



E-BIDDING FOR SMALL HYDRO

27 AUGUST 2019

Latest update and clarification

A transparent online open bidding platform for all



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Introduction

- 1) An e-bidding system within the existing e-FiT system.
- 2) Objectives:
 - To optimize the utilization rate of the RE Fund;
 - To have an open and transparent online e-bidding system for small hydro application.



The Methodology

- 1) Bid submission window for e-bidding will be around **3 weeks; starting from Monday, 2nd Sept 2019 (10.00 am) until Tuesday, 23th Sept 2019 (1.00 pm).**
- 2) Bidders to create profile via the e-FiT system before application is submitted (List of documents in slides no. 12-14).
- 3) Bidders to bid for the **FiT rates**. SEDA to set a **reference price** for FiT rate for small hydro having an installed capacity of up to and including 30MW based on the following category :

Description	*Reference Price (RM/kWh)
a) net head of more than 10 meters (high head)	0.26
b) net head of up to and including 10 meters (low head)	0.29

** Reference price means the price based on the assessment on the prevailing market conditions and normal connection requirements. This price will be used as a benchmark for Bid evaluation and SEDA Malaysia, at its sole discretion, may not accept any Bid with offer exceeding this price.*



Proposed Methodology

- 4) Bidders to submit all necessary documents (List of documents in slides no.15-16) via the e-bidding system.
- 5) Bidders to pay for processing fees (**RM1,000/application**), application fees (**RM10/kW**) and Performance Deposit (**RM100/MW/day x 180 days**) via online banking platform. The processing fee is non-refundable while the application fee and performance deposit are refundable in full if the bidders are unsuccessful.
- 6) The list of bidders will be extracted and announced on SEDA Malaysia's website immediately after bid closing.



Proposed Methodology (cont'd)

- 7) All supporting documents and information submitted by the shortlisted bidders into the e-bidding system will be verified to determine compliance with the present rules and regulations.
- 8) The bidders will be ranked according to the bid tariff and the number of shortlisted bidders is determined by the amount of funds available for the quota release.
- 9) If most of the bidders have the same bid tariff and SEDA is unable to finalized the list of shortlisted bidders, then a balloting exercise will be conducted. (Examples shown in slides no. 18-19)
- 10) Any application found to be non-compliant will be disqualified. The unallocated quota will be reoffered in the next e-bidding exercise.

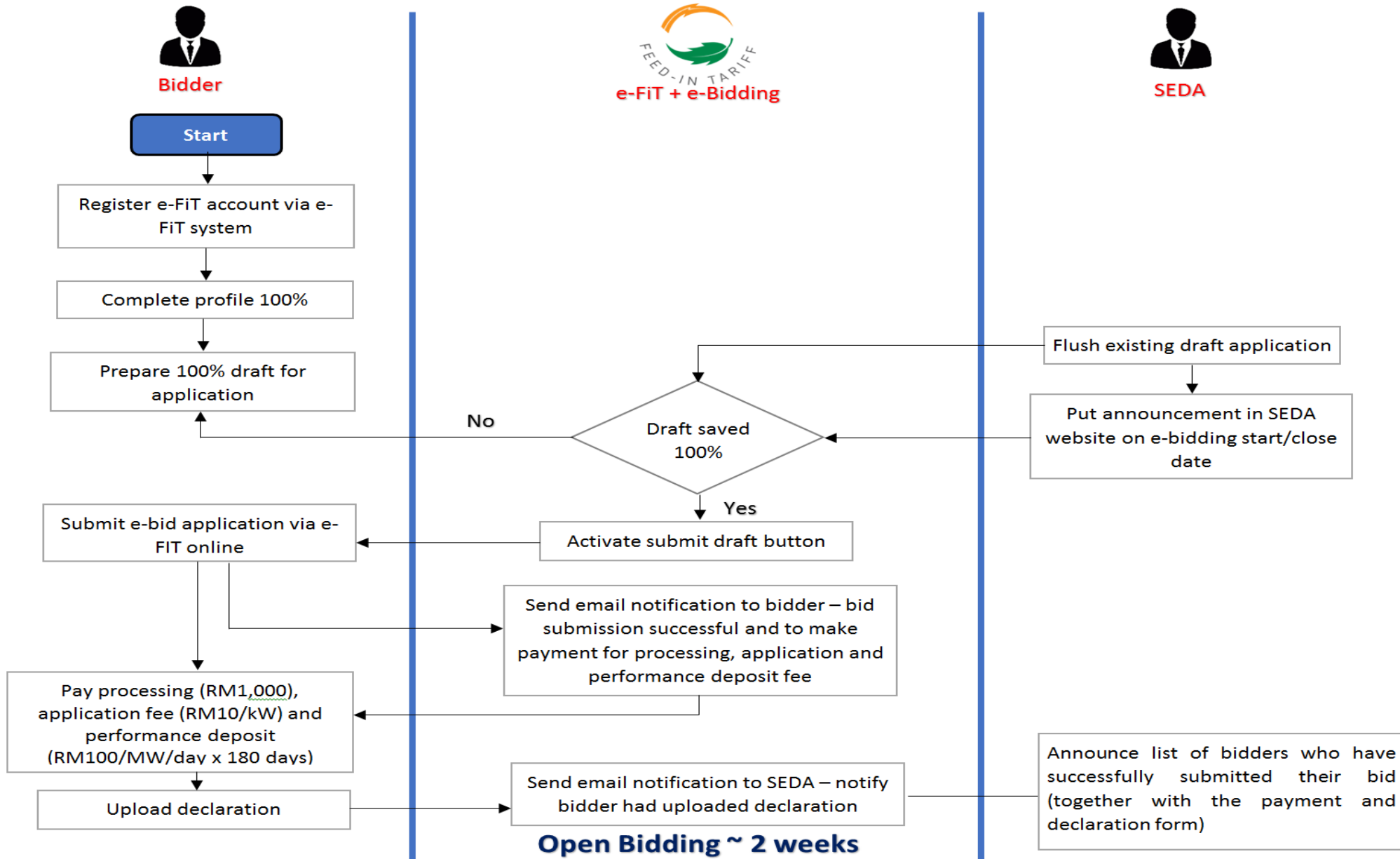


Proposed Methodology (cont'd)

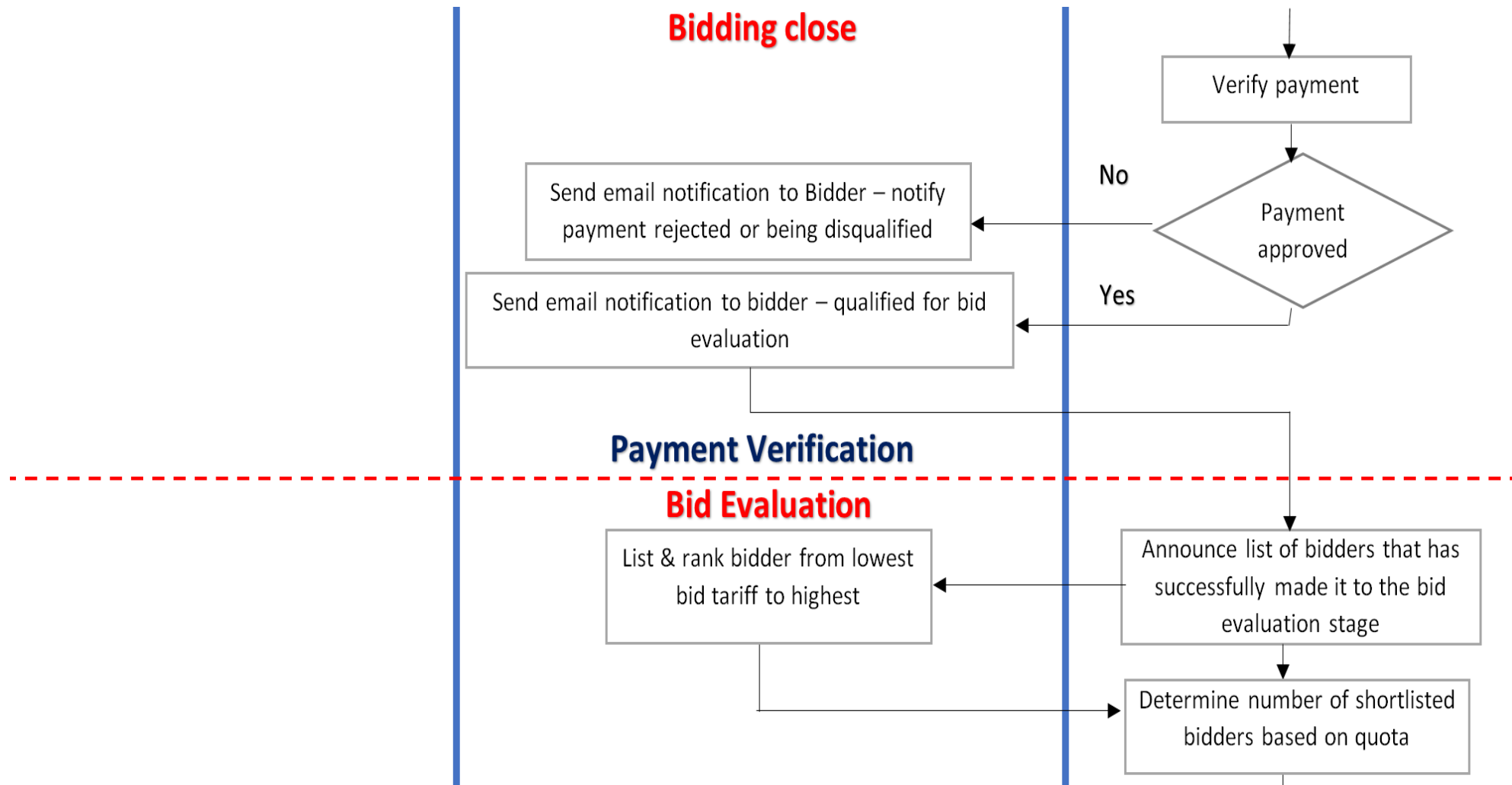
- 11) SEDA Malaysia to prepare the Renewable Energy (Amendment of Schedule) 2019 to Gazette the FiT rate range for Small Hydro based on the bid tariff range of the shortlisted bidders.
- 12) The FiT rate range needs to be gazetted before the release of quota.
- 13) Once the Renewable Energy (Amendment of Schedule) 2019 has been gazetted, SEDA to notify selected bidders and to allocate quota.
- 14) SEDA to publish and announce the list of selected bidders on SEDA's webpage.
- 15) SEDA to print and issue certificates to selected bidders.



FLOW CHART: SMALL HYDRO SUBMISSION FOR ONLINE E-BIDDING PLATFORM VIA e-FiT SYSTEM ≤ 30MW



Open Bidding ~ 2 weeks





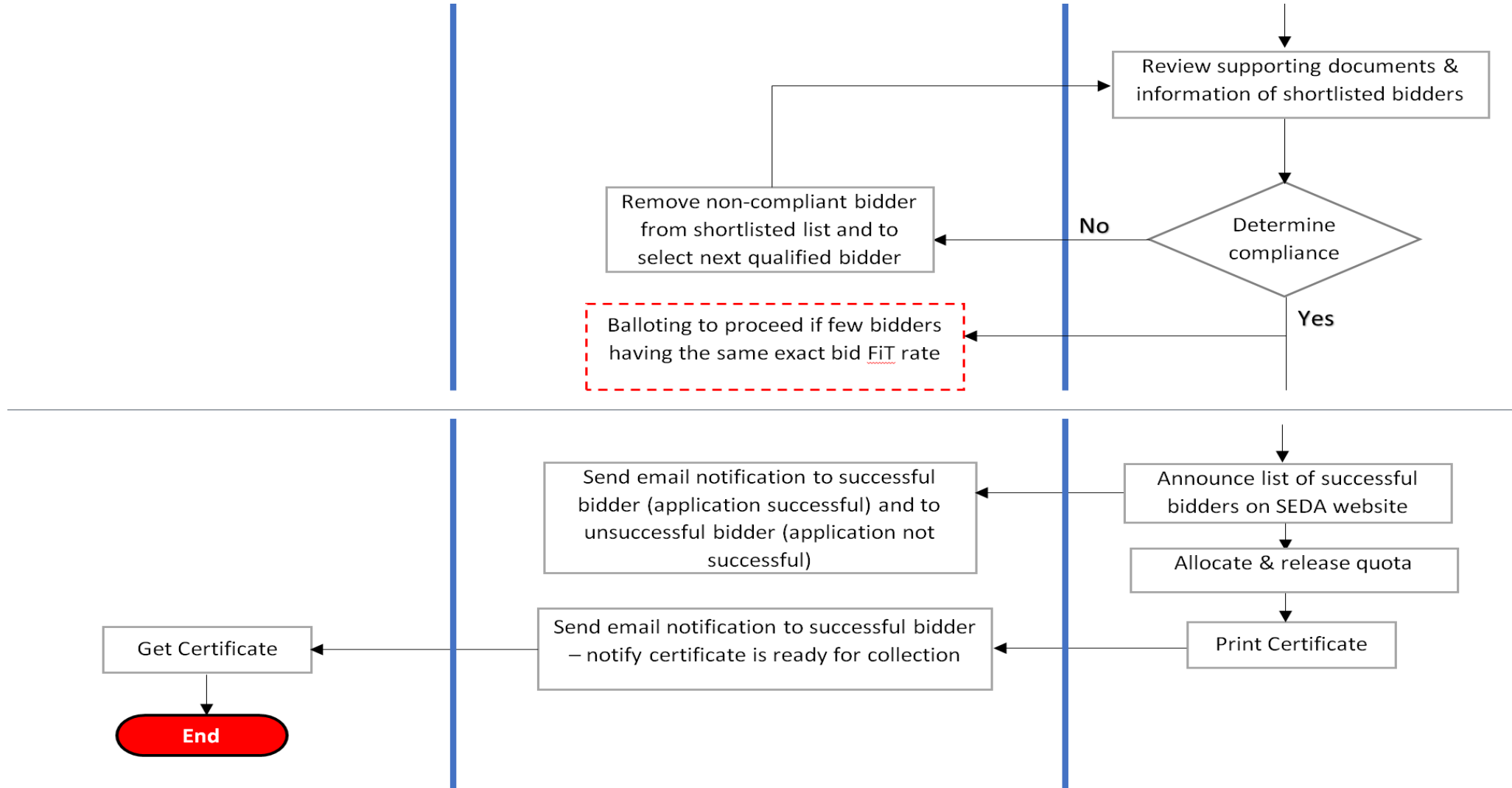
Bidder



e-FIT + e-Bidding



SEDA





Terms & Conditions

- 1) Limit to **30MW** maximum installed capacity per application.
- 2) Bidders to bid based on **REPPA tenure of 21 years.**
- 3) All bidders shall have a **minimum paid up capital** of **RM50,000 during bid submission** but shall **increase** the paid-up capital to **at least 10% of the total project cost** (as declared in the financial model) within **6 months** from the issuance of FiAH certificate.
- 4) Must have an approval letter from the DL (Distribution licensee) together with the **PSS (power system study) report** stating the proposed export capacity.
- 5) Must provide **Water Rights Agreement** or **approval letter from Unit Perancang Ekonomi Negeri (UPEN)** granting rights to the Applicant to abstract, extract and/or utilise raw water for the operation of the renewable energy installation

**for documents dated more than 1 year from the date of bid submission, the bidders must provide a confirmation letter from relevant authority stating that the approval is still valid.*



Terms & Conditions (cont'd)

- 6) The payment procedure for processing fee, application fee and performance deposit:
 - a) Payment of processing fee, application fee and performance deposit **must be made before bid closing** date or the bidder will be disqualified;
 - b) For the unsuccessful bidders the processing fee is non refundable but the **application fee and the performance deposit will be refunded in full**;
 - c) For the successful bidders, the **processing fee and the application fee is non refundable** but the **performance deposit will be refunded in full upon successful completion** of the project within the agreed timeframe. **Failure to complete the project within the agreed timeframe will result in deduction of the performance deposit based on the late penalty (RM100/MW/day). Revocation and surrender of the Feed-in Approval will also result in the forfeiture of the performance deposit.**



Timeframe for e-bidding Processes

Start Date	End date	Description	Duration (Days)
2-Sep	23-Sep	3 weeks bid submission & payment of relevant fees	22
24-Sep	24-Sep	Announce list of bidders who have successfully submitted their bid (together with the payment and declaration form)	1
25-Sep	2-Oct	Verify payment	8
3-Oct	3-Oct	Announce list of bidders that has successfully made it to the bid evaluation stage	1
4-Oct	20-Oct	Start the bid evaluation process. Review compliance of submitted documents & shortlisted the successful bidder	17
21-Oct	22-Dec	Prepare the Renewable Energy (Amendment of Schedule) 2019 to Gazette the FiT rate range for Small Hydro	63
23-Dec	23-Dec	Announce list of successful bidders on SEDA Malaysia website	1
23-Dec	23-Dec	Send email notification to successful bidders	1
24-Dec	24-Dec	Allocate & release quota to successful bidders	1
25-Dec	30-Dec	SEDA personnel to print & issue certificate	6
31-Dec	31-Dec	SEDA to notify successful bidders for certificate collection	1



Documents Required for Profile Registration

- 1) **Annual Return (Section 68)** or the **latest SSM report**;
- 2) The **Memorandum and Articles of association** of the Applicant or **Constitution of a company**. In the event that both documents are not applicable to the Applicant, **Form Section 14 (Companies Act 2016)**.
- 3) **Form 8** (Certificate of Incorporation of Public Company) or **Form 9** (Certificate of Incorporation of Private Company) in connection with the Applicant under the Companies Act 1965 or **Certificate - Section 17** (Companies Act 2016);
- 4) **All Forms 24** (Return of Allotment of Shares) lodged by the Applicant with the Registrar of Companies under the Companies Act 1965; or **all Forms Section 78** (Companies Act 2016);
- 5) The **latest Form 49** (Companies Act 1965) or **latest Form Section 58** (Companies Act 2016) lodged by the Applicant with the Registrar of Companies to notify on the change in the Register of Directors, Managers and Secretaries.



Documents Required for Profile Registration

- 6) The **extract of the company's board resolution** authorizing the authorised personnel to make this application on behalf of the Applicant and to execute and submit all documentation in relation thereto.
- 7) **A Share-holding/Ownership Structure Diagram**; detailing the shareholding percentages of each ultimate shareholders in the company.
- 8) (a) If company (private limited company) is a shareholder:
 - A **certified copy of the latest SSM report** of (company name) by the company secretary in accordance with the Companies Act 2016;
- b) If company (public limited company) is a shareholder:
 - A **certified copy of Form 29A** (Substantial Shareholder) of (company name with company registration no.) by the company secretary + a confirmation letter by the company secretary confirming the list of shareholders or **Form Section 141** in accordance with the Companies Act 2016



Documents Required for Profile Registration

(c) If individual is a shareholder:

- A **certified copy of the latest SSM report** of the company(s) where MY (ic no) is a shareholder; direct or indirect in accordance with the Companies Act 2016

Note :

- 1) The SSM report cannot be dated more than 2 weeks from the date of upload into the e-FiT.
- 2) The applicant must ensure and update any outdated information/document in the e-FiT for their existing profile.



Documents Required for Submission: Application

- 1) **Pre-feasibility/feasibility study report of the small hydro project** from a **qualified person** setting out the **detailed engineering design** (Including all relevant calculations to justify the installed capacity) of the renewable energy installation. **The design drawings and calculations must clearly state the net head for the hydro project.**
- 2) Scanned soft copy of the **Water Rights Agreement** or **approval letter** from the Government entity that will grant rights to the Applicant to abstract, extract and/or utilise raw water for the operation of the renewable energy installation.
- 3) Documents proving the **Applicant's ownership** of the **site**, or other conditional or unconditional rights (e.g. Lease/leasing agreement/state approval letter) that the applicant has to utilize/lease the site for a minimum period equivalent to the effective period.



Documents Required for Submission: Application (cont'd)

- 4) Detailed financial model showing how the bid tariff is derived. The information and data provided in the financial model shall be clearly explained and in consistence with the Bid Offer and Financial Model Assumptions **(mandatory in excel)**.
- 5) The approval letter from the distribution licensees (DL) together with the **report** on the **power system study (PSS)** conducted in accordance with the Renewable Energy (Technical and Operational Requirements) Rules 2011 and amendments Rules 2014.
- 6) A **certificate of registration (with Practicing Certificate)** of each **Qualified Person** with the Board of Engineers Malaysia as a Professional Engineer.



Scenario 1: Bid Ranking Process

Low

Bidder	Bid Rate (RM/kWh)	Small Hydro (category)	
		Low head	High Head
A	0.2511		√
B	0.2525		√
C	0.2540		√
D	0.2540		√
E	0.2565		√
F	0.2599		√
G	0.2600		√
H	0.2600	√	
I	0.2600	√	
J	0.2750	√	
K	0.2780	√	
L	0.2880	√	
M	0.2888	√	
N	0.2890	√	

The 10 lowest bidders will be automatically shortlisted based on the Bid Rates

Quota

High



Scenario 2: Bid Ranking Process

Low

Bidder	Bid Rate (RM/kWh)	Small Hydro (category)	
		Low head	High Head
A	0.2511		✓
B	0.2525		✓
C	0.2540		✓
D	0.2540		✓
E	0.2565		✓
F	0.2599		✓
G	0.2600		✓
H	0.2620	✓	
I	0.2680		✓
J	0.2700		✓
K	0.2720	✓	
L	0.2750	✓	
M	0.2780	✓	
N	0.2880	✓	
O	0.2888	✓	
P	0.2890	✓	

The 10 lowest bidders with bid rates not exceeding the reference price will be automatically shortlisted

The 2 bids have exceeded the reference price and not shortlisted

----- Quota

High



Scenario 3: Bid Ranking Process

Low



High

Bidder	Bid Rate (RM/kWh)	Small Hydro (category)	
		Low head	High Head
A	0.2511		✓
B	0.2525		✓
C	0.2540		✓
D	0.2540		✓
E	0.2565		✓
F	0.2580		✓
G	0.2599		✓
H	0.2600		✓
I	0.2600	✓	
J	0.2600	✓	
K	0.2600	✓	
L	0.2600	✓	
M	0.2880	✓	
N	0.2888	✓	
O	0.2890	✓	

1) The 7 lowest bidders will be automatically shortlisted based on the Bid Rates


3) Only 2 out of 5 bidders will be shortlisted from the manual balloting process

Quota

2) These 5 bidders who offer the same Bid Rates will be selected via a manual balloting process

Scenario 4: Bid Ranking Process

Low



High

Quota

Bidder	Bid Rate (RM/kWh)	Small Hydro (category)	
		Low head	High Head
A	0.2511		√
B	0.2525		√
C	0.2540		√
D	0.2540		√
E	0.2580		√
F	0.2600		√
G	0.2700	√	
H	0.2750	√	
I	0.2750	√	
J	0.2750	√	
K	0.2799	√	
L	0.2880	√	
M	0.2888	√	
N	0.2890	√	

1) The 7 lowest bidders will be automatically shortlisted based on the Bid Rates

3) Only 2 out of 3 bidders will be shortlisted from the manual balloting process

2) These 3 bidders who offer the same Bid Rates will be selected via a manual balloting process



Thank You

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