MINISTRY OF ENERGY OF
THE REPUBLIC OF AZERBAIJAN

Request for Information

Wind Power Project

(in Kalbajar/Lachin Region)

with capacity

up to 100 MW*

*proposed capacity could be negotiated during the discussion of commercial model of the project.

Table of Contents

Attachments

1. Introduction

- The Ministry of Energy of the Republic of Azerbaijan (MoE) is administering this Request for Information (RFI) on behalf of the Government of Azerbaijan.
- The Ministry of Energy of the Republic of Azerbaijan (Azerbaijani: Azərbaycan Respublikasının Energetika Nazirliyi) is a governmental organisation in charge of implementation of state policy and regulation in the energy sector of Azerbaijan Republic.
- The project is supposed to be implemented as independent power producer (IPP), so that the investor shall build, own and operate the plant, whereas the Government is committed to purchase the generated power for the determined period in power purchase agreement (PPA).

2. Purpose and Scope

MoE is requesting Statement of Interest (SOI) which will result in identification and shortlisting of potential bidders for the project about the construction of wind power plant with the installed capacity up to 100 MW.

This inquiry is not a commitment to purchase and shall not bind MoE or any affiliates of the MoE in any manner. MoE in its sole discretion will determine with which Bidder(s), if any, it wishes to engage during RFP stage that may lead to a binding contract.

3. Project

3.1. Project – This RFI seeks to identify potential bidders to be invited to the RFP stage of this project about the construction of wind power plant with an installed capacity up to 100 MW ("build-own-operate" basis (other models could be considered)).

3.2. Project site: WPP will be located in Kalbajar/Lachin district of the country.

Options (subject to negotiation for areas within the same two administrative units):

Option 1. Kalbajar (N39°58'57", E45°46'34") (map/kmz file are attached)

Option 2. Lachin (N39°47'8", E46°7'46") (map/kmz file are attached)

3.3. Expected Commercial Operation Date: WPP is expected to achieve commercial operation by December 31, 2023 (initial plan of MOE,subject to further negotiation)

3.4. Term – The term of the Project shall be 20 years.

3.5. Delivery Point

3.5.1. Wind Power Plant shall be located within the allocated areas and

interconnected to a transmission facility of Azenerji OJSC.

3.5.2. The interconnection point with the Azerenerji OJSC transmission system will be the Point of Delivery.

3.5.3. Bidders are responsible for following the established policies and procedures that are in effect regarding facility interconnection with Azerenerji OJSC transmission system.

3.6. Agreements

Below agreements, among others as could be deemed necessary, are to be signed with the successful bidder:

- Investment Agreement
- Power Purchase Agreement
- Transmission Connection Agreement
- Land Lease Agreement

3.7. Energy tariffs and incentives mechanism

According to the Tariff Council Decision №17 dated 28.11.2016, the tariff of 0.055 AZN per KWh (including VAT) is applied to the wind power producers. This price will be used as Price Ceiling (Cap).

A company will be entitled to apply for an Investment Promotion Certificate which provides various tax rebates and concessions for a grace period of 7 years (The Regulation on the issuance of the "Investment Promotion Certificate" was approved alongside with the Decree of the President of the Republic of Azerbaijan of 18 January 2016 "On additional measures to encourage investments.")

- Corporate Profit Tax - 50% exemption for 7 years commencing on the date of issuance of the Investment Promotion Certificate
- Custom duties - Full exemption from customs and duties on import of equipment for 7 years commencing on the date of issuance of the Investment Promotion Certificate
- VAT - Full exemption of VAT on import of equipment for 7 years period commencing on the date of issuance of the Investment Promotion Certificate
- Land tax- Full exemption for 7 years commencing on the date of issuance of the Investment Promotion Certificate
- Property tax - Full exemption for 7 years commencing on the date of issuance of the Investment Promotion Certificate

Other incentives will be considered during the negotiations about the project specific commercial model of the Company.

4. Workshop

The Ministry of Energy will be arranging workshops (online) for potential bidders starting from July 2021. During the workshops, Ministry team will provide further information about the project and answer to the questions of potential bidders. In this regard, bidders are requested to register to the workshop via a contact person provided in Section 5.

5. Submission

Bidder shall complete relevant attachments and submit together with other required documents: One hard copy and one electronic copy on CD of the SOI shall be submitted to:

Ministry of Energy of the Republic of Azerbaijan
Uzeyir Hajibayli str.84, Government House
AZ 1000 Baku, Republic of Azerbaijan

All correspondence and questions regarding this RFI should be directed to:

Contact Person: Mr. Jabrayil Aliyev (jabrayil.aliyev@area.gov.az, +994707100890)

6. Evaluation

6.1. MoE reserves the right to solicit additional proposals, to modify the RFI or request further information, as necessary, to complete its evaluation of the proposals received.

6.2. Short-List:

6.2.1. MOE will identify two or more Short-Listed Bidders ("Short-List") for further discussions and the RFP stage.

6.2.2. Bidders not selected to the the Short-List will be notified accordingly.

6.3. Next stage (RFP): Through further discussions and negotiations with the Short-listed Bidder(s), MOE may consider to start the RFP stage immediately subject to several approval procedures.

7. Confidentiality

7.1. MoE will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all SOIs submitted. Bidders should clearly identify each page of information considered to be confidential or proprietary.

7.2. Regardless of the confidentiality, all such information may be subject to review by the appropriate state authority, or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. Under such circumstances, MoE will make all reasonable efforts to protect Bidder's confidential information.

Attachment A

Project

Note that completion of ALL information is required

Company Information

Bidder (Company):	
Contact Name and title:	
Address:	
Work Phone:	Cell Phone:
Email Address:	

Project Information

Estimated Commercial Operation Date: if it is different from the date proposed by MOE
Estimated capacity (MW) (initial proposal):

Attachment B

Bidder's Information

Full Legal Name of the Bidder:
Type of Organization (Corporation, Partnership, etc.):
Full Legal Name(s) of Parent Corporation: 1. 2. 3.
Current Debt Rating (if any): 1. S&P: 2. Moody's:
Legal Proceedings (if any)

Attachment C

Bidder's experience

Further information about each project could be provided in addition to the proposal.

Project name	Year	Country	Capacity	Additional information

Attachment D

Bidder's financial statements

Bidders are required to provide the financial statements for the last 3 years as follows:

- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Cash Flows
- Statement of Changes in Equity

In addition to the statements above, Bidders are required to fill the table below and submit as a part of SOI.

Details	2018	2019	2020
Current Assets			
Cash and cash equivalents			
Fixed Assets			
Total Assets (b)			
Current Liabilities			
Long-term liabilities			
Total Liabilities (c)			
Shareholder's Equity			
Retained earnings			
Revenue			
EBIT			
Net profit			
Net cash increase for the period			

Attachment E

Form of Submission letter

[on company letterhead]

To: Ministry of Energy of the Republic of Azerbaijan

[Date]

Dear Sirs

Title:

[Name of company], acting as the legal representative of [Applicant], hereby certify, represent, warrant and agree, on behalf of [Applicant] that:

1. This Submission Letter, along with all documentation submitted herewith, forms our Statement of Interest ("SOI"), which is being submitted in response to the Request for Information ("RFI") dated [date] for participation in the [insert project name], issued by MOE.
2. We certify that: (i) the information submitted as part of this SOI is complete, accurate and true and does not omit any information which might make the information contained in the SOI misleading in any material respect and (ii) we accept the documents, terms and conditions set out in the SOI.
3. We fully understand the RFI, and acknowledge that Auctioneer is not obligated to accept our SOI and may at any time reject our SOI or cancel the prequalification process in their sole discretion.
4. We fully release and discharge MOE, their consultants, advisors and personnel, completely and unconditionally from any responsibility or liability for the decisions that may be made with respect to our SOI and that MOE, its consultants, advisors and personnel shall not be liable for any such actions and shall be under no obligation to inform any Applicant of the grounds for them.
5. We understand and accept that the MOE and any of its members shall not be liable to any Applicant for any omission, mistake, error, assumption, statement or information contained in this RFI and in any other written or oral communication transmitted to the Applicant or arising in any way from participating in the Auction process
6. We accept the right of the MOE to change the structure and timing of the Tender process, to amend the information contained in the RFI or to terminate the Auction process itself at any time and for any reason without incurring any liability in respect thereof.

7. MOE and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this SOI, and to seek clarification from our bankers and clients regarding any financial and technical aspects. This Letter will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and requested by you to verify statements and information provided in this SOI or with regard to the resources, experience and competence of the Applicant(s).

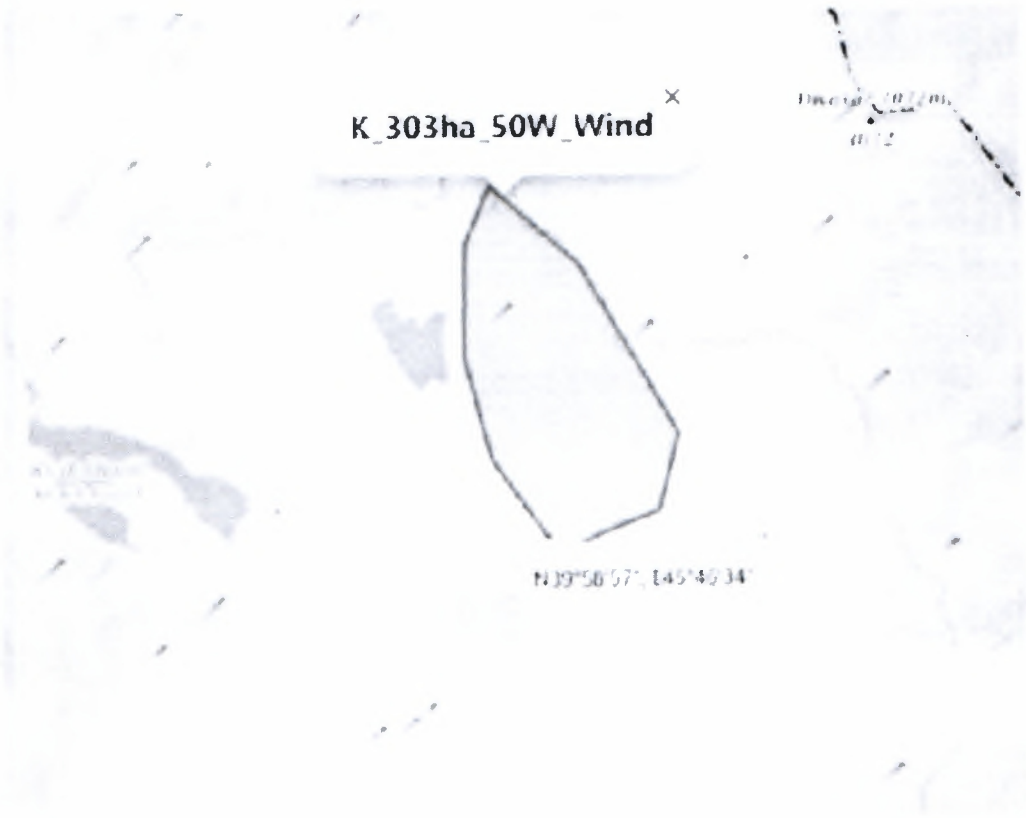
In [Location], on this [Date]

Signature: _____

Attachment F

Map

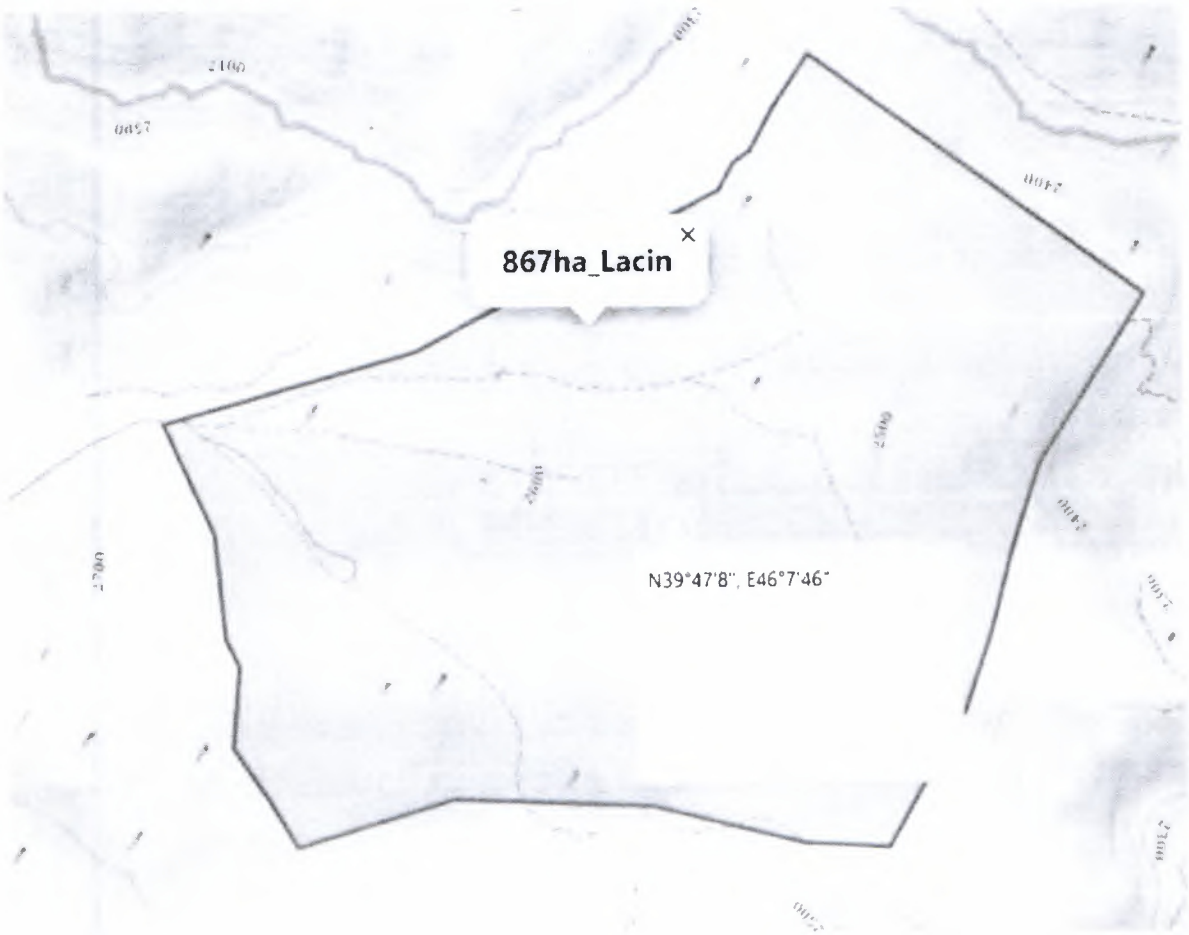
Option 1 (Kalbajar)



Attachment F

Map

Option 2 (Lachin)



Construction of Small HPPs on steel pipe along the initial 8 km section of Left Bank Tartarchay Main Canal

1. General Information

Left Bank Tartarchay Main Canal starts from the 52 + 25th picket of Right Bank Tartarchay Main Canal.

The first half of the Left Bank Tartarchay Main Canal works mainly in the execution mode, as it passes through a relief with a large slope. For this reason, it is planned to lay a steel pipe along the initial 8 km section of the canal and build 3 small HPPs with a total capacity of 20.7 MW.

The project is intended to be used as an independent power producer (IPG), in which case the investors build and operate the plant, and the Government guarantees the purchase of electricity generated for 20 years (can be reviewed on the basis of the investor's proposal).

The main selection criterion is the price of electricity offered by the investor.

2. Scope of Construction Services

The scope of work related to the construction of the new power plant includes hydro turbines (HT), generators and electrical systems, necessary technological systems, automation, protection and measurement systems, construction, ventilation and air conditioning (HVAC) and fire protection systems, comfort and sanitation design, household appliances, safety and lighting, on-site roads and appropriate storage areas to ensure the full functionality of small hydropower plants.

The project works shall also include complete design, engineering, permitting and licensing, materials and equipment procurement, construction and installation, transportation, importing of goods, quality assurance, start-up and commissioning, trial run and performance testing, training of personnel, documentation, and other necessary services for a fully operational small hydropower plants..

External communications (power supply, communication line, road, etc.) other than water supply (refrigeration, technical, sewage, etc.) are provided by the Customer, not included in the construction volume, and the Investor submits only internal proposals for the fence where the project work will be carried out.

3. Construction Location

The Left Bank Tartarchay Main Canal, which starts from the 52 + 25th picket of the Right Bank Tartarchay Main Canal, is selected to implement the project. The construction of small hydropower plants is planned on a steel pipe to be laid along the initial 8 km section of the Left Bank Tartarchay Main Canal. However, the relief of the project site, including the height of the area, the degree of inclination, tectonic condition, etc. should be investigated.

4. Parameters and Technical Concept

Pipe System Parameters

At the beginning of the Left Bank Tartarchay Main Canal, the water distribution system regulates the flow of water between the concrete-lined canal and the steel pipes. Water taken from the Canal is discharged from hydropower plants through 3 consecutive pipes with a total length of 8 km and later transferred to the Left Bank Tartarchay Main Canal.

The construction of the Canal is not included in the project parameters and is performed by the customer.

Additional connection points between the hydropower plants and the Canal can be discussed in later stages..

Parameters of HPPs:

The profile of the Left Coast Tartarchay Main Canal was studied and it was determined that it is possible to build 3 hydropower plants on it:

1st HPP estimated to have discharge rate of 20.0 m3/s, water head of 26.0 m, and pipe length of ~2.75 km. Maximum power for the HPP is estimated to be 4.59 MW.

2nd HPP estimated to have discharge rate of 18.4 m3/s, water head of 84 m, and pipe length of ~4.2 km. Maximum power for the HPP is estimated to be 13.65 MW.

3rd HPP estimated to have discharge rate of 13.25 m3/s, water head of 21.0 m, and pipe length of ~1 km. Maximum power for the HPP is estimated to be 2.46 MW.

The total capacity of hydropower plants is a maximum of 20.7 MW, and the estimated annual electricity production is 81,939.00 MWh..

The exact operating capacity of HPPs depends on the proposed HT technology and will be offered by potential investors.

The capacity of the HPPs and the estimated annual energy production are shown in the table below

Table 1. Estimated power and Energy Production of 1st HPP

Month	Irrigation		1st HPP				Electricity Production, MWh
	Term	Time	Discharge rate, m^3/s	Water head, m	Eff	Power, MW	
February	21.02/28.02	8	5.755	26.0	0.9	1.321	253.6
March	01.03/10.03	10	5.755	26.0	0.9	1.321	317.0
	11.03/20.03	10	4.386	26.0	0.9	1.007	241.7
April	01.04/20.04	20	5.751	26.0	0.9	1.321	634.1
	21.04/30.04	10	18.405	26.0	0.9	4.225	1014

May	01.05/15.05	15	18.405	26.0	0.9	4.225	1521
	16.05/20.05	5	19.625	26.0	0.9	4.505	540.6
	21.05/31.05	11	20.0	26.0	0.9	4.591	1197
June	01.06/05.06	5	6.902	26.0	0.9	1.584	190.1
	06.06/15.06	10	6.462	26.0	0.9	1.483	355.9
	16.06/30.06	15	14.073	26.0	0.9	3.23	1162.8
July	01.07/05.07	5	20.0	26.0	0.9	4.591	551
	06.07/20.07	15	20.0	26.0	0.9	4.591	1653
	21.07/31.07	11	20.0	26.0	0.9	4.591	1212
August	01.08/10.08	10	20,0	26.0	0.9	4.591	1102
	11.08/20.08	10	20.0	26.0	0.9	4.591	1102
	21.08/31.08	11	16.544	26.0	0.9	3.798	1002.7
September	01.09/15.09	15	13.292	26.0	0.9	3.051	1098.4
	16.09/25.09	10	9.645	26.0	0.9	2.214	531.4
	26.09/30.09	5	2.316	26.0	0.9	0.532	63.8
November	01.11/30.11	30	8.645	26.0	0.9	1.984	1428.5
						Total	17188

Table 2. Estimated power and Energy Production of 2nd HPP

Month	Irrigation		2nd HPP				Electricity Production, MWh
	Term	Time	Discharge rate, m^3/s	Water head, m	Eff	Power, MW	
February	21.02/28.02	8	5.755	84.0	0.9	4.268	819.5
March	01.03/10.03	10	5.755	84.0	0.9	4.268	1024.3
	11.03/20.03	10	4.386	84.0	0.9	3.253	780.7
April	01.04/20.04	20	5.751	84.0	0.9	4.268	2048.6

	21.04/30.04	10	18.405	84.0	0.9	13.650	3276.0
May	01.05/15.05	15	18.405	84.0	0.9	13.650	4914.0
	16.05/20.05	5	18.4	84.0	0.9	13.65	1638
	21.05/31.05	11	18.4	84.0	0.9	13.65	3604
June	01.06/05.06	5	6.902	84.0	0.9	5.119	614.3
	06.06/15.06	10	6.462	84.0	0.9	4.792	1150.1
	16.06/30.06	15	14.073	84.0	0.9	10.437	3757.3
July	01.07/05.07	5	18.4	84.0	0.9	13.65	1638
	06.07/20.07	15	18.4	84.0	0.9	13.65	4914
	21.07/31.07	11	18.4	84.0	0.9	13.65	3604
August	01.08/10.08	10	18.4	84.0	0.9	13.65	3276
	11.08/20.08	10	18.4	84.0	0.9	13.65	3276
	21.08/31.08	11	16.544	84.0	0.9	12.270	3239.3
September	01.09/15.09	15	13.292	84.0	0.9	9.858	3548.9
	16.09/25.09	10	9.645	84.0	0.9	7.153	1716.7
	26.09/30.09	5	2.316	84.0	0.9	1.718	206.2
November	01.11/30.11	30	8.645	84.0	0.9	6.411	4615.9
						Total	53662

Table 3. Estimated power and Energy Production of 3rd HPP

Month	Irrigation		3rd HPP				Electricity Production, MWh
	Term	Time	Discharge rate, m^3/s	Water head, m	Eff	Power, MW	
February	21.02/28.02	8	5.755	21.0	0.9	1.067	205
March	01.03/10.03	10	5.755	21.0	0.9	1.067	256
	11.03/20.03	10	4.386	21.0	0.9	0.813	195
April	01.04/20.04	20	5.751	21.0	0.9	1.066	512

	21.04/30.04	10	13.25	21.0	0.9	2.457	589.7
May	01.05/15.05	15	13.25	21.0	0.9	2.457	884.5
	16.05/20.05	5	13.25	21.0	0.9	2.457	294.8
	21.05/31.05	11	13.25	21.0	0.9	2.457	648.6
June	01.06/05.06	5	6.902	21.0	0.9	1.280	153.6
	06.06/15.06	10	6.462	21.0	0.9	1.198	287.5
	16.06/30.06	15	13.25	21.0	0.9	2.457	884.5
July	01.07/05.07	5	13.25	21.0	0.9	2.457	294.8
	06.07/20.07	15	13.25	21.0	0.9	2.457	884.5
	21.07/31.07	11	13.25	21.0	0.9	2.457	648.6
August	01.08/10.08	10	13.25	21.0	0.9	2.457	589.7
	11.08/20.08	10	13.25	21.0	0.9	2.457	589.7
	21.08/31.08	11	13.25	21.0	0.9	2.457	648.6
September	01.09/15.09	15	13.292	21.0	0.9	2.464	887.0
	16.09/25.09	10	9.645	21.0	0.9	1.788	429
	66.09/30.09	5	2.316	21.0	0.9	0.429	51.5
November	01.11/30.11	30	8.645	21.0	0.9	1.603	1154
						Total	11089

Power Plant Distribution Facilities

Power plants must be connected to the power grid via overhead lines.

The station switchgear will be closed. A 35 kV output overhead line is envisaged for the design of the station distribution facility.

The construction of high-voltage overhead lines and their connection to the distribution facility is not the responsibility of the investor. The connection scheme and relevant parameters will be specified in next steps.

Required interface protocol, security concept, etc. must comply with the requirements of Azereneji OJSC (Transmission System Operator / TSO).

5. Design Criteria

Small hydropower plants (Small HPPs) must be designed, manufactured, and constructed for 100% operation in the future environment, as well as for thorough and uninterrupted operation in partial load modes.

Small hydropower plants should use new, unused components and systems approved by the project..

The small hydropower plant must be built in accordance with relevant, internationally accepted standards, as well as all existing local norms and standards.

The design process will take into account European environmental legislation and local environmental legislation (whichever is stricter).

Electricity generated under the Power Purchase Agreement (PPA) will be procured for the first 20 years of the project by the government. In accordance with the agreement reached in the next period, a new PPA can be signed or the generated electricity can be sold on the open market.

6. Operating Modes of the Power Plants

Small hydropower plants should be designed for flexible operation during possible daily and seasonal changes in water availability.

Power plants shall also be capable of continuous partial load operation in the range of 0% to 100%..

Possibility for participation in the primary frequency control shall be provided.