Consolidated Clarification Document of Site Neutral Hybrid Project at KE's Dhabeji Grid

The responses are as shared with prospective bidders on the clarifications sought; changes (if any) in responses is issued as Amendment and Corrigendum on KE Website and on Ariba.

We have now concluded the clarification process of Site Neutral Hybrid Power Project bidding process.

Commercial Clarification Responses

Sr.#	RFP/EPA Clause No.	RFP/EPA Statement	RFP/EPA Queries	KE Response
1	RFP 1 - Definitions – Instruction to Bidders	Bid Bond - An unconditional, irrevocable, on demand bank guarantee issued in favor of K-Electric Limited pursuant to Section 14.6 of this RFP, by at least an "AA" rated scheduled bank operating in Pakistan which is acceptable to K-Electric, valid for a period of at least twelve (12) months from the bid submission deadline in the format and language as provided in Exhibit 8.	The bid bond validity period of 12 months is quite aggressive and may not be acceptable to the lending bodies/banks. Request to re-consider reducing the bid bond validity to less than 6 months.	Please refer to Corrigendum issued by KE in this regard, Bid Bond Validity have been revised to 8 months.
2	RFP 3.14- Invitation to Bid	The Successful Bidder will be awarded the LOI as appended in Exhibit 11 of this RFP after NEPRA's approval of Bid Evaluation Report, for formation of SPV subject to submission of Performance Guarantee (PG).	As per NEPRA Decision in the matter of the RFP for 200 MW Hybrid Project at Dhabeji Grid, KEL is directed to communicate upfront, while floating the RFP, its desired level of equity participation percentage (a fixed number) with a maximum limit of 25%. For the sake clarity, please share if KE would not be part of the SPV anymore as no percentage has been specified.	KE will not have any shareholding in the Project.
3	RFP 14.3 Technical Proposal	It is mentioned "The technical proposal should comprise of the following…… (a)… (b)… (c)Pre-qualification fee…	The Pre-qualification fee would not be applicable for the already pre-qualified bidders. To avoid ambiguity at a later stage, the same should be specified next to this	Applicants who were already prequalified previously do not have to reapply.

			requirement as mentioned on the requirement above (b).	
4	RFP Exhibit 2 – Confidentiality Agreement	The Bidder must execute the Confidentiality Agreement on stamp paper and submit to K-Electric along with complete Application for Prequalification (if applicable)	For the sake of clarity, KE is requested to share the value of the stamp paper.	Region Sindh denomination of stamp paper PKR 1000. Region Punjab denomination of stamp paper PKR 500.
5	RFP Exhibit 5 - Affidavit	The Bidder must execute the Affidavit on stamp paper and submit to K-Electric along with complete Bid.	For the sake of clarity, KE is requested to share the value of the stamp paper.	Region Sindh denomination of stamp paper PKR 200. Region Punjab denomination of stamp paper PKR 300.
6	RFP Exhibit 6 – Letter of Acceptance by the Bidder	To be submitted on stamp paper.	For the sake of clarity, KE is requested to share the value of the stamp paper.	Region Sindh denomination of stamp paper PKR 200. Region Punjab denomination of stamp paper PKR 300.
7	EPA 1.1 Definitions	Services provided by the Seller through the Complex, other than the delivery of Net Delivered Energy, as provided in Schedule 5, which services shall be provided within the Technical Limits and according to the provisions of the Grid Code.	EPA schedules are not attached to this RFP. For the sake of clarity, KE is requested to share all EPA schedules.	NPMV Schedule have been already shared and the pass-through items have been covered in the RFP
8	EPA 9.3 Liquidated Damages	9.3 (a), (b), (c)	Clause 9.3 pertains to Liquidated Damages which focuses only on a breach of Seller duties and do not provide any circumstance entitling the Seller to claim Liquidated Damages. A clause should be added encapsulating the failure on part of the Purchaser to fulfil its obligations and the consequences thereof	Liquidated damages (LDs) for delays attributable to the Purchaser's Interconnection Facilities are detailed in Section 6 of EPA. Similarly, LDs for delays in Commissioning Tests are outlined in Section 8 of EPA.

			entitling the Seller to claim Liquidated Damages.	
9	EPA 9.4 Billing	The first invoice for Energy Payment after the Commercial Operations Date may include the invoice for the Pre-COD Energy Payment under Section 8.7; and	Section 8.7 mentions Pre-COD Energy as free energy, please clarify what will be the mechanism for the Pre-COD Energy Payment as mentioned in section 9.4?	The invoice will document the Net Delivered Energy at a tariff rate of zero.
10			I am writing to inquire about the transferability of bidder registration within our industrial group companies, particularly concerning the formation of a Special Purpose Vehicle (SPV) at a later stage in the bidding process. As we prepare to participate in the Hybrid Project, we are keen to understand the process regarding bidder registration and the subsequent formation of the SPV. Our query pertains to whether the registration of a company within our industrial group, which is actively involved in renewable energy, can be transferred to the SPV formed by one or more companies within the same group. Could you kindly provide clarity on whether such transferability is permissible within the framework of the bidding process? Additionally, if there are any specific requirements or procedures we need to adhere to in this regard, we would greatly appreciate your guidance.	Please provide a detailed query regarding this point. Generally, SPV entity is a distinct legal entity responsible for fulfilling all regulatory and corporate requirements, including obtaining NEPRA licenses and tariff approvals, as stated in Exhibit 13 (Letter of Intent of the successful bidder). Generation licenses are typically non-transferable; however, this may vary depending on the terms and conditions of the license.

11	General		(a) RFP is silent on KE's equity ownership, which as per NEPRA determination for 200MW Hybrid Project has to be made part of the RFP including terms of the SPA. KE to confirm %age ownership including draft SPA. (b) There will be contingent commitments made to the lenders like "cost overrun" commitment, Debt Service Reserve commitment and some level of completion guarantees. These will have to be shared by all shareholders in their respective ratios (i.e. KE and Sponsors) in a form acceptable to the lenders (usually, cash reserve or SBLCs). Please confirm that the proportionate share of such commitments will be met by KE as shareholder. Failure to meet such commitment, will result in dilution of KE provided other sponsors funds it. Please confirm.	KE will not have any shareholding in the Project.
12	General		What would be denomination of stamp paper for following: Power of Attorney	Region Sindh denomination of stamp paper PKR 1000. Region Punjab denomination of stamp paper PKR 2000.
13	General		Please confirm that the lowest bidder tariff in its entirety will either be approved or rejected by NEPRA, and no changes can be made to the tariff conditions, including pass-through Please confirm this.	NEPRA reserves the right to reject a successful bid if deemed imprudent. Please refer to Clause 55 (ii) of NEPRA's approval on the RFP for further details. Pass-through items approved by NEPRA are outlined in Section 21.3 of the RFP document.

14	General		Escrow Agreement have to be in place as a condition to Financial close. Escrow mechanism/structure and draft of escrow agreement needs to be provided to the bidders.	Please refer Amended EPA
15	General		There are numerous instances where existing projects are unable to remit dividends to foreign shareholders or to get forex for meeting operational needs. How will the situation be different for these projects and is KE prepared to bear the cost, for similar delays?	Since KE is not participating as a shareholder, KE will not bear the cost. Furthermore, dividend repatriation is done with the approvals from the SBP; KE in its role as power purchaser or relevant Agent is not the relevant authority to provide such approvals. These will need to be taken care of by the SPV/Sponsors themselves.
16	Two Technologies and Completion Date		Since there are two different technologies which could have different time frames what would be rate at which the energy would be taken for one technology.	With respect to Pre-COD sales of energy for the solar portion (since it may be commissioned before the wind portion), please refer to Section 8.7 of the EPA that has been circulated. Additionally, please note that there will only be a single tariff applicable for the entire hybrid (wind/solar) facility post-COD.
17	Section 3.2 of RFP RFP Process		What document will the prequalified parties need to submit along with Exhibit 16? Will it be an acknowledgment email received from KE, or will KE issue a letter?	Parties that are already pre-qualified are exempt from submitting Exhibit 16, as explicitly clarified in the RFP documentation.
18	Section 3.15 & 20.17 of RFP EPC Agreements Construction/EPC Contractors		(a) The RFP document does not cater to scenario where successful bidder, instead of EPC contractor, will itself do the construction or combination thereof including equipment supply contract. (b) The Criteria mentioned for the EPC Contractor is very stringent and	(a) Under the site neutral hybrid project, Bidder is required to have an EPC Contractor who will be evaluated based on the criteria stipulated within the RFP. (b) Bidders must ensure compliance with the criteria specified in the RFP. It is encouraged to utilize the services of a renowned EPC

			no local EPC Contractor will qualify. This will only limit the available foreign companies who are prepared to work in Pakistan today thereby increasing the Bid price. (c) Point 3 and 4 excludes the foreign EPC Companies who are not already registered as per the requirement.	Contractor due to the first of its kind nature of this Project in the country. (c) According to Pakistani law, PEC registration is mandatory for any engineering work in the country before commencement of works.
19	Section 8 & 9 of RFP Communications and Bid Submission Requirements		(a) While the Bidders will be submitting both the Technical and Tariff Proposal on ARIBA also, how the confidentiality of the financial part of bid will be ensured on ARIBA? (b) What will be the procedure of opening of Financial Bids?	(a) It is mandatory to submit separate envelopes for the technical and tariff proposals through the ARIBA platform to ensure the confidentiality of the financial envelope. Intimation is sent to bidder when the financial document is accessed/ viewed. (b) This requirement is elaborated upon in the RFP document.
20	Section 6 of RFP Project milestones		If there is a delay in the project milestones that are beyond the reasonable control of bidder, will the dates mentioned in the milestones extend accordingly?	Any extensions due to unforeseen circumstances beyond the reasonable control of the Parties may be considered later.
21	Section 21 Indexation Mechanism		Kindly share the rationale of different indexation % ages for SOFR and KIBOR.	These percentages are determined by NEPRA in its approval of RFP.
22	Section 21.1 footnote Indexation Mechanism		In the footnote, it is mentioned that the first quarter will be partial based on COD, and then onwards it will be calendar quarters. However, the note needs to state that the last quarter will also be partial to get to end of the concession period.	The language is in accordance with the decision of the Authority.

23	Section 21.3 footnote Pass through items		The payment of interest to foreign lenders is liable to withholding tax deduction of 15%. Please confirm this would be treated as pass through as the same cannot be accounted for in bid tariff as SOFR is not known today.? Also confirm that any change in withholding rate would also be a passthrough?	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough.
24	Section 21.3 footnote Pass through items		The dividend withholding tax is not a pass through. However, if rate of withholding tax on dividend is increased from the current rate, then it should be treated as passthrough. Please confirm.	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough
25	Section 21.3 footnote Pass through items		After 2022 no power project is exempt from income tax as per current income tax law (schedule II section 132), as per the RFP language this income tax will be full pass through. please confirm what process has to be followed to reclaim this.	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough
26	Exhibit 2 Confidentiality Agreement		There is a requirement of submission of Confidentiality Agreement with bid. Please clarify signing date of the same by KE which has to be before bid submission?	The Bidder will submit the Confidentiality Agreement along with its Proposal. Upon receipt, it will be countersigned by KE.

27	Section 20.1.7 of the RFP Capacity Factor- Minimum Capacity factor required is 31%		If Bidder achieves higher ACTUAL capacity factor during the Term of the EPA, the same rate will continue to apply on the excess generation, without any sharing with KE, since this is not a "cost plus tariff"? Please confirm.	The understanding is correct. KE will adhere to the mechanism outlined in the EPA.
28	General		Is it permissible to later change the proposed vendors in the bid provided the new vendors fulfil the necessary criteria?	KE does not encourage changes to the OEM for Major Equipment. However, in case of unforeseen circumstances, the bidder must seek approval from KE.
29			Please clarify whether the new hybrid project will be a must run project and dispatched mandatorily, or if it will be placed in the economic merit order.	Renewable plants will be considered as must-run plants.
30			As per the requirements for EPC contractors outlined in the RFP, none of the local EPC contractors qualify based on the criteria, leaving only one major foreign EPC contractor working in Pakistan. This situation may limit competitive bidding, as the developer with the closest land to the grid would likely qualify. Please confirm if the criteria for EPC contractors can be made more flexible.	Bidders must ensure compliance with the criteria specified in the RFP.
31			In the event of an increase in withholding tax rates (e.g., dividend withholding tax increased from 7.5% to 15% in the past), please clarify how K-Electric/regulators will compensate sponsors/developers.	All pass-through items approved by NEPRA are listed in the RFP section 21.3, and no additional items will be permitted as passthrough.

32			Please advise on the support K-Electric can offer to assist developer in securing State Bank of Pakistan (SBP) approval for foreign payments.	KE is unable to offer assistance in this matter.
33	Exhibit 17 - EPA Definitions	Change in Law and Change in Tax	Both Change in Law and Change in Tax provisions are applicable from the Agreement (EPA) data whereas they should be linked to the Bid Submission Date	Refer amended EPA .
34	Vol 2 (Project Technical Requirements) Section 20.17 EPC Contractor	EPC Contractor shall meet the below mentioned requirements: …….	The RFP specifies requirements for EPC Contractor, however, is the bidder allowed to opt for an unbundled EPC contract, and if yes, what would be the requirements in that case?	Unbundled EPC Contract is not allowed. Sole EPC contractor shall collectively guarantee the performance of the entire complex and should comply with requirements as stipulated in RFP section 20.17.
35	Exhibit 17 - EPA Definition SOFR	SOFR is defined as "The Secured Overnight Financing Rate, or SOFR is a backward-looking compounded rate based on the volume weighted median of overnight daily treasury repo transactions i.e., the cost of borrowing cash overnight collateralized by U.S. Treasury securities."	Current financing agreements for IPPs in Pakistan define SOFR as "the secured overnight financing rate administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate);" It is requested that the same definition be adopted in this EPA as well.	The definition is in line with KE standard in its Agreements.
36	Exhibit 17 - EPA Section 9.3 Delay in COD LDs	EPA provides that in case of delay beyond RCOD, LDs will be charged at USD 4/KW per month.	We request to revise the rate to USD 2.5/KW per month as is provided in other NTDC/CPPA and KE contracts	The said proposal is not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP

37	Exhibit 17 - EPA Section 9.8(a) Payment Security	The Purchaser shall secure the payments due to the Seller under this Agreement through KE's consumer collections by way of a waterfall arrangement, Escrow or any other method ("Payment Security").	The wording of this clause suggests that the mechanism is not finalized for now and will be done at a later stage. During the roundtable for investors, it was informed that payment security shall be through an escrow arrangement. Please confirm the nature / structure of payment security mechanism and provide details of the MCAs to be allocated for this project.	Please refer KE EPA & shared payment brief on Escrow for clarity in this regard.
38	Exhibit 17 - EPA Section 16.1(a)(ii) Seller EOD	The Seller's failure to achieve the Commercial Operations Date not earlier than one hundred eighty (180) Days after the Required Commercial Operations Date.	This has been 365 Days in the past EPAs where Construction Period of 15-18 months existed. It is suggested to make the same.	The said proposal is not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under the RFP
39	EPC Contractor Selection		(a) Can a bidder submit a bid with more than one shortlisted EPC contractor? (b) What is the process and potential implications if a bidder needs to change an EPC contractor after winning the bid? (c) Can the final EPC contract be split between different qualified contractors, for example, separate contracts for the wind and solar components of the project?	a) A bidder can consider more than one EPC but must ensure to submit the preferred EPC on which the technical evaluation needs to be conducted. Moreover, if the EPC is changed after being declared the successful bidder, it will require KE's consent, ensuring it meets the criteria stipulated in the RFP section 20.17. b) If, due to unforeseen reasons, the EPC needs to be changed, it will require KE's consent, ensuring it meets the criteria stipulated in the RFP section 20.17. Furthermore, the tariff number will remain the same, and no compensation will be provided to the successful bidder. c) There should be one EPC contractor which shall collectively guarantee the performance of the entire complex and adhere to the stipulated

				requirements outlined in the Request for Proposal (RFP).
40	Payment Security		Could KE please elaborate on the payment security mechanism mentioned in Section 9.8 of the EPA? Specifically, what are the details of the "waterfall arrangement" or other methods being considered, and how will they ensure timely payment to the project developer?	Escrow brief and other responses to queries have been shared with bidders in this regard
41	One-Time Adjustment		Will any one-time adjustments made during the project term be carried forward and applied to the final tariff calculation at the end of the project? If so, can these adjustments be revised or readjusted later based on changing circumstances?	This will be in accordance with the tariff indexation as approved by the NEPRA in the RFP.
42	Surplus Energy Compensation		Will KE compensate the project developer for any surplus energy generated beyond the contracted capacity? If so, what would be the compensation mechanism and price?	Any surplus energy generated by the project due to better capacity factor (i.e. greater than 31%) will be compensated as per the EPA.
43	Debt Financing Mix		Are there any restrictions, preferences, or incentives regarding the mix of local and foreign debt financing for the project?	There is no restriction, preferences, or incentives regarding debt financing mix.
44	Pre-COD Power Generation		Given the different construction timelines for wind and solar components, will KE purchase power generate before the Commercial Operation Date (COD)	In reference to section 8.7 of EPA, Net Delivered Energy prior to the Commercial Operations Date shall be delivered to Purchaser free of cost at the Interconnection Point.

			of the entire hybrid plant? If yes, what would be the purchase price for this pre-COD energy?	
45	Termination Payment Security		In the event of contract termination due to Purchaser Events of Default (EOD) or Political Force Majeure Events (PFME), what security mechanisms are in place to ensure lenders and equity providers receive adequate compensation, considering the difficulty of finding an alternate buyer/PPA for such a large capacity project?	The security mechanism in place is already provided in the EPA
46	Payment During Purchaser Major Default		The EPA seems to limit the three-year revenue payment to specific EOD scenarios (clauses 16.2(f) and 16.2(h)). What remedies are available to project sponsors for other EODs, including payment defaults by KE?	Remedies available to the project due to payment default will be clarified in the EPA amendments.
47	Interest Rate and FX Indexation		(a) Regarding the tariff formula, please confirm whether interest rate indexation will continue throughout the entire project life, regardless of the debt amount, currency, and tenor, (b) For foreign currency loans other than USD, is there a mechanism for indexation of other currencies, such as Euro or CNY?	a) Indexations provided will be available throughout the entire project life in accordance with the mechanism approved by NEPRA in the RFP decision. These indexations will apply on the single tariff submitted by the bidder. b) Indexation mechanism will be applied strictly in accordance with NEPRA RFP decision, which does not include adjustment for any currencies other than USD.

48	RFP - 20.1.8. Determination of wheeling/ transmission cost component ("TCC")	**KE shall** arrange infrastructure for power evacuation and **provide an interconnection scheme**. Indicative wheeling/transmission cost component ("TCC") for the construction of transmission line **depending on the overall distance of the complex from Dhabeji Grid** will be added to the Bid tariff for selection of lowest Bidder as per section 16 and 21.2(c)	1) Unclear how the TCC component of the Evaluated Tariff shall be calculated. While the RFP says that TCC shall depend on the overall distance of the complex from Dhabeji Grid, however the formula in section 21.2(c). specifies "**Total length of TL in km**" Is the distance to be calculated in a straight line or along the TL route? If it is along the TL route, how will bidders and KE determine length of TL given that we understand interconnection scheme and RoW for TL is unknown and to be provided by KE at a later stage. During KE's roundtable for investors, we were given the explanation that the distance will be calculated in a straight line from the Dhabeji Grid Station (as per coordinates given in the RFP) and the nearest endpoint of the Bidder's land. **Please confirm this understanding.** 2) The formula under 21.2 (c) states TL component in cents / kWh. We understand that this is actually in PKR but would appreciate a confirmation of the same. 3) Confirmation is also required on	1) The transmission tariff will be calculated from the Dhabeji Grid to the prospective project's interconnection point, with the straight-line distance serving as the determining factor as communicated in the roundtable for investors. Moreover, this determination of the transmission tariff is only for bid evaluation purpose. 2) Yes, understanding is correct TL component will be in in Rs. /kWh. 3) In case TL length is less than 5 km, based on the TCC formula in the RFP, effective transmission cost will be Rs. 0.56/kWh.
49	RFP - section 16. Determination of wheeling/ transmission cost component ("TCC")	TCC means the indicative transmission cost component depending on the overall distance of the complex from Dhabeji Grid as calculated in accordance with Section 21.2.		
50	RFP - section 21.2(c). Determination of wheeling/ transmission cost component ("TCC")	TCC for the construction of transmission line depending on the overall distance of the complex from Dhabeji Grid will be added to the Bid tariff for selection of lowest Bidder, based on the formula given below: TL cost component (cents/KWh) = A + [B* (**Total length of TL in km** -5)]		

			our understanding that in case TL length is less than 5 km, based on the TCC formula in the RFP, effective transmission cost to be added to Bid Tariff shall be less than PKR 0.56 / kWh.	
51	RFP - 21.1., definition of Rev SOFR Base rate for foreign lending	Quarterly revised Term or Daily SOFR, as the case may be based on GOP policy decision on the transition from LIBOR to SOFR, as on the last day of the preceding quarter	We understand that the RFP provides flexibility to bidders to consider either Term and / or Daily SOFR as base rate (in line with lender's requirements) with the indexation mechanism to be available for both as applicable. Please confirm this understanding. Please also confirm that if the financing sets base rate as "Term SOFR", the same will be used for indexation, and incase financing is based on "Daily SOFR" (in arears), the same methods will be used? is this the purpose of stating both SOFR application methods in the definition?	Term or Daily SoFR, is in accordance with the NEPRA decision No. NEPRAAdvisor(CTBCM)/RFP-04/3115-21 in which it was stated that SOFR either Term or Daily will be based on GOP policy decision at the time of transition from LIBOR to SOFR, rather than individual discretion. However, we believe that this does not have any impact for bid submission since the reference SoFR for Bid preparation has been provided in the RFP decision.
52	EPA - Clause 9.8 (a) Payment Security	The Purchaser shall secure the payments due to the Seller under this Agreement through KE's consumer collections by way of a waterfall arrangement, Escrow or any other method ("Payment Security").	The wording of this clause suggests that the mechanism is not finalized for now and will be done at a later stage. During the roundtable for investors, it was informed that payment security shall be through an escrow arrangement. Please confirm the nature / structure of payment	Please refer amended KE EPA & shared brief on Escrow / other responses for clarity in this regard.

			security mechanism and provide details of the MCAs to be allocated for this project.	
53	EPA - Definitions Change in Law and Change in Tax		Both Change in Law and Change in Tax provisions are applicable from the Agreement (EPA) date whereas they should be linked to the Bid Submission Date	Please refer KE EPA amendment shared for clarity in this regard.
54	EPA - 16.2 (f) and Definition of Financial Closing Payment Security - Timeline	non-signing of Payment Security arrangement / agreement becomes a Purchaser Event of Default post [x] days of COD.	Under previous KE precedents, the Escrow Agreement execution is a pre-condition to Financial Close which is not the case in the current draft EPA and should be reconsidered by KE.	Please refer clarification on Escrow arrangement and Amended EPA shared by KE.
55	2.1 (a) EPA Effectiveness		A condition precedent for the effectiveness of the EPA is the prior approval of NEPRA to be provided by KE. We understand that the EPA has already been approved by NEPRA. Clarification is required from KE whether a further subsequent approval is needed.	EPA will be approved by NEPRA after conclusion of bidding process, and completion of other regulatory requirements.
56	6.5 (a) Purchaser Interconnection Facilities	The completion date for PIF shall be extended on Day for Day basis for any changes in the Scheduled Commercial Operation Date because of the occurrence of, inter alia: - any circumstances/events that are beyond the reasonable control and cause delay in construction or operations of Purchaser	Such risk is typically addressed through Force Majeure Event - which is already provided for in Section 6.5(a)(iii) of the EPA. The provision is also not in line with earlier precedents (both projects where KE is the purchaser, and where CPPA-G is the purchaser).	Please refer to the updated EPA.

		Interconnection Facilities. (6.5 (a) (iv)).		
57	6.5 (b) Purchaser Interconnection Facilities Delay Compensation	In addition, if the Purchaser has not completed the Purchaser Interconnection Works by the date which is [●] Days following the date by which the Purchaser Interconnection Facilities were required to be completed in accordance with Section 6.5(a) as such date may be extended pursuant to Section 6.5(a)(i), (ii), (iii) and (iv), and such delay causes a delay in Commissioning of the Complex, as certified by the Engineer, then the Purchaser shall pay to the Seller monthly, in arrears, (and prorated for any portion of a Month) an amount equal to the Carrying Cost plus [●] % of the Energy Price on account of partial reimbursement for actual O&M and insurance costs multiplied by the Average Daily Energy for each Day during the period of such delay	_ Reference to section 6.5 (a) (v) needs to be added in the highlighted clause - KE to provide the information in [ ]. (number of days and percentage of Energy Price to be paid as compensation).	Please refer to the updated EPA.
58	Definition Annual Benchmark Energy		The formula for the Annual Benchmark Energy for a given Agreement Year does not seem to account for degradation impact of solar. It is unclear whether degradation is accounted for or not in the EPA as we have not been	As per the RFP requirements, the Bidder has been asked to submit a single bid tariff for the project, considering degradation as per the OEM specifications. It's important to note that no additional costs or allowances will be permitted for the bidder beyond what is specified in the RFP.

			provided the EPA schedules. Hence needs to be confirmed from KE	
59	Payment Security		In addition to the Payment Security related points noted at serial no. 5 and 7 above, the Payment Security is subject to procurement of all Consents under the EPA and the EPA not being terminated (due to default or FME) given that the Payment Security obligation triggers within a certain period of time of COD. The Payment Security (and related arrangements) should be unconditional and irrevocable (including, but not limited to, procurement of all upfront Consents). It is important to stress that the Payment Security should secure all payments under the EPA (and not only the Energy Payments) and should remain place until all payments have been made under the EPA (and not till the EPA is terminated).	Please refer KE EPA & shared payment brief / other responses on Escrow for clarity in this regard.
60	Section 15.6 PPFME / CLFME – Consequences		If a PPFME / CLFME has occurred and such delays construction or ability to operate the Complex, then: **- in case of prior to COD (for Restoration Event), only Carrying Costs (i.e. IDC) are payable.** Carrying Cost would be insufficient	Please refer Amended EPA

			since the project would incurring other administrative and insurance costs, and therefore, such compensations should include some percentage of tariff to recover insurance and O&M related costs. Furthermore, if the restoration continues for a certain period, then, the compensations should include principal payments under the Financing Document. **- following COD (for both Restoration and Non-Restoration Event), amounts equal to Energy Price multiplied by the Average Daily Energy. However, this amount is discounted by a (x) % of Energy Price.** Clarification should be sought as to the rationale and quantum of the discount (x %). Moreover, the above compensations are payable in case such amounts are allowed as pass-through under KE's own tariff. Accordingly, clarity may be sought from KE to confirm whether such amounts are currently a pass through under KE's own tariff. If not, would it be approaching NEPRA in this regard. we understand that clause 2.2 (e) says that if NEPRA does not permit KE to pass through any payments for the PE Compensation Period under its Determined Tariff, then the	

			Agreement Year shall be extended for such duration of the PE Compensation Period. In case NEPRA does not accord (or delays) its approval in relation to the such pass-through items, and we understand that it would be KE that would need to make such an application, it would be inappropriate to park that risk at the end of Seller.	
61	Purchaser Event of Default - Consequences	In case of a Purchaser Event of Default other than a Purchaser Major Default which has not been cured, KE is entitled to an additional 365 days cure period. If it is not cured, then the Seller may suspend the EPA.	Typically, in case of purpose-built project, if there is a termination due to the off-taker's default, there is usually a buy-out obligation on part of the off taker. Given that this is squarely a default by KE, therefore, the buyout obligation (along with necessary compensation payments) should kick in.	The said proposal is not acceptable to KE. Applicant is requested to provide its acceptance to the amended EPA as required under Exhibit 6 of the RFP
62	Arbitration	Any dispute not resolved by mediation or by an expert or has been referred to arbitration without reference to an expert shall be settled by arbitration under Arbitration Act 1940/LCIA rules. The seat and venue of arbitration shall be Karachi/London.	We suggest that it should expressly specify that arbitration should be under the LCIA rules and depending on (market standard) thresholds, it should be either Karachi or London.	Please refer Amended EPA

63	Escrow arrangement		How many MCAs does KE have, what percentage of KE collections goes into these MCAs, and how is it determined?	KE has 3 MCAs at the moment for lenders. Collections under these MCAs / Escrow accounts are based on predetermined customers cashflows / banks, however sufficiency of the cashflow for debt servicing is ensured. Further, sufficiency of cash flows for monthly payments under MCA for KE's tendered IPPs will be demonstrated to the Successful Bidder and its lenders. Approximately 35% of the total collections are deposited in the above-mentioned MCA's.
64	Escrow arrangement		Are MCA deposits and balances driven by a coverage ratio in KE's existing loan agreements? If yes, what is the coverage ratio?	MCA Deposits are based on collections of banks and retention is done every month to ensure the debt service requirement is satisfied. Once the collections are trapped in MCA's to meet the debt service requirement, the surplus cashflows are then released to KE for its own use. However, with respect to the Escrow mechanism for tendered IPPs, it is to be noted that KE has excess cash flows available under such MCAs which is over and above the lender requirements which shall be provided for payment to tendered IPPs.
65	Escrow arrangement		How many lenders have rights on these MCAs, and how will upcoming IPPs be assured their security won't be diluted by new MCAs during the EPA terms?	Security of tendered IPPs won't be diluted as sufficiency of cash flows for their payments will be demonstrated to the Successful Bidder while addition of any new parties to the MCA or any rerouting of cash flows / collection accounts will only take place in case excess cash flows over and above the IPP requirement are available. For this purpose, KE will ensure that a 20% additional cushion over cashflows is

				always available in MCA based on which, new IPPs / lenders will only be added subject to the availability of such cushion for tendered IPPs/Lenders.
66	Escrow arrangement		What happens once KE loans are paid off and MCA requirements fall away?	As provided in the EPA, Escrow will be provided for the Term of the EPA and any Escrow account / MCA will be provided for the EPA term. Further, it is to be noted that the repayments of KE's existing loans would not automatically dissolve the MCA mechanism because the tendered IPPs will be made party to the existing MCA agreement. Accordingly, the MCA will continue for tendered IPPs even if all loans covered under the MCA have been repaid in entirety.
67	Escrow arrangement		What is the payment priority and cash waterfall in these MCAs?	Payments to existing lenders and tendered IPPs will be made on pari passu basis.
68	Escrow arrangement		Generally, purchases and vendor payments are ranked above debt services in the cash waterfall. Why is KE proposing suppliers' payments through PSA, which is subordinated to debt service through MCA?	As explained in KE's brief on Escrow arrangement, this is not a cash waterfall arrangement similar to IPPs. Only payments to existing lenders and tendered IPPs will be made through this MCA and both payments will be considered on pari passu basis. Purchases and vendor payments are not made from MCA's and are rather paid from the operational cashflows from unencumbered accounts.
69	Escrow arrangement		If there is a default on the KE loan agreement, how does that affect the collection flow from MCAs to PSA?	This is a very unlikely scenario as KE already has substantial excess cashflows available in the MCA. Moreover, lenders' payments are likely to reduce in future due to debt repayment while collections will grow each year due to increase in consumers and inflationary trends.

70	Escrow arrangement		Is there a reason why KE cannot assign a batch of customer collections directly to PSA rather than making it subordinated to MCAs?	KE has already assigned certain collection accounts to MCA and sufficient cushion is available for future debt servicing and RE Project payments. Also, as explained above, payments to existing lenders and tendered IPPs will be released on pari passu basis.
71	Escrow arrangement		Do other existing IPPs get paid through the same MCA/PSA waterfall arrangement?	This arrangement has been proposed for tendered IPPs due to availability of cashflow cushion in the MCA. Few of the KE's existing IPPs have access to specific escrow accounts while others are paid directly from operational cashflows.
72	Escrow arrangement		Where do the tendered IPPs fit into the cash waterfall mechanisms compared to other IPPs, and how will payment priorities be determined?	As explained, proposed MCA will only be used for payments to existing lenders and tendered IPPs. Also, as explained above, payments to existing lenders and IPPs will be released on pari passu basis.
73	Escrow arrangement		Is it possible to have a separate PSA account for each IPP with allocated customers and an agreed buffer?	PSA is just an operational mechanism, and all payments will be managed through the collections under the MCA. Accordingly, we don't believe that having a separate or single MCA would have any effect on the provided security.

Technical Clarification Responses

Sr.#	RFP/EPA Clause No.	RFP/EPA Statement	RFP/EPA Queries	KE Response
1	RFP 3.7- Invitation to Bid	Grid interconnection and power evacuation study shall be conducted after bid evaluation for Successful Bidders at their expense, with KE's consent. However, basic requirements pertinent to this clause are mentioned in Section 20.1.10.(a) and 20.14. of this RFP.	Section 20.1.10(a) states that the SVGs/Reactive Power Compensation Devices are to be included in the bid, however, the Grid Interconnection Study would be performed post declaration of successful bidder by KE. It is crucial to understand that the equipment selection and sizing would be pertinent and incur significant costs. Without a Grid Interconnection Study, the parameters would not be defined accurately, and the study would require greater time than the allocated time for bid submission.	Now that the Grid Code 2023 is available which specifically caters for SWEs, therefore SVG and Reactive Power Compensation must comply with the it, specifically clause CC6.3.2 which states that: "A SWE shall manage reactive power control at the Connection Point to maintain the power factor within the range of 0.90 lagging to 0.95 leading over the full range of operation, according to dispatch instructions and/or voltage adjustment requirements within the above power factor range." Further, as mentioned in the RFP clause 20.1.10.(a), the grid interconnection study is the responsibility of the Bidder, considering the plant location as specified in the bid. Any modifications identified in the study must be incorporated by the Bidder, subject to KE's consent.
2	RFP 20.1.3. Distance	The Project shall preferably be on a single land parcel however, max 02 Interconnection Points can be proposed by the Bidder. The Capacity of the facility on the land parcel considered for Interconnection Point shall not be less than 50 MW.	In case of 2 land parcels, (i.e. one for solar and other for wind farm), with 2 interconnection points, how would the metering be carried out. Considering this to be a single project, would energy reading (metering) of both parcels be done separately or collectively? What would be the mechanism?	In the scenario involving two land parcels, separate energy readings (metering) will be conducted for each parcel at the interconnection points. The mechanism for energy readings can be decided at the time of EPA finalization.

3	RFP 20.1.4. Capacity	The Capacity shall not be less than 200 MW (AC peak) with a +20% allowance. There are no additional points for Bidders proposing Capacity within the allowable range of +20% above 200 MW (AC peak). For clarity, minimum 50 MW (AC peak) of Solar portion is mandatory however the installed capacity (in DC for Solar and AC for Wind) will be greater than 200 MW.	For the sake of clarity, KE is requested to confirm whether the AC capacity mentioned is the Net Electrical Output (NEO) or Gross Capacity?	The combined capacity of both solar and wind energy sources totals 200 MW (AC peak), representing the net delivered output at the point of Interconnection.
4	RFP 20.2 Solar Panel	Panels considered for the Project should be Tier-1 as determined by BNEF. Tier-2 or above shall be disqualified without any assessment.	BNEF Tier-1 is a varying assessment every year whereas a few of the top tier may not make it to the list every time. As such there should be a specific criterion to the BNEF Tier-1 list or OEMs specified as BNEF Tier-1 in the last 5 years, etc. There are other OEMs which are not specified in BNEF list however have proven performance record with considerable installed capacity (GW scale).	The bidder is required to adhere to the criteria outlined in section 20.2 of the RFP document. The OEM must be listed on the BNEF Tier-1 list at the time of bid submission.
5	RFP 20.4.1 Standards and Codes	The use of GB standards is strictly forbidden.	It is understood that the Chinese OEMs with EU/IEC and/or other international standards are acceptable for the project. KE to clarify.	All plant equipment must be designed and tested in accordance with IEC standards or equivalent (where applicable) as provided in the RFP.

6	RFP 21.2. Bid/Evaluated Tariff Assumptions c) Transmission/ Wheeling Cost Component		KE is requested to confirm that all losses post evacuation point are the responsibility of the off taker and not bidder.	The bidder will not be responsible for any losses incurred beyond the Interconnection point.
7	EPA Recital A.	Whereas, the Seller has proposed to the Purchaser that the Seller will design, engineer, construct, insure, Commission (as hereinafter defined), operate and maintain an approximately [●] MWP (Contract Capacity) hybrid electric generation facility (the "Complex", as hereinafter defined) to be located at the Site (as hereinafter defined) at [●], Pakistan on build, own, operate model basis.	For the sake of clarity please specify if the Contract Capacity (CC) is in MWp or MWac. Considering the hybrid nature of the project, the CC is expected to be MWac as the MWp capacity is generally considered for Solar Projects only.	The AC capacity for Hybrid Project referenced in the RFP ensures that a minimum of 200MW (AC Peak) must be maintained by every bidder to secure the transmission capacity, as the nominal capacity which is the nameplate capacity will vary based on the proportion of Wind and Solar PV opted by bidder. Additionally, variations due to the DC to AC ratio of inverters are accounted for. Since NEPRA has already approved EPAs where the Solar PV plant contract capacity was specified in MWp, we have maintained this format for the overall contract capacity to remain consistent with previous approvals of Authority. Therefore, nominal capacity of the plant is the sum of the nameplate capacity of the Wind in MW and the nameplate capacity of the PV array in MWp. The overall contract capacity is represented in MWp to indicate that the Solar PV nameplate capacity is considered in DC for capacity factor calculation, and contract capacity includes the Solar Part in DC (i.e. MWp). Furthermore, this contract capacity in MWp aligns with the discussions held with NEPRA.

8	EPA 1.1 Definitions – Net Delivered Energy	The net electrical energy expressed in kWh generated by the Complex and delivered at the Interconnection Point, as measured by the Metering System or the Back-Up Metering System (as the case may be).	Please clarify the calculation basis of Net Delivered Energy. Also confirm the allowable degradation during project Term.	The definition of Net Delivered Energy is clearly stated in section 1.1 of the EPA. Please specify what further clarity is required. Additionally, as per the requirements in section 21.1 of the RFP, the bidder is required to submit a single bid tariff for the project, considering degradation as per the OEM specifications. It's important to note that no additional costs or allowances will be permitted for the bidder beyond what is specified in the RFP.
9	EPA 7.2 (b) Installation of Metering System	Purchaser shall thereafter be responsible for the ownership and maintenance of the Meter and the Back-Up Meter provided that the Seller shall thereafter be responsible for the ownership and responsible for the ownership and maintenance of the Allied Metering Equipment and the Allied Back-Up Metering Equipment.	What will be the mechanism to carry out the daily energy reading from energy meters under the ownership of the Purchaser? Please clarify.	The seller will have access to the metering room which will be on the plant premises.

10	EPA 7.3(a) Reading Meters	Thereafter, the Purchaser and the Seller shall test the accuracy of each of the Metering System and the Back- Up Metering System at any time that the readings of Net Delivered Energy from the Metering System and the Back-Up Metering System differ by an amount greater than one-fifth of one percent (0.2%). In such eventuality, the Purchaser and the Seller together shall test the accuracy of the Metering System and recalibrate the Metering System, if necessary. The Purchaser shall provide the Seller no less than forty-eight (48) hours' notice of such	The percentage error is deviating from the Grid Code which is ±0.5%. Please clarify if there is any ambiguity.	The variance between the Net Delivered Energy readings from the Metering System and the Back-Up Metering System must not exceed 0.2%. While adherence to the Grid Code is required, KE has outlined a more stringent criteria based on its extensive experience and in line with the standards set for its other IPPs' PPA/EPA agreements.
11	EPA 8.5 A Recalibration of the Hybrid Forecasting Model	The Seller shall procure and maintain at its own cost at least two (2) load banks of capacity corresponding to the Arrays and each WTG.	For the sake of Bidders' clarity, KE is requested to define the load banks and its details.	A typical load bank is constructed from several resistors assembled onto racks. The design capacity of the load bank should be as such to undertake the dump load test of the plant.
12			How is nameplate capacity of the plant defined? AC output for both solar and wind? Does the developer have freedom to install the DC capacity limiting the AC output to 240 Mwac?	The maximum annual generation capacity will be determined by summing the maximum generation capacity of wind in MWac and the maximum generation capacity of solar in MWp (based on nominal installed DC capacity). The bidder has the flexibility to adjust the DC capacity, limiting the AC output to 240 MWac, while ensuring that at least 25% of the combined AC capacity is comprised of solar PV. This means that the minimum installed capacity of solar PV should be 50MWac, while maintaining a minimum combined capacity factor of 31%.

13			Apart from the minimum capacity factor of 31% and solar 50 MW (AC) is there any weightage for wind/solar ratio or maximum capacity factor in determining the winning bid.	There is no weightage for wind/solar ratio or maximum capacity factor.
14			Is it correct to assume that the construction of transmission lines from project (solar + wind hybrid power plant) to dhabeji grid station will be in scope of off taker. If this is the mechanism, then how we will define the transmission cost components which means how we will add cost of transmission per KM in tariff. [Internal Note: Transmission Cost Component ("TCC") is defined in RFP S.21.2.c. It will be added to the bid tariff to determine the winner]	The construction of the Transmission Line falls within the responsibility of KE scope. Additionally, it is important to note that the formula delineated in the RFP Section 21.2.c is designated to compute the indicative Total Cost Component (TCC) and shall solely serve the purpose of Bid Evaluation.
15	RFP - 20.4 WTG and OEM	WTG and OEM qualifying requirements: (i) be amongst top ten (10) ranking of WTG OEMs as per Bloomberg NEF (BNEF). (ii) have onshore global installed capacity of 10 GW since last 2 year. (iii) have 5,000 onshore global installed number of WTGs. (iv) have fleet size of 500 WTGs installed of the same model as offered in the Bid. Installation within the region is preferable.	What is the cut-off date for meeting the WTG and OEM qualifying requirements? Is it the Bid submission date?	Yes, understanding is correct. The OEM must fulfill criteria as stipulated in RFP section 20.4. at the time of bid submission.

16	Section 20.1.4 & 20.1.6 of the RFP Capacity & project Technology		The minimum capacity for Solar is defined but there is no minimum requirement for Wind power. Kindly clarify if there is any minimum requirement for wind power capacity as long as 31% capacity factor is met.	There are no minimum capacity criteria for Wind Power. The Bidders are free to configure their facility as they wish as long as they meet the minimum criteria defined in the RFP including minimum 31% capacity factor and minimum solar installation of 50 MW (AC).
17	Section 20.2		In case there are two separate sites, will the TCC be calculated based on a weighted average of the capacity installed at each site, or some other mechanism? If no such mechanism is provided for, the formula would give unfair advantage to bidders who have a single site.	Refer to Section 21.2 (c) of RFP. TCC will be calculated as the cumulative distance from the Dhabeji grid station, i.e., the length of the transmission line from Dhabeji grid covering both Interconnection Points.
18	Section 20.2		Some standards specified in the requirements are not supplied by the Original Equipment Manufacturer (OEM) but rather by the installer. How can this issue be dealt with especially if bidder is to do the construction itself?	The RFP specifies that all equipment and installation practices must comply with the relevant standards and regulations. Certain standards apply to OEMs, while others apply to EPC installations. It is the responsibility of the bidder to ensure that the required standards are met for the selected equipment.
19	Section 20.3.3 Power Inverters		The relevant IEEE standard (-----) for THD specifies a limit of 5%. Please provide the standard reference that specifies 2.5%.	According to the IEEE standard, IEEE 519, Total Harmonic Distortion (THD) should be less than 2.5% at the Interconnection Point.
20	Section 20.5 GIS		It has been mentioned that the bidder implements a redundant scheme for the interconnection, which includes a double bus bar with a single breaker scheme and n-1 Transformers. Is a similar n-1 scheme being employed at the KE end. Please confirm.	As specified in Section 20.5 of the Request for Proposal (RFP), the 220kV double circuit will be interconnected with the seller's facility. Each circuit will have the capacity to evacuate the maximum power if the other circuit trips.

21	Section 20.11.1 (k) Module Cable with temperature range -55 to +125 degree Centigrade is required		The upper limit is too high for outdoors and will severely limit the available supplier. The relevant IEC standards also support it.	KE has outlined more stringent criteria based on its extensive experience and in line with the standards. Bidders must ensure compliance with the criteria specified in the RFP.
22	Miscellaneous-Anti-theft module fibre system		There will be a minimum of 8 to 10 feet wall from ground level with PSI strength of a minimum of 3000. There will be a CCTV system in place capturing the whole site and monitored by a 24-hr surveillance team present on site. The anti-theft equipment seems unnecessary for every solar panel and will be a major cost add on with a security team on site.	Bidders must ensure compliance with the criteria specified in the RFP.
23			Please clarify whether the Transmission Tariff will be calculated from Dhabeji Grid to the potential project's interconnection point in a straight line or based on the actual transmission line route.	As outlined in RFP Section 21.2.c, titled "Transmission/Wheeling Cost Component", the transmission tariff will be calculated from the Dhabeji Grid to the prospective project's interconnection point, with the straight-line distance serving as the determining factor. Additionally, it is important to note that the formula delineated in RFP is designated to compute the indicative Total Cost Component (TCC) and shall solely serve the purpose of Bid Evaluation.
24	Vol 1 (Instructions to Bidders) Section 1 (Definitions - Capacity)	The nominal rated Capacity of the Complex which should not be less than 200 MW (AC peak)	Reading all these together, there are some mismatches on installed capacity of solar to be in AC or DC. KE is requested to clarify the following: 1. How is the capacity and capacity	1. The AC capacity for Hybrid Project referenced in the RFP ensures that a minimum of 200MW (AC Peak) must be maintained by every bidder to secure the transmission capacity, as the nominal capacity which is the nameplate capacity will vary based on the proportion of Wind and Solar PV opted by
25	Vol 2 (Project Technical	The Capacity shall not be less than 200 MW (AC Peak) with a +20%		

<table>
<tr><td></td><td>Requirements)

Section 20.1.4 (Capacity)</td><td>allowance. The minimum 50 MW (AC Peak) of Solar portion is mandatory, however, the installed capacity (in DC for Solar and AC for Wind) will be greater than 200 MW.</td><td rowspan="4">factor handled? This derives from how is this handled for solar (MW (AC) or MWp)? Accordingly, KE is requested to set the same philosophy in all relevant provisions the RFP and the EPA.

2. For wind, we understand that the capacity in MW (AC peak) will be the nameplate capacity of the offered WTGs. Please confirm.

3. For solar and if that is in MW (AC), please elaborate the mechanism or formula to determine the capacity in MW (AC peak). For example, is this sum of capacity of all inverters (AC peak) used in the design?

4. When calculating the Capacity Factor (see definition in RFP), we understand that "NDE recorded by the Metering System" means the calculated energy that the plant is expected to generate. It is suggested to clearly confirm this because linking this with Metering System creates an impression of a real time check during operations. It would be clear if RFP specifies a formula for calculation of CF.</td><td rowspan="4">bidder. Additionally, variations due to the DC to AC ratio of inverters are accounted for.

Further, nominal capacity of the plant is the sum of the nameplate capacity of the WTGs in MW and the nameplate capacity of the PV modules in MWp. The overall contract capacity is represented in MWp to indicate that the Solar PV nameplate capacity is considered in DC for capacity factor calculation, and contract capacity includes the Solar Part in DC (i.e. MWp).

This contract capacity in MWp aligns with the discussions held with NEPRA.

2. The installed capacity of Wind is to be measured in MW (AC) and is the sum of the nameplate MW (AC) of all the WTGs.

3. The installed capacity of Solar is to be measured in DC as referred in Section 20.1.4 of RFP and is the sum of the nameplate capacity of all the Solar PV modules in DC.

4. The capacity factor is defined in the Request for Proposal (RFP) as follows:

(Annual Complex Net Delivered Energy)/(Nameplate Capacity for Wind in AC + Nameplate Capacity for Solar PV in DC)</td></tr>
<tr><td>26</td><td>Vol 1 (Instructions to Bidders)

Section 1 (Definitions - Capacity Factor)</td><td>The ratio of annual Complex's Net Delivered Energy recorded by Metering System at the 220 kV side of the step-up trafo and the maximum annual generation capacity (in DC for Solar and in AC for Wind).</td></tr>
<tr><td>27</td><td>Exhibit 17 - EPA

Definition Contract Capacity</td><td>The rated capacity of the Complex in MWp which the Seller commits to install and operate at the Site under this Agreement ....</td></tr>
<tr><td>28</td><td>Exhibit 17 - EPA

Definition Annual Benchmark Energy</td><td>The calculation of ABE takes into account installed capacity of Wind in MW (AC) and installed capacity of Solar in MWp.</td></tr>
<tr><td>29</td><td>Vol 2 (Project Technical Requirements)</td><td>The Capacity Factor of the Complex shall be minimum 31%.</td><td>There are varying techniques and methods to carry out the assessments and results of two qualified</td><td>Evaluation of the correctness of the Capacity Factor (i.e. minimum 31%) will go through a comprehensive review process. This process</td></tr>
</table>

	Section 20.1.7 (Capacity Factor)		assessments can even vary from one another. There are different views on handling of wind data, there are different technical basis when assigning uncertainties, occasionally the uncertainties are driven through commercial risks than technical factors. All of this contributes towards the final Capacity Factor. Please elaborate how KE will evaluate the correctness of the Capacity Factor or is this only a spot check with a high-level review that the assessments have been professionally performed? For that matter and more precisely, the RFP does not specify the probability of exceedance level (P50, P75, P90) to be used or leave that open to Bidders to decide their own basis. this grants opportunity to the Bidders for coming up with their own Wind - Solar capacity mix while meeting the minimum solar threshold and also maintaining 31% overall CF. Variations in wind studies / solar studies due to different techniques or different uncertainties considered by different Bidders will create unnecessary mismatch. It is suggested to set some rules and boundaries on how to determine the Capacity Factor.	will include a high-level review to ensure that the assessments have been conducted professionally and according to industry standards. KE will look for consistency in the application of methodologies, sensitivity and transparency in the presentation of uncertainties and assumptions. The requirement of 31% complex capacity factor is minimum as per RFP. Hence the yield assessment report should demonstrate minimum 31% at P90.

30	Exhibit 17 - EPA Section 5.1(d)	If the Actual Annual Energy in an Agreement Year falls below eighty-five percent (85%) of the Annual Benchmark Energy for such Agreement Year, …...	The calculation of ABE is silent if and how it takes the de-gradation into account KE is requested to clarify. In the absence of de-gradation, ABE fixed at 85% to be achieved will create an imbalance.	Bidder would take the impact of degradation in the Bid Tariff amount; No additional compensation is allowed during the project duration. Furthermore, it is the responsibility of the Seller to maintain 85% throughout the life of Project.
31	Vol 2 (Project Technical Requirements) Section 20.4.3 (WTG Performance)	Wind Turbine should produce power above the ambient temperature of 50 degrees Celsius.	While this is good to have WTGs operating in stringent conditions, several high-end WTGs still cut off at lower temperatures such as 45 degrees Celsius. It is suggested to keep this threshold at 45 degrees Celsius. The analysis of temperature data in Jhimpir and Gharo shows that the ambient temperature rarely crosses 45C at the WTG hub height of approx. 100m.	Please refer the Corrigendum # 05 issued on KE website.
32	Exhibit 17 - EPA Section 6.5(a)		PIF is an essential item and the timeline (number of days prior to SCOD) should be provided for better understanding of the project time scheduling during construction phase.	The expected dates will be communicated to the successful bidder, and it will be in accordance with the COD of power plant.
33	Vol 2 (Project Technical Requirements) 20.1.10. Other Studies	The Successful Bidder shall perform a grid interconnection study including load flow, short circuit, power quality, transient stability etc. as per requirements of Grid Code.	According to KE's existing network, What's the applicable short circuit level range at 220kV Dhabeji Grid station?	The switchgears installed at Dhabeji 220kV are rated at 50kA for 3 seconds.
34	Vol 2 (Project Technical Requirements) Section 20.18 Design Consultant	Bidder shall engage and provide the information relating to the Design Consultant which shall comply with the below mentioned criteria: …….	As there is a requirement for a Design Consultant, confirmation is sought on whether the EPC contractor can be designated as the Design Consultant? Usually, there is no practice or a binding to appoint an	In this case the EPC Contractors itself, if being Design Consultant for own, shall have to meet the criteria outlined in Section 20.18. of the RFP.

			independent Design Consultant because the detailed engineering is undertaken by the EPC Contractors and the vendors.	
35			The RFP does not mention roads and lifting platforms. Please clarify scope, relevant requirements, and technical standards for roads and lifting platforms.	The bidder is required to comply with Section 20.10 of RFP, taking into consideration established industrial practices and the long-term O&M requirements. Moreover, roads and lifting platforms are part of EPC scope and should be covered during detailed engineering design.
36			The RFP says, "The Capacity shall not be less than 200 MW (AC peak) with a +20% allowance." Our understanding is that the maximum capacity can be 240MW, then why the project is named by 220MW?	220MWp is an indicative parameter used to establish a calculation basis for the minimum 31% capacity factor. Bidders are free to select superior plant configurations to achieve better outcomes while ensuring compliance with the RFP requirements. However, bidders must refer to Section 20.1.4 of the RFP for detailed requirements.
37			GB is forbidden for the whole project? Can it be used partly for civil design?	As per clause 20.4.1 of the RFP in the Wind Turbine section, “The use of GB standards is strictly forbidden.” However, where standards are not specified in the RFP, the bidder may choose any appropriate standard, provided it complies with all necessary requirements regarding civil design as outlined in the RFP.
38			What is the local Seismic design code that the design team needs to consider for the project?	The bidder must refer to the Building Code of Pakistan 2007 for the design and guidelines of seismic values with stringent or peak values for the respective zone based on the detailed assessment of seismic zones, historical earthquake data, and geological studies. Moreover, bidders should refer to Section 20.4. of the RFP for design and construction details.

39			Is there any requirement for minimum Net Delivered Energy?	As per clause 20.1.7, "The Capacity factor of the complex shall be minimum 31%". The Bidder needs to relate the Net Delivered Energy with capacity factor, accordingly, maintaining the minimum Capacity factor of 31%.
40			Is there a mandatory requirement that a standby main transformer must be installed?	Bidders need to comply with Grid Code 2023, clause TPCS 4.1.1.(a), TPCS 4.1.1.(b) & TPCS 4.1.4., which states that "All transmission lines and transformers shall be loaded below their Contingency Ratings under contingency conditions (N-1)." Please refer to Table TPCS3 of Grid Code 2023 for further clarity.
41			Is it allowed to install 4 main transformers (50mva for each) while have one 50mva transformer installed as stand by?	Bidders have the flexibility to select any combination of transformer ratings that align with the requirements outlined in Grid Code 2023, including compliance with clause TPCS 4.1.1.(a), TPCS 4.1.1.(b), and TPCS 4.1.4.
42	Nameplate Capacity		How is the nameplate capacity of the hybrid plant defined? Is it the combined AC output of both solar and wind components, or the maximum DC capacity? Can the developer install a larger DC capacity than the rated AC output of 240 MWac?	The Contract Capacity as defined in the EPA and denoted in MWp, reflects the combined nameplate capacity of all wind turbine generators (WTGs) in AC and photovoltaic (PV) modules installed capacity in DC at the site as of the Commercial Operations Date. The bidder has the flexibility to adjust the DC capacity, limiting the AC output to 240 MWac, while ensuring that at least 25% of the combined AC capacity is comprised of solar PV, while maintaining a minimum combined capacity factor of 31%.
43	Capacity Factor and Technology Mix		In addition to the minimum capacity factor of 31% and the requirement for at least 50 MWac of solar, are there any specific weightage criteria or preferences for the wind/solar	There are no weightage criteria or preferences for the wind/solar ratio. It is up to the Bidder to decide on its own.

			ratio or maximum capacity factor in evaluating bids?	
44	Global Horizontal Irradiation (GHI)		Clarity needed on GHI data for the selected site.	Utilize long-term GHI data for the selected site (data set should be submitted).
45	Wind Resource Data and Site Assessment		Please clarify which two consecutive years data to be used for wind resource analysis.	Utilize minimum two consecutive years of wind resource data (raw data – data logger files should be submitted) from any period within the past ten years (CY14 and beyond).
46			Which criteria/ losses to be account for in calculation of site-specific wind speed to be determined?	Utilize the latest Measnet Guidelines (version 3, September 2022) for evaluating site-specific wind speed.
47	Capacity Factor		We understand that the minimum 31% Capacity Factor must be calculated on a P90 basis. Please confirm what return period the P90 should be calculated on (1 year, 10 year or 25 years)	The yield assessment report should satisfy the minimum capacity factor for 1st year.
48			We understand that the Capacity Factor should include all losses including availability (i.e. the energy in the numerator should be net of availability). Please confirm our understanding.	Capacity Factor should be net of all the losses and your understanding in this regard is correct.