



**E-BIDDING EXERCISE FOR SMALL HYDRO QUOTA
UNDER FEED-IN TARIFF (FiT)
12th February 2020**

A transparent online open bidding platform for all

CONTENT

- Introduction – Objectives
- Proposed Methodology
- Small Hydro e-bidding Flow Chart
- Proposed Instructions to Bidders
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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 Tuesday, 7th April 2020 (10.00 am) until Tuesday, 28th April 2020 (1.00 pm).**
- 2) Bidders to create profile via the e-FiT system before application is submitted (List of documents in slides no. 15-17).
- 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)	0.2599
b) Net head of up to and including 10 meters (Low Head)	0.2900

** 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.*

THE METHODOLOGY



- 4) Bidders to submit all necessary documents (List of documents in slides no. 18-19) via the e-bidding system.
- 5) Existing FiAHs who have yet to achieve Feed-in Tariff Commencement Date (FiTCD) **can participate in this e-bidding exercise without surrendering their existing Feed-in Approval (FiA).** The existing FiA is only surrendered if they are successful in their bids and upon receiving the new FiA. However, this is **not applicable** to **FiAHs that obtained quota from the 1st Small Hydro e-bidding exercise** in 2019.
- 6) 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.
- 7) The list of bidders will be extracted and announced on SEDA Malaysia's website immediately after bid closing.

THE METHODOLOGY



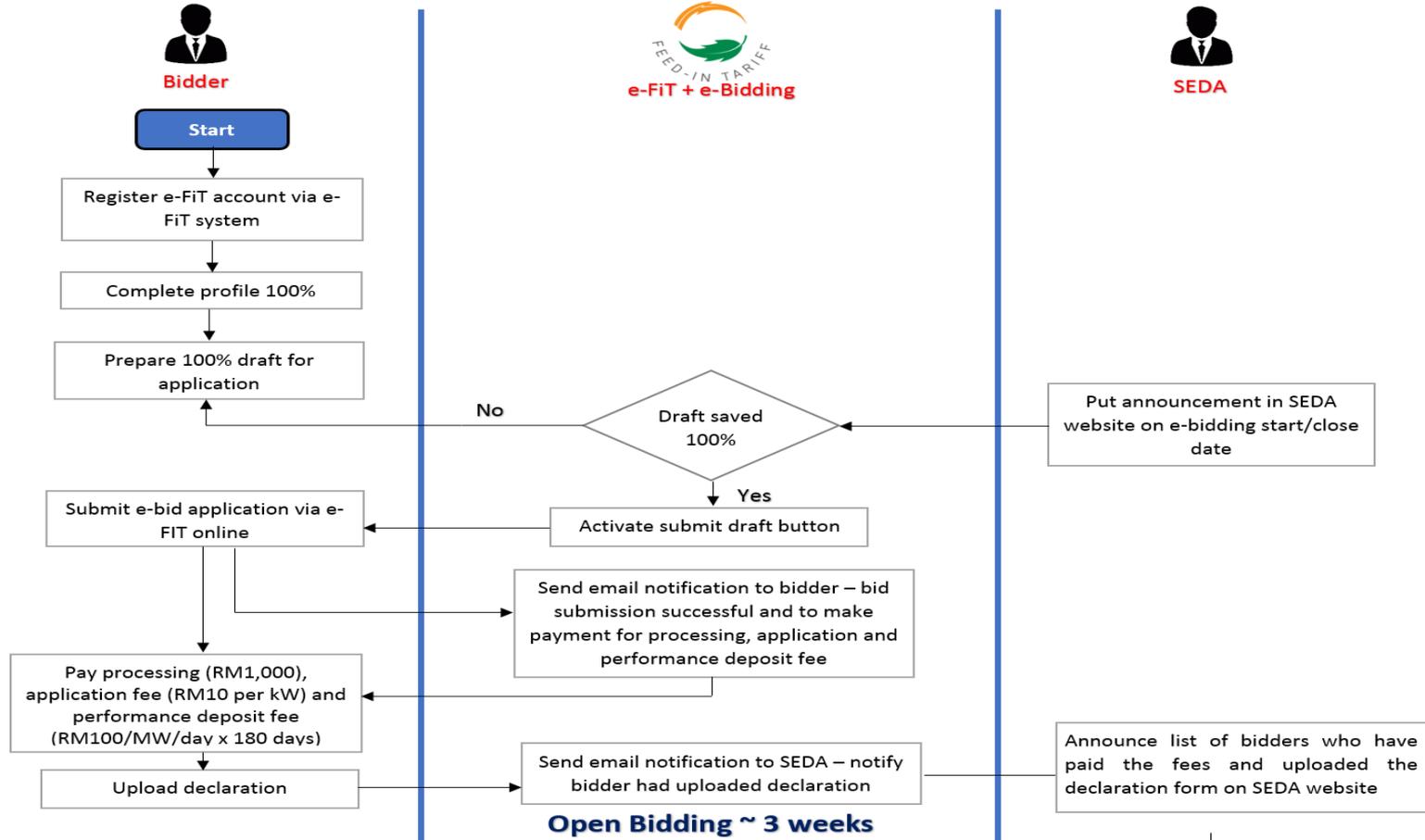
- 8) All supporting documents and information submitted by the shortlisted bidders into the e-bidding system will be verified to determine compliance with the present rules and regulations.
- 9) Since the Small Hydro quota for the e-bidding exercise is not segregated between low head and high head categories, the bid tariff offered by bidders under the Low Head category will be reduced by RM0.03/kWh for evaluation purposes only. Successful bidders under the low head category will be allocated quota with the original bid tariff.
- 10) All the bidders will be ranked according to the bid tariff and the number of shortlisted bidders are determined by the amount of funds available for the quota release. The allocation of new quota will not be affected by successful bidders who are already having an existing FiA (reapplication). Explanation in Slide 25.

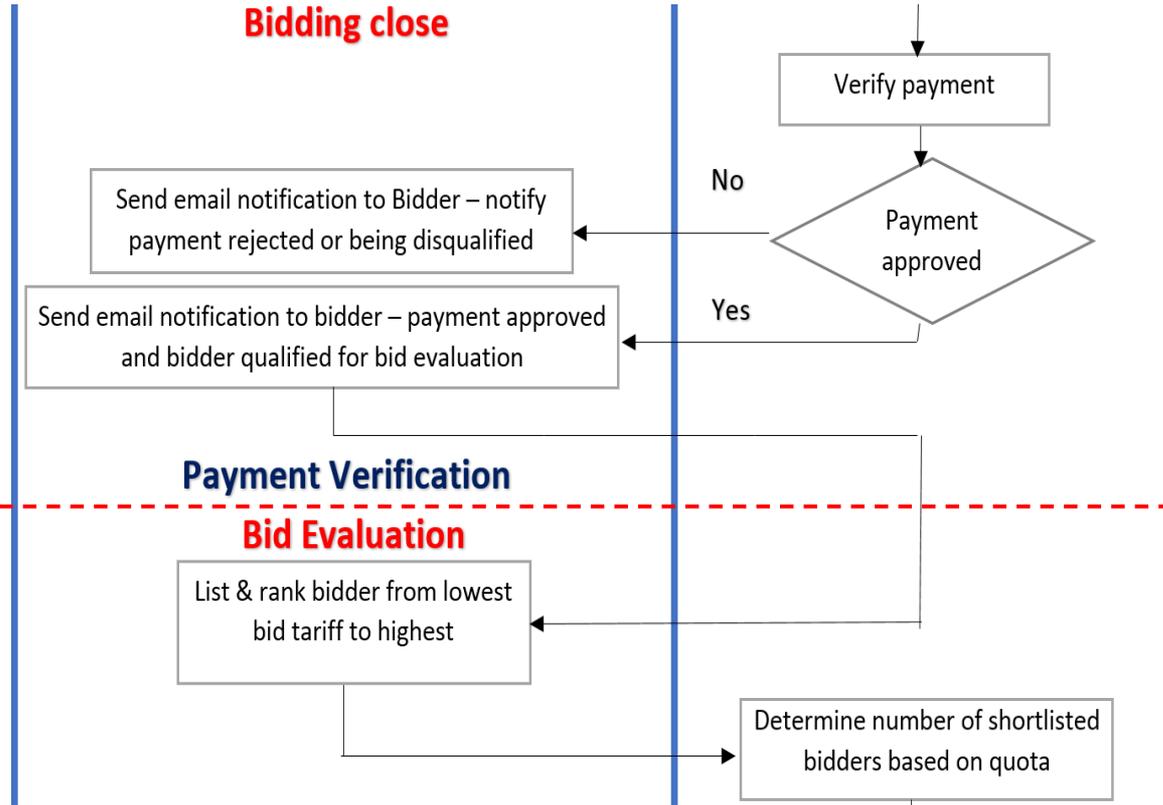
THE METHODOLOGY



- 11) 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.
- 12) Any application found to be non-compliant will be disqualified. The unallocated quota will be reoffered in the next e-bidding exercise.
- 13) SEDA Malaysia to prepare the Renewable Energy (Amendment of Schedule) 2020 (if necessary) to Gazette the FiT rate range for Small Hydro based on the bid tariff range of the shortlisted bidders.
- 14) The FiT rate range needs to be gazetted before the release of quota.
- 15) Once the Renewable Energy (Amendment of Schedule) 2020 has been gazette (if necessary), SEDA to notify selected bidders and to allocate quota.
- 16) SEDA to publish and announce the list of selected bidders on SEDA's webpage.
- 17) SEDA to print and issue certificates to selected bidders.

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







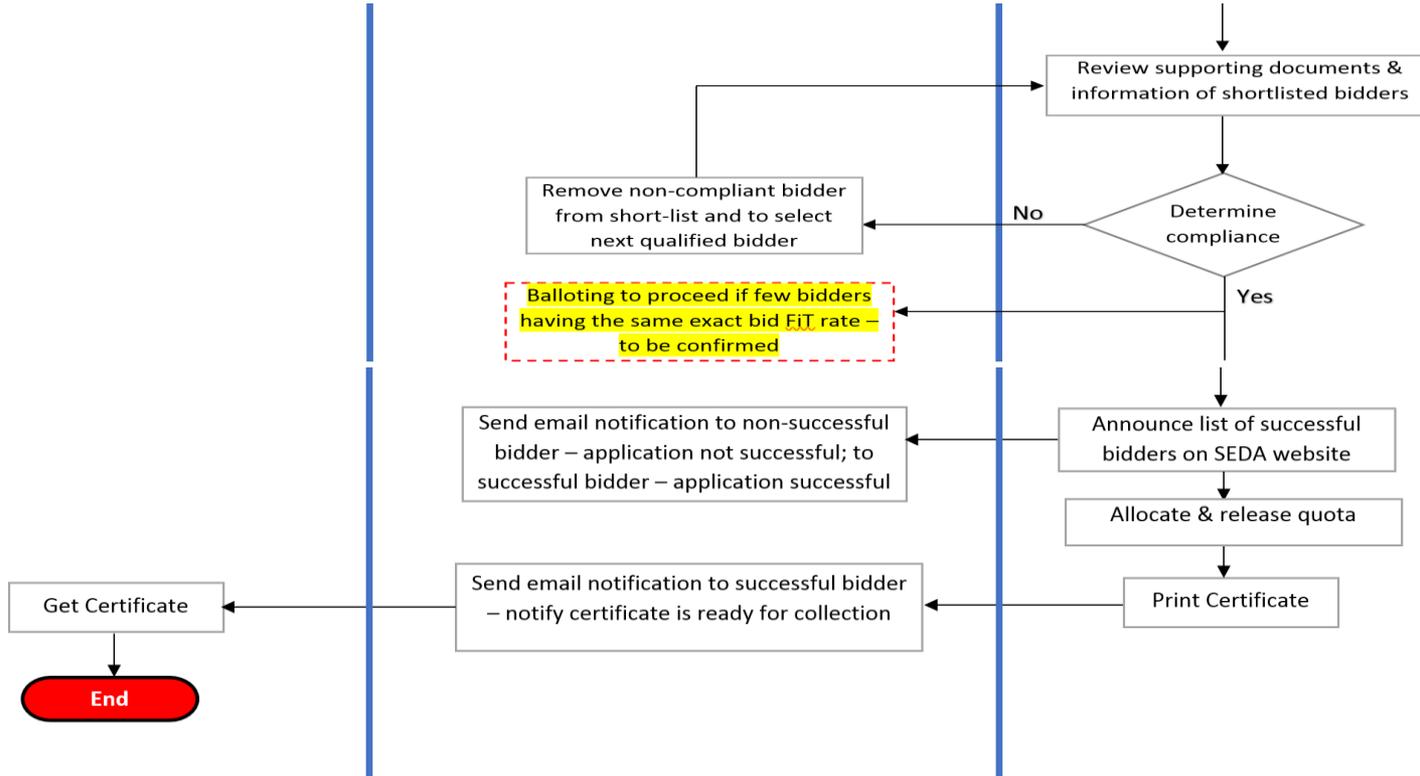
Bidder



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. **For successful bidders, they shall increase their paid up capital to RM1,000,000** within 6 months from the issuance of FiAH certificate.
- 5) All bidders must submit satisfactory evidence to have the financial means to make available the requisite capital to fund **at least 20% of the estimated total project development costs** (including financing costs during construction) by financial close, **within sixty (60) days from the issuance of FiA certificate.** Such evidence may include, but is not limited to, bank statements (duly certified by the bank) or bank referral letters evidencing cash deposits, working capital credit facilities such as overdraft and/or revolving credit facilities or bank letter of offers for credit facilities with sufficient available limit equivalent to the requisite amount; bank guarantees and/or standby letter of credit from a Malaysian bank; unencumbered fixed assets and/or land accompanied by valuation reports which may be collateralised to Banks. **9**

TERMS & CONDITIONS



- 6) Must have an approval letter from the DL (Distribution licensee) together with the **Power System Study (PSS) report** stating the proposed export capacity. Existing FiAHs that intends to make a new application (reapplication) will need **to obtain an approval letter from the DL on the validity of the existing PSS approval.**
- 7) 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



- 8) 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.
 - d) **Failure to complete the project within the agreed timeframe will result in deduction of the performance deposit based on the late penalty. Revocation and surrender of the Feed-in Approval will also result in the forfeiture of the performance deposit.**

TERMS & CONDITIONS



- 9) To be eligible to participate in this e-bidding exercise, the bidder(s) **must not be** in any of the following situations:
- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for any laws or regulations of any governmental or official authority or body;
 - b) they have been convicted of an offence concerning their professional conduct by a judgement of a competent authority;
 - c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
 - d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the requisite legal provisions;
 - e) they have been the subject of a judgement for fraud, corruption, involvement in a criminal organisation, or any other illegal activity, where such illegal activity is detrimental to Malaysia.

TIMEFRAME FOR E-BIDDING PROCESS



Start Date	End date	Description	Duration (Days)
7-April	28-April	3 weeks bid submission & payment of relevant fees	22
28-April	28-April	Announce list of bidders who have successfully submitted their bid (together with the payment and declaration form)	1
28-April	4-May	Verify payment	7
5-May	1-June	Start the bid evaluation process. Review compliance of submitted documents & shortlisted the successful bidder	26
2-June	2-Aug	Prepare the Renewable Energy (Amendment of Schedule) 2020 (if necessary) to Gazette the FiT rate range for Small Hydro	62
3-Aug	3-Aug	Announce list of successful bidders on SEDA Malaysia website	1
3-Aug	3-Aug	Send email notification to successful bidders	1
4-Aug	4-Aug	Allocate & release quota to successful bidders	1
5-Aug	11-Aug	SEDA personnel to print & issue certificate	7
12-Aug	12-Aug	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 **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 the individual (MyKad/Passport) 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



- 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



High

Bidder	Bid Rate (RM/kWh)	Small Hydro (category)	
		Low head	High Head
A	0.2300		✓
B	0.2300		✓
C	0.2400		✓
D	0.2400		✓
E	0.2450		✓
F	0.2500		✓
G	0.2550		✓
H	0.2550		✓
I	0.2559		✓
J	0.2559		✓
K	0.2720	✓	
L	0.2750	✓	
M	0.2885	✓	
N	0.2890	✓	
O	0.2900	✓	
P	0.2900	✓	

Existing FiA (A-J)

Existing FiA (O)

The bid rates will be minus by RM0.0300/kWh for the low head category



Bidder	Bid Rate (RM/kWh)	Small Hydro (category)	
		Low head	High Head
A	0.2300		✓
B	0.2300		✓
C	0.2400		✓
D	0.2400		✓
E	0.2450		✓
F	0.2500		✓
G	0.2550		✓
H	0.2550		✓
I	0.2559		✓
J	0.2559		✓
K	0.2420	✓	
L	0.2450	✓	
M	0.2585	✓	
N	0.2590	✓	
O	0.2600	✓	
P	0.2600	✓	

Existing FiA (A-J)

Existing FiA (O)



Scenario 1: Bid Ranking Process

	Bidder	Bid Rate (RM/kWh)	Small Hydro (category)	
			Low head	High Head
Low  High	A	0.2300		√
	B	0.2300		√
	C	0.2400		√
	D	0.2400		√
	K	0.2420	√	
	E	0.2450		√
	L	0.2450	√	
	F	0.2500		√
	G	0.2550		√
	H	0.2550		√
	I	0.2559		√
	J	0.2559		√
	M	0.2585	√	
	N	0.2590	√	
	O	0.2600	√	
P	0.2600	√		

The 13 lowest bidders will be automatically shortlisted based on the Bid Rates

Quota

Scenario 2: Bid Rates Exceeded the Reference Price

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	0.2555		√
F	0.2560		√
G	0.2565		√
H	0.2599	√	
I	0.2600		√
J	0.2700		√
K	0.2720	√	
L	0.2750	√	
M	0.2780	√	
N	0.2880	√	
O	0.2888	√	
P	0.2890	√	

The 11 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: Same Basic Bid Rates

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	√	

Low
↓
Quota
↓
High

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

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

Scenario 4: Same Basic Bid Rates

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	0.2580		√
F	0.2599		√
G	0.2700	√	
H	0.2750	√	
I	0.2750	√	
J	0.2750	√	
K	0.2799	√	
L	0.2880	√	
M	0.2888	√	
N	0.2890	√	

Quota

High

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

Quota Allocation

Bidder	Small Hydro (category)		Bid Rate (RM/kWh)	Installed Capacity (MW)	Quota Allocation
	Low head	High Head			116 MW
A		✓	0.2300	10	106
B		✓	0.2300	12	94
C		✓	0.2400	8	-
D		✓	0.2400	23	-
K	✓		0.2420	25	-
E		✓	0.2450	20	74
L	✓		0.2450	15	59
F		✓	0.2500	9	50
G		✓	0.2550	10	40
H		✓	0.2550	11	29
I		✓	0.2559	2.2	-
J		✓	0.2559	13.9	-
M	✓		0.2585	19	10
N	✓		0.2590	10	0
O	✓		0.2600	10	
P	✓		0.2600	4.00	

Quota will be allocated only for a new application.

(116MW – 10MW = 106MW)
 (106MW – 12MW = 94MW)
 (94MW – 20MW = 74MW)



Total installed capacity = 188.1 MW (Total installed capacity for successful bidders exceeded 116MW)

Low

 High

Existing FiA

Existing FiA

Quota



Thank You

SEDA Malaysia,
Galeria PjH, Level 9
Jalan P4W, Persiaran Perdana,
Presint 4,
62100 Putrajaya,
Malaysia.
Phone : +603-8870 5800
Email: azlin@seda.gov.my
asrati@seda.gov.my
Web: www.seda.gov.my

