**Expression of Interest for the Design and Implementation of Mini-Grids in Ethiopia**

**Request for Clarifications and Responses**

**July 29, 2020**

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| # | Questions | Responses |
| 1 | Can you map the locality (with GIS Mapping/geographical coordinates)? | Kebribeyah, Aw Barre and Sheder can be found on coordinates 9.0985° N, 43.1796° E; 9.7855° N, 43.2207° E and 9.5999° N, 43.0000°E respectively. The map of Jijigia can be found here - <https://data2.unhcr.org/en/documents/details/31822>.  Additional data on coordinates of key installations in the settlements will be provided to the selected partner. |
| 2 | Has the land for the generation unit been identified (and can geographical coordinates be provided)? | This will be determined in consultation with key stakeholders during the feasibility and design stage. |
| 3 | Have you identified potential customers on the map? Can customer categorisations be provided? How many people, businesses, offices, etc. are expected to be served? | Data on potential consumers is available. This will be provided to the selected partner for the feasibility and design of the system. |
| 4 | Are there currently existing electricity generation sites, and are we expected to replace these? | Electricity generation available through  a. Tapped grid connections from nearby host communities  b. Entrepreneurs with diesel gen sets  The operating model will seek to determine a role for these private operators. |
| 5 | Can you outline the proposed distribution poles and cables (with geographic coordinates)? | This will be determined and finalised during the feasibility and design of the system. |
| 6 | Are there any further details on the ‘wider implementation’ aspects of the project, e.g. size and timeframe? Are there any additional international procurement processes? | There is data available to determine the size of the system. These and other key aspects of the project will be revealed to the selected partner. The selected partner is expected to lead the EPC which may involve international procurement. |
| 7 | Is the locality accessible by road/truck? Are there any rivers/water to be crossed? | The camps are accessible by road. There are no rivers to be crossed. |
| 8 | Can you give more details on the security of the locality and site? | The security of the camps is quite stable. |
| 9 | How long have the camps been there? In addition, how long are they expected to be there, and how will the solar electrification of these camps be funded? | The Kebri Beyah camp was established in 1991 for Somali refugees fleeing the civil war in their country. Many of the households in the camp have been running for 27 years now. Sheder was established in 2008 for refugees fleeing due to the Al-Shabab (Somalian terrorist group) and harsh climatic conditions. It is expected that these refugees will continue to stay as long as there is instability in their home countries. |
| 10 | Can you provide the distance to the national grid? | Proximity to the grid are about 800 to 1000 meters away from the national distribution lines. |
| 11 | What is the expected tariff which you want to reach? | This is expected to be determined during the design of the commercial model in conjunction with key stakeholders. |
| 12 | Could you provide more information on the Enter Energy Fund and its role in the tender? | Enter Energy is the program through which funding for this project is provided. Additional information will be provided to the selected partner. |
| 13 | Is there any grant money available? Could sizing or indicative budget estimates be included? | Subject to funding availability and regulatory approvals, the required grant element necessary to de-risk the project will be sourced from a willing donor. |
| 14 | Is the project fully funded or is private operator investment required? | Subject to funding availability and regulatory approvals, a donor is willing to provide the grant required to de-risk the project. Even though the size of private investment required is not known as this stage, the capacity to provide same will be a welcoming proposal. |
| 15 | What will the remuneration mechanism be for the selected candidate? | The selected partner is expected to earn an operating margin. This or any other form of remuneration required by the partner will be agreed upon with the key project partners during the design of the technical and commercial model of the project. |
| 16 | How long will the duration of the license last? | The duration of licences are subject to negotiations with the Ethiopian Electricity Authority. |
| 17 | Will Mercy Corps and/or Shell be willing to stand by any credit guarantees? | Credit guarantees and other forms of de-risking mechanisms will be explored and agreed upon during the design of the commercial model. |
| 18 | Do you have any idea of the size of equity investment expected? | The size of the equity investment required is not known yet but to be determined during the design stage. |
| 19 | Referring to the presence in the country directly or through a partner, which is the nature of the partner? Can it be an international or local NGO or has to be another profit company active in the mini-grid sector? | Local experience is quite critical to the success of the project. It is ideal for the local partner to have the experience and the necessary local registrations to carry the business of energy services provision. |
| 20 | The lead applicant and the partner do they need to be fully registered in Ethiopia or can be an international company/organization operating in the country but registered somewhere else? is required a minimum of years of experience in the county? | We think at least one partner needs to be registered for the EPC phase. For the feasibility and design phase, this may not be necessary.  The applicant however must be legally registered wherever they are domiciled with experience in the energy access sector. |
| 21 | For how long the operator can run the utility (concession period)? | This will be determined during the design of the commercial model in conjunction with key stakeholders. |
| 22 | Does the tariff have a cap already where to base the financial model (e.g. 0.05-0.10-0.20 USD/kWh)? or are there any subsidies for the tariff coming from local authorities, international organizations or any other stakeholder? | The tariff will be determined during the design of the commercial model in conjunction with key stakeholders. |
| 23 | How can we access to your responses to questions uploaded on the Mercy Corps’ website? Could you please share the weblink? | The responses to the questions will be uploaded here - <https://www.mercycorps.org/tenders/rfp-energy-services-firm-design-build-implementation-and-operation-mini-grids-ethiopia> |
| 24 | Regarding the loads capacity design: What is the power demand on site? What is the available power equipment? What about power distribution network? | The data on the demand and load capacity will be provided to the selected partner to aid the design of the system. The requirements for the distribution system will be determined during the feasibility and design stage. |
| 25 | Regarding water system: What about water demand on site? Is there existing water distribution network? | There is an existing water distribution system. Due to the age of the system, the technical health of this system is not certain. The selected partner will supervise a consultant to determine the health of the system and the need or otherwise for a retrofit or replacement of this water system. |