reliability while allowing the government to direct its funding to other priorities.

This TA aims to assist NERC in developing guidelines for renewable resource based IPP license applications and an electricity tariff structure which would give financial incentives to facilitate private sector renewable energy projects. This TA will assist NERC in developing an IPP framework, subsequently providing clear guidelines on the licensing requirements procedures for IPP investments, establishing model power purchase agreements to facilitate the sale of power to the national grid, and creating an electricity tariff regime which accurately reflects the costs of power production, and which gives preferential treatment to IPPs utilizing renewable energy technologies.

The U.S. firm selected will be paid in U.S. dollars from a \$323,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission/desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-

3901. To request the RFP in PDF format, please go to: <https://www.ustda.gov/businessopps/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 4:00 pm, December 3, 2010 at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

ANNEX 2

TECHNICAL ASSISTANCE TO NERC FOR DEVELOPING A TARIFF FRAMEWORK FOR SMALL-SCALE RENEWABLE ENERGY IPPs IN NIGERIA

1. Power Sector Background in Nigeria

Nigeria has considerable energy resources throughout the country. It has proven reserves of nearly 180 trillion cubic feet of gas. Coal and lignite reserves are estimated to be 2.7 billion tons, while tar sand reserves represent 31 billion barrels of oil equivalent. Nigeria also has considerable hydropower resources. Based on past work done by UNIDO and the World Bank, it is estimated that Nigeria has an estimated hydropower capacity of about 14,250 MW. Nigeria has significant biomass resources to meet both traditional and modern energy uses, including electricity generation. The country is exposed to a high solar radiation level with an annual average of 3.5 – 7.0kWh/m²/day. Wind mapping of various areas in the country indicates that Nigeria also has reasonable level of wind resources for power generation.

The current installed capacity of grid electricity in Nigeria is around 6000 MW, of which about 67 percent is thermal and the balance is hydro-based. Between 1990 and 1999, there was no new power plant built and the same period witnessed substantial government under-funding of the utility for both capital projects and routine maintenance operations. As a result, the generating plant availability is low and the transmission and distribution networks are over stressed.

The transmission network in the country consists of about 5000 km of 330 kV lines, and 6000 km of 132 kV lines. The 330 kV lines feed 23 substations of 330/132 kV rating with a combined capacity of 6,000 MVA or 4,600 MVA at a utilization factor of 80%. The main problems associated with Nigeria's transmission network include inadequate dispatch and control infrastructure, radial and fragile grid network, frequent system collapse, and exceedingly high transmission losses. The distribution grid in the country consists of 23,753 km of 33 kV lines and 19,226 km of 11 kV lines. These lines feed 679 substations of 33/11kV rating and 20,543 substations of 33/0.415 and 11/0.415 kV ratings. In addition, there are 1,790 distribution transformers and 680 injection transformers. The system suffers from chronic under-investment, poor maintenance, un-recorded connections and under-billing arising from a preponderance of un-metered connections. The utility's financial performance, as well as its ability to serve customers satisfactorily has been consistently poor.

Despite the abundant energy resources in the country, access to electricity is low and about 60 percent of the population (80 million people) has no access to power. In order to increase access of electricity to rural and isolated areas, the Government initiated a Rural Electrification Program in 1981 that focuses exclusively on grid extension. However, since the connection costs are high access continues to be low. The Government's plans call for increasing access rate of 35% to 75% by year 2020.

The Government has also been working with several donors to address the sector problems. The World Bank has been engaged with Nigeria on several fronts in improving the performance of the power sector and encouraging the deployment of new energy resources. The recent World Bank support to Nigeria in the power sector relates to partial risk guarantees (PRG), one without conditions for a small to medium sized IPP, and a larger and later one with more detailed and stringent conditions. Currently, the World Bank is developing a Rural Electrification Project that is expected to go the Bank's Board in January 2011. This project will focus on both grid-connected and off-grid systems involving hydropower and other renewable energy resources.

2. Renewable Energy Resources in Nigeria

Nigeria has considerable renewable energy resources that remain largely underutilized. The following is a brief summary of the renewable energy resources in the country.

2.1 Hydropower Resources: Nigeria has abundant hydropower resources throughout the country. The total hydropower potential in the country has been estimated at 14, 250 MW. The United Nations Industrial Development Organization (UNIDO) conducted a hydrologic study of various potential hydropower sites in the country. In 2007-2008, the World Bank also conducted a resource survey and ranking of various small and medium-sized hydropower sites. While both of these efforts indicate that there is considerable hydropower potential in the country, the commercial and regulatory framework for developing these sites is lacking. Given the current power sector situation in Nigeria, the Ministry of Power is embarking upon a renewed initiative to develop the most promising hydropower sites in the country.

2.2 Wind Power Resources: The Ministry of Science and Technology in Nigeria commissioned a study to conduct a comprehensive wind resources assessment in the country. Lahmeyer International carried out the study in 2005 and estimated wind potential throughout the country. The study developed detailed wind maps with fine resolution for many of the States and regions and concluded that the following regions/States offer the most promising potential for wind power generation:

1. Lagos Region
2. Sokoto Region
3. Jos Plateau
4. Kano and Futuna Region
5. Borno Region

The Lahmeyer study also conducted an economic assessment for a 10 MW wind park at the coastal area and concluded that the development of wind parks in Nigeria is economical. Further analysis of the data indicates that pilot wind projects should be developed in a number of these regions/States.

2.3 Solar and Biomass Energy Resources: Nigeria has abundant renewable energy resources in addition to vast hydropower potential as mentioned above. The country is exposed to a high solar radiation level with an annual average of 3.5 – 7.0kWh/m²/day. In addition, Nigeria has abundant biomass and municipal waste resources that remain underutilized for the production of useful energy. Given the poor performance of the power sector there is an accelerated interest in the country to increasingly look for commercially available technologies to produce power utilizing biomass energy resources. The Energy Commission of Nigeria¹ has estimated that Nigeria has the following resources some of which are sporadically utilized in rural areas:

Fuelwood	39.1 million tones	531 MJ of energy value
Agro-waste	11 million tones	147 MJ of energy value
Saw Dust	1.8 million tones	31 MJ of energy value
Municipal Waste	4,075 million tones	31,433 MJ of energy value

Residues associated with agriculture either as on-the-farm crop wastes such as cornstalks or as processing waste such as rice husk, cocoa shells, corn shells, palm kernel shell, cassava peels,

¹ Energy Commission of Nigeria – Strategic Developments in Renewable Energy in Nigeria, Abubakar S, Sambo, International Association for Energy Economists.

etc., are also good sources of fuels. They are currently burned directly as starter or supplement material in addition to fuelwood.

3. Government's Renewable Energy Development Policy

Given the abundant renewable energy resources in the country and the chronic shortage of grid power, the Government has decided to promote the development and implementation of renewable energy projects in partnership with donors and the private sector including potential involvement of communities. The underlying rationale for the development of renewable sources is that it represents an important means in the Government's overall effort to expand access to electricity services nationwide consistent with its objectives of stimulating economic growth, employment creation and poverty reduction. In addition, the Government wants to significantly increase rural electricity access across the country through creative approaches including IPPs and Public Private Partnerships (PPPs).

The "Policy Guidelines on Renewable Electricity" is the Government's overall policy on all electricity derived from renewable energy sources. The Policy Guidelines sets out the Government's vision, policies and objectives for promoting renewable energy in the power sector. It is drawn primarily from the National Energy Policy (2003), the National Electric Power Policy (2001), Electric Power Sector Reform Act (2005), the Renewable Energy Master Plan (2005), the draft Rural Electrification Policy.

4. Regulatory Framework

The Nigeria Energy Regulatory Commission (NERC) is the regulatory body responsible for regulating the energy sector in the country. Currently, there is no regulatory framework for involving potential IPPs and PPP schemes to utilize renewable energy resources in the country. The current regulatory regime is not conducive to IPP investments for a variety of reasons including the need for the finalization of power market model, uniform PPAs, a standardized licensing process, and a tariff regime that would be reflective of true costs. In addition, there is a need to develop a feed-in tariff regime in order for the Government to encourage small-scale hydropower, wind, and other renewable energy based power generation projects.

Accordingly, NERC has requested the U.S. Trade and Development Agency to provide technical assistance to develop a regulatory framework for small-scale grid-connected and off-grid renewable energy based power generation facilities throughout the country. Specifically, NERC would like the technical assistance to focus on creating the tools that would encourage IPPs and PPP schemes for small-scale power generation based on commercially available renewable energy technologies.

5. The Proposed Project

The proposed technical assistance project shall focus on providing NERC the necessary support to create an enabling environment for wide-scale deployment of the country's renewable energy resources including small-scale hydropower facilities through private sector led approaches such as IPPs and creative PPPs. The selected Contractor shall develop various regulatory tools that would facilitate the deployment of renewable energy systems in Nigeria.

6. Objectives of the Technical Assistance

The objective of the proposed Technical Assistance (the "Study") is to develop an overall regulatory framework for NERC that would facilitate private sector investments in small-scale hydro and renewable energy projects. Specifically, the selected Contractor shall work with NERC officials and develop the following tools:

- Guidelines for Applications for Renewable Energy Based Small Scale Power Projects
- Procedure for Review of Applications for License
- Model License Template
- Model Power Purchase Agreement (PPA)
- Feed-in Tariff Methodology and Regulations

7. Scope of Work and Tasks

The scope of the proposed Study shall include all renewable energy technologies as well as small-scale hydropower facilities. In addition, various technical models shall be considered including grid-connected systems, mini grids, and off-grid systems. The business models to be considered shall include IPPs, various forms of PPPs, cooperatives, concessions, and franchises. The geographic coverage shall include urban systems, per-urban areas, and rural and remote areas.

ANNEX 3



**U.S. TRADE AND DEVELOPMENT AGENCY
Arlington, VA 22209-2131**

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

NATIONALITY:

1) Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

SOURCE AND ORIGIN:

1) Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

2) Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

3) Definitions

“Source” means the country from which shipment is made.

“Origin” means the place of production, through manufacturing, assembly or otherwise.

Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.

ANNEX 4

GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the Government of the Federal Republic of Nigeria, acting through the Nigerian Electricity Regulatory Commission ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US \$323,000 ("USTDA Grant") to fund the cost of goods and services required for a technical assistance ("TA") on the proposed Renewable Energy IPP Framework ("Project") in Nigeria ("Host Country").

1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the TA ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

2. Terms of Reference

The Terms of Reference for the TA ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The TA will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the TA shall also be included in the Contract.

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials, and commercial entities, in their respective countries. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the TA.

4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support.

5. USTDA as Financier

(A) USTDA Approval of Competitive Selection Procedures

Selection of the U.S. Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities* (www.fedbizopps.gov). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

(B) USTDA Approval of Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the Contractor to perform the TA. Upon approval of this selection by USTDA, the Grantee and the Contractor shall then enter into a contract for performance of the TA. The Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the TA that they were not selected.

(C) USTDA Approval of Contract Between Grantee and Contractor

The Grantee and the Contractor shall enter into a contract for performance of the TA. This contract, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing. To expedite this approval, the Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 17 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract.

(D) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the TA and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the

Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

(E) Grant Agreement Controlling

Regardless of USTDA approval, the rights and obligations of any party to the contract or subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any contract or subcontract funded by the Grant Agreement, the Grant Agreement shall be controlling.

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

(B) Contractor Invoice Requirements

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the TA by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

7. Effective Date

The effective date of this Grant Agreement ("Effective Date") shall be the date of signature by both parties or, if the parties sign on different dates, the date of the last signature.

8. TA Schedule

(A) TA Completion Date

The completion date for the TA, which is June 1, 2012, is the date by which the parties estimate that the TA will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

9. USTDA Mandatory Clauses

All contracts funded under this Grant Agreement shall include the USTDA mandatory clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded with USTDA Grant funds shall include the USTDA mandatory clauses, except for clauses B(1), G, H, I, and J.

10. Use of U.S. Carriers

(A) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(B) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

11. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

12. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

13. Cooperation Between Parties and Follow-Up

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project.

14. Implementation Letters

To assist the Grantee in the implementation of the TA, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by the Grant Agreement. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by the Grant Agreement.

15. Recordkeeping and Audit

The Grantee agrees to maintain books, records, and other documents relating to the TA and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the TA and the Grant Agreement.

16. Representation of Parties

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by the Administrator. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

17. Addresses of Record for Parties

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: Administrator Imamuddeen Talba
Nigerian Electricity Regulatory Commission
Adamawa Plaza
Plot 1099, First Avenue
Off Shehu Shagari Way, CBD
P.M.B. 136, Garki
Abuja, Nigeria

Phone: +234 9 67 28 952
Electronic Mail: italba@nercng.org

To: U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.: 11 10/ 11 1001
Activity No.: 2010-11022A
Reservation No.: 2010110027
Grant No.: GH2010110008

18. Termination Clause

Either party may terminate the Grant Agreement by giving the other party thirty (30) days advance written notice. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the TA, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the written notice of termination.

19. Non-waiver of Rights and Remedies

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

20. U.S. Technology and Equipment

By funding this TA, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

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IN WITNESS WHEREOF, the Government of the United States of America and the Government of the Federal Republic of Nigeria, each acting through its duly authorized representative, have caused this Agreement to be signed in the English language in their names and delivered as of the day and year written below. In the event that this Grant Agreement is signed in more than one language, the English language version shall govern.

**For the Government of the
United States of America**

**For the Government of the
Federal Republic of Nigeria**

By: _____

By: _____

Date: _____

Date: _____

Witnessed:

Witnessed:

By: _____

By: _____

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

The objective of this TA is to provide the Grantee with support in the development of a regulatory framework to facilitate private investment in the Nigerian power sector. The framework shall be focused on licensing requirements and procedures for independent power producers (IPPs), the development of model power purchase agreements to facilitate the sale of electricity to the national grid, and the development of an electricity tariff which provides investment incentives to renewable energy IPPs.

Task 1: License Application Guidelines for Renewable Energy Power Projects

The Contractor shall review application guidelines and requirements for IPP licenses developed in other countries including, at least, Sri Lanka, Nepal, Brazil, Argentina, Germany, The Netherlands, and Namibia. The contractor's review shall focus on best practices and lessons learned which are applicable to the Nigerian market.

The Contractor shall develop detailed guidelines and requirements for IPP license applications in consultation with the Grantee. The guidelines shall include, at least:

- Application form;
- Requirements for technical documents to support license applications including project description, site layout and site characteristics, technology to be deployed, project scope and size, and projected time frame;
- Requirements for power purchase agreements;
- Requirements for economic and financial analyses to support the proposed IPP's economic and financial viability;
- Requirements for a financing plan including descriptions of debt and equity arrangements, letters of intent, and other evidence to demonstrate that the applicant has made the necessary financing arrangements for the IPP;
- Requirements for the description of the financial capabilities and experience of the applicant including evidence that the applicant is financially capable of implementing the IPP and a record of the applicant's past experience with similar investments;
- Requirements for preliminary environmental impact analyses for the proposed IPP; and
- Requirements for legal documentation and permits, including evidence that the applicant is aware of and pursuing all permits that would be needed for the IPP such as environmental permits, land use permits, etc.

Task 1 Deliverable: The Contractor shall prepare a report of all work performed under Task 1. The Task 1 Deliverable shall be included in the Final Report.

Task 2: License Application Procedures

The Contractor shall review procedures for the evaluation of IPP license applications developed by other countries including, at least, Sri Lanka, Nepal, Brazil, Argentina, Germany, The Netherlands, and Namibia. The contractor's review shall focus on best practices and lessons learned which are applicable to the Nigerian market.

The Contractor shall develop a transparent and non-discriminatory procedure for the evaluation of IPP license applications in consultation with the Grantee. The procedures shall include, at least:

- Procedure for recording and documenting the applications received;
- Procedure for reviewing applications including review criteria, constitution of review committees, governance and decision making structure, procedure for seeking clarification and/or additional information from the applicants, recording of review comments, communication of results to the applicants, and procedure for appeals;
- Procedures for protecting proprietary information including policies on chain-of-custody, need-to-know basis, etc.;
- Procedure for soliciting public comments from stakeholders; and
- Procedure for organizing and conducting a public hearing on the application as well as procedures for determining whether a public hearing is necessary for a given application.

Task 2 Deliverable: The Contractor shall prepare a report of all work performed under Task 2. The Task 2 Deliverable shall be included in the Final Report.

Task 3: Model License Template

The Contractor shall develop a model license template which could be utilized by the Grantee to issue different types of licenses to applicants. These may include: 1) a full and unconditional license; 2) a conditional license specifying conditions that must be met within a prescribed time frame; and 3) provisional license pending clarification of issues raised by the members of the review committee. The model license template shall include, at least, the following:

- Type of license awarded;
- Conditions of performance and time frame;
- Time frame for the validity of the license;
- License renewal requirements; and
- Conditions for the cancelation of the license.

Task 3 Deliverable: The Contractor shall prepare a report of all work performed under Task 3. The Task 3 Deliverable shall be included in the Final Report.

Task 4: Model Power Purchase Agreement

The Contractor shall develop a model power purchase agreement (PPA) that will be utilized by the Grantee as the basis for negotiations with IPP license applicants. The model PPA shall include, at least, the following:

- Electricity tariffs and tariff revision clauses;
- Obligations of the parties entering the PPA, including operation and maintenance;
- Allocation of project risks and liabilities among the parties; and
- Fuel supply clauses when relevant (i.e. water rights for hydropower plants, municipal and biomass waste rights, etc.).

Task 4 Deliverable: The Contractor shall prepare a report of all work performed under Task 4. The Task 4 Deliverable shall be included in the Final Report.

Task 5: Feed-in Tariff Methodology and Regulations

The Contractor shall review feed-in tariff (FIT) methodologies and practices in place in other countries including, at least, the United States, Germany, The Netherlands, and Australia. The contractor's review shall focus on best practices and lessons learned which are applicable to the Nigerian market.

The Contractor shall develop a FIT methodology for implementation in Nigeria. The purpose of the FIT shall be to legally obligate utilities and energy companies to purchase electricity from renewable energy producers at a favorable price per unit, guaranteed over a certain time period.

The recommended FIT methodology shall consider, at a minimum, solar, wind, hydropower, and biomass technologies. The Contractor shall explain all assumptions made for developing the recommended FIT methodology.

In addition, the Contractor shall make recommendations on ways to encourage investment in off-grid mini and micro hydropower plants in order to advance the Grantee's goal of increasing access of electricity in rural areas and areas not currently served by the grid.

Task 5 Deliverable: The Contractor shall prepare a report of all work performed under Task 5. The Task 5 Deliverable shall be included in the Final Report.

Task 6: Capacity Building Workshop

The Contractor shall design and conduct a two-day workshop for the Grantee on all work and Deliverables completed under Tasks 1 through 5 of these Terms of Reference. The workshop shall be held in Abuja. The Grantee shall provide the necessary facilities to host the workshop. The Contractor shall develop power point presentations and at least 3 mock exercises of FIT development for different types of renewable energy based power

projects. The purpose of these exercises shall be to provide the Grantee with hands-one experience in designing and evaluating FIT approaches for different types of projects.

Task 6 Deliverable: The Contractor shall prepare a report of all work performed under Task 6. The Task 6 Deliverable shall be included in the Final Report.

Task 7: Development Impact Assessment

The Contractor shall assess the development benefits associated with the Project. The assessment shall include examples of the development benefits that would be expected in Nigeria if the Project is implemented. The Assessment shall give emphasis to:

- 1) *Infrastructure:* improvements in the physical, financial, and social infrastructure of Nigeria.
- 2) *Technology Transfer and Productivity Improvements:* introduction of advanced technologies and improvement of processes that stimulate greater economic productivity.
- 3) *Human Capacity Building:* new job opportunities, sustained employment, or advanced training to upgrade the capability of the workforce.
- 4) *Market-Oriented Reforms:* regulatory reforms, changes in legislation, transparency and private sector participation.
- 5) *Other/Spin-Off Effects:* any other developmental benefits derived from the Project.

Task 7 Deliverable: The Contractor shall prepare a report of all work performed under Task 7. The Task 7 Deliverable shall be included in the Final Report.

Task 8: Preliminary Environmental Impact Assessment

The Contractor shall prepare a Preliminary Environmental Impact Assessment that identifies any potential negative and positive impacts resulting from the Project. This Assessment shall include reference to local requirements and requirements of multi-lateral lending agencies, such as the World Bank and African Development Bank. The World Bank typically classifies each project with respect to a specific category of environmental assessment requirement. The Contractor shall consult with the World Bank to determine the appropriate classification category for the Project and carry out the preliminary assessment along these guidelines. The Contractor shall make recommendations to mitigate any potentially negative environmental impacts. The Contractor shall also develop plans for a full environmental impact assessment if and when the Project moves forward to the implementation stage.

Task 8 Deliverable: The Contractor shall prepare a report of all work performed under Task 8. The Task 8 Deliverable shall be included in the Final Report.

Task 9 Final Report

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the Government of the Federal Republic of Nigeria acting through the Nigerian Electricity Regulatory Commission ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the technical assistance ("TA") for the Renewable Energy IPP Framework ("Project") in Nigeria ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

All contracts funded under the Grant Agreement, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the contract has been formally approved by USTDA or until the contract conforms to modifications required by USTDA during the contract review process.

(2) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the TA and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or

liability to such parties. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

D. Recordkeeping and Audit

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the contract term and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

E. U.S. Carriers

(1) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(2) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

F. Workman's Compensation Insurance

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

G. Reporting Requirements

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the TA. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, and fax number. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

H. Disbursement Procedures

(1) USTDA Approval of Contract

Disbursement of Grant funds will be made only after USTDA approval of this contract. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor a photocopy of an English language version of a signed contract or a final negotiated draft version to the attention of the General Counsel's office at USTDA's address listed in Clause M below.

(2) Payment Schedule Requirements

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total USTDA Grant amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total USTDA Grant amount, payable upon receipt by USTDA of an approved Final Report in accordance with the specifications and quantities set forth in Clause I below. Invoicing procedures for all payments are described below.

(3) Contractor Invoice Requirements

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

(a) Contractor's Invoice

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

(i) For a mobilization payment (if any):

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA. "

(ii) For contract performance milestone payments:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(b) Client's Approval of the Contractor's Invoice

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

(iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client. "

(c) USTDA Address for Disbursement Requests

Requests for disbursement shall be submitted by courier or mail to the attention of the Finance Department at USTDA's address listed in Clause M below.

(4) Termination

In the event that the Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for reasonable and documented costs which have been incurred in performing the Terms of Reference prior to termination, as well as reasonable wind down expenses. Reimbursement for such costs shall not exceed the total amount of undisbursed Grant funds. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the reasonable and documented costs incurred in performing the Terms of Reference prior to termination.

I. USTDA Final Report

(1) Definition

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

(a) One (1) complete version of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

and

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) copy of the Public Version of the Final Report to the Foreign Commercial Service Officer or the Economic Section of the U.S. Embassy in Host Country for informational purposes.

(3) Final Report Presentation

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of

USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement. Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

"The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution."

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

J. Modifications

All changes, modifications, assignments or amendments to this contract, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

K. TA Schedule

(1) TA Completion Date

The completion date for the TA, which is June 1, 2012, is the date by which the parties estimate that the TA will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

L. Business Practices

The Contractor agrees not to pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a governmental official or private individual) for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the TA. The Client agrees not to receive any such payment. The Contractor and the Client agree that each will require that any agent or representative hired to represent them in connection with the TA will comply with this paragraph and all laws which apply to activities and obligations of each party under this Contract, including but not limited to those laws and obligations dealing with improper payments as described above.

M. USTDA Address and Fiscal Data

Any communication with USTDA regarding this Contract shall be sent to the following address and include the fiscal data listed below:

U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009

Fiscal Data:

Appropriation No.: 11 10/ 11 1001
Activity No.: 2010-11022A
Reservation No.: 2010110027
Grant No.: GH2010110008

N. Definitions

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

O. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Client nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

ANNEX 5

Terms of Reference

The objective of this TA is to provide the Grantee with support in the development of a regulatory framework to facilitate private investment in the Nigerian power sector. The framework shall be focused on licensing requirements and procedures for independent power producers (IPPs), the development of model power purchase agreements to facilitate the sale of electricity to the national grid, and the development of an electricity tariff which provides investment incentives to renewable energy IPPs.

Task 1: License Application Guidelines for Renewable Energy Power Projects

The Contractor shall review application guidelines and requirements for IPP licenses developed in other countries including, at least, Sri Lanka, Nepal, Brazil, Argentina, Germany, The Netherlands, and Namibia. The contractor's review shall focus on best practices and lessons learned which are applicable to the Nigerian market.

The Contractor shall develop detailed guidelines and requirements for IPP license applications in consultation with the Grantee. The guidelines shall include, at least:

- Application form;
- Requirements for technical documents to support license applications including project description, site layout and site characteristics, technology to be deployed, project scope and size, and projected time frame;
- Requirements for power purchase agreements;
- Requirements for economic and financial analyses to support the proposed IPP's economic and financial viability;
- Requirements for a financing plan including descriptions of debt and equity arrangements, letters of intent, and other evidence to demonstrate that the applicant has made the necessary financing arrangements for the IPP;
- Requirements for the description of the financial capabilities and experience of the applicant including evidence that the applicant is financially capable of implementing the IPP and a record of the applicant's past experience with similar investments;
- Requirements for preliminary environmental impact analyses for the proposed IPP; and
- Requirements for legal documentation and permits, including evidence that the applicant is aware of and pursuing all permits that would be needed for the IPP such as environmental permits, land use permits, etc.

Task 1 Deliverable: The Contractor shall prepare a report of all work performed under Task 1. The Task 1 Deliverable shall be included in the Final Report.

Task 2: License Application Procedures

The Contractor shall review procedures for the evaluation of IPP license applications developed by other countries including, at least, Sri Lanka, Nepal, Brazil, Argentina, Germany, The

Netherlands, and Namibia. The contractor's review shall focus on best practices and lessons learned which are applicable to the Nigerian market.

The Contractor shall develop a transparent and non-discriminatory procedure for the evaluation of IPP license applications in consultation with the Grantee. The procedures shall include, at least:

- Procedure for recording and documenting the applications received;
- Procedure for reviewing applications including review criteria, constitution of review committees, governance and decision making structure, procedure for seeking clarification and/or additional information from the applicants, recording of review comments, communication of results to the applicants, and procedure for appeals;
- Procedures for protecting proprietary information including policies on chain-of custody, need-to-know basis, etc.;
- Procedure for soliciting public comments from stakeholders; and
- Procedure for organizing and conducting a public hearing on the application as well as procedures for determining whether a public hearing is necessary for a given application.

Task 2 Deliverable: The Contractor shall prepare a report of all work performed under Task 2. The Task 2 Deliverable shall be included in the Final Report.

Task 3: Model License Template

The Contractor shall develop a model license template which could be utilized by the Grantee to issue different types of licenses to applicants. These may include: 1) a full and unconditional license; 2) a conditional license specifying conditions that must be met within a prescribed time frame; and 3) provisional license pending clarification of issues raised by the members of the review committee. The model license template shall include, at least, the following:

- Type of license awarded;
- Conditions of performance and time frame;
- Time frame for the validity of the license;
- License renewal requirements; and
- Conditions for the cancelation of the license.

Task 3 Deliverable: The Contractor shall prepare a report of all work performed under Task 3. The Task 3 Deliverable shall be included in the Final Report.

Task 4: Model Power Purchase Agreement

The Contractor shall develop a model power purchase agreement (PPA) that will be utilized by the Grantee as the basis for negotiations with IPP license applicants. The model PPA shall include, at least, the following:

- Electricity tariffs and tariff revision clauses;

- Obligations of the parties entering the PPA, including operation and maintenance;
- Allocation of project risks and liabilities among the parties; and
- Fuel supply clauses when relevant (i.e. water rights for hydropower plants, municipal and biomass waste rights, etc.).

Task 4 Deliverable: The Contractor shall prepare a report of all work performed under Task 4. The Task 4 Deliverable shall be included in the Final Report.

Task 5: Feed-in Tariff Methodology and Regulations

The Contractor shall review feed-in tariff (FIT) methodologies and practices in place in other countries including, at least, the United States, Germany, The Netherlands, and Australia. The contractor's review shall focus on best practices and lessons learned which are applicable to the Nigerian market.

The Contractor shall develop a FIT methodology for implementation in Nigeria. The purpose of the FIT shall be to legally obligate utilities and energy companies to purchase electricity from renewable energy producers at a favorable price per unit, guaranteed over a certain time period.

The recommended FIT methodology shall consider, at a minimum, solar, wind, hydropower, and biomass technologies. The Contractor shall explain all assumptions made for developing the recommended FIT methodology.

In addition, the Contractor shall make recommendations on ways to encourage investment in off-grid mini and micro hydropower plants in order to advance the Grantee's goal of increasing access of electricity in rural areas and areas not currently served by the grid.

Task 5 Deliverable: The Contractor shall prepare a report of all work performed under Task 5. The Task 5 Deliverable shall be included in the Final Report.

Task 6: Capacity Building Workshop

The Contractor shall design and conduct a two-day workshop for the Grantee on all work and Deliverables completed under Tasks 1 through 5 of these Terms of Reference. The workshop shall be held in Abuja. The Grantee shall provide the necessary facilities to host the workshop. The Contractor shall develop power point presentations and at least 3 mock exercises of FIT development for different types of renewable energy based power projects. The purpose of these exercises shall be to provide the Grantee with hands-one experience in designing and evaluating FIT approaches for different types of projects.

Task 6 Deliverable: The Contractor shall prepare a report of all work performed under Task 6. The Task 6 Deliverable shall be included in the Final Report.

Task 7: Development Impact Assessment

The Contractor shall assess the development benefits associated with the Project. The assessment shall include examples of the development benefits that would be expected in Nigeria if the Project is implemented. The Assessment shall give emphasis to:

- 1) *Infrastructure*: improvements in the physical, financial, and social infrastructure of Nigeria.
- 2) *Technology Transfer and Productivity Improvements*: introduction of advanced technologies and improvement of processes that stimulate greater economic productivity.
- 3) *Human Capacity Building*: new job opportunities, sustained employment, or advanced training to upgrade the capability of the workforce.
- 4) *Market-Oriented Reforms*: regulatory reforms, changes in legislation, transparency and private sector participation.
- 5) *Other/Spin-Off Effects*: any other developmental benefits derived from the Project.

Task 7 Deliverable: The Contractor shall prepare a report of all work performed under Task 7. The Task 7 Deliverable shall be included in the Final Report.

Task 8: Preliminary Environmental Impact Assessment

The Contractor shall prepare a Preliminary Environmental Impact Assessment that identifies any potential negative and positive impacts resulting from the Project. This Assessment shall include reference to local requirements and requirements of multi-lateral lending agencies, such as the World Bank and African Development Bank. The World Bank typically classifies each project with respect to a specific category of environmental assessment requirement. The Contractor shall consult with the World Bank to determine the appropriate classification category for the Project and carry out the preliminary assessment along these guidelines. The Contractor shall make recommendations to mitigate any potentially negative environmental impacts. The Contractor shall also develop plans for a full environmental impact assessment if and when the Project moves forward to the implementation stage.

Task 8 Deliverable: The Contractor shall prepare a report of all work performed under Task 8. The Task 8 Deliverable shall be included in the Final Report.

Task 9 Final Report

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

ANNEX 6

COMPANY INFORMATION

A. Company Profile

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers:

2. Year established (include predecessor companies and year(s) established, if appropriate).

3. Type of ownership (e.g. public, private or closely held).

4. If private or closely held company, provide list of shareholders and the percentage of their ownership.

5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (*) next to the names of those principal officers who will be involved in the TECHNICAL ASSISTANCE.

6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).

7. Project Manager's name, address, telephone number, e-mail address and fax number .

B. Offeror's Authorized Negotiator

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

C. Negotiation Prerequisites

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the TECHNICAL ASSISTANCE as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

D. Offeror's Representations

Please provide exceptions and/or explanations in the event that any of the following representations cannot be made:

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of _____ . The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the TECHNICAL ASSISTANCE. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.

2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of _____. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

Signed: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____



E. Subcontractor Profile

1. Name of firm and business address (street address only), including telephone and fax numbers.

2. Year established (include predecessor companies and year(s) established, if appropriate).

F. Subcontractor's Representations

If any of the following representations cannot be made, or if there are exceptions, the subcontractor must provide an explanation.

1. Subcontractor is a corporation *[insert applicable type of entity if not a corporation]* duly organized, validly existing and in good standing under the laws of the State of _____ . The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the TECHNICAL ASSISTANCE and to perform the TECHNICAL ASSISTANCE. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.

2. Neither the subcontractor nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.

3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

Signed: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____