

## **Terms of Reference**

### **Title: Call for consultant for Pljevlja sustainable heating solutions study**

CEE Bankwatch Network is looking for a consultant to identify and analyse sustainable heating solutions for Pljevlja in Montenegro.

Bankwatch is working extensively on phasing out fossil fuels in a number of countries, including in the Western Balkan region. As heating is becoming an increasingly important element of achieving decarbonisation, we also focus on looking for sustainable alternatives to coal-based heating. In Pljevlja, many households are using the network of local heating boilers, which is mostly fueled by lignite. The rest of the households are mostly burning coal and wood for heating in outdated polluting stoves. The authorities have been pushing for reconstruction of the nearby coal-based thermal power plant and connecting it to a district heating network that would be built from scratch. Even though the 40-year old plant is close to exhausting its permitted operating hours, and the economic case for constructing a heating network for a town of approximately 20,000 inhabitants is not clear, one of the authorities' key arguments for keeping the plant alive is the need to provide citizens of Pljevlja with heating.

In this context, the study should map the local potential for renewable energy and identify feasible solutions for heating in Pljevlja, as an alternative to the current heating situation and the plans to build a new district heating network connected to the coal-based plant. The study will be used to convince authorities, potential donors and investors, that clean and modern heating solutions are possible and achievable, and it will serve as an example for similar initiatives in other locations throughout the region.

### **Subject of the proposal**

The study should briefly examine the current heating situation in the Pljevlja area, and provide an in-depth technical analysis of potential environmentally and economically sustainable alternatives for heating, viable for the medium- to long-term. The information should be collected with the help of Bankwatch from public sources, from direct contact with stakeholders (by email, online meetings or in-person meetings), and with the support of local CSOs.

The objective of the study is to map the potential for sustainable renewable energy sources for heating in Pljevlja, including solar, geothermal, heat pumps, heat recovery from existing industries, and potential for heat storage, and examine possible energy efficiency measures. It should also explore the potential for constructing a renewable energy-based district heating network and combining it with individual solutions, keeping in mind the climate and geographical features of the town which is situated in a valley, and the fact that illegal and unplanned construction is common. It should recommend what specific solutions are preferable and realistic. There has been a proposal for biomass based district heating for Pljevlja back in 2011, that was supposed to be financed from an EBRD loan, but the project

never materialised.<sup>1</sup> We are looking for substantially different solutions that would add value. The recommended solutions need to adhere to Bankwatch's policy positions on sustainable energy sources (to be discussed with the selected consultant in more detail). This work is part of Bankwatch's larger focus on phasing out fossil fuels.

The study is expected to be approximately 100-150 pages long, written in English. The study should include the following parts:

1. Executive summary
2. Introduction
  - a. Existing heating situation in Pljevlja, with analysis of the current heating demand
  - b. Showing the harmful impact of existing heating methods (e.g. health impact of air pollution due to coal and wood - based heating)
  - c. Showing the potential harmful impact of connecting the coal-based power plant to a district heating network (economic non-viability, non-compliance with climate and energy goals, etc.)
3. Analysis of potential for alternative heating solutions, based on potential for reducing future heating demand
  - a. Supply side (sources) - could include solar, geothermal, heat recovery from existing industrial sources, potential for heat storage, heat pumps, electricity from renewable energy sources
  - b. Demand side - energy efficiency measures
  - c. Potential to develop district heating network (economic, technical feasibility)
4. Recommendations of preferred solutions
  - a. Benefits for society, environment, economy, etc. (including affordability for the citizens, compared to power plant - based heating)
  - b. Any regulatory, financial (including possible funding) or technical issues to be considered in order to implement those solutions

The consultant will be responsible for drafting the study, and is expected to produce two drafts and a final version. Bankwatch staff will provide comments on the drafts, and will be responsible for the proofreading, translation, design and distribution of the publication. The study will be published, and the consultant should be willing to be mentioned publicly as author of the study. Based on the study, Bankwatch will also produce a shorter briefing paper for policymakers and a wider audience. The consultant might be required to make a few appearances at events (including local events and topical events such as webinars) in order to promote the study and its findings. Any such appearances will be organised and costs covered separately.

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<sup>1</sup> See for more details here: <https://www.ebrd.com/work-with-us/projects/psd/pljevlja-renewable-energy-heating-project.html>

## Timeline

<i>Date</i>	<i>Task due</i>
19 November	Publishing the call for consultant
7 December	Deadline for submitting offers
11 December	Finalizing the process of selecting the consultant
17-22 December	Contract signing; Initial coordination call with consultant to set out general outline of the study
January – March	Data gathering, analysis and writing
31 March	First draft
1 - 8 April	Round 1 comments
8 April – 31 May	Second draft
1 - 8 June	Final comments
9 – 16 June	Final version revised, formatted
16 June– 05 July	Publication design prepared
16 June– 05 July	Translation
Beginning of July	Study published

## Budget

A maximum of EUR 15.000, including VAT, half of it to be paid upon the delivery of the first draft and the difference upon delivery of the final version of the study.

## Eligibility

Experts in the field of sustainable energy, with a background in engineering or similar. They should have extensive knowledge of the heating sector and of renewable energy sources, and at least 10 years of professional experience with these issues. Excellent knowledge of English is required. Knowledge of, or previous experience specific to Montenegro or the Balkan region would be beneficial.

## How to apply

Applicants should submit their offers by 7 December to [maja.kambovska@bankwatch.org](mailto:maja.kambovska@bankwatch.org).

The offer should contain:

1. CV highlighting the required qualifications and experience
2. Application consisting of technical and financial elements. The technical elements comprise a 2-page outline proposal for the study. The financial elements comprise the financial offer including VAT. The candidate should name at least two references who have agreed to support the application.
3. Examples of similar previous work are welcome in support of the application.
4. Signed statement certifying that the candidate does not fall into any situation that is grounds for exclusion from participation in the procurement (according to Bankwatch's internal procedures):

Candidates will be excluded from participation in a procurement procedure if:

- they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning these matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- they have been convicted for an offence concerning their professional conduct by a judgement which has the force of res judicata;
- they have been guilty of grave professional misconduct proven by any means justifiable;
- they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country where the contract is to be performed;
- they have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- they are currently subject to an administrative penalty referred to in section 2.3.5 of the Practical Guide to contract procedures for EC external actions:

*Without prejudice to the application of penalties laid down in the contract, candidates or tenderers and contractors who have made false declarations, have made substantial errors or committed irregularities and fraud, or have been found in serious breach of their contractual obligations may be excluded from all contracts and grants financed by the Community budget for a maximum of five years from the date on which the infringement is established, as confirmed following an adversarial procedure with the contractor. That period may be extended to 10 years in the event of a repeated offence within five years of the above-mentioned date. Tenderers or candidates who have made false declarations, have committed substantial errors or irregularities and fraud, may also be subject to financial penalties representing 2% to 10% of the total estimated value of the contract being awarded. Contractors who have been found in serious breach of their contractual obligations may be subject to financial penalties representing 2% to 10% of the total value of the contract in question. That rate may be increased to 4% to 20% in the event of a repeat infringement within five years of the above-mentioned. Where the award procedure proves to have been subject to substantial errors, irregularities or fraud, the Commission shall suspend the procedure and may take whatever measures are necessary, including the cancellation of the procedure. Where, after the award of the contract, the award procedure or the performance of the contract prove to have been subject to substantial errors, irregularities or fraud, the Commission may, depending on the stage reached in the procedure, refrain from concluding the contract or suspend performance of the contract or, where appropriate, terminate the contract. Where such errors, irregularities or fraud are attributable to the contractor, the Commission may in addition refuse to make payments, may recover amounts already paid or may terminate all the contracts concluded with this contractor, in proportion to the seriousness of the errors, irregularities or fraud. The purpose of suspending the contract is to verify whether presumed substantial errors and irregularities or fraud have actually occurred. If they are not confirmed, performance of the contract will resume as soon as possible. A substantial error or irregularity is any infringement of a provision of a contract or regulation resulting from an act or an omission which causes or might cause a loss to the Community budget.*

## **Selection**

The selection criteria will consist of:

- 1) Professional capacities: the strength of CV, past reports, reference list of experience in similar or related projects;
- 2) Quality of project proposal and alignment with requirements to consider only sustainable energy forms;
- 3) Financial offer;
- 4) Other added value to the analysis (e.g. knowledge of the local language).

Applicants will be informed about the selection results by 11 December.

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