



KINGDOM OF MOROCCO
OFFICE NATIONAL DE L'ELECTRICITE

“THE CHOUROUK INITIATIVE”
500MW SOLAR BY 2015

DAKHLA 1 TO 3 MW SOLAR IPP

**INVITATION FOR THE EXPRESSION OF INTEREST
AND PREQUALIFICATION OF COMPANIES AND
CONSORTIA**

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TABLE OF CONTENT	Pages
I. THE PROJECT.....	3
II. THE SITE.....	4
III. THE CARBON CREDIT AND INOVATIVE SOURCES OF FINANCING.....	4
IV. ROLE OF THE PROJECT COMPANY	5
V. THE KYOTO INDUSTRIAL POLE.....	5
VI. PRINCIPAL CONTRACTS.....	5
VII. PROJECT SCHEDULE.....	6
VIII. CONTENTS OF PREQUALIFICATION SUBMISSIONS.....	7
IX. DETERMINATION OF PRE-QUALIFIED PARTIES.....	9
X. SUBMISSIONS OF EXPRESSIONS OF INTEREST.....	12
XI. GENERAL CONDITIONS.....	12
APPENDIX: SITE LOCATION.....	14

I. THE PROJECT

The Office National de l'Electricité (ONE), the Moroccan Power Utility has launched a far-reaching strategy to meet the country's growing demand (the current forecast put the annual growth of the energy demand between 8 and 9%).

This strategy is fourfold, (i) Seeking the lowest kWh by improving operational excellence and implementing modern risk mitigation tools, (ii) Promoting universal access to electricity by consolidating on the rural electrification program, (iii) Diversifying its sources of supply and (iv) Consolidating the position of Morocco as a regional energy hub.

As part of this strategy, ONE launched the “**CHOUROUK Initiative**”, which aims at developing **500MW Solar Generation by 2015**.

The CHOUROUK Initiative will consolidate ONE's leading role in Africa and the Middle East in the promotion of solar for power generation.

Today, ONE (i) installed 50,000 PV kits in the rural areas totalling the equivalent of 3MW capacity, (ii) operates the first PV micro-power plant of 45kW injecting the energy produced into the grid and (iii) is constructing the world first thermo-solar combined cycle power plan with a 20MW CSP solar component.

The Chourouk Initiative comprises two components, namely:

1. “**Chourouk Solar PV**”, with the objective of equipping up to 200,000 PV kits with ONE's clients (households and corporate) through a hybrid scheme (grid and PV), with the option to inject excess energy into ONE's grid at an improved tariff structure.
2. “**Chourouk Generation**” with the objective of developing 150MW of solar power plants through IPPs. The first three projects will be Ouarzazate 50 to 100 MW, Boujdour 5 to 10 MW and Dakhla 1 to 3 MW.

ONE is hereby issuing this Request for Qualification (RFQ) to pre-qualify companies and consortia for the development, financing, construction and operation of a Solar Power Plant to be located in a dedicated site near DAKHLA, (The Project). The expected power capacity of the DAKHLA Solar Plant is around one (1) MW, with a possible extension up to three (3) MW, The generating installed capacity of 1MW (or 3MW) will be at its rated capacity at the peak while sun radiation is 1000W per square meter, and no alternate energy resource is being utilised.

The Project is scheduled to begin operation in 2010. Subject to the last paragraph of Section VI below, ONE will purchase all of the electric energy produced by the Project.

For avoidance of doubt, any solar power technology is acceptable and may participate in the Tender Process provided the interested companies or consortia demonstrate that such technology complies with all the pre-qualification requirements.

The Project will be the seventh independent power project (IPP) and the second Solar IPP to be developed in Morocco. It follows ONE's successful work with international developers and contractors in connection with six earlier independent power projects in Morocco:

- (i) the Jorf Lasfar project, a 1320 MW coal-fired power plant,
- (ii) the Abdelkhalek Torres, a 50 MW wind farm,
- (iii) the Tahaddart project, a 384 MW natural gas-fired combined cycle power plant,
- (iv) the Tarfaya Wind project, a 200 to 300 MW wind farm,
- (v) the Safi project, a 1320 MW coal-fired power plant currently under development, and
- (vi) The Ouarzazate Solar IPP, a 50 MW solar power plant under development.

The Project fits with ONE's strategy through the promotion of:

- (i) Renewables into Morocco's energy mix by targeting the development of 1000 MW wind and 300 MW solar installed capacity by 2012,
- (ii) Private sector involvement in the power sector through the establishment for long term off take agreements
- (iii) The Emergence of mature Moroccan energy players through numerous actions including EnergiPro program, an initiative launched by ONE encouraging its large customers to develop their own wind farms.

II. THE SITE

The Site is located near DAKHLA city, the region of DAKHLA receives a high level of direct normal radiation, which makes it an ideal location for solar power generation. The power will be delivered through the existing interconnection facilities. The size of the Site will be further detailed in the Tender Documents and will be adjusted in order to facilitate the construction and operation of the Facilities. Interested companies or consortia are invited to inspect the Site and its surrounding, and to independently obtain all the information which the bidder deems necessary for the preparation and submission of Pre-Qualification Submission.

For general and preliminary map of the area see Appendix 1

The land will be made available to the Project Company by ONE.

III. THE CARBON CREDIT AND ACCESS TO INOVATIVE SOURCE OF FINANCING

The carbon credit associated to the Project will be the property of the Project Company. Clean development mechanism (CDM) process (validation, recording and checking) will remain the responsibility of the Project Company.

The Sponsors and the Project Company will be encouraged to seek innovative financing schemes to improve their competitiveness. Such financing schemes could

be secured in return of the monetization of carbon credits derived from the Project and/or through export of energy regional markets.

In this regard, ONE will endeavour to grant access to its grid and to the interconnections with regional markets to the extent it is reasonably feasible.

IV. ROLE OF THE PROJECT COMPANY

The project company, a Moroccan company to be established by the winning bidder, will be responsible for the development, financing, construction and operation of the Project. The Project will be financed with a minimum equity investment of twenty percent (20%) and the lead sponsor will be required to hold at least thirty-five percent (35%) of the equity in the project company. The ownership of the Project will be structured in a manner that complies with the Moroccan legal framework while enabling a security package adequate for a project financing to be put in place.

Should there could be an interest by the winning bidder and ONE, ONE could envisage an equity contribution in the Project that will be capped to 35%.

During a 20-year period, ONE will purchase electric energy from the project company pursuant to a power purchase agreement to be entered into with the Project Company.

V. THE KYOTO INDUSTRIAL POLE

The winning bidder will undertake to procure at least 35% of its equipment in Morocco. As such, it can develop directly or indirectly manufacturing capacities in Morocco.

In this regard, ONE is jointly developing an Industrial Pole that will be dedicated to Renewable and Energy Efficiency. This Pole, the Kyoto Pole will enjoy and tax-free status and will have access to mature logistic infrastructures.

Industries based in the Kyoto Pole will be able to seize the opportunities the Moroccan Power sector offers.

In addition, these industries will have a strong export orientation as they will be given the opportunity to leverage upon the strong port and airport infrastructure, and the Free-Trade Agreements Moroccan entered into with other countries (eg, USA, EU, African and Middle East countries).

VI. PRINCIPAL CONTRACTS

The rights and obligations of ONE, the Project Company and the Government of the Kingdom of Morocco (GKOM) will be set forth in certain contracts that will include the following:

- A Power Purchase Agreement between ONE and the Project Company,

- A Transfer of the Right of Enjoyment between ONE and the Project Company and,
- An Investment Convention between GKOM and the Project Company.

The RFP will include the forms of the foregoing contracts.

All produced and delivered energy will be sold by the Project Company to ONE through an energy tariff under the PPA.

The RFP may provide for alternative bids where a portion of the Solar Plant's energy will not be governed by the PPA entered into with ONE, thus giving the Project the option to produce energy for export, using the existing transmission infrastructure in compliance with applicable Moroccan and UCTE regulations.

VII. PROJECT SCHEDULE

The prequalification process will determine which companies (each an "Interested Company") and consortia (each an "Interested Consortium") that participate in this Prequalification process will be pre-qualified to submit proposals for the Project. ONE will prepare a list of Interested Companies and Interested Consortia that are pre-qualified based on the criteria set out in Section IX below.

The anticipated Project schedule is as follows:

- Issuance of the RFP October 2008.

During this phase of the Project, ONE will issue the RFP to the companies and consortia selected during the prequalification phase.

Only pre-qualified Interested Companies and Interested Consortia will be permitted to submit an offer.

Any change in a pre-qualified Interested Consortium or formation of a consortium by individually pre-qualified Interested Companies shall be made with ONE's prior approval.

The RFP will include more detailed specifications for the Project, the bidding rules and the forms of principal contracts.

- Bid Submission : February 2009.
- Selection of the Preferred Bidder : March 2009.
- Finalization of Project Agreements : May 2009.
- Notice to Proceed : August 2009.
- Commercial Operation : January 2010.

VIII. CONTENTS OF PREQUALIFICATION SUBMISSIONS

The submissions must be in English or in French and prepared in accordance with this Section VIII.

Each Interested Company, or in the case of an Interested Consortium, at least one member who will have at least a twenty-five percent (25%) equity interest in the project company (a "Major Sponsor"), must demonstrate that it has the experience required under Section IX below (for the avoidance of doubt, it is not a requirement that each criteria be satisfied by the same Major Sponsor).

This experience must have been obtained when the relevant Interested Company or member of the Interested Consortium was one of the two largest shareholders in the relevant project at the time of financial close for financing experience and IPP development experience or at the time of operation for IPP operating experience.

Where two members of an Interested Consortium have sponsored a project together in the past, such experience will be counted only once to avoid double counting of any projects presented as relevant experience, except with respect to question 5 of the Finance Raising Experience Criteria for which equity contributions made by two Major Sponsors on the same project may be aggregated, provided that those Major Sponsors were the two largest shareholders in the relevant project at the time of financial close.

The Interested Companies or Interested Consortia seeking to pre-qualify must include the following information in their submissions:

1. A letter of Expression of Interest that summarising (i) the key information contained in the various documents submitted and (ii) the information required under Section VIII and representing that the Interested Company or the members of the Interested Consortium, as the case may be, are interested in undertaking the Project and have the ability to do so within the schedule set out in Section VII above.
2. The identity of the Interested Company or the members of the Interested Consortium including organizational structure and members relationships. In the case of an Interested Consortium, one member should be identified as the lead sponsor. Please note that once an Interested Consortium is prequalified, any change in the ownership interests in the Interested Consortium or in the lead sponsor will require the approval of ONE in order for that Interested Consortium to remain prequalified. Please note that certain principal activities, e.g., the functions of an engineering, procurement and construction contractor, may be subcontracted to specialized companies.

A company may not, at the same time, be an Interested Company and be a member of an Interested Consortium, or be a member of two or more Interested Consortia. A company may not be an Interested Company or a member of an Interested Consortium if any other company which it controls, by which it is controlled, or with which it is under common control, is an Interested Company or a member of an Interested Consortium. An Interested Company may not, at the

same time, submit a bid, whether individually or as part of an Interested Consortium (i) and be a subcontractor of one or more bidders (other than the Interested Consortium of which it is a member) or (ii) if another Company which it controls, by which it is controlled or with which it is under common control is a subcontractor of one or more other bidders (other than the Interested Consortium of which it is a member). If a company participates in the RFP as a subcontractor, it may participate in more than one bid, but only as a subcontractor.

3. A description of the experience for each Interested Company or each Major Sponsor of an Interested Consortium, as the case may be, identifying, development, construction and operation experience of solar projects.

For each reference, the following information will be specified:

- i. the company's role in each project,
 - ii. the status of solar project under advanced development,
 - iii. the construction stating date relating to each project,
 - iv. the completion date for each project,
 - v. the location of each project,
 - vi. the capacity for each individual PV or CSP in the Solar Power Project,
 - vii. the equity interest of the Interested Company or Major Sponsor, and of the other sponsors of the project at financial close (expressed in percentages of the total) and
 - viii. the installed capacity for each individual project (development, full permitting, construction and operation).
4. Each interested company or consortia shall submit a preliminary non binding description of the bidder's proposed facility or facilities to be constructed and operated as part of the project. The description shall include:
 - i. Description of the solar technology to be used;
 - ii. A preliminary description of equipment;
 - iii. A preliminary general plant and site layout;
 - iv. All other relevant plant and equipment information including brochures, drawings, photos;
5. A description of the procurement strategy envisaged for the Project showing how the Interested Company or the Major Sponsor of the Interested Consortium intends to procure a minimum of 35% of the value of its equipment in Morocco, and how the Interested Company or the Major Sponsor of the Interested Consortium intends develop directly or indirectly manufacturing capacities in Morocco.
6. A description of financing experience, for projects that have reached financial close in the last ten years, for each Interested Company or Major Sponsor of an Interested Consortium, as the case may be, setting out:
 - a. individual infrastructure projects (including electric power projects) for which at least US \$20,000,000 in limited recourse debt was raised where such debt had a minimum term of ten years, specifying, for each project:

- i. the size of the loan,
- ii. the lenders involved,
- iii. the name of the project,
- iv. the type of project,
- v. the location of the project,
- vi. the date on which the project reached financial close and
- vii. the equity interest of the Interested Company or Major Sponsor, and of the other sponsors of the project at financial close (expressed in percentages of the total).

b. the aggregate amount of limited recourse debt that has been raised for electric power projects (with supporting evidence);

c. individual electric power projects for which at least US \$20,000,000 in limited recourse debt was raised, specifying, for each:

- i. the size of the loan,
- ii. the lenders involved,
- iii. the name of the project,
- iv. the type of project,
- v. the location of the project,
- vi. the date on which the project reached financial close and
- vii. the equity interest of the Interested Company or Major Sponsor, and of the other sponsors of the project at financial close (expressed in percentages of the total).

d. individual infrastructure projects (including electric power projects) for which at least US \$5,000,000 in equity was contributed, specifying, for each:

- i. the equity contributed amount,
- ii. the amount of equity contributed by other sponsors,
- iii. the name of the project,
- iv. the type of project,
- v. the location of the project,
- vi. the date on which the project reached financial close and
- vii. the equity interest of the Interested Company or Major Sponsor, and of the other sponsors of the project at financial close (expressed in percentages of the total).

e. the aggregate amount of equity that has been contributed for electric power projects (with supporting evidence).

IX. DETERMINATION OF PRE-QUALIFIED PARTIES

In order to pre-qualify, companies or consortia shall meet the minimum criteria for pre-qualification set out below:

Development, Permitting, Construction and Operation Experience (25 points)

1. During the last ten years, the Interested Company or a Major Sponsor in the Interested Consortium has managed the development, the permitting, the construction and the operation of solar plant projects, providing electricity to an operating commercial utility grid and with a total installed capacity (TIC):

- 1 MW < TIC < 5 MW	2 pts
- 5 MW < TIC < 10 MW	5 pts
- 10 MW < TIC < 20 MW	10 pts
- TIC > 20 MW	15 pts

At least one of the referenced solar power plants must still be in operation and have a demonstrated record, readily available for inspection, of successful performance over the past year.

2. During the last ten years, the Interested Company or a Major Sponsor in the Interested Consortium has managed the development, the permitting, the construction and the operation of electric power projects with a total installed capacity (TIC):

- 10 MW < TIC < 50 MW	2 pts
- 50 MW < TIC < 100 MW	4 pts
- 100 MW < TIC < 200 MW	6 pts
- TIC > 200 MW	10 pts

IPP Construction and Operation Experience (15 points)

During the last ten years, the Interested Company or a Major Sponsor in the Interested Consortium has managed the construction and the operation of IPP electric power projects:

- 1 to 3 projects	5 pts
- 4 to 10 projects	10 pts
- more than 10 projects	15 pts

Procurement strategy, Moroccan components (30 points)

What is the value of equipments "V" (expressed in percentage of the total) procured from Morocco:

- 35% < V < 45%	10 pts
- 45% < V < 55%	20 pts
- V > 55%	30 pts

Finance Raising Experience Evaluation Criteria (30 points)

1. What is the number of infrastructure projects that have reached financial close in the last ten years and for which at least US \$20,000,000 in limited recourse debt was raised by the Interested Company or a Major Sponsor in the Interested Consortium

Two points per project (max : 6 points)

2. What is the total limited recourse Debt (D) for electric power projects that have reached financial close in the last ten years and that has been raised by the Interested Company or Major Sponsors in the Interested Consortium

- US \$20,000,000 < D < US \$50,000,000 2 pts
- US \$50,000,000 < D < US \$100,000,000 4 pts
- D > US \$100,000,000 6 pts

3. What is the number of electric power projects that have reached financial close in the last ten years and for which at least US \$20,000,000 in limited recourse debt was raised by the Interested Company or a Major Sponsor in the Interested Consortium

Two points per project (max: 6 points)

4. What is the number of infrastructure projects that have reached financial close in the last ten years and to which the Interested Company or a Major Sponsor in the Interested Consortium has contributed at least US \$5,000,000 in equity

Two points per project (max: 6 points)

5. What is the total equity (E) contribution of the Interest Company or Major Sponsors or the Interested Consortium to electric power projects that have reached financial close in the last ten years

- US \$5,000,000 < E < US \$10,000,000 2 pts
- US \$10,000,000 < E < US \$30,000,000 4 pts
- E > US \$30,000,00 6 pts

For the avoidance of doubt, the experience of all the Major Sponsors can be aggregated, provided it was acquired as one of the two largest shareholders of a project.

Important notice:

Interested Companies and Interested Consortia that do not meet one of the minimum criteria set out in this Section are nevertheless encouraged to submit an Expression of Interest and Request for Prequalification. ONE may decide, in its sole discretion, to prequalify some or all of such Interested Companies or Interested Consortia on a conditional basis until such Interested Companies or Interested Consortia meet the minimum criteria (including through the formation of consortia or the addition of new

members to existing consortia) and, where justified in ONE's sole discretion, to waive certain minimum criteria.

X. SUBMISSIONS OF EXPRESSIONS OF INTEREST

One original and three copies of the documents constituting an Expression of Interest and Request for Prequalification, as well as a disk containing electronic copies of such documents in PDF searchable format, must be delivered to "Office National de l'Electricite" by **July 21 st 2008** at 09:00 AM (Moroccan time), to the following address:

**OFFICE NATIONAL DE L'ELECTRICITE
POLE DEVELOPPEMENT
Bureau de dépôt des offres
65, Rue Othman Ben Affan B.P. no 13 498
20000 - Casablanca, Morocco.**

The original documents should be delivered in a sealed envelope marked "original". Each copy should be delivered in a sealed envelope marked "copy". The disk should be delivered in a sealed envelope marked "disk". Each envelope should have the following on the front:

**DAKHLA 1 TO 3 MW SOLAR IPP
INVITATION FOR THE EXPRESSION OF INTEREST AND PREQUALIFICATION
OF COMPANIES AND CONSORTIA
N° SP 40292**

XI. GENERAL CONDITIONS

The prequalification submissions made in response to this invitation will be assessed by ONE's Evaluation Committee which may request meetings with submitting companies and consortia to discuss certain aspects of their submissions and to request additional information, if necessary.

ONE reserves the right, in its sole discretion and at any time, to modify any portion of this invitation, to refuse to accept submissions or offers before or after the issuance of a list of prequalified companies and consortia or to cancel this invitation. Neither ONE nor GKOM nor any of their officers, employees, agents or advisors will be liable or responsible to any person for any cost or expense incurred in responding to this invitation.

Nothing herein is or shall be deemed to be a representation or warranty by ONE, GKOM or any of their respective officers, employees, agents or advisors as to the accuracy, reliability or completeness of the information contained herein or otherwise provided in connection with this invitation, whether orally or in writing. No contract is being entered into by virtue of anything contained in or provided in connection with this invitation.

ONE will attempt to respond to all questions regarding this Invitation for Prequalification N° **SP 40292**, without prejudice, but is under no obligation to do so or otherwise correct or amend any information contained herein. Please address all questions to:

**OFFICE NATIONAL DE L'ELECTRICITE
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