



Responses to Queries

Issued on September 12th, 2024

REQUEST FOR PROPOSALS (RFP) no. 2024/001 for Supply of up to 5MW (Net) of Electricity Generation from Renewable Energy Resources on a Build, Own and Operate Basis

1. To facilitate the Solar PV system being interconnected to the grid is it envisaged that the Small-Scale Independent Power Producers (SSIPP) bear all the costs associated with upgrades?

Answer: Yes, all reasonable costs leading up to interconnection are borne by the IPP. These costs will be included with the capital expenditure costs and factored into the final rate determination.

2. If the revenue meter GRENLEC provides is faulty does the IPP cover the costs for the replacement of that revenue meter?

Answer: No, Grenlec will be responsible for the replacement/ repair of faulty equipment.

3. What does the PURC define as a rate that is both reasonable and competitive?

Answer: The rate will be determined by considering the Levelized Cost of Energy (LCOE), which includes operation and maintenance costs (O&M) and capital expenditure (CAPEX) costs, with a reasonable markup that is in keeping with industry standards.

4. In Annex B on page 70 under Metering, based on the description presented does the PURC define this methodology as a Buy-All-Sell-All arrangement?

Answer: Yes, it is a Buy-All-Sell-All compensation mechanism.

5. Can the terms and conditions within the PPA be negotiated by the IPP?

Answer: The Commission is open to hearing and considering any additional points an IPP feels were omitted from the current PPA text, however, it bears noting that contents of the agreement as published are carefully structured to consider and address regulatory and operational needs.

6. Is the \$500 XCD application fee per PV system or can we apply collectively for a set of projects in one application? For example, if an applicant has several retail sites where they would like to install Solar PV systems. Can one application be submitted outlining the various sites and the details related to each site?

Answer: Applications must be submitted separately for each facility, and the application fee must accompany each individual submission.

7. If the IPP is granted approval for multiple Generation Licenses can the timeline for implementation be adjusted beyond the 12-month period stipulated by the PURC?

Answer: The implementation timeline aligns with key targets for the electricity sector, and selected IPPs are expected to adhere to it. Applicants should consider this when submitting proposals, ensuring they commit to projects they can complete within the specified timeframe.

8. Given the SSIP are grid tied systems by design hence is not available when the grid is off. What are the measures that are being implemented to increase the grid network resilience in extreme weather since the current overhead infrastructure did not withstand the category 5 cyclone. This is critical since the SSIP systems would not be able to export energy to grid network if it in itself has suffered damages.

Answer: In keeping with directives from the Government of Grenada, as well as Grenada's Vision 75, all participants in the energy sector must now build or repair with resilience and sustainability in mind. While this program does not address the regulation of Grenlec or its grid, the PURC, as regulator, will continue to collaborate with Grenlec to achieve the broader goals of a resilient and sustainable grid and energy sector overall.

9. Kindly clarify the likely maintenance of the Grenlec grid that may be applicable. Typically, Grenlec's non- fuel cost incorporates administrative and maintenance cost. Is this an element that needs to be factored in LCOE.

Answer: The section of the RFP to which this question refers is meant to convey the fact all costs leading up to and associated with interconnection must be borne by the IPP. This is standard for new connections and will be factored into the LCOE for the final rate determination by the PURC.

10. The IPP is solely responsible for the acquisition of metering data. If this data is of value to both stakeholders, why is the IPP solely bearing the responsibility?

Answer: Payment for the meter is a non-negotiable requirement for interconnection. As with all other capital expenditure on the part of the IPP, this cost will be factored into the final rate calculation to ensure fair cost recovery for the IPP.

11. Mandatory fencing with height specification may contravene covenant or other governing property agreement

Answer: The fencing requirement is mandatory, so if it conflicts with a covenant or property agreement, that property may not be suitable for this project. However, it's important to note that a covenant prohibiting fencing would likely also restrict commercial projects, which could further limit the property's viability for this endeavor.

12. If both the Network Licensee and the Generator can have their facility inspected and tested by the Government Chief Electrical Inspection Unit (GCEIU) why is the records only being kept by the Generator?

Answer: The terms of the PPA are specific to the projects and facilities of the IPPs, not the operations of the network licensee. The procedures and requirements for the network licensee are governed by the Electricity Supply Act (2017), as amended and the Public Utilities Regulatory Commission Act (2017), as amended. Using the authority conferred upon it by the latter, the PURC, as regulator, requires specific data from the network licensee at regular intervals. However, the PPA does not outline these requirements, as it pertains solely to IPP projects.

13. Would the Government Chief Electrical Inspection Unit (GCEIU) be required to produce a report?

Answer: The GCEIU will comply with all legal and legislative requirements, including producing any necessary reports as required.

14. Reasonable notice for nonemergency events is usually a minimum of 48 hours. Emergency responses are already addressed for non-compliance

Answer: The Commission's opinion is that the time specified in the PPA is reasonable. It is important to note that reasonable is a subjective notion and can vary depending on the type of agreement.

15. Given the accelerated submission timeline for applications in this SSIPP program, will all the required documents need to be submitted at the time of application?

Answer: With the exception of the System Impact Study, site layout plan and approval from the Planning and Development Authority, all required documents listed in the List of Requirements table of the RFP should be submitted in support of your application. While an application can be submitted and be evaluated without these three documents, successful applicants cannot be granted a license until they have submitted all required information to the PURC.