Norfolk Island Regional Council

Economic Analysis of Financial Impact – Proposed Energy Policy & Technical Design Solution for Power Generation On Norfolk Island

Request for Quote: 13/19

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Part A – Introduction

In February 2018 Hydro Tasmania were engaged by the NIRC to provide services for energy policy and technical design for power generation on Norfolk Island. Hydro Tasmania prepared several reports addressing pertinent issues related to the Council's desire to increase the renewable energy contribution and resolve several technical and financial issues arising in relation to the Norfolk Island electricity supply. These latter issues primarily reflect outcomes from previously uncontrolled installation of distributed (e.g. behind the meter) solar PV power systems.

Four key areas were identified by Hydro Tasmania as probably requiring significant change:

- Increased renewable energy generation with fuel cost savings from reduced diesel fuel consumption;
- Inclusion of enabling technologies to maximise renewable energy utilisation whilst maintaining the integrity and performance of the power system;
- Changes to energy policies, particularly focused on distributed solar, to ensure system reliability is maintained; and
- Stakeholder and community support for any proposed changes.

The Norfolk Island Regional Council (NIRC) is now seeking quotes from an Energy Economist to determine the financial impact of solutions proposed by Hydro Tasmania.

Part B – About Norfolk Island

1. Norfolk Island

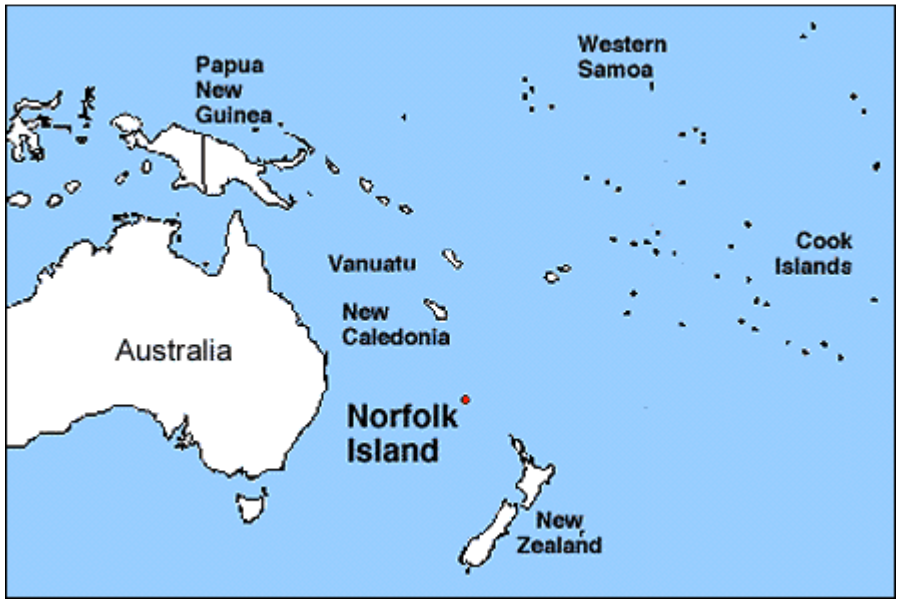
Norfolk Island is an Australian External Territory situated in the Pacific Ocean located approximately 890 kilometers distant from the nearest Australian landfall (Lord Howe Island).

Norfolk Island is approximately 1 500 Km east of Brisbane and about 1600km north-east of Sydney on the same latitude (29^{o}S) as Coffs Harbour. The Island is approximately 8km long and 5km wide with an area of 3455 hectares. In addition to being one of Australia's most geographically isolated communities, Norfolk Island is also one of Australia's oldest territories, being settled in 1788. Norfolk Island is legally under the authority of the Commonwealth of Australia (the Commonwealth) and has no international status independent of Australia.

Norfolk Island previously made many of its own laws through the previous Norfolk Island Legislative Assembly from 1979 to 2015 which has been replaced from 1 July 2016 with the Norfolk Island Regional Council.

Norfolk Island is +11GMT, 1 hour ahead of Brisbane at all times under the *Norfolk Island Standard Time Ordinance 2015* (Commonwealth) and is one hour ahead of Sydney except during NSW daylight savings time when Norfolk Island is on the same time as Sydney. Norfolk Island will go onto daylight saving in 2020.

The Commonwealth has oversight of aspects of local and Commonwealth law and administration, particularly in relation to financial matters.



Most of developed/available land is contained on a plateau that rises 100m above sea level. One fifth of the plateau is taken up by the Airport and associated infrastructure inclusions. Higher peaks of approximately 300 meters such as Mount Pitt are primarily contained within the boundaries of the National Park (Commonwealth) with a portion maintained by the Norfolk Island Regional Council Parks teams. A small portion of land on the Southern end of the island is at sea level. Tourism is the main industry on Norfolk Island with Tourist numbers varying from between 300 and 600 a week depending on the season and weather.

2. About the Norfolk Island Regional Council (NIRC)

The Norfolk Island Regional Council (NIRC) came into legal existence on 1 July 2016. It is a body politic constituted under the *Local Government Act 1993* (NSW)(NI) – a federally modified law based on NSW legislation applied to Norfolk Island by the *Norfolk Island Act 1979* (Commonwealth), the *Norfolk Island Regional Council Declaration Ordinance 2016* (Commonwealth) and the *Norfolk Island Applied Laws Ordinance 2016* (Commonwealth).

The Council has inherited and manages the operations of the previous Administration of the Norfolk Island (ANI) and Norfolk Island Government (NIG).

Through Council group managers, program managers and team leaders, various operational sections within the NIRC are managed and deployed / operated at various locations across the Island territory, which include, Electricity, Finance, IT, Norfolk Telecom, a Works Depot, Norfolk Island International Airport (which has particular lighting and power needs), Norfolk Island Aviation and Territory Rescue and Fire Fighting Service, Liquor store and Lighterage service, as well as the Port of Norfolk Island, to name a few.

3. About Norfolk Island Electricity (NIE)

Norfolk Island Electricity comprises two main elements, the:

- Power house (including mechanical workshop); and
- Reticulation.

Administrative, clerical and billing components of the electricity undertaking are carried out by the whole of organization Finance Branch supported by other areas such as the Legal Services Unit and the office of the Manager Commercial Services.

All electrical works on Island must be either completed by accredited NIE staff or by registered electrical contractors.

Norfolk Island Electricity provides the following services to the community of Norfolk Island:

- Power generation
- Power supply – including connection/disconnection
- Reticulation
- Integration of distributed photovoltaic (PV) generated supply into the network – including maintaining network stability
- Public functions – lighting and electrical connections
- Limited street lighting
- Maintenance of electrical equipment required for the Electricity undertaking
- Maintenance of stand-by generators for public/ NIRC owned assets/enterprises, including the Hospital, Airport and Fire services
- Airport lighting
- Meter reading.

Legislation

Under section 7 of the ***Electricity Supply Act 1985*** (Norfolk Island), the Administration (now the Norfolk Island Regional Council) (in this case trading as Norfolk Island Electricity) has power to —

(a) purchase or generate electricity for supply to consumers;

(b) construct, install and maintain plant;

(c) hire or sell plant;

(d) regulate the co-ordination, development, extension and improvement of electricity supply throughout Norfolk Island, and without limiting the generality of the foregoing, to promote and regulate —

(i) the erection, extension or alteration of power stations;

(ii) the installation and renewal of generating units;

(iii) the erection, extension and improvement of supply mains; and

(iv) the adoption of standards of plant, equipment, frequency and voltage for the generation, transmission, distribution and supply of electricity;

(e) promote, encourage and regulate the safety of persons and property in relation to electricity, and without limiting the generality of the foregoing, to promote and encourage the safety of persons and property in relation to —

(i) the installation, maintenance and use of plant; and

(ii) the sale or hire of electrical articles;

(f) regulate the private generation of electricity;

(g) determine the terms and conditions on or subject to which electricity will be supplied by the Administration; and

(h) charge for the connection of the supply and consumption of electricity.

The ***Electricity (Licensing and Registration) Act 1985*** (Norfolk Island) provides for the registration and licensing of qualified electrical mechanics and electrical contractors in Norfolk Island and proponents will need to be aware of this in any quote.

4. Site Location and Access

Transport to Norfolk Island is via air or sea. Air New Zealand provides a total of five inbound and five outbound regular passenger transport flights per week between Norfolk Island, Sydney,

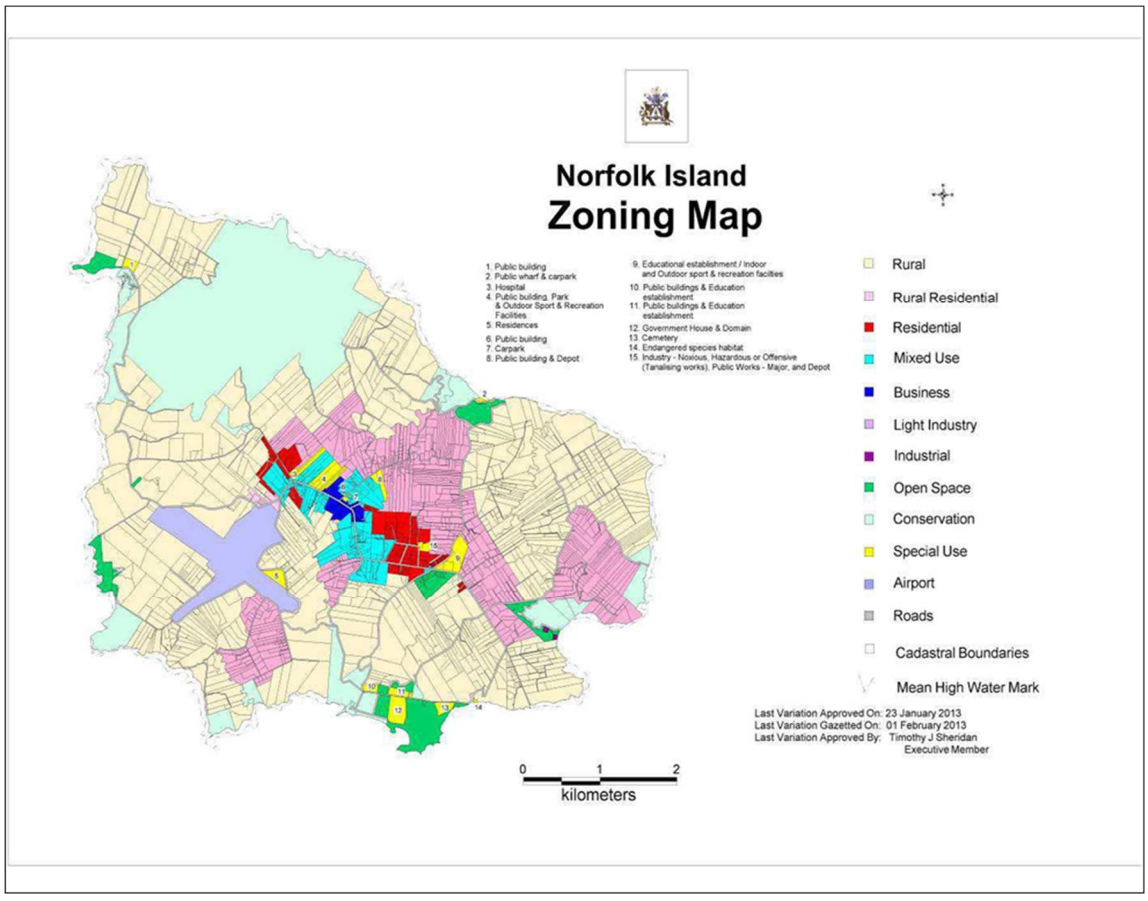
Brisbane and from September 2019 Auckland. There are no regular cargo planes but in 2018/19 6 Cargo flights were underwritten by the Commonwealth, and funding has been provided in the May 2019 Federal Budget for a continuation of this service for 2019/20. Although Air New Zealand carries freight, most of freight is transported to Norfolk Island by cargo ship.

There are no harbours on Norfolk Island. Cargo ships must anchor offshore from Kingston or Cascade Bay, and break-bulk cargo is lowered over the side of the ship by crane in nets, into Lighter boats, which are then towed to a Jetty. Not only is this weather dependent and labour intensive, cargo may be unloaded in a wet or damaged condition. A mobile crane parked on the jetty raises loads of 7.5 tonnes (or in very calm conditions up to 8.5 tonnes) from the Lighters.
Freight and associated services (approximately monthly) are managed through the two port agents on Norfolk Island: Transam Argosy and Celtic Shipping.

5. On island development envelope.

Planning and development control in Norfolk Island is managed primarily through the Norfolk Island ***Planning Act 2002***. The *Norfolk Island Plan 2002* is the statutory plan for land use on the Island. The *Norfolk Island Plan 2002* and supporting development control plans and maps are available from Norfolk Island Regional Council.

Land use is generally managed through the Zoning Scheme. Tables of Use and Development for each zone specify use or development that may be allowed or is prohibited in each zone.



6. Other locational challenges.

Climate

Norfolk Island, by its nature, has a high level of air borne salinity. Winds from any direction will bring salt spray sometimes of significant concentrations.

Humidity is generally high. Fog is often reported during periods of persistent drizzle or rain, due mainly to topography. Sea fog and mist can occur at times but mainly during the late part and early part of the year.

The average maximum temperatures range from around 25 º C in summer, to 18º C in winter. The daily range of temperature is generally about 5ºC throughout the whole year. The annual mean rainfall is 1293mm spread throughout the year. The island is subject to the occasional tropical and mid latitude cyclones. Daily sunshine averages 6.8 hours per day for the year. Maximum monthly wind gusts are typically 24-52 knots (44 - 96km/hr). The Island landmass affects winds locally, with eddies and turbulence experienced due to the effects of Mt Pitt and Mt Bates

Information sourced from the Bureau of Meteorology and more information is available at Norfolk Island Weather Page:

http://www.bom.gov.au/nsw/norfolk/

Part C – Background & Scope of Work

7. Hydro Tasmania Recommendations

The following reports were prepared by Hydro Tasmania about improving the sustainability of the electricity supply network on Norfolk Island, including;

- Hydro Tasmania - Present Condition Summary and Input Verification (May 2018);
- Hydro Tasmania - Implementation Plan (October 2018)

In preparing their reports and findings included therein, Hydro Tasmania utilised the following broad research methodologies:

- Data collection and review (from site visit and data collection exercises);
- Community engagement (from site visit and dissemination of material and feedback to and from the Council and community on Norfolk Island);
- Analysis of power system configuration, e.g. energy balancing modelling of the power system for different renewable energy deployment scenarios; and
- Analysis of energy policy linked to the policy goals of network reliability, greater renewables penetration and cost neutrality over the longer run.
- More generally, a number of policy goals were identified by the Council in relation to the Norfolk Island power system, centred around the need to develop a quantifiable longer-term renewable energy target. From the perspective of energy economics, the most important appeared to be:
- Renewable Energy contribution target, i.e. 45% renewable energy penetration target and 50% reduction on 2017 consumption of diesel (approximately 748,059 litres);

- Financial viability for the Council and affordability for the community;
- Reliability and power quality;
- Utilising any PV oversupply;
- Proposals capable of accommodating (+/-) 15% changes in demand; and
- Ability to attract third party funding from organisations like ARENA, CEFC, Commonwealth
- Government Department of Infrastructure, Regional Development and Cities or operational subsidies from schemes such as a Community Service Obligation (CSO).

The conceptual design proposed by Hydro Tasmania involved the following guiding principles:

- Simplicity – accounting for the small population, resources and capital base of the island to ensure the design is not over-engineered as well as the requirement for locally based Operation and Maintenance (O&M) capability;
- Adaptability/future proofing – solutions needed to be appropriate for both current requirements as well as for a future environment where both the power system itself and technologies are rapidly evolving;
- Billing – avoiding bill shock or large step changes in customer bills;
- Scale/size of Norfolk Island – ensuring solution, technology choices and investments in them are appropriate for the underlying system size and customer base;
- Planning – seeking renewable energy generation options that are likely to be able to be implemented without major planning, environmental, cultural/heritage or landowner issues;
- Timing – ability to implement the plan within a short period (i.e. two years) without major obstacles; and
- Robustness – a solution that will operate in light of uncertainties about inputs and assumptions.

Two additional principles relating to 'Community engagement' and 'Social community benefit' are also important to potentially leveraging local community financial participation under a Community Owned Renewable Energy (CORE) program. Further support for this proposition rests with the moratorium on new distributed solar systems introduced in 2013 which indicated, at that time, strong interest within the Norfolk Island community in investing in rooftop solar PV systems.

Hydro Tasmania also identified a number of limitations to their analysis, including:

- Modelling assumptions and costings which would require further refinement and/or verification;
- Lack of logged data was available for the Norfolk Island power system;
- Equipment requirement and system design were preliminary in nature and did not constitute a detailed specification and Hydro Tasmania identified a need for the owner's engineer to develop a detailed specification as part of the procurement process; and
- Energy modelling was based on a single year's worth of data with no consideration of degradation of solar PV and Battery Energy Storage System (BESS) capabilities over time that might affect the longer-term performance of the system;
- ***Hydro Tasmania were not able to provide financial advice. Cost of energy figures, potential tariff options and the cost assumptions used to derive them, were indicative and only provided for engineering design purposes.***
- ***Council should engage a suitably qualified energy economist to accurately determine the financial impact of any of the preliminary engineering options presented in this report***

7.1 Chosen Hybrid System Design

The energy system proposed by Hydro Tasmania was the first stage of a larger program identified by Hydro Tasmania as needed to determine potential renewable energy targets and transition pathways towards a longer-term policy goal of de-carbonising the electricity supply on Norfolk Island. This broader program sits firmly within the policy framework aimed at promoting sustainable development on Norfolk Island.

A key tenet of Hydro Tasmania's approach to the broader discussion of the longer-term program was the requirement for a strategic implementation map or energy roadmap that identified implementation stages to attaining end goals, typically through a succession of smaller projects. As such, a strategy of staged deployment was central to Hydro Tasmania's vision for attaining longer-term electricity supply objectives.

After advice from Hydro Tasmania, the Council selected, as the first stage of this program, a centralised solar farm with battery system as the preferred option for a new renewable project. The new system was expected to achieve an average renewable penetration of 45%. The proposed hybrid 'whole of plant' system included:

- Existing diesel plants operating at minimum load (assumed to be of 30% of nameplate capacity) with recommended replacement of existing plant to new diesel plant types with lower minimum operating loads (of around 10% of nameplate) when existing plant needed to be replaced;
- Existing solar - mainly behind the meter systems (1.4 MW);
- New centralised solar plant (1 MW requiring at least 1 Ha per MW of land);
- BESS – 2MW/5.5MWh system centrally located near the power station;
- New central hybrid control system; and
- Automation of remaining diesel plant.

Hydro Tasmania recommended that an EPC approach be adopted for project delivery relating to procurement and contracting options. The main parties involved would be:

(i) the Council as contract principal;
(ii) a technical advisor to the Council to act as owner's engineer and to oversee initial design and tendering; and
(iii) main contractor and equipment suppliers.

The preferred contract model of Hydro Tasmania involved a single engineer, procure and construct or turnkey contractor which was thought to offer a lower risk to the Council as contract principal, albeit, possibly at a higher cost.

7.2 Energy Policy Considerations

Hydro Tasmania identified that tariffs and connection policies would likely have to be regularly revised to reflect the transition from diesel to a renewable energy-based electricity supply system on Norfolk Island.

Policy options identified encompassed both technical and commercial policy considerations. A guiding principle emphasised by Hydro Tasmania in the broader discussion of energy policy options was that all policy considerations should be appropriately phased in over time with sufficient notification to allow customers to plan for proposed changes whilst avoiding abrupt changes. This policy objective would operate within a broader policy framework requiring the development of a quantifiable longer-term renewable energy target and a staged strategic implementation plan

detailing the pathway towards a greater renewable energy electricity supply future.

Technical policy issues were identified relating to:

- Connection rules for existing solar;
- Connection rules applicable to the replacement of solar inverters; and
- Connection rules applicable to new solar and storage.

In considering these technical policy issues, Hydro Tasmania made the following set of technical recommendations:

7.2.1 Metering

A progressive replacement program (as and when required) of installing a standard bi-directional meter to support future gross metering and control functionality on all properties should be implemented. This would enable a move to flexible tariff structures (including time-of-use) and the billing of consumption and export separately.

Existing metering data should be downloaded and stored so future decisions regarding the power system can be based on measured data. Bi-directional data should also be stored separately to metered data based on early metering technologies.

7.2.2 Inverters

All existing inverters should be replaced as and when they fail, and all new inverters should comply with new inverter requirements and preliminary settings, which may themselves also be subject to change over time. Specifically, the standards of new inverters should meet or exceed the AS4777.2 standard including the optional control algorithms outlined in that standard.

Installations with an aggregate capacity exceeding 10 kW would require a separate connection agreement with settings to be negotiated on a case-by-case basis. Hydro Tasmania also identified that new control algorithms included in the inverters should attempt to maximise real power output to maximise the average renewable energy penetration on the system. This operational goal would maximise the economic return on the proposed hybrid plant including diesel fuel cost savings from the operation of the diesel genset.

It was also recommended by Hydro Tasmania that all inverters (solar and BESS) be capable of demand side management control by the utility by requiring all demand response modes to be mandatory. This functionality is capable of significantly strengthening the network by helping maintain power quality.

7.2.3 Batteries

Hydro Tasmania recommended that the Council focus on a centralised BESS as part of the renewable energy project in the short term. However, the need for a battery connection policy for distributed energy systems outlining specific connection requirements was also recognised. The overriding objective of this connection policy would be to ensure that distributed BESS systems were able to contribute to maintaining quality and reliability of electricity supply. Hydro Tasmania argued that this would likely require further technical consideration of:

(i) active/reactive power ramp settings;
(ii) if/when charging from the grid was permitted;
(iii) enabling demand side management capability by the utility; and

(iv) defining limits on import/export.

If widespread adoption of distributed BESS systems were ultimately to emerge, this would also have implications for ongoing tariff design. Consideration would need to be given to ensuring that customers with BESS systems utilising the grid as a back-up also contributed to the recovery of the fixed costs of the network.

7.2.3 Street lighting

Hydro Tasmania identified that the increased level of street lighting desired by the Council should be readily accommodated by the new proposed system. They also identified an alternative option of installing LED street lights that are solar/battery powered which could be installed stand-alone from the grid.

7.2.4 Other considerations

More generally, additional capital expenditure is also likely to be required to reduce the risks to the power system from aging assets which is now starting to confront the Norfolk Island electricity network. The need for additional capital for wider power system upgrades might potentially be included as part of a grant application. This might include replacement of diesel generators (if and as appropriate), locking in newer technology types with lower minimum stable operating capacities, thereby contributing to lower diesel fuel consumption and O&M costs.

A number of diesel generators were replaced during 2018 and the current status of that replacement program would need to be ascertained and updated results included in any future energy balancing modelling.

7.2.4 Commercial policy

In considering commercial policy options, Hydro Tasmania identified the following sets of issues:

- Initial tariff reform;
- Progressive policy and tariff reform; and
- Over the longer-term, a policy goal of cost neutrality.

In considering these issues, Hydro Tasmania made the following set of recommendations:

7.2.4.1 Tariff options

Tariff reform was identified by Hydro Tasmania as being required to better reflect the cost of providing reliable electricity to Norfolk Island. With the transition away from diesel to renewable energy plus storage, the tariff structure will have to evolve to more accurately reflect the fixed and variable costs incurred to provide a reliable electricity supply to the community under this new emerging operating regime.

Underpinning any analysis of tariff structures is the policy goals of the Council of avoiding negative impacts to the community through ‘bill shock’ or rapid increases or changes to bills.

Complicating analysis, however, is a lack of metered data from which hourly energy generation and consumption profiles from individual customer types can be compiled. This extended to the amount of solar that was self-consumed or exported to the grid as well as the limited number of customer types and subsequent aggregation to generic customer groupings that could be ascertained from provided data. Resort had to be made to modelled data to fill in data deficiencies, but this data would differ from actual profiles.

Furthermore, the nature of these data deficiencies can influence the types of tariff methodologies that can be investigated. To redress these deficiencies, Hydro Tasmania recommended that data logging should be implemented.

In general, tariff reform would require tariffs to reflect a higher fixed cost component and a lower variable (e.g. volume of energy consumed) cost component reflecting the above-mentioned transition from diesel to solar PV plus storage energy supply structure. Fixed cost components might include a general infrastructure charge and a solar access charge. The former would cover fixed costs of polls and wires, power infrastructure and meter reading services, irrespective of volume of energy consumed.

The solar access charge would encompass payments by owners of distributed solar systems to cover fixed and variable costs that occur because of connection to the grid, its use as a back-up system and to keep the power system stable. Historically, this would particularly relate to the use of load banks which absorb any surplus solar power exported but not used to service demand at the time of export. However, account would also need to be taken in the future of the economic value of surplus solar power during daytime that is used to charge the BESS system and the benefits flowing to the entire community of Norfolk Island from that outcome.

How tariff structures might interact with other community programs for customers would need to be considered, for example, rebates for low income customers or pensioners.

Hydro Tasmania also recommended that over time the solar feed-in tariff should transition to a lower, more cost reflective amount. This development was thought likely to accompanying the up-take of bi-directional meters which permit the separate metering and charging of electricity imported (e.g. consumed) from grid and exported back into the grid (i.e. surplus solar power). However, in determining the fair economic value of solar power, account would also need to be taken of surplus solar power that is no longer spilled in load banks, but instead, used to charge the BESS. Furthermore, they identified that the current policy of not allowing solar credits to offset fixed charges should also be retained.

Finally, Hydro Tasmania also recommended that the Council seek independent economic modelling to ascertain the likely impacts of tariff rate changes on the local economy of Norfolk Island. Formally, economic modelling methodologies appropriate for this task would include competitive general equilibrium models, Input-output models and Input-Output econometric models.

7.2.4.2 Longer term cost neutrality goal

The cost neutrality goal identified by Hydro Tasmania involved the minimisation of diesel consumption as much as possible without increasing the longer-term cost of the system. This goal often defines the maximum renewable energy capacity that can be achieved in most utility operating models. However, renewable energy capacity could also be further leveraged on the back of available concessional loans or grant funding opportunities.

Economic analysis of the cost neutrality goal (and implied renewable energy sizing) will depend crucially on assumptions about future fuel cost, financing costs, costs of emerging generation and enabling technologies as well as potential sensitivities in these various factors.

Account might also need to be taken of the potential for conflict between the goal of longer-term cost neutrality (especially when closely linked to utility operating models) and longer-term sustainability objectives based around deep de-carbonisation pathways.

Hydro Tasmania also identified the possibility of a potential conflict between the cost neutrality goal and community tariff expectations and the desire of the Council to avoid bill shock or rapid increases or changes in customer bills. Hydro Tasmania modelled tariff scenarios associated with different levels of cost neutrality to provide information about incremental steps that the Council might consider in moving towards full cost neutrality. However, information about how the concept of cost neutrality was formally defined and applied within the modelling was missing and further details would be required for other analysts to independently apply the methodology adopted by Hydro Tasmania and verify and potentially extend the results.

8. Scope of Work

To determine, and document, the financial impact of the engineering options presented in the Hydro Tasmania - Implementation Plan (October 2018). This will include an analysis of the following key areas:

(i) Detailed Solar PV yield analysis of the proposed centralised solar PV system;
(ii) Further whole-of-plant energy analysis to confirm:
    a) Optimal size of the BESS system's capacity and energy configuration and potential operating modes
    b) Operational profile of the diesel plant within the new hybrid system
    c) Quantification of the nature of expected diesel fuel cost savings;
(iii) Analysis of tariff structure options given the findings from the previous two work streams;
(iv) Financial analysis of the impact of third-party funding possibilities including grants, concessional loans, operational subsidies (financial grants or CSO) and CORE participation; and
(v) Further detailed analysis of the impact of the new hybrid system on the local economy of Norfolk Island, including the impacts of tariff structures on the residential and commercial sectors.

Part D – RFQ conditions

9. Process Conditions

(i) The NIRC reserves the right to qualify, accept, or reject any or all proponents as deemed to be in the best interest of the NIRC
(ii) The NIRC reserves the right to accept or reject any or all quotes and to waive any irregularities or technicalities in the RFQ and in any quote as deemed to be in the best interests of the NIRC
(iii) The NIRC reserves the right to negotiate any alterations to RFQ specifications due to oversight or error
(iv) The NIRC reserves the right to accept or reject any exception taken by the proponent to the terms and conditions of this RFQ
(v) The NIRC reserves the right to seek clarification, in writing, from proponents about areas of their RFQ response during the evaluation process
(vi) The NIRC will not pay for any information requested herein, nor will it be liable for any costs incurred by the proponent in preparing a quote
(vii) The NIRC reserves the right to contract for a project that is not the lowest in price, provided that, in the sole judgment of the NIRC, the project offered under the higher bid has additional value or function which justifies the difference in price.

10. Disclosures, FOI & Confidentiality

Quotes may be the subject of Freedom of Information requests or may be required to be provided and/or disclosed to the Commonwealth of Australia or may be required to be disclosed to any parliament in Australia or Norfolk Island particularly in regard to any question with or without notice or to any parliamentary committee or to any commission of inquiry as the case may be; so that any part of a proposal which should not be so disclosed needs to be clearly identified along with the reasons why disclosure should not occur.

Copies of the following reports will be provided on receipt of the attached Confidentiality Agreement, by the nominated NIRC contact.

- Hydro Tasmania - Present Condition Summary and Input Verification (May 2018);
- Hydro Tasmania - Implementation Plan (October 2018)

11. Conditions of Contract

Proponent Terms and conditions are to be submitted with the quote. Please note NIRC requires types and amounts of insurance as follows;

- Public Liability $20,000,000 (AUD)
- Professional indemnity Insurance $10,000,000 (AUD)

Part E – Submission Guidelines

12. Proposal Requirements

Each Consultant/Proponent responding to this RFQ shall submit;

- A cover letter signed by an official authorized to commit your organisation
- A Fixed Quote Price valid for up to 60 days
- Proponent Terms and conditions
- Brief overview of how the Proponent intends to address all of the elements in the Scope of Work and the Proposed Structure of the Final report
- Timeframe for completion of Final Work
- Up to 3 examples of previous work down in the energy or related field
- Details of 2 Referees

13. Evaluation Criteria

In evaluating qualified bids, the following considerations will be considered:

- Cost
- Consultant/Proponent's service and delivery capabilities (experience), including references from other customers

14. Selection Process

All quotes will be reviewed, evaluated and ranked by a duly authorized committee of qualified personnel from NIRC including staff from Norfolk Electrical. NIRC will use a combination of factors to determine which quote provides the services that most closely meet the NIRC's needs.

NIRC reserves the right to award a contract to the bidder that presents the best value to NIRC as determined solely by NIRC in its absolute discretion.

15. RFQ timeline

Event	**Date**
RFQ Issued	22 June 2019
Quotes Due 11am AEST	29 July 2019
Evaluation Process	2 August 2019
Notification to Successful Respondents (at latest)	5 August 2019

16. Proposal Submission

Quotes to be marked:	Norfolk Island Electricity RFQ 13/19
Closing Date:	11am AEST 29 July 2019
Submissions:	Quotes can be placed in the Tenders Box in Registry Office, Council Offices, Kingston or submitted by email to regionalcouncil@nirc.gov.nf
Contact person:	Alistair Innes-Walker E: Alistair.innes-walker@nirc.gov.nf M: (+6723) 54002