

PROCEDURE DESCRIPTION OF OFFSHORE WIND TENDER AND PERMISSION GRANTING

National Energy Regulatory Council

2022-12-15

TENDER ANNOUNCEMENT

- ❑ Tenders are announced on date, which is set in the Law on Renewable energy sources or in Government resolution
- ❑ Information about Tender is announced in Council website section „**TENDERS**“
- ❑ Information will cover the title of the Tender and Description of Tender conditions (approved by Council resolution). Description will indicate:
 - minimum PP installed power and maximum generating power
 - incentive period
 - maximum transaction price and minimum transaction price limit
 - Tender documents and bid submission registration procedure, terms and conditions
 - Information about public keys for information encryption
 - Entrance fee

TENDER COMMITTEE

- ❑ At least 5 members
- ❑ **Committee members are from:**
 - National Energy Regulatory Council
 - Ministry of Energy
 - Lithuanian Energy Agency
 - Competition Council of the Republic of Lithuania
- ❑ **Duty** – to check the documents of Bidders, make a list of Bidders, evaluate Bidders proposals (bids), make list of Potential Tender Winners (PTW).
- ❑ **Tender secretary** – register Bidders documents, attends and records the Tender committee meetings

BIDDER

- ❑ **Bidder** – A Republic of Lithuania or foreign natural or legal person or other organization or its division, or a group of persons operating based on a joint venture agreement (hereinafter referred to as a person), registered in the Tender electronic journal, who is seeking to participate in the Tender and win the right to develop the power plant and receive the transaction price for the annual incentive quantity
- ❑ Person becomes Bidder after the registration in the Tender electronic journal
- ❑ **Rights of the bidder:**
 - Submit new Tender documents and / or Proposal file before the end of the established registration period
 - Refuse to participate in the Tender until the Council meeting, where PTW is determined as the winner of the Tender
 - To request a refund of the entrance fee (in Tender Description established cases)
- ❑ **Bidder is not allowed to transfer its rights as a bidder to other natural or legal persons.**
- ❑ **Bidder duties:**
 - provide passwords to encrypted files
 - act honestly, do not violate principles of fair competition
 - provide correct and not misleading information

TENDER STAGES

- ☐ Registration of the Tender documents and Bid offers
- ☐ Evaluation of Tender documents *(if there are at least 2 participants)*
- ☐ Making of Bidders list
- ☐ Evaluation of Bids and making a PBW list *(if there are at least 2 Bidders whose documents are properly submitted)*
 - ☐ Submission of an additional proposal for the reduction of the annual incentive quantity
 - ☐ Submission of an additional proposal for an increase in the development fee
- ☐ Determination of the potential winner of the Tender
- ☐ Potential winner of the Tender evaluation for fulfilling national security criteria
- ☐ Potential winner of the Tender recognition as the winner of the Tender

MAKING OF PTW LIST AND PTW DETERMINATION

- ❑ Bidders are rated by incentive size from lowest to highest
- ❑ If incentive size matches, Bidders are rated:
 - when incentive size > 0 , by quantity of electricity which suppose to be incented. If quantities matches – Bidders are rated at random order
 - When incentive size $= 0$, higher is Bidder with higher development fee. If development fee matches - Bidders are rated at random order.
- ❑ If in PTW list first place is only 1 Bidder, he is announced as potential Tender winner.

DETERMINATION OF PTW, WHEN IN 1st PLACE OF PTW LIST IS MORE THAN 1 BIDDER

when incentive size > 0

- ☐ Additional proposals for IS reduction phase
- ☐ Updated PTW list is made from lowest to highest IS. If IS matches and:
 - IS > 0 , by documents submission date from earliest to latest
 - IS $= 0$, PTW are written in the same place and then additional proposals for development fee increase phase
- ☐ If in updated PTW list 1st place is only 1 Bidder, he is announced as Potential winner.

when incentive size $= 0$

- ☐ Additional proposals for development fee increase phase
- ☐ Updated PWT list is ranked by development fee, from highest to lowest. If development fee matches – by submission date from earliest to latest.
- ☐ 1st Bidder of PTW list is announced as Potential winner

Bidders, who supposed to make additional proposals and did not make them, are not included to updated PTW list.

OTHER IMPORTANT ASPECTS

☐ Due to failed tender:

☐ Tender is announced as failed if:

- Less than 2 Bidders apply to the Tender;
- If in Bidders list are written less than 2 bidders;
- There is none bidder in PTW list;
- PTW is determined as not meeting national security criteria, or PTW refuse to become the Winner of the Tender and there are no more PTW.

☐ The Council adopts a resolution regarding the announcement of the Tender as failed

☐ Council's resolution is published in www.vert.lt

☐ No later than after 6 months from Tender announcement as failed, Council re-organize the Tender within the same offshore territory for the same maximum generating power wind power plants

☐ All needed forms for the application to the Tender, making proposals (bids) and additional proposals, etc will be established by Council

PROCEDURE FOR ISSUING DEVELOPMENT AND EXPLOITATION PERMITS (I)

Permits are issued to natural persons who have the right to live in the Republic of Lithuania, or to legal entities established in the Republic of Lithuania, legal entities of other member states or divisions of other organizations established in the Republic of Lithuania, which are confirmed as winners of the Tender.

The following must be submitted with the application for a permit for development and operation:

- a document (topographical photo or map of the territory) which graphically presents the decisions regarding the location of the planned power plants;
- when the person who submitted the request is a legal entity, a written confirmation that an employee or employees have been appointed to carry out regulated activities and prepare reports, to inform and advise consumers, to examine complaints about the conditions of the activities carried out, or copies of contracts with business entities providing these services.

PROCEDURE FOR ISSUING DEVELOPMENT AND EXPLOITATION PERMITS (II)

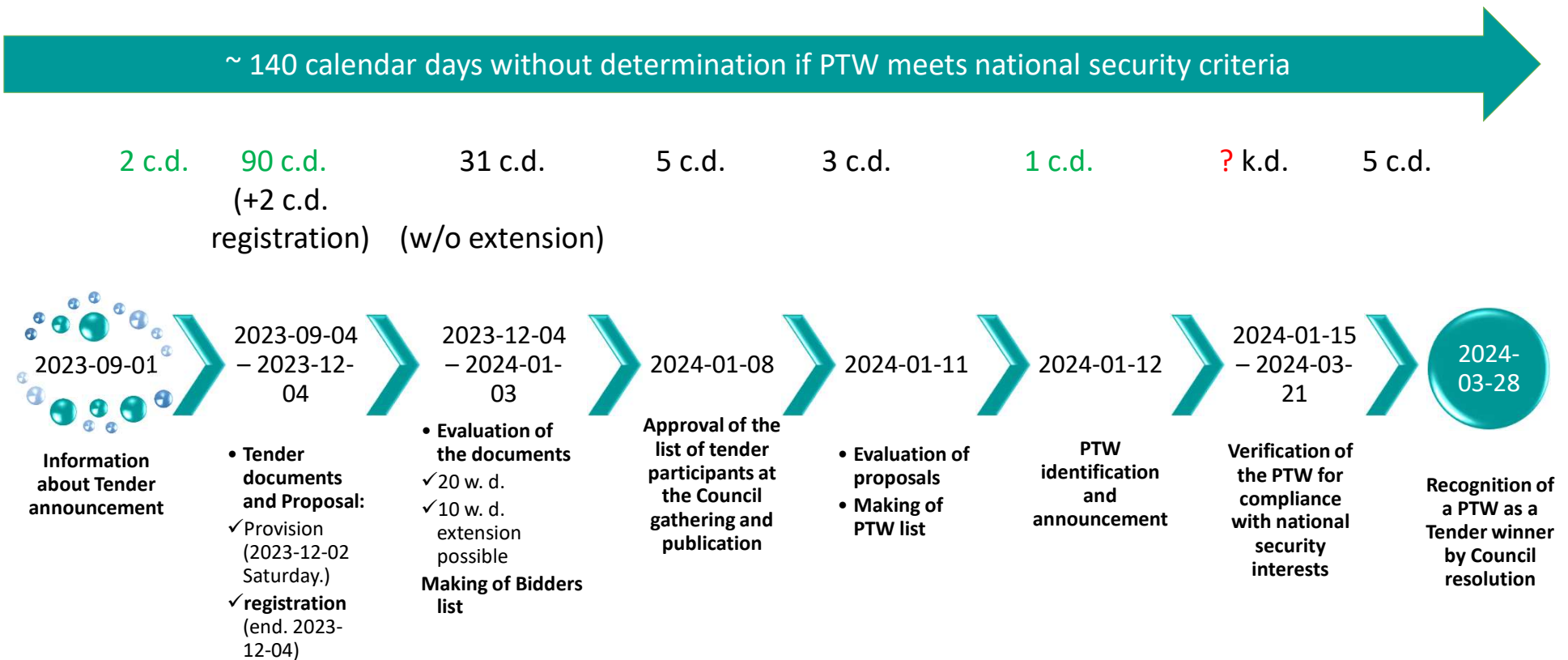
A person who has received a permit for development and operation does not have the right to authorize other persons to engage in the activities specified in this permit or to transfer these rights to them under a contract or on other reasons and must comply with the following conditions of activity:

- within 3 years from the date of obtaining the permit for development and operation, obtain a document allowing construction;
- within 6 years from the date of obtaining the permit for development and operation, to obtain a permit to produce electricity for the power plant's permitted generated power specified in the letter of intent;
- not to increase (not to expand) the power plant's installed power, permitted generating power and territory provided set in the permit for development and operation;
- timely and properly fulfil the obligations undertaken in accordance with Article 22, Part 10, Clauses 2 and 18 of the Law on Renewable Energy Sources;
- In accordance with the procedure and deadlines established by the Government, the Lithuanian Energy Agency shall submit reports on the progress of the implementation of the project for the development of power plants in the maritime territory and on the fulfilment of the assumed obligations specified in Clauses 2 and 18 of Article 22, Part 10 of the Law on Renewable Energy Sources.

PROCEDURE FOR ISSUING DEVELOPMENT AND EXPLOITATION PERMITS (III)

- If not all the documents required for the issuance of the permit are submitted or the data provided is incorrect, as well as if they are not sufficient to determine whether the documents meet the established requirements, the Council notifies the person no later than within 10 working days from the date of registration of the application that it is necessary to submit the missing documents or information. The person shall submit the missing documents or information no later than within 30 calendar days from the date of receipt of the notification.
- The Council, having identified violations of compliance with the conditions and requirements of the activity regulated by the permit, or having received information about such violations from the state supervision and/or control authorities, after checking and evaluating it, immediately, but no later than within 10 working days after receiving information about the violations, warns the permit holder in writing the holder about the possible suspension of the validity of the permit.
- The validity of permits is suspended by the Council's resolution in the cases specified in clauses 1-5 of Article 21, Part 5 of the Law on Energy.

Tender process and dates



Questions?

