

CLARIFICATIONS

No.	Clarification Date	RFP document reference & section number	Original wording or issue for which clarification is sought	Bidder's clarification request	GOGC Response
1	05.07.2023		Bidding Procedure timeframe 30 June-31 August	Request for extension for 3 Months	Extension is granted for 2 months
2		RE RFP: SECTION 2. INSTRUCTIONS, 3. PREPRATION OF PROPOSALS, 3.2.	The Participant's financial and economic capability to implement the Project is imperative. In its Proposal the Company is required to provide: a) Independent Auditors' Report and Audited Financial Statements for the year ended 2021 and 2022 prepared in compliance with IFRS (International Financial Reporting Standards) or GAAP (Generally Accepted Accounting Principles); and b) Interim and/or unaudited Financial Statement for the year of 2023 prepared in compliance with IFRS or GAAP. In addition to the audit report the Company shall submit forecast for the current year including total revenue and revenue derived from the proposed scope of work and total assets and liabilities. GOGC reserves the right to request additional information about the economic and financial capacity of the Company.	As our auditor's reports and financial statements are carried out in Chinese, we plan to translate into English by ourselves, is it acceptable to the Evaluation Panel or are there any further instructions?	Auditors reports and financial statements which are not on English must be translated and duly notarized.
3				For the financials of 2023, as this fiscal year is not ended yet and interim statement comes later then the submission date, is it acceptable we provide the 3 sheets of assets/liabilities, profit/losses and cash flow as of June 30, 2023?	Interim and/or unaudited Financial Statement for the year of 2023 prepared in compliance with IFRS or GAAP other applicable standards substantially comparable to IFRS or GAAP.
4				For the forecast, is there a prescribed format we should follow, or we just simply indicate the required indicators?	there is no any prescribed format to follow, investor shall submit required financial indicators for forecast.
5		RE RFP: SECTION 2. INSTRUCTIONS, 3. PREPRATION OF PROPOSALS, 3.6.	The Proposal must also include an outline of the Company's experience in the energy sector, in particular, the Participant shall provide information (evidenced by documentation) about owning and/or operating and/or constructing at least 150 MW Combined Cycle Power Generation facility or facilities, which are implemented from the year of 2012. Information should be provided only for completed projects. In case of a joint venture, partnership or consortium this requirement shall be met by at least 1 (one) company.	What are the acceptable proof documents for the reference, i.e. signed PPA, concession agreement, interconnection agreement...?	Acceptable proof documents of companys experience : Construction – signed agreement with takeover/acceptance certificate for power plant construction, etc; Ownership – documents from respective registration authority proving ownership, etc; Operation – operation agreement or letter from owner of power plant, etc;
6		RE RFP: SECTION 2. INSTRUCTIONS, 3. PREPRATION OF PROPOSALS, 3.14.	The Proposal shall include information/documents confirming that the Company has available funds necessary for the implementation of the Project. In case of providing information on credit lines or financial arrangements then such information shall be issued by from a financial institution, operating in a country which is a member of the Organization for Economic Co-operation and Development (OECD).	What are the acceptable forms of financial arrangements, i.e. letter of interest for financing the project?	The Proposal shall include information/documents confirming that the Company has available funds necessary for the implementation of the Project . In case of providing information on credit lines or financial arrangements (binding commitments) then such information shall be issued by a financial institution, operating in a country which is a member of the Organization for Economic Co-operation and Development (OECD), only letter of interest is not sufficient for financing the project.
7				Is such financial arrangement from a Chinese bank which has its operating branches in OECD member countries acceptable to the Evaluation Panel?	Provided financial arrangement are issued by branch which is operating in OECD member countries.

8		RE RFP: SECTION 2. INSTRUCTIONS, 5. EVALUATION OF PROPOSALS, 5.8.	The best Proposal shall be selected based on the amount of capital expenditures per 1 MW for construction of the Gardabani 3 Combined Cycle Gas-Fired Thermal Power Plant. The Participant that shall indicate the lowest amount of capital expenditures per 1 MW, shall be invited by the evaluation panel for negotiations for the Contract.	Determining the CAPEX requires lots of in-depth studies on-site and in-house, will GOGC organize a pre-bid meeting and/or site trip?	GOGC can't organize a pre-bid meeting, participants are free to visit proposed construction site upon prior notification to GOGC.
9		RE RFP: SECTION 4. TERMS OF REFERENCE, 1. BACKGROUND	Non-Agricultural land which is located near existing Power Plants in Gardabani City, Cadaster Code: 81.15.20.432 with area of 120004 sq.m.	Could you kindly provide coordinates of boundaries?	Please see Annex 1 to Clarifications
10				Will GOGC release further proof documents regarding the ownership, non-agricultural use, title registration, potential encumbrances and etc regarding the land plot?	All information regarding ownership of land and LLC registration is public and can be found on : https://www.napr.gov.ge/ Land can be found by Cadaster Code : 81.15.20.432 LLC can be found by ID Code : 406322536
11		RE RFP: SECTION 4. TERMS OF REFERENCE, 1. BACKGROUND	Signed Contract (Date: 24 December, 2020) with Georgian Gas Transportation Company LLC for connecting to the Natural Gas Transportation system (where 1 821 600 GEL is paid in advance. The final payment shall be specified after	Could you kindly clarify if such Contract, besides connection, contains supply arrangement?	No, Contract is only for connection.
12			Annex 2	Could you kindly provide a copy of the said Contract? If not, could you kindly provide the salient terms of the said Contract?	Signed contract is for connection and amount is paid in advance which may be adjusted and increased with (around 0.8-1.0 mln GEL)
13		RE RFP: SECTION 5. FORM OF CONTRACT, ANNEX 2 PROPERTIES, PART 2 NON-MATERIAL ASSETS		The only items listed are connection agreement for transmission of electricity and gas, can we understand the other required permitting has to be conducted by the Purchaser on its own after entering into the Company?	Correct, other required permitting shall be conducted by the Purchaser on its own after entering into the Company.
14		Other Questions		Will GOGC accept and cooperate with due diligence? If so, is there already an information memorandum or virtual data room set up for potential bidders?	Bidding procedures doesn't envisage such form of communication, for informative purposes please see Balance Sheet of a company.(Annex 2 to Clarifications)
15				Is the supplier of natural gas already determined? If so what are the terms and conditions for supplying?	Please refer to the last paragraph of the ToR (Section 4 of the RFP Document). As the Plant is considered to be a source of guaranteed capacity in line with Georgian legislation, the supplier, terms and conditions including price of natural gas does not make any difference for an investor as it is a part of a guaranteed capacity source electricity generation tariff and therefore it is compensated by government.
16				What is the composition of the natural gas supplied, as it is relevant to meeting technical requirements?	GGTC is natural gas transportation company, you can see composition of natural gas in Georgia (http://e-platform.ggtc.ge/gasanalysis.aspx) for additional information please contact GGTC
17				What is the outlook for power purchase agreement, per the RFP there is no such mentioning, can we understand that after signing share purchase agreement, it is the Purchaser's obligation to arrange PPA?	Please refer to the last two paragraphs of the ToR (Section 4 of the RFP Document). As the Plant is considered to be a source of guaranteed capacity in line with Georgian legislation, PPA is not contemplated
18				As we are a Chinese company and our parent company is listed in Shanghai & Hong Kong Stock Exchange, we follow Chinese Accounting Standards, which post several amendments is already largely converged with IFRS, are our financial statement and reports acceptable per your RFP?	Yes, as long as provided financial statement must be substantially comparable to IFRS and/or GAAP
19				Which entity will be arranged to serve as the off-taker of Gardabani TPP 3? Or it will be solely the Purchaser's obligations to secure power sales?	Please refer to fifth paragraph of the ToR (Section 4 of the RFP Document, Page 16). Power Plant is considered to be a source of guaranteed capacity in line with Georgian legislation.
20	06.07.2023	Design condition		Please define the design condition of the CCPP, such as design temperature, humidity, barometric pressure, ST backpressure, etc. Please confirm if 350-430MW capacity requirement is under ISO condition.	This information is part of plant Design and shall be determined by an investor and other relevant authorities. Capacity of power plant is installed capacity under ISO conditions.

21	Gas turbine selection		Besides GE, SIEMENS and Ansaldo Energia which are included in the vendor list. The bidder found the information showed in other website which also mentioned Mitsubishi is acceptable. To avoid any misunderstanding, please clarify if Mitsubishi is also shortlisted for GT supplier.	Please guide by information which is written in RfP documentation and uploaded on GOGC official website.
22	Steam turbine selection		Please clarify if there is limitation on the number of steam turbine applied in the project. Could the bidder use more than one set of steam turbine in the thermal cycle.	It should be only one ST. See ToR Annex - GSE Technical Requirements №4
23	HRSG selection		Please clarify if there is any preference on the selection of HRSG. Vertical or horizontal?	This information is part of plant Design and shall be determined by an investor.
24	Generator selection		Please clarify if there is any preference on the selection of Generator. Hydrogen cooling or air cooling?	This information is part of plant Design and shall be determined by an investor.
25	Cooling system		Please clarify if there is any requirement on the design of cooling system. If it is possible to use once-through cooling system, or the bidder shall apply indirect water cooling or even direct air cooling system?	This information is part of plant Design and shall be determined by an investor.
26	Fuel parameter		Please clarify the fuel information below: 1.The interface location for the fuel supply. 2.The fuel gas composition, temperature, pressure and heat value at the interface point. 3. Please clarify if dual fuel system shall be applied for the project.	1) please clarify question. 2) GGTC is natural gas transportation company, you can see composition of natural gas in Georgia (http://e-platform.ggtc.ge/gasanalisis.aspx) for additional information please contact GGTC 3) It is not mandatory to use dual fuel system.
27	Accurate location of the sites		Please provide the location and topographic map of the sites (the scale in 1:2000 preferred) .	Please see Annex 3 to Clarifications (Topographic map is 1:1000 scale)
28	Climatic and Meteorological Conditions		Including: Monthly average temperature and relative humidity of the last 5 years. Highest and lowest temperature of the last 5 years.	The mentioned information is not available to GOGC, please contact National Environmental agency to request this information.
29			Summer and annual prevailing wind direction, corresponding wind speed.	The mentioned information is not available to GOGC, please contact National Environmental agency to request this information.
30	Geotechnical Investigation		Including Landform and geomorphic, Geological Structure, Lithology Physical and mechanical properties of soil should be provided) , Seismic Information (Design Basic Acceleration of Ground Motion, which means the design value of seismic acceleration, that exceeding probability is 10% during the 50-years reference period), Ground water, Adverse geological actions, etc.	The mentioned information is not available to GOGC, therefore the investor must obtain/prepare it himself.
31	The PoC of the water drainage systems.		Please clarify the drainage point for the waste and sewage water.	The plant process water can be taken from water canal located to the west of the plant. The process waste water shall be discharged to the existing Waste Water Treatment Plant (X 504011.766 ; Y 4589494.926) west of the plant boundary. The sanitary waste water shall be discharged into the same location. Storm water shall be discharged into the canal nearby the plant. (investor shall negotiate with owner of canal, WWTP and shall get permission, contract and etc.)
32	The voltage level for the outgoing line		Please clarify the voltage level of the outgoing line.	voltage level for outgoing line 500 kV
33	The point of connection		Please clarify the PoC for the electrical system. Please provide the general layout, single line diagram of the connection substation.	Please see Annex 4 to Clarifications
34	Selection of HV switchgear		Please clarify if there is any preference on the selection of HV switchgear. GIS or AIS?	No specific preference, investor shall determine it upon plant design stage.
35	Feasibility study		Any technical feasibility study for the project available?	There is no technical feasibility study for this project.
36	Raw water source and quality		Please provide the raw water source, raw water analysis report and the limitation of raw water supply.	There is a water canal at the north-west side of the land, investor shall negotiate with owner of canal and shall get permission, contract and etc.
37	Relevant environmental regulation		Including: Permissible NOx, CO, SOx emission concentration; Permissible temperature of draining water; Permissible Noise Levels, etc.	The mentioned information is not available to GOGC, therefore the investor must obtain/prepare it himself.

38		Standards and Codes		Relevant local mandatory technical standard, code and regulation	For some of the major local standards/codes and regulations please refer to Grid code/Network rules, norms related to construction permit, norms related environmental assessment code, other relevant technical standards, codes and regulations.
39		Any interface with Gardabani 1&2		Please clarify if there is any BOP system/equipment from Gardabani 1&2 is available for phase 3? Such as compressed air, nitrogen, hydrogen, warehouse, laboratory, or even control room and administration office.	It is a matter of negotiations between investor and Gardabani 1&2.
40		definition of WACC		For the calculation of WACC in Resolution N 14: Can Re (cost of equity) and the loan ratio be changed? Is the Loan ratio fixed at 60%?	The values of Re (Cost of Equity) and Rd (Cost of Debt) are changing for every regulatory period - new values will be set from January 2024 and be valid until January 2027 (3 years). As for the Loan ratio (gearing), technically, it could change too, however, it has been fixed at 60% since the implementation of current WACC model (since 2014) and GNERC does not have any plans whatsoever to change it in the foreseeable future
41		Capex		In the bidding process, Capex is related to interest rate and loan ratio. Are there any requirements for these two indicators?	This question requires further specification, please clarify.
42		Designed life		How many years is required to operate the power plant?	TBD in Project agreement, however not less than 25 years.
43		equity evaluation		Has the equity with the announced amount of 2.45 million US dollars been formally evaluated? If so, can you provide the relevant evaluation documents? If not, can you provide relevant supporting documents, such as the project company's financial statements?	This is asset based evaluation made by third party in November 2022 which is not public, all assets are mentioned in contract Annexes, also you can see financial statements in question №14
44		Grid connecting agreement		Please provide the signed Grid connecting agreement which defined the detailed conditions and terms stating the payable amount and the payment clauses., etc.	Signed contract is for connection and amount is paid in advance which will be adjusted and maybe increased to (about 4.7 mln USD) 500kV substation connection with cable should be build length around 1 km + arrangement of the bay.
45		Gas Purchase Agreement		Please provide the signed Gas Purchase Agreement which defined the detailed conditions and terms, showing the total payable price and paid amount.,etc?	Please see Q/A №15 of this clarification.
46		Service Water Purchase Agreement		Please clarify how to guarantee the adequacy of the source of Service Water ,has the Service Water Purchase Agreement been signed or ready to be signed?	There is no such agreement, investor shall negotiate with water supplier directly.
47		application for extending the deadline of the auction		In order to offer your esteemed GOGC with a most competitive proposal, we are Applying to extend one month for bidding submission.	Extension is granted for 2 months
48	07.07.2023	Guaranteed Capacity Source Status		in the worst case that Guaranteed Capacity Source Status is not procured for Gardabani TPP3, dispatch will not be guaranteed and tariff shall be determined according to Resolution N. 14 Annex N2 Article 14?	All Power Plants built since 2008 are deregulated by default - A new Plant that is not put under Guaranteed Capacity status, does not fall under any GNERC tariff methodology and is not subject to tariff regulation.
49		Guaranteed Capacity Source Status		in the case that a portion of capacity is granted the Guaranteed Capacity Source Status, tariff of the guaranteed part shall be determined according to Resolution N. 14 Annex N2 Article 15, and tariff of the not guaranteed part shall be determined according to Resolution N. 14 Annex N2 Article 14?	At the moment, there is no such concept in legislation. If Guaranteed Capacity Source Status is granted, it means power plant is fully tariff regulated (there is no concept of partial tariff regulation) and responsible to the TSO at its full capacity. The capacity indicated in the government resolution on the imposition of PSO (which might be less than the nominal/full capacity of the power plant) defines only technical minimum rather than the volume of the guaranteed capacity. There is a two component tariff: Guaranteed capacity fee (Resolution N.14 Annex 3 Article 14 – methodology is attached to this e-mail) – which is set on a daily basis and paid to the power plant monthly and Electricity generation tariff (Resolution N.14 Annex 3 Article 141) – which is set only when electricity is generated (on a monthly bases). Guaranteed capacity fee covers all fixed costs and is paid regardless of whether the electricity is generated or not. Electricity generation tariff covers all variable costs (mainly natural gas costs).

50	11.07.2023	Scope of Works	No description regarding mandatory/minimum scope of works for the power plant in the RFP, which may include but not limited to, *Auxiliary buildings *Soil conditions *Grid connection details *Waste disposal	Provide more details what are mandatory as per Georgian Law or regulations and to enable participants to provide Capex on the same scope of works. 1.Does any mandatory regulation exist ? 2.Please provide soil conditions. 3.Please confirm the connection point. 4.Will connecting to the nearby utility waste water plant available ?	1) For some of the major local standards/codes and regulations please refer to Grid code/Network rules, norms related to construction permit, norms related environmental assessment code, other relevant technical standards, codes and regulations. 2)This information is part of plant design and shall be determined by an investor. 3) Connection point shall be discussed with relevant authorities 4)Investor shall negotiate with owner of canal, WWTP and shall get permission, contract and etc.
51		Currency	The rules and procedures for this selection are set out in Section 2 of the RFP - Instructions. This invitation is for a financial proposal payable in U.S. Dollars only.	If gas turbine offers price in both USD and EURO, does participant can offer in both currencies?	All costs must be in U.S. Dollars only.
52		Definitions		The following definitions may be missing: EPC Contractor, Sub-contractor, gross power output, auxiliary power consumption, net power output and etc. Please clarify	No specific meanings are ascribed to the definitions.
53		Capacity of Power Plant	We, the undersigned, offer to purchase the GOGC's 100% share in Gardabani TPP 3 LLC with the aim to implement the Project for construction of the Combined Cycle Gas-Fired Thermal Power Plant – Gardabani 3 with installed capacity ____ MW At present GOGC is seeking for an investor who will undertake an obligation to construct CCTPP with power of 350-430 MW output Annex GSE Technical requirements Technical requirements for the 350-430 MW installed capacity CCGT The period for constructing and commissioning of the Plant shall be 4 (four) years from the signature of this Agreement. ➤ The Plant should have net power output of 350-430 MW;	Gross power output/installed capacity – auxiliary power consumption = net output capacity Wherever capacity was defined, it shall be corrected and defined properly.	Installed capacity means Gross power output, please see amended RFP documentation.
54		Financial institution	Financial Institutions are required to operate in OECD	Chinese banks who have operation in UK is acceptable? It is suggested to put “B+ or higher Fitch international rating or other equivalent international rating” as alternative financial institution	Yes, financial arrangement shall be issued by branch which is operating in OECD member countries. Suggestion is not acceptable
55		Land	Non-Agricultural land which is located near existing Power Plants in Gardabani City, Cadaster Code: 81.15.20.432 with area of 120004 sq.m;	Please provide the boundary line of the land (with the Corner coordinates). If Land plot is not sufficient for lay out the upcoming power plant. Please clarify the land acquisition cost. Please inform the nature and ownership of the land adjacent to aforementioned land, and if the land is state-owned or owned by GOGC, whether new investor could apply to the government to buy and/or rent the adjacent the land in the same price.	Please see Annex 1 to Clarifications. GOGC is not responsible for additional land acquisition or rent, Investor shall communicate directly with land owners.
56		Documents	№1013 Decree of the Government of Georgia, dated 29 May, 2023.	Please provided the English version of the aforementioned Decree.	Please see Annex 5 to Clarifications (unofficial translation of Governmental Decree) RfP documentation is based on Governmental Decree.
57		GSE Annex (power factor)		Please clarify cosf<0.85	cosf refers to Nominal Power Factor indicator
58		Submission date	Proposals must be submitted in electronic form only, between August 25, 2023 and August 31	We would like to ask to extend the submission date.	Extension is granted for 2 months

59		PPP agreement	The project of construction of the Plant shall be implemented within scope of PPP (Public Private Partnership Project) in accordance with Georgian legislation	We understand the project will be implemented under PPP legislation, could you provide a template of PPP agreement for us to understand the general terms under such agreement?	As GOGC is not involved in the PPP procedures, general terms and PPP agreement template is not available for GOGC and it is a part of the forthcoming stage. Information on PPP legislation and PPP procedures is available on the following link: https://ppp.gov.ge/en/
60		Electricity price	As the Plant is considered to be a source of guaranteed capacity in line with Georgian legislation, ...	Please advise whether the payment of capacity/electricity price is linked to USD or Euro?	Payment will be executed in Georgian Lari
61		PPA		Please advise whether the electricity is to be sold through a Power Purchase Agreement (“PPA”)? Who will be the off-taker and pay the bill? Could you provide a template or draft PPA or Guarantee capacity agreement?	Please refer to the last two paragraphs of the ToR (Section 4 of the RFP Document). As the Plant is considered to be a source of guaranteed capacity in line with Georgian legislation, PPA is not contemplated.
62		Gas Supply Agreement		Could you provide a template or draft Gas Supply Agreement?	Please refer to the last paragraph of the ToR (Section 4 of the RFP Document). As the Plant is considered to be a source of guaranteed capacity in line with Georgian legislation, the supplier, terms and conditions including price of natural gas does not make any difference for an investor as it is a part of a guaranteed capacity source electricity generation tariff and therefore it is compensated by government.
63		Capacity of Power Plant	Power Plant capacity 350-430 Mw	we would like to inquire if there is any flexibility to exceed this specified power capacity, either by delivering a power plant with less than 350MW or by providing a power plant with a capacity higher than 430MW	Capacity range of power plant is fixed and it shall be from 350-430 Mw.
64		Configuration of Power Plant	Configuration of Power Plant 4-4-1; 3-3-1;	we would like to inquire if the Tender Commission would consider a more powerful unit than the one indicated in the tender documents (more than 430MW). Specifically, we are interested in exploring the possibility of implementing the 1+1 configuration.	Configuration 1-1 is not acceptable, for additional information please see RFP SECTION 4. TERMS OF REFERENCE, Annex GSE Technical requirements.
				Resolution №14 GNERC	NOTE: The Resolution №14 (dated 30 July, 2014) of the Georgian National Energy and Water Supply Regulatory Commission, which was previously indicated herein, is invalid since 4 July, 2023. The guaranteed capacity fee calculation methodology and the guaranteed capacity source electricity generation tariff calculation methodology are now part of the Resolution №68 (dated 15 December, 2020) of the Georgian National Energy and Water Supply Regulatory Commission. The calculation principles are the same, so the methodologies are still useful for this purpose



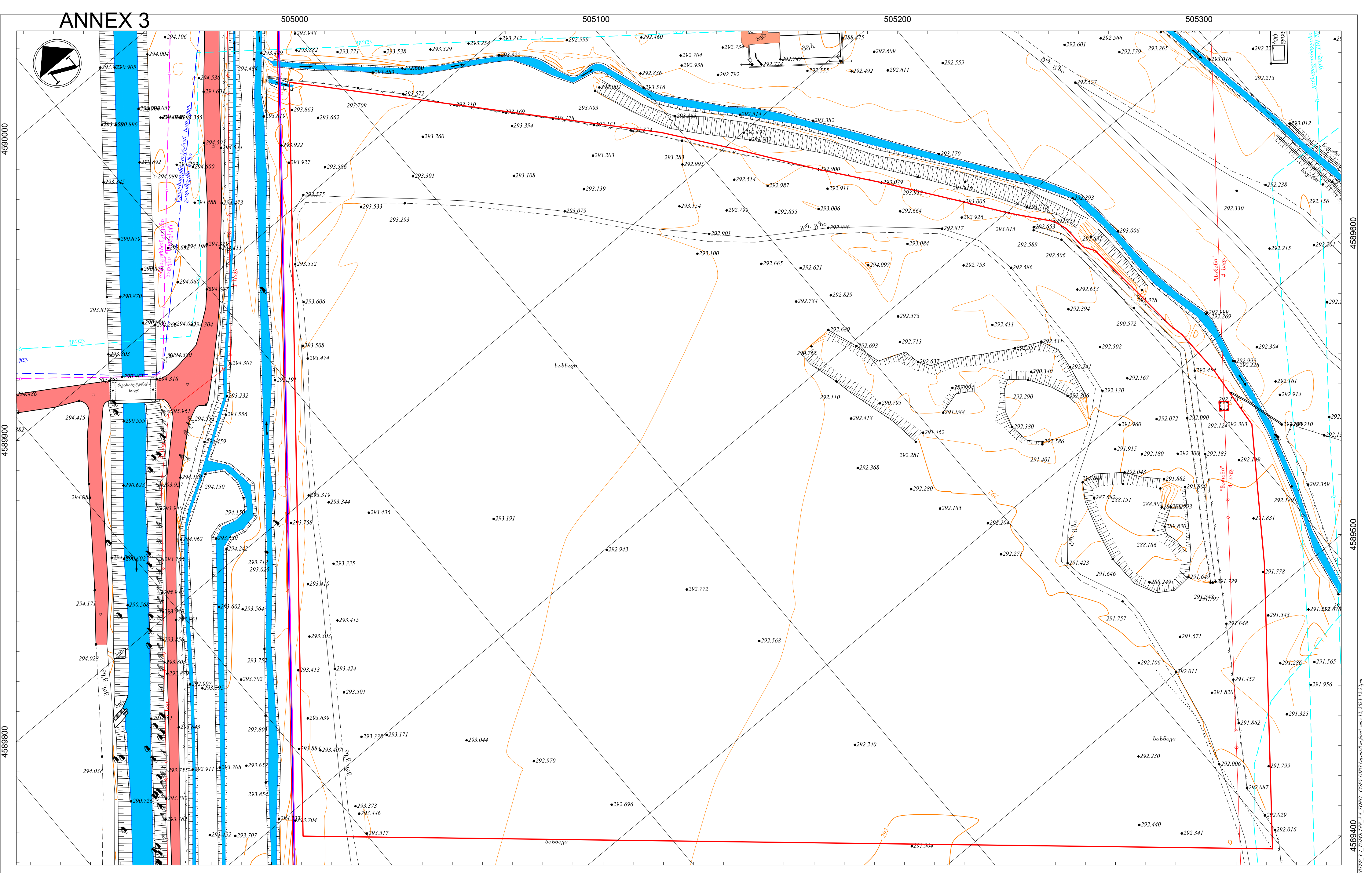
ANNEX 2


Balance Sheet
(Book Value in GEL)
LLC "Gardabani TPP 3"
ID NUMBER : 406322536
13.07.2023

Assets	
Non-Current Assets	
Land Plots	1,846,500.00
Office Equipment	6,687.12
Furniture and Other Equipment	7,614.40
Vehicles	131,796.00
Total Non-Current Assets	1,992,597.52
Current Assets	
Cash in Bank	145,066.08
VAT Recoverable (Paid)	85.86
Receivables (Prepayments to Suppliers)	2,391,186.44
Materials and Supplies	311.17
Prepaid Expenses	2,518.47
Total Current Assets	2,539,168.02
Total Assets	4,531,765.54

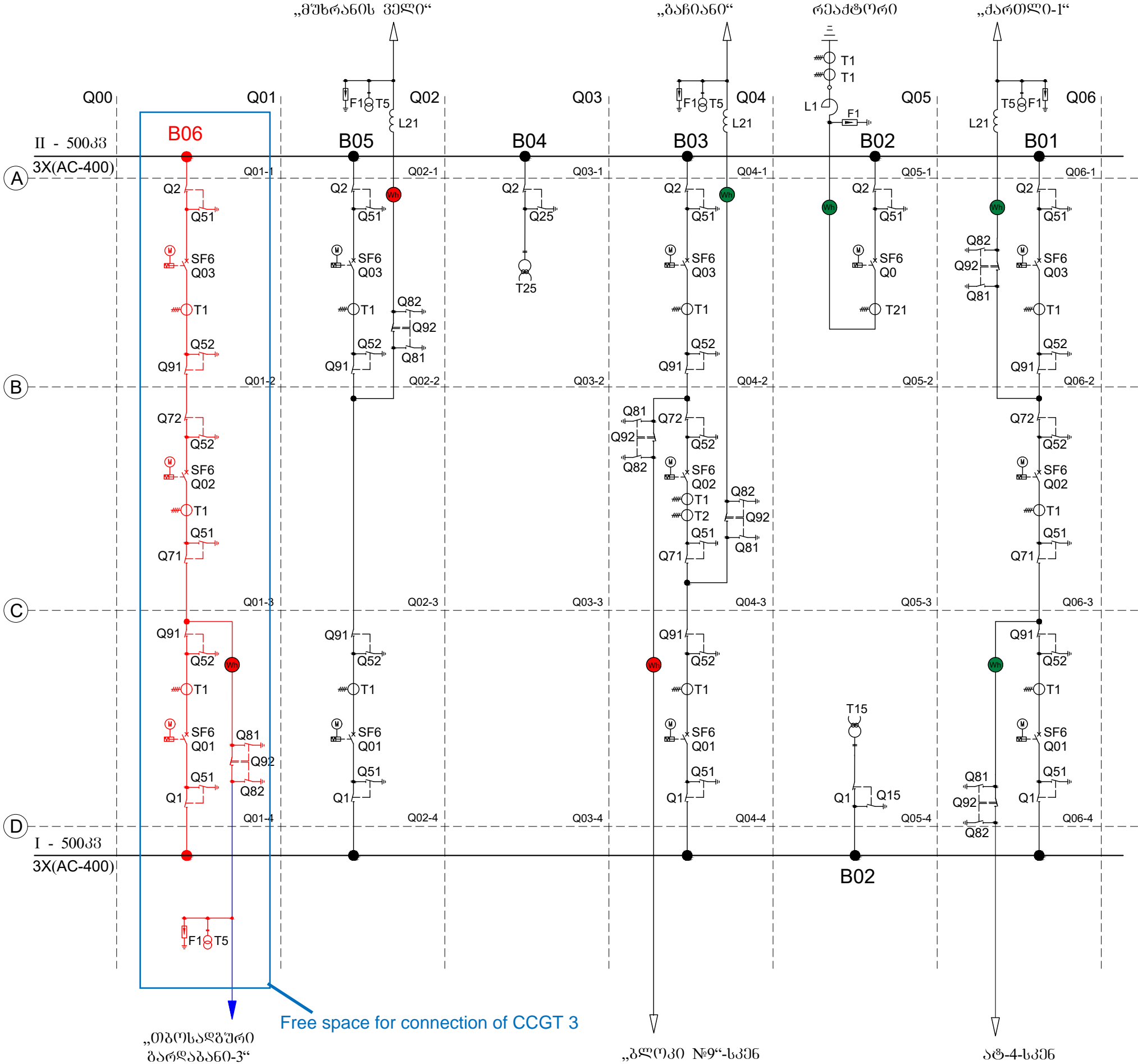
Equity & Liabilities	
Equity	
Share Capital	5,938,433.00
Previous Period Accumulated Losses	- 1,093,962.55
Profit/Loss (Current Period)	- 352,057.90
Total Equity	4,492,412.55
Liabilities	
Non-Current Liabilities	
Long-Term Liabilities	-
Total Non-Current Liabilities	-
Current Liabilities	
Accounts Payable	1,911.99
Property Tax Payable	37,441.00
Total Current Liabilities	39,352.99
Total Liabilities	39,352.99
Total Equity & Liability	4,531,765.54

ANNEX 3



<div></div> <div>საქართველოს ნავთობისა და გაზის კორპორაცია GEORGIAN OIL & GAS CORPORATION</div>	505000				505100	
	დებარ. უფროსი	თ. ჯავახიშვილი		გუნდების გაზის მომუშავე მესამე კომპონირებული ციკლის თვალსაზრისით პროექტი		
	სამს. უფროსი	ა. სოფროშაძე				
	სამს. უფროსი	ს. კირაკოსი		ტოპოგრაფიული გეგმა		
	საველე აგებმა	ა. სოფროშაძე				
	დაამუშავა	ს. კირაკოსი		ნახაზის №: GARDA-CCGT272-TOPO-00001		
	რშპ. № / REV. №	A01				
თარიღი /DATE	24.07.20				მასშტაბი /SCALE 1:1000	1(1)

ANNEX 4



შენიშვნა:
"თბილისაგური ბარდაბანი-3"
საპროექტო ეხე-ის პირობითი
დასახელება.

- საანბაროშწორებო და
საკონტროლო მრიცხველები
- საბალანსო მრიცხველი
- არსებული მოწყობილობები
- ახალი მოწყობილობები
- „საქართველოს ნავთობისა და
გზის კორპორაცია“

ცვ. შენიშვნები	შეასრულა	შეამოწმა	თარ.
სამს.უფრ.	შირიმელი		
შეამოწმა	ქორტულიანი		
შეასრულა	გამსუაშვილი		

	პროექტების ღებრტამენტი. ქვესაღებრების პროექტების სამსახური
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ქ/ს „ბარდაბანი-500“
ნახაზის დასახელება:

500 კვ კაბვის ღგმ-ის
ცაღზაზრგანი სქემა
რეკონსტრუქციის შემღებ

ნახაზის ნომერი	ფურცელი: 1	ფ.ზბი: 1	ფორ
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GSE.100.EL-SLD-002 A3

Unofficial English Translation

**Decree
of the Government of Georgia**

№1013

29 May, 2023, Tbilisi

**With Regard to Measures to Be Taken to Ensure the Construction
of a Third Combined Cycle Thermal Power Plant
at the Gardabani Municipality**

Information with regard to sale of 100% share of Georgian Oil and Gas Corporation JSC in Gardabani TPP 3 LLC to engage private investments/investors for the construction of a new 350-430 MW combined cycle thermal power plant on the territory of the Gardabani Municipality, main conditions and selection criteria set forth in Annex 1 to this decree, shall be approved.

Prime Minister

Irakli Garibashvili

**Main Conditions for the Construction of a Third Combined Cycle Thermal Power Plant
at the Gardabani Municipality and Criteria for the Selection of a Private Investor
to Be Selected for this Purpose**

The main conditions for the construction of a third gas-fired combined cycle thermal power plant (hereinafter; the Plant) at the Gardabani Municipality and the criteria for the selection of a private investor to be selected for this purpose, shall be determined as follows:

1. The installed capacity of the Plant: 350-430 MW; type: combined cycle; minimum net efficiency no less than 56%;
2. The period for constructing and commissioning the Plant: no more than 4 (four) years from the signature of an agreement (hereinafter; the Purchase Agreement) with regard to the purchase of 100% share of Gardabani TPP 3 LLC (identification code: 406322536), to be concluded between Georgian Oil and Gas Corporation JSC (hereinafter; the Corporation) and an investor;
3. The Plant shall be constructed in compliance with the requirements prescribed by the №7558/17 letter of JSC Georgian State Electrosystem, dated 21 December, 2022;
4. The vendors for the Plant's gas turbines shall be the following: General Electric, Siemens and Ansaldo Energia; the vendors for generators for gas turbines and the vendors for gas turbines shall be the same;
5. Redundancy for the Plant's critical equipment must be envisaged, in order to ensure uninterrupted and reliable work of the Plant. The percentage of redundancy for critical equipment shall be calculated so that damage or malfunction of one device shall not cause full or partial reduction of productivity. Herewith, GT, ST and HRSG are not considered as part of critical equipment;
6. Each part and equipment of the Plant shall be new;
7. For the purpose of increasing stability, safety and reliability of the electro energetics system, the Plant is considered to be a source of guaranteed capacity. In such case the construction of the Plant shall be implemented within the scope of PPP (Public Private Partnership Project) and an investor shall meet the requirements stipulated by Georgian legislation;
8. The fixed price of the 100% share of Gardabani TPP 3 LLC: 2 450,000.00 (two million four hundred and fifty thousand) US Dollars;
9. The main criteria for the selection of a private investor shall be the least amount of capital expenditures per 1 MW for construction of the Plant;
10. The proposal (hereinafter; the Proposal) to be submitted by potential investors (the Company) during the procedure of the selection of an investor shall include information/documents confirming that the Company has available funds necessary for the implementation of the project;
11. The Proposal shall also include information (evidenced by documentation) about the experience of the Company (the Company means any private or public entity including an association of several companies - joint venture, partnership or consortium) in the energy sector, in particular, the Company shall submit information about owning and/or operating and/or constructing at least

- 150 MW combined cycle power generation facility (only projects implemented from the year of 2012 shall be accepted). Information shall be provided only for completed projects. In case of a joint venture, partnership or consortium this requirement shall be met by at least 1 (one) company;
12. In case if the Company meets the requirements stipulated by paragraph 10 of the present Annex but it does not have the experience in the energy sector mentioned in paragraph 11 of the present Annex, then the Company shall submit: (1) a letter and/or a contract concluded with it by a qualified construction company (the EPC Contractor) by which the EPC Contractor undertakes to perform engineering, procurement of materials and equipment necessary for construction of the Plant, in case of the selection of the Company as a private investor; and (2) a letter and/or a contract concluded with it by a qualified engineering company (the Employer's Engineer) by which the Employer's Engineer undertakes to perform the supervision over the EPC Contractor in a process of engineering, procurement and construction of the Plant, in case of the selection of the Company as a private investor. The EPC Contractor shall have an experience in engineering, procurement, construction (EPC) of a minimum 150 MW combined cycle power generation facility (only projects completed from the year of 2012) and the Employer's Engineer shall have an experience in supervising of a process of engineering, procurement, construction (EPC) of a project described above;
 13. The Plant shall be operated during the exploitation period by an experienced company and/or professional staff;
 14. Each participant shall submit to the Corporation a bank guarantee in the amount of 200,000.00 (two hundred thousand) US Dollars from a financial institution, operating in a country which is a member of the Organization for Economic Co-operation and Development (OECD), to guarantee its Proposal;
 15. The selected investor shall submit to the Corporation a performance guarantee in the amount of 1,000,000.00 (one million) US Dollars from a financial institution, operating in a country which is a member of the Organization for Economic Co-operation and Development (OECD), to ensure the performance of its obligations under the Purchase Agreement, which shall be valid until an investor, for the purpose of implementation of the project, submits a bank guarantee stipulated by the №426 Decree of the Government of Georgia (dated 17 August, 2018) with regard to Approving the Procedure of Drafting and Implementing a Public Private Partnership Project;
 16. The technical parameters of the Plant for an agreement to be concluded between an investor and a relevant State body with regard to the project implementation shall be determined according to the present Annex;
 17. The grounds for termination of the Purchase Agreement shall be as follows:
 - A failure to pay the purchase price within the terms defined by the Purchase Agreement;
 - A failure by an investor to enter into an agreement to be concluded between an investor and a relevant State body with regard to the project implementation or termination of such an agreement due to an investor's default.