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இலங்கை மின்சார சபை
CEYLON ELECTRICITY BOARD



Your ref:

My ref:AGM(CS)/DGM(CSRA)/REG/7

Date: October 18, 2019

The Chairman
Public Utilities Commission of Sri Lanka
6th Floor, BOC Merchant Tower
No.28, St, Michael's Road,
Colombo 3.

Request for PUCSL Approval to Proceed with Procuring 200MW of Generating Capacity on Short Term Basis.

As required under section 43(2) of the Sri Lanka Electricity (Amendment) Act No 31 of 2013, we are herewith seeking the written approval of the commission to proceed with procuring generating capacity as detailed below.

Capacity -200MW
Duration - 6 month (with provision to extend for another six months)
Technology - IC Engine
Fuel - Auto Diesel

We are submitting below the information as requested under Electricity (Procurement) Rules no 02 of 2016 in the same order in which information is sought therein for ease of cross reference,

Item	Information Requested
i	<p><u>Reference to Future Demand Forecast</u></p> <p>Capacity shortage of approximately 470MW was foreseen as required by January 2019 onwards to meet capacity under normal condition and under the occurrence of risk events identified in Chapter 11 of the LTGEP 2018-2037, which was approved by the PUCSL in June 2018. Already 270 MW short term capacity has been procured by CEB, leaving a deficit of 200MW for 2019.</p> <p>Thus, the 200MW capacity is in line with the capacity requirement as identified in the LTGEP 2018-2037 for 2019. As the 100MW short term capacity operating at the moment is retiring starting from November 2019 and no other firm capacity has been added, the 200MW requirement continues to 2020.</p>

OFFICE OF THE GENERAL MANAGER


Third Floor, No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 00200, Sri Lanka.
Tel: +94 11 232 0953/5340 / Fax: +94 11 232 3935| e-mail: gm@ceb.lk | www.ceb.lk

Item	Information Requested	
ii	<u>Whether Procured from a new plant or an extension New plant.</u>	
	New Plants as short term capacity for a six month period (extendable by another six).	
iii	<u>A confirmation whether the relevant provision in the LTGEP is not obsolete</u>	
	Transmission Licensee confirms the relevant provision in the LTGEP 2018-2037 is NOT obsolete.	
iv	<u>Details of sensitivity studies and scenario analysis regarding least cost option.</u>	
	Relevant analysis and studies have been carried out during the determination of contingency analysis as contained in the LTGEP 2018-2037. Short term power capacity will be procured following competitive bidding process to ensure transparency and least cost the least cost.	
v	a	200 MW
	b	Several units (7 x 24 MW + 1 x 22 MW + 1 x10 MW)
	c	Technology : Reciprocating engine Fuel type : Auto Diesel
	d	As a base/intermediate load duty during dry period and as intermediate load/peaking plant during wet period.
	e	Galle Grid Substation = 10MW Kosgama Grid Substation = 24MW Horana Grid Substation = 24MW Hambanthota Grid Substation = 24MW Habarana Grid Substation = 24MW Polonnaruwa Grid Substation = 22MW Valachchenai Grid Substation = 24MW Mahiyanganaya Grid Substation = 24MW Pallekele Grid Substation = 24MW
	f	6 months (extendable by another six).
vi	<u>Action</u>	<u>Timeline</u>
	Submission to the Commission	2019-10-18
	Approval of Commission	2019-10-23
	Call for the tender with Request for Proposal (RFP) through paper advertisement	2019-10-25
	Closing of tender	2019-11-15
	Evaluation of the tender and submission of the selected project proponent for the approval of commission	2019-11-22
	Awarding of the tender	2019-11-28

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	Construction of 200 MW Supplementary Power Plants 2019-12-04 and grid interconnection Commercial operation of 200 MW Supplementary Power Plants 2020-01-01
vii	<u>Technical Specification</u> As attached in ANNEX I – RFP
viii	<u>Tariff Structure</u> As specified in RFP (ANNEX I)
ix	<u>Whether CEB (as Transmission Licensee) intend to take part in bidding process.</u> CEB will not take part in bidding process as a capacity holder or prospective holder of generation license
x	<u>Load Placement of the power plant</u> Power plant will be operated as an intermediate and peak load power plant according to the merit order depending on the prevailing hydro conditions.
xi	<u>Draft RFP</u> Attached as ANNEX I


 Eng. S D W Gunawardana 21/01
General Manager

Enclosed : Annex 1 - Draft RFP in a DVD

Copy:

- | | |
|--|---------|
| 1. Secretary, Ministry of Power, Energy and Business Development | - Fipls |
| 2. Chairman, CEB | - Fipls |
| 3. Addl. GM (Transmission) | - Fipls |

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இலங்கை மின்சார சபை
CEYLON ELECTRICITY BOARD

Your ref:

Our ref: AGM(CS)/DGM(CS&RA)/REG/7A

Date: November 21, 2019

Chairman
Public Utilities Commission of Sri Lanka
6th Floor, BOC Merchant Tower
No.28, St, Michael's Road,
Colombo 3.


Short Term Power Requirement – From January 2020 Onwards

This is further to my letter AGM(CS)/DGM(CS&RA)/REG/7 dated 2019-11-18 requesting your concurrence for the extension of PPA of 100MW supplementary power plant and addition of 200MW of generation starting from January 2020. This capacity requirement has been put forward by the System Control Center of the Transmission Licensee considering the operational aspects of the System.

This letter mainly focusses on the second recommendation of the above letter, “the addition of 200 MW capacity from 2020 until a major power plant is connected to the system” and my previous approval request letter ref. AGM(CS)/DGM(CS&RA)/REG/7 dated 2019-10-18.

CEB as Transmission licensee would like to emphasize that the capacity requirement identified by the System Control Center of the Transmission Licensee in the aforementioned letter has also been identified in the approved LTGEP 2018-2037 with a detail analysis to the contingency situations to reflect to present status on plant implementation and an outage of a major unit. Accordingly, the additional capacities required in the base case of LTGEP 2018-2037, and the updated contingency analysis of the same are illustrated in the figure attached as Annex 1.

Therefore, transmission licensee recommends to take immediate actions for the addition of 200 MW of generation starting from January 2020 at least for a period of 30 months. All other details of our request for approval letter ref. AGM(CS)/DGM(CS&RA)/REG/7 dated 2019-10-18 remain unchanged.



Eng. S.D.W. Gunawardana

General Manager

Authorized officer for License EL/T/09-002;

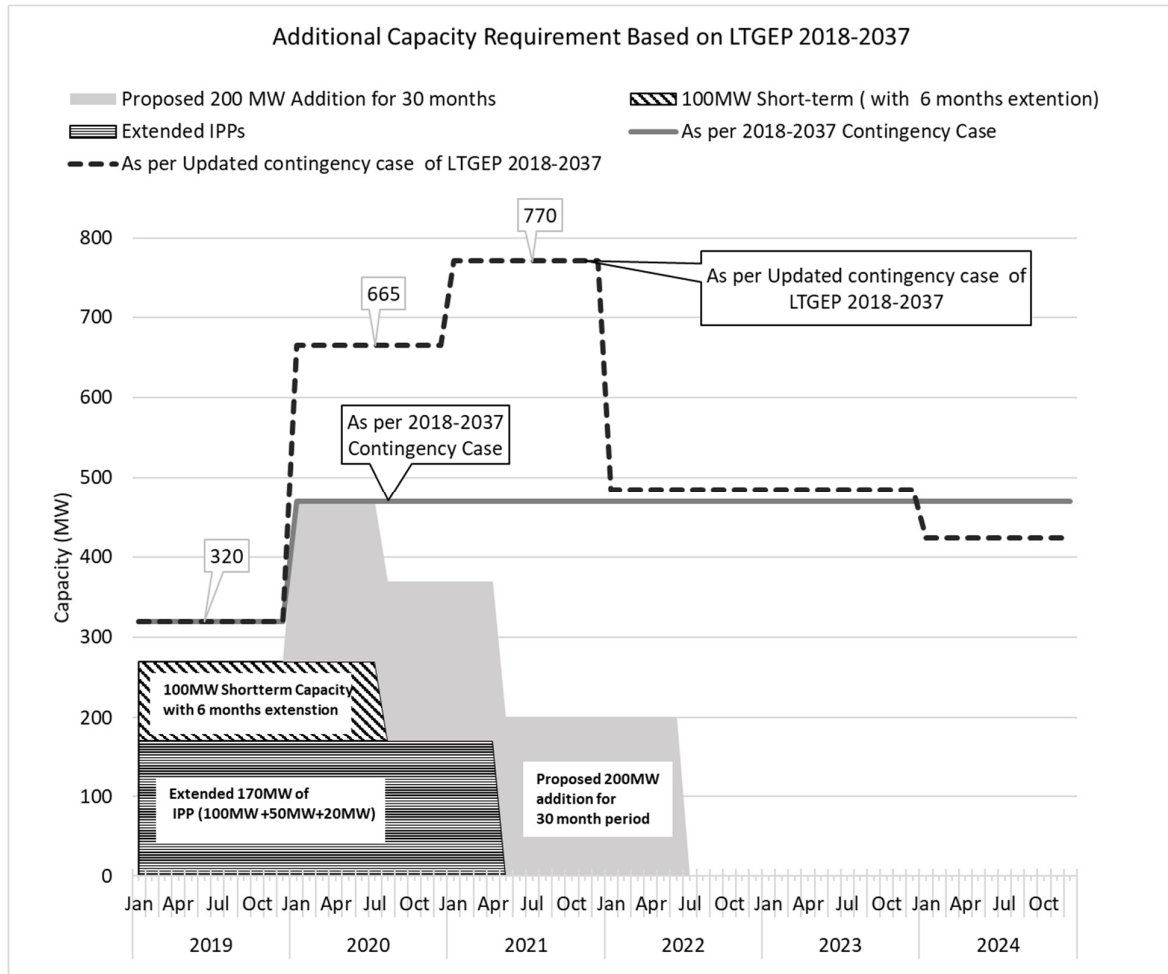
Enclosed : Annex 1 – Capacity Requirement 2018-2037

Copy: AGM(Corporate Strategy)
AGM(Transmission)

- Fipls
- Fipls

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**GOVERNMENT OF SRI LANKA
MINISTRY OF POWER, ENERGY AND BUSINESS DEVELOPMENT
CEYLON ELECTRICITY BOARD**

**REQUEST FOR PROPOSALS FOR SUPPLY OF
TOTAL 200 MW OF SUPPLEMENTARY
ELECTRICAL POWER ON SHORT TERM BASIS**

Tender No. AGM(TR)/DGM(EPT)/ICB/2020/01

Volume I ▪ Instructions to Proposers

..... 2020

Ceylon Electricity Board
No. 50 Sir Chittampalam A. Gardiner Mawatha
Colombo 00200
SRI LANKA



Abbreviations

CEB	-	Ceylon Electricity Board
SCAPC	-	Standing Cabinet Appointed Procurement Committee
ITP	-	Instructions to Proposers
CPC	-	Ceylon Petroleum Corporation
GOSL	-	Government of Sri Lanka
GS	-	Grid Substation
IPP	-	Independent Power Producer
LECO	-	Lanka Electricity Company (Private) Limited
LOI	-	Letter of Intent
MPE&BD	-	Ministry of Power, Energy and Business Development
TEC	-	Technical Evaluation Committee
RFP	-	Request for Proposal
PPA	-	Power Purchase Agreement

CONTENTS ■ INSTRUCTIONS TO PROPOSERS

1	INFORMATION TO PROPOSERS	3
1.1	INTRODUCTION TO CEYLON ELECTRICITY BOARD	3
1.2	SCOPE OF THE PROJECT	3
1.3	LAND.....	3
1.4	POWER SUPPLY	4
1.5	FUEL SUPPLY.....	4
1.6	KEY PROJECT MILESTONES.....	4
1.7	DISCLAIMER.....	4
2	INSTRUCTIONS TO PROPOSERS	6
2.1	REQUESTS FOR CLARIFICATIONS	6
2.2	SITE VISITS	6
2.3	PREPARATION OF THE PROPOSAL	6
2.4	TECHNICAL AND COMMERCIAL DATA	6
2.4.1	<i>Guaranteed Plant Capacity.....</i>	6
2.4.2	<i>Documents required to be submitted</i>	7
2.5	FINANCIAL DATA	8
2.5.1	<i>Tariff Structure.....</i>	8
2.5.2	<i>Currencies of Tariff and Payments</i>	9
2.5.3	<i>Duties and Taxes.....</i>	9
2.6	TERM OF THE POWER PURCHASE AGREEMENTS.....	10
2.7	FORMAT, SEALING, MARKING AND SUBMISSION OF PROPOSALS	10
2.8	VALIDITY OF THE PROPOSAL	11
2.9	CLOSING DATE AND LATE PROPOSALS.....	11
2.10	PROPOSAL OPENING	11
2.11	CONFIDENTIALITY.....	11
2.12	CORRECTION OF ERRORS	12
2.13	COST OF PREPARING THE PROPOSAL	12
2.14	SECURITY REQUIREMENTS	12
2.14.1	<i>Proposal Security</i>	12
2.14.2	<i>Performance Security.....</i>	13
2.15	PROPOSER'S RESPONSIBILITIES	13
3	PROJECT DESCRIPTION AND PERFORMANCE SPECIFICATIONS	14
3.1	TECHNICAL INFORMATION	14
3.2	POWER TRANSMISSION.....	14
3.3	FUEL AND LUBRICATING OIL.....	15
4	ENVIRONMENTAL CONSIDERATIONS	16
4.1	ENVIRONMENTAL REQUIREMENTS.....	16
4.2	DISPOSAL OF SOLID AND LIQUID EFFLUENTS.....	16
4.3	CONTROL OF EMISSIONS	16
4.4	ARCHAEOLOGICAL REQUIREMENTS.....	16
5	EXPERIENCE OF THE PROPOSER	17
5.1	QUALIFICATIONS OF THE PROPOSER.....	17
6	EVALUATION AND AWARD.....	19
6.1	OUTLINE OF EVALUATION PROCEDURE.....	19
6.2	RIGHT TO REJECT PROPOSALS.....	19
6.3	EVALUATION: RESPONSIVENESS	19
6.4	LETTER OF INTENT.....	21
	ANNEX-A1: FORM OF PROPOSAL SECURITY	22
	ANNEX-A2: LETTER OF INTENT	23
	ANNEX A3: FORM OF PERFORMANCE SECURITY	25

1 INFORMATION TO PROPOSERS

1.1 Introduction to Ceylon Electricity Board

Ceylon Electricity Board (CEB) is a body corporate established by the Act No.17 of 1969, having its head office at No. 50 Sir Chittampalam A. Gardiner Mawatha, Colombo 2, Sri Lanka.

CEB was established by GOSL for development and coordination of generation, transmission, distribution and sale of electricity in the country. The Ministry of Power, Energy and Business Development is the government entity overseeing activities of CEB.

1.2 Scope of the Project

CEB invites proposals (hereinafter referred to as “ the Proposal”) in the prescribed format for supply, delivery, installation, testing, commissioning, operation and maintenance of thermal power plants of specified capacities, including all auxiliary equipment and connections at the specified interconnection points, as set out in the milestone schedule in Clause 1.6.

Interconnection points and installed capacity limits are listed in the sub section 4.2.1. All connections will be at the 33 kV busbar of the substation in each location.

Selection of Proposer for each location will be based on the tariff and date of Commercial Operation offered. Proposals for each location will be evaluated separately. Proposers are allowed to offer bids for one or more of these locations.

Commercial operation at all locations should commence by, 2020. Successful Proposers are required to enter into a power purchase agreement (hereinafter referred to as “the PPA”) with CEB, draft of which is given in Volume III of this RFP. The term of the PPA shall end by, 2020.

Plant and equipment installed at each location (hereinafter referred to as “the Facility”) shall include but not limited to, power generating plants; fuel supply, storage and treatment systems; stand-by, auxiliary, emergency power supply; water supply; liquid and solid waste disposal systems; environmental impact mitigatory measures; step up transformers; switchgear; control and protection systems; connection up to the Interconnection Point; and all other appurtenant equipment.

Electrical protection of the Facility shall be coordinated to ensure that the plant will withstand and not trip for at least one second in the event of an external fault in the CEB system. If the external fault is not cleared by the CEB system within one second, the plant shall then isolate from the CEB system, and remain at “Full Speed No Load” and thereafter be available for immediate reconnection and loading upon clearing the fault.

1.3 Land

CEB will provide the Company lands required for the Facilities connected to certain Grid Substations only as specified in Sub Section 4.2.1 below whereas the Company shall find lands for the Facilities connected to the other Grid Substations at the cost of the Company by its own arrangements

Land development and site preparation including access roads and installation of earthing as per relevant standards shall be the responsibility of the successful Proposer (referred to as “the Company” in this RFP).

Lands provided by CEB as described above in this Sub Section 1.3 will be provided at no cost for the Term of the PPA plus one month thereafter. In the event the Company fails to vacate the land provided by CEB after one month from the expiry of the PPA, CEB reserves the right to charge rental at prevailing market rates and deduct such amounts from invoices payable to the Company.

1.4 Power Supply

It is the responsibility of the Company to obtain suitable electricity connection from local distribution utility at the site for construction, testing, commissioning and operation of the Facility. The Company is also responsible for timely settlement of all utility bills, including monthly electricity bills. In the event of non-payment of monthly electricity bills due to the distribution utility, CEB reserves the right to deduct such dues from monthly invoices and remit such sums to the distribution utility.

1.5 Fuel Supply

The Company is responsible for supply, storage, filtering, treatment or conditioning of fuel and lubricating oil required for operation of the Facility. The Company should obtain fuel requirements of the Facility through a Fuel Supply Agreement with the fuel supplier of its choice. All payment to the fuel supplier, including delay charges, shall be the responsibility of the Company.

The Company shall have its own fuel filtering and treatment plants, and storage tanks sufficient to store fuel to allow at least 4 days of continuous operation of the Facility at full load.

1.6 Key Project Milestones

Activity	Deadline
Submission Deadline of Proposals	before 10:00 hrs. on, 2020
Opening of Proposals	10:00 hrs. on, 2020
Issue of LOI	....., 2020
Signing of PPA	....., 2020
Schedule Final Completion Date	....., 2020

1.7 Disclaimer

- a. This RFP is provided to assist Proposers in obtaining a general understanding of the Project. Any information, estimates or opinions contained in this RFP are based on prevailing site conditions and current expectations. While CEB has taken all reasonable care to ensure accuracy of the information provided in this RFP, CEB will assume no responsibility for any loss or damage that may arise from errors or omissions thereof, and for interpretations or conclusions made by the Proposer based on the data furnished by CEB;

- b. Proposers shall not rely on representations or undertakings of any government/CEB official or employees or their agents in relation to this project, other than those expressly provided for in this RFP. No verbal agreement or conversation with any officer, agent or employee of CEB at any time during submission and evaluation of Proposals shall lead to any modifications or amendments of terms or obligations contained in the PPA;
- c. Proposers shall have no right to claim costs against a decision arising from the evaluation process;
- d. The Standing Cabinet Appointed Procurement Committee (SCAPC) reserves the right to accept or reject, or not to proceed with any or all of the Proposals received. The SCAPC has the right to terminate this procurement after the receipt of Proposals;
- e. No contractual or other obligation between CEB and the Proposers shall arise as a result of issuing this RFP;
- f. CEB reserves the right to seek any further information it deems necessary from the Proposers;
- g. CEB/SCAPC will not disclose any details regarding the evaluation process;

2 INSTRUCTIONS TO PROPOSERS

2.1 Requests for Clarifications

Proposers desiring any explanations or clarifications regarding this RFP may submit their written requests by facsimile, e-mail or by registered post to:

Deputy General Manager (Energy Purchase)
Ceylon Electricity Board
6th Floor Head Office
50 Sir Chittampalam A. Gardiner Mawatha
Colombo 00200 - SRI LANKA
FAX: +94-11-2344774
E mail: dgmept@ceb.lk

Such requests shall be received no later than five Days (excluding Saturday, Sunday and Public holidays) before the deadline for submitting Proposals. Replies to such clarification requests will be made available by CEB to all Proposers through email within four working days.

2.2 Site Visits

The Proposers or their representatives are expected to visit the specified locations with prior arrangement with CEB to assess general site conditions of sites. The Proposers shall familiarise themselves with local conditions, availability of labour, transportation facilities, uncertainties of weather, local laws, rules and regulations and other contingencies.

2.3 Preparation of the Proposal

To prove compliance with all the requirements of RFP, it is mandatory to submit with the Proposal duly completed Forms contained in Volume II of the RFP.

2.4 Technical and Commercial Data

The Technical and Commercial data and other details furnished by the Proposer should demonstrate a firm knowledge of project requirements and understanding of the requisite tasks. The Proposal should indicate the general approach or methodology planned for carrying out the services including detailed information where deemed relevant. The requested information shall be forwarded in the prescribed format included with this RFP.

The Proposers shall forward the background, organisation and experience of its firm and/or of its consortium partners in the prescribed format in Volume II of this RFP.

The Proposer shall demonstrate its technical capability, experience and expertise to finance, procure, construct, commission, operate and maintain the Facility, directly or with joint venture/consortium partners.

2.4.1 Guaranteed Plant Capacity, Availability of land and Scheduled Final Completion Date

The Guaranteed Plant Capacity (GPC), Schedule Final Completion Date and whether the land is provided by CEB for the Facility connected to each Grid Substation shall be as follows:

	Location	Guaranteed Plant Capacity	Availability of Land	Scheduled Final Completion date
1	Pallekalle Grid Substation	24 MW	Provided by CEB	
2	Hambantota Grid Substation	24 MW	Provided by CEB	
3	Horana Grid Substation	24 MW	Provided by CEB	
4	Galle Grid Substation	10 MW	Provided by CEB	
5	Valaichchenai Grid Substation	24MW	Provided by CEB	
6	Mahiyanganaya Grid Substation	24 MW	Not Provided by CEB	
7	Polonnaruwa Grid Substation	22 MW	Not Provided by CEB	
8	Habarana Grid Substation	24MW	Not Provided by CEB	
9	Kosgama Grid Substation	24MW	Not Provided by CEB	

During the term of the PPA, the Proposer is expected to maintain the guaranteed plant capacity at each location stipulated in this Sub Section of 2.4.1, which shall be made available for the CEB to dispatch. In the event of failing to achieve the Guaranteed Plant Capacity, CEB will have a right to impose Liquidated Damages as set out in the PPA.

2.4.2 Documents required to be submitted

The Proposer shall submit the following documents with their proposal. Failure to submit any one of these documents will result in the rejection of the Proposal.

- Duly completed Proposal Forms as given in Volume II of this RFP (Forms A- G);
- Duly completed form PCA 3 of the Public Contract Act, No 03 of 1987;
- In case of the Proposer's firm being a joint venture, the joint venture agreement and/or license that defines precisely the general conditions under which the joint venture will function; the sponsoring member authorised to represent the joint venture; the shareholding of each member and the specific obligations of each member under the joint venture agreement, all of whom shall be jointly and severally liable for any or all obligations under the PPA.
- Proposal Security of Sri Lanka Rupees one million Five Hundred Thousand per MW (LKR 1,500,000/ MW) conforming to clause 2.14.1 of Volume I of this RFP;

- e. The Minimum Technical Information specified in Section 3.1 (This information shall be submitted in the same order along with the offer).
- f. Undertaking by the Proposer that Facility is capable of supplying electricity during the term of the agreement.
- g. Undertaking by the Proposer that the Facility will be commissioned by the Scheduled Final Completion Date specified in clause 1.6 of this document.
- h. Undertaking by the Proposer that Guaranteed Average Plant Availability over the Term is equal to 100%
- i. Proof of major supply contracts of similar nature, which has been carried out in the past or being carried out by the Company, or by its joint venture/consortium partners. At least one contract shall include supplying not less than 30 MW of emergency power on short term basis in a single contract during the last five years.
- j. Additional documents, if any, to support the proposal.

2.5 Financial Data

The Proposer shall submit its offer on the basis of Tariff Structure specified in clause 2.5.1, and complete the Financial Data forms provided in Volume II of RFP.

2.5.1 Tariff Structure

The tariff structure will comprise Fixed Charge and Energy Charge, as described below:

(i) Fixed Charge

Fixed charge component of the tariff will be paid for the availability of the Guaranteed Plant Capacity and has no effect on the mode of operation of the plant. This component of the tariff will cover all fixed costs including but not limited to the following costs (the Proposer should submit details in relevant Forms in Volume II of this RFP):

- Plant (depreciation)
- land development (if applicable)
- civil construction
- fuel/lubricating oil storage
- Interconnection including transformers, switchgear, cables, etc.
- Infrastructure development (if any)
- Project development (including legal, commercial and financial costs)
- Interest during construction
- Working capital
- Mobilisation
- Demobilisation
- Transportation (sea, air and land)
- Port handling charges
- Insurance of plant, machinery and personnel
- Fixed Operation & Maintenance
- Local agent's commission (if any)

- Any other capital investment (to be specified) and
- Profits expected

Fixed Charge is not subjected to escalation, and will be calculated in US Dollar based on the availability of Guaranteed Plant Capacity.

(ii) Energy Charge

Energy Charge - Fuel Component

The Company shall procure, transport and store fuel (as defined in Volume III of this RFP) requirement of the Facility using company-owned or hired/leased bowsers/fuel tankers from outlets of the fuel supplier. The Company may procure lubricating oil from a reputed seller in Sri Lanka at the prevailing market price. This component of the Energy Charge may vary according to fuel prices invoiced by the fuel supplier.

The tariff rate payable by CEB for the energy produced and supplied by the Company at the metering point shall be calculated based on the fuel consumption rate stated in the Proposal, which shall remain unchanged during the Term of the PPA.

$$\text{Energy Charge Fuel Rate (ECFR)} = \text{FUCR} \times \text{FP}$$

Where, FUCR is the fuel consumption rate given in the Proposal, expressed in litres/kWh measured at the Interconnection Point

FP is the Fuel Price, as applicable

Note: in the case of gaseous fuels, appropriate units of measurement for FUCR and FP may be indicated in the Proposal, if applicable.

Energy Charge - Variable Operation & Maintenance Component

The variable Operation & Maintenance component of the tariff payable by CEB for the energy produced and supplied by the Company at the metering point shall be calculated based on the following rates stated by the Proposer, which shall remain unchanged during the Term of the PPA.

US Dollar component of Energy Charge Rate Variable Operation & Maintenance component (ECOMD) given in USD/kWh

Rupee component of Energy Charge Rate Variable Operation & Maintenance component (ECOMR) given in LKR/kWh

2.5.2 Currencies of Tariff and Payments

The Fixed and Energy Charges shall be paid according to terms and conditions of the PPA. Tariff computations shall be made in Unites States Dollars (USD) and Sri Lanka Rupees (LKR) only. Payments for the Fixed Charge and Energy Charge will be calculated in USD or in LKR, as the case may be, and will be paid only in LKR after converting any USD amount to the equivalent LKR amount using the applicable USD conversion rate published by the Central Bank of Sri Lanka.

2.5.3 Duties and Taxes

The tariff as stated above shall exclude any applicable duties/taxes and levies.

All generating plants and other major equipment shall be brought on re-export basis. If the Company wish to obtain exemption on payment of customs/import duties and taxes on any plant and equipment, which remain the property of the Company and re-exported after the Term of the PPA through a corporate guarantee given by CEB to Sri Lanka Custom, the Company shall provide CEB with a Bank Guarantee equal to the value of duties and taxes payable in respect of such items, from a bank acceptable to CEB.. The Bank Guarantee shall be valid until one month after the End Date. The Bank Guarantee will be released upon submission by the Contractor proof of re-export of the items. Failure by the Company to re-export the items brought on re-export basis within one Month of the End Date may result in the forfeiture of this bank guarantee

All duties, taxes and levies payable on import of equipment and spares for maintenance and operation of the Facility shall be paid by the Company and will be reimbursed by CEB upon the Company producing documentary evidence (originals or certified copies of originals with the original) to establish such payment. Any taxes or other governmental levies, if payable by the Company on the re-export of generating plants and other equipment brought on re-export basis, will be reimbursed by CEB.

Notwithstanding the foregoing, the Company shall pay the prescribed dues and charges including customs duties on all its plant, equipment, tools, materials, appliances, vehicles, and other things which it will disposes of in Sri Lanka. After the Company receives the necessary authority for such disposal from CEB, the dues and charges payable will be assessed in the manner and at the rates applicable at the time of disposal. The Company and its personnel shall comply with the regulations of the Government of Sri Lanka, which may be issued from time to time relating to the disposal of items, the import of which may be subject to restrictions imposed by the Government of Sri Lanka.

2.6 Term of the Power Purchase Agreements

The Term of the Power Purchase Agreement shall be a period of six months commencing from the **Final Completion Date**.

2.7 Format, Sealing, Marking and Submission of Proposals

The Proposal containing the Technical, Commercial and Financial Proposal (collectively referred to as “the Proposal”) shall be delivered together in a sealed package, which shall contain four envelops marked "Original", "Copy 1", "Copy 2", and "Copy3", and separate envelope marked "Proposal Security" as described in this clause shall be submitted in a separate envelope.

One Proposer shall submit only one Proposal. A proposal may contain proposals for one or more of the six locations given in clause 1.2, accompanied by the documents specified in clause 2.4.2. Failure to submit complete proposals or documents required in clause 2.4.2 will lead to disqualification of such proposal.

The Proposal package shall indicate Tender No. AGM(TR)/DGM(EPT)/ICB/2020/01 along with name and business address of the Proposer. The name and address of the Proposer

printed on the package will allow return of the Proposal unopened in the event of revision or withdrawal (prior to the closing date) or late delivery.

The Proposal containing all above marked packages ("Original", "Copy 1", "Copy 2", "Copy 3" and "Proposal Security") shall be delivered together in a sealed package to the following address before the closing time specified in clause 2.9.

Deputy General Manager(Energy Purchases)
Energy Purchase Branch, 6thFloor
Ceylon Electricity Board
50 Sir Chittampalam A Gardiner Mawatha
Colombo 00200
SRI LANKA

2.8 Validity of the Proposal

Each Proposal shall constitute an offer that shall remain in force and valid for a period of thirty (30)Days following the Closing Date. During this period the proposed price shall remain unchanged. Withdrawal of proposal by the Proposer after opening of proposals shall lead to forfeiture of the Proposal Security.

In the event of a Letter of Intent not being issued during the validity period of the Proposal, CEB may request each Proposer by fax/email followed by letter at least 7 days prior to the expiration date an extension of the Proposal validity and the Proposal Security.

Any Proposer choosing not to extend its proposal validity may advise CEB accordingly in writing prior to the expiration of the original period. If this notice of withdrawal is not received by CEB prior to the expiration date of the original validity period following the issuance by CEB of a notice of extension, the proposal shall be considered to have been lapsed and thus withdrawn. In such event, the Proposal Security will be returned.

2.9 Closing Date and Late Proposals

Proposals must be received by CEB at the address given in clause 2.7 before 10.00 a.m. Sri Lanka Standard Time on, 2020 (the Closing Date). Proposals received after this time shall not be accepted, regardless of the reasons for late submission, including circumstances outside the control of the Proposer.

2.10 Proposal Opening

Envelope marked "Original" containing Technical, Commercial and Financial Proposals and the envelope containing the Proposal Security will be opened immediately following the closing of Proposals. Proposers or their authorised representatives may attend the opening of proposals at the address given in clause 2.7.

Proposer's name, along with the presence or absence of valid Proposal Security, tariff details as per Item 4 of Form G and such other details CEB may consider appropriate will be announced at the time of opening of the Proposals.

2.11 Confidentiality

CEB reserves the right to release information contained in the Proposals to its agents, consultants and advisers for the purposes of verifying and evaluating the Proposals. CEB or their agents, consultants and advisers will not be liable for any loss resulting from such disclosure before, during or after the Proposal handling process.

2.12 Correction of Errors

To assist in the examination, evaluation and comparison of Proposals, CEB may at any time prior to the issue of the Letter of Intent (LOI) ask any Proposer for clarification of its Proposal, including breakdown of prices and tariff.

Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total cost that is obtained by multiplying the unit price and the quantity, the unit price shall prevail and the total cost will be corrected.

Where a Proposer wishes to correct other errors in relation to clarifications sought by CEB, which do not change price or tariff, CEB may accept such clarifications.

2.13 Cost of preparing the Proposal

The Proposers shall bear all costs associated with preparation and submission of the Proposal, including those of any professional services. CEB will in no way be responsible or liable for such costs, regardless of the conduct or outcome of the selection process. All costs incurred by the Proposer in attending meetings, site visits, etc., should be borne by the Proposer.

2.14 Security Requirements

To guarantee the faithful performance of its obligations under the PPA, the Proposer shall post the following security instruments.

2.14.1 Proposal Security

The Proposers who are submitting proposals in response to this RFP are required to furnish a Proposal Security payable in Sri Lanka in the amount of Sri Lankan Rupees one million five hundred thousand per MW of capacity offered (LKR 1,500,000.00 per MW). This Proposal Security shall be in the form of a bank guarantee issued by a bank operating in Sri Lanka registered in Central Bank of Sri Lanka, substantially in the form specified in Annex-A1.

The Proposal Security of proposers whose proposals are not selected will be returned promptly upon issuance of the LOI to the successful Proposer.

The Proposal Security shall be valid for no less than sixty(60)Days from the closing date for submission of Proposals given in clause 2.9. In the event the date for the issuance of the LOI is extended by CEB and the Proposer agrees to such extension, the validity of the Proposal Security shall be extended to cover such additional period.

Proposers may forfeit the Proposal Security:

- a. If a Proposer withdraws its Proposal during the specified validity period after the closing date of the Proposals; or
- b. if any shareholder in a prospective Proposer fails to comply with clause 5.1
- c. In the case of a successful Proposer, if it fails
 - i) to sign the acceptance of LOI, or
 - ii) to furnish the Performance Security within the stipulated period.

2.14.2 Performance Security

Performance Security of Sri Lankan Rupees Thirteen Million per MW of capacity offered (LKR 13,000,000 per MW) shall be submitted by the successful Proposer within five Days from LOI. This performance security shall be valid from the date of the issue of the LOI up to 30 days after the expiry of PPA. This security shall be in the form of a bank guarantee substantially in the form specified in Annex-A3 issued by a bank operating in Sri Lanka registered in the Central Bank of Sri Lanka.

The Proposal Security of the successful Proposer will be returned upon its acceptance of the LOI, and on furnishing of the Performance Security,

The Proposer may forfeit the Performance Security:

- a. If it withdraws its Proposal during the validity period of the LOI;
- b. If it fails to comply with the requirements of the LOI; or
- c. Under specific provisions of the PPA.

2.15 Proposer's Responsibilities

It will be construed as acknowledgement that the Proposer, by submitting its Proposal has inquired into and satisfied itself as to the nature and locations of the Facility in general and local conditions, equipment to be supplied or installed, and other matters which may affect the performance of the PPA under the Agreement and has formulated its assessment of facilities available and those it will have to supply.

The Proposer affirms by submitting its Proposal that it has examined carefully and is fully familiar with the work involved and accepts without any reservation the terms and conditions specified in this RFP.

The Proposer also affirms that it has familiarised itself with the laws and regulations of Sri Lanka including Labour/Occupational Safety, Financial, Environmental, and Industrial laws.

The failure or omission of any Proposer to receive or examine any form, document or to visit the site and acquaint itself with conditions existing there shall in no way relieve it from any obligations with regard to its Proposal.

3 PROJECT DESCRIPTION AND PERFORMANCE SPECIFICATIONS

3.1 Technical Information

Proposer shall provide general technical information, where possible with Technical literature to enable CEB to understand the operation of the Facilities. The following minimum data shall be provided.

- a. Net Unit/Plant Capacity (MW) at ISO conditions and at site conditions and the number of units proposed;
- b. Guaranteed plant capacity at site conditions at the Interconnection Point;
- c. Make, Type and Model of each major unit of the Facility;
- d. Details of Main Transformer, Unit Transformer, Station Service Transformer, any other Auxiliary systems (if any);
- e. Information on starting and cool down;
- f. Fuel/Lube oil/ Hydraulic oil/Cooling water / service water / Combustion, cooling & sealing air/liquid and solid waste disposal systems / heating & ventilation system / environmental impact mitigatory systems / fire detection & Protection system / exhaust systems related data;
- g. Generators /Synchronising devices/ AVR / Exciters including reactive power controller / converters, etc.
- h. Capability of providing islanding operation;
- i. AC & DC equipment including, MV & LV Switch Gear, Motors, Inverters/Converters, Batteries & battery chargers, etc.
- j. Instrumentation, Control & Protection systems including emission / pollution control systems;
- k. Communication Systems including voice and data;
- l. Black Start facility;
- m. Any other detail, the Proposer deems necessary.

3.2 Power Transmission

The Company shall design, supply, install, test, commission, operate and maintain the power transmission line/s at appropriate voltage level, including all associated equipment up to the Interconnection Point at the identified locations.

Proposer shall supply the following data related to the power transmission up to the Interconnection Point, along with its Proposal.

- a. Single line diagram up to the Interconnection Point showing all Circuit Breakers, Isolators, Current & Potential Transformers for Metering and Protection at the Facility end, Earthing Switches, Lightning Arrestors, Power Transformers and Generators.
- b. Type and ratings of major electrical equipment including AC and DC equipment, MV and LV Switch Gear, Motors, Inverters / Converters, Batteries etc.
- c. Protection scheme proposed to be provided for the transmission line, bus bars, transformers, generators and other applicable switchgears etc., including fire

protection. Protection Schemes may have interfacing with CEB equipment and these Protective schemes are subject to concurrence of CEB.

- d. Metering devices at the Facility including MW/kW and MWh/kWh meters and chart recorders. (Please note that these meters/recorders shall meter, record, and transmit the data on the power/energy flow to the CEB system at the Interconnection Point.)

Any other detail, the Proposer may deem necessary

3.3 Fuel and Lubricating Oil

The Proposer shall solely be responsible for design, supply, storage, filtering, treatment or conditioning of fuels and lubricating oil required to operate the Facility.

Hence, the Proposer shall furnish the following minimum fuel related data to ascertain the uninterrupted fuel supply for the Facility.

- a. Fuel utilization plans;
- b. Fuel storage, filtering and treatment plans;
- c. Fuel supply and transportation contracts to be entered into;
- d. Quality of fuel after filtration/treatment, quantities, duration, and
- e. annual operating limitations, if any, caused by fuel supply plans.

The Company shall enter into a separate Fuel Supply Agreement for obtaining its requirements of fuel from a fuel supplier.

4 ENVIRONMENTAL CONSIDERATIONS

4.1 Environmental Requirements

The Company is required to comply with National Environment Act No. 47 of 1980, National Environment (Protection & Quality) Regulations, No 1 of 1990, and to any amendments thereto, and also to any other applicable regulation or law. Within the scope of the PPA, the Proposer is required to assess environmental impacts of the Facility. Depending on the capacity of the proposed plant and its location, the Environmental Impact Assessment (EIA) or Initial Environmental Examination (IEE) shall be done in terms of the National Environmental Act No. 47 of 1980 and any amendments thereto, and such other relevant acts and Provincial Statutes. During the evaluation process, the Proposers whose Proposals are evaluated to be responsive will be required to furnish a duly completed preliminary environmental information questionnaire in respect of the Facility.

However, irrespective of the capacity of the plant, an Environmental Protection Licence shall be secured for the Facility from the Central Environmental Authority of Sri Lanka.

4.2 Disposal of solid and liquid effluents

Proposer shall provide all information related to quantities, types, methods of neutralising of all liquid and solid effluents including sewerage. Method of disposal of all liquid and solid waste from the Facility including any fuel sludge and waste shall be clearly indicated in the Proposal. Any discharges into natural waterways shall conform to the relevant environmental standards.

4.3 Control of Emissions

Quantities and rates of emissions of pollutants, including types of pollutants, methods of pollution control and type of pollution control equipment and other mitigatory measures proposed shall be indicated in the proposal. The guaranteed emission rates should also be indicated.

4.4 Archaeological Requirements

In addition to the above requirements, the successful Proposers are required to comply with the requirements of the Antiquities Ordinance, as amended by Act No. 24, 1998 and regulations thereunder.

5 EXPERIENCE OF THE PROPOSER

5.1 Qualifications of the Proposer

Proposers who wish to submit a Proposal may do so either as an individual, a single corporation, a prospective company, an incorporated joint venture company, an unincorporated joint venture or any other form of partnership.

Where Proposers submit proposals a prospective company or an incorporated joint venture company then the shareholders in that company shall be treated as Proposers for the purposes of this RFP. Where Proposers submit a Proposal an unincorporated joint venture or any other form of partnership, then the participants in such a Proposal identified as intending to take equity in the project shall be treated as Proposers for the purposes of this RFP. However it should be noted that,

- a. shareholders of a prospective company or an incorporated joint venture, or participants in an unincorporated joint venture or other form of partnership (intending to subscribe equity to the project), in any one proposal may not appear in another proposal in any such role;
- b. nevertheless, any such shareholder or participant or an affiliate of any such shareholder or participant may appear in another Proposal on the basis it would be a contractor to the company taking no equity in the project; and
- c. shareholders in a prospective company or incorporated joint venture or participants in an unincorporated joint venture or other form of partnership (intending to subscribe equity to the project), in a successful Proposal and who are party to the Letter of Intent may not dispose of their interest or withdraw in relation to the Proposal prior to execution of the Project Agreements.

In the case of a Proposal by a proposed company or an incorporated joint venture company, then the company shall provide its memorandum and articles of association and details of shareholdings and the role of each shareholder in relation to the project. In the case of an unincorporated joint venture or other partnership arrangement, the participants shall provide in the Proposal details of role of each member in relation to the project, their intended equity commitment and the organization of the venture and memorandum amongst the members demonstrating their commitment to the project and the equity contributions that may be required of them. If an unincorporated joint venture or other form of partnership agreement is adopted, one of the members shall be nominated as the Lead Member (who, it is intended, shall have a substantial, if not majority equity shareholding in the prospective company) as evidenced by the written authority of the other participants. The Lead Member will be responsible for all communications with and for the Proposer.

The Proposal shall state the proposed arrangements for the financing, design, procurement, construction, commissioning, operation and maintenance in respect of the Facility. Further, in the Proposal the Proposer or each Proposer making such proposal must show that it has the technical capability, experience and expertise (directly, in combination or through

proposed contractors) to finance, design, procure, construct, commission, operate and maintain the Facility.

Proposers shall also to meet the following criteria:

- a. No Proposer or its parent/affiliate companies shall have been suspended or black listed by CEB, CPC the GOSL or by any other Government Agency in Sri Lanka, whether as an individual contractor or corporation or as a member of a joint venture.
- b. No Proposer or its parent/affiliate companies shall have a poor record of unsatisfactory past performance, particularly non-compliance with contract terms, plans and specifications; nor any record of defective workmanship and materials supplied, abandonment of work or similar deficiencies, including adhering to labour, environmental and health and safety laws of Sri Lanka.
- c. No Proposer or its parent/affiliate companies shall have overdue debts toward the Insurance, Revenue or Customs authorities of Sri Lanka or their country of incorporation.
- d. No Proposer or its parent/affiliate companies shall have a record of criminal or civil cases in court pending or finally decided against them involving non-payment of tax, duty or other undertaking with GOSL or any of its sub-divisions, or instrumentalities including government-owned or controlled corporations, both local and foreign.

6 EVALUATION AND AWARD

6.1 Outline of Evaluation Procedure

The evaluation process will be carried out in several stages: in the first stage, compliance of the Proposal with the procedures laid out in this RFP will be reviewed. The second stage of the evaluation process will examine the technical aspects of the Proposal, to verify whether the Facility proposed is technically capable of delivering the requirements of the PPA, and on the capabilities of the project participants to actually finance and manage the implementation of the Facility. Proposals that are determined to be compliant and capable will go through to the third stage, where the proposed tariff will be the governing criterion.

Selection of successful Proposer will be based on the tariff offered and the time taken for Commercial Operation of the Facility, which shall occur not later than the Scheduled Final Completion Date (March 15, 2019).

6.2 Right to Reject Proposals

GOSL/CEB reserves the right to reject any Proposal submitted by a Proposer who has been disqualified based on fraudulent, suppressed or incomplete information.

GOSL/CEB or their representatives shall not be liable in the event of rejection of the proposals by GOSL/CEB, or failure to execute the PPA and/or Fuel Supply Agreement.

6.3 Evaluation: Responsiveness

At the first stage of evaluation of the Proposals, the Technical Evaluation Committee (TEC) will determine the substantial responsiveness of each proposal to the RFP. TEC will examine the Proposals to determine whether they are complete, whether the required Proposal Security has been furnished, whether the documents have been properly signed, whether all annexes as required in the RFP are furnished and whether the Proposals are generally in order. A Proposal may be disqualified and excluded from further consideration for any valid reason including but not limited to, the reasons listed below:

- a. Failure to submit under the required package or envelope as described in clause 2.7 above.
- b. Receipt by CEB of a Proposal after the Closing Time.
- c. Failure to submit supporting documentation or any other clarification or any documents requested by TEC/SCAPC within the required time frame.
- d. Failure to provide the Proposal Security.
- e. Failure to complete any of the Proposal Forms.
- f. Willful misrepresentations in the Proposal.
- g. Illegal conduct or attempts to influence the GOSL, SCAPC, CEB or TEC.
- h. Determination by SCAPC that the Proposer is likely to be unable to fulfill the terms or conditions of the Proposals.
- i. Failure to submit any item of information required in this RFP.
- j. Failure to submit duly completed PCA 3 form of the Public Contract Act No 3 of 1987.

The second stage evaluation will then be conducted on the basis of satisfactory responses to the information requirements set out in the RFP and the proposal forms. The evaluation will be based on the technical and other information provided in the Proposal. The Proposals will be judged on the following criteria:

1. Experience of the Proposer

- Proposed arrangements for financing, design, procurement, construction, commissioning, operation and maintenance of the Facility.
- Successful completion of at least one project of similar nature and of capacity not less than 30 MW during last five (5) years.

2. Technical Information

Compliance with the Minimum Technical Information as per Clause 3.1

3. Equipment Reliability

Capability of the Facility of supplying electrical energy during the Term of the PPA

4. Timely Completion

Undertaking by the Proposer that the Facility will be commissioned on or before the Scheduled Final Completion Date mentioned in clause 1.6 of this RFP.

Non-compliance with any one of the above criteria will disqualify the Proposer from the next stages of evaluation. All Proposals, which have passed the first two stages of the evaluation process will proceed to the third stage.

The Proposers would thereafter be ranked in the order of the lowest Total Aggregate Tariff for each location listed in clause 1.2. CEB would then call upon such parties to provide any clarifications that the CEB may deem necessary in respect to their Proposals.

The Proposers are required to state the following under row 2 of item 4 (Tariff) in Form-G of Volume II of this RFP.

Capacity Charge per kWh (CC)

This shall be computed by using the following formula:

$$CC = \frac{FCR}{1000 \times 24} \text{ USD/kWh}$$

Where, FCR is the Fixed Charge Rate proposed by the Proposer in row 1 of item 4 (Tariff) of Form-G.

Energy Charge per kWh (ECFR)

The Proposer shall take the applicable Fuel Price (FP) from the following list for the purpose of calculation of the Energy Charge.

Diesel = 101.00 LKR/litre

Heavy Fuel Oil (cSt180) = 92.00 LKR/litre

Gaseous fuel – rate to be indicated by the Proposer for the Term of the PPA under item 3 (Fuel Price for Gaseous Fuel) in Form-G of Volume II of this RFP.

$$ECFR = FUCR \times FP \text{ expressed in LKR/kWh}$$

Where, FUCR is the Fuel Consumption Rate proposed by the Proposer in row 3 of item 4(Tariff) of Form-G.

Total Aggregate Tariff for the ranking of Proposers.

Total Aggregate Tariff = CC+ECOMD + ECOMR+ECFR, expressed in LKR/ kWh

Please use the conversion rate 1 USD = LKR 181.70 in calculating the Total Aggregate Tariff for the Proposal. Please note that the above computation of Total Aggregate Tariff is for the purpose of evaluation only. The rates FCR, FUCR, ECOMD and ECOMR proposed under rows 1,3, 6 and 7 in item 4 (Tariff) of Form-G of Volume II of RFP referred to above shall be used for Section 12 of the PPA.

The selected Proposer will be chosen on the basis of the lowest Total Evaluated Cost of Energy, and the ability to commence Commercial Operation on or before Final Completion Date with the objective of obtaining the optimum economic advantage to CEB.

LOI will be issued to the selected Proposer who will be required to execute the PPA within five Days of achieving the milestones set out in the LOI.

6.4 Letter of Intent

The Proposer who is issued with LOI will be required to execute the PPA within the time frame indicated in the LOI. There shall be no negotiations with the Proposer on the PPA after the issue of the LOI. Upon signing of the PPA, Proposal Securities of the unsuccessful Proposers will be returned, and such Proposers will be informed of the identity of the successful Proposer, the Tariff offered by that Proposer and their position in the rank order of Tariff. Should the successful Proposer fail to submit the Performance Security or execute the PPA within the timeframe specified in the LOI, CEB in its absolute discretion may issue the LOI to the next ranked Proposer.

Annex-A1: Form of Proposal Security

PROPOSAL SECURITY

WHEREAS _____ of _____ (hereinafter called and referred to as the "Proposer") wishes to submit Proposal to build-own-operate an aggregate ofMW power plants at.....

AND WHEREAS in terms of the Instructions to Proposers document the Proposer is bound and obliged to furnish a Proposal Security along with its Proposal to ensure the due performance of the Proposer in terms of the Instructions to Proposers document.

AND WHEREAS at the request of the Proposer, we _____ of _____ a commercial bank having its registered office at _____ are agreeable to and desirous of giving such a proposal security.

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

Every demand hereunder shall be in writing and signed by the General Manager, Ceylon Electricity Board and shall be accompanied by a statement to the effect that the Proposer has failed and/or neglected to perform its obligations or abide by the terms of the Instructions to Proposers document. For all purposes connected with and relating to this Proposal Security, every such demand shall be conclusive proof that the amount so demanded is lawfully due under this Proposal Security.

All payments hereunder shall be made in Sri Lanka by cheque or bank draft drawn in favour of the Ceylon Electricity Board.

This Proposal Security shall be valid and binding and shall remain in full force and effect up to and including the _____ (*should be a date, 60 days from the closing date for submitting Proposals*) and thereafter shall be null and void and of no force or effect (whether the original hereof is returned or not) except in respect of any demand made on or before the aforesaid _____.

IN WITNESS whereof this Proposal Security has been signed by the Authorised Signatories of the aforesaid _____ on this _____ day of _____ 2019.

Authorised Signatory

Name:
Designation:

Authorised Signatory

Name:
Designation:

Annex-A2: Letter of Intent**LETTER OF INTENT**

1. This Letter is issued by
Ceylon Electricity Board (CEB)
2. This letter,
 - 2.1 constitutes a statement of intention only; and
 - 2.2 does not (nor is it intended to), in any way create any enforceable rights or obligations whatsoever against MOPE&BD, CEB or any of its agencies or instrumentalities.
3. Further to the Request for Proposals dated for the design, supply delivery, erection, testing, commissioning, operation and maintenance of Thermal Power Plants inup to a total capacity ofMW, and the Project Proposal dated submitted by (*the Proposer*), the CEB, intend to enter into a Power Purchase Agreement with (*the Company*) subject to the Company satisfying the conditions set out in section 4 below ;
4. Conditions
 - 4.1 The Company shall furnish within 5 Days of this Letter of Intent a Performance Security to the value of Rs. in the form set out in the Guideline to Proposers. The Performance Security shall be valid until 30 days after the End Date as defined in the draft Power Purchase Agreement.
 - 4.2 The Company shall enter into the Power Purchase Agreement on or before2019.
 - 4.3 The Company shall comply with the provisions of the Guideline to Proposers.
5. In the event the Performance Security is not furnished by the Company within 5 Days of this Letter of Intent, this letter of intent will automatically lapse, the Proposal Security shall be forfeited and the Company shall not have any claims in respect of compensation, damages or any other loss whatsoever against the CEB.
6. The Proposal Security shall be released upon the submission of the Performance Security.
7. The Proposal Security shall be forfeited in the event of the Company failing to comply with paragraphs 4.2 and 4.3 of this letter.
8. CEB shall not incur any liability whatsoever, in fulfilment or non-fulfilment of any one or more of the provisions contained in this letter or in the event of the failure of the project.
9. The Company shall not engage in any illegal conduct or other activity which influences or tends to influence MOPE&BD,CEB or its other agencies, personnel, or representatives in the finalisation of the Power Purchase Agreement.

10. All notices and other communications required hereunder shall be in writing (and shall be deemed given upon receipt) and sent by registered post mail to the following addresses.

If to CEB

Deputy General Manager (Energy Purchase)
Ceylon Electricity Board
6th Floor, 50, Sir Chittampalam A. Gardiner Mawatha
Colombo 00200 SRI LANKA
FAX: +94-11-2344774
E mail: dgmept@ceb.lk

If to the Company

.....

11. This letter of intent shall remain valid for a period of days.

.....

Ceylon Electricity Board

.....

We hereby agree to abide by the conditions of this letter.

.....

Director
(Company)

.....

Director
(Company)

Annex A3: Form of Performance Security

PERFORMANCE SECURITY

WHEREAS _____ of _____ a Company incorporated in Sri Lanka (hereinafter called and referred to as the "Company") has submitted a proposal to build-own-operate of an aggregate ofMW power plants at.....

AND WHEREAS the proposal submitted by the Company has been successful.

AND WHEREAS in terms of the Instructions to Proposers document the Company is bound and obliged to furnish a Performance Security to secure the due performance of the Company in terms of the document.

AND WHEREAS at the request of the Company, we _____ of _____ a commercial bank having its registered office at _____ are agreeable to and desirous of giving such a Performance Security;

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

Every demand hereunder shall be in writing and signed by the General Manager, Ceylon Electricity Board and shall be accompanied by a statement to the effect that the Company has failed and/or neglected to perform its obligations or abide by the terms of the proposal. For all purposes connected with and relating to this Performance Security, every such demand shall be conclusive proof that the amount so demanded is lawfully due under this Performance Security.

All payments hereunder shall be made in Sri Lankan Rupees by cheque or bank draft drawn in favour of the Ceylon Electricity Board.

This Performance Security shall be valid and binding and shall remain in full force and effect up to and including the2019 and thereafter shall be null and void and of no force or effect (whether the original hereof is returned or not) except in respect of any demand made on or before the aforesaid _____.

IN WITNESS whereof this Performance Security has been signed by the Authorised Signatories of the aforesaid _____ on this _____ day of _____ 2019.

Authorised Signatory

Authorised Signatory

Name:

Name:

Designation:

Designation:

**GOVERNMENT OF SRI LANKA
MINISTRY OF POWER, ENERGY AND BUSINESS DEVELOPMENT
CEYLON ELECTRICITY BOARD**

**REQUEST FOR PROPOSALS FOR SUPPLY OF
TOTAL 200 MW OF SUPPLEMENTARY
ELECTRICAL POWER ON SHORT TERM BASIS**

Tender No. AGM(TR)/DGM(EPT)/ICB/2020/01

Volume II ▪ PROPOSAL LETTERS & FORMS

..... 2020

**Ceylon Electricity Board
No. 50 Sir Chittampalam A. Gardiner Mawatha
Colombo 00200
SRI LANKA**



TECHNICAL AND COMMERCIAL PROPOSAL**FORM-A****CEYLON ELECTRICITY BOARD****CERTIFICATE OF ISSUANCE OF BIDDING DOCUMENT**

Bid document issued to M/s.....

.....

.....

.....

On behalf of M/s

.....

.....

.....

PIV No. : Amount :

Date:

.....
Deputy General Manager (Energy Purchase)
CEYLON ELECTRICITY BOARD

I / We agree to abide by the Conditions for the Bid No. AGM(TR)/DGM(EPT)/ICB/2020/01
and therefore submit my / our offer with the quotation

.....

Signature of Proposer and Seal

Name of signatory :

Designation :

Address :

Date :

TECHNICAL AND COMMERCIAL PROPOSAL

FORM-B

PROPOSAL LETTER FOR THERMAL POWER PLANTS AT BUILD, OWN AND OPERATE BASIS AT

	Location	Guaranteed Plant Capacity
1	Pallekalle Grid Substation	24 MW
2	Hambantota Grid Substation	24 MW
3	Horana Grid Substation	24 MW
4	Galle Grid Substation	10 MW
5	Valachchenei Grid Substation	24MW
6	Mahiyanganaya Grid Substation	24 MW
7	Polonnaruwa Grid Substation	22 MW
8	Habarana Grid Substation	24MW
9	Kosgama Grid Substation	24MW

[Note: please make appropriate changes to include only the locations proposed]

To: The General Manager, Ceylon Electricity Board

Subject: Tender No. AGM/DGM(EPT)/ICB/2020/01
REQUEST FOR PROPOSALS FOR SUPPLYING TOTAL 100 MW OF
SUPPLEMENTARY ELECTRICAL POWER ON SHORT TERM BASIS

In response to the Request for Proposal (RFP) entitled *Request for Proposals for Supply of Total 200 MW of Supplementary Electrical Power on Short Term Basis* and in accordance with the Instructions to Proposers, the undersigned hereby proposes to the Ceylon Electricity Board, an agency of the Ministry of Power, Energy and Business Development of the Government of Sri Lanka, to finance, design, procure, construct, commission, operate and maintain power generation facilities on Build, Own and Operate basis, in accordance with the provisions of the aforesaid RFP and the draft Power Purchase Agreement (PPA) set out in the RFP.

The undersigned agrees that this Proposal shall remain open for acceptance and shall remain irrevocable for a period of 30 calendar days from the Closing Date given in the RFP, and it shall remain binding upon the undersigned and may be accepted at any time before the expiration of that period. The undersigned certifies that he or she has examined and is familiar with all of the provisions of the RFP, the PPA and any addenda thereto; has carefully reviewed the accuracy of all statements in the RFP and attachments thereto, and, by careful examination of the RFP, the PPA and any addenda thereto, is satisfied as to the nature and location of all the works, the general and local conditions of the agreements and all other matters which can in any way affect the Facility or the cost thereof. The undersigned hereby agrees that the CEB or its representatives will not be responsible for any errors or omissions on the part of the undersigned in preparing this Proposal.

On acceptance of the LOI, the undersigned shall submit a Performance Security in the form of a bank guarantee in the amount of Sri Lanka Rupees(LKR

.....), and agrees to execute the PPA for the provision of the Facility to be financed, designed, constructed, commissioned, operated and maintained by the undersigned.

Attached hereto and by this reference incorporated herein and made part of this proposal are the data required in the RFP.

In addition to the proposal data required, the undersigned encloses the following additional information:

.....

The undersigned also acknowledges receipt, understanding, and full consideration of the following addenda to the ITP document into the Proposal:

Addenda Nos (if any): _____

Signature: _____

In the Capacity of: _____ (Title)
duly authorized to sign proposal for and on behalf of

Bidder: _____ (Name)

Dated: _____

Home Office:

_____ (P.O. Box or Street and No.)

_____ (State and Country)

_____ (Telephone No.) _____ (Telex No.)

_____ (Fax No.)

Attention:

_____ (Name and capacity of authorized
representative for Bidder)

Address in Sri Lanka (if applicable):

_____ (P.O. Box or Street and No.)

_____ (City)

_____ (Telephone No.) _____ (Telex No.)
_____ (Fax No.)

TECHNICAL AND COMMERCIAL PROPOSAL**FORM-C****QUALIFICATIONS OF THE PROJECT COMPANY *(IF APPLICABLE)****ORGANISATION****Date of Submission:**

1. NAME AND COUNTRY OF INCORPORATION
2. YEAR OF INCORPORATION
3. TYPE OF THE ORGANISATION (State whether a Company/Joint Venture/Partnership, etc.)
4. HOME OFFICE ADDRESS:
TELEPHONE NUMBER:
TELEFAX NO:
EMAIL NUMBER:
5. OBJECTIVES OR LINE OF BUSINESS:
6. WHO IS ACTIVELY MANAGING THE AFFAIRS OF THE COMPANY?
7. WHO IS THE REPRESENTATIVE FOR THE COMPANY IN RELATION TO THIS PROPOSAL?*

.....
Signature of Proposer and Seal

Name of signatory :

Designation :

Address :

Date :

* Attach Articles of Association or Joint Venture Agreement, as applicable.

** Attach certified copy of the Board resolution authorizing its representative to sign and submit the proposal.

TECHNICAL, COMMERCIAL AND FINANCIAL PROPOSAL**FORM D****EXPERIENCE RECORD OF THE PROPOSER****RELEVANT PROJECTS COMPLETED BY THE PROPOSER OR ITS PARENT OR AFFILIATE COMPANIES (DURING LAST 5 YEARS)**

Name and address and contact telephone of client	Name of project	Total project cost USD	Date completed	Completed on time?	Short project description	Participation in the project as	Value of project proponent's contribution USD
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.....
Signature of Proposer and Seal

Name of signatory :

Designation :

Address :

Date :

(Use additional sheets for further information)

TECHNICAL, COMMERCIAL AND FINANCIAL PROPOSAL**FORM E****EXPERIENCE RECORD OF THE PROPOSER****LIST OF ALL RELEVANT ON-GOING PROJECTS OF THE PROPOSER OR THEIR RELEVANT PARENTS/AFFILIATED COMPANIES IS ENGAGED IN**

Name and address and contact telephone of client	Name and value of the project USD	Date of commencement	Short project description	Expected date of completion	% physical accomplishment to date	Participation in project as:	Value of contribution USD
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.....
Signature of Proposer and Seal

Name of signatory :

Designation :

Address :

Date :

(Use additional sheets for further information)

TECHNICAL, COMMERCIAL AND FINANCIAL PROPOSAL**FORM F****PROJECT MILESTONES SCHEDULE FOR [Name of location]**

Activity	Date Specified by CEB
Signing of PPA	..... .., 2020
Commencement of construction activities	
Completion of Commissioning and Testing	
Scheduled Final Completion Date	..... .., 2020

Note: Please use separate sheet for each location in your Proposal. Date of completion of Commission and Testing of the Facility shall not be later than the Scheduled Final Completion Date.

.....
Signature of Proposer and Seal

Name of signatory :

Designation :

Address :

Date :

TECHNICAL, COMMERCIAL AND FINANCIAL PROPOSAL**FORM G**

Please use separate sheet for each location in your Proposal

1) COST DATA FOR [Name of location] GIVEN IN LKR

1.	Cost of the Plant (depreciation)	
2.	Cost of the Land (if applicable)	
3.	Cost of Civil Construction (if any)	
4.	Cost of fuel/lube oil storage	
5.	Cost of interconnection including transformers, switchgear, cables etc. (if any)	
6.	Infrastructure costs (if any)	
7.	Project development cost (including legal, commercial and financial costs)	
8.	Interest during construction	
9.	Working capital cost (if any)	
10.	Financial cost	
11.	Mobilization cost (if any)	
12.	Demobilization cost (if any)	
13.	Transportation costs (sea, air and land)- (if any)	
14.	Port handling charges and demurrages (if any)	
15.	Insurance of the plant, machinery and personnel	
16.	Fixed Operation & Maintenance costs	
17.	Profits expected	
18.	Local agent's commission (if any)	
19.	Any other capital costs (please specify)	
20.	Tax	

2) PLANT DATA FOR [Name of location]

1.	Installed Plant Capacity in MW	
2.	Guaranteed Plant Capacity (GPC) in MW	

3) FUEL PRICE OF GASEOUS FUELS FOR [Name of location]

In the case of gaseous fuels, please indicate below the fuel price using appropriate units of measurement.

Fuel price during the Term of PPA LKR/[unit to be specified]

4) TARIFF FOR [Name of location] - [applicable to liquid fuels]

Different units of measurement other than those specified above will not be accepted for liquid fuels

1.	Fixed Charge rate (FCR) USD/MW/ day	
2.	Capacity Charge (CC) USD/kWh ^(a)	
3.	Fuel Consumption Rate (FUCR) liters/kWh ^(b)	
4.	Fuel type	
5.	Energy Charge (ECFR) LKR/kWh ^(a)	
6.	USD component of Energy Charge Rate variable O&M component (ECOMD) USD/kWh ^(c)	
7.	Rupee component of Energy Charge Rate variable O&M component (ECOMR) LKR/kWh ^(c)	
8.	Total Aggregate Tariff LKR/kWh ^(d)	

Notes

- Please calculate as per the methodology and units of measurements given in 6.3 of Volume I (Instructions to Proposers)
- Appropriate unit of measurement for fuel consumption rate (FUCR) in the case of gaseous fuels should be indicated.
- Please provide all sub components under variable O&M
- Total Aggregate Tariff = CC+ECOMD+ECOMR+ECFR
Please use exchange rate 1USD = LKR 181.70

.....
Signature of Proposer and Seal

Name of signatory :

Designation :

Address :

Date :

**GOVERNMENT OF SRI LANKA
MINISTRY OF POWER, ENERGY AND BUSINESS DEVELOPMENT
CEYLON ELECTRICITY BOARD**

**REQUEST FOR PROPOSALS FOR SUPPLY OF
TOTAL 200 MW OF SUPPLEMENTARY
ELECTRICAL POWER ON SHORT TERM BASIS**

Tender No. AGM(TR)/DGM(EPT)/ICB/2020/01

Volume III - Draft Power Purchase Agreement

..... 2020

Ceylon Electricity Board
No. 50 Sir Chittampalam A. Gardiner Mawatha
Colombo 00200
SRI LANKA



POWER PURCHASE AGREEMENT

BETWEEN

CEYLON ELECTRICITY BOARD

AND

[NAME OF THE COMPANY]

**FOR SUPPLY OF TOTAL 200 MW OF SUPPLEMENTARY
ELECTRICAL POWER ON SHORT TERM BASIS**

1	Pallekalle Grid Substation	24 MW
2	Hambantota Grid Substation	24 MW
3	Horana Grid Substation	24 MW
4	Galle Grid Substation	10 MW
5	Valaichchenai Grid Substation	24 MW
6	Mahiyanganaya Grid Substation	24 MW
7.	Polonnaruwa Grid Substation	22 MW
8	Habarana Grid Substation	24 MW
9	Kosgama Gridsubstation	24 MW

(Date) of 2020

POWER PURCHASE AGREEMENT

This AGREEMENT (the "Agreement") is made and entered into at Colombo on the day of the month of March two thousand nineteen BY AND BETWEEN

- (1) Ceylon Electricity Board, a body corporate established under the Ceylon Electricity Board Act No. 17 of 1969 (as amended) and having its principal place of business at No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 2, Sri Lanka (hereinafter referred to as "CEB", which term or expression as herein used shall, unless repugnant to the context, mean and include the said Ceylon Electricity Board and its successors and permitted assigns) of the ONE PART; and
- (2) [name of company] a company duly incorporated under the laws of [country] and having its registered office and principal place of business at [official address of company] (hereinafter referred to as "the Company", which term or expression as herein used shall, unless repugnant to the context, mean and include the said [name of company], its successors and permitted assigns) of the OTHER PART.

WITNESSETH

WHEREAS, CEB wishes to purchase from the Company electrical energy to supplement its electricity generation capacity;

AND WHEREAS the Company has proposed to provide [capacity] of total generating capacity at locations and in capacities stated in Section 10 of this Agreement, and from which to generate and supply electrical energy in conformity with Prudent Utility Practices during the period commencing from the Scheduled Completion Date for each Facility connected to the respective Grid Sub Stations stated in Section 10 of this Agreement20up to and including the End Date for each such Facility as defined in Section 1 of this Agreement.....2020;

AND WHEREAS CEB has accepted the said proposal with the approval of its Board for the Company to generate and sell and CEB to purchase electrical energy so generated during the said period for each Facility under the terms and conditions stated herein.

NOW THEREFORE the Parties to this Agreement, which includes Schedules 1 to 9 and Exhibits A to D attached hereto, have agreed as follows:

1. Definitions

"Available Plant Capacity" or "APC":	shall have the meaning as set forth in section 11 of this Agreement
"Billing Period"	means a period of one Month.
"Commercial Operation"	means the generation of electrical energy by the Facility on and after the Final Completion Date
"Day"	means a 24-hour period beginning immediately after and ending at 12.00 midnight Sri Lanka time.
"Dispatch"	means the right of CEB to issue instructions to the Company from its System Control Center to commence, increase, decrease or cease the supply of net electrical output under this Agreement, subject to the obligations of CEB under this Agreement and having regard to the Dispatch Schedule and Prudent Utility Practices
"Dispatch Schedule"	shall have the meaning set forth in paragraph 2 of the Third Schedule.

“Due Date”	shall have the meaning as set forth in Section 14.2 of this Agreement.
“Effective Date”	means the date on which CEB and the Company certify in writing that all the conditions contained in section 2.1 have been fulfilled or waived to the satisfaction of CEB and the Company
“End Date”	means the date occurring at the completion of six months commencing from Final Completion Date
“Engineer.”	means the independent engineer appointed by the Company to witness and certify the Commissioning and Testing of the Facility as set forth in Schedule 6 of this Agreement
“Facility”	means each all plant, equipment and connections installed at specified locations necessary for generation and transmission of electrical energy up to the Interconnection Point at the 33kV isolator as described in the First Schedule
“Final Completion Date”	means the day occurring immediately after the day on which the Facility is tested and accepted by the Engineer and certified by the Company in accordance with section 8 and the Sixth Schedule of this Agreement and shall be the date as set forth in section 3.1 of this Agreement.
“Fixed Charge” or “FC”	shall have the meaning as set forth in section 13.1 of this Agreement
“Fixed Charge Rate” or “FCR”	shall have the meaning as set forth in section 12.1 of this Agreement
“Force Majeure”	shall have the meaning as set forth in Section 19 of this Agreement
“Fuel”	means the fuel used for the purpose of generating electrical energy by the Facility.
“Fuel Consumption Rate” or “FUCR”	means the quantity of Fuel required to deliver 1 kWh of electrical energy and will be [value] liters/kWh for liquid fuels, or as may be specified for gaseous fuels.
“Guaranteed Commissioning Date”	is the date earlier than the Schedule Completion Date declared by the Company in its Proposal, whereby the Company has undertaken to achieve the Guaranteed Plant Capacity at each Facility.
“Guaranteed Plant Capacity” or “GPC”	means the aggregate continuous ratings of all the power generating sets in each Facility, as per Section 10 of this Agreement.
“Interconnection Point”	means the last 33 kV connection stud/s of the Facility depicted as “T” in Exhibit A for locations listed in Section 10 of this Agreement.

"Month"	means one calendar month
"Prudent Utility Practice"	means accepted international practices, standards and engineering and operational considerations including manufacturer's recommendations generally followed in the operation and maintenance of facilities similar to the Facility
"Party"	shall mean CEB or the Company
"Parties"	shall means CEB and the Company
"Performance Security"	means the performance security no..... dated [date] issued by [name of bank]
"Prime Rate":	shall have the following meaning <ul style="list-style-type: none"> (a) For amounts denominated in United States Dollars, on any Day, the rate per annum which is publicly announced from time to time as its prime rate by Citibank N.A., New York, or any other bank mutually acceptable to the Parties and in force on such date. For the purposes of this Agreement, a change in any such rate shall be effective on or from the date on which it is announced or, if such announcement provides for such change to come into effect on a later date, on and from such later date. (b) For amounts denominated in Sri Lanka Rupees, the weighted average Prime Lending Rate as announced from time to time by the Central Bank of Sri Lanka and in force on such date. For the purposes of this Agreement, a change in any such rate shall be effective on and from the date on which it is announced or, if such announcement provides for such change to come into effect on a later date, on and from such later date.
"Scheduled Final Completion Date"	will be as specified in Section 10 of this Agreement, for each Facility.
"Shortfall"	means MW difference between GPC and APC in any Billing Period.
"Term"	means the period starting from the Final Completion Date to the End Date

2. Conditions Precedent

2.1 The respective obligations of each Party under this Agreement shall be subject to the satisfaction or waiver of the following conditions ("Conditions Precedent"):

- (a) The Company having been granted the Generation License, and the other Governmental Approvals listed in Exhibit B.

- (b) No statute, rule, regulation, executive order, decree or injunction shall have been enacted, entered, promulgated or enforced by any court, governmental entity or any other party, which prohibits any Party from entering into this Agreement.
- (c) Each Party shall have delivered to the other copies of applicable resolutions adopted by its board of directors or similar governing body authorizing the execution, delivery and performance of this Agreement, certified by the Secretary of the Party.
- (d) Implementation plan of the Project shall have been notified to CEB.

2.2 Failure to satisfy the Conditions Precedent

The failure of either Party to fulfil any of the Conditions Precedent above by the Scheduled Final Completion Date will be cause for automatic Termination of this Agreement without any liability whatsoever to either Party, provided however that the Parties may agree to an extension of this Agreement for an additional period of 15 Days from such date, and provided further that in either case this Agreement may be extended for an additional period not exceeding one Month due to Force Majeure. If any Condition Precedent herein is not fulfilled or waived at the end of such extended period, this Agreement shall Terminate automatically without any liability whatsoever to either Party.

2.3 Delivery of Certificates

Upon the satisfaction and waiver of any of the Conditions Precedent described in section 2.1, the Parties shall jointly certify that the Conditions Precedent have been fulfilled or waived to their satisfaction.

3. Period of Supply

- 3.1 The Company shall commence Commercial Operation of the Facility at the Guaranteed Plant Capacity on the Scheduled Final Completion Date specified for each Facility as shown in Section 10 of this Agreement. In the event of the Company failing to achieve the Final Completion by the Scheduled Final Completion Date, the Company shall pay Liquidated Damages to CEB as set out in the Seventh Schedule.
- 3.2 The period of supply of electrical energy by the Company and the purchase of electrical energy by CEB under this Agreement shall be until the End Date commencing from the Final Completion Date.
- 3.3 Extending the End Date shall be at the discretion of CEB and be mutually agreed to by both Parties. In the event of CEB desiring to extend the End Date, CEB shall inform the Company 15 Days prior to the End Date of its intention to do so. The Company may agree to comply or disagree without obligation.

4. Duties, Taxes, and Permissions.

- 4.1 All generating plants and other major equipment shall be brought on re-export basis. Duties, taxes and levies on the import of spares for maintenance and operation of the Facility will be paid by the Company and reimbursed by CEB upon the Company producing documentary evidence to establish such payment. Any taxes or other governmental levies payable by the Company on the re-export of generating plants and other equipment brought on re-export basis will be reimbursed by CEB.

If the Company wish to obtain exemption on payment of customs/import duties and taxes on any plant and equipment brought on re-export basis, which remain the property of the Company and re-exported after completion of the PPA, through a corporate guarantee given by CEB to the Sri Lanka Customs, the Company shall provide CEB with a Bank Guarantee equal to the value of duties and taxes payable in respect of such items, from a bank acceptable to CEB. The Bank Guarantee shall be valid until one month after the End Date. The Bank

Guarantee will be released upon submission by the Contractor proof of re-export of the items. Failure by the Company to re-export the items brought on re-export basis within one Month of the End Date may result in the forfeiture of this bank guarantee.

4.2 Notwithstanding the foregoing, the Company shall pay the prescribed dues and charges including customs duties on all its plant, equipment, tools, materials, appliances and other things which it will dispose of in Sri Lanka. After the Company receives the necessary authority for such disposal from CEB, the dues and charges payable will be assessed in the manner and at the rates applicable at the time of disposal. The Company and its personnel shall comply with the regulations of the Government of Sri Lanka, which may be issued from time to time relating to the disposal of items, the import of which may be subject to restrictions imposed by the Government of Sri Lanka.

4.3 The Company shall ensure that all permissions, clearances, dispensations and any other dispositions and orders including the environmental clearance for operating the plant at the site are obtained from the relevant authorities at its own cost, prior to operating the plant at the proposed site. CEB shall give reasonable assistance to the Company in obtaining such permissions and clearances from the relevant authorities.

5. Site and the Interconnection Voltage

5.1 The Company will install its plants and associated equipment at locations specified in Section 10 of this Agreement, including connection at the facilities at 33 kV isolator provided by CEB. The transmission specifications at the Interconnection Points shall be according to the Second Schedule of this Agreement.

5.2 CEB will provide the Company lands required for the Facilities connected to certain Grid Substations only as specified in Section 10 of this Agreement whereas the Company shall find lands for the Facilities connected to the other Grid Substations at the cost of the Company by its own arrangements. Land development and site preparation including access roads and installation of earthing as per relevant standards shall be the responsibility of the Company. Land provided by CEB as described above in this Sub section 5.2 will be provided to the Company at no cost for the Term of the PPA plus one month thereafter. In the event the Company fails to vacate the land after one month from the End Date, CEB reserves the right to charge rental at prevailing market rates and deduct such amounts from invoices payable to the Company.

5.3 It is the responsibility of the Company to obtain suitable electricity connection from the local distribution utility at the site for construction, testing, commissioning and operation of the Facility. The Company is responsible for timely settlement of all utility bills, including monthly electricity bills. In the event of non-payment of monthly electricity bills due to the distribution utility by the Company, CEB reserves the right to deduct such dues from monthly invoices and remit such sums to the distribution utility.

6. Supply of Fuel, Lubricating Oil and Water

6.1 The Company will obtain adequate amount of fuel from its fuel supplier for operating the Facility, and shall maintain adequate fuel storage facility for four days of minimum continuous operation of the plant at full load.

6.2 The Company shall arrange the fuel supply through a reputed wholesale suppliers (such as Ceylon Petroleum Corporation) to deliver Fuel to the Facility in time.

6.3 The Company shall procure its lubricating oil requirements.

6.4 The Company shall obtain its water requirements.

7. Metering

- 7.1 The Company shall supply and maintain the energy meters for each inter connection point with the accuracy class of 0.2 and related equipment which capable of recording downloadable hourly data (Company Energy Meter) to be used for measurement of electrical energy to determine CEB's payments to the Company under this Agreement. CEB shall provide Current Transformers (CT) of 0.2 class and if CT of 0.2 class is not available at the time of installation, then the available accuracy class of the CT will be used, until the correct accuracy class CT is installed by CEB.
- 7.2 Company shall supply and install a similar energy meter with the same accuracy as above and using identical inputs as for the Company energy meter on the CEB side which will be used as the backup meter. CEB shall maintain the backup meter. In the event of any dispute arising in respect of any measurement made under section 7.1, the backup energy meter shall be used to determine CEB's payment to the Company under this Agreement.
- 7.3 Both parties shall seal both the Company Energy Meters and the backup energy meters individually. All energy meters shall be calibrated prior to sealing.

8. Testing and Commissioning

- 8.1 Upon completion of construction of the Facilities the Company shall in the presence of the Engineer and CEB carry out tests in accordance with the 6th Schedule of this Agreement.
- 8.2 After testing of each Facility at the Guaranteed Plant Capacity as applicable, the Engineer shall certify that the Facility is capable of operation at GPC.
- 8.3 The procedures and the program for testing of the Facility is set forth in the 6th Schedule of this Agreement. The Company shall provide CEB with the results of relevant certifications carried out by the Company and certified by the Engineer under this Agreement.

9. Measurement and Validity of the Performance Security

- 9.1 To verify the quantity of electrical energy delivered by the Company to CEB, the CEB and Company shall record in accordance with Exhibit D, the readings of the meters maintained under section 7 on a specific time of the day of the week, once in two weeks, as mutually agreed between the Company and CEB.
- 9.2 The Company shall ensure that the Performance Security shall remain valid until 30 days after End Date.

10. Guaranteed Plant Capacity, Availability of land and Scheduled Final Completion Date

- 10.1 Irrespective of the plant capacity installed, the Company shall guarantee plant capacity, which could be made available for CEB to dispatch. The Guaranteed Plant Capacity (GPC), Schedule Final Completion Date and whether the land is provided by CEB for the Facility connected to each Grid Substation shall be as follows:

	Grid Substation	GPC of Facility	Availability of Land	Scheduled Final Completion Date
1	Pallekalle Grid Substation	24 MW	Provided by CEB	....., 2020
2	Hambantota Grid Substation	24 MW	Provided by CEB	.....2020
3	Horana Grid Substation	24 MW	Provided by CEB	.,

				2020
4	Galle Grid Substation	10 MW	Provided by CEB	
5	Valaichchenai Grid Substation	24MW	Provided by CEB	
6	Mahiyanganaya Grid Substation	24 MW	Not provided by CEB	
7	Polonnaruwa Grid Substation	22 MW	Not provided by CEB	
8	Habarana Grid Substation	24MW	Not provided by CEB	
9	Kosgama Grid Substation	24 MW	Not provided by CEB	

10.2 In the event of the Company failing to achieve the Guaranteed Plant Capacity by the Scheduled Completion Date, the Company shall pay Liquidated Damages to the CEB as set out in the 7th Schedule.

11. Available Plant Capacity

Available Plant Capacity (APC) in MW for any given Billing Period is determined as follows.

$$APC = (E_m + E_d) / (D \times 24 \times 1000)$$

Where:

D = Number of days of the Billing Period

E_m = the amount of electrical energy delivered by the Company and metered and accepted by the CEB in kWh during the Billing Period subjected to,

1. Allowable energy for each running hour shall not exceed 3% of GPC at each Facility
2. Allowable energy for each operational cycle (between single start and stop) shall not exceed the product of GPC at each Facility and the duration of such operational cycle.

E_d = total electrical energy in kWh not dispatched by CEB but available (up to GPC only) in the Facility during the Billing Period. The electrical energy not delivered to CEB due to a Company fault will not be included in E_d subjected to,

1. Last available capacity of each Facility at the time of each stop shall continue until completion of ramp up of the next cycle.
2. However, Company can declare the availability and prove it before next start in order to qualify for such proven Capacity charge thereafter.
3. Maximum allowable ramping time is 30 minutes.

For the purpose of payments the APC shall not be more than GPC. In the event of a Shortfall, the Company shall pay Liquidated Damages to the CEB as set out in the Seventh Schedule.

12. Tariff

The tariff for the supply of electrical energy to CEB comprises of the Fixed Charge and the Energy Charge.

The Fixed Charge (FC) will be calculated as set out in section 13.1 of this Agreement.

The Energy Charge (EC) will be calculated as set out in section 13.2, 13.3 and 13.4 of this Agreement.

12.1 Fixed Charge Rate (FCR)

Fixed Charge Rate (FCR) of the tariff shall cover all fixed costs including but not limited to the items set out in the Ninth Schedule of this Agreement.

$$\text{Fixed Charge Rate} = \text{USD [] per MW per day}$$

The Fixed Charge Rate is not escalable and has no effect on the mode of operation (continuous or standby) of the plant.

12.2 Energy Charge Rate (ECR)

12.2.1 Variable Operation and Maintenance Component

The variable operation & maintenance component of the Energy Charge Rate has two sub components. The two subcomponents cover the cost of operation and maintenance of the Facility in USD and LKR as follows.

US Dollar component of Energy Charge Rate variable operation & maintenance component, ECOMD = USD [] /kWh

Sri Lanka Rupee component of Energy Charge Rate variable operation & maintenance component, ECOMR = LKR [] /kWh

Above components are not escalable.

12.2.2 Fuel Component

The Energy Charge Fuel Rate (ECFR) in LKR per kWh is determined as follows.

$$\text{ECFR} = \text{FUCR} \times \text{FP}_L \text{ for liquid fuels, or}$$

$$\text{ECFR} = \text{FUCR} \times \text{FP}_G \text{ for gaseous fuels, where,}$$

FUCR is Fuel Consumption Rate [] in litres/kWh for liquid fuels, or in kg/kWh (or as specified) for gaseous fuels

FP_L is wholesale fuel supplier's average fuel price (LKR/litre) at the Facility during the Billing Period (for liquid fuels)

FP_G is fuel price per kg (LKR/kg) or as quoted by the Company for gaseous fuels.

The Company shall submit a list of fuel deliveries to each Facility certified by the fuel supplier including prices of all fuel supply during the Billing Period.

12.3 The tariff stated above excludes any applicable sales tax.

13. Billing Calculation

The Company shall submit invoices to CEB in the format as set out in the 4th Schedule for the amount of energy delivered, metered and accepted by the CEB for the Billing Period at the end of such period for settlement. The amounts payable shall be determined as follows,

13.1 Fixed Charge ("FC")

$$\text{FC} = \text{D} \times \text{FCR} \times \text{APC} \text{ calculated in US Dollars and paid in US Dollars, where,}$$

D is the Number of days of the Billing Period

FCR is the Fixed Charge Rate in USD per MW per day

APC is the Available Plant Capacity in MW as determined under Section 11, $\text{APC} \leq \text{GPC}$.

13.2 Dollar Component of Energy Charge Variable O & M ("DOM")

$DOM = ECOMD \times E_m$, where,

DOM is the total US Dollar payment of the Energy Charge variable operation and maintenance in USD for the Billing Period

ECOMD is the US Dollar Component of Energy Charge variable operation & maintenance component in USD/kWh as determined under section 12.2.1

E_m is the Amount of electrical energy delivered by the Company and metered and accepted by the CEB in kWh during the Billing Period.

13.3 Rupee Component of the Energy Charge Variable O & M ("ROM")

$ROM = ECOMR \times E_m$, where,

ROM is the total Sri Lanka Rupee payment of the Energy Charge Variable Operation and Maintenance in Rupees for the Billing Period.

ECOMR is the Sri Lanka Rupee Component of Energy Charge variable operation & maintenance component in LKR/kWh as determined under section 12.2.1

E_m is the Amount of electrical energy delivered by the Company and metered and accepted by the CEB in kWh during the Billing Period.

13.4 Fuel Component of the Energy Charge ("ECFC")

$ECFC = E_m \times ECFR$, where,

E_m is the Amount of electrical energy delivered by the Company and metered and accepted by the CEB in kWh during the Billing Period.

ECFR is the Energy Charge Fuel Rate LKR./kWh as determined under Section 12.2.2

14. Payment

14.1 Payment of invoices shall commence from the Final Completion Date.

14.2 Invoices shall be paid by CEB within 30 Days from the date of receipt of invoice ("Due Date") by CEB. All sums payable by CEB to the Company in Sri Lanka Rupee under this Agreement will be paid to the Company's nominated Bank Account as set out in the Eighth Schedule of this Agreement. All sums payable in US Dollars by CEB to the Company under this Agreement shall be paid in Sri Lanka Rupees after converting the US Dollar amount to the equivalent Sri Lanka Rupee amount using the applicable conversion rate published by the Central Bank of Sri Lanka to the Company's nominated Bank Account as set out in the Eighth Schedule of this Agreement.

14.3 If CEB disputes whole or part of the amount specified in any invoice, it shall inform the Company in writing within seven days of the receipt of such invoice, and shall pay any undisputed amount on or before the Due Date. If the dispute is not resolved by the Due Date, the dispute should be resolved within 14 days of the Due Date, or such dispute should be submitted for resolution under Section 15 hereunder. Any sum owing to either CEB or the Company as the case may be, shall be paid with interest accruing from the Due Date to the date of payment at the interest rate specified in Section 17 herein.

15. Conciliation; Expert Resolution

15.1 Parties agree that in the event of any dispute or difference between them arising out of or in connection with this Agreement (or any Schedule or Exhibit hereto), including breach, validity or interpretation of any of the provisions herein, duly authorized representatives of the Parties

shall meet in an effort to resolve such dispute by discussion between them during a 15-Day period (the "Conciliation Period") commencing on the date of one Party's written notice to the other Party of such dispute arising.

- 15.2 If agreement cannot be reached during the Conciliation Period, and the Parties do not agree to proceed immediately under Section 16, then the Parties shall refer the Dispute to a mutually agreeable Expert with experience in similar undertakings involving utilities, power generation or related fields (the "Expert"). If the Parties have not mutually agreed upon an Expert within 10 Days after expiry of the Conciliation Period, then either Party may request that the Ceylon Chamber of Commerce to appoint such Expert within 7 Days of such request.
- 15.3 During a 30 Day period commencing after the later of the expiration of the Conciliation Period or the appointment of the Expert, as the case may be, two (02) persons from each Party who are knowledgeable about the dispute shall meet with the Expert to answer questions and provide any information requested by the Expert for purposes of resolving the Dispute. Within 45 Days after the later of the expiration of the Conciliation Period or the appointment of Expert, as the case may be, the Expert shall issue a decision which shall be binding on the Parties hereto, except where either Party rejects such decision within seven (07) Days of the communication thereof. Where such decision is rejected as aforesaid or where any Dispute is not settled or resolved at the end of such 45 Day period under this section 15, then the Dispute shall be exclusively settled under the provisions of section 16. Provided however, the above shall not be construed to preclude in any manner whatsoever the right of either Party to obtain from a Court of competent jurisdiction such interim relief as is appropriate in the circumstances.
- 15.4 Each Party shall share equally the costs of the Expert.

16. Arbitration

If during the continuance of this Agreement or at any time within one year from the termination of this Agreement, any dispute, difference or question which may arise between the Company and CEB in regard to this Agreement shall be resolved in accordance with the provisions of the Sri Lanka Arbitration Act No. 11 of 1995, as amended from time to time. The rules of arbitration shall be those of the United Nations Commission on International Trade Law (UNCITRAL) and the language of arbitration shall be English. The Arbitration shall be held in Colombo, Sri Lanka, unless any other location is agreed mutually by the Parties.

17. Late Payments

If any amount payable by CEB or the Company under this Agreement is not paid on or before the Due Date, by CEB or the Company, as the case may be, the Party delaying the payment shall pay the other Party interest thereon for any payment due at the prime rate, prevailing on the Due Date plus two per cent from the Due Date until the date of actual payment.

18. Insurance

The Company shall ensure that insurance is in effect as described in the 5th Schedule of this Agreement and shall provide evidence of such insurance upon request by CEB.

19. Force Majeure

- 19.1 Neither party to this Agreement shall be liable to the other Party for breach of contract due to any failure to fulfil any obligation set out in this contract in so far as the failure to fulfil such obligation, in whole or in part, is due to events or circumstances beyond such parties reasonable control and which the party affected could not have prevented or overcome with reasonable diligence and foresight and Prudent Utility Practice. Subject to the foregoing force majeure shall include but not limited to strike, lockout, riot, civil commotion, insurrections, act of war (whether local or national), natural calamity, fire, flood, storm, tempest, earth quake, volcanic

eruption of or by reason of compliance with any order or request of any national airport or port, transportation, local or other authority.

19.2 Force Majeure shall not include a lack of funds or any failure to pay any amounts or charges due and payable under this Agreement.

19.3 The Party invoking Force Majeure shall:

- (i) notify the other Party within three days in writing, by fax, or Email of the nature of the Force Majeure and the extent to which the Force Majeure suspends the affected Party's obligations under this Agreement, and
- (ii) resume performance of its obligations as soon as possible once the Force Majeure conditions no longer exist.

20. Termination

20.1 In the event of the Company failing to comply with section 2.1 of this Agreement within 14 days from the Final Completion Date subject to section 2.2, it shall terminate forthwith.

20.2 In the event of either party failing to comply with any of its obligations under this Agreement and if such failure is not remedied within 14 days of the receipt by the defaulting party of written notice from the other party to remedy the breach then this agreement shall immediately terminate.

20.3 This Agreement shall terminate on the End Date unless extended in terms of section 3.3.

20.4 Any termination of this Agreement pursuant to this section shall be without prejudice to any other rights or remedies either party may be entitled to hereunder or at law and shall not affect any accrued rights or liabilities of either party nor the coming into or continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination.

20.5 This Agreement shall terminate if an event of Force Majeure as described under section 19 occurs for an uninterrupted period of 30 days.

20.6 In the event of any termination of this Agreement by either party the Company shall be entitled to dismantle and expatriate the Facility.

21. Governing Law; Language

21.1 This Agreement and all rights under this Agreement and the annexes hereto shall be governed by, construed and enforced in accordance with the laws of Sri Lanka.

21.2 This Agreement has been executed by the Parties in English, which shall be the operative language of this Agreement.

22. Miscellaneous

22.1 Representations and Warranties

Each Party represents and warrants to the other that:

- (a) It is duly incorporated and organized under the Laws of Sri Lanka and has full power and authority, corporate or otherwise, to enter into and perform its obligations and to conduct its business as presently or as proposed to be conducted.
- (b) Entry into and performance of this Agreement does not violate any provision of any law statute, rule, regulation, judgment, writ, injunction, decree or order applicable to such Party;
- (c) The execution, delivery and performance of this Agreement does not conflict with such Party's memorandum or articles of association or similar organisation documents or conflict or result

in breach or termination of any provision of, or constitute a breach under, any mortgage, loan, contract or other undertaking binding on such Party;

- (d) No suit, action or arbitration or legal, administrative or other proceeding is pending against such Party that would affect the validity or enforceability of this Agreement or the ability of such Party to fulfil its obligations under this Agreement.
- (e) This Agreement has been duly authorised, executed and delivered by it, and constitutes a legal, valid and binding obligation of such Party, enforceable in accordance with its terms; and
- (f) In carrying out their obligations and duties under this Agreement each Party shall have an implied obligation of good faith.

22.2 Assignment and Transfers of Interest

- (a) CEB may not sell, assign or otherwise transfer all or part of its rights, benefits or obligations under this Agreement without the Company's prior written consent, such consent not to be unreasonably withheld or delayed, provided that, upon thirty Days' prior notice from CEB to the Company, CEB may assign or transfer all or part of its rights, benefits or obligations under this Agreement without the Company's prior consent in the event of:
 - (i) the restructuring of CEB's assets; or
 - (ii) the changing of CEB's ownership; or
 - (iii) the merger or consolidation of CEB with any other entity; or
 - (iv) CEB's conversion into a company organised and incorporated under the Companies Act pursuant to any privatisation, restructuring or similar process implemented pursuant to the Laws of Sri Lanka,

Provided that the surviving entity to which the assignment or transfer is made assumes and becomes fully liable to perform CEB's obligations under this Agreement.

- (b) The Company may not sell, assign or otherwise transfer all or any of its rights, benefits or obligations hereunder without CEB's prior written consent.
- (c) The Company shall give CEB 30 Days' notice in writing of any pending change of control or management of the Company, or where 25% or more of the outstanding and issued share capital of the Company is acquired by any single third party after the date hereof (by a single transaction or a series of related transactions); provided however, where CEB objects to such transfer of shares or any change of control or management of the Company on reasonable grounds such transfer of shares or change of control or management of the Company shall not be permitted by the Company.

22.3 Entire Agreement

This Agreement and the Schedules and Exhibits attached hereto, constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.

22.4 Notices and Other Documentation

All notices, invoices and other communications or documentation hereunder shall be in writing (and shall be deemed given upon receipt) if delivered personally by courier (which is confirmed) or mailed by registered mail to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

- (a) If to CEB:
 - General Manager
 - Ceylon Electricity Board

50 Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka.
Fax: 94 11 232 3935
e-mail: gm@ceb.lk

(c) If to the Company, to : *[name and address of the Company]*

With copy to :

[Name and address of of Director/Project Manager]

22.5 Severability

If any clause, provision or section of this Agreement is rendered invalid by any court of competent jurisdiction, the invalidity of such article, provision or section shall not affect any of the remaining provisions of this Agreement; provided only where such remaining clause, provision or section is entirely independent of the clause, provision or section that is rendered invalid.

22.6 Amendment and Waiver

This Agreement may be amended, modified or superseded and any of the terms hereof may be waived, only by a written instrument executed by both Parties or, in the case of waiver, by the Party waiving compliance. The failure of either Party to require performances of any provision of this Agreement shall not affect the right at a later time to enforce such provision. No waiver by either Party of any condition or of any breach of any term of this Agreement shall be construed as a further or continuing waiver of any such condition or breach or as waiver of any other condition or of any breach of any other term.

22.7 Counterparts

This Agreement is executed in two or more counterparts, each of which shall be considered one and the same agreement.

22.8 Publicity

The following provisions shall apply to confidentiality and publicity:

- (a) each Party shall keep confidential and shall not disclose to any third Party any information provided by the other Party in connection with the negotiation or performance of this Agreement without the prior consent of the other Party which may not be unreasonably withheld or delayed, provided that this restriction shall not apply :
 - (i) to any information which at the time of disclosure is in the public domain or thereafter become part of the public domain other than as a consequence of a breach by either Party of its obligations under this section 22.8; or
 - (ii) to disclosure of information as required by law or to any government department or any governmental or regulatory agency having jurisdiction or by lawful subpoena or other process or to the extent required by the applicable rules or regulations of any recognised stock exchange or securities regulatory body ;
- (b) neither Party shall issue or cause the publication of any press release or other public announcement in relation to the Facility or this Agreement without the consent of the other Party, and such consent shall not to be unreasonably withheld.

22.9 Several Obligations

Except as otherwise set forth herein, the duties, obligations and liabilities of the Parties hereto are intended to be several and not joint or collective and nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture amongst the

Parties hereto and each Party shall be liable individually and severally for its own obligations under this Agreement.

IN WITNESS WHEREOF, the said parties hereto have set their respective hands hereunto and to two other of the same tenor and date as these presents at Colombo, Sri Lanka on the date at the beginning hereof mentioned.

For and on behalf of
CEYLON ELECTRICITY BOARD

By..... By

Name: Name:.....

Title: Member Title: Member

For and on behalf of
[Company]

By: By

Name: Name:

Title: Title:

WITNESSES

By By

Name: Name:

Title: Title :

FIRST SCHEDULE

DESCRIPTION OF THE FACILITY

Part A • Plant Characteristics

The plant supplied by manufacturers of international repute shall comply with the following characteristics. Installed capacity at each location will as per Section 10 of the Agreement. Please provide separate sheet for each location.

1 Functional specifications of the plant

Power Factor	-	0.80 lagging
Site ambient temperature of	-	30°C
Site atmospheric pressure	-	1.008 bar
Relative Humidity	-	90%

Number of Generator sets in the Facility:[Please specify including capacities of each unit]

2 Basic design data of the Facility

A. Prime mover (Use extra sheets for different generators if applicable)

1. Prime Mover
2. Capacity of each prime mover/engine at ambient conditionskWm
3. Speed of the prime mover rpm
4. No. of cylinders and strokes cylinders/ stroke

B. Generator (Use extra sheets for different generators if any)

- 1 MVA capacity MVA
- 2 Rated voltage kV (rms)
- 3 Rated frequency 50 Hz
- 4 Power Factor 0.8
- 5 Operating voltagekV
- 6 Stator winding connection Star
- 7 Efficiency at rated capacity, voltage and p.f.%
- 8 Short circuit currentX I_n for 10 seconds
- 9 Insulation class/Temperature rise [please specify]
- 10 Enclosure IP.....[Please Specify]
- 11 Standard IEC 34

The alternator voltage and frequency variation during operation will be in accordance with IEC 34-1. PQ diagram is depicted in Annex A to this First Schedule. The Facility shall be capable of operating within the normal operating limits and the short-term tolerance limits set out in the Second Schedule. The Facility shall also be capable of tolerating CEB power system fault levels at the Interconnection Point.

C. Generator Switchgear

- 1 Rated voltagekV rms
- 2 Symmetrical interrupting capacity at rated voltagekA
- 3 Rated continuous (rms) current at 50 Hz A
- 4 One second short circuit current withstanding capacitykA
- 5 Three second symmetrical breaking currentkA
- 6 Basic insulation level (BIL)kV
- 7 Control voltage VDC

D. Protection Schemes

Earth fault protection
Differential protection
Over Voltage Protection
Reverse Power Protection
Over current and short circuit protection
Loss of excitation protection

E. Step-up Transformer

- | | | |
|---|--|------------------------|
| 1 | Rated Capacity ONAF/ONAN |MVA/ .....MVA |
| 2 | Rated voltage |/ ±%V |
| 3 | Tap changer | on 33 kV side |
| 4 | Operating voltage kV(rms) at 50 Hz frequency |% |
| 5 | Frequency | 50Hz |
| 6 | Impedance voltage |% |
| 7 | Connection | ..... |
| 8 | Standard | IEC 60076 |

F. Meters

- | | | |
|---|-------------------|--|
| 1 | Type | Precision Accuracy Type Poly-phase Energy Meters |
| 2 | Standard | IEC 60687 |
| 3 | Current rating | 1 A |
| 4 | Accuracy class | 0.2/0.5 |
| 5 | Measurement range | 20 – 100% of rated current |
| 6 | Burden | 3.2 VA |
| 7 | Rated voltage |/√3 V |
| 8 | Measure range | 90 to 110 % of the rated voltage |

The Meters shall be capable of constantly recording and storing remotely downloadable data of the power delivered by the Facility over any period of time in kW.

Part B • Transmission Line

[Please specify the proposed interconnection between the transformer at the Facility and the Interconnection Point]

SECOND SCHEDULE
TRANSMISSION SPECIFICATION

1. System fault levels

Exiting short circuit level at the interconnection point of each location is specified below.

1	Pallekalle Grid Substation	8.0 kA
2	Hambantota Grid Substation	9.9 kA
3	Horana Grid Substation	11.7 kA
4	Galle Grid Substation	10.6 kA
5	Mahiyanganaya Grid Substation	9.6 kA
6	Polonnaruwa Grid Substation	5.8 kA

Please note, however, that the design value of short circuit level at 33 kV in the CEB system is 25 kA.

2. Voltage and Frequency Limitations.

33 kV Grid Variation Limits of voltage and frequency

Normal operation limits

Voltage

Nominal 33 kV

Variation 33 kV \pm 6%

Frequency

Nominal 50 Hz

Variation \pm 1%

Short-term variations

Voltage 33 kV +6% (-10% up to 5 sec.)

Machine characteristics to IEC 34-1

Under-frequency operation

Under-frequency 33kV feeder relay setting will be set by CEB at 47.5 Hz for instantaneous operation.

Machine under-frequency shall be set by the Company at 47 Hz delayed in excess of 3 sec to trip.

3. Current Transformers (to be supplied by CEB)

Standard	IEC 61869
Number of phases	Single
Location	Outdoor
Highest system voltage	36 kV
Rated frequency	50 Hz
Burden	15VA
Transformer cores	(i) Class 5P20, Ratio: 80 / 1A for over current and earth fault protection.

(ii) Class 0.2P20, Ratio: 80 / 1A for metering

4. Voltage Transformers (To be supplied by the CEB)

1	Standard	IEC 61869
2	Type	Capacitor/Wound
3	Burden per phase	15VA
4	Location	Outdoor
5	Highest system voltage	36 kV
6	Rated system voltage	33 kV
7	Rated frequency	50 Hz
8	Maximum Ratio error	± 1 % (as per IEC 61869)
9	Maximum phase angle error	40 Min/1.2 Centi radians (as per IEC 61869)
10	Voltage Ratio	33,000 / $\sqrt{3}$: 110 / $\sqrt{3}$: 110 / $\sqrt{3}$: 110 / $\sqrt{3}$ V
11	Accuracy Class	0.2P20

5. 33 kV Circuit Breaker

Type

Electrical Characteristics

1	Rated Voltage	..... kV rms
2	Symmetrical interrupting capacity at rated voltage	25kA
3	50 Hz rated continuous current, rms	.....A
4	Short time current carrying capability	25 kA 1 sec
5	Break time 50 Hz basis	53 ms
6	Insulation levels, (BIL)	170 kV
7	Control voltage	110 VDC

Physical Characteristics

1	Location and Type	Indoor
2	No. of Poles	3
3	Tank	PUFFER
4	Type of Mounting	Withdrawable

Bushing Characteristics

1	Voltage rating	.....kV
2	Impulse test voltage	170kV

THIRD SCHEDULE
DISPATCH PROCEDURES

1 MEASUREMENT OF ENERGY SUPPLIED

The electrical energy will be measured at the Metering Point, at the Interconnection Point.

2 DISPATCH SCHEDULE

The System Control Centre of the CEB shall dispatch plants in each Facility according to the requirements of the CEB system up to Guaranteed Plant Capacity.

CEB shall not dispatch any Facility in a manner that will cause the Company to operate the Facility in violation of Prudent Utility Practices. The Company shall declare available plant capacities of each Facility on daily basis before 12.00 midnight of previous Day and any revisions to such availability declarations shall be promptly notified to CEB.

All verbal instructions will be confirmed in writing.

3 NORMAL OPERATION

The Facility is in normal operation when it is operating within frequency, voltage and reactive power limits as set forth in the Second Schedule.

4 DATA TRANSMISSION

Company shall be equipped with its own communication facility for communication between the Facility and the System Control Centre of CEB.

5 CAPACITY

CEB's transmission system will provide sufficient electrical load for testing, commissioning and starting the Facility, depending on the availability of loads in the system.

FOURTH SCHEDULE
SAMPLE INVOICES

[Company address]

For the Attention of :

Invoice No :-.....

Date:.....

	Metered sales kWh	Available Plant Capacity MW	Rate	Amount US\$ or Rs (as applicable)
Power Purchase Agreement Dated;.....at.....				
1. Fixed Charge				
2. Fuel Component				
3. Dollar Variable O&M Comp.				
4. Rupee Variable O&M Component				
5. Sub Total				
6. Sales Taxes				
7. Total				
8. Reimbursable Taxes				
9. Total Due				

.....
[Signature]

.....
[Name and Address of the Company]

.....
[Name]

[Note: Calculation of rates should be shown separately. Company may furnish two separate invoices for US\$ and Sri Lanka Rupee payments in a similar format]

FIFTH SCHEDULE

INSURANCE

1. Insurance during Mobilization, Construction & Demobilization

To cover the mobilisation period (including shipping), the construction period of the Facility until the commencement of the commercial operation of the Facility and to cover the demobilisation period including out bound shipping, the Company shall, at its own expense, obtain and maintain (not limited to) the following minimum insurance coverage.

- (a) Marine insurance in respect of plant and equipment to be imported into Sri Lanka for incorporation into the Facility as and when shipments occur during such period.
- (b) Marine or land transport insurance for the transportation of the plant and equipment to [site].
- (c) Property All Risks insurance against all risks which are normally and can reasonably be insured for damage to the Facility in an amount not less than the full replacement cost of the Facility.
- (d) Third Party Liability insurance to cover legal liability for injury and or death to third party persons or damage to third party property caused by the construction of the Facility.
- (e) Workmen's Compensation and Employers' Liability insurance as required under applicable Laws of Sri Lanka.
- (f) Consequential Loss insurance to provide an indemnity to the Company following indemnifiable loss or damage under the Property All Risks insurance (as described in paragraph 1(b) above) in respect of certain of the Company's costs for a period of at least 6 months.
- (g) Directors' and Officers' Liability insurance to provide cover in respect of personal liability of the Company's directors and officers arising out of the business and operations of the Company to the extent such coverage can normally and reasonably be obtained.

2. Insurance from the commercial operation date until the end of the Term

The Company shall at its own expense keep the Facility insured against all risks which are normally and can reasonably be insured including Property All Risks, Machinery Breakdown, Business Interruption, Third Party Liability and Directors' and Officers' Liability. In addition, Workmen's Compensation and Employer Liability insurance as required under applicable Laws of Sri Lanka will be obtained.

SIXTH SCHEDULE

COMMISSIONING AND TESTING

Testing of the Facility shall be carried out in accordance with the procedures set forth below. CEB shall have the right to attend and observe those tests identified below which have a potential safety or operational impact on CEB's system, and may participate in performance of these tests.

All power generating sets and their appurtenant equipment shall be tested and commissioned according to manufactures standards and calculated according to the latest edition of applicable IEC, BS and ISO Standards.

Part A: Commissioning Tests

GENERAL

Commissioning tests shall be performed during start-up operations to ensure that the Plant will perform in conformance with the specified requirements set forth below and that all the designated functions of the equipment referenced are proven. Only after successful completion of these tests will the Plant be considered to be successfully commissioned.

During all Commissioning tests the Company's start-up and operating personnel shall be present and shall be responsible for the operation of the units.

The Company shall provide a report to CEB that the Plant Commercial Operations Tests have been successfully completed. The report will include the results of tests conducted to verify:

1. Auxiliaries:

- A. The safe operation of all auxiliaries in accordance with their respective design specifications and manufacturer's recommendations;
- B. That the mechanical and electrical protective devices function properly at their correct settings, that interlocks, pressure relief devices, and over current devices operate properly; and
- C. those standby auxiliaries automatically start up on loss of power to running auxiliaries (except separators).

2. Synchronizing Checks

Before synchronizing and running in parallel with the CEB system, the Company will carry out all tests on controls and safety systems to ensure it is safe to do so and will follow agreed procedures during synchronizing and parallel running.

Tests reasonably required to assure safe synchronization of the Plant and each generator may be witnessed by CEB who shall be satisfied that all the instruments associated with the synchronizing operation are functioning correctly.

The plant will be synchronized with CEB's 33 kV system at[] through the Plant's 400V/11kV/33kV (as applicable) internal control and switchboard systems.

3. Electrical Protective Devices

All electrical protective systems, circuits, devices and instruments shall be tested on Site to demonstrate settings and proper functioning.

4. Mechanical Protective Devices

Tests on over speed trip and other mechanical protective devices shall be carried out to prove the effectiveness of their operation.

Part B: Performance Tests

1. AVR droop

With the generator breaker open, by using increase control the voltage will be raised to + 10% and by using voltage decrease control the voltage will be lowered to - 10%.

2. Governor operation

While in kW-control mode operation and the sets running in parallel with the grid, higher kW set point to be set to 100%, and the lower kW set point to be set to 5%, checking of ramp function during load changes.

Checking of speed droop operation will be done as follows. Switch from kW-control mode to droop control mode at 90% load. Increase/decrease load to see that system follows, then switch back from droop control to kW control.

Load rejection test at generator breaker by opening of the generator breaker at 100% load.

However the total generating capacity shall not exceed the Guaranteed Plant capacity (GPC) during these testing and operations.

3. Reactive capacity - leading / lagging

Test will be done one by one for each generator. Active power (P) will be set to 100%. P.f. will be set to 0.8 (lagging) and to 0.95 (leading).

4. Full load generation test

Sets will be run parallel with grid at full load during 1 h (P=100%, Q will be set to a suitable level, dependant of the grid voltage), subject to the maximum generation of GPC.

5. Loading rates

Loading rate can be checked during governor operation test. Loading rate for the total plant set shall be MW/sec and same for unloading.

6. Start-up time (full speed and full load time)

Start-up time test shall be carried out on each preheated generating set. Full speed, to be reached in less than 120 seconds.

Full load time test to be carried out on a preheated set. Time from synchronising of the generating set until full load shall be less than 300 seconds.

SEVENTH SCHEDULE

LIQUIDATED DAMAGES PAYABLE BY THE COMPANY

1. Liquidated Damages for non-achievement of Guaranteed Plant Capacities at any Facility.

Where the Company fails to achieve the Guaranteed Plant Capacity of any Facility or elects to declare a lower capacity as the plant capacity of the Facility pursuant to section 10, the Company shall pay CEB a sum of Sri Lanka Rupees Ten Million (LKR 10,000,000.00) per MW or part thereof in respect of each MW or part thereof not achieved by the Company or in respect of the difference between the Guaranteed Plant Capacity and such lower plant capacity declared by the Company as the plant capacity of the Facility. The maximum amount of liquidated damages payable by the Company for such failure to achieve shall be Sri Lanka Rupees Two Hundred Million.(LKR 200,000,000.00)

2. Liquidated Damages for failing to achieve the Final Completion Date by the Company

If the Company fails to achieve Commercial Operation by Scheduled Final Completion Date specified in Section 10 for each Facility, the Company shall pay CEB liquidated damages in an amount of United States Dollar One Thousand Two Hundred (USD 1,200.00) per MW per day or part thereof, for each day until the achievement of Commercial Operation or the termination of this Agreement. The maximum amount of liquidated damages payable by the Company for such delay shall be liquidated damages for 30 days.

3. Liquidated Damages for Shortfall

The Company shall pay liquidated damages to CEB for Shortfall for any billing period during the Term according to the following table.

Shortfall	Amount of liquidated damages
Shortfall between 10% and 25% of GPC for the billing period	15% of Fixed Charge applicable for the Billing Period
Shortfall above 25% of GPC for the billing period	25% of Fixed Charge applicable for the Billing Period

EIGHTH SCHEDULE
DETAILS OF BANK ACCOUNTS OF THE COMPANY

[Company to provide]

NINTH SCHEDULE
BREAKDOWN OF FIXED CHARGE RATE

- | | |
|----|--|
| 1 | Cost of the Plant (depreciation) |
| 2 | Cost of the land (if applicable) |
| 3 | Cost of the Land Development (if applicable) |
| 4 | Cost of Civil Construction (if any) |
| 5 | Cost of fuel/lube oil storage |
| 6 | Cost of interconnection including transformers, switchgear, cables etc. (if any) |
| 7 | Infrastructure costs (if any) |
| 8 | Project development cost (including legal, commercial and financial costs) |
| 9 | Interest during construction |
| 10 | Working capital cost (if any) |
| 11 | Financing cost (if any) |
| 12 | Mobilisation cost (if any) |
| 13 | Demobilisation cost (if any) |
| 14 | Transportation costs (sea, air and land) – (if any) |
| 15 | Port handling charges and demurrages (if any) |
| 16 | Insurance of the plant, machinery and personnel |
| 17 | Fixed Operation & Maintenance costs |
| 18 | Profits expected |
| 19 | Local agent's commission (if any) |
| 20 | Any other capital costs (please specify) |

EXHIBIT A
SINGLE LINE DIAGRAM

[Company to provide]

EXHIBIT B

GOVERNMENTAL APPROVALS TO BE OBTAINED BEFORE THE COMMERCIAL OPERATION

- 1 Generation License issued under the provisions of Sri Lanka Act No. 20 of 2009 as amended.
- 2 Issuance of visas and work permits for foreign personnel properly employed in connection with the project by the Company for the period such personnel are so employed.
- 3 The Environmental Protection License if necessary.
- 4 All necessary approvals required for the Final Completion of the Facility
- 5 All necessary building and construction approvals, consents, permits and licenses.

EXHIBIT C

GENERATION LICENCE ISSUED BY THE PUBLIC UTILITIES COMMISSION OF SRI LANKA

As required under Sri Lanka Electricity Act, No. 20/2009

EXHIBIT D
FORM OF WEEKLY REPORT

A. Facility Name:

B. WEEK

From 24:00 h of [date] to 24:00 h of [date]

C. DAILY NET ELECTRICAL ENERGY DISPATCHED

B1 from 24:00 h of [date] to 24:00 h of [date]

Main Meter (Serial #) reading at 24:00 h of [current day]: kWh

Main Meter (Serial #) reading at 24:00 h of [current day]: kWh

Total kWh exported (Main Meter): kWh

Back Up Meter (Serial #) reading at 24:00 h of [current day]: kWh

Back Up Meter (Serial #) reading at 24:00 h of [current day]: kWh

Total kWh exported (Back Up Meter): kWh

B2 ~ B7

[Information in B1 above shall repeated for all Days in the weekly period]

1) PRODUCTION REPORT

Day	Date	Actual Dispatch kWh	Declared Availabilit y kWh	Varianc e kWh	Minimum recorded capacity in MW and time	E _d as described in section 11 of the PPA in kWh	Remarks *
1							
2							
3							
4							
5							
6							
7							

2) CERTIFICATION

We the undersigned duly authorized representatives of the Company and CEB jointly and severally certify that the above report and readings / data appear are true, correct and accurate.

Signature

CEB Authorised Representative

Name

Signature

Company Authorised Representative

Name

Date

Date