

# SOLAR PV INVESTMENT OPPORTUNITY IN MALDIVES

## Installation of 10 MWp Grid-Tied Floating Solar Photovoltaic Systems in Addu City under Design, Build, Finance, Own, Operate and Transfer (DBFOOT) Basis

### Accelerating Renewable Energy Investments and Sustainable Energy (ARISE) Project

Funded by the World Bank and Implemented by the Ministry of Climate Change, Environment and Energy (MCCEE)

#### BACKGROUND

The **Accelerating Renewable Energy Investments and Sustainable Energy (ARISE)** project was initiated with the objective of scaling-up solar PV in Maldives by encouraging private sector investments through the creation of project structures conducive for private sector participation. These projects are on Design, Build, Finance, Own, Operate and Transfer (DBFOOT) basis, and includes a robust package with risk mitigation structures including one-time capital subsidy, guaranteed off-take, payment security mechanism and termination guarantees.

ARISE is funded and administered through the World Bank, with support from other co-financiers including Climate Technology Funds (CTF) and Asia Infrastructure Investment Bank (AIIB), and implemented by the Ministry of Climate Change, Environment and Energy (MCCEE).

The ARISE Project features various sub-projects involving solar PV of various technologies, grid upgrades, Battery Energy Storage Systems (BESS), etc. Each sub-project is procured through an international competitive bidding process. **Currently, two sub-projects are being procured – (i) 15 MWp ground mounted solar PV, and (ii) 10 MWp floating solar PV.** The tender process is carried out through the Ministry of Finance (MoF) on behalf of the MCCEE.

Figure 1: Site Locations for 10 MWp Floating Solar PV sub-project under ARISE Project






#### Note:






1. There are multiple solar PV tenders or procurements which are live in the MoF website of the Government of Maldives (GoM), including sub-projects under ARISE and others.
2. Each project / sub-project may have its own distinct commercial, contractual, and incentive structure.
3. The information provided in this note is ONLY applicable for the **10 MWp floating solar PV sub-project** tendered under the **ARISE** project.
4. This note is only a reference. Bidders should pursue all related documents provided in the tenders' section of Ministry of Finance ([Ministry of Finance](#)) to ensure compliance to bid requirements before submitting their bids.

## KEY FEATURES OF THE ARISE PROJECT STRUCTURE

### 1. Financial Incentives

 <p><b>Tariff Buy Down</b></p>	<ul style="list-style-type: none"> <li>• Successful Bidders will be provided a one-time capital incentive in the form of Tariff Buy Down (TBD) at Commercial Operation Date (COD) to offset capital cost. Option to request for early disbursal of TBD is included based on certain conditions.</li> </ul>
 <p><b>Taxes and Duties</b></p>	<ul style="list-style-type: none"> <li>• All import items under the contract are duty exempted, except administrative fees, logistics, etc.</li> <li>• Successful bidders can register with the Utility Regulatory Authority for an IPP license to be eligible for GST exemption</li> </ul>
 <p><b>Project Financing</b></p>	<ul style="list-style-type: none"> <li>• Bidders can arrange their own source of financing for the sub-project.</li> <li>• Winning Bidder will also have the option to opt for debt financing from the International Finance Corporation (IFC) if required.</li> </ul>

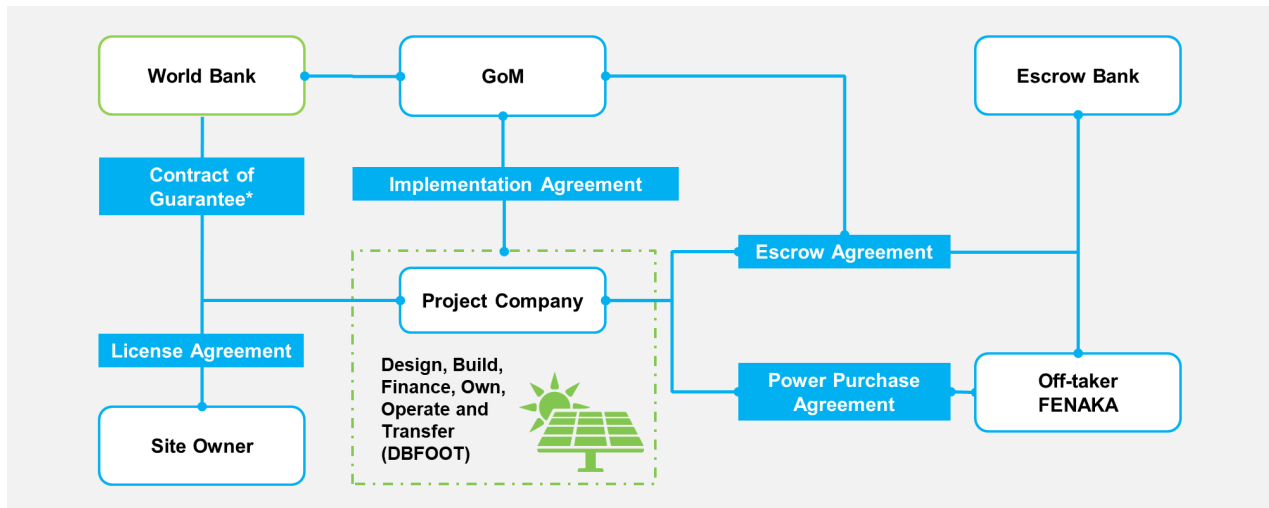
### 2. Risk Mitigation

 <p><b>Energy Off-Take</b></p>	<ul style="list-style-type: none"> <li>• Power Purchase Agreement (PPA) will ensure 100% guaranteed off-take of the Contract Energy for the sub-project.</li> <li>• PPA features well-defined timelines for invoicing and payment</li> </ul>
 <p><b>Payment Security Mechanism</b></p>	<ul style="list-style-type: none"> <li>• Payment security will be ensured through 6 months pre-funded escrow account.</li> <li>• Escrow replenishment guarantee from GoM in case of off-taker default</li> </ul>
 <p><b>Deemed Generation Charges</b></p>	<ul style="list-style-type: none"> <li>• Deemed Generation clauses to protect developers in case of supply curtailment.</li> <li>• Deemed Generation payable for supply curtailment beyond defined threshold levels</li> </ul>
 <p><b>Site Access</b></p>	<ul style="list-style-type: none"> <li>• GoM will facilitate execution of Licensing Agreement for all identified sites.</li> <li>• GoM backed alternative sites in case of site unavailability at no additional cost</li> </ul>
 <p><b>Termination Guarantees</b></p>	<ul style="list-style-type: none"> <li>• GoM guaranteed compensation in case of termination events and utility default</li> <li>• Bidders have the option to avail Multilateral Investment Guarantee Agency (MIGA)<sup>1</sup> guarantee for Political Risk Insurance, Credit Risk Coverage, etc.<sup>2</sup> More details on MIGA guarantee can be referred to in the term sheet provided with the bid document as well as the MIGA website (<a href="#">Link</a>).</li> </ul>

<sup>1</sup> MIGA is a member of the World Bank Group mandated with promoting cross-border investments by providing guarantees to investors and lenders.

<sup>2</sup> Please note that the application will be subject to MIGA's own due diligence for approval.

## CONTRACTUAL STRUCTURE



- **Power Purchase Agreement (PPA):** Defines obligations between the Winning Bidder and the Off-Taker for ensuring power off-take.
- **Implementation Agreement (IA):** Defines obligations between the Winning Bidder and the GoM to protect the rights of the Winning Bidder.
- **Escrow Agreement:** Executed between Winning Bidder, GoM, Off-Taker, and Escrow Agent as payment security.
- **Site Agreements:** Defines obligations between Winning Bidder and Site Owners, facilitated by GoM.

### Box: Access to Site Data and Site Visits

- Site Specific data is made available in the “Data Room” (The link to the data room is provided in the bid package), an online folder consisting of site-specific data and historic reference data which gives a comprehensive understanding of the site-specific environment and any available assessments.
- Site visits can be arranged by Government of Maldives at the bidder’s cost. The date for site visits will be notified at a later date based on Bidder request.

## IMPORTANT FEATURES OF TENDERING PROCESS:

- World Bank procurement guidelines are followed for International Competitive Bidding based on a Single Stage: Two-Envelope with Rated Criteria based bidding and evaluation process. Rated Criteria allows bidders an opportunity to demonstrate additional value in their technical proposal (such as workplan, quality, design aesthetics, performance of float system etc.) which will form part of the bid evaluation.
- This will include – Envelope 1: Technical Part, and Envelope 2: Financial Part
- Envelope 1: Technical Part will include Technical Proposal covering bidder’s technical and financial qualification, Technical Forms covering proposed project design, equipment etc.; and will be evaluated based on i) Adequacy of Bidders Qualification, ii) Adequacy of Bid Response and iii) Scoring based on pre-defined Rated Criteria
- Bids qualifying the minimum technical requirements will be considered for opening of Envelope 2: Financial Part.
- Envelope 2: Financial Part will comprise of the Price Bid / Bid Tariff for the project duration of 20 years.
- The Combined Evaluation is the combination of the Technical Score and Financial Score in stated ratios, to provide the Most Advantageous Bid.

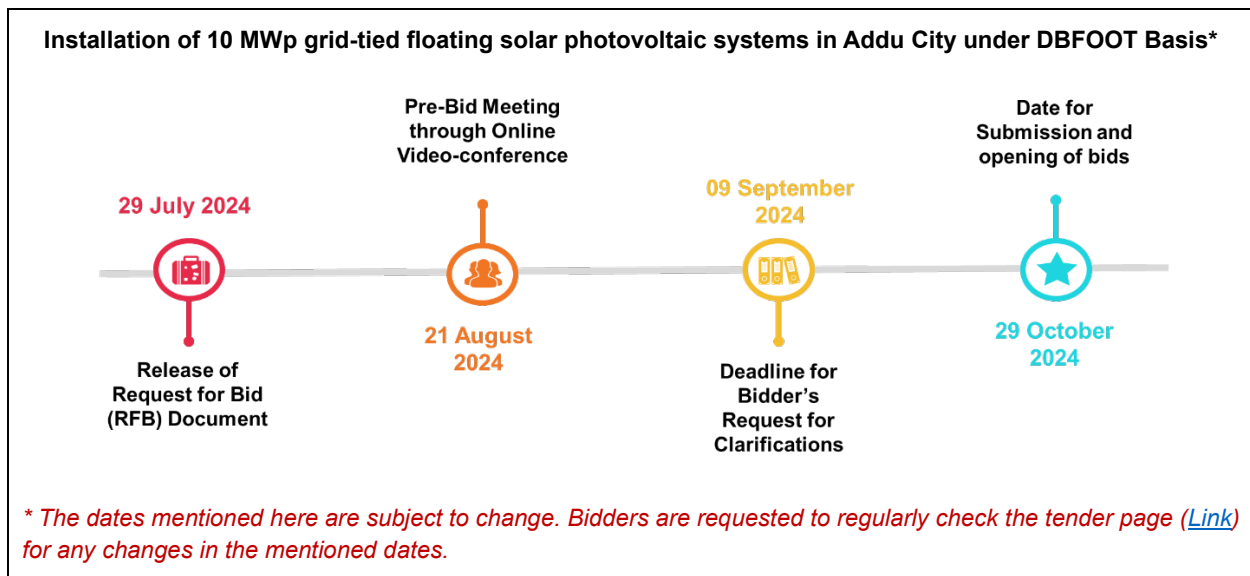
## DETAILS ABOUT THE TENDER:

Project Title	Tender Page Link	Pre-Bid Conference*
Installation of 10 MWp grid-tied floating solar photovoltaic systems in Addu City under Design, Build, Finance, Own, Operate and Transfer (DBFOOT) Basis	<a href="#">10 MWp Grid-Tied Floating Solar PV Project – Ministry of Finance Page</a>	<b>Date**:</b> 21 <sup>st</sup> August 2024 <b>Time:</b> 11:00 hours (Male' time) <b>Duration:</b> 02 hours <b>Mode:</b> Virtual <b>Meeting Link:</b> <a href="#">Link</a>

\* Bidders are free to join the pre-bid conference without prior registration.

\*\* Date is subject to change. Bidders are requested to regularly check the tender page ([Link](#)) for any changes.

## BIDDING TIMELINE



## IMPORTANT NOTES ON TENDER PREPARATION AND SUBMISSION PROCESS:

- The Bid Documents are available to all interested Bidders on the Ministry of Finance website at no-cost basis.
- Bidders are encouraged to raise any queries regarding technical / commercial / any other aspects either in the Pre-Bid Conference or in writing to the Ministry of Finance prior to the Pre-Bid Clarifications deadline.
- All Bidders are requested to regularly review the tender page in the MoF website ([Link](#)) for any announcements, updates, addendums, and / or clarifications which will form part of the Bid Package.
- Bidders are allowed to form Joint Ventures in order to meet the qualification criteria subject to the limitations mentioned in the Bid Document
- For the purpose of bidding, it is sufficient to show intention to form a Joint Venture. However, winning Bidders are required to form the Joint Venture after award in accordance with Bidding procedures and existing regulations.
- Bidders are requested to ensure that all Bid forms as required in the bid documents are duly filled and included in their submission.