



GET FiT Zambia Hydro Tender:

Feasibility Study Rights Process

TASK FORCE MEETING



- Lusaka – 26 March 2018



Agenda

- ❑ Communication and Time Line
- ❑ Feasibility Study Rights Award Considerations
- ❑ Overview of the Process

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Time Lines

- Launch is 24th based on before Easter announcement for the short listing 24th May 2019
- Meeting with Procurement – Wednesday to confirm the process
- Venue: Speak to KFW about a dedicated venue for the process/and need to discuss the alternatives? What will be required:
 - » - internet,
 - » GIS,
 - » Ideals may be required / OPPPI sever centralised laptop
 - » @ Info address to be created – DPI
 - » Template documents to be developed by Rene
 - » When will the team be assigned? Who will this be? Requirement week
 - » Capacity building presentation -
 - » Observer – what happens if there are questions given that it is our process
 - » Number of issues that needs to be discussed and harmonised
 - » Stationary and filling cabinets
 - » NHCC will be consulted on the no go areas in terms of UNESCO sites but will not be part of the assessment team
 - » Committee/ mechanism for assessing the progress reports – who will be responsible and how will these requirements be brought in other committees be



Hydro Feasibility Study Rights Communication & Time Line

- Feasibility Study Rights(FSR) window to open on 15 April 2019 until 15 May 2019
- Communication to the PQ developers
 - » The communication of the dates, process and requirements of the above, will be through a letter signed by the PS and published on the MOE website and OPPPI website
 - » The information with link to the above websites will also be published on the GET FiT website
 - » FSR window will be exclusively for the GFZ PQ entities:
- The submission venue will be the Government Complex
 - » Applications to be accepted on a weekly
 - » Schedule of the dates and time will be published
 - » Currently proposal is Friday 9h00 to 13h00
 - » Process and receipt of applications to be managed by MoE
- Evaluation Process
 - » OPPPI and DOE: Responsible for the FSR assessments
 - » ZESCO : Responsible for the interim Rapid Grid Assessment
 - » GET FiT : Support



Hydro Feasibility Study Rights Process

Award Considerations

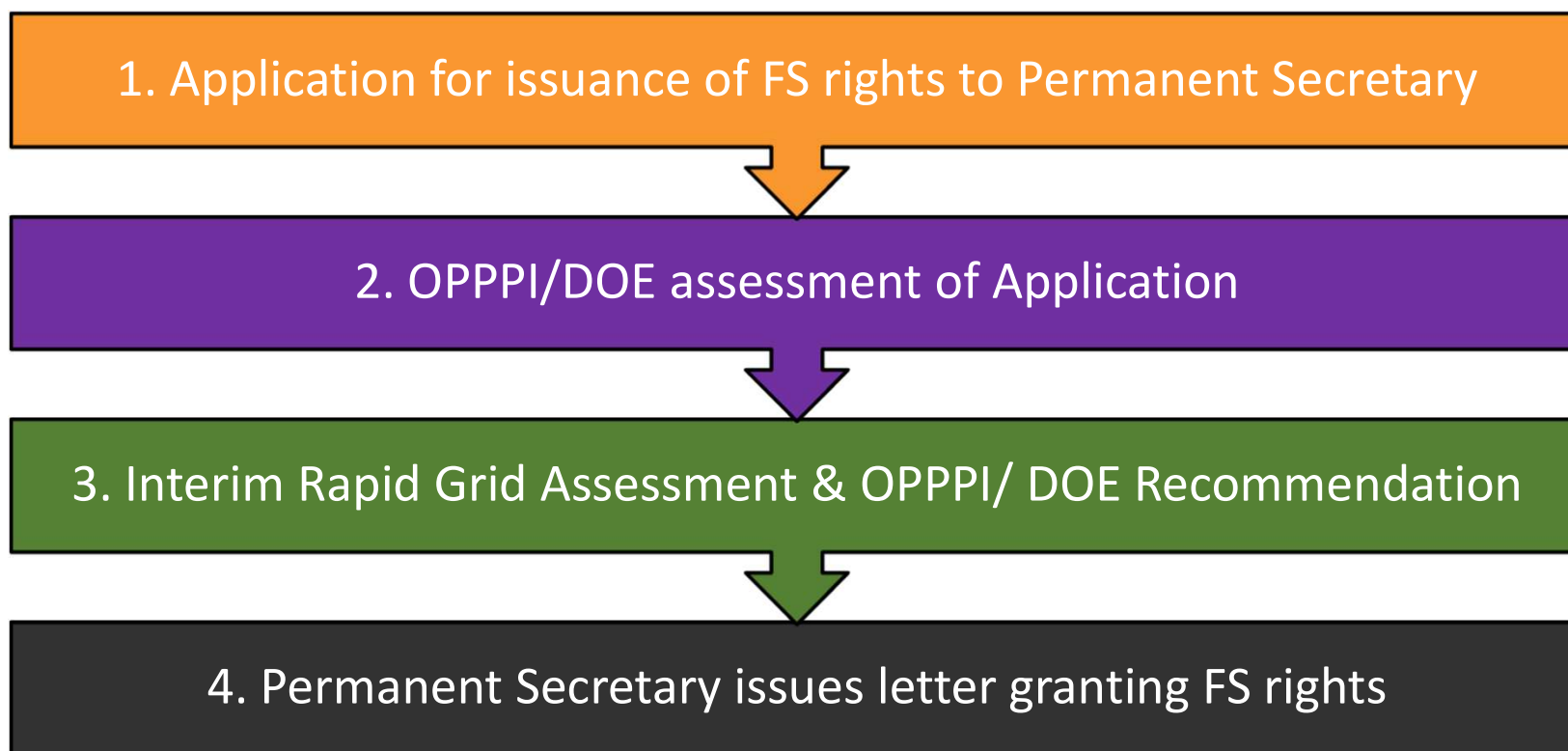
- In line with current process, developers can only obtain FSR for two projects per lead sponsor, and one additional project (total of three) can be secured if:
 - » Lead sponsor has according project track record in Sub-Saharan Africa
 - » Lead Evidence of additional financial capacity
 - » PQ process already includes this assessment, therefore notice of award will include the amount of sites they are eligible for.
 - » FSR for a new project can be granted once one project reaches financial close
- FSR are only transferable if:
 - » to a majority owned subsidiary
 - » or if not to majority owned subsidiary upon prior written consent by MOE
- Exclusivity for 24 months, renewable for another 6 months in justified cases
- Strict monitoring of project progress and compliance enforcement shall be implemented including revocation of FS rights if no progress evidenced.

(Note: This will apply to all FSR holders, not only under GFZ to prevent non- utilization of the rights)



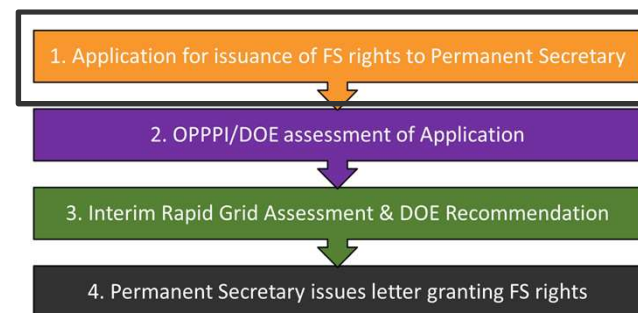
Hydro Feasibility Study Rights

Overview process steps



Hydro Feasibility Study Rights

Stages Application process



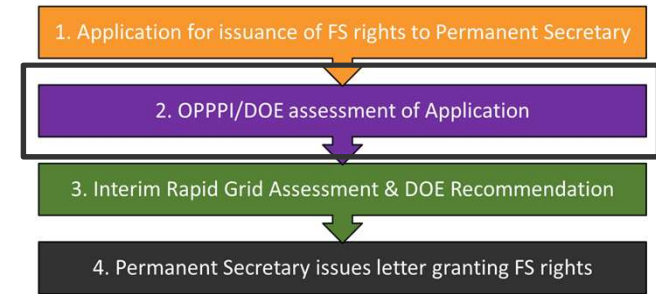
1. Application for feasibility rights

- Publication of sites with existing permits on DoE / OPPPI webpage. Will be updated as rights are issued
- Developers to submit physical Application for up to 5 project sites ranked in order of preference to Permanent Secretary (PS) and in copy to DoE
- Standardization of application letter to include:
 - GETFiT Notice of PQ, which will include no. of sites entity is eligible for
 - Location of site (coordinates) and other project details
 - Level of interaction with local authorities.
 - Attachment with required information for Interim Rapid Grid Assessments (or IRGAs)
 - For entities with existing rights, an initial progress report to also be submitted



Hydro Feasibility Study Rights

Stages Application process



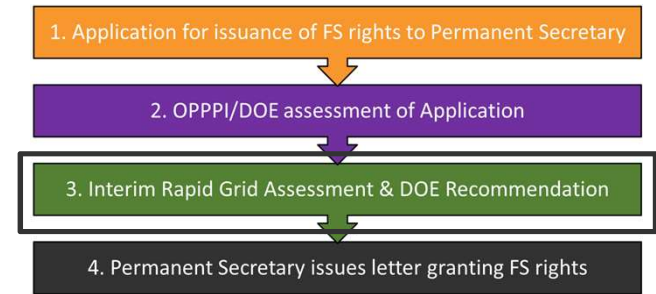
2. Assessment of feasibility rights applications through DoE

- FSR application to be received by the MoE
 - OPPPI /DoE) checks proposed applications for
 - Eligibility of Applicant (prequalified?)
 - Existing MOU or FS rights for project
 - Conflict with other applications received
 - If conflict with other application, more experienced developer gets FS right, if still the same entity with Zambian partner, if still conflict compromise to be considered
- No “First come first serve” as all applications submitted by 30 April will be considered to be submitted at the same time.
- Projects to be assessed for cascades
- GET FIT Zambia will support OPPPI / DoE including through provision of GIS map
- OPPPI forwards cleared projects for rapid grid assessment



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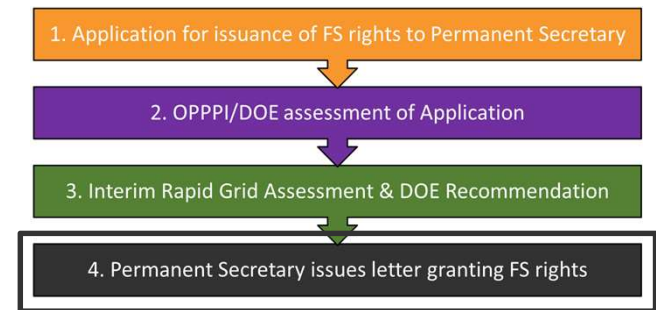
3. Interim Rapid Grid Assessment

- GET FiT Zambia and ZESCO run IRGAs on cleared sites to test viability of power evacuation
- Projects are assessed on an individual basis without considering cumulative grid impacts
- **To be processed within 5 business days**
- GET FiT and ZESCO informs OPPPI about outcome of assessment measured against set criteria and suggests technical solutions to be undertaken to meet ensure positive outcome
- OPPPI selects – in order of priority indicated by Applicant – sites for issuance of FS rights and submits request for provision of No Objection to DoE



Hydro Feasibility Study Rights

Stages Application process



4. Grant of Feasibility Study rights through PS

- DOE reviews OPPPI assessment and submit report including recommendation for award of FSR to PS.
- FSR rights are granted to Applicants through standardized letter issued by the PS
- GET FIT has prepared standardized grant letter with applicable conditions for developer including
 - Detailed progress reporting requirements
 - Compliance enforcement (revocation rights)
- **To be processed by PS within 20 business days after submission (30 April 2019)**
- **All letters for the new applications will be done and submitted together after completion of the process.**



Hydro Feasibility Study Rights

Reporting and compliance enforcement

Reporting requirements and enforcement

- Obligation to report project progress on a quarterly basis
- Reports submitted physically to Government Complex (PS), a copy to OPPPI and DoE GET FiT
- FSR may be revoked if
 - Failure to report for any two consecutive quarterly periods
 - Failure to document progress on feasibility study over three consecutive quarterly periods
- FSR expires after 24 months
- For GET FiT Hydro tender, GET FiT Zambia will support DoE / OPPPI in review of reporting and compliance



Hydro Feasibility Study Rights

Process for projects that already have feasibility rights

- Existing rights shall remain with current holders, but to be eligible for GET FiT Zambia Hydro tender
 - Prequalified lead project sponsor under PQ;
 - Positive IRGA result; and
 - Obtain FS rights in new letter format
- For developers with feasibility rights but are not prequalified, partnership with other prequalified firms should be encouraged.

| Active Project Developers | Number of sites | Capacity (MW) |
|--|-----------------|---------------|
| Atlantic Commodities | 1 | 12 |
| Bukota Company Ltd | 1 | NA |
| China Jian xin | 1 | 6 |
| ECO Power Holdings Ltd | 2 | NA |
| Finesse Energy | 1 | NA |
| Hydro Electric Power Ltd | 3 | 2.1 |
| MPF Development Consultants | 1 | 3.6 |
| Mpishi Energy Ltd | 2 | 26.8 |
| Mwinilunga Power Company | 1 | 17 |
| New Africa Power (Renewable Energy Holdings) | 2 | NA |
| SAEMS Ltd | 1 | NA |
| Shandong Dejian Group (Zambia) | 1 | 6 |
| Southern Africa Ferro Alloys Ltd | 1 | 12 |
| Vidullanka Plc | 2 | 27.5 |
| ZESCO Ltd. | 11 | 82.6 |
| Total | 31 | 195.6 |





**Thank you
For your attention!**

KfW

Funder



Owner

Multiconsult

GET FiT Secretariat