

## Request for Expressions of Interest (REoI)

Date: 28/05/2021

**Country:** INDIA

**Project:** PARTIAL RISK SHARING FACILITY for ENERGY EFFICIENCY (PRSF) PROJECT

**Grant No.:** TF019308 (GEF Number) and TF019230 (CTF number)

**Project Nos.:** P128921/ P132620

**Assignment Title:** Hiring of Legal agency for Development of Standard Energy Saving Performance Contract Agreements and other documents for Energy Efficiency sub-project implemented through Super ESCO Demand Aggregation Model under PRSF project.

**Procurement Plan Reference No. :** IN-SIDBI-229449-CS-QCBS

Small Industries Development Bank of India (SIDBI) has received financing from the World Bank towards the cost of the **Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project**, and intends to apply part of the proceeds for consulting services.

The Demand Aggregation Model services (“the Services”) include development of various legal agreements like Energy Saving Performance Contract (ESPC) and other documents for Energy Efficiency sub-project implemented through Super ESCO Demand Aggregation Model under PRSF Project.

Request for Expression of Interest document alongwith ToR is available at: <https://www.sidbi.in/en/tenders> and <http://prsf.sidbi.in/tenders>, <https://eprocure.gov.in/epublish/app>.

The duration of the above assignment will be for six months which may be extended based on requirement.

SIDBI now invites eligible consulting firms [“Consultants”] to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The expressions submitted will be evaluated for shortlisting of best qualified and experienced firms for submission of Technical and Financial proposals based on following criteria:

- a. The firm should be in the business/ registered in India for the last three years.  
[Registration/ incorporation certificate to be enclosed]
- b. The firm must have developed at least three similar nature legal documents for energy sector projects preferably Energy Efficiency projects during last 3 years.  
[Project details to be provided with copies of completion or acceptance certificate]
- c. The firm should have a minimum average annual turnover of Rs. 50 lakh during three financial years of FY 2019-20, FY 2018-19 and FY 2017-18.  
[Certificate from the statutory auditors/ Chartered Accountant to be enclosed]
- d. The firm should have positive net worth during two financial years of FY 2019-20 and FY 2018-19.  
[Certificate from the statutory auditors/ Chartered Accountant to be enclosed]

Expressions of interest (EoI), prepared by firms' shall be containing all relevant information but not limited to:

- i. Introductory letter on letter head (with contact details – name of contact person, address, telephone, fax, email etc.) explaining how the firm is best to deliver the task.
- ii. Organization profile and branches/ offices within the country.
- iii. Information regarding fulfillment of shortlisting criteria listed above with relevant supporting document, proposal without the supporting documents may be rejected.
- iv. Availability of key professionals with desired qualification and experience as per ToR, however there is no need to submit CVs at this stage.

Interested consultants should not have any unsatisfactory track record resulting in adverse action taken by any Government Department (Centre/ State) / CPSU / SPSU / Banks / Autonomous Bodies / Statutory Bodies in India). Further, if selected for the assignment, the firm will need to provide their valid Permanent Account Number (PAN)/ TAN and Goods and Services Tax (GST) Number.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers [January 2011, Revised 2014] ("Consultant Guidelines")<sup>1</sup>, setting forth the World Bank's policy on conflict of interest.

A Consultant will be selected in accordance with Quality and Cost Based Selection (QCBS) method set out in the Consultant Guidelines of the World Bank.

Consultants may associate with other firms in the form of a joint venture [with joint and several liability] or a sub-consultant to enhance their qualifications. Such association must be clearly stated as either Sub-consultant or Joint Venture. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

Expression of Interest in written form to be submitted at the address given below (in person, or by mail, or by e-mail) on or before **30/06/2021 by 16:00 hrs.**

The sealed envelope containing the submission should include the name and address of the firm and shall be clearly marked "**Expression of Interest – Demand Aggregation Model**"

To

Chief Technical Specialist  
PRSF Project  
Green Climate and Sustainable Development Initiatives (GC&SDI)  
Small Industries Development Bank of India (SIDBI)  
O/o ISTSL, E-1, First Floor, Baluja House, Above Axis Bank  
Jhandewalan Extension, New Delhi 110 055

Phone: 011-43526652  
Email: sidbi\_prsf@sidbi.in

Further information can be obtained at the above address during office hours [1000 to 1700 hours].

For further details Terms of Reference (ToR) enclosed below may be referred:

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<sup>1</sup> [http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Consultant\\_GLs\\_English\\_Final\\_Jan2011\\_Revised\\_July1\\_2014.pdf](http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Consultant_GLs_English_Final_Jan2011_Revised_July1_2014.pdf)

**TERMS OF REFERENCE**  
**Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project**

**Hiring of Legal agency for Development of Standard Energy Saving Performance Contract Agreements and other documents for Energy Efficiency sub-project implemented through Super ESCO Demand Aggregation Model**

**1. Background**

**1.1. About SIDBI**

Small Industries Development Bank of India (SIDBI) was established on April 2, 1990 under an Act of Indian Parliament. It is the principal financial institution for the promotion, financing and development of Micro, Small & Medium Enterprises (MSMEs). In order to improve productivity and competitiveness of MSME sector through energy efficiency (EE) measures, SIDBI has undertaken a number of initiatives which include development assistance and line of credits from The World Bank, JICA (Japan), KFW (Germany) and AFD (France). Further, SIDBI has setup an Energy Efficiency Centre (EEC) at New Delhi which is implementing various developmental projects in close cooperation with the World Bank, Bureau of Energy Efficiency (BEE), Energy Efficiency Services Limited (EESL), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and few others.

**a. About EESL**

Energy Efficiency Services Limited (EESL) is a public sector Super-Energy Service Company (ESCO), which enables 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 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, Rural Electrification Corporation Limited and Power Grid Corporation of India.

**b. Energy Efficiency Improvements & ESCOs Role**

Various studies estimates the EE investment potential in India is between Rs. 75,000 Crore and Rs. 150,000 Crore. Despite the prevailing Energy Efficiency potential, most end users are unable to implement EE projects, either due to lack of technical capacity or due to lack of sufficient focus and time for EE investments.

Energy Service Companies (ESCOs) can help Clients in overcoming some of the key EE market barriers. ESCOs provide a range of services, including identification of EE opportunities, close association with equipment manufacturers, design and management, construction, maintenance of the EE technology, and structuring transactions that are based on monetized energy savings, and Measurement and Verification (M&V) of the resulting energy and cost savings.

The innovative policies and regulatory regimes, financing mechanism and business models undertaken by India to address key issues of energy security and climate changes are through implementing Energy Conservation Act 2001 and National Mission for Enhanced Energy Efficiency (NMEEE) launched in 2008. Furthermore, stimulation to the ESCO business in the country has successively come from these policy frameworks wherein the main government initiatives for ESCO market development are defined and implemented. Over 150 ESCOs have been empaneled by Bureau of Energy Efficiency.

The increase and the high volatility of energy prices in India is an important driver of ESCO market development. Nevertheless the ESCO market is made of a few big companies and the market competition is consequently quite low. The super ESCOs operating can take greater financial and technical risks in their energy efficiency investments compared to smaller ESCOs which typically have to deal with more challenges in accessing bank financing and in increasing the credibility of their offers to potential clients. The presence of limited number of active private ESCOs and the absence of competition in the market signals towards various factors and barriers still prevailing and hinder ESCO market development.

## **2. Partial Risk Sharing Facility (PRSF) for Energy Efficiency**

SIDBI as Project Execution Agency (PEA) is implementing a project titled “**Partial Risk Sharing Facility for Energy Efficiency (PRSF)**” in collaboration with EESL, and with the support of The World Bank and the Bureau of Energy Efficiency, and financed by the Global Environment Facility (GEF) and Clean Technology Fund (CTF)<sup>2</sup>. The objective of the project is to transform the energy efficiency market in India by promoting increased level of EE investments, through ESPC modality and implementation delivered through ESCOs. The successful demonstration of ESCO-managed EE subprojects, through PRSF support, is expected to reduce the risk commercial banks perceive in providing credit to EE projects and to help in development of market for the private ESCOs.

The PRSF Project is aimed at demonstrating the viability of ESPC-based EE market transformation by scaling up implementation of energy efficiency projects in Micro, Small and Medium Enterprises (MSMEs), Large industries, Municipalities, DISCOMs and Buildings sector in India.

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<sup>2</sup> EESL is the TA partner in PRSF project and Bureau of Energy Efficiency (BEE) provides overall directions as the Co-Chair of the PRSF Advisory Committee. PRSF Project Appraisal Document is available at: <http://documents.worldbank.org/curated/en/968091468048913492/pdf/PAD9800P1289210R2015000020100OUO090.pdf> & Operational Guidelines: [http://prsf.sidbi.in/assets\\_user/docs/Operating%20Guidelines\\_PRSF.pdf](http://prsf.sidbi.in/assets_user/docs/Operating%20Guidelines_PRSF.pdf)

With the efforts made under the PRSF project, significant strides have been made in convincing many Banks / NBFCs / FIs (collectively, Participating Financial Institutions or PFIs under PRSF) to finance ESCO-implemented EE projects. Out of the all empanelled PFIs under PRSF (see Annex), most have already financed ESCO projects, in addition to SIDBI's own financing, with support from partial credit (loan) guarantees through PRSF. A total of 35 ESCO sub-projects of US\$ 65 million (cumulative value) have been supported through PRSF partial credit (loan) guarantees (as of March 2021). The different stakeholders of the project are given at **Annexure – I**.

More information about PRSF is available at <http://prsf.sidbi.in>.

### **3. Objective of the Assignment**

The objective of the proposed assignment is to develop Standard Energy Saving Performance Contract Agreements (based on shared or guaranteed or deemed savings modalities, as appropriate) using Demand Aggregation Model.

The demand aggregation model will be anchored around EESL's role as a Super ESCO for aggregation and ecosystem development of Energy Efficiency projects' and delivery / implementation through (sub-) ESCOs projects.

### **4. Scope of Services and Expected Deliverables**

Energy Efficiency Services Limited (EESL) is TA partner in PRSF project and would be also acting as a Super ESCO. The business models and associated transaction structuring and contractual documentation will be anchored around EESL's role as a Super ESCO for aggregation and ecosystem development of EE projects' through demand aggregation and delivery/ implementation through (sub) ESCOs.

EESL as a Super ESCO has been aggregating the energy efficiency projects with the different type of clients (like buildings, municipalities, industries, DISCOMS, etc.) on pan India basis. This ToR will facilitate the collaboration with ESCOs to participate in specific projects (financing, implementing, audit, consultancy assignments, impact assessment, demand aggregation, etc.) through the transaction/ contractual documentations and streamlining the ecosystem and the collaboration of ESCO with EESL will be supported by PRSF partial credit (loan) guarantee for such assignments.

The scope of the services of this assignment are broadly given below:

- i. Inception Report with detailed work plan by consulting SIDBI, EESL and Hosts e.g. Large industries (except thermal power-plants), Municipalities, Buildings, MSMEs and Discoms for energy efficiency projects.
- ii. Agency will coordinate with EESL and SIDBI (as PEA for PRSF) for understanding requirements of the probable Business Models, these could be a combination of (inter alia):

- a. Technologies (e.g. LED Lighting, Waste Heat Recovery, Variable Frequency Drives, HVAC, Motors replacement, Water pumping, Air Compressors, Smart meters, etc.)
- b. Hosts e.g., Large industries (except thermal power-plants), Municipalities, Buildings, MSMEs and Discoms

EESL has defined two indicative business models in the form of schematic diagram which is attached as Annexure 2. However, the agency in consultation with EESL can define few more business models for implementation of projects and issuance of the guarantee under PRSF.

- iii. The Legal agency shall prepare standard contractual and standard transaction documentations like Energy Savings Performance Contracts, Measurement & Verification report, and other annexures (which will be aligned with PRSF Operational Guidelines) that will be required by EESL, as a Super ESCO, to enable EESL to implement the Demand Aggregation Model and facilitate (sub) ESCO participation in EESL projects, with support from PRSF Facility.
- iv. The agency shall explore the possibilities of standardizing the existing ESPC agreement under the PRSF program and other documents which should be universal for different business models. The documents may include (inter alia): standard ESPC agreements templates for master agreements between Hosts and EESL and sub-ESPC agreements between EESL and sub-ESCO(s) that enable aggregation of demands. The sub-ESPC agreements should be consistent with the existing PRSF standard ESPC contract.
- v. The demand aggregation model envisages involvement of one or many sub-ESCOs for the performance of contract so the agreements shall have provisions to capture the details of each sub-ESCO involved along with their roles and responsibilities, terms of engagement, sharing of revenues & basis of compensation of work especially for payment terms, performance & penalty clauses, sharing of risk between different stakeholders (Host/EESL/sub-ESCO(s)).
- vi. Documentation should also cover performance parameters, implementation schedule, measurement and verification framework, legal obligations especially related to repayment, payment security mechanism, warranties, indemnifications, liabilities (jointly and severally liable), liquidated damages, penalties, non-repayment, severance, termination of contract between different stakeholders (Host/EESL/sub-ESCO(s)).

## **5. Duration of the Assignment**

The duration of assignment shall be **Six (06) months** which may be extended based on project requirement and performance.

## **6. Team Composition & Qualification Requirements for the Key Experts**

SIDBI/ EESL will assess the demonstrated experience and capacity of Legal agency applying and the selected agency is expected to deploy sufficient manpower required to successfully deliver the required outputs.

The team shall comprise of experts from legal, technical and commercial cum financial domain. An indicative manpower requirement of key experts with desired qualification and experience is given in the table below.

S. No.	Key Position	No.	Area of Specific Expertise Desired	Minimum Qualification and Professional Experience Desired	Person months
i.	Project Leader cum Legal Expert	01	Having headed, managed and directed minimum three assignments of similar nature in energy sector preferably in energy efficiency sector with FIs/NBFCs and large donors.	LLB or equivalent with min. 10 years of experience in managing and directing the assignments of similar nature. The project leader should be on the payroll of lead bidder.	6
ii.	Energy Efficiency Expert	01	Having experience of conducting energy audits in various sectors and should have technical design, financial/economic and environmental analysis and implementation experience of EE projects	Certified BEE Auditor with B.Tech / BE or equivalent with at least 7 years of experience.	3
iii	Commercial cum Financial Expert	01	Having experience of design and execution commercial transaction structures and documents related to ESCO based EE projects	MBA/CA with 5 years of exp.	3
Total					12

## 7. Reporting Requirements and Time Schedule for Deliverables; and Payment Structure

S No	Deliverables	Duration <sup>i</sup>	Payment Terms <sup>ii</sup>
1.	Submission of Inception Report with detailed work plan and acceptance by SIDBI/EESL.	Within 1 month	10%
2.	Submission of draft standard contractual and standard transaction documentation like Energy Savings Performance Contracts, Measurement & Verification report, and other annexures (which will be aligned with PRSF Operational Guidelines) which should be universal for different business models. The above documents needs to be accepted by SIDBI/EESL.	Within 4 months	30%
3.	Incorporation of any feedback on the draft standard agreements and other standard documents and submission of final standard agreements and other standard documents and acceptance by SIDBI/EESL.	Within 6 months	60%
<b>Total</b>			<b>100%</b>

<sup>i</sup> Duration is considered from date of contract signing.

<sup>ii</sup> Payment with respect to total contract value.

## **8. Client's Inputs including Counterpart Personnel, Data and Facilities to be provided by the Client**

SIDBI/ EESL will support the agency by sharing relevant documents and information needed for completion of activities as per ToR.

## **9. Composition of review committee and review procedure to monitor Legal Agency work**

- The deliverables will be reviewed and accepted by committee constituted by SIDBI/ EESL.
- The Legal agency should provide monthly updates within first week of following month in reporting formats to be agreed between the agency and SIDBI/ EESL. In addition, the Legal Agency shall meet with EESL and SIDBI PRSF Teams once every month.
- The report shall mention gist of all activities under taken, progress made, corrective action taken, if any, during the month and the future plans.
- The Report writing shall start from the first month of Commencement of the contract and drafts will be shared on a regular basis with EESL and SIDBI PRSF teams.
- The Legal agency's work may be reviewed from time to time by PRSF Executive Committee and Advisory Committee members.
- The World Bank may also review the reports/ deliverables on a selective basis. In addition the agency may be asked to join and discuss/present findings in any of the regular PRSF team meetings between the SIDBI, EESL and the World Bank.



## PRSF Project Stakeholders

Empaneled PFIs	ESCOs	The Client	Executing Agencies	Implementing Agency	Funding Agencies	Monitoring/ Advisory Agencies
0. SIDBI 1. SBI 2. Union Bank of India 3. Yes Bank 4. HDFC Bank 5. IndusInd Bank 6. Tata Cleantech Capital Ltd. 7. Electronica Finance Ltd. 8. SREI Infrastructure Finance Ltd 9. The Federal Bank 10. IREDA 11. Canara Bank 12. PTC Financial Services 13. ICICI Bank 14. Bank of Baroda  <b><u>Under process</u></b> 15. Punjab & Sind Bank 16. Bank of India 17. PNB 18. Axis Bank 19. Central Bank of India	1. Smart Joules 2. eSmart 3. Yajna Fuels 4. Yantra 5. Energized Solutions 6. Katyani 7. Geostat 8. Cosmoright 9. G A Infra 10. Suveg Electronics 11. Alien Energy 12. EIPL 13. Briller 14. Energy Solutions	1. Municipal Corporations 2. MSME units 3. Large Industry 4. Hospitals 5. Hotels 6. Office Buildings 7. DISCOMs	1. SIDBI 2. EESL	The World Bank	1. Global Environment Facility 2. Clean Technology Fund	1. Bureau of Energy Efficiency (BEE) 2. Department of Economic Affairs (DEA)

**Note:** The above mentioned stakeholders like NBFCs/FIs/Banks/ESCOs/The Client are subject to change.

Indicative Demand Aggregation Model

