



**E-BIDDING EXERCISE FOR BIOGAS QUOTA  
UNDER FEED-IN TARIFF (FIT)  
12<sup>th</sup> February 2020**

A transparent online open bidding platform for all

# CONTENT

- Introduction – Objectives
- Proposed Methodology
- Biogas 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 biogas application.

# THE METHODOLOGY



- 1) Bid submission window for e-bidding will be around **2 weeks; starting from Tuesday, 17<sup>th</sup> March 2020 (10.00 am) until Tuesday, 31<sup>st</sup> March 2020 (1.00 pm).**
- 2) Bidders to create profile via the e-FiT system before submit application (List of documents in slides no. 14-16).
- 3) Bidders to bid only for the **basic FiT rates**. SEDA to place **reference price of RM0.2689/kWh** for basic FiT rate.
- 4) An applicant who intends to use gas engine technology with electrical efficiency of above 40% (G01) and locally manufactured or assembled gas engine technology (G02) may apply for the bonus tariff but the **bonus tariff will not be considered** in the **bid tariff evaluation** process.
- 5) Each bidder by default will be granted the bonus for use of landfill, sewage gas or agricultural waste including animal waste as fuel source (G03).

# THE METHODOLOGY



- 6) Bidders to submit all necessary documents (List of documents in slides no. 17-18) via the e-bidding system.
- 7) 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.
- 8) The processing fee is non-refundable while the application fee and performance deposit are refundable in full if the bidders are unsuccessful.
- 9) The list of bidders will be extracted and announced on SEDA Malaysia's website immediately after bid closing.

# THE METHODOLOGY



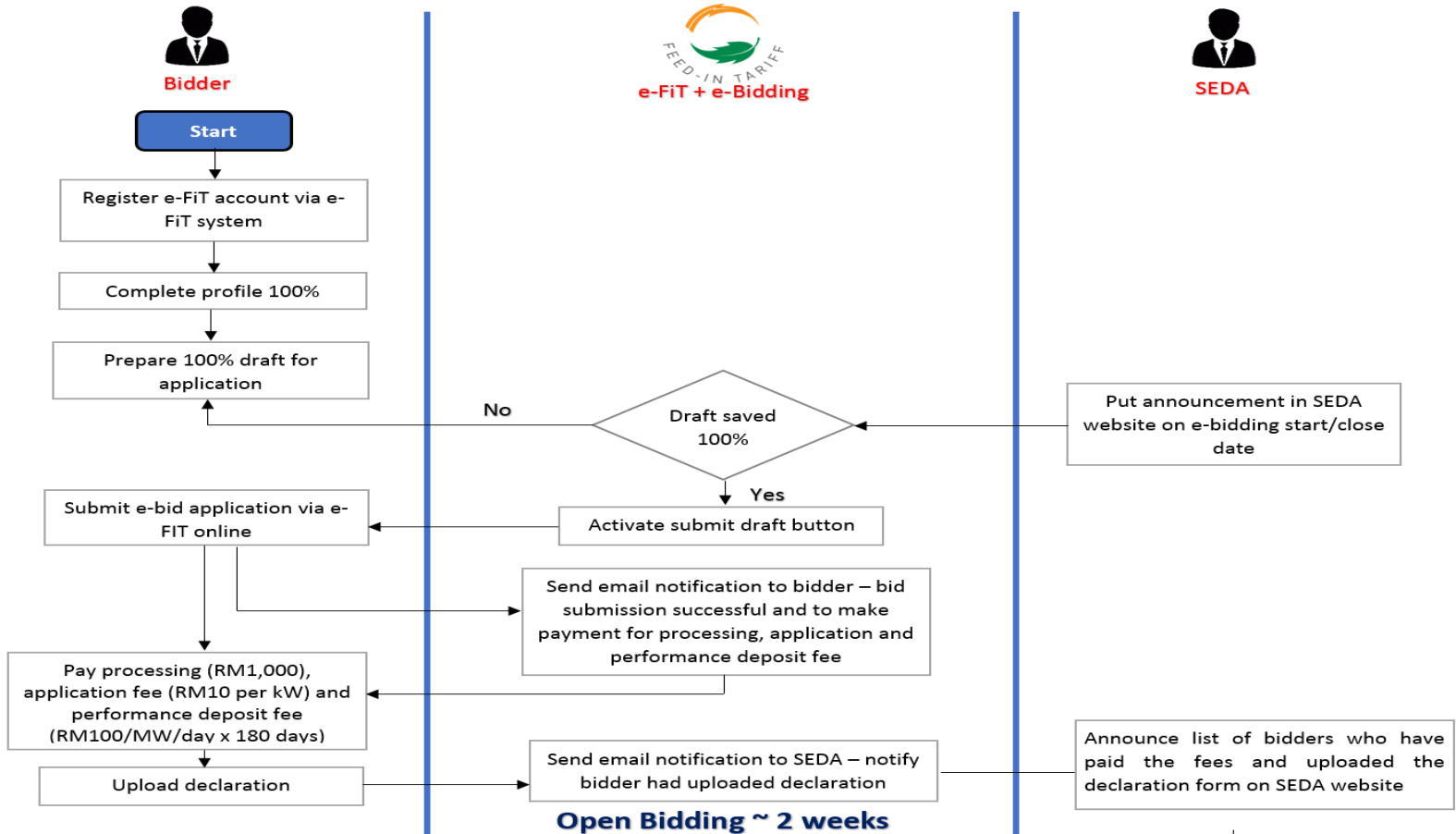
- 10) All supporting documents and information submitted by the shortlisted bidders into the e-bidding system will be verified to determine compliance with the present rules and regulations.
- 11) The bidders will be ranked according to the bid tariff and the number of shortlisted bidders is determined by the amount of funds available for the quota release.
- 12) 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.
- 13) Any application found to be non-compliant will be disqualified. The unallocated quota will be reoffered in the next e-bidding exercise.

# THE METHODOLOGY

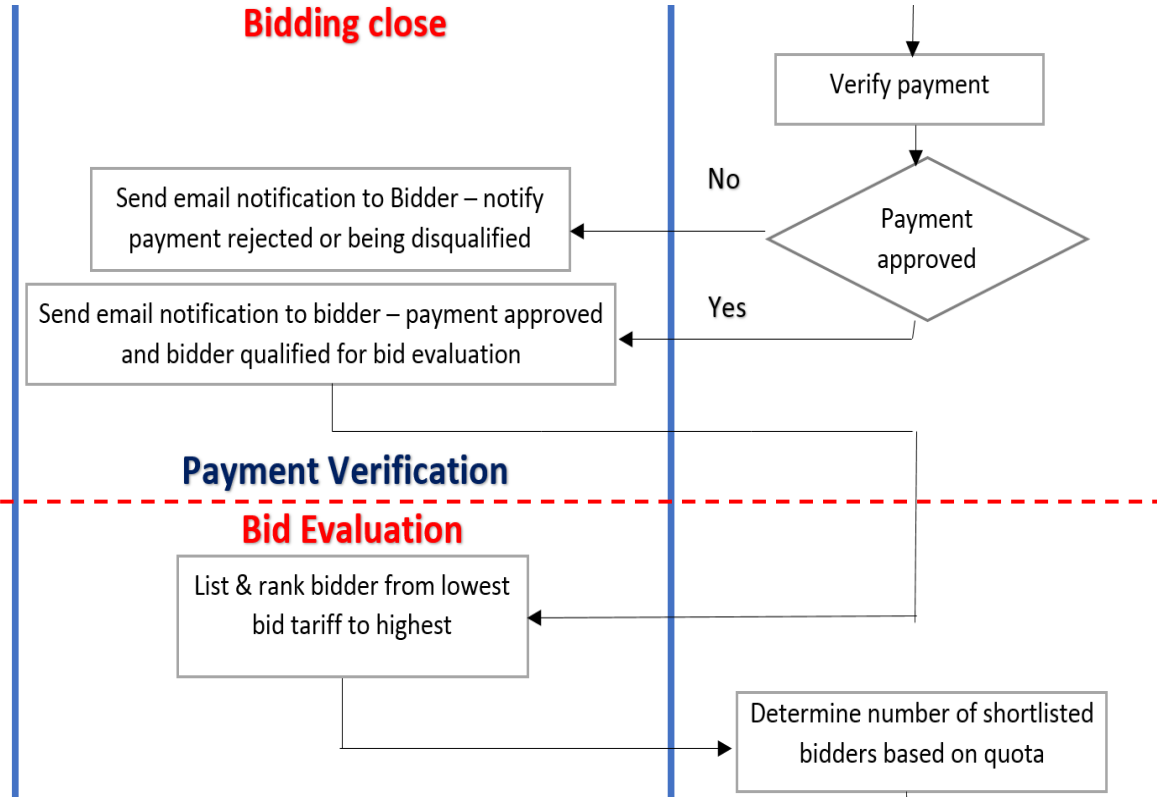


- 14) SEDA Malaysia to prepare the Renewable Energy (Amendment of Schedule) 2020 (if necessary) to Gazette the FiT rate range for Biogas based on the bid tariff range of the shortlisted bidders.
- 15) The FiT rate range needs to be gazetted before the release of quota.
- 16) Once the Renewable Energy (Amendment of Schedule) 2020 has been gazette (if necessary), SEDA to notify selected bidders and to allocate quota.
- 17) SEDA to publish and announce the list of selected bidders on SEDA's webpage.
- 18) SEDA to print and issue certificates to selected bidders.

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









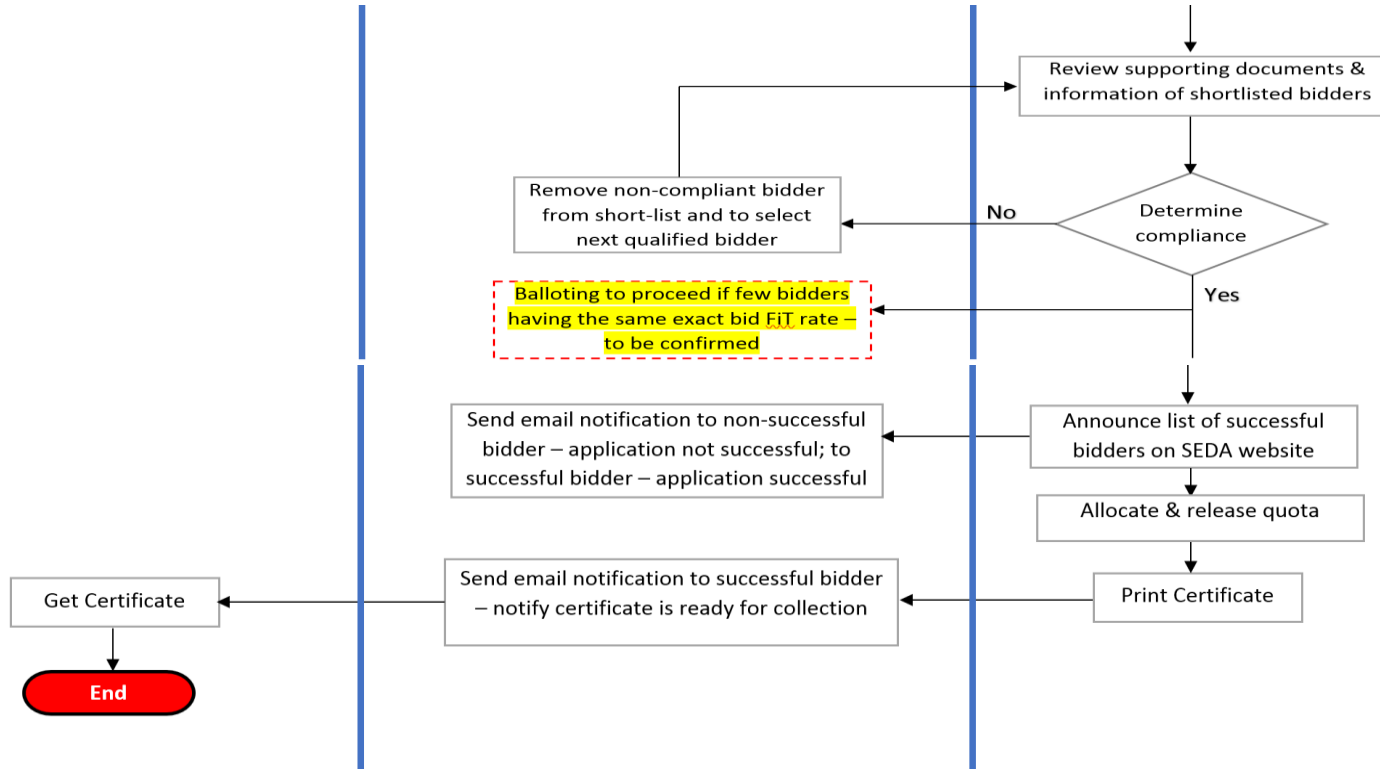
Bidder



e-FIT + e-Bidding



SEDA



# TERMS & CONDITIONS



- 1) Limit to **10MW** maximum installed capacity per application. One (1) application per project site.
- 2) Bidders to bid based on **REPPA tenure of 21 years.**
- 3) Must have an approval letter from the DL (Distribution licensee) together with the **Power System Study (PSS) report** stating the proposed export capacity.
- 4) All bidders shall have a **minimum paid up capital of RM50,000** but shall increase **to RM500,000 within 3 months** from the issuance of FiAH certificate.

# TERMS & CONDITIONS



- 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

# TERMS & CONDITIONS



- 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.
  - 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



- 7) 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)
17-Mar	31-Mar	2 weeks bid submission & payment of relevant fees	15
1-Apr	1-Apr	Announce list of bidders who have successfully submitted their bid (together with the payment and declaration form)	1
1-Apr	7-Apr	Verify payment	7
8-Apr	3-May	Start the bid evaluation process. Review compliance of submitted documents & shortlisted the successful bidder	26
4-May	5-July	Prepare the Renewable Energy (Amendment of Schedule) 2020 (if necessary) to Gazette the FiT rate range for Biogas	62
6-July	6-July	Announce list of successful bidders on SEDA Malaysia website	1
6-July	6-July	Send email notification to successful bidders	1
7-July	7-July	Allocate & release quota to successful bidders	1
8-July	17-July	SEDA personnel to print & issue certificate	10
18-July	18-July	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) **Written documentation** from a **qualified person** setting out the **detailed engineering design** (Including all relevant calculations to justify the installed capacity and claimed efficiencies) of the renewable energy installation utilizing the relevant fuel source including the relevant equipment for the combustion process of the fuel source, the calculation of the indicative quantity of fuel source required and the calculation of the indicative quantity of renewable energy to be generated from the installation.
- 2) (a) For biogas plant utilizing agriculture waste including animal waste as fuel source: A scanned soft copy of the **fuel supply agreement(s)/term sheet(s)** from the entity(ies) that will be providing the renewable resources.  
  
(b) For plants utilizing landfill or sewage gas as fuel source: Either **written evidence** of the **applicant's ownership** of a landfill or sewage system, or a certified copy of a conditional or unconditional letter or agreement from or with the relevant **municipal council** or other entity agreeing to supply the applicant with the relevant fuel source.

## DOCUMENTS REQUIRED FOR SUBMISSION-APPLICATION



- 3) Documents proving the **Applicant's ownership** of the **site**, or other conditional or unconditional rights (e.g. Lease or leasing agreement) that the applicant has to utilize/lease the site for a minimum period equivalent to the effective period.
- 4) Land title showing proof of ownership by the applicant or lessor.
- 5) 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**).
- 6) 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.
- 7) A **certificate of registration (with Practising Certificate)** of each **Qualified Person** with the Board of Engineers Malaysia as a Professional Engineer.

# Scenario 1 – Varying Basic Bid Rates



Bidder	Basic Bid Rate (RM/kWh)	Bonus FIT Rates (RM/kWh)			Total Rate = Basic + Bonus (RM/kWh)
		G01: Use of Gas Engine Efficiency >40% (RM0.0199/kWh)	G02: Use of locally manufactured / assembled Gas Engine (0.0500/kWh)	G03: Use of landfill, sewage gas or agricultural waste (animal waste) as fuel source (0.0786/kWh)	
A	0.2000	√	√	√	0.3485
B	0.2111	√		√	0.3096
C	0.2120	√		√	0.3105
D	0.2212			√	0.2998
E	0.2300		√	√	0.3586
F	0.2342			√	0.3128
G	0.2450	√		√	0.3435
H	0.2500		√	√	0.3786
I	0.2555			√	0.3341
J	0.2600		√	√	0.3886
K	0.2684			√	0.3470

## Scenario 2 – Bid Ranking Process



Low

Bidder	Basic Bid Rates (RM/kWh)	Total Rate = Basic + Bonus (RM/kWh)
A	0.2000	0.3485
B	0.2111	0.3096
C	0.2120	0.3105
D	0.2212	0.2998
E	0.2300	0.3586
F	0.2342	0.3128
G	0.2450	0.3435
<hr style="border-top: 1px dashed red;"/>		
H	0.2500	0.3786
I	0.2555	0.3341
J	0.2600	0.3886
K	0.2684	0.3470

The 7 lowest bidders will be automatically shortlisted based on the Basic Bid Rates and **NOT** the total FiT rate.

-- Quota

High

## Scenario 2 – Same Basic Bid Rates



Bidder	Basic Bid Rate (RM/kWh)	Bonus FIT Rates (RM/kWh)			Total Rate = Basic + Bonus (RM/kWh)
		G01: Use of Gas Engine Efficiency >40% (RM0.0199/kWh)	G02: Use of locally manufactured / assembled Gas Engine (0.0500/kWh)	G03: Use of landfill, sewage gas or agricultural waste (animal waste) as fuel source (0.0786/kWh)	
A	0.2000	√	√	√	0.3485
B	0.2111	√		√	0.2897
C	0.2120	√		√	0.3105
D	0.2212			√	0.2998
E	0.2300		√	√	0.3586
F	0.2500			√	0.3286
G	0.2500	√		√	0.3485
H	0.2500		√	√	0.3786
I	0.2500			√	0.3286
J	0.2500		√	√	0.3786
K	0.2600			√	0.3386

## Scenario 2 – Bid Ranking Process



Low  
↓  
High

Bidder	Basic Bid Rates (RM/kWh)	Total Rate = Basic + Bonus (RM/kWh)
A	0.2000	0.3485
B	0.2111	0.3085
C	0.2120	0.3185
D	0.2212	0.3086
E	0.2300	0.3686
F	0.2500	0.3286
G	0.2500	0.3286
H	0.2500	0.3786
I	0.2500	0.3286
J	0.2500	0.3786
K	0.2600	0.3386

1) The 5 lowest bidders will be automatically shortlisted based on the Basic Bid Rates and **NOT** the Total Rate.

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

-----Quota

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



## Scenario 3 – Same Basic Bid Rates



Bidder	Basic Bid Rate (RM/kWh)	Bonus FIT Rates (RM/kWh)			Total Rate = Basic + Bonus (RM/kWh)
		G01: Use of Gas Engine Efficiency >40% (RM0.0199/kWh)	G02: Use of locally manufactured / assembled Gas Engine (0.0500/kWh)	G03: Use of landfill, sewage gas or agricultural waste (animal waste) as fuel source (0.0786/kWh)	
A	0.2000	√	√	√	0.3485
B	0.2100	√		√	0.3085
C	0.2300	√		√	0.3285
D	0.2300			√	0.3086
E	0.2300		√	√	0.3586
F	0.2300			√	0.3086
G	0.2300	√		√	0.3286
H	0.2500		√	√	0.3786
I	0.2500			√	0.3286
J	0.2500		√	√	0.3786
K	0.2600			√	0.3386

## Scenario 2 – Bid Ranking Process



Low

Bidder	Basic Bid Rates (RM/kWh)	Total Rate = Basic + Bonus (RM/kWh)
A	0.2000	0.3485
B	0.2100	0.3085
C	0.2300	0.3185
D	0.2300	0.3086
E	0.2300	0.3686
F	0.2300	0.3286
G	0.2300	0.3286
H	0.2500	0.3786
I	0.2500	0.3286
J	0.2500	0.3786
K	0.2600	0.3386

The 7 lowest bidders will be automatically **shortlisted** based on the **Basic Bid Rates** and **NOT** the Total Rate. Balloting process is not required.

-----Quota

High



# Thank You

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