

**Request For Proposal
For 1000 MW (Cumulative Capacity)
Fast Track Independent Private Power Projects
through International Competitive Bidding
(Package - A)**

May 2008



**Private Power & Infrastructure Board
Ministry of Water and Power
Government of Pakistan**

**50 - Nazimuddin Road, F-7/4, Islamabad - Pakistan
Tel: (92-51) 9205421-2 Fax: (92-51) 9217735, 9215723
Email: ppib@ppib.gov.pk Internet: <http://www.ppib.gov.pk>**

Important Notice to All Bidders

DISCLAIMERS

This Request for Proposal (“RFP”) was prepared by the Private Power and Infrastructure Board (“PPIB”), Ministry of Water and Power, and Government of the Islamic Republic of Pakistan (the “GOP”).

Neither the GOP nor PPIB warrants the completeness of the information presented herein, nor makes any representation that the information presented herein constitute all the information necessary to prepare the Proposal for, or to develop, the Project. Each Bidder accepts full responsibility for conducting an independent analysis of the feasibility of the Project and for gathering and presenting all necessary information. The Bidder assumes all risks associated with the Project, and no adjustments whatsoever will be made based on the Bidder’s interpretation of the information provided.

The GOP and PPIB expressly disavow any obligation or duty (whether in contract, tort or otherwise) to any Bidder. No Bidder is entitled to rely on the GOP’s or PPIB’s involvement in the preparation of this RFP or in the solicitation process as a basis for preparing the Proposal or developing the Project.

All information submitted in response to the RFP becomes the property of PPIB and neither the GOP nor PPIB accepts any responsibility for maintaining the confidentiality of the material submitted to the PPIB or any trade secrets or proprietary data contained therein.

In submitting a Proposal in response to this RFP, each Bidder certifies that it understands, accepts and agrees to the disclaimers on this page. Nothing contained in any other provision of the RFP nor any statements made orally or in writing by any person or party shall have the effect of negating or superseding any of the disclaimers set forth on this page.

Contents of RFP

Abbreviations, Definitions & Website Addresses

Section A: Information for Bidders

Section B: Instructions to Bidders

Section C: Proformas for Envelope I

Proforma I	Bid Letter
Proforma II	List of Attachments to Bid Letter
Proforma III	Bid Bond
Proforma IV	Bidder's Information
Proforma V	Bidder's Credit Rating / Financial Statement Data
Proforma VI	Bidder's Power Project Experience Data
Proforma VII	Consortium Agreement
Proforma VIII	Power of Attorney
Proforma IX	Affidavit for Non-Default and Commitment for Equity and Minimum Technical Requirements
Proforma X	Technical Data and Commitment
Proforma XI	Bidder's Proposed Project Schedule
Proforma XII	Gas Commitment Letter
Proforma XIII	Integrity Pact

Section D: Proformas for Envelope II

Proforma XIV	Bidder's Confirmation on Tariff Requirements of the RFP
Proforma XV	Project Cost Summary
Proforma XVI	Financial Data in Support of Bid
Proforma XVII to XX	Bidder's Offered Reference Tariff Table

Section E: Exhibits

Exhibit I:	Map of Pakistan
Exhibit II:	Responsiveness Test
Exhibit III:	LOS
Exhibit IV:	PG for LOS
Exhibit V:	Implementation Agreement (IA)
Exhibit VI:	Power Purchase Agreement (PPA)

Abbreviations:

BOO	Build-Own-Operate
COD	Commercial Operation Date
CPP	Capacity Purchase Price
EPP	Energy Purchase Price
FBR	Federal Board of Revenue
FSA	Fuel Supply Agreement
GST	General Sales Tax
GOP	Government of Pakistan
HSD	High Speed Diesel
HSFO	High Sulfur Furnace Oil
IA	Implementation Agreement
ICB	International Competitive Bidding
IPP	Independent Power Producer
kW	Kilo Watt
kWh	Kilo Watt Hour
LOS	Letter of Support
MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
NTDC	National Transmission and Despatch Company
OGRA	Oil and Gas Regulatory Authority
PKR or Pak Rs.	Pakistani Rupees
PEPA	Pakistan Environmental Protection Agency
PEPCO	Pakistan Electric Power Company
PPA	Power Purchase Agreement
PIIB	Private Power and Infrastructure Board
PST	Pakistan Standard Time
RFO	Residual Fuel Oil (HSFO)
RFP	Request For Proposal
SRO	Statutory Regulatory Orders
USD/US\$	United States Dollars
WAPDA	Water and Power Development Authority
WPI	Wholesale Price Index

Definitions:

Bid: Meaning as ascribed thereto in Article 1 of Section A of this RFP

Bidder: Means any individual or business entity duly organized, existing, registered and in good standing under the laws of its country of domicile, or a consortium of two or more such individuals or business entities, who or whose agent has/have purchased this RFP from PPIB after registration and payment of prescribed fees and who has submitted the Bid for the Project.

Bid Bond: The Bid Bond shall be in the form of an unconditional, irrevocable, divisible on demand bank guarantee equal to United States Dollars One Thousand (US\$ 1,000/-) per megawatt (MW) of proposed Gross (ISO) Capacity by a scheduled bank operating in Pakistan, valid for a period of at least sixty (60) days after the Bid Validity Period, in the format and language as provided in Section C, Proforma III of this RFP.

Bid Processing Fee: A non-refundable processing fee of US\$ twenty thousand (US\$20,000) submitted at the stage of Bid submission.

Bid Validity Period: Meaning as ascribed thereto in Article 3.5 (iv) of Section A of this RFP.

Complex: As defined in PPA Section E Exhibit VI

KIBOR: Means the average “Ask Side” Karachi Inter Bank Offer Rate for Rupee deposits for a period equal to three months which appears on the appropriate page of the Reuters service at or about 11:30 a.m. in Karachi on 16th June 2008.

Lead Bidder: The leading member of the consortium who shall be required to hold at least 20% of the equity of the Project Company during the “lock-in period” which will be from the LOS issuance date until the sixth (6th) anniversary of the successful commissioning of the plant. Upon issuance of LOS, the Lead Bidder shall become the “Main Sponsor”.

Letter of Support: Letter of Support or LOS means letter(s) to be issued by PPIB in favour of Successful Bidder(s) in the form provided at Exhibit III Section E of this RFP.

Levelized Tariff: Meaning as ascribed thereto in Article 5.5 of Section A of this RFP

LIBOR: Means the British Bankers’ Association (BBA) Interest Settlement Rate for Dollar Deposits for a period equal to six months which appears on the appropriate page of the Reuters service at or about 11:00 a.m. in London on 16th June 2008.

Net Worth: Net worth of the Bidder is the sum of total assets less the sum of total liabilities;

In the case of a Company, the Net Worth will be determined on the basis of an average of the last three (3) years audited financial statements, and

In the case of an individual the Net Worth will be determined on the basis of cash, liquid assets, deposits, Government securities, shares and property owned. Where immovable property is included in the total assets of an individual, the value of the property must be certified by an evaluator ranked in ‘Category I’ by the Banking Association of Pakistan (BAP). Sixty percent (60%) of the value of the total immovable property will be considered for purposes of

determination of an individual's Net Worth. In the case of foreign immovable property a reputable foreign evaluator acceptable to PPIB may certify the same, and

In the case of a Consortium, the collective Net Worth of all consortium members constituting the Bidder will be considered as Consortium Net Worth.

Performance Guarantee or PG: A bank guarantee to be submitted to PPIB for issuance of LOS in the form provided at Exhibit IV Section E of this RFP, and equal to US\$ 5000 per MW.

Policy: Government of Pakistan's Policy for Power Generation Projects 2002, as amended from time to time.

Power Purchaser: Means National Transmission and Despatch Company (through its Central Power Purchasing Agency) for and on behalf of Ex-WAPDA distribution companies.

Processing Fee: A non-refundable processing fee equal to US\$ eighty thousand (US\$ 80,000/-) will be payable only by the Qualified Bidder for issuance of Letter of Support (LOS) as mentioned in Article 3.4 of Section A of this RFP.

Project: Meaning as ascribed thereto in Article 1 of Section A of this RFP

Project Agreement: Means the Implementation Agreement and the Power Purchase Agreement, as provided in Section E, Exhibit V and VI respectively.

Qualified Bidder: Meaning as ascribed thereto in Article 3.4 of Section A of this RFP

Reference Site Conditions: Meaning as ascribed thereto in Article 5.3 of Section A of this RFP

Responsive Bid: Meaning as ascribed thereto in Article 3.3 of Section A of this RFP

Responsive Bidder: Meaning as ascribed thereto in Article 3.3 of Section A of this RFP

Responsiveness Test: A test as given at Section E Exhibit II of this RFP for ascertaining the responsiveness of Bid on the basis of contents provided in Envelope I of the Bid.

Successful Bidder: Meaning as ascribed thereto in Article 3.4 of Section A of this RFP

Top Ranked Bidder: Meaning as ascribed thereto in Article 3.4 of Section A of this RFP

Rules of Interpretation

In this RFP:

1. headings are only for convenience, and shall be ignored in construing this RFP;
2. the singular includes the plural and vice versa;
3. capitalized terms used herein and not defined in this RFP bear the meanings as ascribed to them in either IA or PPA. However, in case certain terms may appear to be defined differently in this RFP and IA/PPA; in such case the definitions given in this RFP shall be considered final only for the purpose of this RFP;
4. unless the context requires otherwise, references to times and dates are, and shall be construed to be, references to Pakistan Standard Time;

5. in carrying out its obligations and duties under this RFP, each Party shall have an implied obligation of good faith;
6. a reference to any legislation or legislative provision includes any statutory modification or re-enactment of or legislative provision substituted for, and any subordinate legislation under, that legislation or legislative provision; and
7. the term interest or markup is used interchangeably and shall wherever they are used describe or denote the return paid to lenders on debt

Website Addresses:

**Islamic Republic of Pakistan
Ministry of Water and Power**

www.pakistan.gov.pk

PPIB

www.mowp.gov.pk

FBR

www.ppib.gov.pk

NEPRA

www.fbr.gov.pk

WAPDA

www.nepa.org.pk

OGRA

www.wapda.gov.pk

PEPA

www.ogra.org.pk

NTDC

www.environment.gov.pk

PEPCO

www.ntdc.com.pk

SNGPL

www.pepco.gov.pk

SSGC

www.sngpl.com.pk

www.ssgc.com.pk

Section A

INFORMATION

FOR

BIDDERS

Project Development Process at a Glance

The sequence of activities to process the Projects is as follows:

1. Registration of prospective Bidders
2. Issuance of RFP
3. Pre-Bid Conference
4. Receipt of Bids through courier (DHL, Fedex, UPS, TCS)
5. Opening of Qualification and Technical Bids (Envelope-I) in presence of Minister of Water & Power and Media
6. Evaluation of Qualification and Technical Bids
7. Hearing on representations, challenging technical evaluation (Envelope-I) before Ministry of Water & Power
8. Opening of Financial and Tariff Bids of Responsive Bidders (Envelope-II)
9. Evaluation of Financial and Tariff Bids
10. Notification of Bidders Ranking and Notice to Top Ranked Bidder with reference to Opening of Financial and Tariff Bids (*Envelope-II*) of the Responsive Bidders and bidding to match Best Tariff Offer on first come first serve basis in presence of Minister of Water & Power and Media
11. Notification of Qualified Bidders who will undertake the 1000 MW IPP Projects
12. Notice to Project Company(ies) for submission of PG(s) and Processing Fee(s) of US\$ 80,000 for each project
13. Issuance of LOS(s), after acceptance of PG(s) by PPIB
14. Acceptance of LOS(s) by the Project Company(ies) and release of Bid Bonds to the Qualified Bidder(s)
15. Signing of Project Agreements
16. Financial Closing / Construction Start
17. Open Cycle Operation, if applicable
18. Testing and Commissioning
19. Commercial Operation

Proposed Schedule

Activity	Date
Advertisement and release of Information Memorandum	17 th May 2008
Registration and Issuance of Request for Proposal (RFP)	Up to 19 th June 2008
Pre-Bid Conference	23 rd June 2008
Last Date for receipt of Bids through courier (DHL, Fedex, UPS, TCS)	30 th June 2008
Opening of Qualification and Technical Bids (<i>Envelope-I</i>) in presence of Minister of Water & Power and Media	1 st July 2008
Evaluation Completion of Envelope-I	10 th July 2008
Last date for representation challenging technical evaluation (Envelope-I) before Ministry of Water & Power	13 th July 2008
Notification of Responsive Bidders (Technical Evaluation-Envelope I)	15 th July 2008
Opening of Financial and Tariff Bids (<i>Envelope-II</i>) of the Responsive Bidders and bidding to match Best Tariff Offer on first come first serve basis in presence of Minister of Water & Power and Media	19 th July 2008
Notification of Qualified Bidders who will undertake the 1000 MW IPP Projects	21 st July 2008

1. INVITATION

1.1 The Private Power and Infrastructure Board (PIIB), Ministry of Water & Power, Government of Pakistan invites technically and financially sound business parties to bid (the “**Bid**”) for developing Independent Power Producer (IPP) Projects so as to obtain cumulative power generation capacity of 1000 MW (at Reference Site Conditions), on Build, Own and Operate (BOO) basis (the “**Project**”). The bidder(s) may offer projects, above 100 MW, based on dual fuel (Residual Fuel Oil/Gas) using suitable technology.

1.2 One or more project proposals/bids will be considered, until the limit of 1000 MW is achieved. The Projects are envisaged to be established within the jurisdiction of PEPCO. Bidders are required to finalize sites in consultation with PEPCO.

2. PROJECT DESCRIPTION

2.1 Scope of Work

2.1.1 Scope of work for the Projects comprises all activities necessary to develop, finance, insure, install plant and equipment (new or used), test, commission, own, operate and maintain the power generation facility and all activities incidental thereto in accordance with the provisions of the Implementation Agreement (IA) and the Power Purchase Agreement (PPA) appended herewith as Exhibit V and Exhibit VI Section E of this RFP, and the sale of electricity to the Power Purchaser at the tariff offered by the Top Ranked Bidder and matched by Qualified Bidder(s) (as hereafter defined at Article 3.4 Section A of this RFP) and accepted by the GOP and approved by NEPRA.

2.1.2 The investors are free to offer any technology and power plant configuration. The power plant (new or used) should essentially comprise all materials, plant & equipment and services required to make the plant operationally safe, complete and environmentally compatible. The arrangement shall be complete in all respects depending upon the selected technology.

2.2 Required Project Schedule

The Project(s) are required to be implemented on fast track basis due to power shortages in the country. The Projects are required to start generating electricity on open cycle within twelve (12) months of issuance of Letter of Support (LOS). Conversion from Open Cycle to Combined Cycle will be mandatory within maximum 12 months of Open Cycle operation. However, Bidders can propose their best possible schedule.

2.3 Financing for the Project

Financing for the Project shall be in the form of equity and debt. At least 20% of the total cost of the Project will be through equity of Bidder and the balance 80% or less through debt. Arrangement of total financing for the Project would be the sole and exclusive responsibility of the Bidder. The adjustments in tariff (payable in Pak Rupees) will be provided only for Pound Sterling, US Dollars, Japanese Yen and Euro, as per the mechanism defined in the PPA (Exhibit-VI of Section E of this RFP).

2.4 Project Location

2.4.1 The Project(s) are envisaged to be established within the jurisdiction of PEPCO. Bidders are to finalize sites in consultation with PEPCO.

2.5 Fuel /Type

2.5.1 The bidder(s) may offer projects based on dual fuel (Residual Fuel Oil/Gas) and technology. HSD can be used for start up/shut down purposes, if required.

2.5.2 Procurement of the selected fuel shall be the responsibility of the Project Company, without any guarantee by the GOP.

2.5.3 In case of gas based power project, the Bidder is required to provide a firm commitment for the gas supply from Ministry of Petroleum & Natural Resources, which commitment shall not be less than 9 months in a year over the Term of the Project.

2.5.4 Fuel Storage

In case of RFO as primary fuel, the Project Company shall maintain a minimum fuel inventory on site sufficient for 30 (thirty) days operation at full load. In case the Bidder obtains firm gas commitment from the Ministry of Petroleum & Natural Resources for the term of the Project, a minimum back up fuel inventory for 7 (seven) days at full load operation shall be maintained at the Project site.

2.6 Term of the Project

The term of the Project will be 25 years, exclusive of period of operation on open cycle.

2.7 Technical Details

The Bidder will ensure stability and reliability of the power plant under all operating conditions of the grid system of the Power Purchaser by *inter alia* meeting the following minimum technical requirements besides that the provisions of the Schedules of PPA (Exhibit-VI Section E of this RFP) are required to be met.

2.8 Minimum Technical Requirements

The plant and equipment should be compatible with NTDC's system and the grid code. Technical requirements including but not limited to the following, must be complied with:

- i. A minimum earthquake design factor of ≥ 0.2 or ≥ 0.15 g (depending upon the seismic conditions of the site) as per Uniform Building Code will be utilized for the design of the plant buildings and structures and design wind speed will be 160 km/hr.
- ii. The Complex and each generator will be capable of operating in the range of 0.80 lagging and 0.90 leading power factor, three-phase, 50 cycles/second.
- iii. The gas turbine generator and the steam turbine generator will have short circuit ratio of not less than 0.50 in conformity of the Grid Code.

RFP for 1000 MW Fast Track IPP Projects through ICB

- iv. The electric generators will have brushless/static excitation system along-with power system stabilizers (PSS).
- iv. The Generators will have a static excitation system along-with power system stabilizers (PSS).
- v. Main transformer will be equipped with on load tap changer.
- vi. Step changes in Despatch load of 5% are allowable provided that Complex load is greater than 25%.
- vii. The Complex minimum continuous loading shall be 20% of the Complex net output.
- viii. The Complex shall be capable of operating within the range of $\pm 10\%$ on the 220/132kV high voltage system which range shall not be exceeded.
- ix. The Complex can operate within the frequency range of 47.5 Hertz to 52.5 Hertz which range shall not be exceeded.
- x. The Complex shall not trip and must operate in island mode if voltage fluctuations and/or frequency occur outside the ranges stated above.
- xi. The minimum efficiency and annual availability requirements are as follows:

Table 1: For Dual Fuel Combined Cycle Power Plant based on RFO/Gas

	Open Cycle Operation		Combined Cycle Operation	
	RFO	Gas	RFO	Gas
Minimum Efficiency	32%	34%	44%	47.5%
Minimum Annual Availability	85%	90%	85%	90%

Table 2: For Conventional Steam Turbine Power Plant

Minimum Efficiency	38.6%
Minimum Annual Availability	88%

Table 3: For Reciprocating Engines (RFO)

	Operation without Heat Recovery/ Steam Turbine	Operation with Steam Turbine
Minimum Efficiency	43%	45%
Minimum Annual Availability	88%	88%

3. THE BIDDING PROCESS

3.1 Who Can Bid

The prospective Bidder who has purchased this RFP from PPIB after registration and payment of prescribed fees can Bid for the Project.

3.2 Responsibilities of the Bidder

3.2.1 The Bidders are advised to carefully note, and comply with the requirements of this RFP.

3.2.2 The Bidders are responsible to carry out the necessary due diligence and conduct their own investigations to obtain pertinent information and related data pertaining to the Project. Failure thereof will be at their own risk, costs and consequences.

3.2.3. The Bidders shall bear all costs associated with the preparation and submission of their Bids. The GOP, PPIB and the Power Purchaser shall under no circumstance be responsible or liable to reimburse such costs, regardless of the outcome of the bidding and/or evaluation process.

3.3 Bidding Approach

3.3.1 A two-envelope bidding approach will be adopted. In Envelope-I information, commitments, affidavits, power of attorney related to each constituent members of Bidder and some minimum technical information will be submitted along with Bid Bond and Bid Processing Fee. Contents of Envelope-I will be evaluated for responsiveness against the Responsiveness Test (as given at Section E, Exhibit II). A Bid satisfying the Responsiveness Test, shall be considered responsive bid (the “**Responsive Bid**”), and the Bidder submitting the Responsive Bid shall be considered responsive bidder (the “**Responsive Bidder**”)

3.3.2 Envelope-II of only Responsive Bidders will be opened in presence of the Responsive Bidders or their authorized agents; whereas, Envelope-II and Bid Bonds of non-Responsive

Bidders will be returned.. **Any Bid which is Conditional or which contains material deviation (i.e. acceptance of which would affect unfairly the competitive position of other Bidders) will be considered non-responsive and will be rejected.** PPIB has at any time the right to reject any or all Bids without assigning any reason and the determination of which shall solely be of PPIB and shall not be challenged or questioned.

3.4 Selection of Qualified and Successful Bidder(s)

3.4.1 Envelope-II shall contain Bidder’s Confirmation on Tariff Requirements of the RFP, Project Cost Summary, Financial Data in Support of Bid and Bidder’s Offered Reference Tariff Table. Information given in Envelope-II of Responsive Bidders shall be evaluated by PPIB.

3.4.2 The offered tariffs will be benchmarked against the latest NEPRA tariff determination, for the respective technology/fuel combination, for comparison and ranking of Bids.

3.4.3 PPIB will calculate Weighted Average Levelized Tariff using the following formula:

$$\begin{aligned} \text{Weighted Average Tariff} = & \\ & (A * \text{Tariff Offered for Open Cycle Operation on RFO}) + \\ & (B * \text{Tariff Offered for Open Cycle Operation on Gas}) + \\ & (C * \text{Levelized Tariff Offered for Combined Cycle Operation on RFO}) + \\ & (D * \text{Levelized Tariff Offered for Combined Cycle Operation on Gas}) \end{aligned}$$

where:

	Project Operation	Fuel	Factor
i	Open Cycle	RFO	A = (No. of months in a year to be operated on RFO /12) * 10/ 100
ii	Open Cycle	Gas	B = (No. of months in a year to be operated on Gas/12) * 10/100
iii	Combined Cycle	RFO	C = (No. of months in a year to be operated on RFO/12) * 90/100
iv	Combined Cycle	Gas	D = (No. of months in a year to be operated on Gas/12) * 90/100

3.4.4 In case the open cycle operation of gas turbine and/or operation of reciprocating engines without heat recovery unit/steam turbine is not applicable, the Factors A and B shall be disregarded and the Reference Tariff (at COD) shall be evaluated considering Factors C and/or D as 1.00 instead of 0.9. In case of conventional steam turbine plant, Reference Tariff (at COD) shall be evaluated considering only Factor C as 1.00 instead of 0.9.

3.4.5 The Bidders offering the lowest weighted average tariff will be the “**Top Ranked Bidder**”. All other Responsive Bidders will be offered to match the lowest tariff and selection will be done on the first to match basis until a 1000 MW cut-off point is attained.

RFP for 1000 MW Fast Track IPP Projects through ICB

3.4.6 Responsive Bidder who matches the lowest tariff, until a 1000 MW cut-off point (on first come first serve basis) is attained, will be declared “**Qualified Bidder**”. PPIB will notify Qualified Bidder(s), as per above criteria.

3.4.7 The Qualified Bidder(s) shall be declared successful on fulfilling all the requirements of this RFP including but not limited to:

- (i) formation of a Project Company (ies);
- (ii) applying to NEPRA, in prescribed format and procedure for the approval of tariff; submitted in the Bid;
- (iii) approval of tariff by NEPRA;
- (iv) applying to NEPRA, in prescribed format and procedure, for grant of Generation Licence;
- (v) furnishing of:
 - (a) Performance Guarantee, issued by a scheduled bank operating in Pakistan acceptable to PPIB with credit rating of ‘A’ or higher, @ US\$ 5000 per megawatt of Gross (ISO) capacity – valid for four months beyond the proposed Commercial Operations Date of the Complex - as per the format specified by this RFP at Section E, Exhibit IV, and
 - (b) US\$ 80,000 non-refundable Processing Fee.

3.4.8 Upon fulfillment of the above requirements, LOS shall be issued by PPIB to the Qualified Bidder (the “**Successful Bidder**”).

3.4.9 In case of failure of any Qualified Bidder to successfully comply with the requirements mentioned in Section 3.4.7 within the specified time, PPIB shall encash the Bid Bond of such Qualified Bidder and may invite other Responsive Bidders to match the lowest offered tariff.

3.4.10 The Bid Bonds will be returned upon acceptance of LOS(s) by the Project Company(ies).

3.5 Bid Requirements

- i. Each Bidder shall submit only one Bid for one project/site and alternate proposals from the same Bidder for same project/site shall not be accepted;
- ii. No constituent member of one consortium can be a constituent member of other consortium, or be itself a Bidder and vice versa;
- iii. All information pertaining to Bid must be typed and filled in English language;
- iv. The Bid shall remain valid, and open for acceptance by PPIB for a period of no less than 120 Days from the Deadline for Receipt of Bids (the “**Bid Validity Period**”) specified in Section B of this RFP. Any bid stated to be valid for a shorter period than the Bid Validity Period will be rejected by PPIB;
- v. Each page of Bid Letter and its attachments as well as each page of contents of Envelope-II must be signed and stamped by the Bidder.

- vi. Compliance to instructions given in Section B of this RFP

3.6 Pre-Bid Meeting

If deemed appropriate by PPIB, a Pre-Bid Meeting will be held to answer any questions of the Bidders. PPIB will notify the Bidders – through a separate letter – of the date, time and location of the Pre-Bid Meeting, if any.

3.7 Clarifications on RFP

Clarifications may be requested not later than 20 days before the Deadline for bid submission. Any request for clarification must be sent in writing.

3.8 Eligibility Requirements

The Bidders must fulfill all the following eligibility requirements, to the satisfaction of PPIB:

- (a) The Bidder(s) must submit complete information requested for in this RFP to PPIB by the Due Date. In addition, the Bidders must submit all additional / supplemental information if requested for by PPIB during review of the Bid.
- (b) If the Bidders are a Consortium, there must be a Lead Bidder appointed through a Power of Attorney executed by all other Consortium Bidder(s).
- (c) The Bidder(s) comply with the requirements of this RFP.
- (d) The Net worth of the Bidder(s) must be in accordance with Article 4.1.1(i) Section A.
- (e) The Net worth of the Lead Bidder must be in accordance with Article 4.1.1(ii) Section A.
- (f) The Bidder (or in the case of a Consortium one of the Consortium Bidders) must have 'Power Projects Experience'. For explanation see Article 4.2 Section A.
- (g) The Bidder(s) must have submitted and executed the compliance documents referred to in Article 5 Section A in the form and manner prescribed and submitted the same to PPIB as part of the RFP.
- (h) The Lead Bidder should not own more than 25% of the total generation capacity in Pakistan at the time of submission of Bid.
- (i) The Lead Bidder in the RFP will be required to hold at least 20% of the equity of the project company during the "lock-in-period" which will be from the issuance date of the Letter of Support until the sixth anniversary of the successful commissioning of the plant. The Bidder(s) must similarly together hold 51% of the equity for the same period.
- (j) When the Successful Bidder form a new company specifically incorporated to undertake the Project, the eligibility requirements shall be applicable to the shareholders of the new company rather than to the new company itself.

3.9 Basis for Rejection of Bid

The following may be the basis for rejection of a Bid by PPIB at any time/stage:

- (a) if the Bidder(s) fails to comply with any of the requirements of Article 2 Section A, in the time, form and manner prescribed;
- (b) misrepresentation, withholding or concealment of information in the Bid by the Bidder(s);
- (c) if the Bidder(s) fail to disclose or provide any additional information as may be required by PPIB during the evaluation and qualification process;
- (d) if the Bidder or any of the Bidders of the Consortium are currently in willful default on its obligations to any bank or financial institution in or outside Pakistan;
- (e) if the Bidder or any of the Bidders of the Consortium have been declared bankrupt or insolvent in the last three (3) years;

RFP for 1000 MW Fast Track IPP Projects through ICB

- (f) if PPIB determines that the Bidders or any Bidder of a Consortium is prohibited from doing business with GOP on grounds which may include but are not limited to public policy or national interest;
- (g) failure to report any material change in the Bid following submission thereof;
- (h) a material change in the Bid, without prior approval of PPIB, which results or may with the passage of time result in the disqualification in terms of this RFP.
- (i) the bank credit references submitted by the Bidder(s) with this RFP are not acceptable or satisfactory to PPIB or the credit rating of any of the Bidders is below “A” as explained in Article 4 Section A.
- (j) When the Bidder(s) is/are a new company specifically incorporated for submitting a Bid the basis for rejection shall be applicable to the shareholders of the new company rather than to the new company itself.

4. RESPONSIVENESS OF BIDS

For the purposes of evaluation of responsiveness of the Bidders, PPIB will require the following Financial and Power Projects Experience information:

4.1 Financial Information Requirements

4.1.1 Net Worth

- i) The Net Worth of the Bidder must not be less than 1.5 times of the total equity contribution in the Project. For calculation purposes the notional project cost should be taken as US\$ 0.75 Million per MW.
- ii) The Lead Bidder must also have a Net Worth at least equal to the proposed equity contribution in the Project. As per Policy, the minimum equity contribution by the Lead Bidder is 20% of the total project equity. For calculation purposes the notional project cost should be taken as US\$ 0.75 Million per MW.

Information on Net Worth must be provided in the Proforma V of Section C accompanied with supporting documentary evidence.

4.1.2 Credit Rating / Financial Statement Data

The Bidder shall also submit the following information to PPIB

- (a) in the case of companies or other business entities, audited financial statements for the last three (3) years demonstrating financial viability, duly audited by a reputable firm of qualified accountants, which shall consist of consolidated financial statements in case the Bidder is a holding company. Similar financial information for any parent company, affiliates and associated undertakings/companies should also be included accompanied with supporting documentary evidence.
- (b) in the case of individuals, details of cash, liquid assets, deposits, government securities, shares and property owned;

- (c) either:
- (i) bank credit references from at least two (2) banks of repute acceptable to PPIB. Credit references from banks should clearly state on the letterhead of the Bank at least each of the following: (a) the period of dealing with the bank, (b) facilities availed, (c) present outstanding amounts under each facility and (d) confirmation that there is no continuing event of default;

OR

- (ii) credit rating of “A” or above assigned by a reputed / recognised credit rating agency acceptable to PPIB.

Information in respect of ‘Credit Rating/Financial Statements’ must be provided in the Proforma V of Section C

4.2 Power Projects Experience Information Requirements

The Bidder (or in the case of a Consortium one of its members) must have prior experience of power projects with cumulative capacity of at least 50% of the capacity of the offered Project. Only commissioned projects or the projects on which construction have started, of 50 MW or above, will be considered for Pre-Qualification of Bidders. Power Projects Experience shall include successful experience of acting as all or one of the following:

- Lead Project Developer
- Lead Construction Contractor
- Share holder of at least 20%
- Lead Operation Manager

Information in this respect must be provided in the Proforma VI of Section C accompanied with supporting documentary evidence.

5. TARIFF

5.1 Reference Tariff

5.1.1 The Bidder shall quote in its Bid, the tariff for each Agreement Year for the Term of the Project i.e. 25 years as well as the Levelized Tariff. The tariff for open cycle operation period will be offered separately as per given proforma.

5.1.2 The quoted tariff will be in Pak Rupees in the form of Reference Tariff Tables as shown in the format attached as Proforma XVII through XX of this RFP and shall be recognized as “the **Reference Tariff**”. Separate Reference Tariff Tables shall be provided for each of the following four (4) Scenarios, as applicable;

- (a) Open Cycle Operation of the Project using RFO as the fuel
(b) Open Cycle Operation of the Project using Gas as the fuel
(c) Combined Cycle Operation of the Project using RFO as the fuel
(d) Combined Cycle Operation of the Project using Gas as the fuel

Note: The tariff for both RFO and Gas must be offered according to the committed supply of each fuel.

5.2 Components of Reference Tariff

5.2.1 Energy Purchase Price:

The Energy Purchase Price (EPP) quoted in Rs./kWh shall comprise of the following components, to be payable based on the actual energy delivered at the inter-connection point by the Project:

- i. Fuel Charges
- ii. (a) Variable O&M (Foreign Currency Portion)
(b) Variable O&M (Local Currency Portion)

5.2.2 Capacity Purchase Price:

The Capacity Purchase Price (CPP), defined in terms of Rs/kW/Hour based on Contract Capacity, for any agreement year shall have following components:

- i. a) Fixed O&M (Foreign Currency Portion)
b) Fixed O&M (Local Currency Portion)
- ii. Cost of Working Capital
- iii. Insurance
- iv. Return on Equity
- v. Withholding Tax on Dividend @7.5%
- vi. a) Principal Repayment (Foreign Currency Loan)
b) Principal Repayment (Local Currency Loan)
- vii. a) Interest Charges/Mark-up (Foreign Currency Loan)
b) Interest Charges/Mark-up (Local Currency Loan)

5.3 Assumptions for Reference Tariff

- a. Project Cost shall include all costs related to the Project including but not limited to:
 - i. EPC cost
 - ii. Project Development Costs, if any
 - iii. 5% customs duty on import of Plant & Equipment not manufactured in Pakistan
 - iv. Interest During Construction
 - v. Commitment fees, management fees, draw down fees and all other financial charges related to debt & equity raising
 - vi. LC Charges
 - vii. Processing fee(s), and any other charges and surcharges
 - viii. Mobilization Charges
 - ix. Any other cost which the Bidder wants to capitalize

- b. Withholding income tax liability for relevant payments made by the Project Company to the Direct Contractors plus the withholding liability of the relevant payments made by the Contractors to their direct sub-contractors.
- c. Financing Plan as per details provided in Proforma XVI.
- d. Oil and gas fired IPPs are exempt from taxation on profits and gains derived from electric power generation under the PPA.
- e. No provision for Workers Welfare Fund and Workers Profit Participation Fund to be made in tariff. If there is any such obligation it shall be treated as Pass-Through under PPA.
- f. Reference Fuel Price for RFO = Rs. 22,140 per metric ton ex-Karachi without transportation cost and sales tax.
- g. Reference Freight Charges for RFO = Rs. 2,350 per metric ton.
- h. Reference LHV Calorific Value for RFO = 38,849.5 Btu per kg.
- i. Reference HHV-LHV conversion factor for RFO = 1.05
- j. Reference Fuel Price for Gas on HHV Basis = Rs. 240.9185 per MMBtu
- k. Reference HHV-LHV conversion factor for Gas = 1.107553.
- l. The reference exchange rate between Pak Rupees and other international currencies is;
 - (i) 1.0 US\$ = PKR 64.60
 - (ii) 1.0 Euro = PKR 100.57
 - (iii) 1.0 Pound Sterling = PKR 127.15
 - (iv) 1.0 Japanese Yen = PKR 0.6206
- m. The discount rates to be used for calculation of Levelized Tariff shall be 10%.
- n. For any Agreement Year, the principal payment schedule shall provide for debt repayment that is not less than the revenues produced by the debt servicing component of the tariff.
- o. Fixed interest rates will be preferred, however, floating rates plus lenders' margin/spread is allowed (as Interest/Mark-up Rates) for arranging debts for the Project.
- p. Reference Site Conditions will be as follows:
Ambient air temperature (dry bulb): 30 °C
- q. For local debts, floating portion of Interest/Mark-up Rate will be 3-month KIBOR.
- r. For foreign debts, 6-month LIBOR or other internationally recognized interest rate benchmark may be used.

- s. Reference Date for following indexes is 30th April 2008:
 - i. Pakistan Wholesale Price Index (Pak WPI) for ‘manufacturing’ as notified by GOP’s Federal Bureau of Statistics,
 - ii. Floating portion of Interest/Mark-up Rate; i.e. KIBOR and LIBOR
 - iii. United States of America Consumer Price Index (US CPI)
 - iv. Withholding tax of 7.5% on dividends to be covered in Reference Tariff separately from return on equity; to be paid on the basis of actual disbursement of dividends.

- t. The Reference Tariff shall be calculated based on constant Contract Capacity and heat rate (efficiency) through the Term of the Project.

- u. All entries in the Reference Table shall be rounded to four decimal places.

- v. The heat rate offered by the Bidder will be treated as constant heat rate over the term of the PPA and it will be applicable after the COD. Payment of fuel cost component will be made over the term of the PPA, based on this guaranteed (constant) heat rate.

- w. As per Engineering Development Board, local manufacturers are capable to manufacture HRSG, Cooling Towers, Feed Water Pumps etc. In case any Bidder proposes to import any such equipment which is manufactured locally, it should account for the additional duties in the tariff bid so that the tariff is evaluated inclusive of customs duty. Pass through of such duty subsequent to the bidding is not allowed.

- x. The bidders are required to base their bids on 5% Customs Duty on the plant & equipment and spare parts not manufactured locally, as per applicable laws, upto COD. Any duties levied in excess of 5% upto COD, will be treated as Pass Through, provided the Project Company does not receive any reimbursement thereof from tax authorities.

- y. The minimum efficiencies given in the RFP are for the Term of the PPA. The efficiency/heat rate offered in the Bid will be used for payment of fuel cost component throughout the term of the PPA without any adjustment for any deterioration/degradation.

- z. For evaluation purposes, the Reference Debt Service Component relating to foreign currency loans will be adjusted using a benchmark forecast of respective exchange rates. The Bidders are required to provide the amounts and currencies of the foreign loans separately. It may be noted that the adjustment in the Reference Debt Service Component relating to foreign currency loans for variation in exchange rates is only allowed for US Dollar, Euro, Pound Sterling and Japanese Yen

- aa. Bidders proposing combined cycle power plant with an offer to operate on open cycle/without heat recovery in the first stage, would be required to consider all necessary arrangements (like by-pass stack etc.) required for smooth operation on open cycle/without heat recovery and subsequent operation on combined cycle/with steam turbine.

5.4 Tariff Calculations and Limitations

- i. Components of CPP for any year shall be established on the basis of relevant costs, returns, payments of principal and interest/mark-up rates (as the case may be) apportioned to relevant year and divided by multiplication of i) Net Generation Capacity of Complex (in kilowatts) at Reference Site Conditions, and ii) 8760 hours (equivalent to 100% annual plant factor).
- ii. For levelization purpose only, the total CPP charges calculated in terms of Rs/kW/Hour (based on 100% annual plant factor i.e. equivalent to 8760 hours) shall be divided by 60% (notional plant factor), and shall be defined in terms of Rs./kWh instead of Rs./kW/Hour.
- iii. Tariff and components thereof shall be subject to following limitations and constraints:
 - a. The sum of the Variable O&M, Fixed O&M, and Insurance components (all in Rs/kW/Hour) must remain constant during the Term;
 - b. Total Tariff in Rs/kWh for any Agreement Year shall not exceed 112% of the Levelized Tariff.

5.5 Calculation of Levelized Tariff

The Levelized Tariff shall be calculated in the following manner:

- a) The Total Tariff for each Agreement Year over the Term shall be discounted to the first Agreement Year, using a discount rate of 10 %.
- b) The sum of the discounted Tariff shall then be compounded on fixed annuity basis over the Term, at the rate of 10 %.

5.6 Payments to Project Company:

5.6.1 For payment of CPP, plant factor shall have no bearing and CPP worked out in terms of Rs./kW/Hour shall be used. All tariff payments shall be made after indexing the components of Reference Tariff in accordance with Indexation Method given in Schedule 1 of the PPA. Applicable Indexation is given below.

5.6.2 Open Cycle Operation:

- (a) Tariff for open cycle will only be provided for the period on open cycle operation. The heat rate for open cycle operation must be clearly committed by the Bidder. Reference Debt Service Component shall not be paid during open cycle operation for maximum first 12 months. Moreover, operation and payment in Open Cycle mode will be governed through a Side Agreement.
- (b) ROE Component during Open Cycle Operation of the Plant shall not be more than 50% of the ROE Component payable after COD.

5.7 Indexation

Following Indexations are applicable on the Reference Tariff:

<u>Tariff Component</u>	<u>Tariff Indexation & Adjustment</u>
--------------------------------	--

RFP for 1000 MW Fast Track IPP Projects through ICB

Fuel Cost component	Delivered Fuel Price (inclusive of transportation) at the Power Plant
Variable O&M (Foreign Currency Portion)	US\$ to Pak Rupees & US CPI
Variable O&M (Local Currency Portion)	Pakistan WPI
Fixed O&M (Foreign Currency Portion)	US\$ to Pak Rupees & US CPI
Fixed O&M (Local Currency Portion)	Pakistan WPI
Cost of Working Capital	KIBOR
Insurance	US\$ to Pak Rupees, in case of foreign currency insurance cost
Return on Equity	US\$ to Pak Rupees
Withholding Tax on Dividend	Nil
Principal Repayment (Foreign Currency Loan)	US\$/Euro/Yen/Pound to Pak Rupees (based on borrowing by the Company)
Principal Repayment (Local Currency Loan)	NIL
Interest//Mark-up Payments (Foreign Currency Loan)	Adjustments for relevant LIBOR or other applicable Interest Rate benchmark Adjustment for variation in Rs./Foreign Currency (US\$/Euro/Yen/Pound) as applicable
Interest//Mark-up Payments (Local Currency Loan)	Adjustments for relevant KIBOR

Section B

Instructions

To

Bidders

6. BID SUBMISSION DETAILS

6.1 Preparation of Bid

Bidders are required to prepare their Bids in two envelopes i.e. Envelope I and Envelope II as required below, and submit through courier (DHL, Fedex, UPS, TCS) six copies of each (i.e. one original and five copies), separately packed and each marked accordingly, at the address given below by the deadline as specified hereunder. Each page of original copies of Envelope I and Envelope II is to be signed by authorized representative of the Bidder. Each pack of original and photocopied Envelope I and Envelope II must indicate the name, registration number and address of Bidder. Bids submitted by facsimile, electronic mail, telex, or telegram shall not be accepted.

6.2 Deadline for Receipt of Bid

Bid must be delivered as stipulated above on or before **1600 hours PST on 30th June 2008** (the “Deadline”). Any Bid despatched before the Deadline but received in PPIB after the Deadline shall not be entertained. The Bids will be opened on **1400 hours PST on 1st July 2008** in the presence of the Bidders, or their agents, who may opt to attend the Bid opening.

6.3 Address for Bid Submission

Managing Director
Private Power and Infrastructure Board
Ministry of Water and Power
Government of Pakistan
No.50, Nazimuddin Road, F-7/4
Islamabad
Pakistan.
Tel: 92-51-9205421, 9205422

6.4 Contents of Envelope I

The Envelope I of the Bid must contain the following items in the form or format of Proforma mentioned against each item, and the instructions given thereon:

Sr. No.	Description of the Item	Applicable Proforma of Section	To be provided in Envelope I as:
i	Bid Letter	Proforma I	Bid Letter
ii	List of Attachments to Bid Letter	Proforma II	Attachment 1 to the Bid Letter
iii	Bid Bond	Proforma III	Attachment 2 to the Bid Letter
iv	Bid Processing Fee	Nil; Bid Processing fee must be as paid	Attachment 3 to the Bid Letter

RFP for 1000 MW Fast Track IPP Projects through ICB

v	Bidder's Information	Proforma IV	Attachment 4 to the Bid Letter
vi	Bidder's Credit Rating / Financial Statement Data	Proforma V	Attachment 5 to the Bid Letter
vii	Bidder's Experience of Power Projects	Proforma VI	Attachment 6 to the Bid Letter
viii	Consortium Agreement	Proforma VII	Attachment 7 to the Bid Letter
ix	Power of Attorney	Proforma VIII	Attachment 8 to the Bid Letter
x	Affidavit for Non-Default and Commitment for Equity and Minimum Technical Requirements	Proforma IX	Attachment 9 to the Bid Letter
xi	Technical Data and Commitment	Proforma X	Attachment 10 to the Bid Letter
xii	Bidder's Proposed Project Schedule	Proforma XI	Attachment 11 to the Bid Letter
xiii	Gas Commitment Letter from Ministry of Petroleum & Natural Resources for term of the project, if applicable	Proforma XII	Attachment 12 to the Bid Letter
xiv	Integrity Pact	Proforma XIII	Attachment 12 to the Bid Letter

6.5 Contents of Envelope II

The Envelope II of the Bid must contain following items in the form or format of the Proforma (duly filled-in), mentioned against each item, and the instructions given thereon and in the RFP:

Proforma XIV	Bidder's Confirmation on Tariff Requirements of the RFP
Proforma XV	Project Cost Summary
Proforma XVI	Financial Data in Support of Bid
Proforma XVII to XX	Bidder's Offered Reference Tariff Table

Section C

Proformas for Envelope I

Proforma I

Bid Letter

Date:

Managing Director
Private Power and Infrastructure Board
Ministry of Water and Power
Government of Pakistan
No.50, Nazimuddin Road, F-7/4
Islamabad
Pakistan

The undersigned,

Name: _____
Title/Position: _____
Company: _____

acting as the legal representative of (Lead Bidder), _____, _____ collectively known as the '**Bidder**' and who is interested in developing, financing, insuring, installing, testing, commissioning, owning, operating and maintaining the power generation facility of [_____] MW at [Project Location] (the **Project**), based on [RFO/Gas] as primary fuel, hereby certify, represent, warrant and agree, on behalf of the Bidder that:

1. This Bid Letter, along with all its attachments listed in 'Attachment 1 to Bid Letter' hereto, and contents of Envelope II, forms our Bid and is submitted pursuant to the Request of Proposal (**RFP**) dated May 2008 issued by the Private Power and Infrastructure Board ("**PPIB**"), Ministry of Water and Power, Government of the Islamic Republic of Pakistan (the "**GOP**") for the Project.

2. Having examined and being fully familiar with all the provisions of the RFP (including its proformas, financial model and exhibits), receipt of which is hereby duly acknowledged, and having evaluated, following our own studies undertaken under our responsibility, the nature and scope of the contractual obligations to be executed, the financing structure, the IA and PPA and any other regulation associated to the Project or its execution, we hereby offer to undertake the Project:

- a) on BOO basis in compliance with all requirements of the RFP,
- b) on tariff as offered in Envelope II of our Bid.

3. We hereby agree that our Bid constitutes our firm, irrevocable offer that is binding upon us and will remain valid for a period of one hundred and twenty (120) Days from the Deadline for Receipt of Bids as enumerated in of Section B of the RFP (the "**Bid Validity Period**").

RFP for 1000 MW Fast Track IPP Projects through ICB

4. We have provided and attached hereto a Bid Bond dated [_____] issued by [*name of issuing bank*] in the amount of [US\$ *state amount in words*] (US\$ [*show amount in figure*]) in accordance with the Proforma III Section C of the RFP.

5. We certify that (i) the information submitted as part of our Bid is complete and accurate, (ii) the Bidder who will be bound to this Bid and to the development of the Project, (iii) we accept the documents, terms and conditions of the RFP.

6. We understand the criteria for Responsiveness Test and the process for selection of Successful Bidder and acknowledge that PPIB is not obligated to accept our Bid and may at any time reject our Bid at its sole discretion.

7. We commit ourselves, if required, to extend the validity of our Bid until the issuance of the LOS to the Successful Bidder.

8. We commit ourselves, if we are advised by PPIB to do so, to furnish the Performance Guarantee and submit Processing Fee of US\$ 80,000/-, and to finalize the IA and PPA and to do so in good faith.

9. We further commit ourselves to provide any additional information, clarification and data in respect of the Bid, if required by PPIB.

In (location), on this (date).

The undersigned is duly authorized to execute the Bid for and on behalf of the Bidder:

notarized signature and seal

Attachment 1 to the Bid Letter

Proforma II

List of Attachments to Bid Letter

Document Title	Attachment to Bid Letter	Completed and Submitted
List of Attachments to Bid letter	Attachment 1	_____
Bid Bond	Attachment 2	_____
Bid Processing Fee in form of Pay Order or Bank Draft	Attachment 3	_____
Bidder's Information	Attachment 4	_____
Bidder's Credit Rating / Financial Statement Data	Attachment 5	_____
Bidder's Experience of Power Projects	Attachment 6	_____
Consortium Agreement	Attachment 7	_____
Power of Attorney	Attachment 8	_____
Affidavit for Non-Default and Equity Commitment	Attachment 9	_____
Technical Data and Submittals	Attachment 10	_____
Bidder's Proposed Project Schedule	Attachment 11	_____
Gas Commitment Letter, if applicable	Attachment 12	_____
Integrity Pact	Attachment 13	_____

Proforma III

Bid Bond (in the form of a Bank Guarantee)

[ON PAKISTAN STAMP PAPER: **Mandatory**]

Guarantee No. _____

Managing Director
Private Power and Infrastructure Board
Ministry of Water and Power
Government of Pakistan
No.50, Nazimuddin Road, F-7/4
Islamabad
Pakistan

On behalf of the President of the
Islamic Republic of Pakistan

Date of this Guarantee: [---]¹

Amount of this Guarantee [US\$ --- (United States Dollars ---)]

Validity upto: [---]

THIS GUARANTEE is executed at [---*place*---] on this [---] day of [--- *month* ---] 2008 by:

[--- *Name of the issuing Bank* ---] having its registered office at [---] (hereinafter referred to as the “**Guarantor**”, which expression shall mean and include its successors, administrators and legal representatives, whether jointly or severally);

In favour of the President of the Islamic Republic of Pakistan represented by the Managing Director, Private Power & Infrastructure Board (PPIB), Ministry of Water & Power, Government of Pakistan, Islamabad (hereinafter referred to as the “**Beneficiary**”, which expression shall mean and include its successors, administrators and legal representatives, whether jointly or severally).

Considering that our client _____ (hereinafter referred to as the “**Bidder**”, which expression shall mean and include its successors, executors, assigns, administrators and legal representatives whether jointly or severally) is submitting in favour of the Beneficiary a bid (hereinafter referred to as the “**Bid**”) for the development of [] MW thermal power plant at [] Pakistan on Build, Own and Operate (BOO) basis (hereinafter referred to as the “**Project**”) in response to the Request of Proposals dated May 2008 issued by the Beneficiary as amended, modified,

¹ Dates and figures should also be mentioned in words.

RFP for 1000 MW Fast Track IPP Projects through ICB

supplemented or varied through Addenda issued by the Beneficiary from time to time (hereinafter referred to as the “**RFP**”):

On the request of the Bidder, we, the undersigned, responsible delegates and representatives of the Guarantor, and make decisions in its name, declare by this instrument (hereinafter referred as the “**Bid Bond**”), that the Guarantor do hereby guarantee unconditionally and irrevocably to pay the Beneficiary up to a sum of _____ [*amount in words*] (*[amount in figures]*) in accordance with the following:

1. Immediately upon receipt of the Beneficiary’s first written request stating either:
 - a. that the Bidder has withdrawn its Bid during the Bid Validity Period as defined in the RFP; or
 - b. that the Bidder has willfully misrepresented while providing the Bid; or
 - c. that the Bidder has failed to apply to NEPRA by the deadline set by the Beneficiary for the approval of tariff and issuance of generation licence; or
 - d. that the Bidder, when invited by the Beneficiary to do so, has failed within the time limits specified in the RFP to furnish the required Performance Guarantee and the Processing Fee in accordance with the RFP;

notwithstanding any objection of the Bidder or of any other party, the Guarantor shall pay to the Beneficiary the above mentioned amount or any other amount(s) the Beneficiary may demand, provided that such amount(s) shall not exceed the above mentioned amount, by any method of payment which is acceptable to the Beneficiary. The decision of the Beneficiary as to the Bidder’s default, delay or failure in performance listed above shall be final and unquestionable.

2. Any payments made to the Beneficiary on its request shall be net and free of and without any present or future deductions such as for the payment of any taxes, executions, duties, expenses, fees, deductions or retentions regardless of the nature thereof or the authority levying the same.

3. The Beneficiary may, if and when and in such manner as the Beneficiary in its sole discretion deems appropriate, grant time or other indulgence to or accept or make any composition or arrangement with the Bidder and/or vary, renew, discharge, realize, release, enforce or deal with any other securities, guarantees, obligations, decrees, contracts, or agreements, now or hereinafter made or held by the Beneficiary, and such acts shall not affect in any way whatsoever the Beneficiary’s rights under this Bid Bond, and shall not affect in any way whatsoever the Guarantor’s liability hereunder, or discharge the Guarantor from its obligations under this Bid Bond.

4. The Guarantor’s obligations as set out in this Bid Bond shall be continuing obligations and shall not be modified or impaired upon the happening, from time to time, without the Guarantor’s assent or otherwise, of any act or omission, or any circumstances or events which would otherwise discharge, impact or otherwise affect any of the Guarantor’s obligations contained in this Bid Bond.

5. Demands under this Bid Bond may be made at any time and from time to time in accordance with its terms.

6. No delay or failure to exercise any right or remedy under this Bid Bond by the Beneficiary shall constitute a waiver of such right or remedy. No single or partial exercise of any right or remedy shall preclude any other or further exercise thereof or of any other right or remedy. No waiver by the Beneficiary shall be valid unless made in writing.
7. No set-off, counter claim, reduction, or diminution of any obligation that the Guarantor has or may have against the Beneficiary shall be available to it against the Beneficiary in connection with any of its obligations to the Beneficiary under this Bid Bond. The Guarantor shall make all payments under this Bid Bond in United States Dollars and in full, without set-off or counterclaim and free and clear of any deductions or withholdings in immediately available, freely transferable, cleared funds for value on the due date to the Beneficiary, provided that if the Guarantor is required to make any deduction or withholding from such payments under applicable law, it shall pay to the Beneficiary such additional amount necessary to ensure that the Beneficiary receives an amount equal to the amount which it would have received had no such deduction or withholding been made.
8. The Guarantor hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority, and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this Bid Bond, which obligations are valid and legally binding on and enforceable against the Guarantor under the Laws of Pakistan. Further, that the signatory(ies) to this Bid Bond are the Guarantor's duly authorized officers.
9. This Bid Bond shall be governed by the laws of Pakistan, and shall come into full force immediately upon submission and shall continue in full force and effect until the official closing of the counters of the Guarantor [*name of Branch*] on [*insert date, one hundred and eighty days following the Deadline of Bid submission*] (the "**Expiry Date**").
10. The Guarantor's maximum liability under this Bid Bond is limited to the sum of US\$ [i] (US Dollars [i], only). This Bid Bond shall expire at the official closing of the counters of the Guarantor, [*name of the Branch*] [*city*], on the Expiry Date. The Guarantor's obligation under this Bid Bond is limited to payment of claims lodged in writing and presented at the counters of the Guarantor, [*name of the Branch*] [*city*], on or before the Expiry Date, following which date, subject to any liability for claims presented on or before the Expiry Date, the Guarantor shall stand fully discharged and released from any and all obligations, claims and liabilities under this Bid Bond whether or not this Bid Bond is returned to the Guarantor.
11. This Bid Bond is the full and complete understanding between the Guarantor and the Beneficiary in relation to the matters contained herein, and this undertaking of the Guarantor shall not be modified, amended, or amplified in any way by reference to any document, understanding, instrument or agreement referred to therein, and any such reference shall not be deemed to incorporate by reference any document, understanding, instrument or agreement.
12. We hereby engage with you that the demand raised by the Beneficiary under this Bid Bond shall meet with due honor upon presentation.
13. Capitalised terms not otherwise defined herein shall bear the meaning ascribed to them in the RFP.

For and on behalf of the Guarantor:

[To be signed by the authorized signatory(ies) of the Bank,
Dated and Stamped with the Bank's Stamp]

[Also to be witnessed by two adult male witnesses, specifying in each case, the full name,
Computerized National Identity Card # and address]

Proforma IV

Bidder's Information

Table A-1		
No.	Item	Information
	Organization of the Bidder	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Individual Single Company Consortium <i>(please tick the correct box)</i>
1	Address for official communication	
2	Telephone for official communication	
3	Fax for official communication	
4	Email for official communication	
5	Authorized Person² for contact for the Project	
6	Contact Address of Authorized Person	
7	Telephone/Fax/Email of Authorized Person	

² Authorized Person must be the same in whose name Power of Attorney is provided

Table A-2					
No.	Item	Single Company or Lead Bidders of Consortium	Other Member of Consortium	Other Member of Consortium	Other Member of Consortium
1	Name				
2	Country of Registration/Incorporation				
3	Address				
4	Telephone/Fax/Email				
5	Name and Position of Contact Person				
6	Address of Contact Person				
7	Telephone/Fax/Email of Contact Person				
8	Share in Total Equity of the Project (%)				

(Bidder to add or delete column depending on the number of constituent members of the Consortium if the Bidder is a Consortium)

Important Note: Original Copy must be signed by authorized person

Proforma V**Bidder's Credit Rating / Financial Statement Data**

1. The Bidder, or each of the members in the case of a Consortium, must submit Bank Credit References from at least two (2) banks **OR** fill the Credit Rating Information in Table B-1 below as required under this RFP accompanied with supporting documentary evidence.

Table B-1: Credit Rating Information		
Name of Bidder		
1	Rating agency	
2	Most recent credit rating	
3	Type of credit rating	
4	Date of most recent credit rating	

2. The Bidder, or each of the members in the case of a Consortium, must fill Table B-2 below accompanied with supporting documentary evidence.

Table B-2: Financial Statement Data				
Name of Bidder				
<i>(All figures in equivalent USD)</i>				
		2005	2006	2007
1	Current assets			
2	- Cash and cash equivalents			
3	- Other current assets			
4	Fixed assets			
5	Other assets (please specify)			
6	Total assets			
7	Current liabilities			
8	Long-term liabilities			
9	Other liabilities			

RFP for 1000 MW Fast Track IPP Projects through ICB

10	Total liabilities			
11	Net Worth (6 minus 10)			
12	Shareholders' equity			
13	- Paid up capital			
14	- Retained earnings			
15	- Others (please specify)			
16	Other Reserves (please specify)			
	<i>Operating Results</i>			
17	Revenues			
18	Gross profit			
19	Income before interest and tax			
20	Financial charges			
21	Tax			
22	Net profit after tax			
23	Dividends paid			

Notes

1. In case the Bidder is a Consortium, please provide a separate Annex B for each Consortium member.
2. Please provide last three (3) years audited financial statements. In case the Bidders are a Consortium, attach last three (3) years audited financial statements for all Consortium members.
3. In case any Bidder has subsidiary companies, consolidated financial statements are also required.
4. In the case of listed companies please also attach most recent quarterly financial statements.
5. In case the reporting currency in the financial statements is not in US Dollars, conversion rate prevailing on 30th April of the respective year shall be used which rate must be specified below

Reporting Currency
in Financial Statements

Conversion Rate used

Proforma VI**Bidder's Power Project Experience Data**

The Bidder (or in the case of a Consortium one of its members) must have prior experience of power projects with cumulative capacity of at least 50% of the capacity of the offered Project. Only commissioned projects or the projects on which construction have started, of 50 MW or above, will be considered for Pre-Qualification of Bidders. Power Projects Experience shall include successful experience of acting as all or one of the following:

- Lead Project Developer
- Lead Construction Contractor
- Share holder of at least 20%
- Lead Operation Manager

The Bidder, or each of the member in the case of a Consortium, must fill Table VI below separately for each project completed by it accompanied with supporting documentary evidence.

Table C-1: Power Projects Experience		
Name of Bidder		
(_____ [Name of previous project] Power Project)		
No.	Item	Information
1	Name of the Bidder	
2	Bidder role in the project completed	i.e. Lead Project Developer, Lead Construction Contractor, Share holder or Lead Operation Manager
3	Name of Project	
4	Bidder share in the equity of the completed project (if applicable)	
5	Location of plant	
6	Name of owner (including contact person, his address and telephone, fax No.'s/ email address)	

RFP for 1000 MW Fast Track IPP Projects through ICB

7	Name of power purchaser	
8	Capacity of plant	
9	Type of plant	
10	Fuel of plant	
11	Number and rated capacity of units	
12	Status of plant	[Under construction or commercial operation]
13.	Number of Years of successful operation	Total number of years_____ from_____ to _____.
14	Principal manufacturers of major equipment	
15	List of specific major tasks/services performed by Bidder	
16	Date of award of project	
17	Duration of construction period	
18	Commercial operations date of each unit	
19	Total capital cost of project	
20	Companies and institutions who financed the project	[names and amounts in USD, required if the Bidder was equity partners in the project]
21	Value of contract	[amount in USD required if Bidder was a Lead contractor]
22	Any other details	

Proforma VII

CONSORTIUM AGREEMENT

Instructions for Bidders: (Only applicable in the case of a consortium. If the bidder is not a Consortium it will have to attach this Proforma as Attachment 7 to the bid letter by striking across the page and writing “not applicable”).

The Consortium agreement must clearly state:

- (a) the equity stake (in %) committed by each of the constituent member of the consortium in the total equity to be injected in the project;
- (b) the role of each constituent member in the Consortium;
- (c) Lead Bidder’s obligation to subscribe to not less than twenty percent (20%) of the total equity in the Project Company and maintain such equity from the issuance of the Letter of Support until the sixth (6th) anniversary of successful commissioning of the Project; and
- (d) The Bidder (comprising of all constituent members of the Consortium) shall together hold at least fifty one percent (51%) of the total equity in the Project Company and maintain such equity from the issuance of the Letter of Support until the sixth (6th) anniversary of successful commissioning of the Project.
- (e) Where the Consortium Agreement is governed by a law other than Pakistani law, the Beneficiary will require a legal opinion from a law firm, acceptable to the Beneficiary, qualified to issue opinions on the law governing the Consortium Agreement, confirming that the Consortium Agreement is legal, valid, binding and enforceable.

Proforma VIII

Power of Attorney

Instructions for Bidders:

1. If the Bidder is not a consortium, it will furnish a power of attorney **strictly** as per the ‘Sample A’ given below, authorizing the person who signs the Bid Letter and other documents forming parts of the Bid to sign for and on behalf of the Bidder and to bind the Bidder to the signed Bid and any subsequent agreement.
2. If the Bidder is a consortium:
 - Each member of the consortium (other than the Lead Bidder) shall furnish a power of attorney, **strictly** as per the ‘Sample B’ given below, authorizing the Lead Bidder to act and receive instructions on behalf of all the consortium members and to submit the Bid for and on their behalf.
 - Each member of the consortium (including the Lead Bidder) shall furnish a power of attorney **strictly** as per the Sample ‘A’ given below, authorizing the person who signs the Bid and other documents forming parts of the Bid to sign for and on behalf of the Bidder (which term includes all members of consortium) and to bind the Bidder to the signed Bid and any subsequent agreement.)
3. In case of a Pakistani Attorney, it is to be printed on stamp paper, signed and notarized.
4. In the case of a Pakistani Attorney, the person signing the Power of Attorney must attach copy of his computerized national identity card (“CNIC”). In the case of a non-Pakistani Attorney, a copy of his passport should be attached.

Sample ‘A’

KNOW BY ALL MEN THAT by this Power of Attorney (“**Power of Attorney**”), _____ [Insert name either of Bidder if it is Single Company or Lead Bidder /constituent member if the Bidder is a Consortium] having its registered office at [•], does hereby nominate, appoint and authorize Mr. _____ s/o of _____, r/o _____ (whose specimen signature appears below) to do following acts in the name of _____ [Insert name of the Bidder] for and on behalf of _____ [Insert name either of Bidder if it is Single Company or Lead Bidder/constituent member if the Bidder is a Consortium],:

- (i) sign and submit for the purpose of participating in the Bid for developing a private power project at [], [], the Bid Letter as per Proforma I of the RFP issued by PPIB, for developing a thermal power project at [Project Location] Pakistan;
- (ii) sign execute all such deeds, documents, subsequent agreements and instruments as may be considered necessary and expedient in relation to the foregoing;
- (iii) do and carry out all other actions as may be required by PPIB in connection with the Project; and
- (iv) to immediately notify PPIB in writing of any impending or actual revocation as well as any change in the terms of this Power of Attorney.

_____ [Insert name either of Bidder if it is Single Company or Lead Bidder/constituent member if the Bidder is a Consortium] does hereby ratify and confirm whatever the Attorney shall do by virtue of these presents.

WITNESSES:

[INSERT NAME OF GRANTOR]

1. _____

For:

2. _____

By:

Its:

(Specimen Signature of Authorized Attorney)

Sample 'B'

KNOW BY ALL MEN THAT by this Power of Attorney ("**Power of Attorney**"), _____ [Insert name of constituent member of Consortium] having its registered office at [•], does hereby nominate, appoint and authorize _____ [the Lead Bidder] having its registered Head Office at [•] hereinafter referred to as the "**Attorney**", to :

- (i) sign and submit for and on behalf of _____ [Insert name of constituent member of Consortium] the Bid for developing a thermal power project at [], [] Pakistan;
- (ii) act and receive instructions on behalf of _____ [Insert name of constituent member of Consortium]
- (iii) execute all such deeds, documents and instruments as may be considered necessary and expedient in relation to the foregoing;
- (iv) do and carry out all other actions as may be required by PPIB in connection with the Bid ; and
- (v) immediately notify PPIB in writing of any impending or actual revocation as well

RFP for 1000 MW Fast Track IPP Projects through ICB

as any change in the terms of this Power of Attorney.

_____ [*Insert name of constituent member of Consortium*] does hereby ratify and confirm whatever the Attorney shall do by virtue of these presents.

WITNESSES:

[INSERT NAME OF GRANTOR]

1. _____

For:

2. _____

By:

Its:

Proforma IX

Affidavit(s) for Non-Default and Commitment for Equity and Minimum Technical Requirements

Instructions for Bidder:

Affidavit, strictly as per Sample given below to be printed on legal paper; for example for a company incorporated in Pakistan it must be on the stamp paper, and properly signed and notarized. **Bidder if it is Single Company or each constituent member if the Bidder is a Consortium must submit an Affidavit.**

Sample for Affidavit (s)

AFFIDAVIT OF [Name]

LOCATED AT [•]

The following is hereby declared and affirmed on oath:

1. That _____ [*Insert name either of Bidder if it is Single Company or Lead Bidder/constituent member if the Bidder is a Consortium*] is not presently under default with any financial institution and has not been declared as bankrupt or insolvent under the laws of any country which has jurisdiction over _____ [*Insert name either of Bidder if it is Single Company or Lead Bidder/constituent member if the Bidder is a Consortium*] in the last three (3) years.
2. (Only the Lead Bidder is required to submit this point) That the Lead Bidder does not own more than 25% of the total generation capacity in Pakistan at the time of submission of the Bid for the Project .
3. (Only the Lead Bidder is required to submit this point). That the Lead Bidder hereby commits irrevocably to hold at least twenty percent (20%) of the equity of the Project Company during the “lock-in-period” which will be from the issuance date of the Letter of Support (LOS) until the sixth anniversary of the successful commissioning of the plant.
4. That the Bidder hereby commits to provide in total at least fifty one percent (51%) of the total equity in the Project and to hold such minimum equity from the date of the LOS to the sixth anniversary (6th) of the Commercial Operations Date of the Project, if the Bidder were to be selected as the Successful Bidder.
5. That within its shareholders, owners and companies there is no individual working for PPIB, GOP or the Power Purchaser.
6. That the commitments made at Proforma VIII for Minimum Technical Requirements will be legally binding on the Project Company, if the Bidder were to be selected as the Successful Bidder.

7. That the Capitalized terms used herein and not defined herein bears the meaning as ascribed to them in the RFP issued by PPIB in May 2008 for the development of a thermal power project at [], [].

_____ **Deponent**

Verification

Verified on oath this -----[day/month] of, 2008 at [•] that the contents of this Affidavit are true and correct to the best of my knowledge and belief and that nothing has been concealed therein.

Deponent

Proforma X

Technical Data and Commitment

Data

1	Project site	
2	Primary fuel	
	Operation Period per year on primary fuel	
3	Back-up fuel	
	Operation Period per year on Back-up fuel	
4	Capacity For Operation on RFO in Open Cycle	
	Gross (ISO) Capacity of Complex in MW	
	Gross Capacity of Complex at Reference Site Conditions (MW)	
	Auxiliary Consumption of Complex	
	Net Capacity of Complex at Reference Site Conditions (MW)	
	Guaranteed Heat Rate for Operation on RFO in Open Cycle	
5	Capacity For Operation on Gas in Open Cycle	
	Gross (ISO) Capacity of Complex in MW	
	Gross Capacity of Complex at Reference Site Conditions (MW)	
	Auxiliary Consumption of Complex	
	Net Capacity of Complex at Reference Site Conditions (MW)	
	Guaranteed Heat Rate for Operation on Gas in Open cycle	
6	Capacity For Operation on RFO in Combined Cycle	
	Gross (ISO) Capacity of Complex in MW	
	Gross Capacity of Complex at Reference Site Conditions (MW)	
	Auxiliary Consumption of Complex	
	Net Capacity of Complex at Reference Site Conditions (MW)	
	Guaranteed Heat Rate for Operation on RFO in Combined Cycle	
7	Capacity For Operation on Gas in Combined Cycle	
	Gross (ISO) Capacity of Complex in MW	
	Gross Capacity of Complex at Reference Site Conditions (MW)	
	Auxiliary Consumption of Complex	
	Net Capacity of Complex at Reference Site Conditions (MW)	
	Guaranteed Heat Rate for Operation on Gas in Combined Cycle	
8	Design life, years	

RFP for 1000 MW Fast Track IPP Projects through ICB

9	No. of Units and Configuration of Complex	
10	Gas Turbine	
	Manufacturer	
	Type/model	
11	Reciprocating Engines	
	Manufacturer	
	Type/model	
12	Steam Turbine	
	Manufacturer	
	Type/model	
13	Heat Recovery Steam Generator, as required	
	Manufacturer	
	Type/model	
14	Generator and Accessories (per unit)	
a	Manufacturer	
b	Type/model	
c	Rated voltage at generator terminal, kV	
d	Rated output, MW	
e	Phases	
f	Frequency range, Htz	
g	Rated speed, rpm	
h	Generator short circuit ratio	
i	Power factor:	
	lagging	
	leading	
15	Excitation System	
	Manufacturer	
	Type or model	

Bidder may add or delete some rows

Commitment

RFP for 1000 MW Fast Track IPP Projects through ICB

It is hereby committed as a legally binding provision that in case _____ [*name of Bidder*] is selected as the Successful Bidder, the Project Company formed by the Successful Bidder will ensure that the plant and equipment should be compatible with NTDC’s system and grid code and that the following minimum technical requirements besides the requirements of PPA and its schedules, shall be complied with:

- i. A minimum earthquake design factor of ≥ 0.2 or ≥ 0.15 g (depending upon the seismic conditions of the site) as per Uniform Building Code will be utilized for the design of the plant buildings and structures and design wind speed will be 160 km/hr.
- ii. The Complex and each generator will be capable of operating in the range of 0.80 lagging and 0.90 leading power factor, three-phase, 50 cycles/second.
- iii. The gas turbine generator and the steam turbine generator will have short circuit ratio of not less than 0.50 in conformity of the Grid Code.
- iv. The electric generators will have brushless/static excitation system along-with power system stabilizers (PSS).
- iv. The Generators will have a static excitation system along-with power system stabilizers (PSS).
- v. Main transformer will be equipped with on load tap changer.
- vi. Step changes in Despatch load of 5% are allowable provided that Complex load is greater than 25%.
- vii. The Complex minimum continuous loading shall be 20% of the Complex net output.
- viii. The Complex shall be capable of operating within the range of $\pm 10\%$ on the 220/132kV high voltage system which range shall not be exceeded.
- ix. The Complex can operate within the frequency range of 47.5 Hertz to 52.5 Hertz which range shall not be exceeded.
- x. The Complex shall not trip and must operate in island mode if voltage fluctuations and/or frequency occur outside the ranges stated above.
- xi. The minimum efficiency and annual availability requirements are as follows:

Table 1: For Dual Fuel Combined Cycle Power Plant based on RFO/Gas

	Open Cycle Operation		Combined Cycle Operation	
	RFO	Gas	RFO	Gas

RFP for 1000 MW Fast Track IPP Projects through ICB

Minimum Efficiency	32%	34%	44%	47.5%
Minimum Annual Availability	85%	90%	85%	90%

Table 2: For Conventional Steam Turbine Power Plant

Minimum Efficiency	38.6%
Minimum Annual Availability	88%

Table 3: For Reciprocating Engines (RFO)

	Operation without Heat Recovery/ Steam Turbine	Operation with Steam Turbine
Minimum Efficiency	43%	45%
Minimum Annual Availability	88%	88%

Important Note: Original Copy must be signed by the authorized person

Proforma XI

Bidder's Proposed Project Schedule

Table D		
	Activity	Period
1	Assumption: Issuance of LOS	0
2	Finalizing of Project Agreements	
3	Financial Closing	
4	Drawdown and Construction Start	
5	Open Cycle Operation, as applicable	
6	Testing	
7	Commercial Operation	

Proforma XII

Gas Commitment from Ministry of Petroleum & Natural Resources for term of the project, if applicable

Instructions for Bidder:

In case of power project proposal based on gas as primary fuel, Bidders are required to submit firm commitment letter for supply of gas on minimum 9 months per year basis, for the Term of the Project, from Ministry of Petroleum & Natural Resources. No conditional commitment shall be considered.

Proforma XIII

Integrity Pact

Instructions for Bidder:

Bidders are required to submit the signed and stamped Integrity Pact in the form provided in Section 18.13 of the IA

Section D

Proformas for Envelope II

Proforma XIV

Bidder's Confirmation on Tariff Requirements of the RFP

It is hereby confirmed that the Reference Tariff and its supporting financial data, set forth in the following tables, are based on the requirements of the RFP and includes all, but are not limited to, the following specific items:-

- a) All costs, without exception, required to produce and deliver the specified electric energy, including but not limited to the capital cost, all fixed and variable O&M costs, fuel costs, debt servicing charges and return on investment, taking into consideration brand new machines, optimum loading capacity, efficiency at one hundred percent loading and Net Electrical Output for the term of the project.
- b) Explanation of components of the Tariff provided in Schedule I of the PPA.
- c) For the purpose of evaluation and calculation of Reference Levelized Tariff, the components which are to be adjusted for inflation, currency, exchange rate or fuel price shall remain in constant or real terms.
- d) The terms and conditions of Project Agreements provided in the RFP.
- e) Financial Data in support of Bid, Section D, Proforma XVI provided by Bidder in the Bid.
- f) Reference Exchange Rate, as described in Section A, Article 5.3 of the RFP.
- g) Reference Local Index, as described in Section A, Article 5.3 of the RFP.
- h) Reference Fuel Price, as described in Section A, Article 5.3 of the RFP.
- i) All applicable taxes, fees, and customs duties applicable at the time of bid submission.

(Each Bidder shall complete the following tables. No changes in format of tables shall be made by any Bidder; however, any additional supporting information may be provided wherever required.)

Proforma XV

Project Cost Summary

Sr. No.	Description	Project Cost		Total Project Cost in Equivalent US\$	
		Local Currency Component (Million Rs.)	Foreign Currency Component		
			Currency		Amount in Million US\$
1	EPC Cost				
2	Custom Duty @ 5% of Equipment Cost not manufactured in Pakistan				
3	Non-EPC Cost				
4	Other Costs (a) (b) (c) (d)				
5	Interest During Construction *				
	Total Project Cost				

* Detailed calculations must be provided.

Proforma XVI

Financial Data in Support of Bid

1. Financing Plan

The Bidder shall be responsible to arrange financing for the Project. Agreements required to secure financing for the Project will be entered into between the Bidder and institutions providing the financing for the Project, and shall be based on the financial plan presented by the Bidder in its Bid. Any subsequent changes to the financial plan after finalization of the Project Agreements, will require the approval of PPIB. No tariff changes will be allowed on the basis of changes in the financing plan. The financing plan provided by the Bidder will describe the sources of funds for both debt and equity, and the terms of financing for debt as applicable. The Bidder will provide details on the financing sources as outlined in Table F-1 here below. Financing should be in an amount sufficient to cover all estimated costs of the Project.

(Use Bid Exchange Rate for the purposes of calculation.)

Table – F-1 Sources Of Funds					
Sources	Foreign Currency	+	Local Currency	=	Equivalent Total
	(million USD equivalent)		(million Rs)		(million Rs)
1 Total Project Costs					
2 Equity • Bidder					
Total Equity:					
3 Debt Financing • (Lender) Name: _____ • (Lender) Name: _____ • (Lender) Name: _____					
Total Debt:					
4 Stand-by Credit Facility (in addition to total Project cost)					

(Note: Bidder shall add or modify the titles or heads as required)

RFP for 1000 MW Fast Track IPP Projects through ICB

2. Summary of Terms and Conditions of Debt Financing

(The Bidder shall provide a summary of the terms and conditions of the debt financing in Table F-2 herebelow, consistent with the detailed terms stated (to be appended elsewhere). Use Bid Exchange Rate for the purposes of calculation.)

Table F-2: Summary of Terms and Conditions of Debt Financing				
	[Lender]	[Lender]	[Lender]	[Lender]
Amount (in Million Rs)				
Amount (in US \$)				
Currency of Loan				
Repayment Period				
Final Maturity (Years from COD)				
Grace Period (Years from)				
Principal Repayment Frequency (Months)				
Interest Rate (%)				
Upfront Fees (%)				
Commitment/Drawdown Fees (%)				
[Other Fees (%)]				

(Bidder to add columns, as necessary)

RFP for 1000 MW Fast Track IPP Projects through ICB

3. Debt Servicing Schedule (Foreign Currency Loan)

Note: In case the loans are proposed in more than one foreign currency, a separate Debt Servicing Schedule in each currency should be provided.

Period	Foreign Debt				
	Principal (Million \$)	Principal Repayment (Million \$)	Interest/ Mark-up (Million \$)	Balance Principal (Million \$)	Total Debt Servicing (Million \$)
Q1					
Q2					
Q3					
Q4					
Total of 1st Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 2nd Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 3rd Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 4th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 5th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 6th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 7th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total 8th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 9th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 10th Year					

RFP for 1000 MW Fast Track IPP Projects through ICB

(Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 11th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 12th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 13th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 14th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total 15th Year (Sum of Q1 to Q4)					
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
Q1					
Q2					
Q3					
Q4					
Total of Nth Year (Sum of Q1 to Q4)					
Total of 1 to Nth Year					

4. Debt Servicing Schedule (Local Currency Loan)

Period	Local Debt				
	Principal (Million PKR)	Principal Repayment (Million PKR)	Interest/ Mark-up (Million PKR)	Balance Principal (Million PKR)	Total Debt Servicing (Million PKR)
Q1					
Q2					
Q3					
Q4					
Total of 1st Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 2nd Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 3rd Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 4th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 5th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 6th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 7th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total 8th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 9th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 10th Year (Sum of Q1 to Q4)					
Q1					

RFP for 1000 MW Fast Track IPP Projects through ICB

Q2					
Q3					
Q4					
Total of 11th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 12th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 13th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total of 14th Year (Sum of Q1 to Q4)					
Q1					
Q2					
Q3					
Q4					
Total 15th Year (Sum of Q1 to Q4)					
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
"	"	"	"	"	"
Q1					
Q2					
Q3					
Q4					
Total of Nth Year (Sum of Q1 to Q4)					
Total of 1 to Nth Year					

Proforma XVII

**Reference Tariff Table for Open Cycle Operation on RFO
for Maximum Initial Period of Twelve (12) Months
(If applicable)**

Year	Energy Purchase Price - EPP (Rs./kWh)				Capacity Purchase Price - CPP (Rs./kW/Hour)							Capacity Charge at 60% PF	Total Tariff		
	Fuel	Variable O&M (Foreign)	Variable O&M (Local)	Total	Fixed O&M (Foreign)	Fixed O&M (Local)	Cost of Working Capital	Insurance	ROE*	Withholding Tax @ 7.5%	Total	Rs. Per kWh	Rs. Per kWh	US ¢ per kWh	
1															

* ROE Component during Open Cycle Operation of the Plant shall not be more than 50% of the ROE Component payable after COD.

Proforma XVIII

**Reference Tariff Table for Open Cycle Operation on Gas
for Maximum Initial Period of Twelve (12) Months
(If applicable)**

Year	Energy Purchase Price - EPP (Rs./kWh)				Capacity Purchase Price - CPP (Rs./kW/Hour)								Capacity Charge at 60% PF	Total Tariff	
	Fuel	Variable O&M (Foreign)	Variable O&M (Local)	Total	Fixed O&M (Foreign)	Fixed O&M (Local)	Cost of Working Capital	Insurance	ROE*	Withholding Tax @ 7.5%	Total	Rs. Per kWh	Rs. Per kWh	US ¢ per kWh	
1															

* ROE Component during Open Cycle Operation of the Plant shall not be more than 50% of the ROE Component payable after COD.

RFP for 1000 MW Fast Track IPP Projects through ICB

Proforma XIX

Reference Tariff Table Upon COD for Operation on RFO (If Applicable)

Year	Energy Purchase Price - EPP (Rs./kWh)				Capacity Purchase Price - CPP (Rs./kW/Hour)									Capacity Charge at 60% PF	Total Tariff	
	Fuel	Variable O&M (Foreign)	Variable O&M (Local)	Total	Fixed O&M (Foreign)	Fixed O&M (Local)	Cost of Working Capital	Insurance	ROE	Withholding Tax @ 7.5%	Loan Re-payment	Interest Charges	Total	Rs. Per kWh	Rs. Per kWh	US ¢ per kWh
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
24																
25																
Average Tariff																
1-10 Years																
11-20 Years																
21-25 Years																
1-25 Years																
Levelized Tariff																
1-25 Years																

RFP for 1000 MW Fast Track IPP Projects through ICB

Proforma XX

Reference Tariff Table Upon COD for Operation on Gas (If Applicable)

Year	Energy Purchase Price - EPP (Rs./kWh)				Capacity Purchase Price - CPP (Rs./kW/Hour)									Capacity Charge at 60% PF	Total Tariff	
	Fuel	Variable O&M (Foreign)	Variable O&M (Local)	Total	Fixed O&M (Foreign)	Fixed O&M (Local)	Cost of Working Capital	Insurance	ROE	Withholding Tax @ 7.5%	Loan Re-payment	Interest Charges	Total	Rs. Per kWh	Rs. Per kWh	US ¢ per kWh
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
11																
12																
13																
14																
15																
16																
17																
18																
19																
20																
21																
22																
23																
24																
25																
Average Tariff																
1-10 Years																
11-20 Years																
21-25 Years																
1-25 Years																
Levelized Tariff																
1-25 Years																

Section E

Exhibits

- **Map of Pakistan – Exhibit I**
- **Responsiveness Test – Exhibit II**
- **LOS – Exhibit III**
- **PG for LOS – Exhibit IV**
- **IA – Exhibit V**
- **PPA – Exhibit VI**

Exhibit I

Map of Pakistan



Exhibit II

RESPONSIVENESS TEST

This Responsive Test is the procedure to determine responsiveness of Bids pursuant to Section A, Article 3.3 and will be utilized by the PPIB for that purpose. For a Bid to be a Responsive Bid, the answers to all the questions in the following table should be **YES**:

S. No.	Responsiveness Measure	Yes	No	Remarks
1.0	Has Bidder submitted a complete Bid as evidenced by submission of the following complete documents?	_____	_____	_____
1.1	Original Copies of Envelope I and Envelope II as per Section B of RFP	_____	_____	_____
1.2	Five photocopies of Envelope I and Envelope II	_____	_____	_____
1.3	Bid Letter (Section C, Proforma I)	_____	_____	_____
1.4	Bid Bond (Section C, Proforma III)	_____	_____	_____
1.5	Bid Processing Fee of US\$ 20,000	_____	_____	_____
1.6	Bidders Information (Section C, Proforma IV)	_____	_____	_____
1.7	Financier Information (Section C, Proforma V)	_____	_____	_____
1.8	Power Project Experience Information (Section C, Proforma VI)	_____	_____	_____
1.9	Consortium Agreement (applicable only in case of consortium) - (Section C, Proforma VII)	_____	_____	_____
1.10	Legal Opinion about validity of Consortium Agreement (applicable in case Consortium and governed by non-Pakistani Law)	-----	-----	-----
1.11	Power(s) of Attorney (Section C, as per Proforma VIII)	-----	-----	-----
		_____	_____	_____

RFP for 1000 MW Fast Track IPP Projects through ICB

1.12	Affidavit for Non-Default and Commitment for Equity and Minimum Technical Commitment (Section C, Proforma IX)	_____	_____	_____
1.13	Technical Data and Commitment (Section C, Proforma X)	_____	_____	_____
1.14	Bidder's Proposed Project Schedule (Section C, Proforma XI)	_____	_____	_____
1.15	Gas Commitment Letter, if applicable (Section C, Proforma XII)	_____	_____	_____
1.16	Is the signed and stamped Integrity Pact in the form provided in Section 18.13 of the IA, submitted in the Bid. (Section C, Proforma XIII)	_____	_____	_____
2.0	Is the Bid Valid up to 120 days after the Deadline for Receipt of Bid	_____	_____	_____
3.0	Bidder satisfies the following criteria:			
3.1	Bidder has purchased the RFP from PPIB			
3.2	The Lead Bidder has been identified in the Bid (applicable only if Bidder is a Consortium)	_____	_____	_____
3.3	The Lead Bidder has committed to at least 20% of equity from the LOS to sixth anniversary of COD (applicable in case of Consortium)	_____	_____	_____
3.4	The Bidder, or all constituent members collectively in case of a Consortium has committed to at least 51% of equity from the LOS to sixth anniversary of COD.	_____	_____	_____
3.5	The Bidder has submitted an unconditional Bid	_____	_____	_____
4.0	Is the Bid Bond acceptable?	_____	_____	_____
4.1	Is the issuing bank acceptable to PPIB?	_____	_____	_____

RFP for 1000 MW Fast Track IPP Projects through ICB

4.2	Is the form not materially different from Section C, Proforma III of the RFP?	_____	_____	_____
4.3	Is the amount in accordance with the RFP?	_____	_____	_____
4.4	Is the validity date in accordance with the RFP (not less than 60 Days in excess of Bid Validity Period)?	_____	_____	_____
5.0	Has technical data been submitted as per Section C Proforma X of the RFP.	_____	_____	_____
6.0	Is the Financial Strength of the Bidder in accordance with the RFP requirements.	_____	_____	_____
7.0	Is the Power Project Experience of the Bidder in accordance with the RFP requirements.	_____	_____	_____

Exhibit III

LOS

**PRIVATE POWER & INFRASTRUCTURE BOARD
MINISTRY OF WATER AND POWER
GOVERNMENT OF PAKISTAN**

[Name and address of the
Main Sponsor/Project Company]

Subject: LETTER OF SUPPORT TO [M/s. _____] (The “PROJECT COMPANY”) FOR THE ESTABLISHMENT OF A POWER PLANT WITH GROSS CAPACITY OF [---] MW (AT ISO CONDITIONS) TO BE LOCATED AT [---], PROVINCE OF [---], PAKISTAN

Dear Sir,

A. REFERENCE

1. **WHEREAS:**

- (i) the Government of Pakistan (GOP), through the Private Power and Infrastructure Board (PPIB), Ministry of Water & Power, Islamic Republic of Pakistan, on [---] 2008 issued a “**Request for Proposals**” (hereinafter referred to as “**RFP**”) to bidders;
- (ii) the successful bidder submitted a bid dated [---] 2008 (hereinafter referred to as the “**Bid**”) to PPIB in response to the RFP for the development of [] MW [] power plant at [location] in [Province], Pakistan on Build, Own and Operate (BOO) basis and to implement all activities incidental thereto (hereinafter referred to as the “**Project**”) which Bid was accepted by PPIB on [---] 2008;
- (iii) the successful bidder (hereinafter referred to as the “**Sponsor**”) has incorporated and registered [name of the Project Company] with registered office at [address of the Project Company];
- (iv) the Sponsor has received tariff approval No. [---] dated [---] from National Electric Power Regulatory Authority (“**NEPRA**”) under the Regulation of Generation, Transmission & Distribution of Electric Power Act, 1997 on the terms and

RFP for 1000 MW Fast Track IPP Projects through ICB

conditions set out therein as amended from time to time (hereinafter referred to as the “**Tariff Approval**”);

- (v) having applied to NEPRA for the issuance of a generation license to the Project Company for the generation of electrical power on the terms and conditions set out therein;
- (vi) having paid a non-refundable Processing Fee of eighty thousands US Dollars (US\$80,000/-) in favor of PPIB; and
- (vii) having delivered an irrevocable, unconditional, on demand bank guarantee, on terms acceptable to PPIB, dated [---] 2008 issued by (name of issuing bank) in the amount of [words] [figures US\$ 5,000 x the gross ISO capacity of the Complex] (hereinafter referred to as the “**Performance Guarantee**”) in favor of PPIB;

NOW THEREFORE the Project Company is now being issued this LOS, on the terms and conditions set out herein, by the Managing Director, Private Power & Infrastructure Board, Ministry of Water & Power, Government of Pakistan on behalf of the President of the Islamic Republic of Pakistan.

2. The Performance Guarantee shall secure the Sponsor(s) and the Project Company’s obligation to (i) cause the execution of the Implementation Agreement (IA) and the Power Purchase Agreement (PPA) (together the Project Agreements) (ii) achieve Financial Closing (as defined hereunder) no later than [] from the issuance date of this LOS under and in accordance with the terms of this LOS and (iii) achieve the open cycle operations no later than [] (“Open Cycle Operations Date”) and (iv) achieve the commercial operations date no later than the [] (“**Commercial Operations Date**”) under and in accordance with the terms of this LOS.
3. The Project Company shall negotiate and sign within reasonable time before the Financial Closing Date, an IA with the President of the Islamic Republic of Pakistan and a PPA with the Power Purchaser, substantially in the form of standardized drafts of the IA and PPA issued by PPIB in the RFP. Failure to cause the execution of these Project Agreements by the required date, shall entitle the PPIB to encash the Performance Guarantee in full without any notice to or demand on either the Main Sponsor or the Project Company.
4. The Project Company shall achieve Financial Closing no later than the [date] (“**Financial Closing Date**”) failing which PPIB shall be entitled to encash the Performance Guarantee in the full amount thereof without any notice to or demand on the Main Sponsor or the Project Company.
5. For the purposes of this LOS, “**Financial Closing**” means (a) the execution and delivery of the financing documents that together with equity commitments evidence sufficient financing for the construction, testing, completion and Commissioning (as defined in the PPA) of the Complex (as defined hereinafter) (following the resolution of any objections raised by PPIB to a term sheet or debt repayment schedule that sets out a principal repayment schedule and the other principal terms of the transaction between the Project Company and the lenders) and evidence of commitments for such equity as is required by the Project Company to satisfy the requirements of the lenders and this LOS and the

RFP for 1000 MW Fast Track IPP Projects through ICB

satisfaction of all conditions precedent for the initial availability of funds under the financing documents and (b) the delivery of the Company Letter of Credit (as defined in the PPA) to the Power Purchaser. In no event shall Financial Closing be deemed to have occurred unless the Main Sponsor and/or the Project Company have paid all amounts then due and owing to PPIB under this LOS.

6. The Complex shall be Commissioned (as defined in the PPA) and achieve the Commercial Operations Date, failing which the Performance Guarantee may be encashed on a pro rata basis over a period of ninety (90) days depending upon the extent of the actual delay in achieving the Commercial Operations Date without any notice to or demand upon the Main Sponsor or the Project Company by PPIB, provided, that if the Company is liable to pay any amounts for delay, default or failure to achieve the Open Cycle Operations Date or the Commercial Operations Date, the PPIB shall be entitled to draw such amounts or encash the Performance Guarantee under and in accordance with the terms of the LOS and the Performance Guarantee. The Company at all times shall maintain the Performance Guarantee in an amount not less than the amount stated in Para A.1 (vii) hereinabove until the required Commercial Operations Date. The Performance Guarantee shall be expressed to continue until the end of the period of required Commercial Operations Date and the Company shall provide a replacement or substitute Performance Guarantee in order to make up for the amounts drawn or encashed through the original Performance Guarantee by the PPIB.
7. The Performance Guarantee shall remain valid and in full force until the [] and shall be encashable by PPIB in accordance with this Paragraph A on demand at any time following the dates specified above and during the period of its validity. If the Performance Guarantee is due to expire within ten (10) days and it is required to be maintained by the Project Company the PPIB shall be entitled to encash the Performance Guarantee in full and hold such cash as security for the obligations of the Sponsor(s) and the Project Company hereunder. The Sponsor(s) and the Project Company hereby irrevocably and unconditionally agree that in the event of any determination by a court of competent jurisdiction that the Performance Guarantee has been encashed by the PPIB when no encashment is permitted hereunder, the Sponsor(s) and the Project Company's sole and exclusive remedy shall be the return of the proceeds of such encashment and the Sponsor(s) and the Project Company shall have no other claim against the Government of Pakistan ("GOP"), the PPIB or any agency or instrumentality or component thereof on any grounds whatsoever for any act or omission of the GOP or the PPIB hereunder or in relation hereto and the Sponsor(s) and the Project Company hereby waive, to the fullest extent permissible by law, any such claim. Until Financial Closing, the LOS and the provisions of the Project Agreements which have become effective upon signing and execution of the Project Agreements, shall govern the project and supersede all understandings, documents and agreements. In the event of any conflict between this LOS and the provisions of the Project Agreements which have become effective upon signing, this LOS shall govern and prevail. After Financial Closing, the Project Agreements shall supersede the LOS provided however that until the Commercial Operations Date, the LOS shall exclusively govern the rights and obligations of the Parties in relation to Performance Guarantee.

B. AUTHORIZATION

RFP for 1000 MW Fast Track IPP Projects through ICB

The President of the Islamic Republic of Pakistan hereby conveys his permission to the Project Company for the development, design, engineering, procurement, financing, construction, completion, testing, Commissioning, insurance, ownership, operation and maintenance of an approximately [---] MW Project (gross ISO) power generation facility (the “**Complex**”) to be located near [---], Province of [---] using [---] as the fuel and to implement all activities incidental to the Project in accordance with the terms of this LOS and with the provisions of the Project Agreements which have become effective. Electricity produced through the Complex shall be sold to the Power Purchaser in accordance with the Tariff Approval and the provisions of a PPA to be entered into between the Project Company and the Power Purchaser.

C. FUEL SUPPLY AGREEMENTS

The Sponsor(s) and the Project Company shall also diligently pursue, negotiate, finalize and execute a [---] with competent fuel suppliers.

D. EQUITY CONTRIBUTION

Sponsors [*or if there is one Sponsor, that Sponsor*] shall [together] hold not less than fifty one percent (51%) of the equity in the Project Company from the date of issuance of this LOS until the sixth (6th) anniversary of the successful Commissioning of the Complex. [Messrs/Mr _____] (referred to as the “**Main Sponsor**” in the LOS) shall be required to hold at least twenty percent (20%) of the equity in the Project Company from the date of issuance of this LOS until the sixth (6th) anniversary of the successful Commissioning of the Complex.

E. TERMINATION OF THE LETTER OF SUPPORT

In the event of termination of this LOS, which shall be done through a written notice by PPIB to the [*Main Sponsor/Project Company*] , the Project Agreements as well as the Project will automatically terminate. Neither the Sponsors nor the Project Company shall have any claim against the GOP or any of its components/organizations/ provinces/ institutions on any ground(s) whatsoever arising from the expiration or termination of this letter as aforesaid.

F. GENERAL

1. This LOS shall become effective on the date of its issuance by the PPIB.
2. Capitalized terms shall bear the meanings ascribed to them in the pertinent paragraphs herein.
3. Other than where the context determines otherwise, the singular includes the plural and vice versa.
4. The obligations of the Sponsors and the Project Company under this LOS shall be joint and several.
5. Any notice or communication by or to the Main Sponsor or the Project Company under this LOS shall be deemed a notice or communication to or by all the Sponsors and the Project Company.

RFP for 1000 MW Fast Track IPP Projects through ICB

6. The Main Sponsor and the Project Company represent and warrant to PPIB that they are duly authorised to accept, agree and enter into this LOS and deliver and perform the same in accordance with its terms on behalf of the Main Sponsor, the other Sponsors as well as the Project Company.

7. This LOS shall be governed by and construed in accordance with the laws of Pakistan and the Courts of Pakistan shall have exclusive jurisdiction in relation to any dispute or matter arising out of or in connection herewith.

Kindly sign the attached copy of this LOS at the place indicated and return the same to us no later than [insert date].

With regards,

Yours sincerely,

Managing Director
Private Power and Infrastructure Board
Government of Pakistan
For and on behalf of the President of the Islamic
Republic of Pakistan

Received, Agreed and Accepted by

Name _____

Title: _____

On behalf of the Sponsors and the Project Company

[Insert Date]

Cc: CEO, NTDC.

Exhibit IV

Performance Guarantee

[ON PAKISTAN STAMP PAPER: MANDATORY]
PERFORMANCE GUARANTEE³

To: Managing Director
Private Power & Infrastructure Board
Ministry of Water & Power
Government of Pakistan
50 Nazimuddin Road
F-7/4, Islamabad
On behalf of the President of the
Islamic Republic of Pakistan

Date of the Performance Guarantee: [---]⁴

Amount of this Performance Guarantee⁵: US\$ [---] (United States Dollars ---)⁶

Validity upto: [---]⁷

THIS PERFORMANCE GUARANTEE is executed at [---place---] on this [---] day of [---month---] [---year---] by:

[---Name of the issuing Bank---] having its registered office at [---] (hereinafter referred to as the “Guarantor,” which expression shall mean and include its successors, administrators and legal representatives, whether jointly or severally);

³ The Performance Guarantee should be issued by a reputable bank acceptable to the Government of Pakistan (GOP), with a credit rating of ‘A’ or higher.

⁴ Dates and figures should also be mentioned in words.

⁵ The Project Company will be required to post a Performance Guarantee of five thousand United States Dollars (US\$ 5,000) per MW **gross ISO** in favor of PPIB.

⁶ Amount must be only in US\$.

⁷ The Performance Guarantee must be valid till four (4) months beyond the required Commercial Operations Date.

RFP for 1000 MW Fast Track IPP Projects through ICB

On the request and on behalf of [Name of the Company] (hereinafter referred to as the “Project Company,” which expression shall mean and include its successors, executors, administrators and legal representatives, whether jointly or severally);

In favour of the President of the Islamic Republic of Pakistan represented by the Managing Director, Private Power & Infrastructure Board (PPIB), Ministry of Water & Power, Government of Pakistan, Islamabad (hereinafter referred to as the “Beneficiary,” which expression shall mean and include its successors, administrators and legal representatives, whether jointly or severally).

WHEREAS:

As required by the Beneficiary, prior to the issuance of the Letter of Support (the “LOS”) to the Project Company and in consideration thereof, the Guarantor, at the request and on behalf of the Sponsors and the Project Company, hereby furnishes this irrevocable, unconditional, without recourse, on demand bank guarantee (hereinafter referred to as the “Performance Guarantee”) in favour of the Beneficiary to secure the performance of the Sponsors’ and Project Company’s obligations under and in accordance with the LOS to: (i) cause the execution of the Implementation Agreement (IA) and the Power Purchase Agreement (PPA) (together the “Project Agreements”); (ii) achieve Financial Closing under and in accordance with the terms of the LOS; and (iii) achieve the commercial operations date on open cycle mode no later than the [] (“Open Cycle Commercial Operations Date”) under and in accordance with the terms of the LOS and (iv) achieve the commercial operations date on combined cycle mode no later than the [] (“Combined Cycle Commercial Operations Date”) under and in accordance with the terms of the LOS.

NOW THEREFORE, this Performance Guarantee witnesseth as under:-

1. In the event that the Sponsors or the Project Company default in, delay, or fail to either (a) cause the execution of the Project Agreements; or (b) achieve Financial Closing under and in accordance with the terms of the LOS; or (c) achieve the Commercial Operations Date under and in accordance with the terms of the LOS, all of which events the Beneficiary shall be the sole arbiter, the Guarantor shall, on the Beneficiary’s first written demand, pay to the Beneficiary by any method of payment acceptable to the Beneficiary, the entire sum of, or any portion demanded by it of the sum of, [---amount of this Performance Guarantee in words---] (US\$ ---). Such first written demand of the Beneficiary shall only state that the Sponsors or the Project Company has defaulted in, or delayed, or failed to either (a) cause the execution of the Project Agreements; or (b) achieve Financial Closing under and in accordance with the terms of the LOS; or (c) achieve the commercial operations date on open cycle mode no later than the [] (“Open Cycle Commercial Operations Date”) or (d) achieve the commercial operations date on combined cycle mode no later than the [] (“Combined Cycle Commercial Operations Date”) under and in accordance with the terms of the LOS. The decision of the Beneficiary as to the Sponsors’ or the Project Company’s default, delay, or failure in the performance listed in clauses (a) to (d) above shall be final and unquestionable.
2. The Guarantor hereby binds itself unconditionally and irrevocably, and undertakes and guarantees to pay, as the primary obligor and not merely as surety, on first

RFP for 1000 MW Fast Track IPP Projects through ICB

written demand by the Beneficiary, without protest or demur and without reference, notice or recourse to either the Sponsors or the Project Company, or any other person. The Guarantor hereby expressly waives all rights to deny its obligation under this Performance Guarantee to the Beneficiary irrespective of any dispute, difference, or disagreement between either the Sponsors and the Beneficiary or the Project Company and the Beneficiary, or contestation by any other party or person.

3. At any time during the validity of this Performance Guarantee, the Beneficiary may, at its sole discretion and decision, demand payment of the entire sum of [---amount of this Performance Guarantee in words---] (US\$--) or any portion thereof from the Guarantor. The decision of the Beneficiary as to the Sponsors' or the Project Company's default, delay, or failure to either (a) cause the execution of the Project Agreements; or (b) achieve Financial Closing under and in accordance with the terms of the LOS; or (c) achieve the Open Cycle Commercial Operations Date under and in accordance with the terms of the LOS or (d) achieve the Combined Cycle Commercial Operations Date under and in accordance with the terms of the LOS, shall be final and binding on the Guarantor, and shall not be questioned by the Guarantor in any manner whatsoever.
4. This Performance Guarantee shall remain in full force and be effective for a period of up to [---validity of this Performance Guarantee---], and the Guarantor's obligation under this Performance Guarantee shall be for the payment of the sum of [---amount of this Performance Guarantee in words---] (US\$ ---) or part thereof, as may be demanded by the Beneficiary from time to time.
5. The Beneficiary may, if and when and in such manner as the Beneficiary in its sole discretion deems appropriate, grant time or other indulgence to, or accept or make any composition or arrangement with the Sponsors or the Project Company and/or vary, renew, discharge, realize, release, enforce or deal with any other securities, guarantees, obligations, decrees, contracts or agreements, now or hereafter made or held by the Beneficiary, and such acts shall not affect in any way whatsoever the Beneficiary's rights under this Performance Guarantee and shall not affect in any way whatsoever the Guarantor's liability hereunder or discharge the Guarantor from its obligations under this Performance Guarantee.
6. The Guarantor's obligations as set out in this Performance Guarantee shall be continuing obligations and shall not be modified or impaired upon the happening, from time to time, without the Guarantor's assent or otherwise, of any act or omission, or any circumstances or events which would otherwise discharge, impact or otherwise affect any of the Guarantor's obligations contained in this Performance Guarantee.
7. Demands under this Performance Guarantee may be made at any time and from time to time in accordance with its terms.
8. No delay or failure to exercise any right or remedy under this Performance Guarantee by the Beneficiary shall constitute a waiver of such right or remedy. No single or partial exercise of any right or remedy shall preclude any other or further exercise thereof or of any other right or remedy. No waiver by the Beneficiary shall be valid unless made in writing.
9. No set-off, counterclaim, reduction, or diminution of any obligation that the Guarantor has or may have against the Beneficiary shall be available to it against the Beneficiary in connection

RFP for 1000 MW Fast Track IPP Projects through ICB

with any of its obligations to the Beneficiary under this Performance Guarantee. The Guarantor shall make all payments under this Performance Guarantee in US Dollars and in full, without set-off or counterclaims and free and clear of any deductions or withholdings, in immediately available, freely transferable, cleared funds for value on the due date to the Beneficiary, provided that if the Guarantor is required to make any deduction or withholding from such payments under applicable law, it shall pay to the Beneficiary such additional amount necessary to ensure that the Beneficiary receives an amount equal to the amount which it would have received had no such deduction or withholding been made.

10. The Guarantor hereby declares and confirms that under its constitution and applicable laws and regulations, it has the necessary power and authority and all necessary authorizations, approvals and consents thereunder to enter into, execute, deliver and perform the obligations it has undertaken under this Performance Guarantee, which obligations are valid and legally binding on and enforceable against the Guarantor under the laws of Pakistan. Further, that the signatory(ies) to this Performance Guarantee are the Guarantor's duly authorized officers.
11. This Performance Guarantee shall be governed by the laws of Pakistan and shall come into full force and effect on the date of its issuance by the Guarantor. The LOS shall exclusively govern the rights and obligations of the Parties in relation to the Performance Guarantee until the Commercial Operations Date.
12. The Guarantor's maximum liability under this Performance Guarantee is limited to the sum of [---amount of this Performance Guarantee in words---] (US\$ ---), only. This Performance Guarantee shall expire at the official closing of the counters of the Guarantor, [---name of the Branch---] [---city---], on the [---] day of [---month---] [---year---]. The Guarantor's obligation under this Performance Guarantee is limited to payment of claims lodged in writing and presented at the counters of the Guarantor, [---name of the Branch---] [---city---], on or before the expiry date, following which date, subject to any liability for claims presented on or before the expiry date, the Guarantor shall stand fully discharged and released from any and all obligations, claims and liabilities under this Performance Guarantee whether or not this Performance Guarantee is returned to the Guarantor.
13. This Performance Guarantee is the full and complete understanding between the Guarantor and the Beneficiary in relation to the matters contained herein. No reference to any agreement, document or instrument herein shall be construed or deemed to incorporate herein by reference such agreement, document or instrument or any of the terms or provisions thereof.
14. The Guarantor hereby agrees that the demand raised by the Beneficiary under this Performance Guarantee shall meet with due honor upon presentation.
15. Capitalised terms not otherwise defined herein shall bear the meaning ascribed to them in the LOS.

For and on behalf of the Guarantor:

*[To be signed by the authorized signatory(ies) of the Bank,
Dated and Stamped with the Bank's Stamp]*

*[Also to be witnessed by two adult male witnesses, specifying in each case, the full name,
National Identity Card # if any, and address]*

Exhibit V

Implementation Agreement

Exhibit VI

Power Purchase Agreement