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# **Early Market Engagement**

## **MONTSERRAT GEOTHERMAL PLANT PUBLIC PRIVATE PARTNERSHIP**

Design, Engineering, Procurement, Construction (EPC) and Partial Financing services for Montserrat Geothermal 2.5 – 3.5 MW Plant development.

### **Introduction:**

This announcement constitutes a Early Market Engagement (EME) notice soliciting expressions of interest in supplying Design, Engineering, Procurement, Construction (EPC) and Partial Financing (Public Private Partnership) information for Montserrat Geothermal 2.5 – 3.5 MW Plant for the Government of Montserrat (GoM).

This is not a Request for Proposals (RFP) or solicitation for formal proposals. The information developed through this EME will be used to evaluate the market interest for Montserrat Geothermal Plant Public Private Partnership (Design, Engineering, Procurement, Construction (EPC) and Partial Financing). This EME does not constitute a commitment, implied or otherwise, that GoM will take action in this matter. GoM will not be responsible for any costs incurred in furnishing responsive information.

GoM is interested in understanding the current availabilities, flexibilities, and preferences of market participants interested in providing Design, Engineering, Procurement, Construction (EPC) and Partial Financing PPP services for the Montserrat Geothermal 2.5 – 3.5 MW Plant development. GoM will share the information secured with UK-DFID, GoM primary budget funding agency. Any future solution must meet with the approval of GoM and UK-DFID.

### **General Background:**

Geothermal energy has the potential to transform Montserrat's economy by significantly reducing the cost of electricity generation. At present, Montserrat has one of the highest costs of electricity generation in the world due to the high fuel prices and the cost of freight to the island.

Developing geothermal energy production is a core part of the UK's support to the second objective of helping Montserrat achieve financial self-sufficiency. If successful, this programme will reduce the costs of electricity generation and therefore the overall cost of electricity in Montserrat. Lowering the cost of electricity generation will allow GoM to make significant savings in its fuel costs – fuel import prices are the highest in the region – and will also help to make Montserrat more attractive to private sector investors. This will be an important element of driving long-term economic growth in ways that will help underpin other investments aimed at returning Montserrat to financial self-sufficiency. GoM itself do not have funds available to pay for geothermal development, but share a mutual understanding with UK-DFID that this work is critical to future plans and investments.

The Government of Montserrat (GoM), through the Ministry of Communications, Works and Labour (MCWL) and UK-DFID (funding agency) have already undertaken several phases of the Montserrat Geothermal Project Development Phases; including Preliminary Survey, Exploration, Test/Production Drilling and Well-Testing (Mon 1 & 2) and are currently undertaking Test/Production Drilling Mon 3, with well-testing to be completed in 2018.



The Power to Change - The Montserrat Energy Policy 2016 – 2030 has formalized the Montserrat renewable energy target of 100% Renewable Energy generation by 2020. Renewable energy (Geothermal and Solar PV energy) development is a core part of GoM's Energy Policy, alongside the construction of a new power plant, which will be capable of integrating two (2) renewable energy sources (geothermal, solar PV and battery storage) and the installation of a new 1.5MW diesel generator. It is anticipated that geothermal, which has much lower generation costs when constructed, will provide the base load for the island with solar PV and diesel providing peak load and back up in the event of geothermal proving to be less reliable than expected or being off line for maintenance.

Once the results of the drilling are established, GoM will be ready to design a public-private partnership arrangement to turn the geothermal energy into electricity. This EME is geared at soliciting information from the market place to aid the development of the proposed way forward to successfully realizing this project.

#### **Qualifications and Assumptions:**

- A. For purposes of this EME, “**Montserrat Geothermal Plant Public Private Partnership**” means Design, Engineering, Procurement, Construction (EPC) and Partial Financing **information gathering** for Montserrat Geothermal 2.5 – 3.5 MW Plant development.
- B. All expressions of interest should assume that information supplied will aid GoM and UK-DFID in designing a procurement solution in realizing the implementation of the Montserrat Geothermal Plant Project.

Expressions of interest from companies with design, EPC and financing experience in installing geothermal plant(s) of similar size to date with a least one (1) current operations and maintenance agreement in place and in good standing.

- C. GoM have made arrangements to facilitate Site Visits to the three (3) existing geothermal wells (Mon 1, Mon 2 & Mon 3) and for companies to meet with the GoM geothermal project staff to answer questions and facilitate information sharing. Please note that GoM is NOT responsible for any and all cost incurred with site visits.
- D. Interested parties should respond to this EME by January 31<sup>st</sup> 2017.



### **Content of Submissions:**

All information shared with GoM reference this EME must be electronic copies via the email addresses given below.

After reviewing responses GoM may request additional information, or may schedule individual meetings with any respondent to gain additional information about the expression of interest.

Submissions should include more than general marketing content; in particular:

- i. A cover letter
- ii. Acknowledgment of each item listed above in **Qualifications and Assumptions**
- iii. **Latest Corporate Statement of Qualifications (SoQ)**
- iv. Respondent's relevant history and capabilities (if not covered in the SoQ)
- v. Outline of respondent's products or services (if not covered in the SoQ)

### **Questions and Points of Contact:**

Questions are to be communicated via email addresses given below and addressed to:

**Mr. Owen Lewis**  
**Operation Manager – Islands Energy Program**  
**Carbon War Room**  
**Tel: 1-664-392-4696**  
**Email: [olewis.contractor@carbonwarroom.com](mailto:olewis.contractor@carbonwarroom.com)**

**Mr. Taraq Bashir**  
**Head of Procurement**  
**Ministry of Finance and Economic Management**  
**Government Headquarters**  
**Brades**  
**Montserrat**  
**Tel: 1-664-491- 2777 / 2356**  
**Email: [bashirt@gov.ms](mailto:bashirt@gov.ms)**

### **Submission Date and Address:**

Electronic responses to this notice are requested to be emailed to the above contacts no later than Friday, January 31<sup>st</sup>, 2017.

Companies interested in Sites Visit for the three Geothermal Wells and meetings with the Government of Montserrat Geothermal Energy Team should email the above contacts with suggested dates. Government of Montserrat would reply confirming dates which are suitable for the proposed Site Visit.



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## **Confidentiality**

GoM recognizes that certain information contained in this EME response submitted may be considered confidential and, as permitted by applicable law, will treat as confidential any information clearly labeled as such. If GoM is formally requested and required by any regulatory or judicial authority, or is otherwise required by law, to disclose information with regard to a EME Response, GoM will disclose such information in accordance with applicable laws and regulations

