

Request for Proposal for engaging Consultant to study “*Economic Rate of Return for various Renewable Energy Technologies*”

1.0 Background

Development and harnessing of renewable energy sources using modern conversion technologies enhances the energy security and conserve fossil fuels, saving them for other applications and for future generations. In addition, renewable energy deployment reduces pollution, greenhouse gases emissions, and safety risks from conventional energy sources that damage human health, natural systems, crops, and materials. Renewables also spur economic development by creating new jobs and also help in meeting the Sustainable Development Goal (SDG) relating to achieving universal energy access through locally available renewables.

In many circumstances, the levelized cost of energy (LCOE) from renewables is not yet competitive, as compared to fossil fuels, especially for grid connected applications. This situation is fast changing as renewable energy costs are brought down through technological learning, and conventional energy sources are likely to become more expensive due to resource depletion. Further, quantification of positive externalities for renewables may make many of the renewables competitive. Internalizing some of these positive externalities and computation of Economic Rate of Return (ERR) as against the financial rate of return would help in developing appropriate policy instruments, programmes and incentive structure for renewables.

In the aforementioned background, the Ministry of New and Renewable Energy (MNRE) invites **Request for Proposal (RFP)** from reputed Consulting firms, academic/research organizations or any other organization having expertise in the field for estimating the **Economic Rate of Return for various Renewable Energy Technologies**.

2.0 Terms of Reference

The Terms of Reference (TOR) of the assignment are as under:-

- i. Study the economic impact of renewable energy both by taking into account their direct costs, as well as their positive impacts to the society, such as environmental benefits linked with a reduction in localized pollution and also CO₂ emissions reduction, additional employment creation etc;
- ii. Estimate Economic Rate of Return (ERR) of various renewable energy technologies including Wind, Solar, Waste-to-Energy, Biogas/ Bio CNG, Hydro (up to 100 MW capacity) taking into account the economic costs to society;
- iii. Compare the ERR with the Financial Rate of Return (FRR) of the renewable energy technologies; and
- iv. Estimate justified level of incentives for promoting select renewable energy technologies in view of economic/social benefits.

3.0 Nature of the Study

The study will be based on analysis of the projects with cost data of various renewable energy technologies (solar/wind/biomass/small hydro). Estimation of the saving due to carbon, local air pollution etc. will be primarily based on secondary data published in peer reviewed journals/reports.

4.0 Guiding Criteria for Selection of Consultant

The Consultant should be a legal identity to carry out the responsibilities and execute the work across India. Among others, the following shall be the guiding criteria, broadly, for short-listing a Consultant technically:-

- i. A well-defined and focused methodology;
- ii. Demonstrated capability and understanding of the Indian energy sector, financial and economic aspects of renewables;
- iii. Robust team of key personnel to be deployed; and
- iv. Good understanding of and sensitivity to governmental systems and their design issues.

5.0 Procedure for Selection of Consultant

- i. The Consultant desirous to undertake the assignment shall submit Bid in sealed envelope (inside separate envelopes with clear inscription 'Technical Bid' and 'Financial Bid'). The Financial Bid will be opened only after the Consultant qualifies in technical capability;
- ii. Eligible Consultants may be requested to present their proposal, at technical qualification stage, at their own cost, before a Committee constituted by the Ministry for the purpose. The date for presentation and also for opening Financial Bid will be informed to the eligible Consultants in advance through e-mail;
- iii. The Technical Bid Evaluation Committee of the Ministry will evaluate the Technical Bids as per following criteria :-

S. No	Selection criteria	Points
1	Composition of Team and qualification of members	40
2	Quality of proposal including (i) understanding of energy sector, (ii) understanding of TORs; and (iii) Methodology	40
3	Experience of executing consultancy assignments for Government	10
4	Experience of working on similar assignments in the past	10
	Total	100

- iv. Only those bids with a technical score of more than 65 points shall be considered for Financial Bid evaluation. The Financial Bids will be opened in the presence of

qualified bidders, after the technical bid evaluation process is complete. Bids with conditionality will be summarily rejected;

- v. The firm with the lowest Financial Bid shall be selected for the assignment. If the firm with the lowest Financial Bid declines the offer, the firm with the second lowest Financial Bid will be invited. In case of a tie in the financial bid, the bidder who has higher technical score will be selected;
- vi. The assignment will start from the date of issue of the consultancy award letter from the Ministry;
- vii. MNRE reserves the right to cancel /re-tender this Consultant engagement process if the necessity arises; and
- viii. The Consultant, if found to have indulged in any corrupt or fraudulent practices, their Request for Proposal document will not be taken up for consideration.

6.0 Duration

Four months (fortnightly report on the progress to be submitted and the draft study report to be submitted in 3 months).

7.0 Format of the ‘Request for Proposal’ (minimum font size should be 11 point)

The ‘*Request for Proposal*’ complete in all respect shall be sent in sealed envelope (inside separate envelopes with clear inscription ‘Technical Bid’ and ‘Financial Bid’) super scribed: ‘**Request for Proposal (RFP)**’ for engaging consultant for study on ‘*Economic Rate of Return for various Renewable Energy Technologies*’. The Technical Bid shall inter-alia include:-

- i. Company/organization profile in narrative form – contact details, financial strengths, constitution/ownership, manpower, infrastructure, offices, registration and area of core competence, last three (3) years’ annual turnover figures, international linkages etc (not exceeding 2 pages);
- ii. Details of relevant experience of last five years including list of projects, costs and description (brief-in tabular format);
- iii. Short CVs (not exceeding two pages per CV) of the key personnel expected to be deployed in the assignment; and
- iv. Capability statement, illustrating the skills and experience of the firm in providing the services required under this advertisement (not exceeding 2 pages).

The Bid should be sent to the Ministry of New & Renewable Energy (MNRE) at the following address so as to reach within 3 weeks of publication of this advertisement:-

Shri Dipesh Pherwani
Scientist-B
Ministry of New and Renewable Energy
Block-14, CGO Complex, Lodhi Road, New Delhi-110003