



# **The Energy Transition Partnership (ETP)**

## **Advisory Services for a Coal Phase Out Initiative**

### **Request for Consultancy Services**

Scope of Work

August 2023

## Background

- 1 The Southeast Asia Energy Transition Partnership (ETP), is a multi-stakeholder platform that aims to accelerate the energy transition in Southeast Asia towards 2035. ETP program delivery is expected to contribute to the achievement of the UN's Sustainable Development Goals (SDGs) and the 2030 Paris Climate goals by bringing together the Governments, Development Partners, and Philanthropies.
- 2 ETP aims to empower its partner countries towards an energy system that ensures environmental sustainability, economic growth, and energy security. To achieve this goal, ETP will mobilize and coordinate the necessary technical and financial resources to create an enabling environment and address impediments to renewable energy (RE), energy efficiency (EE), and sustainable infrastructures in the region.
- 3 ETP also aims to deliver joint action, improved coordination, and dialogue to accelerate the energy transition in the region through its four pillars, e.g., aligning policy with climate commitments, de-risking RE and EE investments, expanding sustainable and resilient infrastructures, and knowledge and capacity development.
- 4 Currently, countries in Southeast Asia have shown positive direction towards renewable energy deployment to replace coal power generation. However, the region lacks clear coal phase out strategies that could guide them in making progress towards early retirement of coal-fired power plants (CFPPs). Various barriers have been identified, including lack of legal frameworks, low tariffs, and regulatory restrictions to power purchase agreements. As a result, there are not a lot of successful CFPP early retirement deals in the region, apart from the ACEN Corporation case.

## Project Details

### Objectives of the Professional Services

- 5 ETP is currently implementing a regional programme titled "Transition to End Coal" or TRANSEND Coal to expand the success of such a pioneering example to retire early CFPPs and offer a reinvestment pathway towards renewable energy. The overarching outcome of TRANSEND Coal, a sustainable energy financing initiative, is to generate models of early CFPP retirement that could be replicated along with a potential advisory facility to help secure early retirement deals in the region.
- 6 TRANSEND Coal has three components: (i) end-to-end financial, legal, and technical engineering (advisory services) for the early retirement of a CFPP, (ii) a revolving transition advisory facility, and (iii) knowledge dissemination that will help countries in Southeast Asia to carry out early retirement of CFPPs.

- 7 This consultancy service provider will focus on providing advisory and support to the second component of the programme which intends to establish a revolving advisory facility for transition deals. The main objective of this revolving advisory facility, once established, is to provide guidance on specific potential transition deals, and cover the cost of the services rendered under component 1 of TRANSEND that will lead to the early retirement of CFPPs. As the name suggests, the “clients” or CFPP asset-owners will repay the cost of these services once the deal has been closed, allowing the fund to revolve and more transaction deals to be executed.
- 8 Before committing to the establishment of the revolving facility, ETP would like to assess if there is any market for such a concept.
- 9 TRANSEND Coal is looking at establishing case models for transition transactions in the Philippines, Indonesia, and Vietnam. To initiate the work in the Philippines, the assignment also requires an assessment of the policy and regulatory landscape for such transition deals.

## Assignment

- 10 ETP is seeking a consultancy firm to perform a needs assessment for advisory services for coal transition deals in Southeast Asia in general, and to analyze the legal and regulatory landscape for transition deals specifically in the Philippines. The assignment will support the implementation of ETP’s TRANSEND Coal programme that is currently in its inception phase. The assignment is categorized by the following activities:

### Activity 1: Regional Transition Advisory Revolving Facility

- 11 Activity 1 is not directly related to a transition deal of a CFPP asset. Rather, this service will assess the potential demand for advisory services, including an initial test of the TRANSEND project concept, for transition deals in Southeast Asia.
- 12 The activity will assess the need for a “Transition Advisory Revolving Facility” that is envisioned to finance the necessary technical advisory services for independent power producers (IPPs) to structure and execute transition deals. Advisory services may include technical analysis, financial structuring and advise, legal and regulatory support, and other relevant services. Clients of the facility are then expected to repay the cost of technical assistance to replenish the fund for more transition deals.
- 13 The proposed tasks under Activity 1 are to:
  - a. **Transition Program Scanning:** Scan and identify existing and planned global, regional, and national level programs/projects (e.g. Energy Transition Mechanism (ETM), Coal Asset Transition Accelerator (CATA), etc.) that promote and support the early retirement of fossil fuel-based power generation plants. In doing so, the consultant will:

- i. Provide a description of each facility, fund/project manager, fund source, size of the facility, targets, nature of support including the methodology of how the facility operates, and other relevant information.
  - ii. Assess the status of these projects and understand the challenges of their implementation. Identify the core strengths and value proposition of each project in promoting fossil fuel phaseout.
  - iii. From these projects, identify where the gaps are in terms of support for facilitating fossil fuel phaseout.
  - iv. Recommend specific strategic approaches for utilizing philanthropic resources, in addition to other resources, in facilitating and accelerating fossil fuel phaseout in the region.
  - v. Recommend how ETP can collaborate and align with these projects to achieve the common outcome of phasing out fossil fuel plants.
- b. **Demand Assessment:** Assess the demand for the potential revolving facility that can finance the advisory services necessary to develop and execute transition transactions. The assessment will include the following tasks:
  - i. Estimate the costs of advisory services for each transition deal and assess the potential role of a revolving facility in supporting these costs.
  - ii. Understand the drivers for CFPP-asset owners to access such a revolving facility and pursue a transition deal
  - iii. Assess the potential and benefits of allowing other transition programs and initiatives to access the revolving facility.
  - iv. Identify potential fund sources for the revolving facility, in addition to ETP.
- c. **Identify CFPP Candidates:** Scan and create a list of potential CFPP candidates for early retirement using existing methodologies or tools. This task may draw from existing work that has already been done by other programs. The consultant is expected to:
  - i. Explain the identification process;
  - ii. Scan and create a list of potential CFPPs from five countries in Southeast Asia where demands for advisory services could exist, which must include the Philippines, Indonesia, and Vietnam;
  - iii. Suggest a ranking of the potential coal-fired power producers in 2 or more target countries - this will need to include running of an expression of interest to

identify potential interested CFPPs, and an evaluation criteria/rubric against which interested parties are evaluated;

- iv. Prepare a briefing note justifying the selection of the top three CFPPs identified for early retirement. Three notes should be prepared.

- d. **Recommendation:** In consideration of the analysis above and the listing of potential CFPPs for a transition deal, advise if an advisory revolving facility is needed by the sector and if it will be effective to promote fossil fuel phaseout. If found advisable, recommend and rationalize an initial fund size for such a facility. Propose an implementation framework for this facility.

- i. Analyze risks associated with supporting deals that will lead to early retirement of fossil fuel plants.
- ii. Provide other relevant recommendations that will facilitate fossil fuel phaseout in the region
- iii. Identify a general, minimum list of phased actions that CFPPs can and should undertake once they commit to engage with TRANSEND, which should be considered by the facility.

- 14 Consultants will be asked to join meetings, make presentations, and engage with relevant stakeholders as part of the inception of the TRANSEND Coal project.

## **Activity 2: Philippines-specific Policy and Regulatory Review on Early Retirement of CFPPs**

- 15 To initiate the work in the Philippines, a policy and regulatory assessment shall be undertaken to identify potential legal or regulatory impediments for transition deals. The assignment will also look at the broader energy and finance policy and regulatory landscape to identify opportunities that will facilitate fossil fuel phaseout. The proposed tasks under Activity 2 include:

- a. Assess if there are any energy regulatory impediments to the early retirement of fossil fuel-based assets. Examine if there are any limitations for renegotiating or transferring power purchase agreements.
- b. Assess drivers and underlying factors for fossil fuel phaseout in the Philippines. While the Renewable Energy Act and the coal moratorium is in full effect, explore the economic, regulatory, and policy factors that can motivate early fossil fuel plant retirement
- c. Examine what are the policy and regulatory drivers for the finance sector in the Philippines to support transition deals. Assess the role of sustainable financial instruments, and the potential contribution of philanthropic resources in facilitating transition deals in the Philippines.

- d. Assess the sentiments of relevant government agencies on fossil fuel phaseout. Identify and analyze the risks that government agencies are concerned about. Examine what opportunities the government see in transitioning away from fossil fuel generation.
- e. Assess the sentiments of the financing sector on refinancing deals for the early retirement of fossil fuel plants. Understand what are the risks and opportunities for the financing sector.
- f. Identify a general, minimum list of phased actions that CFPPs can and should undertake once they commit to engage with TRANSEND that will be applicable within the Philippines context.

16 This task will require consultation with relevant government agencies and stakeholders.

17 Consultants will be asked to join meetings, make presentations, and engage with relevant stakeholders as part of the inception of the TRANSEND Coal project.

### **Activity 3: Advisory Support to ETP on related Sustainable Energy (financing) Projects (Reimbursable)**

18 Provide additional ad hoc (beyond the scope of the above 2 Activities) consultancy, advise, and guidance in relation to the TRANSEND Coal project, advising on opportunities, risks, and supporting in collaboration with relevant projects (e.g. CATA, ETM, etc.). Draft opinion-editorials or other articles relevant to TRANSEND Coal to support in increasing its visibility. Estimated number of support days are 30 and is expected at the level of the team leader.

## **Technical Deliverables**

19 The consultant is expected to deliver the work with the following conditions:

- a. This assignment is expected to be completed in ten months. Bidders must propose a timeline for the implementation of the project.
- b. The consultant firm is expected to accomplish the work in three milestones:

Project Milestone	Description and Expected Outputs	Expected Delivery
1	<b>Inception Report:</b> <ul style="list-style-type: none"> <li>● Executive summary</li> <li>● Introduction and project background</li> <li>● Scope of Services for both Activities 1 and 2 under the assignment section above</li> <li>● Methodology and Workplan, including approach,</li> </ul>	14 days after kick-off meeting

	<p>methodology and project gantt chart</p> <ul style="list-style-type: none"> <li>• A detailed approach as to how each deliverable will be met and what each submission will contain</li> <li>• Monitoring and Evaluation Framework, presented in the form of the ETP Results Based Monitoring Framework (RBMF)</li> </ul>	
2	<p><b>First Interim Report</b> - A progress report that includes a summary of completed activities and next steps, including</p> <ul style="list-style-type: none"> <li>• Updated Monitoring and Evaluation Framework, presented in the form of the ETP Results Based Monitoring Framework (RBMF)</li> <li>• Short slidedeck that summarize the progress of the project</li> <li>• Presentation of the progress to ETP</li> </ul> <p><b>Transtion Advisory Revolving Facility Demand Assessment Report</b> - A draft report on Activity 1 that includes, at minimum, the outputs for tasks described in paragraph 13a (Transition Program Scanning), and paragraph 13 b (Demand Assessment)</p>	2 months after kick-off meeting
3	<p><b>Second Interim Report</b> - A progress report that includes a summary of completed activities and next steps, including</p> <ul style="list-style-type: none"> <li>• Updated Monitoring and Evaluation Framework, presented in the form of the ETP Results Based Monitoring Framework (RBMF)</li> <li>• Short slidedeck that summarize the progress of the project</li> <li>• Presentation of the progress to ETP</li> </ul> <p><b>Transtion Advisory Revolving Facility Demand Assessment Report - A complete Activity 1 report</b> that includes the outputs for tasks described in para 13a, para 13b (delivered with the First Interim Report), with additional outputs from tasks detailed in paragraph 13c (Identify CFPP candidates), and paragraph 13d (Recommendation)</p> <p><b>Policy and Regulatory Review on Early Retirement of CFPPs in the Philippines - A draft report on Activity 2,</b> including, at minimum, outputs of tasks described in para 15 a-c.</p>	7 months after kick-off meeting
4	<p><b>Final Report</b> - A final project report that summarizes all project activities, outputs, and lessons learned, with a narrative on the advise provided in Activity 3. The final report must be accompanied by:</p> <ul style="list-style-type: none"> <li>• Final Monitoring and Evaluation Framework, presented in the form of the ETP Results Based</li> </ul>	10 months after kick-off meeting

	<ul style="list-style-type: none"> <li>Monitoring Framework (RBMF)</li> <li>Short slidedecks that summarize the project's findings/final results for Activity 1 and 2</li> <li>Presentation of the project final results to ETP</li> </ul> <p><b>Policy and Regulatory Review on Early Retirement of CFPPs in the Philippines - A compete report on Activity 2,</b> including, outputs of tasks described in para 15 a-c (submitted with the second progress report), and the remaining outputs of tasks described in para 15d-f.</p>	
5	<p><b>Advisory Support to ETP on Related Sustainable Energy (financing) topics (Reimbursable)</b></p> <p>Provide additional ad hoc (beyond the scope of the above 2 Activities) consultancy, advise, and guidance in relation to the TRANSEND Coal project, advising on opportunities, risks, and supporting in collaboration with relevant projects (e.g. CATA, ETM, etc.).</p> <p>Estimated number of support days are 30 and is expected at the level of the team leader.</p>	<p><b>(Reimbursable)</b> Within the contract validity.</p>

- c. ETP will provide review and feedback to the deliverables prepared by the consultant and expect the consultant to finalize the deliverables within seven days after receiving ETP's feedback.
- d. All deliverables, including the data, must be submitted to ETP in English.
- e. The payment will be made upon the acceptance of each technical deliverable in the above table.

## EVALUATION CRITERIA

### Eligibility and Formal Criteria

The criteria contained in the table below will be evaluated on **Pass/Fail** basis and checked during Preliminary Examination of the proposals.

Criteria	Documents to establish compliance with the criteria
Offeror is eligible as defined in Instructions to Offerors, Article 4	Form A: Joint Venture Partner Information Form, all documents as required in the Form, in the



	event that the Proposal is submitted by a Joint Venture. Form B: Proposal Submission Form
Completeness of the Proposal. All documents and technical documentation requested in Instructions to Offerors Article 10 have been provided and are complete	All documentation as requested under Instructions to Offerors Article 10, Documents Comprising the Proposals
1. Offeror accepts UNOPS General Conditions of Contract as specified in Section IV	Form B: Proposal Submission Form

## Qualification Criteria

The criteria contained in table below will be evaluated on **Pass/Fail** basis and checked during Qualification Evaluation of the proposals.

Criteria	Documents to establish compliance with the criteria
Company should be in business for the past 10 years, and should be based in either the Philippines, Vietnam, or Indonesia.	Certification of incorporation of the Offeror Form F: Performance Statement Form
Offeror must provide a minimum of two (2) customer references from which similar services have been successfully provided, within any of the last 5 years	Form F: Performance Statement Form

## Technical Criteria

Technical evaluation will be carried out to bids that pass the eligibility, formal and the qualification criteria, with requirements as follows:

- The maximum number of points that a bidder may obtain for the Technical proposal is 80. To be technically compliant, Bidders must obtain a minimum of 56 points

Minimum pass score: 70% of maximum 80 points = 56 points

### Overall Technical proposal points allocation

Section number/description		Points Obtainable
1	Offeror's qualification, capacity and expertise	25
2	Proposed Methodology, Approach and Implementation Plan	30
3	Key Personnel proposed and <u>Sustainability</u> Criteria	25
Total Technical Proposal Points		80

Section 1: Offeror's qualification, capacity and expertise		Points	Sub-points
1.1	Brief Description of the organization's experience in working with NGOs, government agencies, or intergovernmental organizations in the Philippines	20	
	<b>Experience</b> in working with NGOs, government agencies, or intergovernmental organizations		10
	Experience in projects of comparable size, type, complexity and technical specialty		5
	<b>Personnel designation:</b> The service provider is expected to identify designated employees to produce each of the above outputs, keeping in mind that UNOPS follows a best value for money principle.		5
1.2	General organizational capability which is likely to affect implementation: management structure, and project management controls. (Max 4 pages written text)	5	
	1. Management structure, management controls, and extent to which any part would be subcontracted		3
	2. Financial Capacity/financial stability: Bidder should have minimum annual turnover of 150,000 USD in any of the past 2 years Liquidity / quick ratio should be minimum 1, in any of the past 2 years . In case of a joint venture, annual turnover is calculated based on the total annual turnover of the JV members. In case of a joint-venture, at least one of the JV members should have 1 liquidity/quick ratio in any of the past 2 years.		2

Total points for section	25	
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## Section 2: Proposed Methodology, Approach and Implementation Plan

Section 2: Proposed Methodology, Approach and Implementation Plan		Points	Sub-points
2.1	Description of the Offeror's approach and methodology for meeting or exceeding the requirements of the Terms of Reference	20	
	1. Description of the offeror's approach to conduct the demand assessment for a Transition Advisory Revolving Facility.		10
	2. Description of the offeror's approach to review the Philippines policy and regulatory framework for the early retirement of coal plants.		10
2.2	Quality Assurance	5	
	A plan outlining how the bidder intends to ensure oversight and quality assurance throughout the assignment. Quality Assurance plan should include discussion on risk-assessment and its mitigation plan		5
2.3	Implementation Timeline	5	
	Bidder submits a detailed implementation timeline which includes detailed activities to be undertaken during this assignment, and is completed with gantt chart		5
Total points of the section		30	

## Section 3: Key personnel proposed and Sustainability Criteria

Section 3: Key personnel proposed and Sustainability Criteria		Points	Sub-points
3.1	Qualifications of key personnel proposed	20	
	<b>Team Leader Sustainable Energy Finance Expert</b>  <b>Education:</b> Post-graduate degree, master degree in law, environment, climate change/ relevant subjects with		10

Section 3: Key personnel proposed and Sustainability Criteria	Points	Sub-points
<p>cumulative 10 years of experience in energy, environmental, social and governance (ESG) investing, .</p> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• A Philippines-based expert with at least 10 years experience in energy and environmental, social, and governance (ESG) investing.</li> <li>• Significant professional experience at least 8 years working on international sustainable finance, and energy is a <b>must</b>.</li> <li>• Significant professional experience in Southeast Asia, particularly in the Philippines, Indonesia, and Vietnam is desired.</li> <li>• Experience working with key regional players in the energy transition is desired.</li> <li>• Experience in coal phase-out would be an asset.</li> <li>• Previous successful involvement with, and good knowledge of, government, private sector and civil society is desired.</li> </ul> <p><b>Language:</b> Fluency in both written and spoken English is essential. Regional language skills are considered an advantage.</p>		
<p><b>Policy/Law Expert</b></p> <p><b>Education:</b> : Master degree in laws, development policies or related field with an additional 3 years of experiences in energy, environment, acquisitions or trade agreements</p> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• At least 6 years experience practicing law in the field of energy, sustainable finance, ESG.</li> <li>• Significant professional experience in the Philippines is essential.</li> <li>• Significant professional experience in Southeast Asia is preferred.</li> <li>• Experience or knowledge in coal phase out would be an asset.</li> <li>• Previous successful involvement with, and good knowledge of, government, private sector and civil society is desired.</li> </ul> <p><b>Language:</b> Fluency in both written and spoken English is essential. Regional language skills are considered an advantage.</p>		5

Section 3: Key personnel proposed and Sustainability Criteria		Points	Sub-points
	<p><b>Energy Transition Researcher/ Analyst</b></p> <p><b>Education:</b> Master degree in law, energy, finance, economics, or related field with additional 2 years of experiences in the field of energy, environment, or ESG.</p> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>• At least 3 years research experience in in the field of energy, sustainable finance, economics, ESG</li> <li>• Significant professional experience in at least one of the country context (Philippines, Vietnam, Indonesia) is essential.</li> <li>• Significant professional experience in Southeast Asia is preferred.</li> <li>• Experience in the coal phase-out would be an asset.</li> <li>• Previous successful involvement with, and good knowledge of, government, private sector and civil society is desired.</li> </ul> <p><b>Language:</b> Fluency in both written and spoken English is essential. Regional language skills are considered an advantage.</p>		5
3.2	The bidder shall provide a <b>response</b> that demonstrates its commitment to support gender equality through its operations	5	
Total points of the section		25	

**a. Financial Criteria (20 maximum points)**

The financial part of those proposals that are found to be technically compliant will be evaluated as follows.

The maximum number of points that a bidder may obtain for the Financial Proposal is 20. The maximum number of points will be allocated to the lowest evaluated price bid. All other prices will receive points in reverse proportion according to the following formula:

Points for the Financial Proposal of a bid being evaluated =

$$\frac{[\text{Maximum number of points for the Financial Proposal}] \times \{\text{Lowest price}\}}{[\text{Price of proposal being evaluated}]}$$

Financial proposals will be evaluated following completion of the technical evaluation. The bidder with the lowest evaluated cost will be awarded (20) points. Financial proposals from other bidders will receive prorated points based on the relationship of the bidder's prices to that of the lowest evaluated cost.

Formula for computing points: Example

Points = (A/B) Financial Points
Bidder A's price is the lowest at \$20.00. Bidder A receives 20 points
Bidder B's price is \$40.00. Bidder B receives $(\$20.00/\$40.00) \times 20$ points = 10 points

The total score obtained in both Technical and Financial proposals will be the final score for the proposal, with 80% allocated to the Technical proposal and 20% to the Financial proposal. The proposal obtaining the overall highest score will be considered as the winning proposal. This proposal will be considered to be the most responsive to the needs of UNOPS in terms of value for money.

The selection of the preferred bidder will be based on a cumulative analysis, analyzing all relevant costs, risks and benefits of each proposal throughout the whole life cycle of the services and in the context of the project as a whole. The lowest priced proposal will not necessarily be accepted.