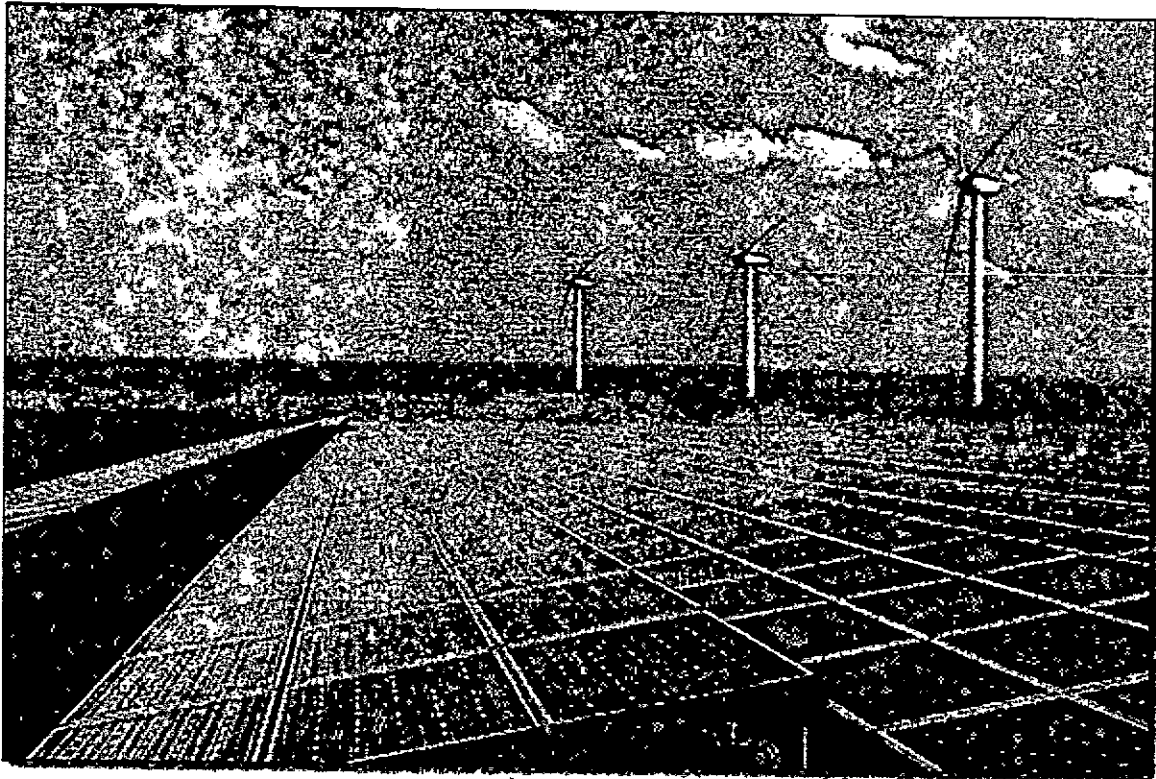




BID EVALUATION REPORT

**220 MW SITE NEUTRAL HYBRID PROJECT AT KE
DHABEJI GRID – SINDH – PAKISTAN
("PROJECT")**

**IN ACCORDANCE WITH NEPRA COMPETITIVE
BIDDING TARIFF REGULATIONS, 2017 ("NCBTR")**



OCTOBER 2024

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Table of Contents

Executive Summary	3
1 Project Background	5
2 Evaluation of Bids	6
3 Evaluation of Bid Tariff	12
4 KE's Prudency Check	13
5 Conclusion	14
ANNEXURES	16

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Executive Summary

Project Background

K-Electric Limited ("KE") initiated the process of bidding to induct 220MW Site Neutral Hybrid Project at KE's Dhabeji Grid in Sindh region under NCBTR. The Project will not only reduce generation costs but will also help KE in achieving its goal to include 30% Renewable capacity by 2030.

The Project is planned to be connected to KE Dhabeji grid through 220kV transmission line.

Open Competitive Bidding

KE conducted the initial prequalification process for the Project in 2023. Subsequently, the Request for Proposal ("RFP") for the Project was approved by NEPRA on March 15, 2024, under open competitive bidding without benchmark tariff ("**NEPRA Determination**"). In compliance with the NCBTR and NEPRA determination, KE invited reputable local and international companies/consortiums with proven power project experience and sound financial standing to submit their Bid Proposal for the Project by August 31, 2024 ("**Bid Submission Deadline**"). The Bid submission deadline was initially May 31, 2024, which was extended upon the requests of several parties and was also intimated to the Honorable Authority on May 09, 2024, vide letter Ref. No. BD/MZ/NEPRA-1065/2024-0905.

Power Evacuation arrangement

It is important to highlight that the successful evacuation of power from the Project relies on the timely completion of the associated transmission line. Accordingly, KE will be initiating the tendering process for the 220 kV double circuit transmission line which will be constructed from the Dhabeji grid station to the gantry of the Project for evacuation of power. Accordingly, KE will separately submit the Project cost of the transmission line upon receipt of bids, for inclusion in KE MYT Investment Plan for the Authority's approval.

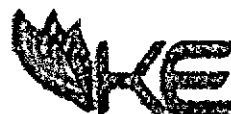
Submission of Bids and Evaluation of Technical Proposals

In response to KE invitation, seven (07) Bidders participated in the open competitive bidding procedure and their technical bids for the Project were opened on September 02, 2024.

Following a comprehensive technical evaluation, it was determined that six (06) bidders successfully met the knock-out criteria and achieved the minimum technical score. However, one bidder did not meet the pre-qualification criteria and was therefore disqualified. The list of Technically qualified Bidders is as follows.

S.No.	Applicant / Lead Sponsor
1	Fauji Fertilizer Company Limited
2	Hub Power Holdings Limited
3	Hurricane 150MW (Pvt) Limited
4	JCM Power Corporation
5	Metro Group of Companies
6	Sapphire Textiles Mills Limited

Table 1: List of Technically qualified Bidders



Details of disqualified bidder are as follows:

S. No.	Lead Sponsor
1	Reshma Power Generation (Pvt.) Limited

Table 2: Disqualified bidder

Evaluation of Commercial Proposals

Subsequent to the technical evaluation, financial bids were opened for all the Technically qualified Bidders on September 24, 2024. The summary of tariff proposal submitted by these Bidders are as follows:

Lead Sponsor Name	Bid Tariff (PKR/kWh)	Evaluated Tariff including TCC (PKR/kWh)	Ranking
JCM Power Corporation	8.9189	9.7571	1
Hub Power Holdings Limited	9.8689	11.3689	2
Hurricane 150MW (Pvt) Limited	10.9610	11.9410	3
Sapphire Textiles Mills Limited	10.5000	11.9517	4
Fauji Fertilizer Company Limited	11.5000	12.4166	5
Metro Group of Companies	11.3151	12.8651	6

Table 3: Summary of Tariff Table

Prudency Check by KE

As directed under the NEPRA Determination, KE has conducted a comprehensive assessment of the successful bid, considering the prevailing macroeconomic and market conditions along with an assessment and analysis of displacement of expensive electricity in its system.

Based on the prudency check of Bid Tariff, KE has independently prepared an estimated Tariff number based on current market conditions and prices which works out to be in the range of Rs. 11.9930/kWh (USc. 4.1549/kWh) to Rs. 10.8630/kWh (USc. 3.7634/kWh). However, as evident from Table 3 above, the lowest Bidder – JCM Power Corporation has offered a tariff of Rs. 8.9189/kWh (USc. 3.0898/kWh) which is less than the estimated tariff worked out by KE.

Additionally, KE has conducted analysis of displacement of expensive fuel due to offtake from the Project – further detailed in Section 4 of the Bid Evaluation Report ("BER"). Based on the analysis, the Project is expected to fetch annual savings in energy cost of PKR 7,050.3 million (total savings of PKR 176,259 million through the life of the Project) on account of displacement of expensive imported fuel-based generation. Moreover, the Project is also expected to realize annual forex savings of USD 39.45 million (total savings of USD 986.21 million through the life of the Project).

Results of Tariff Proposal

In accordance with the Technical and Financial evaluation criteria approved by NEPRA and as per the prudency check performed by KE, **JCM Power Corporation is declared as the Successful Bidder** for the Project by the Bid Evaluation Committee ("BEC").

Submission to NEPRA

KE hereby requests the Honorable NEPRA Authority to grant its approval of the Competitive Bidding process and the BER so that the same can be communicated to the Successful Bidder and subsequent steps can be taken accordingly.



1 Project Background

- 1.1 K-Electric Limited ("KE") is a publicly listed utility company and the only vertically integrated power utility, engaged in the Generation, Transmission, Distribution and Supply of electricity in Pakistan. K-Electric has Distribution and Electric Power Supplier licenses for Karachi and its adjoining areas including Dhabeji and Gharo in Sindh and Hub, Uthal, Winder and Bela in Balochistan. The Company has around 3.7 million industrial, commercial, agriculture and residential consumers and is supplying electricity to over 20 million people.
- 1.2 The project will be connected to Dhabeji Grid Station via 220kV Transmission Line. KE is now initiating the tendering process for the 220 kV double circuit transmission line which will be constructed from the Dhabeji grid station to the gantry of the Project for evacuation of power and will separately submit the Project cost of the transmission line, upon completion of the tendering activities and receipt of bids, for the Authority's approval. The 220kV transmission system is planned to be energized three months before the Project's COD, subject to regulatory approvals.
- 1.3 KE conducted the initial prequalification process for the Projects in 2023. Subsequently, in accordance with the NEPRA Determination, the prequalification process was conducted again. Moreover, NEPRA had clarified that the existing prequalified parties were considered as prequalified.
- 1.4 The invitation to bid advertisement for the Project(s) was published on April 02, 2024, under major publications as follows:
 1. International newspapers: China Daily, Khaleej Times, New York Times and Financial Times
 2. Local newspapers: Daily Dawn, Business Recorder, Express Tribune and others
 3. Tendering websites: globaltenders.com and tendersinfo.com
- 1.5 The RFP document was also made available on the KE website. All Bidders/Applicants were required to register on SAP ARIBA software, for submission of soft copy of the bids. All correspondence, clarifications and amendments were uploaded on the Ariba Software and/or KE website.
- 1.6 In line with the RFP, KE formed the BEC (as detailed in Section 2 below) to oversee the Competitive Bidding process, evaluation of Bids and preparation of BER.
- 1.7 As required under NCBTR, KE appointed M/s OMS (Private) Limited ("OMS") as Independent Consultant ("IC") in the BEC.



2 Evaluation of Bids

2.1 Bid Evaluation Committee ("BEC")

In compliance with the NCBTR and the RFP, KE formed the BEC comprising of following five (5) members:

S. No.	Members
1	KE Business Development
2	KE Business Finance
3	KE Corporate Legal
4	KE Supply Chain
5	OMS (Private) Limited - Independent Member

Table 4: Bid Evaluation Committee Members

The BEC has assessed both the Technical Proposal, and the Financial/Tariff Proposal received, and subsequently conducted the bid evaluations in accordance with Exhibit 7 (Bid Evaluation Criteria) of the RFP. Moreover, OMS (Private) Limited, in its capacity as the Independent Member of the BEC, has been integral part of the bid evaluation process and has endorsed the technical and financial evaluation.

2.2 Power evacuation arrangements and Grid Interconnection Study

It is important to highlight that the successful evacuation of power from the Project relies on the timely completion of the associated transmission line. Accordingly, KE will be initiating the tendering process for the 220 kV double circuit transmission line which will be constructed from the Dhabeji grid station to the gantry of the Project for evacuation of power. Accordingly, KE will separately submit the Project cost of the transmission line upon receipt of bids, for inclusion in KE MYT Investment Plan for the Authority's approval.

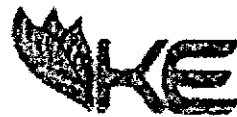
Grid Interconnection Study will be conducted by the Successful Bidder and shall include load flow, short circuit, power quality, transient stability etc. as per requirements of the Grid Code. The successful bidder shall be responsible for obtaining approval of the Grid Interconnection Study from KE.

2.3 Bidding Process

2.3.1 Prequalification

A prequalification process was initially carried out by KE in 2023, however in the approval of the RFP, NEPRA directed KE to allow new parties to participate in the prequalification process who had not previously participated in the prequalification process, while the parties who had already been prequalified by KE were not required to go through the process again. The following parties were pre-qualified in the initial round of 2023.

S. No.	Lead Sponsor	Consortium member (if any)
1	Lucky Cement	



2	Engro Energy Limited	-
3	Hub Power Holdings Limited	-
4	Sapphire Textile Mills Limited	-
5	Sapphire Electric Company Limited	-
6	JCM Power Corporation	Burj Capital and Rana Nasim Ahmed
7	Danish Iqbal	Saad Iqbal and Natasha Iqbal
8	Master Textile Mills Limited	Liberty Mills Limited
9	Oursun Pakistan	Oursun Solar Power Limited and Orient Power Company
10	Atlas Power Limited	-
11	Hurricane 150 MW Pvt. Ltd.	-
12	Zahir Khan & Brothers	KALYON Insaat.
13	Sardar Muhammad Ashraf D. Baloch ("SMABD")	Xingrong Construction Engineering (SMC-Private) Limited ("XCEL")

Table 5: List of Prequalified Bidders

Subsequently, new bidders submitted the prequalification documents along with their bidding documents. KE's Letter dated June 12, 2023, intimating the Prequalified parties to the Honorable NEPRA Authority is attached as Annexure A5.

2.3.2 Pre-bid clarifications

During the tendering process, several potential bidders submitted pre-bid clarifications to KE. In response, KE, in consultation with the Independent Consultant (OMS), addressed these clarifications. A consolidated document of pre-bid clarifications was subsequently prepared and circulated to all the Bidders by KE on August 27, 2024 (Refer Annexure A2). Also, KE issued Corrigendum to the RFP (Refer Annexure A3) and shared the revised Energy Purchase Agreement with Bidders (Refer Annexure A4).

2.3.3 Bid submission

At the time of Bid Submission Deadline on August 31, 2024, a total number of seven (07) bids were received from the following Bidders:

Sr. No.	Bidder Name	Address	Single Entity/Consortium	Country
1	Fauji Fertilizer Company Limited (Lead Member) Oracle Energy Limited (Consortium Member) Fauji Foundation (Consortium Member)	156 The Mall Rawalpindi 91 Shahr-e-Iran Block 5, Clifton Karachi Fauji Towers, 68-Tipu Road Chaklala Rawalpindi	Consortium	Pakistan
2	Hub Power Holdings Limited	9th Floor, Ocean Tower Block-9, Main	Single Entity	Pakistan



Sr. No.	Bidder Name	Address	Single Entity/Consortium	Country
		Clifton Road, Karachi, Pakistan		
3	Hurricane 150MW (Pvt.) Limited	House No. 17, Street 4, F8/3, Islamabad	Single Entity	Pakistan
4	JCM Power Corporation (Lead Member) Burj Energy International Management Limited (Consortium Member) Rana Nasim Ahmed (Consortium Member)	15 Baycrest Drive, Barrie, ON, L4M 7C7, Canada 108 Liberty House, Dubai International Financial Center, Dubai, United Arab Emirates 76-B, Street 4, DHA Phase 5, Lahore	Consortium	Canada UAE Pakistan
5	Metro Group of Companies Mr. Danish Iqbal (Sponsor) Mr. Saad Iqbal (Sponsor) Ms. Natasha Iqbal (Sponsor)	7 th Floor, Al- Tijarah Centre, P.E.C.H.S., Main Shahrah-e-Faisal, Karachi.	Consortium	Pakistan
6	Sapphire Textiles Mills Limited	7-A/K, Main Boulevard, Gulberg- II, Lahore	Single Entity	Pakistan
7	Reshma Power Generation (Pvt.) Limited (Lead Member) Qalander Bux Abro & Company (Consortium Member) MM Group (Consortium Member)	8 th Floor, Aashiana Shopping Center, 78-D/1, Main Boulevard, Gulberg III, Lahore	Consortium	Pakistan

Table 6: List of bids received

2.3.4 Evaluation of Prequalification Application upon bid submission

In accordance with the RFP, Consortiums led by Fauji Fertilizer Company Limited (FFC), and Reshma Power Generation (Pvt.) Limited submitted a new pre-qualification application for the Project.

After evaluation of the Legal, Technical and Commercial requirements submitted in compliance of the RFP, the following were the results of qualification process:

S. No.	Lead Sponsor	Status
1	Fauji Fertilizer Company Limited	Qualified



2	Reshma Power Generation (Pvt.) Limited	Disqualified
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Table 7: Fresh Qualification Status

Reason of disqualification:

Consortium of Reshma Power Generation (Pvt.) Ltd has been disqualified as they did not fulfill the Prequalification criteria outlined in the RFP. On September 05, 2024, KE notified the bidder that they are failing to meet both the Technical and financial criteria for prequalification and other requirements of the RFP and requested them to submit additional/ missing information. However, the bidder failed to provide the requested information and was resultantly disqualified.

Consequently, on September 19, 2024, KE intimated the results of the technical evaluation to all parties.

2.3.5 Technical Evaluation Criteria:

Given below are the technical specifications relevant to the Project, non-compliance to which would have resulted in disqualification of the Bidder.

Knock-off Criteria:

Sr. No.	Mandatory Conditions
1	Distance of the Project from Dhabeji Grid as Per Section 20.1.3
2	Capacity of the Project as per Section 20.1.4.
3	Site Availability/arrangement for the Project as per Section 20.1.5.
4	Hybrid Project Technology as per Section 20.1.6.
5	Capacity Factor of the Project as per Section 20.1.7.
6	Tier-1 Solar Panels as per Section 20.2.
7	Type Tested WIGs as per Section 20.4.
8	220 KV GIS on the Site where Interconnection Point(s) are proposed
9	Submission of Technical studies as per Section 20.1.9 a) Yield Assessment b) Geotechnical Investigation c) Flood Risk
10	Inclusion of Reactive power compensation devices in the Bid as per Section 20.1.10 (a)
11	Compatibility of the Complex and equipment with technical standards of Grid Code (power factor, voltage variation, operating frequency range etc.), Distribution Code and other applicable document etc.

Table 8: Mandatory Conditions

Detailed Technical Scorecard is given in annexure A6, according to which, minimum criteria for qualification of bidder are 70 out of 100 marks after passing the knock-off criteria.

2.3.6 Technical Evaluation Summary

In view of the above, all 06 (six) prequalified parties submitting the technical bids have passed the technical evaluation and were declared as technically qualified.



Technical Evaluation Criteria	Fauji Fertilizer Company Limited	Hub Power Holdings Limited	Hurricane 150MW (Pvt) Limited	JCM Power Corporation	Metro Group of Companies	Sapphire Textiles Mills Limited
Compliant with Knock-off Criteria	Yes	Yes	Yes	Yes	Yes	Yes
Site Availability	Yes	Yes	Yes	Yes	Yes	Yes
Solar Panels	Yes	Yes	Yes	Yes	Yes	Yes
Power Inverters	Yes	Yes	Yes	Yes	Yes	Yes
Wind Turbines	Yes	Yes	Yes	Yes	Yes	Yes
Gas Insulated Switchgear (GIS), Power Transformers and other switchyard equipment, SCADA, Telecommunication and Protection Schemes, Back-up Metering System	Yes	Yes	Yes	Yes	Yes	Yes
Weather Station	Yes	Yes	Yes	Yes	Yes	Yes
Civil/Mounting Structure	Yes	Yes	Yes	Yes	Yes	Yes
Balance of System	Yes	Yes	Yes	Yes	Yes	Yes
Safety and Security	Yes	Yes	Yes	Yes	Yes	Yes
Plant Monitoring System as per RFP section 20.13	Yes	Yes	Yes	Yes	Yes	Yes
Corporate Social Responsibility /Ability to contribute towards local economy	Yes	Yes	Yes	Yes	Yes	Yes
EPC Contractor	Yes	Yes	Yes	Yes	Yes	Yes
Design Experience and Capability	Yes	Yes	Yes	Yes	Yes	Yes
HSE	Yes	Yes	Yes	Yes	Yes	Yes
O&M Methodology	Yes	Yes	Yes	Yes	Yes	Yes

Table 9: Technical Submission Summary Results (detailed technical scoring card in annexure A6)

Key: Yes = Compliant; No = Not Compliant

As per the RFP and general clarifications, any change in equipment proposed will be subject to KE's approval and with the fulfillment of criteria set out in the RFP.

2.3.7 Legal Submission:

The prequalified Bidders were required to submit the following information in their legal submission:

- Bid Submission Letter
- Confidentiality Agreement
- Form of Covenant
- Power of Attorney
- Affidavit
- Letter of Acceptance
- Form of Bid Bond

All the prequalified Bidders have submitted a compliant legal submission.



Lead Sponsor	Bid Submission Letter	Confidentiality Agreement	Form of Contract	Power of Attorney	Affidavit	Letter of Acceptance	Form of Bid Bond
Fauji Fertilizer Company Limited	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hub Power Holdings Limited	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hurricane 150MW (Pvt) Limited	Yes	Yes	Yes	Yes	Yes	Yes	Yes
JCM Power Corporation	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Metro Group of Companies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sapphire Textiles Mills Limited	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 10: Summary of Legal Documentation
Key: Yes = Compliant; No = Not Compliant

2.3.8 Grievance and Redressal Committee

From and after the announcement of the technically qualified Bidders, any Bidder feeling aggrieved by the evaluation outcome may lodge a written complaint before the Grievance Redressal Committee concerning its grievance not later than three (3) days after the announcement with adequate particulars of the complaint and attaching copies of any documents relevant to the complaint, via electronic mail to the following address: email address: project.grievance@ke.com.pk.

No grievance was received for the Project by KE from the disqualified bidder.

¹ Applicant has submitted a cheque of the required amount in favor of KE as Payment Security for which KE obtained a clarification from the Bidder. Detailed correspondence is available on ARIBA portal.



3 Evaluation of Bid Tariff

The financial bid opening took place on September 24, 2024. The Tariff Proposals of the technically qualified Bidders were opened in the presence of the representatives from KE, OMS and all technically qualified Bidders. The details of the Bid Tariffs submitted by each Bidder are summarized in the table below:

Lead Sponsor Name	Distance from Dhabeji Grid [km]	Bid Tariff [PKR/kWh]	TCC [PKR/kWh]	Evaluated Tariff [PKR/kWh]	Ranking
JCM Power Corporation	14.2720	8.9189	0.8382	9.7571	1
Hub Power Holdings Limited ²	36.3333	9.8689	1.5000	11.3689	2
Hurricane 150MW (Pvt) Limited ²	19.0000	10.9610	0.9800	11.9410	3
Sapphire Textiles Mills Limited	34.7248	10.5000	1.4517	11.9517	4
Fauji Fertilizer Company Limited	16.8880	11.5000	0.9166	12.4166	5
Metro Group of Companies	38.0000	11.3151	1.5500	12.8651	6

Table 11: Bid Tariff of technically qualified Bidders

As evident from above and based on the evaluation criteria as mentioned in Exhibit-7 of the RFP, the Bidder that has offered the lowest Evaluated Tariff is JCM Power Corporation, with an Evaluated Tariff of PKR 9.7571 (USc. 3.3802/kWh)³ – [Bid Tariff of PKR 8.9189/kWh and Transmission Cost Component of PKR 0.8382/kWh].

² The TCC calculated through the switchyard coordinates provided in the technical bid submission of HUBCO and Hurricane slightly differs from the ARIBA submission and is 1.5155 PKR/kWh and 1.0052 PKR/kWh respectively.

³ USD to PKR rate of Rs.288.65/USD have been used



4 KE's Prudency Check

As required by NEPRA in the RFP approval, KE has performed a prudency check on the successful bid based on the prevailing equipment cost, market conditions and funding costs. Moreover, analysis for displacement of expensive fuel have also been done as per IGCEP and PAP.

4.1 Prudency of Bid Tariff

KE has performed an analysis of the submitted tariffs based on its assessment of the prevailing EPC cost of the Project and the prevailing market conditions. The key assumptions and results of the above analysis are as follows:

Parameter	Assumptions
Exchange Rate	288.65/USD
SOFR + Spread	5.37% + 4.25%
Foreign Debt Tenor	15 years
KIBOR + Spread	21.28% + 2.25%
Local Debt Tenor	15 years
Capacity Factor	36.9%
Debt: Equity Ratio	80:20
Return on Equity	15% (USD Based)
IRR ⁴	13% (USD Based)
EPC Cost	USD 0.71 – 0.79 Mn/MW ⁵

Table 12: Assumptions

Bid Tariff upon KE independent assessment
Rs. 11.9930/kWh - Rs. 10.8630/kWh

Table 13: Estimated bid Tariff

4.2 Displacement Cost Analysis⁶

The induction of the Project in KE fleet is expected to bring savings in both national system and KE grid due to replacement of expensive generation in National Grid and KE fleet with renewable power from the Project. Based on KE estimate, the Project will bring following cost and forex savings:

Parameters	Annual savings	Project life savings
Energy Cost Savings - PKR	7,050.3 Mn	176,259 Mn
Forex Savings - USD	39.45 Mn	986.21 Mn

Table 4.2-1: Project Savings

The above savings are indicative only and have been computed based on certain assumptions including but not limited to the hourly demand profile, availability of supply from National Grid (assumed at 1,700 MW for the analysis), fuel prices, marginal cost of National Grid, technical constraints etc.

⁴ The presented IRR does not consider variation in macroeconomic factors which may further reduce the IRR.

⁵ Considering the subjectivity of the EPC quotes, KE has also evaluated the prudency of the Successful Bid assuming a tentative reduction in the EPC price.

⁶ Savings due to displacement of imported fuel has been worked out using prevalent fuel cost considering horizon of 7 years, which have then been prorated over entire Project Life.



5 Conclusion

Based on the Technical and Financial evaluation conducted by the BEC, along with the prudency checks performed by KE as detailed in the report presented above, it is requested to the Honorable NEPRA Authority to approve the Bid Evaluation Report and declare **M/s JCM Power Corporation** (Refer Annexure A1 for Bid Details) as the Successful Bidder. This declaration is requested in accordance with the criteria set forth in the NCBTR and the NEPRA Determination.

A handwritten signature in black ink, appearing to be 'J. J. J.', is located at the bottom center of the page.



The Bid Evaluation Committee hereby approves the Bid Evaluation Report and declares **M/s JCM Power Corporation** as the Successful Bidder, subject to approval of NEPRA.

MUDASSIR ZUBERI
Head of Business Development
K-ELECTRIC LIMITED

Head of Business Development – KE

MUHAMMAD FAZAN PASHA
Head of Business Finance
Transmission & System Development
K-ELECTRIC LIMITED

Head of Business Finance – KE

SYED IRFAN ALI SHAH
Director & Head of Legal Affairs
K-ELECTRIC LIMITED

Head of Legal – KE

JASIM HASAN
Head of Procurement
Supply Chain
K-ELECTRIC LIMITED

Head of Procurement – KE



Independent Consultant – OMS (Private) Limited



ANNEXURES

A1 – Bid Details for JCM Power Corporation

S. No.	Description	Specifications
1	Solar Panel	JA Solar 620Wp Longi 630Wp
2	Power Inverters	Sungrow, Huawei
3	Wind Turbine Generator (WTGs)	Envision (EN182-6.25MW) Goldwind (GWH182-6.2MW)
4	Gas Insulated Switchgear (GIS)	XUJI Sieyuan
5	Power Transformers and Switchyard Equipment	Sieyuan TBEA
6	SCADA, Tele-Communication and Protection Schemes	SCADA (INACCESS), Telecommunication & Protection (ABB)
7	Metering System and Back up Metering System	ISKRA Schneider IQN
8	Weather Station	Sungrow / Envision Campbell Scientific / Goldwind
9	Balance of System	MV Transformer (Sungrow), MV Switchgear (TBEA), RO Plant (HydroMech), Auxiliary Transformer (TBEA), DG-s (TBEA)
10	Construction/EPC Contractor	Consortium between Power China Northwest and SinoHydro CEEC China Energy International
11	HSE	Compliance
12	CSR	Compliance

Consolidated Clarification Document of Site Neutral Hybrid Project at KE's Dhabeji Grid

The responses are as shared with prospective bidders on the clarifications sought; changes (if any) in responses is issued as Amendment and Corrigendum on KE Website and on Ariba.

We have now concluded the clarification process of Site Neutral Hybrid Power Project bidding process.

Commercial Clarification Responses

Sl. #	RFP/EPA Clause No.	RFP/EPA Statement	RFP/EPA Queries	KE Response
1	RFP 1 - Definitions - Instruction to Bidders	Bid Bond - An unconditional, irrevocable, on demand bank guarantee issued in favor of K-Electric Limited pursuant to Section 14.6 of this RFP, by at least an "AA" rated scheduled bank operating in Pakistan which is acceptable to K-Electric, valid for a period of at least twelve (12) months from the bid submission deadline in the format and language as provided in Exhibit 8.	The bid bond validity period of 12 months is quite aggressive and may not be acceptable to the lending bodies/banks. Request to re-consider reducing the bid bond validity to less than 6 months.	Please refer to Corrigendum issued by KE in this regard, Bid Bond Validity have been revised to 8 months.
2	RFP 3.14- Invitation to Bid	The Successful Bidder will be awarded the LOI as appended in Exhibit 11 of this RFP after NEPRA's approval of Bid Evaluation Report, for formation of SPV subject to submission of Performance Guarantee (PG).	As per NEPRA Decision in the matter of the RFP for 200 MW Hybrid Project at Dhabeji Grid, KEL is directed to communicate upfront, while floating the RFP, its desired level of equity participation percentage (a fixed number) with a maximum limit of 25%. For the sake clarity, please share if KE would not be part of the SPV anymore as no percentage has been specified.	KE will not have any shareholding in the Project.
3	RFP 14.3 Technical Proposal	It is mentioned "The technical proposal should comprise of the following..... (a)... (b)... (c)Pre-qualification fee...	The Pre-qualification fee would not be applicable for the already pre-qualified bidders. To avoid ambiguity at a later stage, the same should be specified next to this	Applicants who were already prequalified previously do not have to reapply.

			requirement as mentioned on the requirement above (b).	
4	RFP Exhibit 2 – Confidentiality Agreement	The Bidder must execute the Confidentiality Agreement on stamp paper and submit to K-Electric along with complete Application for Prequalification (if applicable)	For the sake of clarity, KE is requested to share the value of the stamp paper.	Region Sindh denomination of stamp paper PKR 1000. Region Punjab denomination of stamp paper PKR 500.
5	RFP Exhibit 5 - Affidavit	The Bidder must execute the Affidavit on stamp paper and submit to K-Electric along with complete Bid.	For the sake of clarity, KE is requested to share the value of the stamp paper.	Region Sindh denomination of stamp paper PKR 200. Region Punjab denomination of stamp paper PKR 300.
6	RFP Exhibit 6 – Letter of Acceptance by the Bidder	To be submitted on stamp paper.	For the sake of clarity, KE is requested to share the value of the stamp paper.	Region Sindh denomination of stamp paper PKR 200. Region Punjab denomination of stamp paper PKR 300.
7	EPA 1.1 Definitions	Services provided by the Seller through the Complex, other than the delivery of Net Delivered Energy, as provided in Schedule 5, which services shall be provided within the Technical Limits and according to the provisions of the Grid Code.	EPA schedules are not attached to this RFP. For the sake of clarity, KE is requested to share all EPA schedules.	NPMV Schedule have been already shared and the pass-through items have been covered in the RFP
8	EPA 9.3 Liquidated Damages	9.3 (a), (b), (c)	Clause 9.3 pertains to Liquidated Damages which focuses only on a breach of Seller duties and do not provide any circumstance entitling the Seller to claim Liquidated Damages. A clause should be added encapsulating the failure on part of the Purchaser to fulfil its obligations and the consequences thereof	Liquidated damages (LDs) for delays attributable to the Purchaser's Interconnection Facilities are detailed in Section 6 of EPA. Similarly, LDs for delays in Commissioning Tests are outlined in Section 8 of EPA.

			entitling the Seller to claim Liquidated Damages.	
9	EPA 9.4 Billing	The first invoice for Energy Payment after the Commercial Operations Date may include the invoice for the Pre-COD Energy Payment under Section 8.7; and	Section 8.7 mentions Pre-COD Energy as free energy, please clarify what will be the mechanism for the Pre-COD Energy Payment as mentioned in section 9.4?	The invoice will document the Net Delivered Energy at a tariff rate of zero.
10			<p>I am writing to inquire about the transferability of bidder registration within our industrial group companies, particularly concerning the formation of a Special Purpose Vehicle (SPV) at a later stage in the bidding process.</p> <p>As we prepare to participate in the Hybrid Project, we are keen to understand the process regarding bidder registration and the subsequent formation of the SPV. Our query pertains to whether the registration of a company within our industrial group, which is actively involved in renewable energy, can be transferred to the SPV formed by one or more companies within the same group.</p> <p>Could you kindly provide clarity on whether such transferability is permissible within the framework of the bidding process? Additionally, if there are any specific requirements or procedures we need to adhere to in this regard, we would greatly appreciate your guidance.</p>	Please provide a detailed query regarding this point. Generally, SPV entity is a distinct legal entity responsible for fulfilling all regulatory and corporate requirements, including obtaining NEPRA licenses and tariff approvals, as stated in Exhibit 13 (Letter of Intent of the successful bidder). Generation licenses are typically non-transferable; however, this may vary depending on the terms and conditions of the license.

11	General		<p>(a) RFP is silent on KE's equity ownership, which as per NEPRA determination for 200MW Hybrid Project has to be made part of the RFP including terms of the SPA. KE to confirm %age ownership including draft SPA.</p> <p>(b) There will be contingent commitments made to the lenders like "cost overrun" commitment, Debt Service Reserve commitment and some level of completion guarantees. These will have to be shared by all shareholders in their respective ratios (i.e. KE and Sponsors) in a form acceptable to the lenders (usually, cash reserve or SBLCs). Please confirm that the proportionate share of such commitments will be met by KE as shareholder.</p> <p>Failure to meet such commitment, will result in dilution of KE provided other sponsors funds it. Please confirm.</p>	KE will not have any shareholding in the Project.
12	General		<p>What would be denomination of stamp paper for following: Power of Attorney</p>	<p>Region Sindh denomination of stamp paper PKR 1000.</p> <p>Region Punjab denomination of stamp paper PKR 2000.</p>
13	General		<p>Please confirm that the lowest bidder tariff in its entirety will either be approved or rejected by NEPRA, and no changes can be made to the tariff conditions, including pass-through Please confirm this.</p>	<p>NEPRA reserves the right to reject a successful bid if deemed imprudent. Please refer to Clause 55 (ii) of NEPRA's approval on the RFP for further details. Pass-through items approved by NEPRA are outlined in Section 21.3 of the RFP document.</p>

14	General		Escrow Agreement have to be in place as a condition to Financial close. Escrow mechanism/structure and draft of escrow agreement needs to be provided to the bidders.	Please refer Amended EPA
15	General		There are numerous instances where existing projects are unable to remit dividends to foreign shareholders or to get forex for meeting operational needs. How will the situation be different for these projects and is KE prepared to bear the cost, for similar delays?	Since KE is not participating as a shareholder, KE will not bear the cost. Furthermore, dividend repatriation is done with the approvals from the SBP; KE in its role as power purchaser or relevant Agent is not the relevant authority to provide such approvals. These will need to be taken care of by the SPV/Sponsors themselves.
16	Two Technologies and Completion Date		Since there are two different technologies which could have different time frames what would be rate at which the energy would be taken for one technology.	With respect to Pre-COD sales of energy for the solar portion (since it may be commissioned before the wind portion), please refer to Section 8.7 of the EPA that has been circulated. Additionally, please note that there will only be a single tariff applicable for the entire hybrid (wind/solar) facility post-COD.
17	Section 3.2 of RFP RFP Process		What document will the prequalified parties need to submit along with Exhibit 16? Will it be an acknowledgment email received from KE, or will KE issue a letter?	Parties that are already pre-qualified are exempt from submitting Exhibit 16, as explicitly clarified in the RFP documentation.
18	Section 3.15 & 20.17 of RFP EPC Agreements Construction/EPC Contractors		(a) The RFP document does not cater to scenario where successful bidder, instead of EPC contractor, will itself do the construction or combination thereof including equipment supply contract. (b) The Criteria mentioned for the EPC Contractor is very stringent and	(a) Under the site neutral hybrid project, Bidder is required to have an EPC Contractor who will be evaluated based on the criteria stipulated within the RFP. (b) Bidders must ensure compliance with the criteria specified in the RFP. It is encouraged to utilize the services of a renowned EPC

			no local EPC Contractor will qualify. This will only limit the available foreign companies who are prepared to work in Pakistan today thereby increasing the Bid price. (c) Point 3 and 4 excludes the foreign EPC Companies who are not already registered as per the requirement.	Contractor due to the first of its kind nature of this Project in the country. (c) According to Pakistani law, PEC registration is mandatory for any engineering work in the country before commencement of works.
19	Section 8 & 9 of RFP Communications and Bid Submission Requirements		(a) While the Bidders will be submitting both the Technical and Tariff Proposal on ARIBA also, how the confidentiality of the financial part of bid will be ensured on ARIBA? (b) What will be the procedure of opening of Financial Bids?	(a) It is mandatory to submit separate envelopes for the technical and tariff proposals through the ARIBA platform to ensure the confidentiality of the financial envelope. Intimation is sent to bidder when the financial document is accessed/ viewed. (b) This requirement is elaborated upon in the RFP document.
20	Section 6 of RFP Project milestones		If there is a delay in the project milestones that are beyond the reasonable control of bidder, will the dates mentioned in the milestones extend accordingly?	Any extensions due to unforeseen circumstances beyond the reasonable control of the Parties may be considered later.
21	Section 21 Indexation Mechanism		Kindly share the rationale of different indexation % ages for SOFR and KIBOR.	These percentages are determined by NEPRA in its approval of RFP.
22	Section 21.1 footnote Indexation Mechanism		In the footnote, it is mentioned that the first quarter will be partial based on COD, and then onwards it will be calendar quarters. However, the note needs to state that the last quarter will also be partial to get to end of the concession period.	The language is in accordance with the decision of the Authority.

23	Section 21.3 footnote Pass through items		<p>The payment of interest to foreign lenders is liable to withholding tax deduction of 15%. Please confirm this would be treated as pass through as the same cannot be accounted for in bid tariff as SOFR is not known today.?</p> <p>Also confirm that any change in withholding rate would also be a passthrough?</p>	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough.
24	Section 21.3 footnote Pass through items		<p>The dividend withholding tax is not a pass through. However, if rate of withholding tax on dividend is increased from the current rate, then it should be treated as passthrough. Please confirm.</p>	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough
25	Section 21.3 footnote Pass through items		<p>After 2022 no power project is exempt from income tax as per current income tax law (schedule II section 132), as per the RFP language this income tax will be full pass through. please confirm what process has to be followed to reclaim this.</p>	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough
26	Exhibit 2 Confidentiality Agreement		<p>There is a requirement of submission of Confidentiality Agreement with bid. Please clarify signing date of the same by KE which has to be before bid submission?</p>	The Bidder will submit the Confidentiality Agreement along with its Proposal. Upon receipt, it will be countersigned by KE.

27	Section 20.1.7 of the RFP Capacity Factor- Minimum Capacity factor required is 31%		If Bidder achieves higher ACTUAL capacity factor during the Term of the EPA, the same rate will continue to apply on the excess generation, without any sharing with KE, since this is not a "cost plus tariff"? Please confirm.	The understanding is correct. KE will adhere to the mechanism outlined in the EPA.
28	General		Is it permissible to later change the proposed vendors in the bid provided the new vendors fulfil the necessary criteria?	KE does not encourage changes to the OEM for Major Equipment. However, in case of unforeseen circumstances, the bidder must seek approval from KE.
29			Please clarify whether the new hybrid project will be a must run project and dispatched mandatorily, or if it will be placed in the economic merit order.	Renewable plants will be considered as must-run plants.
30			As per the requirements for EPC contractors outlined in the RFP, none of the local EPC contractors qualify based on the criteria, leaving only one major foreign EPC contractor working in Pakistan. This situation may limit competitive bidding, as the developer with the closest land to the grid would likely qualify. Please confirm if the criteria for EPC contractors can be made more flexible.	Bidders must ensure compliance with the criteria specified in the RFP.
31			In the event of an increase in withholding tax rates (e.g., dividend withholding tax increased from 7.5% to 15% in the past), please clarify how K-Electric/regulators will compensate sponsors/developers.	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough.

32			Please advise on the support K-Electric can offer to assist developer in securing State Bank of Pakistan (SBP) approval for foreign payments.	KE is unable to offer assistance in this matter.
33	Exhibit 17 - EPA Definitions	Change in Law and Change in Tax	Both Change in Law and Change in Tax provisions are applicable from the Agreement (EPA) data whereas they should be linked to the Bid Submission Date	Refer amended EPA .
34	Vol 2 (Project Technical Requirements) Section 20.17 EPC Contractor	EPC Contractor shall meet the below mentioned requirements:	The RFP specifies requirements for EPC Contractor, however, is the bidder allowed to opt for an unbundled EPC contract, and if yes, what would be the requirements in that case?	Unbundled EPC Contract is not allowed. Sole EPC contractor shall collectively guarantee the performance of the entire complex and should comply with requirements as stipulated in RFP section 20.17.
35	Exhibit 17 - EPA Definition SOFR	SOFR is defined as "The Secured Overnight Financing Rate, or SOFR is a backward-looking compounded rate based on the volume weighted median of overnight daily treasury repo transactions i.e., the cost of borrowing cash overnight collateralized by U.S. Treasury securities."	Current financing agreements for IPPs in Pakistan define SOFR as "the secured overnight financing rate administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate);" It is requested that the same definition be adopted in this EPA as well.	The definition is in line with KE standard in its Agreements.
36	Exhibit 17 - EPA Section 9.3 Delay in COD LDs	EPA provides that in case of delay beyond RCOD, LDs will be charged at USD 4/KW per month.	We request to revise the rate to USD 2.5/KW per month as is provided in other NTDC/CPPA and KE contracts	The said proposal is not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

37	Exhibit 17 - EPA Section 9.8(a) Payment Security	The Purchaser shall secure the payments due to the Seller under this Agreement through KE's consumer collections by way of a waterfall arrangement, Escrow or any other method ("Payment Security").	The wording of this clause suggests that the mechanism is not finalized for now and will be done at a later stage. During the roundtable for investors, it was informed that payment security shall be through an escrow arrangement. Please confirm the nature / structure of payment security mechanism and provide details of the MCAs to be allocated for this project.	Please refer KE EPA & shared payment brief on Escrow for clarity in this regard.
38	Exhibit 17 - EPA Section 16.1(a)(ii) Seller EOD	The Seller's failure to achieve the Commercial Operations Date not earlier than one hundred eighty (180) Days after the Required Commercial Operations Date.	This has been 365 Days in the past EPAs where Construction Period of 15-18 months existed. It is suggested to make the same.	The said proposal is not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP
39	EPC Contractor Selection		(a) Can a bidder submit a bid with more than one shortlisted EPC contractor? (b) What is the process and potential implications if a bidder needs to change an EPC contractor after winning the bid? (c) Can the final EPC contract be split between different qualified contractors, for example, separate contracts for the wind and solar components of the project?	a) A bidder can consider more than one EPC but must ensure to submit the preferred EPC on which the technical evaluation needs to be conducted. Moreover, if the EPC is changed after being declared the successful bidder, it will require KE's consent, ensuring it meets the criteria stipulated in the RFP section 20.17. b) If, due to unforeseen reasons, the EPC needs to be changed, it will require KE's consent, ensuring it meets the criteria stipulated in the RFP section 20.17. Furthermore, the tariff number will remain the same, and no compensation will be provided to the successful bidder. c) There should be one EPC contractor which shall collectively guarantee the performance of the entire complex and adhere to the stipulated

				requirements outlined in the Request for Proposal (RFP).
40	Payment Security		Could KE please elaborate on the payment security mechanism mentioned in Section 9.8 of the EPA? Specifically, what are the details of the "waterfall arrangement" or other methods being considered, and how will they ensure timely payment to the project developer?	Escrow brief and other responses to queries have been shared with bidders in this regard
41	One-Time Adjustment		Will any one-time adjustments made during the project term be carried forward and applied to the final tariff calculation at the end of the project? If so, can these adjustments be revised or readjusted later based on changing circumstances?	This will be in accordance with the tariff indexation as approved by the NEPRA in the RFP.
42	Surplus Energy Compensation		Will KE compensate the project developer for any surplus energy generated beyond the contracted capacity? If so, what would be the compensation mechanism and price?	Any surplus energy generated by the project due to better capacity factor (i.e. greater than 31%) will be compensated as per the EPA.
43	Debt Financing Mix		Are there any restrictions, preferences, or incentives regarding the mix of local and foreign debt financing for the project?	There is no restriction, preferences, or incentives regarding debt financing mix.
44	Pre-COD Power Generation		Given the different construction timelines for wind and solar components, will KE purchase power generated before the Commercial Operation Date (COD)	In reference to section 8.7 of EPA, Net Delivered Energy prior to the Commercial Operations Date shall be delivered to Purchaser free of cost at the Interconnection Point.

			of the entire hybrid plant? If yes, what would be the purchase price for this pre-COD energy?	
45	Termination Payment Security		In the event of contract termination due to Purchaser Events of Default (EOD) or Political Force Majeure Events (PFME), what security mechanisms are in place to ensure lenders and equity providers receive adequate compensation, considering the difficulty of finding an alternate buyer/PPA for such a large capacity project?	The security mechanism in place is already provided in the EPA
46	Payment Purchaser Default During Major		The EPA seems to limit the three-year revenue payment to specific EOD scenarios (clauses 16.2(f) and 16.2(h)). What remedies are available to project sponsors for other EODs, including payment defaults by KE?	Remedies available to the project due to payment default will be clarified in the EPA amendments.
47	Interest Rate and FX Indexation		(a) Regarding the tariff formula, please confirm whether interest rate indexation will continue throughout the entire project life, regardless of the debt amount, currency, and tenor, (b) For foreign currency loans other than USD, is there a mechanism for indexation of other currencies, such as Euro or CNY?	a) Indexations provided will be available throughout the entire project life in accordance with the mechanism approved by NEPRA in the RFP decision. These indexations will apply on the single tariff submitted by the bidder. b) Indexation mechanism will be applied strictly in accordance with NEPRA RFP decision, which does not include adjustment for any currencies other than USD.

48	RFP - 20.1.8. Determination of wheeling/ transmission cost component ("TCC")	KE shall arrange infrastructure for power evacuation and provide an interconnection scheme. Indicative wheeling/transmission cost component ("TCC") for the construction of transmission line depending on the overall distance of the complex from Dhabeji Grid will be added to the Bid tariff for selection of lowest Bidder as per section 16 and 21.2(c)	1) Unclear how the TCC component of the Evaluated Tariff shall be calculated. While the RFP says that TCC shall depend on the overall distance of the complex from Dhabeji Grid, however the formula in section 21.2(c). specifies " Total length of TL in km " Is the distance to be calculated in a straight line or along the TL route? If it is along the TL route, how will bidders and KE determine length of TL given that we understand interconnection scheme and RoW for TL is unknown and to be provided by KE at a later stage. During KE's roundtable for investors, we were given the explanation that the distance will be calculated in a straight line from the Dhabeji Grid Station (as per coordinates given in the RFP) and the nearest endpoint of the Bidder's land. Please confirm this understanding.	
49	RFP - section 16. Determination of wheeling/ transmission cost component ("TCC")	TCC means the indicative transmission cost component depending on the overall distance of the complex from Dhabeji Grid as calculated in accordance with Section 21.2.		1) The transmission tariff will be calculated from the Dhabeji Grid to the prospective project's interconnection point, with the straight-line distance serving as the determining factor as communicated in the roundtable for investors. Moreover, this determination of the transmission tariff is only for bid evaluation purpose. 2) Yes, understanding is correct TL component will be in in Rs. /kWh.
50	RFP - section 21.2(c). Determination of wheeling/ transmission cost component ("TCC")	TCC for the construction of transmission line depending on the overall distance of the complex from Dhabeji Grid will be added to the Bid tariff for selection of lowest Bidder, based on the formula given below: TL cost component (cents/KWh) = $A + [B * (\text{Total length of TL in km} - 5)]$	2) The formula under 21.2 (c) states TL component in cents / kWh. We understand that this is actually in PKR but would appreciate a confirmation of the same. 3) Confirmation is also required on	3) In case TL length is less than 5 km, based on the TCC formula in the RFP, effective transmission cost will be Rs. 0.56/kWh.

			our understanding that in case TL length is less than 5 km, based on the TCC formula in the RFP, effective transmission cost to be added to Bid Tariff shall be less than PKR 0.56 / kWh.	
51	RFP - 21.1., definition of Rev SOFR Base rate for foreign lending	Quarterly revised Term or Daily SOFR, as the case may be based on GOP policy decision on the transition from LIBOR to SOFR, as on the last day of the preceding quarter	<p>We understand that the RFP provides flexibility to bidders to consider either Term and / or Daily SOFR as base rate (in line with lender's requirements) with the indexation mechanism to be available for both as applicable. Please confirm this understanding.</p> <p>Please also confirm that if the financing sets base rate as "Term SOFR", the same will be used for indexation, and incase financing is based on "Daily SOFR" (in arears), the same methods will be used? is this the purpose of stating both SOFR application methods in the definition?</p>	<p>Term or Daily SOFR is in accordance with the NEPRA decision No. NEPRAAdvisor(CTBCM)/RFP-04/3115-21 in which it was stated that SOFR either Term or Daily will be based on GOP policy decision at the time of transition from LIBOR to SOFR, rather than individual discretion.</p> <p>However, we believe that this does not have any impact for bid submission since the reference SoFR for Bid preparation has been provided in the RFP decision.</p>
52	EPA - Clause 9.8 (a) Payment Security	The Purchaser shall secure the payments due to the Seller under this Agreement through KE's consumer collections by way of a waterfall arrangement, Escrow or any other method ("Payment Security").	The wording of this clause suggests that the mechanism is not finalized for now and will be done at a later stage. During the roundtable for investors, it was informed that payment security shall be through an escrow arrangement. Please confirm the nature / structure of payment	Please refer amended KE EPA & shared brief on Escrow / other responses for clarity in this regard.

			security mechanism and provide details of the MCAs to be allocated for this project.	
53	EPA - Definitions Change in Law and Change in Tax		Both Change in Law and Change in Tax provisions are applicable from the Agreement (EPA) date whereas they should be linked to the Bid Submission Date	Please refer KE EPA amendment shared for clarity in this regard.
54	EPA - 16.2 (f) and Definition of Financial Closing Payment Security - Timeline	non-signing of Payment Security arrangement / agreement becomes a Purchaser Event of Default post [x] days of COD.	Under previous KE precedents, the Escrow Agreement execution is a pre-condition to Financial Close which is not the case in the current draft EPA and should be reconsidered by KE.	Please refer clarification on Escrow arrangement and Amended EPA shared by KE.
55	2.1 (a) EPA Effectiveness		A condition precedent for the effectiveness of the EPA is the prior approval of NEPRA to be provided by KE. We understand that the EPA has already been approved by NEPRA. Clarification is required from KE whether a further subsequent approval is needed.	EPA will be approved by NEPRA after conclusion of bidding process, and completion of other regulatory requirements.
56	6.5 (a) Purchaser Interconnection Facilities	The completion date for PIF shall be extended on Day for Day basis for any changes in the Scheduled Commercial Operation Date because of the occurrence of, inter alia: - any circumstances/events that are beyond the reasonable control and cause delay in construction or operations of Purchaser	Such risk is typically addressed through Force Majeure Event - which is already provided for in Section 6.5(a)(iii) of the EPA. The provision is also not in line with earlier precedents (both projects where KE is the purchaser, and where CPPA-G is the purchaser).	Please refer to the updated EPA.

		Interconnection Facilities. (6.5 (a) (iv)).		
57	6.5 (b) Purchaser Interconnection Facilities Delay Compensation	In addition, if the Purchaser has not completed the Purchaser Interconnection Works by the date which is [●] Days following the date by which the Purchaser Interconnection Facilities were required to be completed in accordance with Section 6.5(a) as such date may be extended pursuant to Section 6.5(a)(i), (ii), (iii) and (iv), and such delay causes a delay in Commissioning of the Complex, as certified by the Engineer, then the Purchaser shall pay to the Seller monthly, in arrears, (and prorated for any portion of a Month) an amount equal to the Carrying Cost plus [●] % of the Energy Price on account of partial reimbursement for actual O&M and insurance costs multiplied by the Average Daily Energy for each Day during the period of such delay	Reference to section 6.5 (a) (v) needs to be added in the highlighted clause - KE to provide the information in []. (number of days and percentage of Energy Price to be paid as compensation).	Please refer to the updated EPA.
58	Definition Annual Benchmark Energy		The formula for the Annual Benchmark Energy for a given Agreement Year does not seem to account for degradation impact of solar. It is unclear whether degradation is accounted for or not in the EPA as we have not been	As per the RFP requirements, the Bidder has been asked to submit a single bid tariff for the project, considering degradation as per the OEM specifications. It's important to note that no additional costs or allowances will be permitted for the bidder beyond what is specified in the RFP.

			provided the EPA schedules. Hence needs to be confirmed from KE	
59	Payment Security		<p>In addition to the Payment Security related points noted at serial no. 5 and 7 above, the Payment Security is subject to procurement of all Consents under the EPA and the EPA not being terminated (due to default or FME) given that the Payment Security obligation triggers within a certain period of time of COD.</p> <p>The Payment Security (and related arrangements) should be unconditional and irrevocable (including, but not limited to, procurement of all upfront Consents).</p> <p>It is important to stress that the Payment Security should secure all payments under the EPA (and not only the Energy Payments) and should remain place until all payments have been made under the EPA (and not till the EPA is terminated).</p>	Please refer KE EPA & shared payment brief / other responses on Escrow for clarity in this regard.
60	Section 15.6 PPFME / CLFME – Consequences		<p>If a PPFME / CLFME has occurred and such delays construction or ability to operate the Complex, then:</p> <p>- in case of prior to COD (for Restoration Event), only Carrying Costs (i.e. IDC) are payable.</p> <p>Carrying Cost would be insufficient</p>	Please refer Amended EPA

			<p>since the project would incurring other administrative and insurance costs, and therefore, such compensations should include some percentage of tariff to recover insurance and O&M related costs. Furthermore, if the restoration continues for a certain period, then, the compensations should include principal payments under the Financing Document.</p> <p>- following COD (for both Restoration and Non-Restoration Event), amounts equal to Energy Price multiplied by the Average Daily Energy. However, this amount is discounted by a (x) % of Energy Price.</p> <p>Clarification should be sought as to the rationale and quantum of the discount (x %).</p> <p>Moreover, the above compensations are payable in case such amounts are allowed as pass-through under KE's own tariff. Accordingly, clarity may be sought from KE to confirm whether such amounts are currently a pass through under KE's own tariff. If not, would it be approaching NEPRA in this regard. we understand that clause 2.2 (e) says that if NEPRA does not permit KE to pass through any payments for the PE Compensation Period under its Determined Tariff, then the</p>	
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			<p>Agreement Year shall be extended for such duration of the PE Compensation Period.</p> <p>In case NEPRA does not accord (or delays) its approval in relation to the such pass-through items, and we understand that it would be KE that would need to make such an application, it would be inappropriate to park that risk at the end of Seller.</p>	
61	Purchaser Event of Default - Consequences	<p>In case of a Purchaser Event of Default other than a Purchaser Major Default which has not been cured, KE is entitled to an additional 365 days cure period. If it is not cured, then the Seller may suspend the EPA.</p>	<p>Typically, in case of purpose-built project, if there is a termination due to the off-taker's default, there is usually a buy-out obligation on part of the off taker. Given that this is squarely a default by KE, therefore, the buyout obligation (along with necessary compensation payments) should kick in.</p>	<p>The said proposal is not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under Exhibit 6 of the RFP</p>
62	Arbitration	<p>Any dispute not resolved by mediation or by an expert or has been referred to arbitration without reference to an expert shall be settled by arbitration under Arbitration Act 1940/LCIA rules.</p> <p>The seat and venue of arbitration shall be Karachi/London.</p>	<p>We suggest that it should expressly specify that arbitration should be under the LCIA rules and depending on (market standard) thresholds, it should be either Karachi or London.</p>	<p>Please refer Amended EPA</p>

63	Escrow arrangement		How many MCAs does KE have, what percentage of KE collections goes into these MCAs, and how is it determined?	<p>KE has 3 MCAs at the moment for lenders. Collections under these MCAs / Escrow accounts are based on predetermined customers cashflows / banks, however sufficiency of the cashflow for debt servicing is ensured.</p> <p>Further, sufficiency of cash flows for monthly payments under MCA for KE's tendered IPPs will be demonstrated to the Successful Bidder and its lenders. Approximately 35% of the total collections are deposited in the above-mentioned MCA's.</p>
64	Escrow arrangement		Are MCA deposits and balances driven by a coverage ratio in KE's existing loan agreements? If yes, what is the coverage ratio?	<p>MCA Deposits are based on collections of banks and retention is done every month to ensure the debt service requirement is satisfied. Once the collections are trapped in MCA's to meet the debt service requirement, the surplus cashflows are then released to KE for its own use.</p> <p>However, with respect to the Escrow mechanism for tendered IPPs, it is to be noted that KE has excess cash flows available under such MCAs which is over and above the lender requirements which shall be provided for payment to tendered IPPs.</p>
65	Escrow arrangement		How many lenders have rights on these MCAs, and how will upcoming IPPs be assured their security won't be diluted by new MCAs during the EPA terms?	<p>Security of tendered IPPs won't be diluted as sufficiency of cash flows for their payments will be demonstrated to the Successful Bidder while addition of any new parties to the MCA or any rerouting of cash flows / collection accounts will only take place in case excess cash flows over and above the IPP requirement are available. For this purpose, KE will ensure that a 20% additional cushion over cashflows is</p>

				always available in MCA based on which, new IPPs / lenders will only be added subject to the availability of such cushion for tendered IPPs/Lenders.
66	Escrow arrangement		What happens once KE loans are paid off and MCA requirements fall away?	<p>As provided in the EPA, Escrow will be provided for the Term of the EPA and any Escrow account / MCA will be provided for the EPA term.</p> <p>Further, it is to be noted that the repayments of KE's existing loans would not automatically dissolve the MCA mechanism because the tendered IPPs will be made party to the existing MCA agreement. Accordingly, the MCA will continue for tendered IPPs even if all loans covered under the MCA have been repaid in entirety.</p>
67	Escrow arrangement		What is the payment priority and cash waterfall in these MCAs?	Payments to existing lenders and tendered IPPs will be made on pari passu basis.
68	Escrow arrangement		Generally, purchases and vendor payments are ranked above debt services in the cash waterfall. Why is KE proposing suppliers' payments through PSA, which is subordinated to debt service through MCA?	As explained in KE's brief on Escrow arrangement, this is not a cash waterfall arrangement similar to IPPs. Only payments to existing lenders and tendered IPPs will be made through this MCA and both payments will be considered on pari passu basis. Purchases and vendor payments are not made from MCA's and are rather paid from the operational cashflows from unencumbered accounts.
69	Escrow arrangement		If there is a default on the KE loan agreement, how does that affect the collection flow from MCAs to PSA?	This is a very unlikely scenario as KE already has substantial excess cashflows available in the MCA. Moreover, lenders' payments are likely to reduce in future due to debt repayment while collections will grow each year due to increase in consumers and inflationary trends.

70	Escrow arrangement		Is there a reason why KE cannot assign a batch of customer collections directly to PSA rather than making it subordinated to MCAs?	KE has already assigned certain collection accounts to MCA and sufficient cushion is available for future debt servicing and RE Project payments. Also, as explained above, payments to existing lenders and tendered IPPs will be released on pari passu basis.
71	Escrow arrangement		Do other existing IPPs get paid through the same MCA/PSA waterfall arrangement?	This arrangement has been proposed for tendered IPPs due to availability of cashflow cushion in the MCA. Few of the KE's existing IPPs have access to specific escrow accounts while others are paid directly from operational cashflows.
72	Escrow arrangement		Where do the tendered IPPs fit into the cash waterfall mechanisms compared to other IPPs, and how will payment priorities be determined?	As explained, proposed MCA will only be used for payments to existing lenders and tendered IPPs. Also, as explained above, payments to existing lenders and IPPs will be released on pari passu basis.
73	Escrow arrangement		Is it possible to have a separate PSA account for each IPP with allocated customers and an agreed buffer?	PSA is just an operational mechanism, and all payments will be managed through the collections under the MCA. Accordingly, we don't believe that having a separate or single MCA would have any effect on the provided security.

Technical Clarification Responses

Sr.#	RFP/EPA Clause No.	RFP/EPA Statement	RFP/EPA Queries	KE Response
1	RFP 3.7- Invitation to Bid	Grid interconnection and power evacuation study shall be conducted after bid evaluation for Successful Bidders at their expense, with KE's consent. However, basic requirements pertinent to this clause are mentioned in Section 20.1.10.(a) and 20.14. of this RFP.	Section 20.1.10(a) states that the SVGs/Reactive Power Compensation Devices are to be included in the bid, however, the Grid Interconnection Study would be performed post declaration of successful bidder by KE. It is crucial to understand that the equipment selection and sizing would be pertinent and incur significant costs. Without a Grid Interconnection Study, the parameters would not be defined accurately, and the study would require greater time than the allocated time for bid submission.	Now that the Grid Code 2023 is available which specifically caters for SWEs, therefore SVG and Reactive Power Compensation must comply with the it, specifically clause CC6.3.2 which states that: "A SWE shall manage reactive power control at the Connection Point to maintain the power factor within the range of 0.90 lagging to 0.95 leading over the full range of operation, according to dispatch instructions and/or voltage adjustment requirements within the above power factor range." Further, as mentioned in the RFP clause 20.1.10.(a), the grid interconnection study is the responsibility of the Bidder, considering the plant location as specified in the bid. Any modifications identified in the study must be incorporated by the Bidder, subject to KE's consent.
2	RFP 20.1.3. Distance	The Project shall preferably be on a single land parcel however, max 02 Interconnection Points can be proposed by the Bidder. The Capacity of the facility on the land parcel considered for Interconnection Point shall not be less than 50 MW.	In case of 2 land parcels, (i.e. one for solar and other for wind farm), with 2 interconnection points, how would the metering be carried out. Considering this to be a single project, would energy reading (metering) of both parcels be done separately or collectively? What would be the mechanism?	In the scenario involving two land parcels, separate energy readings (metering) will be conducted for each parcel at the interconnection points. The mechanism for energy readings can be decided at the time of EPA finalization.

3	RFP 20.1.4. Capacity	The Capacity shall not be less than 200 MW (AC peak) with a +20% allowance. There are no additional points for Bidders proposing Capacity within the allowable range of +20% above 200 MW (AC peak). For clarity, minimum 50 MW (AC peak) of Solar portion is mandatory however the installed capacity (in DC for Solar and AC for Wind) will be greater than 200 MW.	For the sake of clarity, KE is requested to confirm whether the AC capacity mentioned is the Net Electrical Output (NEO) or Gross Capacity?	The combined capacity of both solar and wind energy sources totals 200 MW (AC peak), representing the net delivered output at the point of Interconnection.
4	RFP 20.2 Solar Panel	Panels considered for the Project should be Tier-1 as determined by BNEF. Tier-2 or above shall be disqualified without any assessment.	BNEF Tier-1 is a varying assessment every year whereas a few of the top tier may not make it to the list every time. As such there should be a specific criterion to the BNEF Tier-1 list or OEMs specified as BNEF Tier-1 in the last 5 years, etc. There are other OEMs which are not specified in BNEF list however have proven performance record with considerable installed capacity (GW scale).	The bidder is required to adhere to the criteria outlined in section 20.2 of the RFP document. The OEM must be listed on the BNEF Tier-1 list at the time of bid submission.
5	RFP 20.4.1 Standards and Codes	The use of GB standards is strictly forbidden.	It is understood that the Chinese OEMs with EU/IEC and/or other international standards are acceptable for the project. KE to clarify.	All plant equipment must be designed and tested in accordance with IEC standards or equivalent (where applicable) as provided in the RFP.

6	RFP 21.2. Bid/Evaluated Tariff Assumptions c) Transmission/ Wheeling Cost Component		KE is requested to confirm that all losses post evacuation point are the responsibility of the off taker and not bidder.	The bidder will not be responsible for any losses incurred beyond the Interconnection point.
7	EPA Recital A.	Whereas, the Seller has proposed to the Purchaser that the Seller will design, engineer, construct, insure, Commission (as hereinafter defined), operate and maintain an approximately [●] MWP (Contract Capacity) hybrid electric generation facility (the "Complex", as hereinafter defined) to be located at the Site (as hereinafter defined) at [●], Pakistan on build, own, operate model basis.	For the sake of clarity please specify if the Contract Capacity (CC) is in MWp or MWac. Considering the hybrid nature of the project, the CC is expected to be MWac as the MWp capacity is generally considered for Solar Projects only.	The AC capacity for Hybrid Project referenced in the RFP ensures that a minimum of 200MW (AC Peak) must be maintained by every bidder to secure the transmission capacity, as the nominal capacity which is the nameplate capacity will vary based on the proportion of Wind and Solar PV opted by bidder. Additionally, variations due to the DC to AC ratio of inverters are accounted for. Since NEPRA has already approved EPAs where the Solar PV plant contract capacity was specified in MWp, we have maintained this format for the overall contract capacity to remain consistent with previous approvals of Authority. Therefore, nominal capacity of the plant is the sum of the nameplate capacity of the Wind in MW and the nameplate capacity of the PV array in MWp. The overall contract capacity is represented in MWp to indicate that the Solar PV nameplate capacity is considered in DC for capacity factor calculation, and contract capacity includes the Solar Part in DC (i.e. MWp). Furthermore, this contract capacity in MWp aligns with the discussions held with NEPRA.

8	EPA 1.1 Definitions – Net Delivered Energy	The net electrical energy expressed in kWh generated by the Complex and delivered at the Interconnection Point, as measured by the Metering System or the Back-Up Metering System (as the case may be).	Please clarify the calculation basis of Net Delivered Energy. Also confirm the allowable degradation during project Term.	The definition of Net Delivered Energy is clearly stated in section 1.1 of the EPA. Please specify what further clarity is required. Additionally, as per the requirements in section 21.1 of the RFP, the bidder is required to submit a single bid tariff for the project, considering degradation as per the OEM specifications. It's important to note that no additional costs or allowances will be permitted for the bidder beyond what is specified in the RFP.
9	EPA 7.2 (b) Installation of Metering System	Purchaser shall thereafter be responsible for the ownership and maintenance of the Meter and the Back-Up Meter provided that the Seller shall thereafter be responsible for the ownership and maintenance of the Allied Metering Equipment and the Allied Back-Up Metering Equipment.	What will be the mechanism to carry out the daily energy reading from energy meters under the ownership of the Purchaser? Please clarify.	The seller will have access to the metering room which will be on the plant premises.

10	EPA 7.3(a) Reading Meters	Thereafter, the Purchaser and the Seller shall test the accuracy of each of the Metering System and the Back- Up Metering System at any time that the readings of Net Delivered Energy from the Metering System and the Back-Up Metering System differ by an amount greater than one-fifth of one percent (0.2%). In such eventuality, the Purchaser and the Seller together shall test the accuracy of the Metering System and recalibrate the Metering System, if necessary. The Purchaser shall provide the Seller no less than forty-eight (48) hours' notice of such	The percentage error is deviating from the Grid Code which is $\pm 0.5\%$. Please clarify if there is any ambiguity.	The variance between the Net Delivered Energy readings from the Metering System and the Back-Up Metering System must not exceed 0.2%. While adherence to the Grid Code is required, KE has outlined a more stringent criteria based on its extensive experience and in line with the standards set for its other IPPs' PPA/EPA agreements.
11	EPA 8.5 A Recalibration of the Hybrid Forecasting Model	The Seller shall procure and maintain at its own cost at least two (2) load banks of capacity corresponding to the Arrays and each WTG.	For the sake of Bidders' clarity, KE is requested to define the load banks and its details.	A typical load bank is constructed from several resistors assembled onto racks. The design capacity of the load bank should be as such to undertake the dump load test of the plant.
12			How is nameplate capacity of the plant defined? AC output for both solar and wind? Does the developer have freedom to install the DC capacity limiting the AC output to 240 Mwac?	The maximum annual generation capacity will be determined by summing the maximum generation capacity of wind in MWac and the maximum generation capacity of solar in MWp (based on nominal installed DC capacity). The bidder has the flexibility to adjust the DC capacity, limiting the AC output to 240 MWac, while ensuring that at least 25% of the combined AC capacity is comprised of solar PV. This means that the minimum installed capacity of solar PV should be 50MWac, while maintaining a minimum combined capacity factor of 31%.

13			Apart from the minimum capacity factor of 31% and solar 50 MW (AC) is there any weightage for wind/solar ratio or maximum capacity factor in determining the winning bid.	There is no weightage for wind/solar ratio or maximum capacity factor.
			Is it correct to assume that the construction of transmission lines from project (solar + wind hybrid power plant) to dhabeji grid station will be in scope of off taker. If this is the mechanism, then how we will define the transmission cost components which means how we will add cost of transmission per KM in tariff. [Internal Note: Transmission Cost Component ("TCC") is defined in RFP S.21.2.c. It will be added to the bid tariff to determine the winner]	The construction of the Transmission Line falls within the responsibility of KE scope. Additionally, it is important to note that the formula delineated in the RFP Section 21.2.c is designated to compute the indicative Total Cost Component (TCC) and shall solely serve the purpose of Bid Evaluation.
14				
15	RFP - 20.4 WTG and OEM	WTG and OEM qualifying requirements: (i) be amongst top ten (10) ranking of WTG OEMs as per Bloomberg NEF (BNEF). (ii) have onshore global installed capacity of 10 GW since last 2 year. (iii) have 5,000 onshore global installed number of WTGs. (iv) have fleet size of 500 WTGs installed of the same model as offered in the Bid. Installation within the region is preferable.	What is the cut-off date for meeting the WTG and OEM qualifying requirements? Is it the Bid submission date?	Yes, understanding is correct. The OEM must fulfill criteria as stipulated in RFP section 20.4. at the time of bid submission.

16	Section 20.1.4 & 20.1.6 of the RFP Capacity & project Technology		The minimum capacity for Solar is defined but there is no minimum requirement for Wind power. Kindly clarify if there is any minimum requirement for wind power capacity as long as 31% capacity factor is met.	There are no minimum capacity criteria for Wind Power. The Bidders are free to configure their facility as they wish as long as they meet the minimum criteria defined in the RFP including minimum 31% capacity factor and minimum solar installation of 50 MW (AC).
17	Section 20.2		In case there are two separate sites, will the TCC be calculated based on a weighted average of the capacity installed at each site, or some other mechanism? If no such mechanism is provided for, the formula would give unfair advantage to bidders who have a single site.	Refer to Section 21.2 (c) of RFP. TCC will be calculated as the cumulative distance from the Dhabaji grid station, i.e., the length of the transmission line from Dhabaji grid covering both Interconnection Points.
18	Section 20.2		Some standards specified in the requirements are not supplied by the Original Equipment Manufacturer (OEM) but rather by the installer. How can this issue be dealt with especially if bidder is to do the construction itself?	The RFP specifies that all equipment and installation practices must comply with the relevant standards and regulations. Certain standards apply to OEMs, while others apply to EPC installations. It is the responsibility of the bidder to ensure that the required standards are met for the selected equipment.
19	Section 20.3.3 Power Inverters		The relevant IEEE standard (-----) for THD specifies a limit of 5%. Please provide the standard reference that specifies 2.5%.	According to the IEEE standard, IEEE 519, Total Harmonic Distortion (THD) should be less than 2.5% at the Interconnection Point.
20	Section 20.5 GIS		It has been mentioned that the bidder implements a redundant scheme for the interconnection, which includes a double bus bar with a single breaker scheme and n-1 Transformers. Is a similar n-1 scheme being employed at the KE end. Please confirm.	As specified in Section 20.5 of the Request for Proposal (RFP), the 220kV double circuit will be interconnected with the seller's facility. Each circuit will have the capacity to evacuate the maximum power if the other circuit trips.

21	Section 20.11.1 (k) Module Cable with temperature range -55 to +125 degree Centigrade is required		The upper limit is too high for outdoors and will severely limit the available supplier. The relevant IEC standards also support it.	KE has outlined more stringent criteria based on its extensive experience and in line with the standards. Bidders must ensure compliance with the criteria specified in the RFP.
22	Miscellaneous-Anti-theft module-fibre system		There will be a minimum of 8 to 10 feet wall from ground level with PSI strength of a minimum of 3000. There will be a CCTV system in place capturing the whole site and monitored by a 24-hr surveillance team present on site. The anti-theft equipment seems unnecessary for every solar panel and will be a major cost add on with a security team on site.	Bidders must ensure compliance with the criteria specified in the RFP.
23			Please clarify whether the Transmission Tariff will be calculated from Dhabeji Grid to the potential project's interconnection point in a straight line or based on the actual transmission line route.	As outlined in RFP Section 21.2.c, titled "Transmission/Wheeling Cost Component", the transmission tariff will be calculated from the Dhabeji Grid to the prospective project's interconnection point, with the straight-line distance serving as the determining factor. Additionally, it is important to note that the formula delineated in RFP is designated to compute the indicative Total Cost Component (TCC) and shall solely serve the purpose of Bid Evaluation.
24	Vol 1 (Instructions to Bidders) Section 1 (Definitions - Capacity)	The nominal rated Capacity of the Complex which should not be less than 200 MW (AC peak)	Reading all these together, there are some mismatches on installed capacity of solar to be in AC or DC. KE is requested to clarify the following:	1. The AC capacity for Hybrid Project referenced in the RFP ensures that a minimum of 200MW (AC Peak) must be maintained by every bidder to secure the transmission capacity, as the nominal capacity which is the nameplate capacity will vary based on the proportion of Wind and Solar PV opted by
25	Vol 2 (Project Technical)	The Capacity shall not be less than 200 MW (AC Peak) with a +20%	1. How is the capacity and capacity	

	Requirements) Section 20.1.4 (Capacity)	allowance. The minimum 50 MW (AC Peak) of Solar portion is mandatory, however, the installed capacity (in DC for Solar and AC for Wind) will be greater than 200 MW.	factor handled? This derives from how is this handled for solar (MW (AC) or MWp)? Accordingly, KE is requested to set the same philosophy in all relevant provisions the RFP and the EPA.	bidder. Additionally, variations due to the DC to AC ratio of inverters are accounted for.
26	Vol 1 (Instructions to Bidders) Section 1 (Definitions - Capacity Factor)	The ratio of annual Complex's Net Delivered Energy recorded by Metering System at the 220 kV side of the step-up trafo and the maximum annual generation capacity (in DC for Solar and in AC for Wind).	2. For wind, we understand that the capacity in MW (AC peak) will be the nameplate capacity of the offered WTGs. Please confirm.	Further, nominal capacity of the plant is the sum of the nameplate capacity of the WTGs in MW and the nameplate capacity of the PV modules in MWp. The overall contract capacity is represented in MWp to indicate that the Solar PV nameplate capacity is considered in DC for capacity factor calculation, and contract capacity includes the Solar Part in DC (i.e. MWp).
27	Exhibit 17 - EPA Definition Contract Capacity	The rated capacity of the Complex in MWp which the Seller commits to install and operate at the Site under this Agreement	3. For solar and if that is in MW (AC), please elaborate the mechanism or formula to determine the capacity in MW (AC peak). For example, is this sum of capacity of all inverters (AC peak) used in the design?	This contract capacity in MWp aligns with the discussions held with NEPRA.
28	Exhibit 17 - EPA Definition Annual Benchmark Energy	The calculation of ABE takes into account installed capacity of Wind in MW (AC) and installed capacity of Solar in MWp.	4. When calculating the Capacity Factor (see definition in RFP), we understand that "NDE recorded by the Metering System" means the calculated energy that the plant is expected to generate. It is suggested to clearly confirm this because linking this with Metering System creates an impression of a real time check during operations. It would be clear if RFP specifies a formula for calculation of CF.	2. The installed capacity of Wind is to be measured in MW (AC) and is the sum of the nameplate MW (AC) of all the WTGs. 3. The installed capacity of Solar is to be measured in DC as referred in Section 20.1.4 of RFP and is the sum of the nameplate capacity of all the Solar PV modules in DC. 4. The capacity factor is defined in the Request for Proposal (RFP) as follows: (Annual Complex Net Delivered Energy)/(Nameplate Capacity for Wind in AC + Nameplate Capacity for Solar PV in DC)
29	Vol 2 (Project Technical Requirements)	The Capacity Factor of the Complex shall be minimum 31%.	There are varying techniques and methods to carry out the assessments and results of two qualified	Evaluation of the correctness of the Capacity Factor (i.e. minimum 31%) will go through a comprehensive review process. This process

	<p>Section 20.1.7 (Capacity Factor)</p>		<p>assessments can even vary from one another. There are different views on handling of wind data, there are different technical basis when assigning uncertainties, occasionally the uncertainties are driven through commercial risks than technical factors. All of this contributes towards the final Capacity Factor. Please elaborate how KE will evaluate the correctness of the Capacity Factor or is this only a spot check with a high-level review that the assessments have been professionally performed? For that matter and more precisely, the RFP does not specify the probability of exceedance level (P50, P75, P90) to be used or leave that open to Bidders to decide their own basis. this grants opportunity to the Bidders for coming up with their own Wind - Solar capacity mix while meeting the minimum solar threshold and also maintaining 31% overall CF. Variations in wind studies / solar studies due to different techniques or different uncertainties considered by different Bidders will create unnecessary mismatch. It is suggested to set some rules and boundaries on how to determine the Capacity Factor.</p>	<p>will include a high-level review to ensure that the assessments have been conducted professionally and according to industry standards. KE will look for consistency in the application of methodologies, sensitivity and transparency in the presentation of uncertainties and assumptions. The requirement of 31% complex capacity factor is minimum as per RFP. Hence the yield assessment report should demonstrate minimum 31% at P90.</p>
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30	Exhibit 17 - EPA Section 5.1(d)	If the Actual Annual Energy in an Agreement Year falls below eighty-five percent (85%) of the Annual Benchmark Energy for such Agreement Year,	The calculation of ABE is silent if and how it takes the de-gradation into account KE is requested to clarify. In the absence of de-gradation, ABE fixed at 85% to be achieved will create an imbalance.	Bidder would take the impact of degradation in the Bid Tariff amount; No additional compensation is allowed during the project duration. Furthermore, it is the responsibility of the Seller to maintain 85% throughout the life of Project.
31	Vol 2 (Project Technical Requirements) Section 20.4.3 (WTG Performance)	Wind Turbine should produce power above the ambient temperature of 50 degrees Celsius.	While this is good to have WTGs operating in stringent conditions, several high-end WTGs still cut off at lower temperatures such as 45 degrees Celsius. It is suggested to keep this threshold at 45 degrees Celsius. The analysis of temperature data in Jhimpir and Gharo shows that the ambient temperature rarely crosses 45C.at the WTG hub height of approx. 100m.	Please refer the Corrigendum # 05 issued on KE website.
32	Exhibit 17 - EPA Section 6.5(a)		PIF is an essential item and the timeline (number of days prior to SCOD) should be provided for better understanding of the project time scheduling during construction phase.	The expected dates will be communicated to the successful bidder, and it will be in accordance with the COD of power plant.
33	Vol 2 (Project Technical Requirements) 20.1.10. Other Studies	The Successful Bidder shall perform a grid interconnection study including load flow, short circuit, power quality, transient stability etc. as per requirements of Grid Code.	According to KE's existing network, What's the applicable short circuit level range at 220kV Dhabeji Grid station?	The switchgears installed at Dhabeji 220kV are rated at 50kA for 3 seconds.
34	Vol 2 (Project Technical Requirements) Section 20.18 Design Consultant	Bidder shall engage and provide the information relating to the Design Consultant which shall comply with the below mentioned criteria:	As there is a requirement for a Design Consultant, confirmation is sought on whether the EPC contractor can be designated as the Design Consultant? Usually, there is no practice or a binding to appoint an	In this case the EPC Contractors itself, if being Design Consultant for own, shall have to meet the criteria outlined in Section 20.18. of the RFP.

			independent Design Consultant because the detailed engineering is undertaken by the EPC Contractors and the vendors.	
35			The RFP does not mention roads and lifting platforms. Please clarify scope, relevant requirements, and technical standards for roads and lifting platforms.	The bidder is required to comply with Section 20.10 of RFP, taking into consideration established industrial practices and the long-term O&M requirements. Moreover, roads and lifting platforms are part of EPC scope and should be covered during detailed engineering design.
36			The RFP says, "The Capacity shall not be less than 200 MW (AC peak) with a +20% allowance." Our understanding is that the maximum capacity can be 240MW, then why the project is named by 220MW?	220MWp is an indicative parameter used to establish a calculation basis for the minimum 31% capacity factor. Bidders are free to select superior plant configurations to achieve better outcomes while ensuring compliance with the RFP requirements. However, bidders must refer to Section 20.1.4 of the RFP for detailed requirements.
37			GB is forbidden for the whole project? Can it be used partly for civil design?	As per clause 20.4.1 of the RFP in the Wind Turbine section, "The use of GB standards is strictly forbidden." However, where standards are not specified in the RFP, the bidder may choose any appropriate standard, provided it complies with all necessary requirements regarding civil design as outlined in the RFP.
38			What is the local Seismic design code that the design team needs to consider for the project?	The bidder must refer to the Building Code of Pakistan 2007 for the design and guidelines of seismic values with stringent or peak values for the respective zone based on the detailed assessment of seismic zones, historical earthquake data, and geological studies. Moreover, bidders should refer to Section 20.4. of the RFP for design and construction details.

39			Is there any requirement for minimum Net Delivered Energy?	As per clause 20.1.7, "The Capacity factor of the complex shall be minimum 31%". The Bidder needs to relate the Net Delivered Energy with capacity factor, accordingly, maintaining the minimum Capacity factor of 31%.
40			Is there a mandatory requirement that a standby main transformer must be installed?	Bidders need to comply with Grid Code 2023, clause TPCS 4.1.1.(a), TPCS 4.1.1.(b) & TPCS 4.1.4., which states that "All transmission lines and transformers shall be loaded below their Contingency Ratings under contingency conditions (N-1)." Please refer to Table TPCS3 of Grid Code 2023 for further clarity.
41			Is it allowed to install 4 main transformers (50mva for each) while have one 50mva transformer installed as stand by?	Bidders have the flexibility to select any combination of transformer ratings that align with the requirements outlined in Grid Code 2023, including compliance with clause TPCS 4.1.1.(a), TPCS 4.1.1.(b), and TPCS 4.1.4.
42	Nameplate Capacity		How is the nameplate capacity of the hybrid plant defined? Is it the combined AC output of both solar and wind components, or the maximum DC capacity? Can the developer install a larger DC capacity than the rated AC output of 240 MWac?	The Contract Capacity as defined in the EPA and denoted in MWp, reflects the combined nameplate capacity of all wind turbine generators (WTGs) in AC and photovoltaic (PV) modules installed capacity in DC at the site as of the Commercial Operations Date. The bidder has the flexibility to adjust the DC capacity, limiting the AC output to 240 MWac, while ensuring that at least 25% of the combined AC capacity is comprised of solar PV, while maintaining a minimum combined capacity factor of 31%.
43	Capacity Factor and Technology Mix		In addition to the minimum capacity factor of 31% and the requirement for at least 50 MWac of solar, are there any specific weightage criteria or preferences for the wind/solar	There are no weightage criteria or preferences for the wind/solar ratio. It is up to the Bidder to decide on its own.

			ratio or maximum capacity factor in evaluating bids?	
44	Global Horizontal Irradiation (GHI)		Clarity needed on GHI data for the selected site.	Utilize long-term GHI data for the selected site (data set should be submitted).
45	Wind Resource Data and Site Assessment		Please clarify which two consecutive years data to be used for wind resource analysis.	Utilize minimum two consecutive years of wind resource data (raw data – data logger files should be submitted) from any period within the past ten years (CY14 and beyond).
46			Which criteria/ losses to be account for in calculation of site-specific wind speed to be determined?	Utilize the latest Measnet Guidelines (version 3, September 2022) for evaluating site-specific wind speed.
47	Capacity Factor		We understand that the minimum 31% Capacity Factor must be calculated on a P90 basis. Please confirm what return period the P90 should be calculated on (1 year, 10 year or 25 years)	The yield assessment report should satisfy the minimum capacity factor for 1st year.
48			We understand that the Capacity Factor should include all losses including availability (i.e. the energy in the numerator should be net of availability). Please confirm our understanding.	Capacity Factor should be net of all the losses and your understanding in this regard is correct.

Consolidated Clarification Document of Site Neutral Hybrid Project at KE's Dhabeji Grid

The responses are as shared with prospective bidders on the clarifications sought; changes (if any) in responses is issued as Amendment and Corrigendum on KE Website and on Ariba.

We have now concluded the clarification process of Site Neutral Hybrid Power Project bidding process.

General/ Commercial Clarification Responses on EPA/ RFP

Sr. #	RFP/EPA Section No.	Current Clause of the RFP/EPA	Proposed Clause of the Revised RFP/EPA	Comments/ Clarifications	KE Response
1.	NEPRA request for approval for RFP.			Could K.E provide NEPRA's approval in respect for the Request for Proposal.	NEPRA's approval on the RFP, decision No. NEPRA/Advisor (CTBCM)/RFP-07/2522-28, can be found on:
					<u>KE-200MW-SNHPP-RFP-NEPRA-15-03-2024</u>
2.	Definition of Lock in Period	N/A		Lock in Period is not defined.	As per Exhibit 16 of the RFP, Prequalification Document, Lock in Period is defined as: "Lock in Period" means the period commencing from the date of award of bid till 7th anniversary of Project COD or any other extended term as required by lenders or NEPRA.
3.	4.16 (of the	Subsequent to the formation	Subsequent to the formation of	Please remove this sub-	The RFP is

	RFP)	<p>of SPV, the SPV will be required to, inter alia, (i) obtain Generation License/Concurrence and Tariff Approval from NEPRA (ii) enter into EPC contract for the design, construction and commissioning of the Complex (iii) enter into EPA with KE, and other necessary Project agreements, (iv) obtain any relevant regulatory and corporate approvals (v) arrange the necessary financing for the close (vi) construct and implement the Project to achieve COD within the time period allowed by NEPRA in the Tariff Approval, and (vii) upon commissioning, operate and maintain the Complex for the Term to provide the generated electricity to KE as per the terms and conditions of the EPA and Tariff Approval.</p>	<p>SPV, the SPV will be required to, inter alia, (i) obtain Generation License/Concurrence and Tariff Approval from NEPRA (ii) enter into EPC contract for the design, construction and commissioning of the Complex (iii) enter into EPA with KE, and other necessary Project agreements, (iv) obtain any relevant regulatory and corporate approvals (v) arrange the necessary financing for the Project(s) and achieve financial close (vi) construct and implement the Project to achieve COD within the time period <u>provided in the EPA</u> allowed by NEPRA in the Tariff Approval, and (vii) upon commissioning, operate and maintain the Complex for the Term to provide the generated electricity to KE as per the terms and conditions of the EPA and Tariff Approval.</p>	<p>section since the timeline for completion of the Project is already provided in the EPA. Any subsequent change in the construction timeline would have an impact on the value of the Bid.</p>	<p>approved by NEPRA, and the construction period allowed is 18 months.</p>
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		<p>The Successful Bidder shall be required to provide Performance Guarantee to the value equal to USD 5,000/MW for each Project.</p> <p>Such Performance Guarantee shall be issued by at least an "AA" rated scheduled bank operating in Pakistan, acceptable to KE or in case of foreign bank, having a correspondent bank in Pakistan. The Performance Guarantee shall be submitted prior to LOI issuance by KE with validity up to thirteen (13) months. The Performance Guarantee shall be as per the format attached as Exhibit 9.</p>		<p>Please confirm whether the Performance Guarantee would be the same as the Seller Letter of Credit. If not, then the Performance Guarantee should be returned upon submission of the Seller Letter of Credit.</p>	<p>As earlier clarified, both Seller LC and PG are separate document and PG will be returned upon submission of the Seller Letter of Credit.</p>
4.	9.7 (of the RFP)			<p>Furthermore, the Performance Guarantee should also be returned if:</p> <ul style="list-style-type: none"> (a) NEPRA does not approve or delays the approval of the EPA; (b) NEPRA does not approve or delays the issuance of the Tariff Approval; (c) NEPRA does not approve the Bid in accordance with the NCBTR; (d) the Escrow Agreement is not executed in accordance with agreed terms; (e) 	<p>Since RFP has already been approved by NEPRA therefore no change can be made at this stage. Further, in case non-performance of its obligation by the Successful Bidder are due to Regulatory reasons KE may consider return of PG upon submission of documentary</p>

				NEPRA does not approve or delays to issue Generation License/Concurrence; and, (f) K.E otherwise abandons the bidding process contemplated under this RFP.	evidence to the satisfaction of KE.
5.	11.1 (3.) (of the RFP)	11.1 – Upon Selection of Successful Bidder: 3. KE will sign EPA with the SPV formed for each Project after approval by NEPRA.	11.1 – Upon Selection of Successful Bidder: 3. KE will sign EPA with the SPV formed for each Project after (i) approval by NEPRA of the EPA; (ii) issuance of Generation License/Concurrence; (iii) <u>issuance of Tariff Approval for each Project by NEPRA;</u> and, (iv) approval by NEPRA of the Bid in accordance with the NCBTR.	The proposed amendment is for preventing unnecessary delay in the construction of the Project after the signing of the EPA due to any delay in the procurement of the Generation License/Concurrence or approval by NEPRA of the EPA or the Tariff Approval.	The construction timeline will be governed under EPA therefore we understand such amendment is not required. However, the LOI already contains provision of the requested information.
6.	11.7 (of the RFP)	The SPV will be required to complete the regulatory process to obtain all relevant consents and approvals and achieve Financial Close in accordance with the timelines specified in the LOI. The SPV will be required to construct the Project consistent with the technical specifications, equipment details and design parameters that are consistent with the Technical Proposal of the Successful Bidder	The SPV will be required to complete the regulatory process to obtain all relevant consents and approvals and achieve Financial Close in accordance with the timelines specified in the LOI. The SPV will be required to construct the Project consistent with the technical specifications, equipment details and design parameters that are consistent with the Technical Proposal of the Successful Bidder		The consequences defined in the said clause pertains to delay in achieving required milestones of the LOI and such will remain unchanged because EPA will be signed at a later stage after fulfilling conditions under LOI.

		received pursuant to this RFP and agreed with K-Electric in the EPA with the approval of NEPRA. Any variations to above that are determined to be material by K-Electric, shall result in revocation of the LOI by K- Electric and encashment of Performance Guarantee provided that K-Electric shall notify in writing to the Successful Bidder of such material deviations and allow ten (10) Business Days for rectification of such material deviations.	received pursuant to this RFP and agreed with K-Electric in the EPA with the approval of NEPRA. Any variations to above that are determined to be material by K- Electric, shall result in revocation of the LOI by K- Electric and encashment of Performance Guarantee provided that K-Electric shall notify in writing to the Successful Bidder of such material deviations and allow ten (10) Business Days for rectification of such material deviations.		
7.	15.15 (of the RFP)	<p>Bidder shall provide the information relating to the Design Consultant along with the relevant details/experience as per below mentioned criteria:</p> <p>a) Proven design experience with projects of comparable sizes (Minimum 05 projects with at least 02 solar power projects of 50 MW capacity each designed by the Consultant).</p> <p>b) Applicable</p>		Confirmation is required on whether the EPC Contractor (in case one is appointed) can be designated as the Design Consultant?	In such case the EPC contractor shall meet the criteria outlined in Section 20.18 of the RFP.

		<p>experience of key design staff to be assigned to the Project (Each individual's role in the project to be specified).</p> <p>c) Minimum 50 MW projects with each project not less than 10 MW is interconnected with Grid in last 05 years.</p> <p>d) Well-defined row spacing to reduce inter-row shading and associated shading losses, layout to minimize cable runs and associated electrical losses, sufficient distance between rows to allow access for maintenance purposes etc. shall be evaluated under design criteria.</p>			
8.	16.1.1 and 16.1.2, definition of Rev SOFR (of	<p>16.1.1 (Indexation mechanism – SBP Financing)</p> <p>16.1.2 (Indexation mechanism –</p>		We understand that the RFP provides flexibility to bidders to consider either Term and / or Daily SOFR as base rate (in line with	Refer amended EPA

	the RFP)	Commercial Financing) "Rev SOFR" – quarterly revised Term or Daily SOFR, as the case may be based on GOP policy decision on the transition from LIBOR to SOFR, as on the last day of the preceding quarter.		lender's requirements) with the indexation mechanism to be available for both as applicable. Please confirm this understanding. Please also confirm that if the financing sets base rate as "Term SOFR", the same will be used for indexation, and in case financing is based on	
				"Daily SOFR" (in arrears), the same methods will be used? is this the purpose of stating both SOFR application methods in the definition?	
9.	16.3 (of the RFP)	Subject to the approval of NEPRA in Determined Tariff, following items shall be considered pass-through: (a) Duties and/or taxes, not being of refundable nature, relating to the construction period directly imposed on the Successful Bidder up to Commercial Operations Date, will be allowed at actual upon production of verifiable		We understand that the payments specified herein should be first paid and then subsequently applied to NEPRA for approval. Kindly reflect such understanding here.	RFP can't be amended at this stage; however, the said understanding is already covered under EPA.

		<p>documentary evidence to the satisfaction of the Authority.</p> <p>(b) In case the Successful Bidder is obligated to pay any tax on its income from generation of electricity from solar, or any duties, taxes or cess not being of refundable nature, are imposed on the Successful Bidder, the exact amount paid by the Successful Bidder on these accounts will be reimbursed by KE on production of original filing documents.</p> <p>In case of the above scenario, the Successful Bidder shall also submit to KE the details of any tax savings and KE shall deduct the amount of these savings from its payment to the Successful Bidder on</p>			
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		<p>accounts of taxation. The adjustment for duties and taxes will be restricted only to the extent of duties and taxes directly imposed on the Successful Bidder. No adjustment for duties and taxes imposed on third parties such as contractors, suppliers, consultants, etc., will be allowed.</p> <p>(c) Payment into Worker's Profit Participation Fund and Worker's Welfare Fund.</p> <p>(d) Withholding tax on dividend will not be a pass-through item.</p> <p>(e) Alternative & Renewable Energy Policy, 2019 (ARE Policy 2019) states certain conditions, fulfillment of which can result in the exemption of duties on the import of</p>			
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		<p>items, being manufactured locally also. In case any Bidder proposes to import any plant, machinery or equipment that is also manufactured locally in accordance with the Customs General Order of the FBR, shall be reimbursed to the Successful Bidder subject to fulfillment of conditions as given in the ARE Policy 2019, for which certification shall be obtained by the Successful Bidder from AEDB. The Bidder is expected to have knowledge of applicable laws and regulations and shall not in any case hold KE accountable for information not provided under this document.</p>			
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10.	Exhibit 13 – Form of Letter of Intent to Successful Bidder (of the RFP)	<p>Recital C (ii) of the LoI says that the SPV shall be required to enter into EPC contract for the design, construction and commissioning of the Complex</p> <p>Clause 1.1 is reproduced below:</p> <p>For the purposes of this LOI, Successful Bidder and/or any of its sponsors and/or its affiliates together with any other individual or group or entity nominated by and duly accepted by KE, shall be the</p>		<p>The RFP does not specify any requirements/prerequisites for EPC contractors based on which we understand that bidders are allowed to opt for an unbundled EPC structure. Please confirm this understanding along with clarification of the apparent mismatch of the above with the draft LoI.</p>	<p>Bidders must ensure compliance with the criteria specified in the RFP Section 20.17.</p>

		<p>Main Sponsor(s) of the Project. It is anticipated that KE will execute a mutually acceptable Energy Purchase Agreement with SPV for the term agreed under the Energy Purchase Agreement. For the purposes of this LOI irrespective of any other Sponsor being added to the Project in the future, SPV or its designated affiliate shall remain as the developer for the Project for all intents and purposes and in its dealings with KE. The equity shareholding of the Lead Member of the Successful Bidder's (in case Successful Bidder is a consortium/joint venture) shall be higher of minimum 20% or greater than the equity shareholding of other members of the consortium/joint venture and shall maintain such shareholding for the term of the loan; any change prior thereto shall require approval of KE which shall not be unreasonably withheld.</p>		<p>In relation to Clause 1.1, please clarify if the Lead Member's equity needs to be higher than the combined equity of the other shareholders or their individual equity.</p>	<p>Please refer Section 5 of RFQ.</p>
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				EPA Schedules are not provided as part of the RFP. Please share these schedules as they are an integral part of the EPA and are required for a thorough commercial; / financial review of the EPA by Bidders.	NPMV Schedule have been already shared and the pass-through items have been covered in the RFP.
11.	Schedules of the EPA			Bidder will not be able to bid without knowing the exact requirements for insurance, Schedule 1 (pass through items), technical, NPMV protocol (Schedule 10 and 13) etc. Project specific requirements may be left blank in the Schedules to the EPA.	NPMV Schedule have been already shared and the pass-through items have been covered in the RFP.
12.	1.1 (of the EPA)	"Ambient Site Conditions" – The climatic conditions at the Site for generation of Net Delivered Energy or which have an impact on the electrical output and efficiency of the Complex, including, without limitation, solar irradiation, windspeed, temperature and rainfall, etc.	"Ambient Site Conditions" – The climatic conditions at the Site for generation of Net Delivered Energy or which have an impact on the electrical output and efficiency of the Complex, including, without limitation, solar irradiation, windspeed including the Cut In Wind		The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

		as measured by the Meteorological Station provided for the purposes of calculating Adjusted Forecast Energy, the Ambient Site Conditions may be measured by the Forecasting Consultant without necessarily relying on the Meteorological Station.	<u>Speed and Cut Out Wind Speed</u> , temperature and rainfall, etc. as measured by the Meteorological Station provided for the purposes of calculating Adjusted Forecast Energy, the Ambient Site Conditions may be measured by the Forecasting Consultant without necessarily relying on the Meteorological Station.		
13.	1.1 (of the EPA)	“Carrying Costs” – Unless otherwise amended by NEPRA, the interest (or mark-up) limited to KIBOR plus [●] for Rupee based financing and SOFR/ plus [●] for Foreign Currency based financing, as applicable, as agreed under the Financing Documents, payable in or converted into Rupees accruing on the then-outstanding principal amount of the relevant portion of the debt under the Financing Documents related to the Complex; provided that if the Seller secures full or portion of the debt under any concessionary financing scheme, including one introduced by the State Bank of Pakistan, the Carrying	“Carrying Costs” – Unless otherwise amended by NEPRA, the interest (or mark-up) limited to KIBOR plus [●] for Rupee based financing and SOFR/ plus [●] for Foreign Currency based financing, as applicable, as agreed under the Financing Documents, payable in or converted into Rupees accruing on the then-outstanding principal amount of the relevant portion of the debt under the Financing Documents related to the Complex; provided that if the Seller secures full or portion of the debt under any concessionary financing scheme, including one introduced by the State Bank of Pakistan, the Carrying	Given the nature of tariff, we suggest that the Carrying Costs are linked with the actual payments under the Financing Documents.	Refer amended EPA.

		Costs for such portion of the debt shall be calculated on the basis of the rate applicable to such concessionary financing availed by the Seller.	Costs for such portion of the debt shall be calculated on the basis of the rate applicable to such concessionary financing availed by the Seller.		
14.	1.1 (of the EPA)	N/A	<u>"Cut In Wind Speed" – The minimum wind speed at which the WTGs can operate and generate electrical power, as specified in Schedule 5.</u>		Schedule 5 will be shared with the successful bidder, where this will be defined.
15.	1.1 (of the EPA)	N/A	<u>"Cut Out Wind Speed" – The maximum wind speed below which the WTGs can safely operate and generate electrical power, as specified in Schedule 5.</u>		Schedule 5 will be shared with the successful bidder, where this will be defined.
16.	1.1 (of the EPA)	"Escrow Agent" – The financial institution which enters into an Escrow Agreement with the Seller and the Purchaser.	"Escrow Agent" – The financial institution <u>(acceptable to the Seller)</u> which enters into an Escrow Agreement with the Seller and the Purchaser.	The Escrow Agent should be acceptable to the Seller in line with the precedent KE EPA.	Escrow Agent is already finalized as Seller will be added to existing MCA
17.	1.1 (of the EPA)	"Energy Price" – The Reference Tariff, as adjusted from time to time in accordance with the indexations permitted by NEPRA under the Tariff Determination.	"Energy Price" – The Reference Tariff, as adjusted from time to time in accordance with the <u>indexations permitted by NEPRA under the Tariff Determination Schedule 1.</u>	The Energy Price should be linked with Schedule 1 in line with the precedent KE EPA.	We understand that such change makes no difference as both EPA and Tariff Determination are to be approved by NEPRA.
18.	1.1 (of the EPA)	"Financing Documents" – Loan agreements, based on the term sheets related thereto,	"Financing Documents" – Loan agreements <u>listed in Schedule 1 of the Direct</u>	Given that the tariff is not based on a cost plus tariff, therefore, there should not	We understand this is a general procedural

		provided to the Purchaser, and all related notes, indentures, security agreements, guarantees, documents under Islamic financing arrangements, agreements or other instruments providing security to the Lenders (including consents and acknowledgements of assignment and direct agreements in respect to documents assigned as security to the Lenders) and other documents entered into by the Seller in relation to the construction and permanent financing (including any refinancing) of the Complex (or any part thereof), as such agreement, instruments, guarantees and documents may be amended from time to time".	Agreement, based on the term sheets related thereto, provided to the Purchaser, and all related notes, indentures, security agreements, guarantees, documents under Islamic financing arrangements, agreements or other instruments providing security to the Lenders (including consents and acknowledgements of assignment and direct agreements in respect to documents assigned as security to the Lenders) and other documents entered into by the Seller in relation to the construction and permanent financing (including any refinancing) of the Complex (or any part thereof), as such agreement, instruments, guarantees and documents may be amended from time to time".	be any requirement to submit term sheets in relation thereto. Therefore, in line with Precedent EPA, this can be linked with Schedule 1 of the Direct Agreement.	requirement and should not be an issue to the Bidder.
19.	1.1 (of the EPA)	"Generation License" – The license No. [●] dated [●], issued by NEPRA for generation and supply of electricity by the Seller from the Complex in accordance with the terms and conditions of such license as may be amended from time to time.	"Generation License" – The license/ <u>concurrence</u> No. [●] dated [●], issued by NEPRA for generation and supply of electricity by the Seller from the Complex in accordance with the terms and conditions of such license/ <u>concurrence</u> as may be amended from time		The Successful Bidder will form the SPV with management control. The SPV would be responsible for filing the Tariff

			to time.		Application with NEPRA and obtaining its concurrence on setting up the Generation Facility, with applicable fees.
20.	1.1 (of the EPA)	"SOFR" - The Secured Overnight Financing Rate, or SOFR is a backward-looking compounded rate based on the volume weighted median of overnight daily treasury repo transactions i.e., the cost of borrowing cash overnight collateralized by U.S. Treasury securities.	"SOFR" - the secured overnight Financing Rate administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate);	The proposed amendment is the definition used in current financing agreements for IPPs in Pakistan. Hence, this definition should be adopted.	Refer Amended EPA
21.	2.1 (of the EPA)	(a) No provision of this Agreement shall become effective prior to the approval of this Agreement by NEPRA, a copy of which approval shall be provided by the Purchaser to the Seller. Subject to and in accordance with the terms of NEPRA's approval only the following Articles and Sections shall become effective: (i) Article I	(a) No provision of this Agreement shall become effective prior to the approval of this Agreement by NEPRA, a copy of which approval shall be provided by the Purchaser to the Seller. Subject to and in accordance with the terms of NEPRA's approval On the date of execution of this Agreement, only the following Articles and Sections shall	Please note that in terms of the RFP, the EPA is only signed following approval of NEPRA in accordance with Clause 11.1 (3.) which states: 'KE will sign EPA with the SPV formed for each Project after approval by NEPRA.'	We understand this is a general procedural requirement and should not be an issue to the Bidder

		<p>(Definitions; Interpretation),</p> <p>(ii) this Section 2.1,</p> <p>(iii) Section 2.3,</p> <p>(iv) Article XIII (Representations and Warranties) and</p> <p>(v) Article XIX (Miscellaneous Provisions).</p> <p>(b) The Seller shall use its reasonable endeavors to cause the occurrence of Financial Closing by the [●], or such extended date as may be approved by NEPRA, which extension shall also be agreed to by the Purchaser.</p> <p>(c) The Seller shall deliver to the Purchaser, the Seller Letter of Credit in a form which is reasonably acceptable to the Purchaser on or before the Financial Closing Date.</p> <p>(d) The date on which notice</p>	<p>become effective:</p> <p>(i) Article I (Definitions; Interpretation),</p> <p>(ii) this Section 2.1,</p> <p>(iii) Section 2.3,</p> <p>(iv) Article XIII (Representations and Warranties) and</p> <p>(v) Article XIX (Miscellaneous Provisions).</p> <p>(b) The Seller shall use its reasonable endeavors to cause the occurrence of Financial Closing by the [●], or such extended date as may be approved by NEPRA, which extension shall also be agreed to by the Purchaser.</p> <p>(c) The Seller shall deliver to the Purchaser, the Seller Letter of Credit in a form which is reasonably acceptable to the Purchaser on or before the</p>		
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		<p>from the Agent of the occurrence of Financial Closing is received by the Purchaser, this Agreement shall become effective in its entirety (the "Effective Date").</p> <p>(e) If the Effective Date does not occur by [●], as such date may be extended in accordance with this Agreement, then the Purchaser may deliver written notice to the Seller terminating this Agreement, which termination shall be effective on the date of delivery of such notice. From the date of such termination, the Parties shall have no further rights against each other and shall be released from all further obligations under this Agreement, subject to any rights and obligations that may have accrued before the date of such termination.</p>	<p>Financial Closing Date.</p> <p>(d) The date on which notice from the Agent of the occurrence of Financial Closing is received by the Purchaser, this Agreement shall become effective in its entirety (the "Effective Date").</p> <p>(e) <u>Subject to Section 2.1 (f)</u>, If the Effective Date does not occur by [●], as such date may be extended in accordance with this Agreement, then the Purchaser may deliver written notice to the Seller terminating this Agreement, which termination shall be effective on the date of delivery of such notice. From the date of such termination, the Parties shall have no further rights against each other and shall be released from all further obligations under this Agreement, subject to any rights and obligations that may have accrued before the date of such termination.</p>		
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			(f) <u>If the Effective Date does not occur within the timeline provided in Section 2.2 (e) due to failure to enter into an Escrow Agreement in an agreed form, then the timeline given in Section 2.2 (e), shall be further extended by ninety (90) days.</u>		
22.	2.2 (b) (of the EPA)	If there occurs a PPFME or a CLFME that, in either case, requires the Purchaser to make payments to the Seller pursuant to Section 15.6(a)(iii) and 15.6(i), then, unless Section 2.2(e) applies, the Term at the end of the Agreement shall be extended for a period equal to the number of Days such PPFME or CLFME, as the case may be, was in effect. During such extended period, the Seller shall be paid [● %] of the Energy Price prevalent at the end of 25th Agreement Year, on account of O&M and insurance costs in respect of such period.		<p>K.E to revert on the quantum of the Energy Price to be paid to the Seller.</p> <p>We understand that such blank relate to payment in relation to Operations and Maintenance, and insurances. We suggest that the approach in relation to its quantum should be clarified upfront.</p> <p>Furthermore, since no Return on Equity component was paid when compensation set out in Section 15.6 (a) (iii) and Section 15.6 (i) were paid, therefore, Return on Equity component should</p>	Refer amended EPA

				be payable in this case as well.	
23.	Performance Guarantee (under the RFP) and Seller Letter of Credit – Section 2.7 of the EPA			K.E to confirm whether Performance Guarantee and the Seller Letter of Credit are separate instruments. If so, then the Performance Guarantee should be returned as soon as the Seller Letter of Credit is submitted.	This is correct.
24.	2.9 (a) (of the EPA)	The Parties agree that the Contract Capacity is [●]MWP, being the nameplate capacity of all the WTGs (in MW) and PV modules (in MWp) (installed at the Site at Commercial Operations Date. In the event that PV Panels are added after Commercial Operations Date, at the Seller's cost, to address effect of yearly degradations, the same would not be added to calculate the Contract Capacity and necessary regulatory approvals shall be sought by the Seller.	The Parties agree that the Contract Capacity is [●]MWP, being the nameplate capacity of all the WTGs (in MW) and PV modules (in MWp) (installed at the Site at Commercial Operations Date. In the event that PV Panels are added after Commercial Operations Date, at the Seller's cost, to address effect of yearly degradations, the same would not be added to calculate the Contract Capacity and necessary regulatory approvals (if applicable) shall be sought by the Seller.		Refer amended EPA
25.	2.9 (b) (of the EPA)	The Seller may vary the installed capacity in MWp before the Commercial Operations Date for which the necessary consents needs to be obtained, provided that the	The Seller may vary the installed capacity in MWp before the Commercial Operations Date for which the necessary consents needs to be obtained (if applicable),	Please see the attached proposal in respect of this clause. Furthermore, the allowances that have been	The said proposals are not acceptable to K.E. Applicant is requested to provide its

		<p>maximum power to be evacuated in MW_{ac} shall remain consistent with the grid study approved by the Purchaser; and provided further that, if the reduction in the Contract Capacity requested by the Seller is less than or equal to five percent (5%) of the specified Contract Capacity, the Seller shall pay to the Purchaser in immediately available funds within five (5) Business Days after the notice to reduce the Contract Capacity, as liquidated damages for such reduction and not as a penalty, an amount equal to four hundred thousand Dollars (\$400,000) multiplied by the number of MW (prorated for any fraction thereof) of the reduction in the Contract Capacity.</p> <p>(i) from the date of payment of the amount of liquidated damages determined pursuant to Section 2.9(b), the Contract Capacity shall be reduced by the amount stated in such notice to the Purchaser; the Seller may deliver</p>	<p>provided that the maximum power to be evacuated in MW_{ac} shall remain consistent with the grid study approved by the Purchaser; and provided further that, if the reduction in the Contract Capacity requested by the Seller is less than or equal to five percent (5%) <u>greater than five percent (5%) and less than or equal to ten percent (10%)</u> of the specified Contract Capacity, the Seller shall pay to the Purchaser in immediately available funds within five (5) Business Days after the notice to reduce the Contract Capacity, as liquidated damages for such reduction <u>(not for all reductions but for reductions greater than five percent (5%))</u> and not as a penalty, an amount equal to four hundred thousand Dollars (\$400,000) <u>three hundred and fifty thousand Dollars (\$350,000)</u> multiplied by the number of MW (prorated for any fraction thereof) of the reduction after <u>five percent (5%)</u> in the Contract Capacity.</p>	<p>provided in respect of the Contract Capacity are market standard both in case of K.E Projects as well as CPPA-G Projects. It provides a certain relief (with obviously attached liquidated damages) within acceptable tolerances.</p> <p>Please note that restricting such tolerances would have an impact on EPC cost. It is also important to note that despite such tolerances, none of the projects (including, it appears, K.E Projects) have suffered substantive reductions in Contract Capacity.</p> <p>We would therefore request that this provision is aligned with market standard.</p>	<p>acceptance to the amended EPA as required under the RFP</p>
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		<p>additional notices of reduction of the Contract Capacity, provided that the aggregate reduction in Contract Capacity does not exceed five percent (5%) of the initial Contract Capacity specified in Section 2.9(a), and <u>provided, further</u>, that the amount of any liquidated damages payable pursuant to Section 2.9(b) for such further reduction shall be without double-counting of, and shall exclude, any amounts already paid under Section 2.9(b) for previous reductions of the Contract Capacity.</p>	<p>(i) from the date of payment of the amount of liquidated damages determined pursuant to Section 2.9(b), the Contract Capacity shall be reduced by the amount stated in such notice to the Purchaser;</p> <p>(ii) the Seller may deliver additional notices of reduction of the Contract Capacity, provided that the aggregate reduction in Contract Capacity does not exceed five percent (5%) <u>ten percent (10%)</u> of the initial Contract Capacity specified in Section 2.9(a), and <u>provided, further</u>, that the amount of any liquidated damages payable pursuant to Section 2.9(b) for such further reduction shall be without double-counting of, and shall exclude, any amounts already paid under Section 2.9(b) for previous reductions of the Contract Capacity.</p>		
26.	5.12 (a) (of the EPA)	<p>If, after the Commercial Operations Date, without the prior written consent of the Purchaser, the Seller shall have ceased to operate the Complex for a period of seven</p>	<p>If, after the Commercial Operations Date, without the prior written consent of the Purchaser, the Seller shall have ceased to operate the Complex for a period of seven</p>		Refer amended EPA

		<p>(7) consecutive Days other than because of:</p> <ul style="list-style-type: none"> (i) a Force Majeure Event, (ii) a Scheduled Outage or a Maintenance Outage, (iii) a Forced Outage or a Partial Forced Outage, (iv) a Non-Project Event, or (v) any act or omission of the Purchaser that effectively prevents the Seller or its Contractors from operating the Complex, <p>then the Purchaser shall be entitled to (A) enter the Complex and operate it until the Seller demonstrates, to the reasonable satisfaction of the Purchaser, that the Seller can and will resume normal operation of the Complex or until the Lenders shall have exercised their rights in accordance with the Financing Documents,</p>	<p>(7) consecutive Days other than because of:</p> <ul style="list-style-type: none"> (i) a Force Majeure Event, (ii) a Scheduled Outage or a Maintenance Outage, (iii) a Forced Outage or a Partial Forced Outage, (iv) a Non-Project Event, or (v) any act or omission of the Purchaser that effectively prevents the Seller or its Contractors from operating the Complex, <p>then the Purchaser shall be entitled to (A) enter the Complex and operate it until the Seller demonstrates, to the reasonable satisfaction of the Purchaser, that the Seller can and will resume normal operation of the Complex or until the Lenders shall have exercised their rights in accordance with the Financing Documents,</p>		
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		including the EPA Direct Agreement, to enter the Complex and operate it, and (B) as soon as is reasonably practicable, send written notice of such entry to the Lender or the Agent (as defined in Section 16.5) in accordance with the procedure set forth in Section 16.5 and the EPA Direct Agreement.	including the EPA Direct Agreement, to enter the Complex and operate it, and (B) as soon as is reasonably practicable, send written notice of such entry to the Lender or the Agent (as defined in Section 16.5) in accordance with the procedure set forth in Section 16.5 and the EPA Direct Agreement.		
		During any period that the Purchaser operates the Complex pursuant to this Section 5.12, the Purchaser shall (i) operate the Complex within the Technical Limits and in accordance with Laws of Pakistan, Prudent Utility Practices and Prudent Electrical Practices, (ii) bear all costs of such operation, and (iii) pay to the Seller the aggregate of the Actual Principal Repayment Component and the Actual Interest Charges Component multiplied by the Average Daily Energy during such period (to the extent Ambient Site Conditions enabled such generation under the Hybrid Forecast Model); <u>provided, however, that the Seller shall</u>	During any period that the Purchaser operates the Complex pursuant to this Section 5.12, the Purchaser shall (i) operate the Complex within the Technical Limits and in accordance with Laws of Pakistan, Prudent Utility Practices and Prudent Electrical Practices, (ii) bear all costs of such operation, and (iii) pay to the Seller the aggregate of the Actual Principal Repayment Component and the Actual Interest Charges Component multiplied by the Average Daily Energy during such period (to the extent Ambient Site Conditions enabled such generation under the Hybrid Forecast Model); <u>provided, however, that the Seller shall</u>		

		not be entitled to any payment during such period to which it would not be entitled if the Complex had been operated by the Seller during such period.	not be entitled to any payment during such period to which it would not be entitled if the Complex had been operated by the Seller during such period.		
27.	6.5 (of the EPA)			<p>Please note that this project has been specifically set up for the purposes of KE's requirements. In case of suspension, the Seller would be incurring significant costs to keep the project suspended – this would include operational costs, insurance costs as well as debt payments. How does KE propose to address such a risk? This would necessarily mean that there would be default under the financing documents for non- payment of debt payments, and a failure to pay insurance premium (which would result in an expiry of the insurance policies). Furthermore, in case there is termination due to a PPFME / CLFME, it appears that there are no compensations payable by</p>	<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p>

				<p>KE in such case. From a bankability perspective, this would be a significant risk that would need to be addressed.</p> <p>In view of the above, to ensure bankability of the risk, it is important that the EPA reflects the market standard provisions relating to a buy-out obligations and payment of compensation payments.</p>	
28.	6.5 (a) (of the EPA)	<p>Within seven (7) Days of the Effective Date, the Seller shall give to the Purchaser written notice of the Scheduled Commercial Operations Date then anticipated by the Seller (which date shall not in any event be earlier than the earliest date on which the Commercial Operations Date may occur hereunder). Following receipt of such notice, the Purchaser shall commence the final design of the Purchaser Interconnection Facilities. Thereafter, the Purchaser shall provide to the Seller reports on the progress of the Purchaser Interconnection Works until their completion. The</p>	<p>Within seven (7) Days of the Effective Date, the Seller shall give to the Purchaser written notice of the Scheduled Commercial Operations Date then anticipated by the Seller (which date shall not in any event be earlier than the earliest date on which the Commercial Operations Date may occur hereunder). Following receipt of such notice, the Purchaser shall commence the final design of the Purchaser Interconnection Facilities. Thereafter, the Purchaser shall provide to the Seller reports on the progress of the Purchaser Interconnection Works until their completion. The</p>	<p>Please also note the provisions of Section 6.5 (a) (iv) which operates as an exception to Purchaser's obligations to provide Purchaser Interconnection Facilities by a certain specified date. Please note that in any contractual framework, the only exception to performance obligations is Force Majeure Events and therefore such would be reflected here. As K.E would be aware that this is a key obligation on part of the Purchaser.</p> <p>Please note that the consequences for the</p>	<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p>

		<p>Purchaser shall complete the Purchaser Interconnection Works so as to be able to accept Net Delivered Energy at the Interconnection Point to carry out the Commissioning Tests no later than [●] Days prior to the Scheduled Commercial Operations Date notified by the Seller to the Purchaser pursuant to this Section 6.5(a); <u>provided, however,</u> that such completion date shall be extended on a Day-for-Day basis for any changes in the Scheduled Commercial Operations Date, and to the extent necessary because of the occurrence of any of the following:</p> <p>(i) the Seller's failure to execute, in sufficient time for the Purchaser to complete the Purchaser Interconnection Facilities, such easements, rights-of-way, licenses and other documents, each in recordable</p>	<p>Purchaser shall complete the Purchaser Interconnection Works so as to be able to accept Net Delivered Energy at the Interconnection Point to carry out the Commissioning Tests no later than [●] Days prior to the Scheduled Commercial Operations Date notified by the Seller to the Purchaser pursuant to this Section 6.5(a); <u>provided, however,</u> that such completion date shall be extended on a Day-for-Day basis for any changes in the Scheduled Commercial Operations Date, and to the extent necessary because of the occurrence of any of the following:</p> <p>(i) the Seller's failure to execute, in sufficient time for the Purchaser to complete the Purchaser Interconnection Facilities, such easements, rights-of-way, licenses and other documents, each in recordable</p>	<p>Seller are severe since if the construction timelines are extended due to Section 6.5 (a) (iv), it is not entitled to any compensations under the EPA nor the Insurance Policies.</p> <p>Therefore, we suggest that Section 6.5 (a) (iv) is deleted.</p>	
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		form, as the Purchaser may reasonably require to record the deeds, easements, rights-of-way and licenses granted pursuant to Section 6.4;	form, as the Purchaser may reasonably require to record the deeds, easements, rights-of-way and licenses granted pursuant to Section 6.4;		
	(ii)	the Seller's failure to provide the Purchaser, on a timely basis, with any technical data relating to the Complex and available to the Seller but not included in Schedule 3, requested by the Purchaser and reasonably necessary for the Purchaser to undertake the design, construction, installation, commissioning, maintenance and operation of the	(ii) the Seller's failure to provide the purchaser, on a timely basis, with any technical data relating to the Complex and available to the Seller but not included in Schedule 3, requested by the Purchaser and reasonably necessary for the Purchaser to undertake the design, construction, installation, commissioning, maintenance and operation of the		

		<p>Purchaser Interconnection Facilities;</p> <p>(iii) a Force Majeure Event that materially and adversely affects the Purchaser's ability to perform its obligations in accordance with this Article VI;</p> <p>(iv) Any circumstances / events that are beyond Purchaser's reasonable control and cause delay in construction or operations of Purchaser Interconnection Facilities;</p> <p>(v) any other failure by the Seller to perform in accordance with this Agreement, including but not limited to the Seller's obligations</p>	<p>Purchaser Interconnection Facilities;</p> <p>(iii) a Force Majeure Event that materially and adversely affects the Purchaser's ability to perform its obligations in accordance with this Article VI;</p> <p>(iv) Any circumstances / events that are beyond Purchaser's reasonable control and cause delay in construction or operations of Purchaser Interconnection Facilities;</p> <p>(v) any other failure by the Seller to perform in accordance with this Agreement, including but not limited to the Seller's</p>		
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		<p>assumed under Schedule 3, that materially and adversely affects the Purchaser's ability to perform its obligations in accordance with this Article VI;</p> <p>provided, however, that no extension shall be granted to the Purchaser to the extent that such failure or delay would nevertheless have been experienced by the Purchaser.</p> <p>If the Purchaser has not completed, commissioned and energized the Purchaser Interconnection Facilities, by the date required in Section 6.5(a), and such delay causes a delay in the Commissioning of the Complex, the Required Commercial Operations Date shall be extended Day-for-Day until the date on which the Purchaser Interconnection Works are completed, provided however, the Required Commercial Operations Date shall not be extended on account of any extension of the completion</p>	<p>obligations assumed under Schedule 3, that materially and adversely affects the Purchaser's ability to perform its obligations in accordance with this Article VI;</p> <p>provided, however, that no extension shall be granted to the Purchaser to the extent that such failure or delay would nevertheless have been experienced by the Purchaser.</p> <p>If the Purchaser has not completed, commissioned and energized the Purchaser Interconnection Facilities, by the date required in Section 6.5(a), and such delay causes a delay in the Commissioning of the Complex, the Required Commercial Operations Date shall be extended Day-for-Day until the date on which the Purchaser Interconnection Works are completed, provided however, the Required Commercial Operations Date shall not be extended on account of any</p>		
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		date of the Purchaser Interconnection Works under Section 6.5(a)(i), (ii) and (iv).	extension of the completion date of the Purchaser Interconnection Works under Section 6.5(a)(i), (ii) and (iv).		
29.	6.5 (b) (of the EPA)	In addition, if the Purchaser has not completed the Purchaser Interconnection Works by the date which is [●] Days following the date by which the Purchaser Interconnection Facilities were required to be completed in accordance with Section 6.5(a) as such date may be extended pursuant to Section 6.5(a)(i), (ii), (iii) and (iv), and such delay causes a delay in Commissioning of the Complex, as certified by the Engineer, then the Purchaser shall pay to the Seller monthly, in arrears, (and prorated for any portion of a Month) an amount equal to the Carrying Cost plus [●%] of the Energy Price on account of partial reimbursement of actual O&M and insurance costs multiplied by the Average Daily Energy for each Day during the period of such delay.	In addition, if the Purchaser has not completed the Purchaser Interconnection Works by the date which is [●] Days following the date by which the Purchaser Interconnection Facilities were required to be completed in accordance with Section 6.5(a) as such date may be extended pursuant to Section 6.5(a)(i), (ii), (iii) and (iv), and such delay causes a delay in Commissioning of the Complex, as certified by the Engineer, then the Purchaser shall pay to the Seller monthly, in arrears, (and prorated for any portion of a Month) an amount equal to the Carrying Cost plus [●%] of the Energy Price on account of partial reimbursement of actual O&M and insurance costs multiplied by the Average Daily Energy for each Day during the period of such delay.	Please note that given the structure of the Tariff, there would not be any specific components as such.	Refer amended EPA
30.	6.5 (c) (of the EPA)	In addition to payment set out in Section 6.5(b) above for the period of such delay, if	In addition to payment set out in Section 6.5(b) above for the period of such delay, if	The adjustment with regards to debt servicing should not be subject to	Refer amended EPA

		the delay by the Purchaser in completing the Purchaser Interconnection Facilities continues beyond the [●] Day following the date of the issuance by the Engineer of the Certificate of Readiness for Synchronization and a simultaneous certificate by the Engineer that the delay caused by the Purchaser would likely cause the then-scheduled Commissioning Tests to be delayed, the Purchaser shall also be required to pay the principal sum of the debt when due pursuant to the repayment schedule as set out under the relevant Financing Document (as certified to the Purchaser by the Lender or Agent). Such payment of the principal sum of the debt by the Purchaser shall be made within [●] Days following receipt of an invoice therefor, but in no event earlier than the [●] day following the Scheduled Commercial Operations Date prevailing immediately prior to such delay which invoice shall be signed by the Lenders or the Agent, certifying the amount shown therein to be	the delay by the Purchaser in completing the Purchaser Interconnection Facilities continues beyond the [●] Day following the date of the issuance by the Engineer of the Certificate of Readiness for Synchronization and a simultaneous certificate by the Engineer that the delay caused by the Purchaser would likely cause the then-scheduled Commissioning Tests to be delayed, the Purchaser shall also be required to pay the principal sum of the debt when due pursuant to the repayment schedule as set out under the relevant Financing Document (as certified to the Purchaser by the Lender or Agent). Such payment of the principal sum of the debt by the Purchaser shall be made within [●] Days following receipt of an invoice therefor, but in no event earlier than the [●] day following the Scheduled Commercial Operations Date prevailing immediately prior to such delay which invoice shall be signed by the Lenders or the Agent, certifying the amount shown therein to be	KIBOR +[3%] since such additional spread has not been made available to compensation that are made to the Seller at a subsequent date.	
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		<p>correct and stating the due date for such payment of principal debt under the repayment schedule as set out under the relevant Financing Document (as certified to the Purchaser by the Lenders or Agent). Such payments shall continue until the earlier of (A) the end of the period equal to the period of delay or deferral of any Commissioning Test, or (B) completion of the first attempted Commissioning Tests (whether successfully completed or not), <u>provided</u>, that any payments made by the Purchaser pursuant to Section 6.5(c) on account of payments of principal sum of the debt shall be in the form of a loan from the Purchaser to the Seller in order to facilitate the Seller to meet its debt servicing obligations and the same shall be recovered, together with interest at KIBOR plus a spread of [3%] (on the monthly outstanding balance of such amounts) commencing on the date of such payments by the Purchaser and ending on the date of complete repayment</p>	<p>correct and stating the due date for such payment of principal debt under the repayment schedule as set out under the relevant Financing Document (as certified to the Purchaser by the Lenders or Agent). Such payments shall continue until the earlier of (A) the end of the period equal to the period of delay or deferral of any Commissioning Test, or (B) completion of the first attempted Commissioning Tests (whether successfully completed or not), <u>provided</u>, that any payments made by the Purchaser pursuant to Section 6.5(c) on account of payments of principal sum of the debt shall be in the form of a loan from the Purchaser to the Seller in order to facilitate the Seller to meet its debt servicing obligations and the same shall be recovered, together with interest at <u>KIBOR plus a spread of [3%]</u> (on the monthly outstanding balance of such amounts) commencing on the date of such payments by the Purchaser and ending on the date of complete repayment</p>		
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		thereof by the Seller, through successive deductions of [●%] of the Energy Price from the monthly Energy Payments until such amounts have been completely recovered. The Purchaser shall have no obligation to make the payments provided in this Section 6.5 if, and to the extent that, the delay in the Commissioning Tests would nevertheless have occurred regardless of the Purchaser's delay or deferral of such tests. If payments by the Purchaser under this Section 6.5 shall have commenced, or the obligation for such payments shall have accrued, the Complex shall be tested at the first available opportunity thereafter. Except as provided in this Section 6.5, Section 8.1, Section 15.6 and Section 16.2(h), the Seller shall be entitled to no other compensation or claim for damages under this Agreement as a result of delay in completion of the Purchaser Interconnection Facilities or deferral of the Commissioning Tests by the Purchaser, as the	thereof by the Seller, through successive deductions of [●%] of the Energy Price from the monthly Energy Payments until such amounts have been completely recovered. The Purchaser shall have no obligation to make the payments provided in this Section 6.5 if, and to the extent that, the delay in the Commissioning Tests would nevertheless have occurred regardless of the Purchaser's delay or deferral of such tests. If payments by the Purchaser under this Section 6.5 shall have commenced, or the obligation for such payments shall have accrued, the Complex shall be tested at the first available opportunity thereafter. Except as provided in this Section 6.5, Section 8.1, Section 15.6 and Section 16.2(h), the Seller shall be entitled to no other compensation or claim for damages under this Agreement as a result of delay in completion of the Purchaser Interconnection Facilities or deferral of the Commissioning Tests by the Purchaser, as the		
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		case may be.	case may be.		
31.	6.6 (c) (of the EPA)	Subject to providing the Seller reasonable notice, the Purchaser may require the Seller to modify or expand the requirements for protective devices. Following the Purchaser's approval of the costs of such modification or expansion, the Seller shall perform such modification or expansion. Such work shall be completed within a reasonable time under the circumstances. If such request for a modification or expansion is sent by the Purchaser on or after the Construction Start Date and such request causes a delay in Commissioning the Complex, as certified by the Engineer, the Required Commercial Operations Date shall be extended Day-for- Day to account for such delay provided the Seller has submitted its final metering, control and protection single line diagram to the Purchaser no later than fifteen (15) Days after the Construction Start Date. The Purchaser shall be notified in advance of, and shall have the	Subject to providing the Seller reasonable notice, the Purchaser may require the Seller to modify or expand the requirements for protective devices. Following the Purchaser's approval of the costs of such modification or expansion, the Seller shall perform such modification or expansion. Such work shall be completed within a reasonable time under the circumstances. If such request for a modification or expansion is sent by the Purchaser on or after the Construction Start Date and such request causes a delay in Commissioning the Complex, as certified by the Engineer, the Required Commercial Operations Date shall be extended Day-for- Day to account for such delay provided the Seller has submitted its final <u>initial</u> metering, control and protection single line diagram to the Purchaser no later than fifteen thirty (15 30) Days after the Construction Start Date. The Purchaser shall be notified in advance of, and		Refer amended EPA

		right to observe, all work on the protective devices.	shall have the right to observe, all work on the protective devices.		
		If the Purchaser is unable to accommodate the schedule for any of the Commissioning Tests as provided by the Seller, the Purchaser will give the Seller notice within forty-eight (48) hours of its receipt of the final schedule for testing of its requirements regarding deferral or delay of any Commissioning Tests for the Complex and the Parties will mutually agree on a date for any deferral test or programme of tests; <u>provided</u> , subject to the requirements for notification to the Purchaser hereunder, in no event shall the Purchaser be permitted to delay or defer the Commissioning Tests beyond thirty (30) Days from the date on which the tests were finally scheduled, except for reasons of a Force Majeure Event experienced by the Purchaser. Notwithstanding the foregoing, the Purchaser shall have no liability to the Seller under this Section 8.1 and no claim of breach or default hereunder shall arise	If the Purchaser is unable to accommodate the schedule for any of the Commissioning Tests as provided by the Seller, the Purchaser will give the Seller notice within forty-eight (48) hours of its receipt of the final schedule for testing of its requirements regarding deferral or delay of any Commissioning Tests for the Complex and the Parties will mutually agree on a date for any deferral test or programme of tests; <u>provided</u> , subject to the requirements for notification to the Purchaser hereunder, in no event shall the Purchaser be permitted to delay or defer the Commissioning Tests beyond thirty (30) <u>fifteen (15)</u> Days from the date on which the tests were finally scheduled, except for reasons of a Force Majeure Event experienced by the Purchaser. Notwithstanding the foregoing, the Purchaser shall have no liability to the Seller under this Section 8.1 and no claim of breach or default		
32.	8.1 (b) (1) (of the EPA)			Given the competitive construction timeline provided in the EPA, we would suggest that the 30 days should be 15 days in line with Precedent EPA.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

		if, and to the extent that, any delay in or deferral of the programme of Commissioning Tests would nevertheless have occurred regardless of the Purchaser's delay or deferral of such tests.	hereunder shall arise if, and to the extent that, any delay in or deferral of the programme of Commissioning Tests would nevertheless have occurred regardless of the Purchaser's delay or deferral of such tests.		
33.	8.1 (b) (2) (of the EPA)	Should the Purchaser defer or delay any Commissioning Tests beyond thirty (30) Days from the date on which the tests were finally scheduled and such deferral or delay causes the Scheduled Commercial Operations Date of the Complex to be delayed or deferred, as certified by the Engineer, then from the -- Scheduled Commercial Operations Date prevailing immediately prior to such delay or deferral, the Purchaser shall pay to the Seller Monthly, in arrears, (and prorated for any portion of a Month) an amount equal to the Carrying Cost plus [●]% of the Energy Price on account of actual reimbursement of partial O&M and insurance costs multiplied by the Average Daily Energy for the number of Days of such delay. Such payments shall commence on the Scheduled Commercial	Should the Purchaser defer or delay any Commissioning Tests beyond thirty (30) <u>fifteen (15)</u> Days from the date on which the tests were finally scheduled and such deferral or delay causes the Scheduled Commercial Operations Date of the Complex to be delayed or deferred, as certified by the Engineer, then from the Scheduled Commercial Operations Date prevailing immediately prior to such delay or deferral, the Purchaser shall pay to the Seller Monthly, in arrears, (and prorated for any portion of a Month) an amount equal to the Carrying Cost plus [●]% of the Energy Price on account of actual reimbursement of partial O&M and insurance costs multiplied by the Average Daily Energy for the number	Given the competitive construction timeline provided in the EPA, we would suggest that the 30 days should be 15 days in line with Precedent EPA. Please provide us the missing information in the blanks. It would be important to highlight prior to Bid submission as how such blanks would operate given the structure of the tariff.	Refer amended EPA

		<p>Operations Date prevailing immediately prior to such delay and shall continue until the completion of the first attempted Commissioning Tests (whether successfully completed or not); <u>provided, however,</u> that the payment of such amounts by the Purchaser and extension of the Required Commercial Operations Date shall be subject to issuance by the Engineer of Certificate of Readiness for Synchronization and a simultaneous certificate that the delay caused by the Purchaser has caused the then scheduled Commissioning Tests to be delayed.</p>	<p>of Days of such delay. Such payments shall commence on the Scheduled Commercial Operations Date prevailing immediately prior to such delay and shall continue until the completion of the first attempted Commissioning Tests (whether successfully completed or not); <u>provided, however,</u> that the payment of such amounts by the Purchaser and extension of the Required Commercial Operations Date shall be subject to issuance by the Engineer of Certificate of Readiness for Synchronization and a simultaneous certificate that the delay caused by the Purchaser has caused the then scheduled Commissioning Tests to be delayed.</p>		
34.	8.1 (b) (3) (of the EPA)	<p>In addition to the payment set out in Section 8.1(b)(2) above, if the delay or deferral of the commissioning Tests by the Purchaser continues beyond the [●] Day following the date of issuance by the Engineer of the two (2) certificates referred to in this Section, then the Purchaser shall also be required</p>	<p>In addition to the payment set out in Section 8.1(b)(2) above, if the delay or deferral of the Commissioning Tests by the Purchaser continues beyond the <u>ninetieth (90th)</u> Day following the date of issuance by the Engineer of the two (2) certificates referred to in this Section,</p>		Refer amended EPA

		<p>to pay the principal debt payments when due under the Financing Documents pursuant to the repayment schedule agreed between the Seller and the Lenders at Financial Closing, with a copy of such repayment schedule being furnished to the Purchaser attested by the Lenders or their Agent as to its accuracy ("Lender Debt Confirmation"). Such principal debt payment shall be due from the Purchaser no later than thirty (30) Days following receipt of an invoice therefor (together with the Lender Debt Confirmation) which invoice shall be signed by the Lenders or the Agent certifying the amount shown therein to be correct and stating the due date for such payment of principal debt under the repayment schedule. Such payments shall continue until the earlier of (i) the end of a period equal to the period of delay or deferral of any Commissioning test or Commissioning Tests; and (ii) the completion of the first attempted Commissioning Tests (whether successfully completed or not).</p>	<p>then the Purchaser shall also be required to pay the principal debt payments when due under the Financing Documents pursuant to the repayment schedule agreed between the Seller and the Lenders at Financial Closing, with a copy of such repayment schedule being furnished to the Purchaser attested by the Lenders or their Agent as to its accuracy ("Lender Debt Confirmation"). Such principal debt payment shall be due from the Purchaser no later than thirty (30) Days following receipt of an invoice therefor (together with the Lender Debt Confirmation) which invoice shall be signed by the Lenders or the Agent certifying the amount shown therein to be correct and stating the due date for such payment of principal debt under the repayment schedule. Such payments shall continue until the earlier of (i) the end of a period equal to the period of delay or deferral of any Commissioning test or Commissioning Tests; and (ii) the completion of the first attempted Commissioning Tests</p>		
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			(whether successfully completed or not).		
35.	8.1 (b) (5) (of the EPA)	Any payments made by the Purchaser pursuant to this Section 8.1(b) on account of principal debt payments under the Financing Documents shall be in the form of a loan from the Purchaser to the Seller in order to facilitate the Seller to meet its debt servicing obligations and the same shall be recovered by the Purchaser, together with interest at KIBOR plus a spread of three percent (3%) (on the monthly outstanding balance of such amounts), commencing on the Commercial Operations Date and ending on the date of complete repayment thereof by the Seller, through successive deductions of [●]% twenty percent of the Energy Price from the monthly Energy Payments until the aforesaid amounts have been completely recovered.	Any payments made by the Purchaser pursuant to this Section 8.1(b) on account of principal debt payments under the Financing Documents shall be in the form of a loan from the Purchaser to the Seller in order to facilitate the Seller to meet its debt servicing obligations and the same shall be recovered by the Purchaser, together with interest at KIBOR plus a spread of three percent (3%) (on the monthly outstanding balance of such amounts), commencing on the Commercial Operations Date and ending on the date of complete repayment thereof by the Seller, through successive deductions of [●]% twenty percent of the Energy Price from the monthly Energy Payments until the aforesaid amounts have been completely recovered.	The adjustment with regards to debt servicing should not be subject to KIBOR +[3%] since such additional spread has not been made available to compensation that are made to the Seller at a subsequent date.	Refer amended EPA
36.	9.3 (b) (of the EPA)	If the Seller is in breach of its obligation under Section 4.1(b) to achieve the Commercial Operations Date by the Required Commercial	If the Seller is in breach of its obligation under Section 4.1(b) to achieve the Commercial Operations Date by the Required Commercial	This exception to the applicability of the liquidated damages under Section 9.3 (b) should also include a Non-Project	The said proposals are not acceptable to KE. Applicant is requested to

		<p>Operations Date (unless such breach is attributable to breach or default by the Purchaser of its obligations hereunder, the nonavailability of Ambient Site Conditions in accordance with Section 8.8, or a Force Majeure Event) then for each Month (prorated Daily) thereafter until the Commercial Operations Date is actually achieved, the Seller shall pay the Purchaser as liquidated damages an amount equal to four Dollars (\$4.00) per kW of the Contract Capacity for each Month (prorated Daily) thereafter until the Commercial Operations Date is actually achieved. The Parties acknowledge and agree that it would be difficult or impossible at the date of this Agreement to determine with absolute precision the amount of damages that would or might be incurred by the Purchaser as a result of the Seller's failure to perform those matters for which liquidated damages are provided under this Section 9.3.</p>	<p>Operations Date (unless such breach is attributable to breach or default by the Purchaser of its obligations hereunder, the nonavailability of Ambient Site Conditions in accordance with Section 8.8, a Force Majeure Event, or a Non-Project Event) then for each Month (prorated Daily) thereafter until the Commercial Operations Date is actually achieved, the Seller shall pay the Purchaser as liquidated damages an amount equal to four Dollars (\$4.00) <u>per kW two and half Dollars (\$2.50) per kW</u> of the Contract Capacity for each Month (prorated Daily) thereafter until the Commercial Operations Date is actually achieved. The Parties acknowledge and agree that it would be difficult or impossible at the date of this Agreement to determine with absolute precision the amount of damages that would or might be incurred by the Purchaser as a result of the Seller's failure to perform those matters for which liquidated damages are provided under this Section</p>	<p>Event.</p> <p>In terms of EPA, Non-Project Event is recognized as an exception to generation of electricity. Therefore, similarly, such should also be included here.</p> <p>Furthermore, the quantum of the delay liquidated damages should be adjusted in line with the K.E Precedent EPAs and other market precedent.</p>	<p>provide its acceptance to the amended EPA as required under the RFP</p>
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37.	9.4 (h) (of the EPA)	Notwithstanding anything to the contrary in this Agreement, if any amount paid by the Purchaser to the Seller under this Agreement, is subsequently disallowed by NEPRA under the Determined Tariff, the Purchaser shall have the right to recover the same from the Seller by way of set off or otherwise.	<p>9.3.</p> <p>Notwithstanding anything to the contrary in this Agreement, If any amount paid by the Purchaser to the Seller in terms of Section 15.6 (a) (iii) and 15.6 (i) under this Agreement, is subsequently disallowed by NEPRA under the Determined Tariff, the Purchaser shall promptly inform (but not later than three (3) Days of issuance of such determination by NEPRA) the Seller of the same. If the Seller does not file an appeal before the appellate tribunal established under the NEPRA Act, and/or a motion for leave for review, in accordance with the applicable law, the Purchaser shall have the right to recover the same from the Seller by way of set off or otherwise on a mutually agreed Schedule. The Purchaser shall provide to the Seller all information and documents as may be requested by the Seller as may be required by the Seller to file an appeal before the Appellate Tribunal established under the NEPRA Act and/or a motion for leave for review in</p>	<p>Please note that contractual payments which do not relate to the tariff itself should in any case be excluded from this clause. Such excluded payments would include payments in relation to delay in Purchaser Interconnection Facilities, delay in commissioning tests, Delayed Payment Rate, payments in relation to indemnities or other payment in relation to the Contract.</p> <p>With regards to Energy Payments, Supplemental Tariffs and Pass- Through Items, such payments would be made pursuant to Schedule 1 which would be reflective of the tariff approval for the Project in any case. Therefore, such payments should be excluded. This clause should be restructured to the payments only under Section 15.6 (a) (iii) and Section 15.6 (i).</p> <p>We understand that such</p>	<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p>
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			<u>accordance with the applicable law.</u>	payments would be made upfront and then in case of disapproval, would be adjusted. Any such adjustment should be based on a reasonable schedule. Furthermore, the Agreement Year should be extended to allow the Seller to re-coup such disallowed payments.	
38.	9.5 (d) (of the EPA)	Late payments by either Party of amounts due and payable under this Agreement shall bear interest at a rate per annum equal to the Delayed Payment Rate, prorated Daily.	Late payments by either Party of amounts due and payable under this Agreement shall bear interest at a rate per annum equal to the Delayed Payment Rate, prorated Daily <u>provided however any interest on liquidated damages payable under Section 9.3(b) shall be calculated at SOFR instead of KIBOR plus the same applicable spread on Delayed Payment Rate.</u>	Please note that the Liquidated Damages are USD denominated, and therefore SOFR should be applicable. Please note that the same is in line with Precedent EPAs.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP
39.	9.6 (a) (of the EPA)	At any time within three hundred and sixty (360) Days after receipt of an invoice, a Party may serve notice (an 'Invoice Dispute Notice') on the other Party that the amount of such invoice (or part thereof) is in dispute. Each	At any time within three hundred and sixty (360) Days after receipt of an invoice, a Party may serve notice (an 'Invoice Dispute Notice') on the other Party that the amount of such invoice (or part thereof) is in dispute. Each	In line with Precedent solar based K.E EPAs, this allowed a party to go straight to an Expert for determination. Given the prolonged timelines in case of arbitration, this a more efficient manner of	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the

		Invoice Dispute Notice shall specify the invoice concerned and the amount in dispute, providing reasons as complete and detailed as reasonably possible. A Party shall be entitled to submit any Dispute relating to an invoice to dispute resolution in accordance with Article XVIII, so long as it has delivered an Invoice Dispute Notice to the other Party in accordance with Section 9.6(a).	Invoice Dispute Notice shall specify the invoice concerned and the amount in dispute, providing reasons as complete and detailed as reasonably possible. A Party shall be entitled to submit any Dispute relating to an invoice to dispute resolution in accordance with Article XVIII, so long as it has delivered an Invoice Dispute Notice to the other Party in accordance with Section 9.6(a). <u>A Party submitting an Invoice Dispute Notice may require such dispute to be immediately referred to an Expert for determination pursuant to Section 18.2.</u>	resolution of disputes.	RFP
40.	9.6 (c) (of the EPA)	Notwithstanding the determination of the Dispute by the Expert under Section 18.2, each Party shall be entitled to refer the Dispute to arbitration without being obligated to pay, repay or offset, as the case may be, prior to the Dispute being settled through arbitration if such Party has elected to refer the Dispute to arbitration.	Notwithstanding the determination of the Dispute by the Expert under Section 18.2, each Party shall be entitled to refer the Dispute to arbitration without being obligated to pay, repay or offset, as the case may be, prior to the Dispute being settled through arbitration if such Party has elected to refer the Dispute to arbitration. <u>Following such resolution or determination by an Expert,</u>	We have suggested this provision in line with the K.E Solar IPPs – this goes a long way in creating efficiency in the overall payment structure and does not lead to either party being cash constrained.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

			neither Party may refer a Dispute regarding such matter to arbitration under Section 18.3, unless and until it has paid all amounts resolved or determined to be payable in accordance with Section 9.6(b).		
41.	9.8 (of the EPA)	(a) Within [●] Business Days prior to Financial Closing, the Purchaser undertakes to execute an Escrow Agreement which shall become effective sixty (60) Days after Commercial Operations Date. The Purchaser shall for the purposes of effecting payments under the Agreement, designate a collection account maintained with the Escrow Agent in accordance with the Escrow Agreement. The Escrow Agent shall transfer, in accordance with the Escrow Agreement, the payments due in accordance with Section 9.5, to the Seller that have fallen due and which have not been disputed by the Purchaser.	(a) Within [●] Business Days prior to Financial Closing, the Purchaser undertakes to execute an Escrow Agreement which shall become effective sixty (60) Days after Commercial Operations Date on the Scheduled Commercial Operations Date. The Purchaser shall for the purposes of effecting payments under the Agreement, designate a collection account maintained with the Escrow Agent in accordance with the Escrow Agreement. The Escrow Agent shall transfer, in accordance with the Escrow Agreement, the payments due in accordance with Section 9.5, to the Seller that have fallen due and which have not been disputed by the Purchaser.	Please note that the Escrow Agreement should become immediately effective given that there are certain very important payments prior to Commercial Operations Date.	Refer Amended EPA
				Please note that such payments are not lump sum payment but compensations linked to regular tariff component and therefore should not unusually strain the Escrow Arrangement.	Payments covered under escrow are clearly defined in Amended EPA Section 9.8
		(b) The Escrow Account will remain in place until all payment obligations of the	(b) The Escrow Account	We understand that the arrangement relating to payment security would not only include an escrow arrangement, but also its linkages with the MCAs and the Collection Agreements. We would request KE to reflect such an	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

		<p>Purchaser to the Seller in relation to the Energy Payments (as approved by NEPRA in the Tariff Determination) under this Agreement, to the extent of any undisputed amounts, are paid or discharged in full, provided that;</p> <p>(i) All Consents under this Agreement are timely obtained as per the terms of this Agreement;</p> <p>(ii) The Agreement is not terminated due to a Force Majeure Event pursuant to Section 15;</p> <p>(iii) The Agreement is not terminated pursuant to Section 16.</p> <p>(c) In the event that the Seller fails to pay any undisputed invoice issued by the Purchaser in accordance with this Agreement (the "Purchaser Invoice"), the Purchaser shall have the right to set-off such undisputed amounts due and payable to it under the Purchaser Invoice against any amount due and</p>	<p>will remain in place until all payment obligations of the Purchaser to the Seller in relation to the Energy Payments (as approved by NEPRA in the Tariff Determination) under this Agreement, to the extent of any undisputed amounts, are paid or discharged in full, provided that;</p> <p>(i) All Consents under this Agreement are timely obtained as per the terms of this Agreement;</p> <p>(ii) The Agreement is not terminated due to a Force Majeure Event pursuant to Section 15;</p> <p>(iii) The Agreement is not terminated pursuant to Section 16.</p> <p>(c) In the event that the Seller fails to pay any undisputed invoice issued by the Purchaser in accordance with this Agreement (the "Purchaser Invoice"), the Purchaser shall have the right to set-off such undisputed amounts due and payable to it</p>	<p>understanding in Section 9.8(a). This should be reflected in the definition of Escrow Agreement as well.</p> <p>We are a bit unclear with regards to the reference to "as approved by NEPRA in the Tariff Determination". All energy payments would be made in accordance with Schedule 1 of the EPA and the Tariff Approval.</p> <p>We understand that prior to Financial Close, there would be an approval in relation to Energy Purchase Agreement, there is no need for a subsequent approval from NEPRA. Therefore, we suggest that the same be deleted.</p> <p>KE to clarify which Consents are contemplated here. This is a fundamental security for any bidder (and its lenders), therefore, a clarification in this regard would be appreciated. In any case, all such consents should be procured prior to the signing of the Escrow</p>	<p>All energy payments would be made in accordance with the Tariff Approval</p> <p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p> <p>Consents under the agreement will be the obligation of respective parties.</p>
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		payable by the Seller under the Escrow Agreement. (d) Notwithstanding the aforesaid, in the event the Purchaser is notified by the Escrow Agent that the Escrow Agreement may terminate prior to the termination of this Agreement, the Purchaser shall, prior to such termination of the Escrow Agreement, provide the Seller with an alternate escrow arrangement, on substantially similar terms to the Escrow Agreement.	under the Purchaser Invoice against any amount due and payable by the Seller under the Escrow Agreement. (d) Notwithstanding the aforesaid, in the event the Purchaser is notified by the Escrow Agent that the Escrow Agreement may terminate prior to the termination of this Agreement, the Purchaser shall, prior to such termination of the Escrow Agreement, provide the Seller with an alternate escrow arrangement, on substantially similar terms to the Escrow Agreement.	Agreement. The Escrow Account should secure all payments under the Energy Purchase Agreement and not just Energy Payments. There are important payments such as Pass-Through Items, Supplementary Tariffs, Payments made under Section 15.6 upon occurrence of PPFME/CLFME which should be secured by the Escrow Account.	Payments covered under escrow are clearly defined in Amended EPA Section 9.8
				References to the Energy Purchase Agreement being terminated should be removed. The escrow arrangement should also be terminated once all amounts are settled. There may very well be the case of termination of the Energy Purchase Agreement but still amounts outstanding at KE's end.	This clause binds KE to replace the mechanism before termination and is for Seller's comfort.
				There should be advance timelines built in to allow for an appropriate novation to a third account bank, and the existing arrangement should only be terminated once the	Already covered in EPA

				substituted arrangement is in place.	
				K.E to also provide the MCA Agreements and confirm whether the Lenders have provided such consent.	Brief already shared; further clarifications also provided as part of General clarification
				Under Clause 15 of the EPA, if a natural Force Majeure Event e.g. a hurricane, delays KE in	
42.	15			completing the-Purchaser-Interconnection Works or subsequently damages KE's network, the EPA provides an extension of time e.g. to allow the Seller to reach COD. But there is no financial support (the protections for lenders' interest and principal in 6.5(b) and (c) do not apply in case of force majeure). The normal solution for a project company affected by a natural force majeure would be to obtain insurance cover which would include interim payments to cover principal and interest. But, in this case, the seller cannot insure against the risk because the network is not its insurable asset. We	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

				request clarity on what approach will be taken in terms of insurance for delay from KE.	
43.	15.6 (a) (iii) (A) (of the EPA)	(iii): If there occurs a PPFME or a CLFME that prevents or delays the construction of the Complex or the ability of the Seller to operate the Complex or deliver Net Delivered Energy, the Purchaser shall within thirty (30) Days of the delivery by the Seller for an invoice therefor, pay to the Seller, for each Month (prorated for portion thereof) of the PE Compensation Period (as defined below) an amount equal to: (A) if the PPFME or the CLFME occurs prior to the Commercial Operations Date, the Carrying Cost or	if the PPFME or the CLFME occurs prior to the Commercial Operations Date, the carrying Cost plus [● %] of the <u>Energy Price multiplied by the Average Daily Energy for each Day during the period of such delay. In addition, in the event that a PPFME or a CLFME continues beyond ninety (90) days, then the Purchaser shall also be required to pay the principal sum of the debt when due pursuant to the repayment schedule as set out under the relevant Financing Document (as certified to the Purchaser by the Lender or Agent). Such payment of the principal sum of the debt by the Purchaser shall be due from the Purchaser on the earlier of thirty (30) Days following receipt of an invoice therefor or the due date for such payment under the repayment schedule (as certified to the Purchaser by the Lender or Agent), which invoice shall be signed by the</u>	<p>KE to clarify whether such payments are already approved as part of its Determined Tariff.</p> <p>If not, would it seek such an approval prior to signing the Energy Purchase Agreement. If not, then, fundamentally, this regulatory risk would be undertaken by the Bidder. KE to clarify.</p> <p>The compensations are important to cover key risks for the Seller. This compensation regime is also something that the lenders would look for in such a Project and since, in any case, it is subject to NEPRA's approval, there would not be a risk on K.E's end. Please provide the missing information in the blanks.</p>	Refer amended EPA

			<p><u>Lenders or the Agent, certifying the amount shown therein to be correct and stating the due date for such payment of principal debt under the repayment schedule as set out under the relevant Financing Document (as certified to the Purchaser by the Lenders or Agent), or</u></p>		
44.	<p>15.6 (a) (iii) (B) (of the EPA)</p>	<p>(B) if the PPFME or the CLFME occurs after the Commercial Operations Date, the Energy Price multiplied by the Average Daily Energy for the number of Days the Seller was unable to operate the Complex or deliver the Net Delivered Energy less (i) the amount of Energy Payments paid to the Seller by the Purchaser pursuant to Section 15.5 and (ii) [●]% of the Energy Price for the energy not delivered under Section 15.5; further such payments shall be pass-through item in Determined Tariff by NEPRA.</p>	<p>(B) if the PPFME or the CLFME occurs after the Commercial Operations Date, the Energy Price multiplied by the Average Daily Energy for the number of Days the Seller was unable to operate the Complex or deliver the Net Delivered Energy less (i) the amount of Energy Payments paid to the Seller by the Purchaser pursuant to Section 15.5 and (ii) [●]% of the Energy Price for the energy not delivered under Section 15.5;</p> <p><u>Provided however if (i) such payments are disallowed by NEPRA to be claimed by the Purchaser under its Determined Tariff, the Purchaser shall be entitled to set-off such paid amounts</u></p>	<p>Please fill in the missing information in the blanks as we would need visibility on this, as such has been the case in the past EPAs.</p> <p>We understand that such payments would be made upfront, and then NEPRA approval would be sought. Please reflect such understanding. Furthermore, in case of (ii), once the approval by NEPRA is in place, then such amounts should be paid as well.</p>	<p>Refer Amended EPA</p>

			<p><u>against any outstanding invoice issued by the Seller pursuant to Section 9.5 or otherwise recover the same from the Seller in accordance with a reasonably mutually agreed schedule; or (ii) the payment of the Energy Payments is permitted by NEPRA to be claimed by the Purchaser under its Determined Tariff the Purchaser shall pay the Seller withheld pursuant to Section 15.6(a)(iii)(B)(ii), following such approval.</u></p> <p>further such payments shall be pass through item in Determined Tariff by NEPRA.</p>		
45.	15.6 (i) (of the EPA)	<p>If, following the Commercial Operations Date, there occurs a PPFME or a CLFME that, in either case, does not require the Seller to undertake a Restoration but nonetheless disables the Seller from operating the Complex and delivering Net Delivered Energy (a “Non-Restoration Event”), then the Purchaser shall pay to the Seller for each Month (or portion thereof) of the PE Compensation Period (as defined below), the</p>	<p>If, following the Commercial Operations Date, there occurs a PPFME or a CLFME that, in either case, does not require the Seller to undertake a Restoration but nonetheless disables the Seller from operating the Complex and delivering Net Delivered Energy (a “Non-Restoration Event”), then the Purchaser shall pay to the Seller for each Month (or portion thereof) of the PE Compensation Period (as defined below), the</p>	<p>It appears that the EPA states that such compensations are payable in case such amounts are a pass- through under KE’s own tariff. In this regard, we would first request for KE to confirm whether such amounts are a pass through under KE’s own tariff. If not, would it be approaching NEPRA in this regard. In case NEPRA does not accord (or delays) its approval in relation to</p>	<p>Refer amended EPA</p>

		<p>Energy Price multiplied by the Average Daily Energy for the number of Days during such period less (i) payment on account of [●]%) of the prevailing Energy Price for the energy not delivered under Section 15.5 and (ii) the amount of any Energy Payments paid to the Seller by the Purchaser pursuant to Sections 9.1 and 15.5; provided however any such payment hereunder shall be pass-through item under the Determined Tariff by NEPRA.</p> <p>The term "PE Compensation Period" for purposes of this Section 15.6(i) only, shall have the same meaning as it bears in Section 15.6(a)(iv) except for the reference to the Restoration Period.</p>	<p>Energy Price multiplied by the Average Daily Energy for the number of Days during such period less (i) payment on account of [●]%) of the prevailing Energy Price for the energy not delivered under Section 15.5 and (ii) the amount of any Energy Payments paid to the Seller by the Purchaser pursuant to Sections 9.1 and 15.5; provided however any such payment hereunder shall be pass-through item under the Determined Tariff by NEPRA.</p> <p>The term "PE Compensation Period" for purposes of this Section 15.6(i) only, shall have the same meaning as it bears in Section 15.6(a)(iv) except for the reference to the Restoration Period.</p> <p><u>Provided however if (i) such payments for the PE Compensation Period as above are disallowed by NEPRA to be claimed by the Purchaser under its Determined Tariff, the Purchaser shall be entitled to set-off such paid amounts</u></p>	<p>the such pass-through items, and we understand that it would be KE that would need to make such an application, it would be inappropriate to park that risk at the end of Seller.</p> <p>Furthermore, if such payments are to be submitted to NEPRA for approval, then why is there a deduction from such compensations?</p> <p>Furthermore, we understand that payments would be first made by K.E, and then, in case disapproved by NEPRA, then there would be adjustment. Kindly reflect the same.</p>	
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			<p>against any outstanding invoice issued by the Seller pursuant to Section 9.5 or otherwise recover the same from the Seller in accordance with a reasonable mutually agreed schedule or (ii) the payment of the Energy Payment is permitted by NEPRA to be claimed by the Purchaser under its Consumer End Tariff the Purchaser shall pay to the Seller withheld pursuant to this section 15.6(i), following such approval.</p>		
46.	15.6 (k)	<p>Notwithstanding anything herein to the contrary, in the event of:</p> <p>(i) the occurrence of a PPFME and/or CLFME that has a material adverse effect on the Seller's ability to construct, commission or operate the Complex and such PPFME and/or CLFME continues for a period exceeding one hundred eighty (180) Days, or</p>	<p>Notwithstanding anything herein to the contrary, in the event of:</p> <p>(i) the occurrence of a PPFME and/or CLFME that has a material adverse effect on the Seller's ability to construct, commission or operate the Complex and such PPFME and/or CLFME continues for a period exceeding one hundred eighty (180) Days, or</p> <p>(ii) a series of such related PPFMEs and/or CLFME that continue</p>	<p>We would suggest that the right to opt for Suspension should be limited to the Seller since it would be best placed to undertake an assessment as to whether it would be able to continue with the Project without compensation. Otherwise, the Seller would be locked in for the FME Suspension Period being fully aware that it would be unable to address the consequences of the same.</p> <p>The other option is that if the Purchaser wants to</p>	<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p>

		(ii) a series of such related PPFMEs and/or CLFME that continue in the aggregate for a period that exceeds one hundred eighty (180) Days during any year,	(iii) in the aggregate for a period that exceeds one hundred eighty (180) Days during any year, or a PPFME or a CLFME following which (A) the Parties agree or the Expert determines that a Restoration is not feasible or the Purchaser decides that the cost of Restoration is not acceptable or (B) the Parties agree that a Restoration is feasible and the Seller fails to secure financing for the Restoration or (C) the Parties disagree on the Report, or	continue with the Suspension option, then it should simple takeover the Project at an agreed price. Furthermore, the EPA should also contemplate the possibility that the Seller may continue with the EPA past 180 days without opting for termination or suspension.	
		(iii) a PPFME or a CLFME following which (A) the Parties agree or the Expert determines that a Restoration is not feasible or the Purchaser decides that the cost of Restoration is not acceptable or (B) the Parties agree that a Restoration is feasible and the Seller fails to secure financing for the Restoration or (C) the Parties	(iv) a CLFME following which the Complex does not operate for one hundred eighty (180) Days and during such period the Change in Law is not rescinded or modified in a way to permit or avoid the Restoration or allow the Complex to operate as before,		
			either Party the Seller may		

		<p>disagree on the Report, or</p> <p>(iv) a CLFME following which the Complex does not operate for one hundred eighty (180) Days and during such period the Change in Law is not rescinded or modified in a way to permit or avoid the Restoration or allow the Complex to operate as before,</p> <p>either Party may elect to suspend the operation of this Agreement pursuant to Section 15.6A no later than three (3) Days: (i) prior to the expiry of one hundred and eighty (180) day period provided in Section 15.6(k)(i), (ii) and (iv) hereinabove; or (ii) following the fulfilment of the condition(s) provided in Section 15.6(k)(iii) hereinabove by delivering a written notice to the other Party</p>	<p>elect to suspend the operation of this Agreement pursuant to Section 15.6A no later than three (3) Days at any time following:</p> <p>(i) prior to <u>upon</u> the expiry of one hundred and eighty (180) day period provided in Section 15.6(k)(i), (ii) and (iv) hereinabove; or (ii) following the fulfilment of the condition(s) provided in Section 15.6(k)(iii) hereinabove by delivering a written notice to the other Party Purchaser (the "FME Suspension Notice"). If both the Parties fail to deliver the <u>Seller does not issue</u> the FME Suspension Notice within the period set out herein, then <u>the Seller</u> either Party shall have the option to terminate this Agreement immediately by delivering a written notice of such termination to the other Party Purchaser. Notwithstanding the Parties' <u>Seller's</u> right to suspend or terminate this Agreement pursuant to this Article 15, no payments shall be due from the Purchaser to the Seller under Section 15.6 (a) (iii) or</p>	
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		(the "FME Suspension Notice"). If both the Parties fail to deliver the FME Suspension Notice within the period set out herein, then either Party shall have the option to terminate this Agreement immediately by delivering a written notice of such termination to the other Party. Notwithstanding the Parties' right to suspend or terminate this Agreement pursuant to this Article 15, no payments shall be due from the Purchaser to the Seller following the expiry of the one hundred and eighty (180) Days as provided in this Section 15.6(k) on account of a PPFME/CLFME.	15.6 (i) following the expiry of the one hundred and eighty (180) Days as provided in this Section 15.6(k) on account of a PPFME/CLFME.		
47.	15.6A (n) + 15.6A (o) (of the EPA)	(n) If either Party elects to suspend the operation of this Agreement by issuance of the FME Suspension Notice pursuant to section 15.6(k), such suspension shall take effect from the date of the FME Suspension Notice and continue until the earlier to occur of the following: (i) expiry of the period, as set out in the FME Suspension Notice; or (ii) the earlier withdrawal by either Party of	(n) (a) If either Party the Seller elects to suspend the operation of this Agreement by issuance of the FME Suspension Notice pursuant to section 15.6(k), such suspension shall take effect from the date of the FME Suspension Notice and continue until the earlier to occur of the following: (i) expiry of the period, as set out in the FME Suspension Notice; or (ii) the earlier	We would suggest the right to opt for suspension should be limited to the Seller since it would be best placed to undertake an assessment as to whether it would be able to continue with the Project without compensation. Otherwise, the Seller would be locked in for the FME Suspension Period being fully aware that it is	Refer Amended EPA

	<p>the FME Suspension Notice in accordance with Section 15.6A(c) below; or (iii) the earlier cessation of the PPFME or CLFME, as the case may be (the “FME Suspension Period”). The Parties agree that the aggregate of the FME Suspension Period shall not exceed five (5) years during the Term (the “Total FME Suspension Period”) and either Party may issue as many FME Suspension Notice(s) as it deems appropriate during the Term. For avoidance of doubt, following the expiry of the Total FME Suspension Period, either Party shall have the option to terminate this Agreement immediately by delivering written notice of such termination to the other Party.</p> <p>(e) During the FME Suspension Period, all obligations under the Agreement for both the Parties, including, inter alia, the Seller to supply energy and Purchaser’s obligation to make any payments during the pendency of PPFME or</p>	<p>withdrawal by either Party <u>the Seller</u> of the FME Suspension Notice in accordance with Section 15.6A(c) below; or (iii) the earlier cessation of the PPFME or CLFME, as the case may be (the “FME Suspension Period”). The Parties agree that the aggregate of the FME Suspension Period shall not exceed five (5) years during the Term (the “Total FME Suspension Period”) and either Party <u>the Seller</u> may issue as many FME Suspension Notice(s) as it deems appropriate during the Term. For avoidance of doubt, following the expiry of the Total FME Suspension Period, either Party shall have the option to terminate this Agreement immediately by delivering written notice of such termination to the other Party.</p> <p>(e) (b) During the FME Suspension Period, all obligations under the Agreement for both the Parties, including, inter alia, the Seller to supply energy and Purchaser’s obligation to</p>	<p>unable to address the consequences of the same.</p> <p>The other option is that if the Purchaser wants to continue with the suspension option, then it can simply take-over the Project at an agreed price.</p>	
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		CLFME shall be suspended with immediate effect and shall remain suspended until the Seller withdraws the FME Suspension Notice.	make any payments during the pendency of PPFME or CLFME shall be suspended with immediate effect and shall remain suspended until the Seller withdraws the FME Suspension Notice <u>provided, however, it is hereby clarified that this Section shall not apply in respect of any accrued obligation prior to such suspension.</u>		
48.	15.8 (d) (of the EPA)	The Seller shall (unless this Agreement has been terminated by the Purchaser pursuant to Sections 15.6(e), 15.8(a) or 15.9), be entitled to receive a Supplemental Tariff such that it will recover from the Purchaser, the costs actually incurred in effecting the Restoration, including, without limitation, weighted average cost of capital not exceeding KIBOR plus three percent (3%) determined at the time the Complex returns to operation or, if the Complex did not cease operation, at the time the Restoration is completed by the Seller but subject in all respect to the terms and conditions of NEPRA's approval under the			The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

		<p>Supplemental Tariff. The costs to be recovered by the Seller pursuant to this Section 15.8 and Section 15.9 shall be the costs that are actually incurred by the Seller to effect the Restoration to the extent those costs exceed any insurance proceeds; <u>provided, however</u>, that each such item of cost shall have been reasonable and appropriate for the Seller to effect such Restoration consistent with the standards for the original construction and the applicable Laws of Pakistan Prudent Utility Practices and low cost Restoration methods, as the case may be. The Seller shall deliver a schedule of such costs to the Purchaser, together with copies of the invoices, for review by the Purchaser. If the Purchaser contests any item of cost on the basis of the foregoing standards and the Purchaser and the Seller cannot agree, the issue of whether such item of cost should be recovered under this Agreement shall be referred to an Expert pursuant to Section 15.7(c) to render a decision based on the</p>			
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		foregoing standards.			
49.	15.10 (of the EPA)	<p>Subject to the Parties entitlement to issue a FME Suspension Notice pursuant to Section 15.6(k), a Party shall exercise any right to terminate this Agreement under this Article XV by delivering a notice of termination to the other Party in accordance with Section 19.1. Any such notice from the Purchaser shall be executed by a duly authorized representative of the Purchaser. Such notice shall identify, if applicable, the PPFME or CLFME (as applicable) in reasonable detail and the basis for termination. Termination of this Agreement shall be effective at 17:00 hours on the thirtieth (30th) Day following the date of delivery of such notice.</p>	<p>Subject to the Parties Parties Seller's entitlement to issue a FME Suspension Notice pursuant to Section 15.6(k), a Party shall exercise any right to terminate this Agreement under this Article XV by delivering a notice of termination to the other Party in accordance with Section 19.1. Any such notice from the Purchaser shall be executed by a duly authorized representative of the Purchaser. Such notice shall identify, if applicable, the PPFME or CLFME (as applicable) in reasonable detail and the basis for termination. Termination of this Agreement shall be effective at 17:00 hours on the thirtieth (30th) Day following the date of delivery of such notice.</p>		<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p>
50.	16.1 (a) (ii) (of the EPA)	<p>(a) The Seller's failure: (ii) to achieve the Commercial Operations Date not earlier than one hundred eighty (180) Days after the Required Commercial Operations Date;</p>	<p>(a) The Seller's failure: (ii) to achieve the Commercial Operations Date not earlier than one hundred eighty (180) <u>three hundred sixty-five (365)</u> Days after the Required Commercial Operations Date;</p>	<p>The required COD is within 10 months + 180 days before it becomes a Seller Event of Default, we understand usually there is 365 days' buffer. We request KE to confirm whether past precedent will be followed and if not,</p>	<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the</p>

				the reasoning behind such a change.	RFP
51.	16.1 (m) (of the EPA)	Reduction of the Contract Capacity on the Commercial Operations Date by an amount which exceeds in aggregate five percent (5%) of the Contract Capacity specified in Section 2.9(a).	Reduction of the Contract Capacity on the Commercial Operations Date by an amount which exceeds in aggregate five percent (5%) <u>ten percent (10%)</u> of the Contract Capacity specified in Section 2.9(a).		The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP
52.	16.2 (b) (of the EPA)	The Purchaser's failure to pay any undisputed (or following the resolution of such dispute in favour of the Seller) amount due from it under the provisions of Section 9.4 of this Agreement by the Due and Payable Date for the relevant invoice or to make any other payment when required to be made under the Agreement, that, in each case, is not remedied within sixty (60) Days following the Seller's notice to the Purchaser stating that a payment default has occurred and is continuing, and describing such payment default in reasonable detail.	The Purchaser's failure to pay any undisputed (or following the resolution of such dispute in favour of the Seller) amount due from it under the provisions of Section 9.4 of this Agreement by the Due and Payable Date for the relevant invoice or to make any other payment when required to be made under the Agreement, that, in each case, is not remedied within sixty (60) Days <u>thirty (30) Days</u> following the Seller's notice to the Purchaser stating that a payment default has occurred and is continuing, and describing such payment default in reasonable detail.	Kindly note that failure to comply with payment obligations would have a key impact on the Project. Therefore, given the various risks highlighted, we suggest a time period of 30 days.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP
53.	16.2 (f) (of the EPA)	The Purchaser fails to enter into the Escrow Agreement in accordance with Section 9.8(a); or the Escrow	The Purchaser fails to enter into the Escrow Agreement in accordance with Section 9.8(a); or the Escrow	In case of provision of an alternate Escrow arrangement, we suggest a time period of 7 days.	Refer Amended EPA

		Agreement is terminated prior to the expiry or termination of this Agreement, and the Purchaser fails to provide an alternate escrow arrangement in accordance with Section 9.8 within [●] Days of such termination or expiry or termination of the Escrow Agreement,	Agreement is terminated prior to the expiry or termination of this Agreement, and the Purchaser fails to provide an alternate escrow arrangement in accordance with Section 9.8 within [●] 7 Days of such termination or expiry or termination of the Escrow Agreement,		
54.	16.2 (g) (of the EPA)	Breach of any material term of the Escrow Agreement which is attributable to the Purchaser and such breach continues for a period of [●] consecutive Days.	Breach of any material term of the Escrow Agreement which is attributable to the Purchaser and such breach continues for a period of [●] thirty (30) consecutive Days.		Refer amended EPA
55.	16.2 (h) (of the EPA)	The failure by the Purchaser to complete and commission the Purchaser Interconnection Facilities within [●] Days following the Required Commercial Operations Date; provided any extension of RCOD shall only be pursuant to a Force Majeure Event and/or Section 6.5.	The failure by the Purchaser to complete and commission the Purchaser Interconnection Facilities within [●] thirty (30) Days following the Required Commercial Operations Date; provided any extension of RCOD shall only be pursuant to a Force Majeure Event and/or Section 6.5.		Refer amended EPA
56.	16.2 (j) (of the EPA)	N/A	<u>Any Change in Law rendering any material undertaking or obligation of the Purchaser under this Agreement or the Escrow Agreement unenforceable, invalid or void or making it unlawful for the Seller to receive payment or</u>		The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as

			<u>perform its obligations for more than one hundred and eighty (180) Days.</u>		required under the RFP
57.	16.3(b)(i)	(b) The following cure periods (each a “Cure Period”) shall apply: (i) In the case of a Seller Event of Default arising under Section 16.1(c)(i) or a Purchaser Event of Default arising under Section 16.2(b) and (g), the Cure Period shall be sixty (60) Days;	(b) The following cure periods (each a “Cure Period”) shall apply: (i) In the case of a Seller Event of Default arising under Section 16.1(c)(i) or a Purchaser Event of Default arising under Section 16.2(b) and (g), the Cure Period shall be sixty (60) <u>forty-five (45) Days</u> ;	We suggest the cure period in line with the Precedent KE EPA.	Refer Amended EPA
58.	16.3A (b) (of the EPA)	If there is a Seller Event of Default as set out in Section 16.1(a)(iv), Section 16.1(e) or Section 16.1(i), which is not cured within the time period provided in Section 16.3 or there is a Seller Other Default which is not cured within the period provided in Section 16.3A(a), the Purchaser may elect to suspend the operation of this Agreement by delivering a written notice to the Seller (the “Purchaser Suspension Notice”) but shall not be entitled to terminate this Agreement. If the Purchaser elects to suspend		During a suspension period, KE shall not be entitled to terminate the Escrow Agreement.	We understand no such termination clause is part of EPA currently. However, In case of suspension due to Seller EoD. The Payment security would become available after default is cured because KE cannot lock its cash streams if the Seller is on default.

		<p>the operation of this Agreement by issuance of the Purchaser Suspension Notice, such suspension shall take effect from the date of the Purchaser Suspension Notice and continue until the earlier to occur of the following: (i) fourteen (14) Days of the notice from the Seller to the Purchaser that it has cured such default; or (ii) withdrawal by the Purchaser of the Purchaser Suspension Notice (the "Purchaser Suspension Period"). The Parties agree that the aggregate of the</p>		<p>Furthermore, during the suspension period, whilst the right to "dip in" the Payment Security may be suspended, however, the obligation to maintain the Payment Security should continue as is.</p>	
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		Purchaser Suspension Period shall not exceed five (5) years during the Term (the “ Purchaser Total Suspension Period ”) and the Purchaser may issue as many Purchaser Suspension Notice(s) as the circumstances permit during the Term.		Following termination, the Seller should have the option to provide energy to third parties, however, the framework for that should be, to the extent possible, upfront agreed.	Refer amended EPA.
59.	16.3A (c) (of the EPA)	During any Purchaser Suspension Period, all obligations under the Agreement for both the Parties, including, inter alia, the Purchaser’s obligation to make any payments or provide the Payment Security and the Seller’s obligation to supply and deliver energy and its entitlement to receive any payments or Payment Security shall be suspended with immediate effect and shall remain suspended until the end of the Purchaser Suspension	During any Purchaser Suspension Period, all obligations under the Agreement for both the Parties, including, inter alia but excluding, the Purchaser’s obligation to make any <u>accrued payments prior to commencement of the Purchaser Suspension Period</u> or provide the Payment Security and the Seller’s obligation to supply and deliver energy and its entitlement to receive any payments <u>(except as</u>	Please note that in case of a Purchaser Suspension Period, whilst we can understand that there may be a suspension in relation to a dip in right in the Escrow Account, however, given that the Energy Purchase Agreement contemplates a cure and termination of the Purchaser Suspension Period, from a payment security perspective, KE cannot have the right to withdraw the entire escrow	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

		Period.	<u>otherwise provided above</u>) or Payment Security shall be suspended with immediate effect and shall remain suspended until the end of the Purchaser Suspension Period.	arrangement.	
60.	16.3A (e) (of the EPA)	If the Purchaser elects not to suspend this Agreement pursuant to Section 16.3A(b), the Purchaser shall be required to pay only for the Net Delivered Energy supplied by the Seller in accordance with this Agreement provided that [●]% of the prevailing Energy Price shall not be payable until such time that the Seller Event of Default is cured.		Please provide the missing information in the blanks. It would be important to highlight prior to Bid submission as how such blanks would operate given the structure of the tariff.	Refer amended EPA
61.	16.3A (g) (of the EPA)	N/A	<u>If any Seller Event(s) of Default occurs following which the Purchaser elects to suspend the operation of this Agreement pursuant to Section 16.3A (b), then the Escrow Agreement shall stand suspended by the issuance of relevant instructions to the Escrow Agent by the Purchaser. If the Seller cures the Seller Event(s) of Default to the satisfaction of the Purchaser, the Purchaser shall within fourteen (14) Days of the</u>	Please see the proposed provision in relation to our comment with regards to Section 16.3A (c) above. The proposed provision is in line with Precedent K.E EPA.	KE understands since the suspension is not in place as the Seller has cured its default then Escrow will be available therefore such addition is not required.

			<u>cessation of the relevant Seller Event of Default issue a notice to the Escrow Agent requesting a resumption of the Escrow Agreement.</u>		
62.	16.3B (a) (of the EPA)	If there is a Purchaser Event of Default as set out in Section 16.2(f) and 16.2(h) (the "Purchaser Major Default") and the same is not cured within the time period provided in Section 16.3, the Seller may cease the supply and delivery of the Net Delivered Energy by delivering a written notice to the Purchaser (the "Purchaser Major Default Notice"), but the Purchaser shall continue to be liable to pay and the Seller shall continue to be entitled to receive hundred percent (100%) of the Energy	If there is a Purchaser Event of Default as set out in Section <u>16.2 (a), 16.2 (b), 16.2 (c), 16.2(f), 16.2(g), and 16.2(h) and 16.2(i)</u> (the "Purchaser Major Default") and the same is not cured within the time period provided in Section 16.3, the Seller may (i) <u>elect to terminate the Agreement in accordance with Section 16.4</u> or (ii) cease the supply and delivery of the Net Delivered Energy by delivering a written notice to the Purchaser (the "Purchaser Major Default Notice"), but the Purchaser	The Term shall be extended by such time period, however the tariff shall be limited to O&M and insurance component. Please note that if the EPA is terminated due to the Purchaser Event of Default, then the Seller shall not further rights to claim against KE. It would have been expected that Purchaser Major Default should include Purchase Event of Default relating to breach of payment security agreement as well as failure to make payment under the EPA.	Refer Amended EPA.

		<p>Payment multiplied by the Average Daily Energy for each Day during the period of such suspension (the "Undisputed Payment Obligation"). If the Seller elects to stop the supply and delivery of the Net Delivered Energy from the date of the Purchaser Major Default Notice, the same shall continue until the earlier to occur of the following: (i) the date the Purchaser pays all due payments to the Seller under this Agreement; or (ii) the earlier withdrawal by the Seller of the Purchaser Major Default Notice (the "Purchaser Major Default Period"). The Parties agree that the aggregate of the Purchaser Major Default Period shall not exceed three (3) years during the Term ("Total Major Default Period") and the Seller may</p>	<p>shall continue to be liable to pay and the Seller shall continue to be entitled to receive hundred percent (100%) of the Energy Payment Price multiplied by the Average Daily Energy (<u>as the Energy Payment</u>) for each Day during the period of such suspension (the "Undisputed Payment Obligation"). If the Seller elects to stop the supply and delivery of the Net Delivered Energy from the date of the Purchaser Major Default Notice, the same shall continue until the earlier to occur of the following: (i) <u>three (3) days from</u> the date the Purchaser pays all due payments to the Seller under this Agreement; or (ii) the earlier withdrawal by the Seller of the Purchaser Major Default Notice (the "Purchaser Major Default Period"). The Parties agree</p>	<p>Typically, in case of purpose-built project, if there is a termination due to the off-taker's default, there is usually a buy-out obligation on part of the off taker. Given that this is squarely a default by KE, therefore, the buy-out obligation (along with necessary compensation payments) should kick in.</p>	<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p>
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		<p>issue as many Purchaser Major Default Notice(s) as the circumstances permit during the Term. Provided however in the event the Purchaser Major Default Period continues beyond the Total Major Default Period, either Party may terminate this Agreement pursuant to Section 16.4. The Agreement may only be terminated during the Purchaser Major Default Period by mutual consent by both the Parties.</p>	<p>that the aggregate of the Purchaser Major Default Period shall not exceed three (3) years during the Term ("Total Major Default Period") and the Seller may issue as many Purchaser Major Default Notice(s) as the circumstances permit during the Term. Provided however in the event the Purchaser Major Default Period continues beyond the Total Major Default Period, either Party may terminate this Agreement pursuant to Section 16.4. The Agreement may only be terminated during the Purchaser Major Default Period by mutual consent by both the Parties.</p>	<p>In case of a Purchaser Event of Default, the Seller should have the option to walk away and terminate the EPA during the Purchaser Major Default Period especially where such period has commenced due to default relating to the Escrow Agreement.</p>	<p>The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP</p>
63.	16.3B (b) (of the EPA)	<p>If the Purchaser has paid the Undisputed Payment Obligation, then the Term shall be extended for a period equal to the Purchaser Major Default Period and the Purchaser shall be entitled to</p>	<p>If the Purchaser has paid the Undisputed Payment Obligation, then the Term shall be extended for a period equal to the Purchaser Major Default Period and the Purchaser shall be entitled to</p>	<p>Furthermore, the extension of the Term is entirely due to the Purchaser Event of Default, therefore, in such a case, the Seller should be entitled to Return on Equity</p>	<p>Since ROE will already be part of Suspension payment in case of Purchaser Major EoD therefore no ROE</p>

		receive an equivalent number of kWh, during such extended period, provided the Purchaser pays to the Seller the [●%] of the Energy Price on account of O&M and insurance costs, in accordance with the provisions of Schedule 1, for the Net Delivered Energy delivered by the Seller to the Purchaser. For avoidance of doubt, no additional payment shall be due and payable by the Purchaser for such Net Delivered Energy other than as provided in this Section 16.3B(b).	receive an equivalent number of kWh, during such extended period, provided the Purchaser pays to the Seller the [●%] of the Energy Price on account of O&M and insurance costs , in accordance with the provisions of Schedule 1, for the Net Delivered Energy delivered by the Seller to the Purchaser. For avoidance of doubt, no additional payment shall be due and payable by the Purchaser for such Net Delivered Energy other than as provided in this Section 16.3B(b).		in extension period.
64.	16.3B (c) (of the EPA)	If there is a Purchaser Event of Default other than the Purchaser Major Default and Purchaser Event of Default set out in Section 16.2(c) (the "Purchaser Other Default") and the same is not cured within the time period provided under this Agreement, the Seller shall deliver a written notice to the Purchaser within seven (7) Days of the expiry of the cure period as provided in Section 16.3, to cure such Purchaser Other Default by providing to the Purchaser a further period(s) not exceeding three	If there is a Purchaser Event of Default other than the Purchaser Major Default and Purchaser Event of Default set out in Section 16.2(c) (the "Purchaser Other Default") and the same is not cured within the time period provided under this Agreement, the Seller shall deliver a written notice to the Purchaser within seven (7) Days of the expiry of the cure period as provided in Section 16.3, to cure such Purchaser Other Default by providing to the Purchaser a further period(s) not exceeding three	The Seller should have the option to terminate the Agreement in such a case and not simply go for suspension of the Agreement.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

		hundred and sixty five (365) Days to cure the Purchaser Other Default ("Additional Cure Period"). Following the expiry of the Additional Cure Period the Seller may elect to suspend the operation of this Agreement ("Seller Other Suspension Notice").	hundred and sixty five (365) Days to cure the Purchaser Other Default ("Additional Cure Period"). Following the expiry of the Additional Cure Period the Seller may (i) elect to suspend the operation of this Agreement ("Seller Other Suspension Notice") or (ii) elect to terminate the Agreement in accordance with Section 16.4.		
65.	16.3B (f)	During any Seller Suspension Period, the Seller shall not be entitled to terminate this Agreement on account of the Purchaser Other Default; provided however in the event the Purchaser Other Default continues beyond the Seller Total Suspension Period, either Party may terminate this Agreement pursuant to Sections 16.4.	During any Seller Suspension Period, <u>only</u> the Seller shall not be entitled to terminate this Agreement on account of the Purchaser Other Default; provided however in the event the Purchaser Other Default continues beyond the Seller Total Suspension Period, either Party may terminate this Agreement pursuant to Sections 16.4.	As suggested above, please note that the Seller should have the right to terminate in case of a suspension scenario. Please also note that this is in line with the Precedent KE EPA.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP
66.	16.3B (i)	N/A	<u>In the event the Seller terminate this Agreement in accordance with this Agreement due to a Purchase Event of Default, the Seller may elect to the transfer the Complex to the Purchaser and, in such an event, the Complex shall be transferred to the Purchaser and the Purchaser</u>	We suggest that the Compensation Payments should include the following: • The sum of: (i) All outstanding payments under the Financing	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

			<p><u>shall simultaneously pay the Compensation Amount. As soon as reasonably practicable and in any event not later than sixty (60) Days after the Termination Date, the Seller shall invoice to the Purchaser setting out the amounts payable by the Purchaser as Compensation Payments ("Termination Invoice"). The Termination Invoice would be accompanied by a certification of a reputable international accountancy firm operating in Pakistan, agreed by the Parties or appointed by the President of the Institute of Chartered Accountants of Pakistan, experienced in the methods of valuation of utility assets, verifying the calculation of all of the elements listed in the Termination Invoice in reasonable details, which calculation shall be used in the preparation of the Termination Invoice. The Purchaser shall pay to the Seller the amount shown in the Termination Invoice not later than thirty (30) days</u></p>	<p>Documents including any winding-up costs, breakage costs, pre-payment penalties and charges, or similar charges or cost pass through by or payable to Lenders in accordance with the Finance Documents;</p> <p>(ii) The total amount outstanding under any loan agreements for capital improvements to, or Restoration of the Complex that are required as a result of Change in Law Force Majeure Event or Pakistan</p>	
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			<p><u>following the delivery of the Termination Invoice to the Purchaser ("Payment Date"). If any Tax is imposed on or withheld from payments from the Purchaser under this Section, then such payments to the Seller shall be increased by an amount such that the Seller shall receive same amount which it would had no such Tax been imposed or withheld. The Parties agree that the termination amount provided herein are the Seller's reasonable and pre-agreed genuine estimates of the actual losses that the Seller would incur as a result of termination of this Agreement, and do not constitute a penalty. Following payment of the amounts set out in the Termination Invoice, the Seller shall transfer to the Purchaser the Transferrable Assets.</u></p>	<p>Political Force Majeure Event under the Energy Purchase Agreement;</p> <ul style="list-style-type: none"> • The actual initial equity investment by the Seller to achieve Commercial Operations Date as reduced on a straight line basis from the Commercial Operations Date through the term of the EPA to 20% of value of such equity; • For a period, equal to the lesser of (i) four (4) years, and (ii) the remainder of the initial term of the EPA, an amount equal to: <ul style="list-style-type: none"> (A) Prior to the first anniversary of the Commercial Operations Date, a return based on 30% of the Energy Price assuming Average Daily 	
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				<p>Energy multiplied by the number of Days in such period or,</p> <p>(B) Following the first anniversary of the Commercial Operations Date, the Net Cash Flow for such period, as shown in audited financial statements of the Seller for the last completed financial year prior to the date of termination, discounted to its present value by applying a discount rate equal to 12%. The term Net Cash Flow shall mean the gross cash revenues of the Seller with respect to the operations of the Complex;</p> <ul style="list-style-type: none"> Any additional equity amounts that are contributed by the 	
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				<p>shareholders of the Seller for any of the events described under Article 15 of the EPA plus any such other equity contributions, approved by either NEPRA or the Purchaser, as the case may be, in each case reduced on a straight line basis for each year following the date of such equity contribution to the end of the Term;</p> <ul style="list-style-type: none"> • The summation of (i) any additional equity amounts, that are contributed by the shareholders of the Seller for any of the events that are described under Article XV of the Energy Purchase Agreement consequent upon the occurrence of a Force Majeure Event (as defined in the Energy Purchase Agreement) giving rise to the Restoration which led to termination of the 	
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				Energy Purchase Agreement pursuant to Article XV thereof, reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term, <u>plus</u> (ii) original equity contributions, adjusted in the manner	
				described in item (b) here above, plus other equity contributions, prior to such Force Majeure Event and approved by the NEPRA or the Purchaser, as the case may be, reduced on a straight-line basis for each year following the date of such equity contribution to the end of the Term.	
67.	16.8 (c) (of the EPA)	Notwithstanding the foregoing or any other provision of this Agreement, the Parties agree that, in the event the Seller terminates this Agreement as a result of a Purchaser Event of Default under this Agreement, then upon termination of this Agreement, any claims by the	Notwithstanding the foregoing or any other provision of this Agreement, The Parties agree that, in the event the Seller terminates this Agreement as a result of a Purchaser Event of Default under this Agreement, then upon termination of this	The Purchaser's obligation in case of a Purchaser Event of Default should not be limited if the Purchaser's Event of Default has been caused by its gross negligence or willful misconduct.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

		Seller against or liability of the Purchaser under this Agreement (except as provided in Section 16.6) shall be fully extinguished and the Seller shall have no further claim or recourse against the Purchaser under this Agreement.	Agreement, any claims by the Seller against or liability of the Purchaser under this Agreement (except as provided in Section 16.6) shall be fully extinguished and the Seller shall have no further claim or recourse against the Purchaser under this Agreement, <u>provided, however, this provision shall not apply in case of gross negligence or willful default of the Purchaser.</u>		
68.	16.8 (d) (of the EPA)	N/A	<u>Notwithstanding the foregoing or any other provision of this Agreement, the Parties agree that, in the event the Purchaser terminates this Agreement as a result of a Seller Event of Default under this Agreement, then upon termination of this Agreement, any claims by the Purchaser against or liability of the Seller under this Agreement (except as provided in Section 16.6) shall be fully extinguished and the Purchaser shall have no further claim or recourse against the Seller under this Agreement.</u>	Similar protection that is available to the Purchaser should be available to the Seller as well in such a case.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

69.	16.8 (d) (of the EPA)			Typically, in case of purpose-built project, if there is a termination due to the off taker's default, there is usually a buy-out obligation on part of the off taker. Given that this is squarely a default by KE, therefore, the buy-out obligation (along with necessary compensation payments) should kick in.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP
70.	17.3 (of the EPA)	If this Agreement is terminated during the Term, the Seller may sell the Net Delivered Energy to any prospective purchaser in accordance with the Laws of Pakistan.	<p>(a) If this Agreement is terminated <u>or</u> suspended during the Term, <u>or</u> the Agreement has otherwise expired, the Seller may shall have the right to sell the Net Delivered Energy to any prospective purchaser in accordance with the Laws of Pakistan.</p> <p>(b) The Purchaser hereby represents and warrants that:</p> <p>(i) the Seller shall be entitled to enter into the Use of System</p>	In case of termination, the Seller should have the right to sell Net Delivered Energy to third parties.	Refer Amended EPA

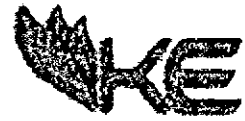
			<p><u>Agreement with the Purchaser and supply energy to consumers in accordance with the applicable law; and</u></p> <p><u>(ii) the Purchaser has provided to the Seller the Use of System Agreement proposed by NEPRA, as well as the comments proposed by the Purchaser in relation to the Use of System Agreement.</u></p> <p><u>(c) Upon termination or expiry or suspension of the Agreement, the Purchaser shall, within fifteen (15) days of request by the Seller, enter into the Use of System Agreement approved by NEPRA (and in case the NEPRA has not approved a Use of</u></p>		
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			<p><u>System Agreement based on the Purchaser's comments, then the Use of System Agreement proposed by NEPRA and provided to the Seller in terms of Section 17.3(b)(ii)).</u></p>		
			<p><u>(d) The Purchaser should, on a best effort basis, provide all facilitation to the Seller for the Seller to be able to produce energy to its customers</u></p> <p><u>(e) Time is the essence of this Section 17.3 of this Agreement.</u></p>		
			<p><u>(f) In case of sale of Net Delivered Energy by the Seller to a bulk power consumer (as specified in the National Electric Power Regulation Authority Act, 1997), the Purchaser hereby acknowledges that it would be deemed to have received any</u></p>		

			<p><u>advance notice required to be received by it under the applicable law (including, but not limited to, Section 22 of the National Electric Power Regulation Authority Act, 1997), and Seller shall be entitled to sell energy to such bulk power consumer immediately following termination or expiry or suspension of the Agreement.</u></p> <p><u>(g) This Section 17.3 of this Agreement shall survive any termination or expiry or suspension of this Agreement.</u></p> <p><u>(h) Section 17.3 of this Agreement shall continue to be applicable notwithstanding any other provision of this Agreement.</u></p> <p><u>The Parties shall enter into a Use of Systems Agreement as</u></p>		
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			a pre- condition to Financial Closing, which Use of System Agreement shall become automatically effective upon notice by the Seller.		
			Subject to Section 18.2(i) either Party may serve a written notice on the other Party within thirty (30) Days of the Expert's determination having been notified to it, stating its intention to refer the matter in Dispute to arbitration, provided that the notifying Party implements fully the determination of the Expert before commencing the procedure to refer the Dispute to arbitration and commences the procedure to refer the Dispute to arbitration within a further forty-five (45) Day period after serving such notice. Notwithstanding anything to the contrary expressed in this Article XVIII, either Party may require arbitration of a Dispute pursuant to Section 18.3 without reference to an Expert under this Section 18.2.		
71.	18.2 (o) (of the EPA)	Subject to Section 18.2(i) either Party may serve a written notice on the other Party within thirty (30) Days of the Expert's determination having been notified to it, stating its intention to refer the matter in Dispute to arbitration.		In line with Precedent K.E EPA, we suggest that if there has been an Expert determination, then, if a party is challenging the same through arbitration, then, in such a case, the amount determined by the Expert should be paid upfront.	The said proposals are not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP.
72.	18.3 (a) (of the EPA)	Any Dispute that has not been resolved following the procedures set forth in Section 18.1 (Resolution by Parties)	Any Dispute that has not been resolved following the procedures set forth in Section 18.1 (Resolution by Parties)	Only a single forum should be applicable in case of Arbitration. Given that there would be	Refer amended EPA

		and Section 18.2 (<i>Determination by Expert</i>), or has been required by a Party to be referred to arbitration without reference to an Expert, shall be settled by arbitration in accordance with the [Arbitration Act of 1940/rules of arbitration of the London Court of International Arbitration ("LCIA") as may be amended from time to time (the " Rules "). The arbitral tribunal shall comprise of one (1) arbitrator.	and Section 18.2 (<i>Determination by Expert</i>), or has been required by a Party to be referred to arbitration without reference to an Expert, shall be settled by arbitration in accordance with the [Arbitration Act of 1940] rules of arbitration of the London Court of International Arbitration ("LCIA") as may be amended from time to time (the " Rules "). The arbitral tribunal shall comprise of one (1) arbitrator.	international Lenders in this case, we suggest it should be LCIA.	
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A3 – Corrigendum to RFP



May 10, 2024

CORRIGENDUM No 1 : EXTENSION IN BID SUBMISSION DEADLINE
150 MW Solar Projects in Balochistan and 220 MW Site Neutral Hybrid Project at
Dhabeji ("Projects")

KE had invited bids/proposals from the investors for the development of the subject Projects through advertisement made on April 2, 2024.

This corrigendum is to notify that the deadline for submission of bids/proposals has been extended as follows:

S. No.	Project Name	Bid Submission Deadline (Original)	Bid Submission Deadline (Revised)
1	50 MW Solar Project at Winder and 100 MW Solar Project at Bela	20-May-2024	31-Jul-2024
2	220 MW Site Neutral Hybrid Project at Dhabeji	31-May-2024	31-Aug-2024



May 15, 2024

CORRIGENDUM No 2: AMMENDMENT IN SECTION 20.4
220 MW Site Neutral Hybrid Project at Dhabeji (Project)

KE had invited bids/proposals from the investors for the development of the subject project through advertisement made on April 2, 2024.

This corrigendum is issued to notify an amendment in Section 20.4 of the subject project RFP document. The change has been made to promote innovation and to give more flexibility to the prospective bidders.

The changes have been made in the following two clauses:

The earlier mentioned Clause (ii) stated that "The WTG and its OEM must have onshore global installed capacity of 10 GW since last 2 year.", has now been revised to "***The WTG and its OEM must have an onshore global installed capacity of 5 GW, within the last 2 year.***"

Furthermore, Clause (iv) stated earlier that "The WTG and its OEM must have fleet size of 500 WTGs installed of the same model as offered in the Bid. Installation within the region is preferable." ***has now been omitted from the knock-off criteria.***

The Updated Section 20.4 now reads as follows:

20.4. Wind Turbine

The specific model of WTG shall be "Type Certified" on latest IEC standards by an internationally accredited certification body acceptable to KE. The Bidder shall submit such a Type Certificate duly valid with the Bid. If the Type Certification is in process at the time of submission of the Bid, then a written commitment from the original equipment manufacturer shall be provided confirming that the Type Certificate shall be available before the Financial Close at the sole risk of the Bidder. By delivering the aforesaid written commitment, the Bidder is deemed to have undertaken that its Bid or the Project awarded to it will stand disqualified if the requisite Type Certificate is not available prior to Financial Close. However, subject to KE consent, the Bidder may also propose alternate WTG which complies with all the conditions as stipulated in this RFP without any impact on Tariff Approval.

Since Type Certificates for WTGs are not issued for a design life beyond 20 years, the Bidders will provide certificates from (1) the original equipment manufacturer of the WTG, (2) the EPC contractor, and (3) itself, certifying that the WTG and the plant will have a design life of 25 years from the Commercial Operations Date.

The WTG and its OEM must:

- (i) be amongst top ten (10) ranking of WTG OEMs as per Bloomberg NEF (BNEF).
- (ii) have an onshore global installed capacity of **5 GW**, within the last 2 year.
- (iii) have 5,000 onshore global installed number of WTGs.



May 24, 2024

CORRIGENDUM [No. 3]: EXTENSION IN DEADLINE FOR CLARIFICATION REQUESTS
150 MW Solar Projects in Balochistan and 220 MW Site Neutral Hybrid Project at Dhabeji
("Projects")

KE had invited bids/proposals from the investors for the development of the subject Projects through advertisement made on April 2, 2024.

This corrigendum is to notify that the deadline for submission of clarifications on the RFP Documents has been extended as per table below:

S. No.	Project Name	Clarification Submission Deadline (Original) ¹	Clarification Submission Deadline (Revised)	Bid Submission Deadline
1	50 MW Solar Project at Winder and 100 MW Solar Project at Bela	22-April-2024	20-June-2024	31-July-2024
2	220 MW Site Neutral Hybrid Project at Dhabeji	25-April-2024	05-July-2024	31-August-2024

¹Clarification date as per RFP Section 8.4 of 50 MW Solar Project at Winder and 100 MW Solar Project at Bela and Section 9 of 220 MW Site Neutral Hybrid Project at Dhabeji

KE will timely be responding to clarifications received prior to the deadline and K-Electric will not have any obligation to respond to clarifications received after the clarification deadline.

K-Electric Limited

39-B KE House Sunset Boulevard, DHA- Phase 2, Karachi, Pakistan

June 14, 2024

CORRIGENDUM No. 4: AMENDMENT IN SECTION 1 (BID BOND), 14.9 & 15.
220 MW Site Neutral Hybrid Project at Dhabeji (Project)

KE had invited bids/proposals from the investors for the development of the subject project through advertisement made on April 2, 2024.

This corrigendum is to notify an amendment in RFP of subject project related to;

1. **Section 1 Definition of Bid Bond & Exhibit 8 – Form of Bid Bond**
2. **Section 14.9. Bid Validity**
3. **Section 15. Bid Evaluation Committee**

1. Amendment in Section 1

An unconditional, irrevocable, on demand bank guarantee issued in favor of K-Electric Limited pursuant to Section 14.6 of this RFP, by at least an "AA" rated scheduled bank operating in Pakistan which is acceptable to K-Electric, valid for a period of at least **twelve (12) months** from the bid submission deadline in the format and language as provided in Exhibit 8.

Has now been revised as:

*"An unconditional, irrevocable, on demand bank guarantee issued in favor of K-Electric Limited pursuant to Section 14.6 of this RFP, by at least an "AA" rated scheduled bank operating in Pakistan which is acceptable to K-Electric, valid for a period of at least **eight (08) months** from the bid submission deadline in the format and language as provided in Exhibit 8."*

2. Amendment in Section 14.9

The earlier mentioned section stated that "The Bidders shall provide the validity period of their bids for **twelve (12) months** from Bid submission deadline."

Has now been revised as:

*"The Bidders shall provide the validity period of their bids for **08 months** from Bid submission deadline."*

3. Amendment in Section 15

The earlier mentioned section stated as "The Bid Evaluation Committee would comprise of the following:

- a) One (1) independent consultant having expertise in competitive bidding and fulfilling the independence requirement of NCBTR 2017.
- b) **Two (2)** representatives from KE having Technical and Financial Expertise."

Has now been revised as:

"The Bid Evaluation Committee would comprise of the following:

- a) One (1) independent consultant having expertise in competitive bidding and fulfilling the independence requirement of NCBTR 2017.
- b) **Four (4)** representatives from KE having Technical, **Commercial**, and Financial Expertise."



June 27, 2024

CORRIGENDUM No. 5: AMENDMENT IN SECTION 20.4.3.
220 MW Site Neutral Hybrid Project at Dhabeji (Project)

KE had invited bids/proposals from the investors for the development of the subject project through advertisement made on April 2, 2024.

This corrigendum is issued to notify an amendment in Section 20.4.3 of the subject project RFP document.

The earlier mentioned Section 20.4.3 stated that:

“Wind turbine and its associated system should be designed and selected such that it can produce power above the ambient temperature of 50 degree Celsius. The proposal shall include the OEM provided deration curve/table w.r.t the ambient temperature. The simulation which suggests the overall plant’s Capacity Factor must include the historical ambient temperature of the Bidder’s site/area.”

has now been revised to

“Wind turbine and its associated system should be designed and selected such that it can produce power above the ambient temperature of 45 degree Celsius. The proposal shall include the OEM provided deration curve/table w.r.t the ambient temperature. The simulation which suggests the overall plant’s Capacity Factor must include the historical ambient temperature of the Bidder’s site/area.”

The Updated Section 20.4.3 now reads as follows:

20.4.3. Performance:

Wind turbine and its associated system should be designed and selected such that it can produce power above the ambient temperature of **45** degree Celsius. The proposal shall include the OEM provided deration curve/table w.r.t the ambient temperature. The simulation which suggests the overall plant’s Capacity Factor must include the historical ambient temperature of the Bidder’s site/area.



July 01, 2024

CORRIGENDUM No. 6: AMENDMENT IN SECTION 20.12.6.
220 MW Site Neutral Hybrid Project at Dhabeji (Project)

KE had invited bids/proposals from the investors for the development of the subject project through advertisement made on April 2, 2024.

This corrigendum is issued to notify an amendment in Section 20.12.6. Clause (f) of the subject project RFP document.

The earlier mentioned Section 20.12.6. Clause (f) stated that:

"Bidders must ensure adequate fencing & surveillance to ensure security of the Complex as per the Site condition/requirement, security systems installation, lighting, security cameras, microwave sensors for security purpose shall also be preferred. Anti-theft module fiber system proposition. Anti-theft module mounting bolts with the use of synthetic resin."

has now been revised to

"Bidders must ensure adequate fencing & surveillance to ensure security of the Complex as per the Site condition/requirement, security systems installation, lighting, security cameras, microwave sensors for security purpose shall also be preferred."

The Updated Section 20.12.6. Clause (f) now reads as follows:

20.12.6. Miscellaneous:

- f) Bidders must ensure adequate fencing & surveillance to ensure security of the Complex as per the Site condition/requirement, security systems installation, lighting, security cameras, microwave sensors for security purpose shall also be preferred.



August 27, 2024

CORRIGENDUM No. 7: AMENDMENT IN SECTION 21.3.
220 MW Site Neutral Hybrid Project at Dhahi (Project)

KE had invited bids/proposals from the investors for the development of the subject project through advertisement made on April 2, 2024.

This corrigendum is issued to notify an amendment in Section 21.3. of the subject project RFP document.

The earlier mentioned Section 21.3. clause 2 stated that:

"In case the Successful Bidder is obligated to pay any tax on its income from generation of electricity from solar, or any duties, taxes or cess not being of refundable nature, are imposed on the Successful Bidder, the exact amount paid by the Successful Bidder on these accounts will be reimbursed by KE on production of original filing documents."

has now been revised to

"In case the Successful Bidder is obligated to pay any tax on its income from generation of electricity from solar and wind, or any duties, taxes or cess not being of refundable nature, are imposed on the Successful Bidder, the exact amount paid by the Successful Bidder on these accounts will be reimbursed by KE on production of original filing documents."

The Updated Section 21.3. now reads as follows:

21.3. Pass-through Items:

Subject to the approval of NEPRA in Determined Tariff, following items shall be considered pass-through:

1. Duties and/or taxes, not being of refundable nature, relating to the construction period directly imposed on the Successful Bidder up to Commercial Operations Date, will be allowed at actual upon production of verifiable documentary evidence to the satisfaction of the Authority.
2. In case the Successful Bidder is obligated to pay any tax on its income from generation of electricity from solar **and wind**, or any duties, taxes or cess not being of refundable nature, are imposed on the Successful Bidder, the exact amount paid by the Successful Bidder on these accounts will be reimbursed by KE on production of original filing documents.

In case of the above scenario, the Successful Bidder shall also submit to KE the details of any tax savings and KE shall deduct the amount of these savings from its payment to the Successful Bidder on accounts of taxation. The adjustment for duties and taxes will be restricted only to the extent of duties and taxes directly imposed on the Successful Bidder. No adjustment for duties and taxes imposed on third parties such as contractors, suppliers, consultants, etc., will be allowed.

3. Payment into Worker's Profit Participation Fund and Worker's Welfare Fund.
4. Withholding tax on dividends will not be a pass-through item.

5. Alternative & Renewable Energy Policy, 2019 (ARE Policy 2019) states certain conditions, fulfillment of which can result in the exemption of duties on the import of items, being manufactured locally also. In case any Bidder proposes to import any plant, machinery or equipment that is also manufactured locally in accordance with the Customs General Order of the FBR, shall be reimbursed to the Successful Bidder subject to fulfillment of conditions as given in the ARE Policy 2019, for which certification shall be obtained by the Successful Bidder from AEDB. The Bidder is expected to have knowledge of applicable laws and regulations and shall not in any case hold KE accountable for information not provided under this document.



A4 – Draft Energy Purchase Agreement



Reference No. BD/MZ/NEPRA-1083/2024-0903
Sept 03, 2024

The Registrar,
National Electric Power Regulatory Authority ("NEPRA"/ "Authority")
NEPRA Tower,
Attaturk Avenue (East),
G-5/1,
Islamabad

Subject: Competitive Auction for 220 MW Site Neutral Hybrid Project at Dhabeji (the "Project")

Dear Sir,

We write this in continuation to our letter having reference no. BD/MZ/NEPRA-1065/2024-0905 dated May 09, 2024.

In this regard, we would like to apprise NEPRA that based on comments received from the bidders, KE has revised the draft Energy Purchase Agreement ("EPA"). Accordingly, the final draft of EPA is enclosed in Annexure A for your consideration.

Sincerely,

Mudassir Zuberi
Head of Business Development

Enclosed: Annexure A – Energy Purchase Agreement



Reference No. BD/MZ/NEPRA 1031/2023-0612

June 12, 2023

Registrar,
National Electric Power Regulatory Authority ("NEPRA")
NEPRA Tower,
Attaturk Avenue (East)
G-5/1
Islamabad

Subject: KE Submission of the Request For Proposal ("RFP") Document for the Development of 200MW Site Neutral Hybrid Power Project ("Project") at Dhabeji Grid under NCBT Regulations, 2017

Dear Sir,

We write this with reference to our letter No. BD/MZ/NEPRA/291122/916 dated November 29, 2022 related to submission of the RFP for the Project.

The pre-qualification process for the subject Project was conducted in accordance with the NCBT Regulations 2017 and is now complete. Sixteen (16) applicants participated in the process and were evaluated as per the criteria mentioned in the Pre-qualification document. The list of pre-qualified applicants is enclosed as Annexure A.

We look forward to the swift processing of the RFP by the Authority, so that the RFP can be shared with pre-qualified applicants to initiate the bidding process. Timely approval will enable the induction of the much-needed renewable energy into KE system by the planned date.

We remain available for any further clarification required in this regard.

Regards,

Mudassir Zuberi
Head of Business Development

Annexure-A (List of pre-qualified applicants)

S. No.	Name
1	Lucky Cement
2	Engro Energy Limited
3	Hub Power Holdings Limited
4	Sapphire Textile Mills Ltd.
5	Sapphire Electric Company Ltd.
6	JCM Power Corporation
7	Metro Power
8	Master Textile Mills
9	Oursun Pakistan Ltd.
10	Atlas Power Limited
11	Hurricane 150 MW Pvt. Ltd.
12	ZKB
13	SMABD



A6 – Technical Scoring Sheet

Sr. No.	Description	Marks	Bidder-1	Bidder-2	Bidder-3	Bidder-4	Bidder-5	Bidder-6
1	Site Availability	12	12	6	6	6	6	6
2a	Solar Panels	10	9.75	9.75	9.75	9.75	9.75	9.75
2b	Power Inverters	5	4.5	4.5	4.5	4.5	4.5	5
2c	Wind Turbines	12	12	12	12	12	12	12
2d	Gas Insulated Switchgear (GIS), Power Transformers and other switchyard equipment, SCADA, Telecommunication and Protection Schemes, Back-up Metering System	6	5.5	5.5	5.5	5.5	5.5	5.5
2e	Weather Station	3	3	2.5	2.5	2.5	2.5	2.5
2f	Civil/Mounting Structure	8	6	6	6	8	7	6
2g	Balance of System	5	5	5	4.5	5	5	5
2h	Safety and Security	3	3	3	3	3	3	3
2i	Plant Monitoring System as per RFP section 20.13	6	4	4	4	4	5	6
3	Corporate Social Responsibility/Ability to contribute towards local economy	5	4.5	3.5	1.5	3.5	3.5	3
4	EPC Contractor	10	5	10	10	10	9	10
5	Design Experience and Capability	6	6	6	6	6	6	6
6	HSE	3	2	2	1.75	2	2	2
7	O&M Methodology	6	4.5	4.5	3	4.5	6	2
Total Marks		100	86.75	84.25	80	86.25	86.75	83.75

Bidder No.	Name of Bidder
Bidder 1	Fauji Fertilizer Company Limited (Lead Member) - Oracle Energy Limited (Consortium Member) - Fauji Foundation (Consortium Member)
Bidder 2	Hub Power Holdings Limited
Bidder 3	Hurricane 150MW (Pvt) Limited
Bidder 4	JCM Power Corporation (Lead Member) - Burj Energy International Management Limited (Consortium Member) - Rana Nasim Ahmed (Consortium Member)
Bidder 5	Metro Group of Companies - Mr. Danish Iqbal (Sponsor) - Mr. Saad Iqbal (Sponsor) - Ms. Natasha Iqbal (Sponsor)
Bidder 6	Sapphire Textiles Mills Limited