



NEECO II

Area 2

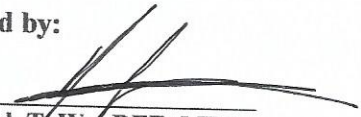
NUEVA ECIJAH ELECTRIC
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TERMS OF REFERENCE (TOR) for the conduct of Competitive Selection Process (CSP) for Power Supply Procurement Plan (PSPP)

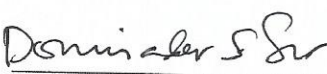
1.	Type of Contract	Baseload
2.	Contracted Capacity	37 MW
3.	Contracted Energy (MWh)	239,820 MWh/year
4.	Source of Power	<ul style="list-style-type: none"> • Open to All Types of Technology • Open to Existing, Currently Under Construction and New Plants to be Built as long as the plants comply with delivery date as indicated in the TOR
5.	Contract Term	Ten (10) years Commencing from Delivery Date
6.	Target Delivery Date	26 December 2020
7.	Tariff Structure	<ul style="list-style-type: none"> • Two-part Tariff consisting of Fixed and Variable Costs, unbundled to: <ol style="list-style-type: none"> 1. Capital Recovery Fee (Php/KW/month) 2. Fixed O&M Charges (Php/KW/month) 3. Variable O&M Charges (Php/kWh) 4. Fuel Fee (Php/kWh), if any • Specify formula for base fee adjustment affected by factor such as CPI or Escalation • No indexation or escalation of Capital Recovery Fee (CRF) • Present levelized cost of electricity for the 10 years term
8.	Currency for the Offer	Price Offer should be in Philippine Peso
9.	Interconnection	On-grid, preferably connected to 230kV for more reliability of supply
10.	Billing Metering Point	Through NGCP Metering Point
11.	Nomination Protocol	<ul style="list-style-type: none"> • Non-binding year-ahead, month-ahead, week-ahead and day-ahead nominations • NEECO II Area-2 may revise the nominations due to unscheduled outages
12.	Outage Allowance per Plant	Shall not exceed 720 hours for scheduled and 360 hours for unscheduled outages per year. Any unutilized allowed scheduled and unscheduled outage allowances within a calendar year will not be accumulated for use during the succeeding years of the cooperation period, likewise if unutilized, allocated unscheduled outages cannot be credited to scheduled outages and vice versa.
13.	Replacement Power	Replacement power within the outage allowance shall have a rate equal or lower than the ERC-approved tariff. Replacement power during scheduled or unscheduled outages shall be the main obligation of the supplier. But in the event of failure by the supplier to provide the replacement power, the EC shall be allowed to source the replacement power at the expense of the supplier for any excess cost above the ERC-approved tariff.
14.	Force Majeure	<ul style="list-style-type: none"> • When NEECO II Area-2 will not be able to receive electricity at the receiving point due to force majeure, NEECO II Area-2 shall not pay Fixed Charges aforementioned with in. • NEECO II Area-2 shall not be required to make payments for any of the following: • Capacity that is unavailable and Capacity that it cannot accept

15.	Regulatory Approvals	The Power Supplier shall make the necessary adjustments in accordance with the directive of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract and the EC should not be made to shoulder the incremental difference.
16.	Security Deposit	100% of estimated monthly power bill during first year of Contract, adjusted annually to reflect current billing.
17.	Eligibility Requirements	<ul style="list-style-type: none"> • Certificate of Good performance/ track record with other customers and track record of the Bidders management team and staff is required. • Technical capability/qualification of technical staff and organizational structure is required. • If Bidder is under partnership or corporation, it must present an agreement showing that they are jointly and severally liable in this Bidding and the resulting PSA. • Own and/or operate existing and operational power plant(s) in the Philippines. • Has available capacity on Delivery Date.
18.	Reduction in Contracted Capacity	<ul style="list-style-type: none"> • Capacity Reduction depending on RCOA and GEOP Guidelines. • NEECO II Area-2, at any billing period, shall be entitled to a reduction in the Contracted Capacity equivalent to the reduction in the demand of its customers.
19.	Application Process with the ERC	<ul style="list-style-type: none"> • Joint filing of Application for Approval of PSA • Winning Bidder will shoulder the filing and publication costs
20.	Line Rental	Present a separate line item for Line Rental cap proposal under the Fixed Cost. Delivery point shall be at the market trading node of NEECO II Area-2
21.	Penalties	<ul style="list-style-type: none"> • If the Bidder fails to deliver 37 MW upon effectivity of the contract and NEECO II Area-2 secures an alternative supply, the cost of the power shall be at the expense of the Bidder. • If Bidder exceeds the allowable outages, Bidder shall procure power supply at its own cost. • If Bidder fails to perform its obligation to supply power to NEECO II Area-2 for sixty (60) days, NEECO II Area-2 may terminate the contract and shall require settlement of liquidated damages.
22.	Grounds for Termination	<ul style="list-style-type: none"> • Event of Default • Expiration of Term or Upon Mutual Agreement.

Signed by:


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 Chairman, TPBAC


Marvin C. Vitangcol, CPA
 Member
 EC Officer, Accountant


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