

Call for proposal n. 2-2021

Terms of Reference

Support for drafting of two technical reports on “Security of Supply” and “Planning of Distribution Network in Israel”

The promoter

MEDREG is the Association of Mediterranean Energy Regulators, born in 2007 under the Italian law. It currently gathers 27 energy regulators from 22 countries: Albania, Algeria, Bosnia-Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Libya, Lebanon, Malta, Montenegro, Morocco, Palestine, Portugal, Slovenia, Spain, Tunisia, and Turkey.

MEDREG promotes a transparent, stable, and compatible regulatory framework in the Mediterranean Region fostering market integration and infrastructure investments, as well as consumer protection and enhanced energy cooperation. Based on a bottom-up approach, MEDREG acts as a collaborative platform where regulators from the Northern and Southern shore of the Mediterranean exchange technical knowledge, experience, and good practices, supporting each other to reinforce their regulatory capacity with a view to creating a harmonized and compatible regulatory framework in the Mediterranean Region

The Institution benefits from the financial support of its members and the European Commission.

To carry out its mission, MEDREG organizes a range of activities such as workshops, trainings, high level events develop and elaborates technical reports, including peer reviews and tailor-made specific country-based ones. The organization ensures the visibility of its projects and achievements on its website and social media and through the making of pedagogical publications.

1. Background

As part of its 2020-2022 Action Plan, MEDREG considers that it is important to assess the level of the security of supply in the Mediterranean region. The work carried out by MEDREG in recent years has shown a wide variety of situations depending on the countries and their degree of regional integration. Regarding security of supply, it appears that considerable disparities exist which are due to the robustness of the networks and the level of production capacity in relation to consumption. In several countries, needs are increasing rapidly, which puts the supply/demand ratio under pressure. The trend towards greater penetration of intermittent renewable energies also poses new challenges in terms of the stability of electricity systems.

The notion of security of supply covers different dimensions. In the short term, it is a question of ensuring that the system is managed in such a way as to ensure the greatest possible reliability. To do this, a set of tools exists which deal with the accurate forecasting of needs to mobilize the right production resources (generally day-ahead). Concerning the real-time management of the supply-demand balance, there is a set of tools that aim to manage the frequency and compensate for possible failures of generation resources (primary, secondary and tertiary reserves, ancillary services). The performance of the systems depends on both the means of production and the networks, at both the transmission and distribution levels.

In the longer term, the issue of security of supply must be included in the planning of networks and generation to ensure the robustness of the system according to the expected evolution of needs. Security of supply has a cost, which is why reliability standards must be determined according to the technical and economic means that it is possible to implement. Interconnections provide complementary solutions to national means since, by relying on the complementarities between national systems, they make it possible to set up back-up procedures. This is the main role of interconnections in the Mediterranean. Interconnections with the European Union aim to provide the Mediterranean countries with a very reliable source of supply that can stabilize the national networks.

The second technical report consists of a support activity to the Israeli member (PUA). The Israeli electricity sector is currently implementing a major reform related to the unbundling of its distribution assets. For the last 20 years, transmission and distribution lines were owned by the monopolist state-owned power utility IEC. In 2018, the government passed a law to open the electricity sector to new competition and break up the monopoly. The law foresees that IEC, which for decades has managed every aspect of electricity from running power plants to connecting households, is bound to sell 19 production units in five sites over five years and form a subsidiary to manage two yet-to-be-built power stations that will run on natural gas. System management and planning are to be taken away from the utility and sold to a different government-owned company. According to the law, IEC will remain a monopoly in distribution, but electricity supply will be gradually opened to competition.

2. Content and objectives of the service

The report will be based on the questionnaire that has been circulated to the members during this year. Because of the different quantity and level of information that MEDREG Members were able to provide in response to the questionnaire, MEDREG is seeking support to complete the missing information with relevant data and legal references, as well as to ensure the overall consistency of the report. The MEDREG Secretariat has collected the available replies to the questionnaire.

The Consultant will be requested to take the work performed and successfully complete the report on the security of supply by managing the following tasks:

- Retrieve missing information from external sources on regulators that did not complete the questionnaire.
- Draft the Report including the replies of each member.
- Develop some thoughts/best practices about how the NRAs may overcome the challenges to achieve a sufficient level of security of supply based on the characteristics of each country/sub-region etc...
- Draft a set of recommendations based on the outcomes.

- Draft an executive summary for the Report.
- Draft a comprehensive power point presentation which will indicate the main outcomes of the report

On the second technical report, support to the Israeli electricity regulator PUA, the Consultant is required to:

- draft a 20-25 page report (tables and images excluded) based on the data collected by the questionnaire circulated to the members;
- complete the quantitative information by adding data on MEDREG members which did not reply;
- develop recommendations specific to the Israeli situation, following an exchange with PUA to understand the aspects on which they wish to focus;
- develop a Power Point presentation summing up the main findings of the Report.

The Consultant will be provided with the completed questionnaires (for both reports) and the draft report outline. The MEDREG Secretariat will regularly assist the Consultant in the progress of the work and ensure communication with members when necessary.

Regular virtual meetings will be held with the Chair of the MEDREG Working Group on Electricity Issues (ELE WG), who coordinates this activity, and the MEDREG Secretariat through electronic means, preferably Zoom or similar videoconference systems. A first scoping meeting will serve to discuss the methodology proposed by the Consultant and clearly define the timeline and direction of works, based on the expressed expectations. Additional virtual meetings will serve to monitor the progression of the service as needed by the Consultant and MEDREG.

A first draft will be presented to the ELE WG during the next WG meeting on the 19th of October, the Consultant should afterward include the comments and suggestions of the members if deemed necessary by the ELE WG Chairs.

The final deliverables will be assessed and reviewed by the MEDREG ELE WG and the MEDREG Secretariat.

3. Deliverable and deadline

The work must be finalized **within Sunday, 15 November 2021** and must include the following items:

- A completed version of the reports including an executive summary, recommendations, a general overview presenting combined data and examples from the MEDREG regulator, and conclusion.
- Two PPTs presenting the main outcomes of the Reports

The Consultant shall present a tentative timeline to complete the activities.

4. Submission of proposals

Proposals must be sent to the attention of the MEDREG Secretariat at tender@medreg-regulators.org no later than **by 27 September 2021**. Each application must include:

- The expert(s) CV and their references, highlighting any experience in the Mediterranean.

- The methodology that the expert intends to use to complete the reports.
- The proposed schedule of implementation of the reports.

The ELE WG Chairs and MEDREG Secretariat will evaluate proposals received and will inform the selected winner **by 29 September 2021**.

Procedure for communicating information to applicants:

During the opening period of the Call, the Secretariat responds to candidates' questions only by e-mail and forwards the candidate's question and the given answer to all candidates. The scoring and analysis system for the selection is detailed at point 8.

The MEDREG Secretariat informs all candidates who submitted an offer about the decision of the ELE WG Chairs and MEDREG Secretariat. The Report concerning the analysis of the applications is not shared with the candidates. The Secretariat may inform candidates about the scores they obtained upon request of the concerned candidate. Candidates cannot appeal to the decision of the MEDREG Secretariat.

Initiation of a tendering procedure imposes no obligation on MEDREG to award the contract. MEDREG shall not be liable for any compensation with respect to tenderers whose tenders have not been accepted, nor shall it be so liable if it decides not to award the contract.

5. Budget

The budget for this consultancy is €14.250 euros (VAT of the respective country and all other taxes included). The payment will be made upon completion of the work and reception of the invoice. The request for payment of the full amount shall be made if the final deliverable has been approved by the MEDREG General Assembly.

6. Scoring system

Offers will be evaluated out of 100 points, based on the following criteria.

A. General experience and technical references: up to 60 points

The references submitted by the candidates will be evaluated according to their nature their number and their date of achievement:

- Type and number of similar projects carried out under the applicant's direct responsibility, proving merit and experience (50 points):
 - Evidence of more than 5 studies: 50 points
 - Evidence of 3 to 4 studies: 30 points
 - Evidence of 1 to 2 study: 20 points
- Date of completion of the three most recent studies (10 points):
 - Within the last 3 years: 10 points
 - Some within the last 3 years and some more than 3 years ago: 8 points
 - More than 3 years ago: 5 points

B. Methodology, organization and planning (40 points)

- The methodology of the study (30 points)
 - Fully meeting the objectives of the study: 30 points
 - Partially meeting the objectives of the study: 15 points
- Organization and planning (10 points)

The winning offer will be the one obtaining the highest score.