

Request for Proposal

Subject: P-RECs Aggregation Facility legal work

Date: 13/06/2024

Request for proposal

You are invited to make a proposal for legal work relating to the structuring and formation of the P-RECs Aggregation Facility (“PAF”). We would request that you provide a short (maximum 8 pages) proposal by **28 June 2024** to kretz@energypeacepartners.com, legal@camco.energy, and program@icfa.lu outlining your:

- Qualifications and experience, including in relation to the criteria listed below;
- Deal team
- Team and day rates; and
- Fee proposal on a capped basis.

Your proposal should also confirm that you have no conflict of interest in advising EPP and Camco on this matter. You should assume negotiations will be held through conference calls and the scope of work does not require any travel and limited face-to-face meetings. Your quote should not include an assumption limiting the maximum number of drafts.

Work will proceed in stages according to the table in “timing” below. Progress between stages will be subject to

We will select a firm by 5 July 2024.

This Request for Proposal is confidential (including any annex or schedule attached hereto) and remains the property of Camco Management Limited at all times. It should not be distributed or shared within your firm or organisation other than on a strict need-to-know basis. You are not allowed to disclose this Request for Proposal without the prior written approval of Camco Management Limited. Your firm shall not use the information contained in this Request for Proposal for any purposes other than the preparation of a proposal response.

Background

Energy Peace Partners (“EPP”) and [Camco](#) Management Limited (together, the “Consortium”) have partnered to establish PAF. A Peace-REC (“P-REC”) is an I-REC issued to a distributed renewable energy project in a fragile state. EPP is the accredited issuer of P-RECs and is an I-REC issuer in various countries.

Although I-RECs are a traded product, the market for P-RECs is still nascent. Despite this, a number of transactions have occurred in which P-RECs have traded at a significant premium to I-RECs.

The purpose of the PAF is to:

- Help to develop the market for P-RECs; and
- Help projects to reach financial close by providing valuable up-front developer capital.

PAF will do this by:

- Entering into long term offtake agreements in which it purchases P-RECs from projects;
- Providing advance payments against those offtake agreements; and
- On-selling the P-RECs to end users in a combination of spot and forward contracts.

The Consortium has been formulating the PAF and seeking funding for an initial USD 11m pilot and is now in due diligence with Nordic Development Fund (“NDF”) and the Sustainable Energy Fund for Africa (“SEFA”), a donor facility managed by the African Development Bank. These funders intend to provide USD 5.5m each, consisting of:

- A USD 5.5m reimbursable grant from NDF; and
- A USD 5m reimbursable grant and a USD 0.3m non-reimbursable facility set-up grant from SEFA
- It is envisaged that the reimbursable grants will be repayable from facility returns (through the cashflow waterfall) and will share in any upside generated by the facility.

The Consortium requires:

1. Structuring advice, including:
 - a) The likely regulatory and tax (including VAT) treatment of the reimbursable grants;
 - b) Advice on optimal structure and jurisdiction for the facility (noting that Camco has established and currently manages facilities in England and Mauritius, and is in the process of forming a facility in Luxembourg)
2. Review and, if required, redrafting of key template contracts including but not limited to:
 - a) Primary purchase agreements (forward and spot);
 - b) Advance payment agreement;
 - c) Secondary sale agreements (forward and spot);
3. Drafting and negotiation of facility documentation, including but not limited to:
 - a) Reimbursable grant agreements for the pilot;
 - b) Corporate documents as required (for example, LPA if the form is a Limited Partnership or Subscription Agreement, or SHA in the case of a company limited by shares) including but not restricted to constitutional and registration documents of the proposed structure, and issuing of share or other instrument if required;
 - c) Any side letters (if required);
 - d) Any carried interest documentation (if required);
 - e) Management agreement (Camco to serve as the PAF Manager); and
 - f) Sub-contract for advisory services between Camco and EPP-Advisory Services.
4. Drafting and validation of legal opinions given under the governing law in relation to the transaction documentation, tax implications and any other customary legal opinions. The opinions shall opine on (but not be limited to) the following:
 - a) The capacity, power and authority of the relevant parties to enter into the transaction documents;

- b) The due authorisation or ratification by the relevant parties to execute and enter into the transaction documents;
- c) The due execution by the relevant parties of the transaction documents; and
- d) The transaction documents being valid, binding and enforceable obligations of the relevant parties in accordance with the relevant governing laws.

5. Support of financial close

Timing

We expect the following indicative timing, although respondents should assume the potential for some slippage on the investor/donor side in their planning:

Commencement of work	15 July 2024
Completion of structuring	29 July 2024
Completion of template contracts	30 August 2024
Facility documentation	27 September 2024
Close	December 2024

Evaluation criteria

A technical and price-based evaluation will be completed. Respondents' teams should demonstrate previous experience in:

- Advising trading of I-RECs, including in respect of trading documentation; tax and regulatory considerations; and optimal structures and jurisdictions for a facility of this nature
- DFI and donor-funded investment, including by way of reimbursable grants. Experience with the specific funders would be a plus; and
- Distributed renewable energy and energy access projects in sub-Saharan Africa.

We will also consider the terms of a fixed fee quote and payment terms, including the proportion of fees payable at or following financial close and quantum of fees contingent on financial close.