ESWATINI ELECTRICITY COMPANY

TERMS OF REFERENCE

FOR

CONSULTANCY SERVICES

FOR

CONDUCTING A COST OF SUPPLY STUDY AND TARIFF REDESIGN PROJECT

April 2026

Contents

1. Background

The Kingdom of Eswatini is faced with rising cost of electricity caused by the over-reliance on energy imports to meet domestic needs. High costs of electricity experienced by the country from energy imports impede government's efforts to provide affordable electricity to citizens and to stimulate economic growth to provide the much-needed employment opportunities for poverty reduction. Other than the rising cost of electricity imports from external sources, the Utility is facing other major sector evolving challenges including:

- Growth in embedded/self-generation
- Integration of renewable energy sources (IPP solar, biomass)
- Declining sales revenues due to customer self-generation
- Need for cost-reflective and equitable tariffs
- Transmission and distribution network expansion and rural electrification investments

The Cost of Supply Study (CoSS) and tariff redesign seeks to ensure that electricity pricing is fair, sustainable, and aligned with the true economic cost of supplying power. The study will help the utility address several emerging sectors and financial challenges, including an evolving import tariff structure, which has implications for overall cost build-up and pricing. The CoSS use of the Long Run Marginal Cost (LRMC) principles will determine the true incremental cost of supplying electricity, enabling the development of tariffs that reflect actual capacity and energy costs. This will ensure that the utility can sustainably recover its revenue requirements while sending appropriate price signals for efficient energy use. The Eswatini Energy Regulatory Authority (ESERA) has finalized a Cost of Supply Framework and licensees are expected to produce COS Studies aligned with LRMC methodology.

Additionally, tariff redesign is necessary to address affordability concerns for low-income and small commercial customers, support the integration of renewable and embedded generation, address the issue of evolving import tariff structure, and mitigate revenue erosion caused by customer self-generation.

Overall, the assignment seeks to strengthen the utility's financial sustainability, promote equity, enhance regulatory compliance, and supports long-term sector planning.

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2. Objectives of the Assignment

The main objectives of this assignment are to:

1) **Alignment of Time-of-Use (TOU) Tariff Structure–** align the electricity import Time-of-Use (TOU) tariff structure with the Utility's existing TOU customer tariff categories, to ensure cost reflectivity, and improve revenue adequacy within the current tariff review cycle. This workstream shall be undertaken as a stand-alone and priority assignment, with outputs capable of implementation in the immediate tariff year, while remaining consistent with the broader LRMC-based Cost of Supply Study.

2) **Cost of Supply Study (LRMC-Based)** - Determine the true cost of supplying electricity across all customer categories using the LRMC methodology covering
    - Cost Allocation across utility segments
    - Determination of marginal cost parameters
    - Identification of cross subsidies and inefficiencies
    - Establishment of the utility's revenue requirement
    - Etc.

3) **Tariff Design and Restructuring** - develop a comprehensive tariff structure that supports cost reflectivity, fairness, financial sustainability, and integration of emerging sector developments. The tariff design must align with the outcomes of the LRMC based Cost of Supply Study to incorporate:
    - Cost Reflectivity
    - Equity and Affordability
    - Capacity Based Pricing
    - Renewable Energy Integration
    - Promote efficient energy use
    - Reflect capacity and energy costs
    - Discourage poor power factor by customers
    - Address declining revenues due to market reforms (i.e. Embedded generation, Wheeling, Customer Contestability, etc.)
    - A transition pathway to migrate from current tariffs to fully cost-reflective tariffs, with mitigations for vulnerable customers
    - Ancillary services pricing for intermittent renewable energy
    - Feed-in tariffs (FiTs) for embedded generation
    - Mechanisms for capacity cost recovery

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3. Scope of Services

The EEC intends to engage an internationally recognized independent consulting firm "the Consultant" that demonstrates a good track record in providing similar services and must have a strong competent team of experts who possess the requisite experience and qualification to complete this assignment. The principal activities of the consulting services shall include but are not limited to the following scope of services.

3.1 Data Collection and Review

3.1.1. Review of Technical, Financial, and Operational Data

- The Consultant shall collect, assess, and analyse all relevant utility data, including Generation data covering both internal generation and electricity imports
- Transmission and distribution network information, including system configuration, asset performance, losses, and operational characteristics
- Load profiles and demand characteristics across all customer categories, including peak demand behaviour and seasonal variations

- Customer segmentation and consumption patterns for domestic, commercial, industrial, and embedded/self-generation customers
- Financial statements and cost structures, including O&M costs, capital expenditure, depreciation, and other cost drivers relevant to revenue requirement determination
- Market data to assess the cost of alternatives and the competitiveness of the proposed tariff structure against these, in addition to existing contractual obligations.
- Government policy documents, especially the sector policies as well as and socio-economic policies to assess if there are any priority sectors or issues that need to be considered in the tariff design.

3.1.2. Data Quality Assessment and Improvement Recommendations

Further to the review of technical, financial and operational data, the Consultant shall also:

- Evaluate the completeness, accuracy, and reliability of the data provided by the utility, identifying gaps, inconsistencies, or data limitations that may affect the robustness of the CoSS.
- Provide detailed recommendations and corrective measures to improve data quality, strengthen data management processes, and ensure alignment with industry best practices.
- Identify any additional data requirements essential to conducting LRMC-based cost modelling and tariff design.

3.2 Load Analysis and Forecasting

The Consultant shall undertake a detailed load analysis and demand forecasting exercise to support the LRMC-based Cost of Supply Study and tariff redesign. This shall include the following key activities:

3.2.1. Development of Load Curves by Customer Category

The Consultant shall develop daily, weekly, seasonal, and annual load curves for each major customer category (domestic, commercial, industrial, and embedded/self-generation). The load curves shall be based on historical consumption patterns and measured load profiles to ensure accurate representation of demand behaviour across segments.

3.2.2. Demand Forecasting (Short-, Medium-, and Long-Term)

The Consultant shall conduct short-term, medium-term, and long-term demand forecasts, incorporating factors such as economic growth, sectoral load trends, electrification plans, self-generation uptake, energy efficiency impacts, and anticipated technological changes. Forecasting shall align with system planning requirements and provide inputs to the LRMC modelling.

3.2.3. Analysis of Peak Demand Characteristics and Diversity Factors

The Consultant shall analyse system and customer-category peak demand characteristics, including peak timing, magnitude, seasonal variations, and load diversity. The assessment shall include evaluation of coincidence factors, demand drivers, and diversity among user groups to support accurate capacity cost allocation within the CoSS.

3.3 Alignment of Time-of-Use (TOU) Tariff Structure

3.3.1. Review of Existing Import and Retail TOU Structures

The Consultant shall:

- Review the current electricity import tariff structure, including:
    - TOU periods (peak, standard, off-peak, seasonal differentiation).
    - Energy and capacity charges, where applicable.
    - Any fixed, demand-related, or take-or-pay components embedded in import contracts.
- Review all existing retail TOU tariffs applied to customer categories, including:
    - Industrial, commercial, and any other customers subject to TOU pricing.
    - Voltage-level differentiation (LV, MV, HV).
    - Applicable demand charges, capacity charges, or minimum charges.
- Identify structural inconsistencies between import TOU pricing and retail TOU tariffs, including misaligned time bands, peak definitions, seasonal periods, or cost drivers.

3.3.2. Cost Recovery and Subsidy Assessment

The Consultant shall:

- Analyse the extent to which current retail TOU tariffs recover import-related energy and capacity costs across TOU periods.
- Quantify implicit subsidies arising from misalignment between import TOU charges and retail TOU rates, including:
    - Under-recovery during peak and standard periods.
    - Cross-subsidisation from non-TOU customers or non-aligned tariff categories.
    - Revenue leakage attributable specifically to TOU misalignment.
- Assess the impact of these subsidies on:
    - Utility revenues and cost recovery.
    - Cross-subsidies between customer classes.
    - Price signals for efficient demand management.

3.3.3. Alignment of Retail TOU Prices with Import Cost Signals

The Consultant shall:

- Re-calibrate retail TOU energy and demand charges to better track import-related cost differentials across time periods.

- Ensure that:
    - Peak-period prices reflect peak import and capacity cost exposure.
    - Off-peak prices appropriately reflect lower system and import costs.
    - Any demand or capacity charges are consistent with peak responsibility.
- Estimate revised TOU pricing parameters that reduce or eliminate utility subsidies to TOU customers while maintaining regulatory and affordability considerations.

3.3.4. Impact and Sensitivity Analysis

The Consultant shall:

- Assess the impact of the proposed TOU alignment on:
    - Affected TOU customer bills, by customer category and voltage level.
    - Utility revenues within the current tariff year.
    - Customer load-shifting incentives and demand-side behaviour.
- Conduct sensitivity analysis around:
    - Import cost variability.
    - Load shape assumptions.
    - Peak demand contributions by TOU customers.

3.3.5. TOU Tariff Structure Re-alignment Key Outputs and Deliverables

The Consultant shall deliver, at a minimum:

- A TOU Alignment Technical Report, documenting:
    - Findings of the misalignment and subsidy analysis.
    - Proposed harmonised TOU periods and pricing adjustments.
    - Quantified impacts on revenues and customers.
- An implementation-ready TOU tariff proposal suitable for regulatory submission.
- Supporting analytical models and assumptions, including:
    - Import-to-retail TOU cost mapping.
    - Revenue and bill impact calculations.
- A concise regulatory briefing note summarising recommended TOU changes for approval within the current tariff review cycle.

3.4 Cost of Supply Study (LRMC-Based)

3.4.1. Application of LRMC Methodology

The Consultant shall apply internationally accepted LRMC principles and locally developed Cost of Supply Framework to estimate the long-term incremental costs of supplying electricity. This shall include detailed assessment of:

- Generation costs, including comparative analysis of internal generation versus import optimization and associated marginal energy and capacity cost impacts.
- Transmission and distribution costs, incorporating network reinforcement, future expansion needs, loss factors, and capacity constraints.
- Capacity and energy costs, reflecting both peak-driven infrastructure requirements and marginal energy production or purchase.

3.4.2. Cost Allocation Across Utility Segments

Using LRMC outputs, the Consultant shall allocate costs across relevant dimensions of the electricity system to support the design of equitable and cost-reflective tariffs. Allocation shall be undertaken across:

- Customer classes (domestic, commercial, industrial, embedded generation, etc.)
- Voltage levels (LV, MV, HV) based on system usage and cost drivers
- Time-of-Use (TOU) periods, ensuring accurate reflection of peak, standard, and off-peak cost differentials

3.4.3. Determination of Marginal Cost Parameters

The Consultant shall compute the following key marginal cost components to inform tariff design and revenue requirement decisions:

- Marginal capacity costs, representing incremental investments needed to meet future peak demand
- Marginal energy costs, including variations by season and time-of-day
- Loss factors and cost of technical losses across voltage levels and customer categories

3.5 Cost Allocation and Revenue Requirement

The Consultant shall undertake a comprehensive assessment of the Utility's revenue requirement and allocate costs across customer groups in a transparent and analytically robust manner. The key activities shall include:

3.5.1. Establishment of the Utility's Revenue Requirement

The Consultant shall determine the full revenue requirement of the Utility, incorporating operating costs, capital expenditure, depreciation, return on assets, and other cost drivers relevant to tariff setting.

3.5.2. Application of Appropriate Cost Allocation Methodologies

The Consultant shall allocate costs using suitable and defensible methodologies consistent with utility regulation and LRMC-based tariff development, ensuring alignment with the ESERA Cost of Supply Framework. This may include:

- Embedded cost approaches to reflect historical investment and system cost recovery
- Marginal cost approaches to capture future incremental cost drivers
- Hybrid methodologies where appropriate to ensure equitable, efficient, and cost-reflective outcomes

3.5.3. Identification of Cross-Subsidies and Inefficiencies

The Consultant shall analyse cost allocation outcomes to:

- Identify existing cross-subsidies between customer classes, voltage levels, and consumption patterns
- Highlight operational and cost-structure inefficiencies affecting system performance and financial sustainability
- Provide recommendations to address any inequities or inefficiencies to support a balanced, fair, and sustainable tariff regime

3.6 Tariff Design and Restructuring

The Consultant shall develop a comprehensive tariff framework that supports cost reflectivity, fairness, financial sustainability, and integration of emerging sector developments. The framework shall include, but not be limited to, the following components:

3.6.1 Cost Reflectivity

The Consultant shall ensure that the tariff design aligns with the outcomes of the LRMC-based Cost of Supply Study by:

- Aligning tariffs with LRMC-based cost drivers, ensuring that pricing reflects the true economic cost of supplying electricity.
- Differentiating tariffs according to:
    - Customer class (domestic, commercial, industrial, embedded generation, etc.)
    - Voltage level (LV, MV, HV)
    - Time-of-Use (TOU) periods to reflect peak, standard, and off-peak system costs.

3.6.2 Equity and Affordability

The Consultant shall incorporate mechanisms to ensure fair access and affordability for vulnerable groups by:

- Introducing:
    - Lifeline tariffs for low-income households to safeguard basic energy access.
    - Targeted subsidies, where applicable, to support low-income or vulnerable consumers.
- Addressing affordability concerns for:
    - Small commercial and general-purpose users, ensuring that tariff changes do not impose undue financial burden on key economic sectors.

3.6.3 Capacity-Based Pricing

To ensure financial sustainability and proper recovery of system capacity costs, the Consultant shall:

- Introduce or enhance:
    - Demand charges based on maximum demand or contracted capacity.
    - Capacity reservation charges for users requiring guaranteed supply or standby capacity.
- Ensure the effective recovery of grid infrastructure and maintenance costs, particularly in the context of:
    - Increasing self-generation by customers.
    - Declining volumetric sales, which reduce traditional energy-based revenue streams.

3.6.4 Renewable Energy Integration

The tariff framework shall facilitate the integration of renewable energy and embedded generation by developing tariffs for:

- Embedded Generation (EG):
    - Feed-in Tariffs (FiTs) for eligible generation sources.
    - Net metering or net billing mechanisms that reflect system value and cost recovery requirements.
- Ancillary services, including:
    - Voltage support
    - Frequency regulation
    - Backup supply charges for intermittent and variable renewable energy generators.

3.6.5 Time-of-Use (TOU) Tariffs

The Consultant shall design Time-of-Use tariffs that:

- Reflect peak, standard, and off-peak cost differentials, ensuring price signals align with system demand conditions.
- Encourage demand-side management, load shifting, and efficient consumption patterns among customers.

3.6.6 Industrial and Large Customer Tariffs

The tariff framework shall include provisions for high-consumption users by:

- Developing cost-reflective tariffs based on voltage level, load factor, and contribution to system capacity requirements.
- Ensuring that tariffs promote competitiveness for industry while avoiding unfair cross-subsidies between customer classes.

3.7 Scenario and Impact Analysis

The Consultant shall conduct sufficient scenarios and impact assessments to evaluate the effects of the proposed tariff structures on customers, the Utility, and the broader economy. This analysis shall include, but not be limited to, the following activities:

3.7.1. Assessment of Tariff Impacts

The Consultant shall model and analyse the impacts of the proposed tariff design on:

- Customer bills, disaggregated by customer category to capture differentiated effects across domestic, commercial, industrial, and embedded generator segments.
- Utility revenues, evaluating the extent to which proposed tariffs support financial sustainability and revenue adequacy.
- Key economic sectors, assessing cost impacts on productive industries, social services, SMEs, and other strategic user groups.

3.7.2. Evaluation of Affordability and Competitiveness

The Consultant shall assess:

- Affordability impacts, particularly for low-income domestic customers and vulnerable social segments.
- Competitiveness impacts, with emphasis on energy-intensive and industrial customers whose cost structures may be significantly affected by tariff adjustments.
- Potential distributional effects across customer groups, ensuring equity and minimizing undue burden.

3.7.3. Development of Mitigation Measures

Where adverse impacts are identified, the Consultant shall propose appropriate mitigation measures, which may include:

- Phased or gradual implementation of tariff changes.
- Targeted subsidies or support mechanisms for vulnerable groups or strategic economic sectors.
- Transitional arrangements for large customers or industries facing significant cost impacts.
- Recommendations on communication and stakeholder engagement strategies to support smooth implementation.

3.8 Regulatory and Policy Alignment

The Consultant shall ensure that the Cost of Supply Study and tariff redesign framework are fully aligned with the national and regional regulatory context. Key activities shall include:

3.8.1. Alignment with National and Sector Policies

The Consultant shall review and ensure consistency of the proposed methodologies, assumptions, and tariff design outputs with relevant national energy policies, strategic plans, electricity legislation, and regulatory guidelines.

3.8.2. Alignment with Regional Power Market Structures

The Consultant shall assess the implications of regional power market structures, including the Southern African Power Pool (SAPP), and ensure that the proposed tariff framework supports regional integration, competitive procurement, and cross-border trading where applicable.

3.8.3. Recommendations for Regulatory Approval Processes

The Consultant shall provide clear and actionable recommendations to guide the Utility in navigating regulatory approval processes, including:

- Required submissions and documentation
- Stakeholder consultation expectations
- Compliance with regulatory timelines and approval cycles
- Alignment with tariff application and review procedures

3.9 Capacity Building

- The Consultant shall provide comprehensive capacity-building and hands-on training to the Utility's employees to ensure they can independently undertake future LRMC-based Cost of Supply Studies and carry out tariff reviews aligned with CoSS results.

3.10 Implementation Roadmap

- Develop:
    - Phased tariff transition plan
    - Change management strategy
    - Stakeholder engagement plan
- Recommend systems and billing adjustments required

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4. Deliverables

The Consultant shall deliver the following milestones:

Deliverable / Phase	Duration	Key Activities / Outputs
Inception Report	1 Week	Project plan, methodology, data requirements, stakeholder engagement and alignment, initial assumptions framework
Diagnostic Report	2 Weeks	Data validation techniques, data sources listing, data quality assessment, baseline review, documented initial assumptions
Load Forecast Report	2 Weeks	Load forecast model development, demand drivers' analysis, forecast scenarios
TOU Alignment Technical Report ***(Priority deliverable)***	4 Weeks	Findings, proposed price adjustments, TOU structure alignment, analytical models
Draft Tariff Design	6 Weeks	Tariff simulation model, tariff structure options, pricing scenarios, alignment with cost-reflectivity objectives
Draft CoSS Report	6Weeks	LRMC model (capacity + energy), revenue requirement model, cost allocation approach, preliminary tariff principles, stakeholder engagement
Impact Analysis	3 Weeks	Bill impact tool, scenario analysis tool, customer impact assessment across segments, sensitivity analysis, stakeholder engagement
Final Report	4 Weeks	Model audit trail, finalized assumptions documentation, consolidated findings, final tariff recommendations, refined models and tools

5. Duration of the Assignment

The assignment is scheduled for completion within six (6) months from the date of contract signing. The Time-of-Use (TOU) Tariff Structure Alignment phase will be prioritised for delivery within the first eight (8) weeks and will constitute the foundational workstream underpinning all subsequent phases of the study.

6. Team Composition and Required Qualifications and Experience

Key experts should include:

Expert	Qualifications and Experience
Team Leader / Energy Economist	**Qualifications** • Master's degree or higher in Energy Economics, Power Systems Economics, Electrical Engineering, or related field. • Professional certification in project management (PMP/PRINCE2) is an added advantage. **Experience** • 10+ years' experience in electricity sector economic analysis, tariff setting, and regulatory studies. • Proven experience leading Cost of Supply Studies (CoSS), tariff redesign, or LRMC-based studies in Sub-Saharan Africa or similar developing markets. • Strong understanding of marginal cost principles, tariff modelling, revenue requirement analysis, and utility financial sustainability. • Experience engaging with regulators, government stakeholders, and utility executive teams. • Demonstrated ability to manage multi-disciplinary teams and deliver complex assignments on time.
Power Systems Engineer	**Qualifications** • Bachelor's or Master's degree in electrical/Power Systems Engineering. • Professional engineer (PrEng or equivalent) preferred. **Experience** • 8+ years in transmission and distribution planning, system modelling, load forecasting, and network performance analysis. • Hands-on experience with system load profiles, loss studies, network configuration, and demand forecasting. • Understanding of grid integration of renewable energy, embedded generation, and network capacity constraints.

	• Experience with tools such as PSS/E, DIgSILENT PowerFactory, ETAP or similar. • Experience working with utilities in small to medium-sized power systems typical of Southern Africa.
Tariff and Pricing Specialist	**Qualifications** • Degree in Economics, Finance, Accounting, Engineering, or related field. • Postgraduate training in utility tariff design or regulatory economics is desirable. **Experience** • 8–10 years' experience in tariff modelling, pricing frameworks, and regulatory cost allocation methodologies. • Proven experience developing LRMC-aligned tariffs, TOU structures, demand charges, feed-in tariffs, and tariff restructuring. • Strong knowledge of cost allocation approaches (embedded cost, marginal cost, hybrid models). • Experience working within Southern African Power Pool (SAPP) markets or similar environments. • Ability to conduct affordability analysis, cross-subsidy analysis, and bill impact assessments.
Financial Analyst	**Qualifications** • Bachelor's degree in finance, Accounting, Economics, or related field. • Professional certification (ACCA, CIMA, CFA) is an added advantage. **Experience** • 7+ years' experience in utility financial modelling, revenue requirement analysis, and financial forecasting. • Experience analysing utility financial statements, cost structures, asset valuation, O&M costs, and capital expenditure planning. • Strong skills in financial model development (e.g., Excel-based models).

	• Previous work on tariff applications, regulatory submissions, or utility cost reviews is highly desirable. • Understanding of financial impacts of embedded generation, declining sales, and capacity recovery mechanisms
Renewable Energy Specialist	**Qualifications** • Degree in Renewable Energy Engineering, Electrical Engineering, or Energy Studies. • Postgraduate specialization in RE systems is beneficial. **Experience** • 5–8 years' experience in solar PV, hydro, or wind energy systems, particularly their integration into utility grids. • Knowledge of embedded/self-generation frameworks, net-metering, feed-in tariffs, and renewable resource assessment. • Understanding of intermittency impacts, ancillary service needs, and RE system design. • Experience with small or vertically integrated utilities facing high import dependence (typical in Southern Africa). • Ability to support tariff development for renewable energy compensation mechanisms.
Regulatory/Policy Expert	**Qualifications** • Degree in Law, Public Policy, Economics, or Engineering. • Specialized training in energy regulation is advantageous. **Experience** • 8+ years' experience working with or advising energy regulators, utilities, or government ministries in the electricity sector. • In-depth knowledge of regulatory approval processes, tariff legislation, licensing frameworks, and compliance requirements.

	• Familiarity with regional regulatory structures, especially SAPP and Southern African utility norms. • Experience drafting or reviewing tariff guidelines, regulatory filings, and policy impact assessments. • Strong understanding of balancing affordability, cost reflectivity, and economic competitiveness.
Billing Systems Expert	**Qualifications** • Degree in Information Technology, Computer Science, Finance, or related field. • Certification or training in utility billing systems or revenue management is an advantage. **Experience** • 5+ years' experience with utility billing platforms, customer information systems (CIS), or revenue management systems. • Understanding of tariff structure implementation, bill calculation logic, metering data management, and revenue reconciliation. • Familiarity with smart metering, prepayment systems, and multi-tariff billing configurations. • Experience supporting tariff transition implementation and assessing billing system readiness for new tariff structures.
Data Scientist / Load Modelling Specialist	**Qualifications** • Degree in Statistics, Mathematics, Data Science, Electrical Engineering, or related quantitative field. • Postgraduate qualification in data analytics, energy systems, or applied statistics is desirable. **Experience** • 5+ years' experience in electricity load modelling, demand forecasting, or consumption pattern analysis. • Proficiency in data analysis tools (Python, R, MATLAB) and statistical modelling techniques for load curve analysis and customer segmentation. • Experience processing smart meter interval data, AMI datasets, and SCADA load data to support tariff design and Cost of Supply studies.

	• Ability to develop customer class load profiles and coincident demand models to support LRMC and peak cost allocation analyses.
Communications / Stakeholder Engagement Specialist	**Qualifications** • Degree in Communications, Public Relations, Journalism, Social Sciences, or related field. • Postgraduate qualification in stakeholder management, policy communication, or development studies is advantageous. **Experience** • 5+ years' experience in stakeholder engagement, public consultation, or community relations within regulated industries or public utilities. • Demonstrated ability to develop and implement stakeholder engagement plans for tariff reviews, regulatory proceedings, or infrastructure projects. • Strong written and verbal communication skills, with experience producing plain-language summaries of complex tariff or regulatory matters for diverse audiences. • Experience working with government ministries, consumer advocacy groups, and media in the context of energy sector reform or tariff restructuring.

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7. Reporting and Coordination

- The Consultant will report to the Utility's Project Steering Committee
- Regular progress meetings shall be held (bi-weekly or monthly)
- Stakeholder consultations (regulator, customers, government) are required

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8. Data, Facilities and Support

The Utility will provide:

- Access to required operational and financial data
- Stakeholder facilitation
- Office space (if required)

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9. Proposal Requirements

Interested firms shall submit:

Technical Proposal

Must include:

1. Firm Experience
2. Understanding of Assignment
3. Methodology
4. Work Plan
5. Team Composition & CVs
6. Relevant Project References

Financial Proposal

- Lump sum price
- Breakdown by:
    - Personnel
    - Travel
    - Other costs
    - Taxes

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10. Evaluation Criteria

Proposals will be evaluated based on:

- Technical approach and methodology
- Relevant experience
- Qualifications of key personnel
- Financial proposal

Technical Evaluation (80%)

Criteria, sub-criteria, and point system for the evaluation of the Full Technical Proposals:

Points

(i) **Specific experience of the Consultant (as a firm) relevant to the Assignment:** [*15]*

The number of points to be assigned to each of the above positions shall be determined considering the following three sub-criteria and relevant percentage weights:

1) Number of years of Company performing similar projects (minimum 10 years): _____ *[30%]*

2) Number of similar assignments in the last five years with references (minimum 3 assignments) *:* _____ *[60%]*

3)*[If relevant to the task, add the 3rd sub-criterion:* Relevant experience in the region or developing countries (minimum 1 assignment): *[10%]*

(ii) **Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs):** [35*]*

{Notes to Consultant: the Procuring Entity will assess whether the proposed methodology is clear, responds to the TORs, work plan is realistic and implementable; overall team composition is balanced and has an appropriate skills mix; and the work plan has right input of Experts}

(iii) **Key Experts' qualifications and competence for the Assignment:**

{Notes to Consultant: each position number corresponds to the same for the Key Experts in Form TECH-6 to be prepared by the Consultant}

a) Position K-1: Energy Economist [7]

b) Position K-2: Power System Engineer [3]

c) Position K-3: Tariff and Pricing Specialist [5]

d) Position K-4: Financial Analyst [5]

e) Position K-5: Renewable Energy Specialist [3]

f) Position K-6: Regulatory/Policy Expert [3]

g) Position K-7: Billing Systems Expert [3]

h) Position K-8: Data Scientist / Load Modelling Specialist *[3]*

i) Position K-9: Communications / Stakeholder Engagement Specialist *[3]*

Total points for criterion (iii): *[35]*

The number of points to be assigned to each of the above positions shall be determined considering the following three sub-criteria and relevant percentage weights:

1) General qualifications (general education, training, and experience): ____ *[20%]*

2) Adequacy for the Assignment (relevant education, training, experience in the sector/similar assignments) *:* _____*[70%]*

3)*[If relevant to the task, add the 3d sub-criterion:* Relevant experience in the region (working level fluency in local language(s)/knowledge of local culture or administrative system, government organization, etc.): ____ *[10%]*

Total weight: 100%

(iv) **Transfer of knowledge (training) program** (relevance of approach and methodology):

Total points for criterion (iv): *[5]*

(v) **Participation by nationals among proposed Key Experts**

[Sub-criteria shall not be provided. Calculated as a ratio of the national Key Experts' time-input (in person-months) to the total number of Key Experts' time-input (in person-months) in the Consultant's Technical Proposal]

[10]

Total points for the five criteria*:* **100**

The minimum technical score (St) required to pass is: *80*

[The indicative range is 80 on a scale of 1 to 100]

Financial Evaluation (20%)

- Lowest evaluated cost = highest score
- Formula:

$$Score = (LowestPrice/BidPrice) \times 20$$

Combined Score

$$Total = Technical(80) + Financial(20)$$

Minimum technical pass mark: **70%**

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11. Key Considerations

The study and tariff design must explicitly address:

- LRMC-based cost reflectivity
- Equity and affordability
- Integration of renewable energy
- Declining utility revenues due to self-generation
- Sustainable recovery of grid and capacity costs