

**INVITATION FOR EXPRESSION OF INTEREST FOR
SELECTION OF STRATEGIC PARTNERS IN THAILAND**



ENERGY EFFICIENCY SERVICES LIMITED
A JV of PSUs under the Ministry of Power

Invitation for Expression of Interest for Selection of Strategic Partners in Thailand

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1. Introduction

Energy Efficiency Services Limited (EESL) is a Super-Energy Service Company (ESCO), which enable consumers, industries and governments to effectively manage their energy needs through energy efficient technologies. EESL is implementing the world's largest non-subsidized energy efficiency portfolio across sectors like lighting, buildings, E-mobility, Smart Metering and agriculture at a scale which no organization has been able to achieve. EESL focuses on solution-driven innovation with no subsidy or capital expenditure (CAPEX). It is able to do so using its Pay-As-You-Save (PAYS) model, which obviates the need for any upfront capital investment by the consumer. The entire investment by EESL is recovered through monetized energy savings over a scheduled project period.

EESL is promoted by the Ministry of Power, Government of India as a Joint Venture of four reputed public-sector undertakings – NTPC Limited, Power Finance Corporation Limited, REC Limited and POWERGRID and has combined net worth of over \$32 million.

UJALA's wider acceptance is primarily attributable to low cost and superior quality of bulbs distributed under the scheme. Through demand side aggregation and competitive bulk procurement, EESL has achieved a rapid decline in LED prices – 80% just over three years, thus initiating a transformation of the lighting sector in India. UJALA continues to trigger investment, innovation and best-in class manufacturing, all of which are at the heart of the Make in India campaign led by Hon'ble Prime Minister. Successes around streamlining large-scale replacement of street lights with LEDs and UJALA, showcases EESL's ability to rapidly drive transformative impact. Till date, EESL has distributed over 35.30 crore LED bulbs, resulting in estimated energy savings of 45.85 billion kWh per year with avoided peak demand of 9,180 MW and estimated GHG emission reduction of 37.13 million t CO₂ per year.

EESL's growing portfolio and engagements with several international agencies has firmed up the value addition that EESL could bring in sectoral markets outside India. In the course of last year, EESL's work has been recognized in the international arena with the IEA publishing a case study on UJALA. Government of India has included EESL work in Government to Government engagements in UK (for Green Bonds issuance and investments), Sri Lanka, Nepal, Bangladesh, Vietnam, and Indonesia (for implementing UJALA).

EESL is thus recognized in several international markets as a market leader in innovative business models and roll-out of large-scale EEs operations. Therefore, EESL aims to leverage this experience and exploit new opportunities in overseas market for diversification of its portfolio. In Thailand, EESL developed various EE schemes for SME units of Thai Auto Sector by conducting energy audit in 220 units. This includes 5 technologies like Lighting, EE Motors, VFD, EE Air Compressor and Air-Conditioners with investment potential of \$ 8 mn – \$ 10 mn in these 220 units with monetized energy saving of about \$3.5 mn annually.

2. Objective of the Eoi

EESL aims to promote and implement energy efficiency and renewable energy solutions in both public and private sectors. Inorganic growth strategies like local implementation partners and joint ventures shall thus remain the Foundation of EESL's growth strategy.

Being a government organization, EESL follows norms of transparency in all its engagements. In that, an open process for selection of prospective partners for execution/implementation of large-scale projects and mobilization of local funds is being carried out.

EESL is hence, **inviting partners for selection** through an Expression of Interest (EOI) entailing qualitative and quantitative rating system and a minimum passing score. The Eoi is categorized into two stages:

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- (i.) Local Implementation Partner
- (ii.) Joint Venture partnerships

The two stages will be evaluated independent of each other. In that, a prospective partner who meets the minimum scoring criteria will be engaged with us. The primary objective of this EOI is to engage with partners through a transparent process and ensure equal opportunity to all.

Interested parties are advised to study this EOI document carefully before submitting their response.

3. Relevant Areas of Projects/Investment

Projects under clean energy and energy efficiency will all be eligible under this EOI. The relevant sectors are hospitality, Industry and Municipality etc.

4. Bid Submission Timelines:

The last date for submission of the responses against EOI is **15th September, 2019.**

5. Evaluation of the EOI:

5.1 First Stage for Partner Evaluation:

(a) Evaluation of EOI: The EOI will be evaluated firstly to identify prospective partners by way of an objective set of parameters as indicated in the table below. The maximum marks at this stage are 50. All partners which get the minimum score of 25 on the objective parameters will be selected for the next stage. Post selection, as and when the partners submit projects, the project due diligence will be conducted. The evaluation shall be done in the following manner:

5.1.1 Selection of Partners: Qualitative and Quantitative assessment will be undertaken and the partners will be ranked on the basis of basic minimum requirement as prescribed in EOI in order of merit. Parameters used for evaluation of prospective partners are as under:

Parameter	Maximum Score	Scoring system
Experience in relevant* sector in Years (including that of Promoters)	10	
		0-1 years = 3
		1 to 2 years = 5
		2 to 3 years = 7
		Over 3 years = 10
Country of Operation for a minimum of 10 years in Thailand (Company must be registered with the local Government)	10	
		Thailand = 10

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		Any Other = 0
Net worth**	10	
		< 5 million USD or equivalent = 1
		5 to 10 million USD or equivalent = 5
		10 million USD or more equivalent = 10
Company Turnover/Fund size	10	
		< 2 million USD or equivalent = 1
		2 to 5 million USD or equivalent = 5
		5 million USD or more equivalent = 10
Number of relevant projects completed/in the pipeline	5	
		0-1 Projects = 0
		1-4 Projects = 2
		4 - 7 projects = 4
		Over 7 projects = 5
Profitability in last 3 years	5	
		Not profitable in last 3 years = 0
		Profitable in 1 year out of last 3 years = 2
		Profitable in 2 years out of last 3 years = 4
		Profitable in all 3 years = 5

*Includes hospitality, Industry and Municipality.

**Includes that of promoters

5.2 Second Stage of Project Evaluation:

Selection of Projects and other investment opportunities: As and when the qualified partners submit projects/ investment opportunities, the aforementioned committee will evaluate and rank the projects on the parameters listed in **Table 5.2.1**. The ranking will be done out of a maximum 50 marks and the minimum scoring for project evaluation will be 25 marks.

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TABLE 5.2.1 – Project evaluation Parameters (A JV/SPV for green field investment is eligible under project evaluation)

Parameter	Maximum Score	Scoring system
Investment Size	15	
		< 100K USD or equivalent = 1
		100K to 500 K USD or equivalent = 5
		500K to 1 million USD or equivalent =10
		1 million USD or more equivalent = 15
Net Yearly Cash flows (Point at which positive cash flow is achieved)	15	
		Negative cash flow = 0
		3 years or more = 5
		0 to 3 years = 10
		0 to 1 year = 15
Net Profit Margin (Average of last 3 years)	10	
		< 2% = 0
		2 to 3% = 2
		3 to 4% = 4
		4 to 7% = 6
		7 to 8% = 8
		8% or more = 10
Post-tax Equity IRR (%)	10	
		< 4% = 0
		4 to 7% = 2
		7 to 8% = 4
		8 to 9% = 6
		9 to 10% = 8
		10% or more = 10



6. EoI Format

The EoI must be submitted in the format below at eoisea@eesl.co.in

6.1 EoI for Partner

Sr. No	Information Sought	Details to be submitted
1	Company Information	<ul style="list-style-type: none"> • Full name of organization • Address for correspondence • Registered office address • Names of Directors or principals • Organizational structure • Any professional or commercial affiliations • Company Incorporation certificate • Key staff information - average staff and managerial staff numbers
2	Legal documents	<ul style="list-style-type: none"> • An affidavit signed by a senior partner/executive within the jurisdiction entity, identifying all of the connected entities both in the jurisdiction and overseas • Please provide details of professional indemnity, public liability and employer's liability insurance including the level of excess.
3	Financial Information	<ul style="list-style-type: none"> • Annual financial accounts of the entity for the preceding 3 financial years. These should be management accounts signed by an accountant and/or Director.
4	Relevant Experience	<ul style="list-style-type: none"> • A summary of the company's relevant experience • A snap-shot listing of relevant projects. The snap-shot should include brief description of the project, Country, Value, duration. It is important to demonstrate the proven experience in the relevant sectors.

6.2 EoI for Joint Venture

Sr. No	Information Sought	Details to be submitted
1	Project Information	<ul style="list-style-type: none"> • Overview (must include a brief description of the project, project tenure, portfolio of projects, commercial and technical overview – where applicable) • Proposed structure in case of JV/SPV

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2	Financial Information	<ul style="list-style-type: none">• Submission of Cash flows/Financial statement -if applicable• The financials MUST address all financial parameters at section 5.2.1
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If documentation and details are available in Thai language, then submission of financial information and others can be done through a letter head with self-attestation.