

## Part 0.e FORMULA FOR ECONOMIC MODEL CALCULATION

### Public Contract:

**"High-efficient combined heat and power facility utilizing  
renewable sources (OHB II - line K1) "**

over-the-limit utilities contract for construction works awarded in a negotiated procedure with prior publication pursuant to the provisions of Section 60 of the PPA,



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## Part 0 - Procurement documentation

### Part 0.e - Formula for economic model calculation

This calculation formula is intended to evaluate the overall financial advantageousness of tenders using the NPV indicator (the total net present value of all cash flows related to the project) in relation to the Economic model (part 0.d to the Procurement documentation).

The model evaluates overall advantageousness of the offered solution over a period of 7 years from the start of commercial operation according to the Contract terms and conditions in the form of net present value. Assumptions used in the evaluation take into account the annual availability of 8,000 hours and nominal operation, i.e., 132,000 tons of processed waste with a calorific value of 10 MJ/kg. The economic assumptions are based on the contracting authority's unit prices and a discount rate of 5% with a year-on-year inflation.

This general formula will calculate the net present value as the sum of points 1) to 3) listed below once data filled in by the participant in accordance to part 0.d Binding form of the economic model are entered:

1) Negative value of the total tender Contract Amount (item 1.1.5 of the part 0.d), including the required options and possible additional benefit given by shorter construction period than the maximum expected period;

ad 1) [-CAPEX]; and

2) Summary of the set of cash flows of the future operation: (the difference between [sums of heat and electricity commodities] multiplied by [electricity and heat sales prices] and the sum of OPEX multiplied by [unit prices of OPEX] converted to the present value of cash using a discount rate, all this over a period of seven years (*the considered evaluation period*);

ad 2) in total  $\sum_{i=0}^n \frac{[\sum(\text{Energy outputs}) * (\text{Energy outputs prices}) - \sum(\text{OPEX}) * (\text{OPEX unit prices})]_i}{[(1+WACC)^i]}$ ;

The overall calculation formula of the Economic model is as follows:

$$\begin{aligned} NPV &= -[CAPEX] \\ &+ \sum_{i=0}^n \frac{[\sum(\text{Energy outputs}) * (\text{Energy outputs prices}) - \sum(\text{OPEX}) * (\text{OPEX unit prices})]_i}{[(1 + WACC)^i]} \end{aligned}$$

"NPV" - net present value (evaluated parameter)

## **Part 0 - Procurement documentation**

"CAPEX" - the total tender Contract Amount (including options required by the contracting authority, including any additional benefit given a shorter construction period than the maximum expected period)

"Energy outputs" - produced heat and electricity

"Energy output prices" - unit prices according to the type of energy produced

„OPEX“ – operating expenses

"OPEX unit prices" - unit prices according to the type of operating expenses

"WACC" - discount rate set by the contracting authority for evaluation purposes

"n" - period used for evaluation purposes (number of years)