



OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC.

M.H. Del Pilar St., San Jose, Occidental Mindoro 5100



BID BULLETIN No. 20 Series of 2020

TO ALL PARTICIPATING BIDDER:

This Bid Bulletin No. 20, Series of 2020 dated 17 September 2020 is being issued to respond to request for clarifications and to confirm key issues addressed and discussed during the Third (3rd) Pre-Bid Conference held last 27 August 2020.

Attached herewith are the Third-Party Bids and Awards Committee (TPBAC) responses.

This Bid Bulletin No. 20, Series of 2020 shall form part of the Bidding Documents. Any provisions in the Bidding Documents inconsistent herewith is hereby amended, modified and superseded accordingly.

For information of all concerned.

FOR THE TPBAC:


CELSO D. GARCIA
TPBAC Chairman

	DOCUMENT	REFERENCE	PROVISION	BIDDERS' COMMENTS/QUERY/REQUEST/ PROPOSED REVISION	TPBAC RESPONSES/AMENDMENTS																																				
1.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 1.1	ITB 1.1 The Occidental Mindoro Electric Cooperative, Inc. (OMECO), through its Third-Party Bids and Awards Committee (TPBAC), is conducting a Competitive Selection Process (CSP) for its New Power Provider/s (NPP/s) with a Dependable Capacity that will meet Single Outage Contingency reliability criteria as indicated in Table 1 for the years 2021 - 2024. The generating unit to meet Single Outage Contingency shall be installed in SAMARICA area only which shall also serve as contingency reserve for Sablayan and MAPSA area.	Please provide the size/s of the generating unit of the existing supplier to serve as contingency reserve for Sablayan and MAPSA.	<p>The following which was presented during the 3rd Pre-Bid Conference illustrates the requirement. Please note that the contingency reserve requirement in SAMARICA is dependent on the proponent. The first table below illustrate the contingency requirement for OMCPC while the second table illustrate the contingency requirement for other Bidders. Please note that these are illustrative examples and not a prescription of required capacities.</p> <table border="1"> <thead> <tr> <th colspan="2">EXISTING POWER PLANT</th> </tr> <tr> <th>PARTICULARS</th> <th>CAPACITY (MW)</th> </tr> </thead> <tbody> <tr> <td>UNIT 1</td> <td>7</td> </tr> <tr> <td>UNIT 2</td> <td>7</td> </tr> <tr> <td>UNIT 3</td> <td>7</td> </tr> <tr> <td>TOTAL DEPENDABLE CAPACITY</td> <td>21</td> </tr> <tr> <td>LESS LARGEST UNIT</td> <td>7</td> </tr> <tr> <td>DELIVERED CAPACITY UNDER R-1</td> <td>14</td> </tr> <tr> <td>2021 DEMAND</td> <td>18</td> </tr> <tr> <td>ADDITIONAL DEPENDABLE CAPACITY UNDER R-1 IN 2021</td> <td>4</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">MOBILE/MODULAR GENERATING UNITS</th> </tr> <tr> <th>PARTICULARS</th> <th>CAPACITY (MW)</th> </tr> </thead> <tbody> <tr> <td>9 UNITS X 2MW</td> <td>18</td> </tr> <tr> <td>TOTAL DEPENDABLE CAPACITY</td> <td>18</td> </tr> <tr> <td>LESS LARGEST UNIT</td> <td>2</td> </tr> <tr> <td>DELIVERED CAPACITY UNDER R-1</td> <td>16</td> </tr> <tr> <td>2021 DEMAND</td> <td>18</td> </tr> <tr> <td>ADDITIONAL DEPENDABLE CAPACITY UNDER R-1 IN 2021</td> <td>2</td> </tr> </tbody> </table>	EXISTING POWER PLANT		PARTICULARS	CAPACITY (MW)	UNIT 1	7	UNIT 2	7	UNIT 3	7	TOTAL DEPENDABLE CAPACITY	21	LESS LARGEST UNIT	7	DELIVERED CAPACITY UNDER R-1	14	2021 DEMAND	18	ADDITIONAL DEPENDABLE CAPACITY UNDER R-1 IN 2021	4	MOBILE/MODULAR GENERATING UNITS		PARTICULARS	CAPACITY (MW)	9 UNITS X 2MW	18	TOTAL DEPENDABLE CAPACITY	18	LESS LARGEST UNIT	2	DELIVERED CAPACITY UNDER R-1	16	2021 DEMAND	18	ADDITIONAL DEPENDABLE CAPACITY UNDER R-1 IN 2021	2
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2.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders/	ITB 1.3; ITB 3; TOR 14	ITB 1.3 This transaction will be on a per lot basis where a Bidder can bid on any single lot or all lots as shown in Table 1. OMECO considered two (2) scenarios for	In the event that there are two or more winning bidders per lot/site, please clarify how the dispatch schedule will be implemented. Please also provide the criteria for the dispatch schedule (except for	The PSA price structure as specified in the TOR has four components (two fixed costs and two variable costs). The fixed cost component is dependent or a function of Capacity Utilization Factor that guarantees fixed cost recovery on any level of dispatch. The dispatch schedule will be prepared by the System Operator that will optimize the generation mix of all																																				

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	Terms of Reference		<p>SAMARICA area (Lot I). Scenario 1 is where the existing power plant at SAMARICA area is part of the power supply while Scenario 2 is where the existing power plant at SAMARICA area is not part of the power supply of the Winning Bidder.</p> <p>Net Dependable Capacity under Single Outage Contingency - the guaranteed capacity that is available at the Connection Point under the condition where largest generating unit is on outage.</p> <p style="text-align: center;">*** *** ***</p> <p>Single Outage Contingency - the generation system reliability criteria that ensure availability of power supply under the outage of largest generating unit also referred to as R-1 redundancy reliability criteria.</p>	<p>RE, which shall be accorded priority dispatch).</p> <p>What is considered the "largest generating unit"? Does this refer to the largest generating unit of the NPP or the largest existing generating unit in the island? Please confirm this.</p> <p>Impossibility of determining Single Outage Contingency requirement. The generating unit to meet Single Outage Contingency shall be installed in SAMARICA area only which shall also serve as contingency reserve for SABLAYAN and MAPSA areas (<i>ITB Section 1.1, page 3; TOR Section 2.1.2, page 49</i>).</p> <p>Single Outage Contingency ensures the availability of power supply under the outage of largest generating unit (<i>TOR Section 14, page 61</i>).</p> <p>However, it is not possible for a bidder for SAMARICA area to know the largest unit that will eventually be installed or constructed by the winning bidders for the SABLAYAN</p>	<p>contracted power plants to achieve least-cost generation in Occidental Mindoro. All live PSAs of OMECO, regardless of the number of Winning Bidder/s, will be captured in the Optimal Generation Dispatch Schedule model including the UCME to achieve least cost generation schedule.</p> <p>This refers to the largest generating unit being offered by the Bidder. The NPP of the existing plant is also a Bidder and may win or lose in this Bid. Hence, the generating unit capacity of the existing plant will not be relevant to the other Bidders.</p> <p>Please refer to the TPBAC response above to determine the Single Outage Contingency requirement.</p> <p>SAMARICA is the area with the highest demand in Occidental Mindoro and consequently will have the largest generating capacity among the 3 areas. A contingency unit in SAMARICA will be sufficient to provide System Contingency for Occidental Mindoro Grid (SAMARICA, Sablayan and MAPSA). Providing separate contingency unit for Sablayan and MAPSA is not optimal (i.e., not least cost) for the consumers. Therefore, there is no separate contingency requirement for Sablayan and MAPSA.</p>

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				<p>and MAPSA areas. This is indispensable in order to determine contingency reserve required and, consequently, for the bidder for SAMARICA area to properly prepare its technical proposal and compute its financial bid.</p> <p>Moreover, operationally, when an area is in island operation mode where SABLAYAN and/or MAPSA will supply their area independently, they will not have the reserve capacity. Their respective coverage areas will still experience rotational brownouts in case a genset shuts down. This section is applicable if only one company will win the bid for the 3 areas.</p> <p>Hence, we respectfully request the TPBAC to consider requiring the power plant supplying power to a specific area to have its own reserve unit instead as this would seem more reasonable.</p>	
3.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 1.4	ITB 1.4 The generating capacity may come from any type of power plant and the site on which the new power plants or transfer of existing power plants will be located may be acquired or leased by NPP/s. OMECO shall provide assistance in arranging and securing site/s for the power plants.	Considering the existence of 69kV lines running from ORMECO to OMECO and vice-versa, Bidders should be allowed to propose a plan where the location of the power plant is outside of the identified locations (San Jose, Sablayan, and Mamburao) and Occidental Mindoro. This shall also improve the reliability, efficiency and economics of OMECO.	<p>The three preferred locations stated in TOR 3.2.2 were determined based on analysis that optimizes the reliability, efficiency and economics of power supply in Mainland Occidental Mindoro. Hence, no power plant in other locations shall be allowed.</p> <p>For this transaction, the location would strictly be in the 3 locations only. Power plants outside of Occidental Mindoro</p>

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				Can a Bidder's RE facility be offered if it is located outside Occidental Mindoro?	will be considered in future CSPs since it is expected that by that time, the level of connectivity, reliability and control of 6kV transmission lines in Mindoro Island is already established that can be assure reliability of power supply to Occidental Mindoro.
4.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 2.1	ITB 2.1. Payments to NPP shall be made by OMECO from the collection of generation charges from its member-consumers, according to the Subsidized Approved Generation Rate (SAGR) approved by the Energy Regulatory Commission (ERC). Further, subsidy shall be disbursed by the Power Sector Assets and Liabilities Management Corporation (PSALM) for the NPP to recover its costs according to the True Cost Generation Rate (TCGR), in accordance with Section 4 of the "Guidelines for the Setting and Approval of Electricity Generation Rates and Subsidies for Missionary Electrification Areas" adopted under ERC Resolution No. 11, Series of 2005.	<p>Please clarify whether OMECO has received confirmation from the DOE and/or NPC that this CSP will be included in the subsidy program.</p> <p>In the letter of the Department of Energy to OMECO dated 26 June 2020, Secretary Cusi categorically stated that there will be "no UC-ME subsidy for prospective PSAs with new power providers". OMECO should clarify the PSA under this CSP will no longer have EC-ME subsidy and the OMECO Consumers are ready to shoulder the full cost of power generation.</p> <p>What is the financial capacity of OMECO if the existing supplier will not win the bid?</p> <p>How will it settle its obligations with the current supplier considering that OMECO's financial stability and obligations will greatly affect the Winning Bidder for this CSP? Will the future obligations of OMECO to the Winning Bidder be subordinated</p>	<p>The Bid Docs were prepared with the assumption that the Winning Bidder in this CSP will be eligible to access UC-ME subsidy in accordance with the published policies of DOE and rules and regulations of ERC. The TPBAC, however, wrote the DOE to clarify the official policy on UC-ME that will apply to this CSP. Once we receive the response from DOE and the DOE clarification indicated that the NPP in this CSP, will not be eligible to UC-ME subsidy (hopefully not this scenario), the Bid Docs shall be revised accordingly. OMECO shall abide to the policies that are promulgated by the DOE and will impose and collect the TCGR from its member-consumers.</p> <p>OMECO's financial capacity is not dependent on the existing supplier. Hence, it is irrelevant if the Winning Bidder is in this CSP is or not the existing supplier.</p> <p>OMECO is current in its payments to its existing supplier. With regards to the financial standing of OMECO, the Bidders were issued financial reports for 2014-2018 for its due diligence. Bidders are also allowed to visit, request relevant information and conduct further due diligence. If in the assessment of the prospective Bidder, after its due diligence, OMECO's financial standing will put them at risk that cannot be mitigated, the Bidder has option not to proceed with the Bid submission.</p> <p>We would also like to underscore that generation charges are pass- through charges of DUs to the consumers in</p>

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				to its outstanding obligations to the existing supplier?	accordance with RA 9136. The member-consumers of OMECO, being in SPUG areas are beneficiaries of UC-ME subsidies. Thus, the consumers are billed the Subsidized Approved Generation Rate (SAGR) and the difference between the NPP's True Cost Generation Rate (TCGR) are paid from the UC-ME fund. The most relevant financial performance parameters, therefore, are OMECO's collection efficiency which in 2019 was 97.12%, above the NEA's prescribed minimum collection efficiency standard for ECs and the payment performance to suppliers and lenders which is "current" as evidenced by the certificates issued by the suppliers and NEA.
5.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 5.1	<p>ITB 5 Constituent Documents</p> <p>5.1 For the purposes of this CSP, the following comprise the Bidding Documents:</p> <p>(a) Information Memorandum;</p> <p>(b) Invitation to Bid;</p> <p>(c) Terms of Reference (Annex A);</p> <p>(d) this Instructions to Bidders;</p> <p>(e) Bid Forms (Annex B); and</p> <p>(f) Draft PSA.</p>	<p>Please provide a copy of the draft PSA at the soonest possible time. Bidders cannot have full evaluation and provide complete comments without it.</p> <p>We propose the extension of the deadline of Submission of Comments since we cannot give comments yet on the draft PSA.</p> <p>Please provide a copy of the updated draft Power Supply Agreement. The bidders should be provided an additional period to provide comments and questions on the draft PSA.</p> <p>The copy of the draft PSA should likewise be provided to the bidders well in advance to review these provisions.</p> <p>Is the Draft PSA of the 42MW Short-Term & Long-Term Power Supply will be used in this revised Biding Docs / TOR? Or OMECO TPBAC</p>	<p>We will provide the copy of the Draft PSA prior to the conduct of Fourth Pre-Bid Conference. Please note that the Draft PSA has undergone a review in view of the nature of the PSA needed and appropriate for Short-Term Power Supply and the final TOR of this CSP as opposed to the previously issued draft PSA which was meant for long term PSA.</p> <p>Bidders are welcome to comment on already issued documents and to submit more comments after the issuance of the new Draft PSA.</p>

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				will issue revised Draft PSA for the Short-Term Power Supply?	
6.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 7.8	ITB 7.8 The minutes or notes of the Pre-Bid Conference shall be made available to all Bidders three (3) days after the Pre-Bid Conference upon written request and payment of PhP100.00/page to recover cost of materials. Bidders may send comments on the minutes or notes of the Pre-Bid Conference.	<p>Can the Bidders request for a pdf copy of the minutes instead of the hardcopies considering the current situation brought about by the pandemic and the additional cost of Php100/page? By requesting for a soft copy, no additional cost on materials will be incurred by the TPBAC.</p> <p>Electronic copies of the minutes or notes recommended. There is payment of PhP 100.00/page for the minutes or notes of the Pre-Bid Conference, Abstract of Bids as read, and Bid Opening to recover cost of materials (<i>ITB Section 7.8, page 11; ITB Section 26.5, page 31</i>).</p> <p>Given the difficulties and delays in the transmittal of hardcopies due to the COVID-19 pandemic, it is suggested that electronic copies of the minutes or notes be provided instead. This will help avoid the costs of materials, which may end up considerable.</p>	The TPBAC will provide Bidders a PDF copy of the minutes at no cost to the Bidders through Bid Bulletins that are emailed to authorize Bidder's email address.

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7.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 8.4	ITB 8.4 The Bidders shall have an aggregate generation portfolio of at least 5 MW regardless of technology at the time of submission of Bid and has track record in power plant operation. If the offered power supply will come from fossil-based power plants such as diesel power plants, the Bidder shall have at least five (5) years of track record. If the offered power supply will come from renewable energy plants, the Bidder shall have at least two (2) years of track record. The track record shall be for the specific type of power plants offered to supply power.	<p>Can a generation facility, particularly an RE facility, be offered?</p> <p>If the Bidder opts to offer both a fossil-based and RE plant, how will the experience requirement mentioned apply? Should the Bidder have the required experience for both fossil-based and RE plant, or would one of the experience requirements suffice?</p>	<p>Yes, the Bidder may offer RE facility that is feasible to be developed and made available on COD in mainland of Occidental Mindoro. However, this CSP shall award only a 3.5-year PSA as this Transaction is constraint to procure only short-term power supply. The risk of stranded assets shall be the Bidder's lookout.</p> <p>The Bidder must have a track record of every technology they will offer. Bidder may form consortium to fulfil all eligibility requirements.</p>
8.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 11.1	<p>ITB 11.1 The Bidders shall be given the following pertinent technical and financial information of OMECO:</p> <p>(a) Directory of OMECO;</p> <p>(b) Demand and Energy Forecast of OMECO (2022-2039);</p> <p>(c) 8760 Load Curve of OMECO (2018);</p> <p>(d) Utility Statistics and Operational (Technical and Financial) Performance;</p> <p>(e) Audited Financial Statements (2014-2018);</p>	<p>Please provide soft copies of the latest and updated technical and financial documents indicated in Section 11.1 at the soonest possible time, for purposes of the bidders' due diligence. Bidders cannot have full evaluation and provide complete comments without these.</p> <p>We propose extension of the deadline of Submission of Comments since we cannot give complete comments without the documents.</p>	<p>We will provide soft copies of the latest and updated technical and financial documents indicated in ITB 11.1.</p> <p>The due diligence data are for the assessment of Bidder's on Buyers technical and financial capability for purposes of its final decision on Bid submission and plan for risk mitigation. Bidders are encouraged to submit comments and may propose risk mitigating measures based on already issued documents as well as after the issuance of updated due diligence data.</p>

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			(f) Payment Performance Certifications from Power Suppliers, PSALM, NEA, and other Financial Institutions; (g) Pre-Grid Impact Study (GIS); and (h) OMECO Single Line Diagram (SLD)		
9.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 11.3	ITB 11.3 If the Bidder desires to conduct on-site due diligence on OMECO, they may coordinate with the TPBAC, who shall coordinate the schedule. The Bidder must request the TPBAC in writing with the specific agenda and proposed schedule of visit. The TPBAC has the right to reject request for visits if the data needed have already been provided to Bidders and/or the agenda is deemed not relevant to this Transaction.	Please advise on how the bidders can conduct sufficient due diligence in Occidental Mindoro in view of the quarantine requirements (e.g., 14-day self-quarantine upon arrival) and safety protocols currently in place.	Based on verbal communications with Municipal Health Officers the following are the requirements: San Jose – 14-day quarantine Sablayan – result (RT – 1 week validity; PCR – 2 weeks validity) Mamburao – travel authority from company, medical certificate (MHO) where the company office is located, limit of 7 days stay. The TPBAC officially wrote the concerned LGUs to provide as written copy of the latest or updated protocol. We will disseminate the said documents upon receipt from LGUs.
10.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 15.2.1(e)(ii),	ITB 15.2. Class "A" Documents 15.2.1 Legal Documents *** ** (e) Documentary proof of Bidder's compliance with Tax obligations, such as: *** ** ii. Proof of VAT payments for	Please advise on the six-month period for which the proof of VAT payments must be submitted by the bidders. In view of the bid submission on 29 October 2020 and the delays in government processes (including the processing of requests for certified true copies) due to the COVID-19 pandemic, we suggest that the proof of VAT payments for March to August 2020 be submitted by bidders as part of their eligibility requirements. We anticipate that there will be delays in	In consideration of the COVID pandemic, the Proof of VAT payments for the past six months will cover the months of March to August 2020. Amendment: <u>ITB 15.2.1(e)(ii.) Proof of VAT payments for the months of March to August 2020 must be submitted.</u>

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			the past six (6) months;	<p>the processing of certified true copies of the proof of VAT payment for September 2020, and this might not be available in time for the submission of bids on 29 October 2020.</p> <p>Proposed Revision:</p> <p>15.2. Class "A" Documents</p> <p>15.2.1 Legal Documents</p> <p style="text-align: center;">*** **</p> <p>(e) Documentary proof of Bidder's compliance with Tax obligations, such as:</p> <p style="text-align: center;">*** **</p> <p>ii. Proof of VAT payments for the past six (6) months. For the avoidance of doubt, proof of VAT payments for the months of March until August 2020 must be submitted;</p>	
11.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 15.2.1(e)(iii),	<p>ITB 15.2. Class "A" Documents</p> <p>15.2.1 Legal Documents</p> <p style="text-align: center;">*** **</p> <p>(e) Documentary proof of Bidder's compliance with Tax obligations, such as:</p> <p style="text-align: center;">*** **</p>	<p>Similar to the requirement on Mayor's Permit, in case of a recently expired Tax Clearance, please advise whether the recently expired Tax Clearance can be submitted, together with proof that the Bidder has applied for renewal or awaiting the release of certificate from the BIR.</p>	<p>The proposal to consider the recently expired tax clearance together with the proof that the Bidder has applied for renewal or awaiting the release of certificate from BIR is accepted.</p> <p>Amendment:</p> <p><i>ITB 15.2.1(e)(iii). Tax Clearance from the BIR to prove bidder's full and timely payment of taxes to the government.</i></p> <p><i>In consideration of the COVID pandemic, in cases of expired Tax clearance, it shall be submitted together with</i></p>

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			iii. Tax Clearance from the BIR to prove bidder's full and timely payment of taxes to the government; and		<i>the official receipt as proof that the Bidder has applied for renewal or awaiting the release of certificate from the BIR.</i>
12.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 15.2.3(a)	<p>15.2. Class "A" Documents</p> <p style="text-align: center;">*** *** ***</p> <p>15.2.3 Financial Documents</p> <p>(a) The Bidder's Audited Financial Statements, stamped "received" by the Bureau of Internal Revenue (BIR) for the last two (2) years, showing, among others, the Bidder's total and current assets and liabilities. Complete set of financial statement includes the following:</p> <p>i. Balance Sheet; ii. Income Statement; iii. Statement of Changes in Equity; iv. Cash Flow Statement; v. Notes to Financial Statement; vi. Statement of Management Responsibility for Financial Statement; and vii. Financial Ratios indicating liquidity measurement ratio, debt ratio, profitability ratio and operating performance ratio.</p>	<p>For the avoidance of doubt, the covered years for the required Audited Financial Statements must be specified.</p> <p>Proposed Revision:</p> <p>15.2. Class "A" Documents</p> <p style="text-align: center;">*** *** ***</p> <p>15.2.3 Financial Documents</p> <p>(a) The Bidder's Audited Financial Statements, stamped "received" by the Bureau of Internal Revenue (BIR) for the last two (2) years (i.e., for years 2018 and 2019), showing, among others, the Bidder's total and current assets and liabilities. Complete set of financial statement includes the following:</p> <p>i. Balance Sheet; ii. Income Statement; iii. Statement of Changes in Equity; iv. Cash Flow Statement; v. Notes to Financial Statement; vi. Statement of Management Responsibility for Financial Statement; and vii. Financial Ratios indicating liquidity measurement ratio, debt ratio, profitability ratio and operating performance ratio.</p>	<p>TPBAC adopts the proposal for clarity.</p> <p>Amendment:</p> <p><i>15.2.3 Financial Documents</i></p> <p><i>(a) The Bidder's Audited Financial Statements, stamped "received" by the Bureau of Internal Revenue (BIR) for the last two (2) years (i.e., for years 2018 and 2019), showing, among others, the Bidder's total and current assets and liabilities. Complete set of financial statement includes the following:</i></p> <p><i>i. Balance Sheet;</i> <i>ii. Income Statement;</i> <i>iii. Statement of Changes in Equity;</i> <i>iv. Cash Flow Statement;</i> <i>v. Notes to Financial Statement;</i> <i>vi. Statement of Management Responsibility for Financial Statement; and</i> <i>vii. Financial Ratios indicating liquidity measurement ratio, debt ratio, profitability ratio and operating performance ratio.</i></p>

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13.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 15.3(h)	Class "B" Documents *** ** (h) Certificate of Unsatisfactory Performance from its contracted customer in accordance with ITB 12.	Why is the Bidder required to submit a Certificate of Unsatisfactory Performance? Perhaps the TPBAC is referring to a Certificate of No Unsatisfactory Performance or Certificate of Satisfactory Performance in accordance with ITB 12 on Disqualification of Bidder. For the Certificate of Unsatisfactory Performance from its contracted customers, if the Bidder has no records of unsatisfactory performance, does the Bidder have to submit a Certificate of Satisfactory Performance?	TPBAC notes the clerical error and grateful to the Bidder for pointing out. Amendment: 15.3(h) Certificate of <u>No Unsatisfactory Performance</u> from its contracted customer in accordance with ITB 12 .
14.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 17 (Financial Proposal) ITB 28 (Evaluation Methodology)	ITB 17.2 The Financial Proposal of the Bidder shall detail the following bid variables for each power plant technology that may affect the calculated long-term Levelized Price detailed in ITB 27. ITB 28.1 The Financial Proposal of Bidders shall be evaluated by calculating the Levelized Price over a three and a half year. Considering the applicable inflation of indexable components of the Bid Price and incremental price addition due to Outage Allowance.	May we request for a clarification why a long-term levelized rate is necessary. Since this transaction only involves a short-term contract, we strongly suggest that OMECO just use a simplified formulation and methodology in determining the Lowest Calculated Bid. May we also inquire what formula will be used in the PSA? Inasmuch as the transaction involves short-term power supply, we suggest the simplification of the financial bid and the evaluation methodology.	The levelized price will be calculated only for the duration of PSA (i.e., 3.5 years). The Bidder is encouraged to submit its proposed "simplified evaluation methodology" (if it has) that capture all the intricacies, dynamics and complexity of power supply in small islands that must also ensure apple-to-apple comparison of bids. The proposed methodology shall exhibit that the relevant factors to achieve least-cost generation from consumers perspective for the duration of the PSA are considered in addition to compliance to government policies, rules and regulations. The TPBAC will consider proposed methodology that can assure success of the CSP (i.e., will not lead to more questions on why a Bidder lost its bid and the TPBAC will not be questioned on why relevant factors were not considered properly). The price structure (formula) that will be reflected in the PSA is specified in ITB 17.3.
15.	Bid Bulletin No. 17, Series of 2020 –	Table 4 (Reference Market Price and FOREX [January	ITB 17.4 The Bid Price for each power plant technology offered by the Bidder shall be based on January 2020 reference	There must be a separate benchmark prices for bunker C and diesel oil. Please provide these.	TOR 7.5 specified that "Fuel shall be indexed to the monthly average pump prices of petroleum fuel in Occidental Mindoro published by the Department of Energy in its website or to fuel prices published by a reference market to be agreed prior to the bid submission." The TPBAC will

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	Instruction to Bidders	2020]), Section 17.4, ITB 17 (Financial Proposal)	market prices and indexes that will be reflected in the PSA as indicated in Table 4. This shall be referred to as the "Base Price" or TCGR for the month of January 2020.	<p>The benchmark on the prices of oil (Php39.22/Liter) appears to be unrealistic considering that the current price is significantly lower than Php39.22 even if the Bidder would include transportation costs. Moreover, there will be an obvious difficulty for all Bidders to meet the NPC TCGR of Php12.6679/kWh if the price of oil will be based on Php39.22/Li. May we request for OMECO to use the recent Fuel Price.</p> <p>Considering that there are two current suppliers, what is the tariff rate of the other supplier (other than NPC)?</p> <p>Update base reference month recommended. Base Price refers to the total bid price based on January 2020 reference market prices submitted by the bidder as financial proposal comprising fixed costs for capital recovery and fixed O&M and variable costs for variable O&M and fuel (<i>please see the definition of Base Price on page 4; ITB Section 17.4, page 23</i>).</p> <p>Considering the unprecedented and extreme economic distortions brought by COVID-19 pandemic after January 2020, a January 2020 reference date may result to considerable inaccuracies in approximating costs as of bid date.</p>	<p>consider two separate Reference Fuel Price for diesel and Bunker-C if there are specific Reference Market proposal from Bidders.</p> <p>This CSP Reference Month must be chosen as a historical month to establish base values for indexing purposes of prices that inflates/deflates monthly in the future. It does not matter how close or how far it is from the submission of Bid. It is in fact better to choose a "normal" month (from normal periods) than a month during abnormal periods such as during this pandemic. What is more important is that all base values are taken from the same Reference Month to ensure apple-to-apple comparison of bids and consistent indexation of prices in the future when the PSA becomes operational.</p> <p>For purposes of preparing the Bid, the Bidder shall use its own costs (or what is known to him) for the month of January 2020 (the Reference Month for this CSP). The DOE published pump prices are retail prices while the NPP is expected to have wholesale prices which will be lower than the pump prices in the first place. The Bid Price in four (4) components that the Bidder shall submit shall be the price as if it delivered power in Occidental Mindoro in January 2020. Since all prices were offered for the month of January 2020, the actual price that the Buyer will pay in the future as reflected in the Price Structure or formula in the PSA will be indexed based on the Reference Market Prices for January 2020 that were specified in Table 4 of ITB 17.4 (as amended). The Reference Market Prices are intended to be used as Base Values for purposes of indexing price components to capture future inflation/deflation that are beyond the control of the Supplier and Buyer. The Base Values are not meant to be literally used by the Bidder to set its Bid Price.</p> <p>We proposed the use of the Pump Prices for Occidental Mindoro that are published by DOE as indexation base values for oil-based power plants (Bunker-C and LFO) since it is published by a credible government agency and there is no cost for the information. It is premised on the <i>average</i></p>



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			<p>We respectfully suggest that a more updated reference date for prices be used instead of January 2020. The September 2020 reference month may be used considering that the deadline for submission and opening of bids is in October.</p> <p>Lack of FOREX indexation component in the Base Prices. The Base Prices shall have local (PhP) components only that may or may not be indexed to applicable inflation and fuel indexations, except for the Capital Recovery Rate (FC1). If indexed, whether partially or fully, it shall be indexed to the Philippine Consumer Price Index (PHCPI). Further, the indexation in the formulas for the financial proposal and evaluation of bid are only limited to PHCPI and fuel (<i>ITB Section 17.3, page 23; ITB Section 17.6, page 24; ITB Section 28.3, pages 33 and 34</i>).</p> <p>We respectfully suggest that the Base Prices (other than the Capital Recovery Rate) include components representing foreign currency-denominated costs, and that the same be indexed based on FOREX. This is necessary as the NPP will likely have foreign currency-denominated operating costs, particularly spare parts that are imported.</p> <p>Further, the bid rules also already provide that the bid price shall be based on reference market prices</p>	<p><i>of the monthly movement of LFO and Bunker-C prices in one year (or 12 months) will not depart from each other. The ratio of the actual monthly pump prices in the future and the historical pump prices in January 2020 will therefore capture the inflation or deflation of fuel prices which are beyond the control of the Supplier and the Buyer.</i></p> <p>The TPBAC accepts the proposal to include FOREX indexation only for the Fixed Cost Component 2 (FC2) of the price in consideration of the annual inventory of the spare parts that may be imported by the NPP. All the rest of the price components (FC1, VC1 and VC2) shall be in PHP/kWh only.</p>



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				<p>and indexes which include FOREX. This is shown on Table 4 under ITB Section 17.4.</p> <p>Clarification on the Capacity Utilization Factor for Fixed O&M. <i>FC1</i> and <i>FC2</i> are the fixed cost components for capital recovery and fixed O&M, respectively which shall be a function of Capacity Utilization Factor (ranging from 1% to 100%) that will be calculated monthly (<i>ITB Section 17.3, page 23; ITB Section 17.7, page 24</i>).</p> <p>Under ITB Section 17.3, Page 23, the bid rules clarify that the bid price for <i>FC2</i> shall be offered for 100% CUF only. However, Section 17.7, Page 24 specifies a range from 1% to 100% for both <i>FC1</i> and <i>FC2</i>. This should be revised to be consistent with Section 17.3.</p> <p>Non-applicability of single Reference Market Price for Oil. The Reference Market Price for Oil is given at Php 39.22/liter (Table 4, ITB Section 17.4, page 24).</p> <p>A single reference price for both bunker and diesel assumes that the prices of diesel and bunker fuel are and will always be the same. This is not correct especially since diesel fuel is considerably more expensive. Separate reference prices will help the bid reflect more correctly the differing generation costs between diesel and bunker plants.</p>	

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				<p>Hence, we respectfully suggest that there be separate Reference Market Prices for diesel and bunker fuel. Steep escalation of fuel prices. In evaluating the bid, a fuel rate increase of 6.61% per annum shall be applied to the Base Price offered by the bidder (<i>Table 6, ITB Section 28.2, page 33</i>).</p> <p>We note that the rate of increase for fuel is too high. This may inadvertently result in undue advantage and preference to certain type of technologies contrary to the fair and competitive nature of a CSP.</p> <p>We respectfully suggest that the said fuel rate be examined and considered in view of the prevailing fuel prices.</p>	
				<p>Table 4: Reference Market Price and FOREX (January 2020): Index: Oil, Base Value PHP39.22/LITER. Is this Base Value is for (Diesel and for Bunker? The Base Value PHP39.22/LITER we believed is for Diesel as the Base Value for Bunker is much lower. What is the Base Value that will be used for Bunker?</p> <p>On the References for Base-Prices for use in the bidding:</p> <p>a. The bid docs only give a reference price for regular diesel. How about the reference price for Bunker C?</p>	
16.	Bid Bulletin No. 17,	ITB 17.5	ITB 17.5 With no exception, Bidder's proposal for all	It is suggested that the Fixed Costs (FC1 and FC2) be translated from	The PHP/kWh is prescribed to ensure that the NPP will be compensated while the consumers will pay only for the



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	Series of 2020 – Instruction to Bidders		unbundled rates shall be quoted in Philippine Pesos per kilowatt hour (Php/kWh) as specified in Annex B.	Php/kWh to Php/Month in the evaluation of the lowest bidder.	electricity that were made available and/or delivered by the NPP. The proposal to use PHP/month is not acceptable.
17.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 21.6	ITB 21.6 The electronic copy of documents, comprising the Eligibility Requirements, Technical Proposal and Financial Proposal shall be in PDF format with filenames descriptive of the content. The files shall be organized and sequenced in the same order prescribed in ITB 14.1 and the Checklist of Eligibility and Bid Requirements (Annex C) saved in three USB flash drives. These PDF files are separate from the Excel file format for the Financial Proposal (Bid Form).	For transparency and uniformity, we request for the MS Excel version of Annex B and editable soft copies of any and all required submissions for the Financial Proposal for all Bidders.	The final version of the MS Excel Bid Form and the MS Word of editable submissions will be issued to Bidders together with the Final Instructions to Bidders.
18.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 25.1 and 25.2	ITB 25 Opening of Bids 25.1 OMECO TPBAC shall open in public the Bids at 1:00 PM of October 29, 2020 at the OMECO Main Office San Jose, Occidental Mindoro. In case the Bids cannot be opened as scheduled due to justifiable reasons, OMECO TPBAC shall take custody of the Bids submitted and reschedule the opening of Bids on the next working day or at the soonest possible time through the issuance of a	To be certain and avoid difficulties and allow maximum participation on the part of the Bidders, we strongly suggest that the venue of bid submission be in Manila.	In consideration with the COVID-19 Pandemic and Community Quarantine, the venue of submission and opening of bids shall be held in Metro Manila. Final schedule and venue will be announced through a Bid Bulletin.

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			<p>Notice of Postponement to be posted at the websites of OMECO, NEA, and DOE.</p> <p>25.2. Due to the uncertainties brought by the current public health crisis (COVID19), the TPBAC may opt to provide a satellite venue for the Submission and Opening of Bids in Manila. The Satellite Venue will be confirmed through bid bulletin.</p>		
19.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 25.3 and 25.4	<p>ITB 25 Opening of Bids</p> <p style="text-align: center;">*** **</p> <p>25.3 Bidder's duly authorized representative/s may be present at the time, date and place when the Bid Proposals will be opened. Otherwise, Bidder shall be considered to have waived its right to witness said opening. Representatives of the Bidders who are present shall sign a register evidencing their attendance.</p> <p>25.4 To ensure the transparency of the bidding process, Observers are invited to witness the Submission and Opening of Bids via Facebook Live or may go to OMECO APEC Hall, Main Office, San Jose, Occidental Mindoro for live free viewing.</p>	<p>For purposes of transparency and to ensure the integrity of the bidding process, the hard copy of the Financial Bid of each of the bidders should be showed or flashed in the screen for all attendees during bid opening.</p>	<p>The Financial Bid Form to be accomplished and submitted by Bidders contains details of prices in four (4) components and at different levels of Capacity Utilization Factor from 1% to 100%. Such detail information is an indication of a business bid strategy that may be considered under the competitive generation sector of the EPIRA Law and therefore are treated confidential information submitted by the Bidder. In order to ensure the transparency and integrity of the bidding process while at the same time keeping Bidder's confidential information, the following process and mechanism shall be observed during the opening of bids:</p> <ul style="list-style-type: none"> • The electronic copy of the Financial Proposal in Excel format saved in a USB will be opened and read by the computer of the TPBAC for evaluation of bid. The screen of this computer can be seen only by the TPBAC, TPBAC-TWG, the Authorized Representative of the Bidder whose bid is being evaluated, and the Independent Observer. • The TPBAC, the TPBAC-TWG, the Authorized Representative of the Bidder and the Independent Observer shall verify whether the information in the computer screen and the hard copy of the financial bid form are exact replica.



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					<ul style="list-style-type: none"> The computer program for the evaluation of the bid shall calculate the levelized price of the Bidder and will flash to the computer and the large screen that can be viewed by the public. The TPBAC, the TPBAC-TWG, the Authorized Representative of the Bidder and the Independent Observer shall attest to the fact that the calculated levelized price of the Bidder as it appear in the computer screen and the calculated levelized price that is flashed in the large screen are one and the same. The submitted financial proposal shall also indicate the Bidder's calculated levelized price. This part of the hard copy of the bid form shall also be flashed to the large screen. It is expected that the evaluation computer program of the TPBAC and the Bidder's bid form will give the same calculated levelized price following the equations in the Evaluation Methodology ITB 28. In the event that the results are different, the TPBAC shall use the output of the evaluation computer program as final evaluation of the bid.
20.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 27.2 and 27.5	<p>ITB 27.2 Before the evaluation of bid price, the Bid shall be examined for compliance with the following requirements:</p> <p>(a) Dependable Capacity at each power plant location;</p> <p>(b) Single Outage Contingency Unit for SAMARICA; and</p> <p>(c) Base Price offered is equal or lower than NPC TCGR.</p>	<p>It will be very difficult to even match this reference price considering the Reference Market Price give for Oil under Table 4, page 24 and the Fuel Inflation Factor under Table 6, page 33. We hereby request the removal of the benchmark price.</p> <p>Considering that there are two current suppliers, please provide the rationale why the NPC TCGR is being used as the benchmark price. Please clarify this.</p> <p>Given the short-term nature of the CSP, using the 2019 NPC TCGR of P12.67/kWh in Mamburao (using</p>	<p>The NPC TCGR Benchmark Price for January 2020 is adjusted considering additionalities in (i) fixed cost of NPPs based on a typical 5MW mobile diesel power plant and (ii) fuel cost based on the average pump prices of diesel fuel in Occidental Mindoro for the 2019 (January-December) and the average pump price in January 2020 (the reference month for the Bid). The additionalities in fixed cost includes project development, site development, installation and commissioning (including new fuel tank and switchyard), working capital for 15-day fuel stock, and performance security calculated according to the table below:</p>

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		<p style="text-align: center;">*** **</p> <p>27.5. The Base Price offered by the Bidder will be evaluated and compared with the NPC TCGR in Accordance with the evaluation methodology described in ITB 28 using the annual energy dispatch for 2024 but without applying any inflation and taxes. Any RE power plant offered by the Bidder with a Credited Capacity higher than zero shall be considered as part of the plant(s) for the Dependable Capacity. The average NPC TCGR for 2019 that will be used as benchmark for the evaluation is PHP12.6679/kwh.</p>	<p>modular, rented gensets) as a ceiling for the bids is grossly unreasonable and unrealistic for the following reasons:</p> <p>a. Since the PSA is only for 3.5 years and an execution timeline of only 7 months from Notice of Award to Commercial Operations Date (COD), the most sensible technology and configuration for this intended power supply is a still a modular, rental plant, similar to NPC's existing power station in Mamburao.</p> <p>b. Whehe NPC's gensets are rented or owned, the TCGR of P12.67/kWh for Mamburao is still questionably low, regardless if it was an official NPC figure.</p> <p>c. The NPC TCGR is not an apple-to-apples comparison to an NPP TCGR particularly in this short-term PSA. Theoretically, if it is a case of Diesel Vs. Diesel, no NPP should be able to beat NPC's TCGR because NPC is not subject to the numerous operational standards and supplier commitments under the CSP, which have to be included in the project cost, such as:</p> <p>(1) Capacity build-up commitments</p>	<p style="text-align: center;">ADJUSTED NPC TCGR BENCHMARK PRICE, JANUARY 2020 Based on additional cost of NPP for a Typical 5 MW Mobile Diesel Power Plant</p> <p>A. Adjustment for NPC TCGR Benchmark, Fixed Cost</p> <table border="1" data-bbox="1417 224 2158 502"> <thead> <tr> <th>Component</th> <th>Percent</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>Project Development Cost</td> <td>5%</td> <td>3,750,000.00</td> </tr> <tr> <td>Site Development Cost</td> <td>15%</td> <td>11,250,000.00</td> </tr> <tr> <td>Installation & Commissioning</td> <td>22%</td> <td>16,500,000.00</td> </tr> <tr> <td>Working Capital (15 Days fuel)</td> <td>23%</td> <td>17,250,000.00</td> </tr> <tr> <td>Performance Security</td> <td>35%</td> <td>26,250,000.00</td> </tr> <tr> <td>Total Fixed Cost</td> <td>100%</td> <td>75,000,000.00</td> </tr> <tr> <td>Levelized Monthly Cost</td> <td>12%pa, 42mos.</td> <td>2,195,671.95</td> </tr> <tr> <td>Monthly Energy Generation</td> <td>5MW, 50%CF</td> <td>1,825,000.00</td> </tr> <tr> <td>Adjustment to NPC TCGR, Fixed Cost</td> <td>PHP/kWh</td> <td>1.2031</td> </tr> <tr> <td>Adjusted NPC TCGR Benchmark Price, FC</td> <td>PHP/kWh</td> <td>5.0136</td> </tr> </tbody> </table> <p>B. Adjustment for NPC TCGR Benchmark, Fuel Cost</p> <table border="1" data-bbox="1417 551 2158 702"> <tbody> <tr> <td>Ave. Pump Prices, 2019 12Mos.</td> <td>PHP/Li</td> <td>44.64</td> </tr> <tr> <td>Ave. Pump Prices, Jan 2020</td> <td>PHP/Li</td> <td>47.87</td> </tr> <tr> <td>Adjustment Factor</td> <td>% Inc/Dec</td> <td>7.24%</td> </tr> <tr> <td>NPC TCGR Ave. Fuel Cost, 2019</td> <td>PHP/kWh</td> <td>8.8574</td> </tr> <tr> <td>Adjustment to NPC TCGR, Fuel Cost</td> <td>PHP/kWh</td> <td>0.6413</td> </tr> <tr> <td>Adjusted NPC TCGR Benchmark Price, Fuel</td> <td>PHP/kWh</td> <td>9.4987</td> </tr> </tbody> </table> <table border="1" data-bbox="1417 725 2158 751"> <tbody> <tr> <td>Total NPC TCGR Benchmark Price, Jan 2020</td> <td>PHP/kWh</td> <td>14.5123</td> </tr> </tbody> </table> <p>The adjusted NPC TCGR Benchmark Price for January 2020 is PHP14.5123/kWh. This Benchmark price is VAT exclusive. Thus, the comparison of Bid Price and the Benchmark Price shall be VAT exclusive.</p> <p>The adjusted NPC TCGR Benchmark Price for January 2020 that will be used to compare the Bid Price submitted by the Bidder is PHP14.5123/kWh. Bid price above this benchmark will be disqualified. Bidders must submit a Bid Price as if it delivered power on January 2020 (the Reference Month of the CSP).</p> <p>The Benchmark Price is in accordance with the New Power Provider (NPP) Program of the DOE where private sector is invited to invest in power generation in small island grids (NPC SPUG areas) to replace NPC so that NPC can relocate its generation facilities in other unserved "missionary areas". The NPP Program is premised on the "efficient private sector" that would be able to provide better service and lower cost compared to NPC. To achieve comparability (apple-to-apple) of the NPC TCGR</p>	Component	Percent	Cost	Project Development Cost	5%	3,750,000.00	Site Development Cost	15%	11,250,000.00	Installation & Commissioning	22%	16,500,000.00	Working Capital (15 Days fuel)	23%	17,250,000.00	Performance Security	35%	26,250,000.00	Total Fixed Cost	100%	75,000,000.00	Levelized Monthly Cost	12%pa, 42mos.	2,195,671.95	Monthly Energy Generation	5MW, 50%CF	1,825,000.00	Adjustment to NPC TCGR, Fixed Cost	PHP/kWh	1.2031	Adjusted NPC TCGR Benchmark Price, FC	PHP/kWh	5.0136	Ave. Pump Prices, 2019 12Mos.	PHP/Li	44.64	Ave. Pump Prices, Jan 2020	PHP/Li	47.87	Adjustment Factor	% Inc/Dec	7.24%	NPC TCGR Ave. Fuel Cost, 2019	PHP/kWh	8.8574	Adjustment to NPC TCGR, Fuel Cost	PHP/kWh	0.6413	Adjusted NPC TCGR Benchmark Price, Fuel	PHP/kWh	9.4987	Total NPC TCGR Benchmark Price, Jan 2020	PHP/kWh	14.5123
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			<p>(2) Reserve, Single Outage Contingency and contingency requirements (3) 24/7 availability commitment (4) Performance Warranties (5) Penalties in case of failure to supply (6) Many more</p> <p>d. NPC is not subject to Value added Taxes and other Taxes.</p> <p>e. NPC does not carry cost of land.</p> <p>f. NPC infrastructure and assets in its Mamburao plant is fully depreciated.</p> <p>g. If a benchmark is to be set, it should be a TCGR set using the same standards under the CSP.</p> <p>h. A rough sample calculation of the tariff of a rental Plant using [REDACTED] is, as follows:</p> <table border="1" data-bbox="953 971 1395 1136"> <thead> <tr> <th></th> <th>Total Cost</th> <th>kW (2022)</th> <th>P/kW-Mo</th> <th>Total P/Mo.</th> <th>kWh/Mo. (2022)</th> <th>Cost/ kWh</th> </tr> </thead> <tbody> <tr> <td>Fixed Rental</td> <td>849,424,800</td> <td></td> <td>652</td> <td>20,224,400</td> <td></td> <td>1.46</td> </tr> <tr> <td>CRF **</td> <td>-</td> <td></td> <td>-</td> <td>-</td> <td></td> <td>0.00</td> </tr> <tr> <td>Fixed O & M</td> <td>-</td> <td>31,000</td> <td>-</td> <td>-</td> <td></td> <td>0.00</td> </tr> <tr> <td>Energy Fee</td> <td></td> <td></td> <td></td> <td>8,612,678</td> <td>13,891,417</td> <td>0.62</td> </tr> <tr> <td></td> <td>SFOC</td> <td>Fuel Price</td> <td>Liters/Mo</td> <td>Total P/Mo.</td> <td></td> <td></td> </tr> <tr> <td>Lubes</td> <td>0.0013</td> <td>133.72</td> <td>18,050</td> <td>2,414,828</td> <td></td> <td>0.17</td> </tr> <tr> <td>Fuel</td> <td>0.280</td> <td>39.22</td> <td>3,889,597</td> <td>152,549,981</td> <td></td> <td>10.98</td> </tr> <tr> <td>Tariff</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>13.23</td> </tr> </tbody> </table> <p>** Plant Site, Site Dev, Project Dev., Permitting, SW, SS, Ten Line, etc.</p> <p>i. Note that in the calculation above, we excluded Capacity Recovery Fee (CRF) and Fixed Cost O&M (FOM) just to be very conservative. This notwithstanding, the tariff of an [REDACTED] rental plant is already</p>		Total Cost	kW (2022)	P/kW-Mo	Total P/Mo.	kWh/Mo. (2022)	Cost/ kWh	Fixed Rental	849,424,800		652	20,224,400		1.46	CRF **	-		-	-		0.00	Fixed O & M	-	31,000	-	-		0.00	Energy Fee				8,612,678	13,891,417	0.62		SFOC	Fuel Price	Liters/Mo	Total P/Mo.			Lubes	0.0013	133.72	18,050	2,414,828		0.17	Fuel	0.280	39.22	3,889,597	152,549,981		10.98	Tariff						13.23	<p>Benchmark Price and Bidder's Bid Price, the average NPC TCGR for 12 months of Year 2019 was adjusted by the additional fixed investment expected from the NPP. The fuel cost component of the 2019 Average TCGR of NPC was also indexed to January 2020 using the relative movement of pump prices of diesel fuel in Occidental Mindoro (i.e., average of 2019 pump prices and January 2020 pump price).</p>
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			<p>higher than the NPC 2019 TCGR. If we add the CRF and FOM-- which are necessary cost items-- the tariff may very well exceed P15/kWh. This may make the CSP an exercise in futility.</p> <p>j. Note further that diesel fuel prices in 2019 (when NPC alleged TCGR a P12.67/kWh) were presumably lower than the P39.22/liter that is being used as an assumption for the CSP. In addition, NPC does not pay the 12% VAT which NPPs have to pay and this accounts for a substantial fuel price difference.</p> <p>k. If OMECO is committed to use the NPC TCGR of P12.67/kWh as the bid ceiling, perhaps OMECO may consider just contracting NPC to supply its power requirement until 2024.</p>	
		<p>The Base Price offered by the Bidder will be evaluated and compared with the NPC TCGR in accordance with the evaluation methodology described in ITB 28 using the annual energy dispatch for 2424 but without applying any inflation and taxes. Any RE power plant offered by the Bidder with a Credited Capacity higher than zero shall be considered as part of the plant(s) for the</p>	<p>There is a base price of P12.6679 per kWh. Is this the reserve price for the bidding? Are the bids supposed to be without a certain percentage of this base price beyond which the bid will be disqualified or not accepted?</p> <p>May we request validation of the NPC TCGR for 2019 and an itemized computation of the TCGR broken down into CRF, FOMR, VOMR (non-fuel) and VOMR (Fuel Rate).</p>	<p>The Adjusted NPC TCGR Benchmark Price to be compared with the Bidder's Bid Price is the total price. The individual price components will not be compared. For the information of Bidders, the breakdown of average NPC TCGR for Mamburao Diesel Power Plant for the year 2019, VAT exclusive, are as follows (see attached NPC Letters to OMECO):</p>

	DOCUMENT	REFERENCE	PROVISION	BIDDERS' COMMENTS/QUERY/REQUEST/ PROPOSED REVISION	TPBAC RESPONSES/AMENDMENTS
			<p>Dependable Capacity. The average NPC TCGR for 2019 that will be used as benchmark for the evaluation is PHP 12.6679/kwh.</p>	<p>Please confirm if PHP 12.6679/kwh is VAT-inclusive.</p> <p>In addition, considering that there are two current suppliers, please indicate the tariff rate of the other supplier (other than NPC).</p> <p>Reasonableness of NPC TCGR for 2019 as price benchmark. Base Price offered must be equal or lower than NPC TCGR for 2019 of PhP 12.6679/kWh (ITB Section 27.2, page 31; ITB Section 27.5, page 33; TOR Section 8.1, page 56).</p> <p>The NPC TCGR for 2019 is too low and may not be realistic. NPC's proposed TCGR for 2020 of PhP 21.6624/kWh per its ERC filing, would be more applicable to the CSP as it is more updated.</p> <p>For short-term supply of power in off-grid areas, NPC mostly employs rented modular diesel generating units, which are necessarily very expensive, and will necessarily result at a rate far higher than PhP 12.6679/kWh.</p> <p>For one, short-term rental of modular is far more expensive on a per MW basis than recovery of the capital cost of power plant over the plant's useful life. Also, diesel fuel is likewise very expensive, far more than bunker fuel.</p>	<p>a) Fixed Cost PhP3.8105/kWh b) Fuel Cost PhP8.8574/kWh</p> <p>There is no need for Bidders to get the tariff rate of the other supplier since it is not party to the determination of the Benchmark Price.</p>

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			<p>Hence, we suggest that the purported NPC TCGR for 2019 of PhP 12.6679/kWh be carefully examined and considered, including the diesel fuel cost component and how the same compares to prevailing diesel prices.</p> <p>It would also not be appropriate to apply the NPC TCGR to the CSP since NPC's supply is not subject to the many requirements under the CSP, which would serve to significantly increase a Bidder's TCGR.</p> <p>It is stressed that NPC's operations in off-grid areas are not subject to any commitments on the part of NPC. NPC is not subject to any supply commitments or operational standards. Quite literally, NPC has no obligation to provide any level of supply to the utility, and if NPC fails to supply power, it will suffer absolutely no consequences.</p> <p>NPC is not subject to the numerous standards and supplier commitments under the CSP, such as capacity commitments, reserve and contingency requirements, 24/7 availability commitment, and penalties in case of failure to supply, among many others.</p> <p>Indeed, requiring NPC to install an additional Single Outage Contingency Unit will alone increase NPC's rate considerably. Requiring</p>	

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				<p>NPC to ensure its available capacity is actually dependable will further increase its rate.</p> <p>NPC is also exempted from paying Value Added Taxes and other taxes.</p> <p>If NPC was subject to the same standards, its TCGR would be far higher than PhP 12.6679/kWh (and even PhP 21.6624/kWh). If a benchmark is to be set, it should be a TCGR set using the same standards under the CSP.</p>	
21.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 27.4, Table 5 Capacity Credit Factor Per Plant Technology	ITB 27 Evaluation of Compliance with Net Dependable Capacity Under Single Outage Contingency and NPC TCGR, Table 5: Capacity Credit Factor Per Plant Technology	<p>Based on Table 5 of Item 27.4 of the ITB, OMECO mentioned several technologies that Bidders may consider. How can OMECO TPBAC check the viability of the Bidder's proposed technology? With the specific COD of June 2021, it appears that OMECO cannot readily accept all types of technology. Thus, the bid for the short-term supply should not be an open technology bid.</p> <p>Considering that a Hydro Plant is an option, is there a possible source of Hydro Power Plant in Occidental Mindoro?</p>	In accordance with the policy framework of R.A 9136 wherein the generation sector is declared as competitive sector, the type, size and location of power plants will be the decision of the private sector. Pursuant to the DOE "Technology Neutral" or "Open Technology" policy for CSP, this Transaction was designed to evaluate proposals of the Bidders without the need to prescribe any technology. Thus, it is the Bidders primary responsibility to determine the energy resources and technology that are feasible and responsive to the scope of this Bid. Moreover, the requirements for the Technical Proposal which include the "detail of the plan on how the Bidder will carry out the development, financing, construction, connection to grid, operation, and maintenance of the power plants" are specified in ITB 18 while the technical evaluation framework and methodology is specified in ITB 31. The TPBAC will be able to determine whether the proposal of the Bidder is technically feasible or not. In case the evaluation of Technical Proposal results in negative appraisal, the Bid will be disqualified.
22.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 27.4	ITB 27.4 The Net Dependable Under Single Outage Contingency at SAMARICA shall be calculated as follows:	The highlighted formula implies that the units of same technology shall have uniform capacity per unit. Please clarify if OMECO requires uniform capacity per unit. Otherwise, the formula should only be a	In view of the existing power plant in San Jose which will require to augment its generating capacity to meet the Single Outage Contingency Criteria, the uniformity of generating units per power plant, while desirable, cannot be imposed. The Total Dependable Capacity, shall therefore, be determined by the summation of capacity of individual

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			<p>R-1_Dependable_Capacity = Total_Dependable_Capacity – Max Loading (Largest Unit)</p> <p>Total_Dependable_Capacity = No. of Units * Unit_Dependable_Capacity</p> <p>Unit_Dependable_Capacity = Unit_Rated_Capacity * Adj_Factor * CCF</p>	<p>summation of the capacity of its units.</p>	<p>generating units. The formula is hereby amended as follows and the Bid Form is revised accordingly.</p> <p>Amendment:</p> $Total_Dependable_Capacity = \sum Unit_Dependable_Capacity$
23.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 28.6, Table 10	<p>Energy Dispatch The annual dispatch per area shown in Table 10.</p>	<p>Do these figures constitute as the monthly NEE per site?</p> <p>Will these figures form part of the PSA?</p>	<p>The annual dispatch per area shown in Table 10 of the ITB 28.6 is for bid evaluation purposes only and this will not be form part of the PSA. The PSA is designed as a capacity-contract wherein the fixed cost component of the price is inversely dependent on Capacity Utilization Factor (i.e., the higher the CUF, the lower the price would be or the lower the CUF, the higher price would be). Thus, there is no need to specify energy quantity in the contract or minimum off-take or even annual or monthly energy. For the implementation of the PSA, there will be a protocol on Available Capacity Declaration (by NPP) for Year-Ahead, Month-Ahead, Week-Ahead and Day-Ahead Dispatch Scheduling. OMECO/SO will issue to NPP/s the Year-Ahead, Month-Ahead, Week-Ahead and Day-Ahead System Demand and Energy quantities and corresponding dispatch schedule. The Year-Ahead, Month-Ahead, Week-Ahead Capacity Declaration and Dispatch Schedule are indicative schedules while the Day-Ahead Capacity Declaration and Dispatch Schedule are committed schedules.</p>

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24.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 28.12	ITB 28.12 Adjusted Generation Price due to Allowed Outage. The Outage Allowance is a Bid variable to encourage operational efficiency and reliability (i.e., the lower the Allowed Outage proposed, the more efficient the NPP is and the more reliable its power plants are). For purposes of evaluation, the calculated Average Generation Price in ITB 28. It shall be adjusted to take into account the Outage Allowance proposed by the Bidder. The adjusted generation price shall be calculated by substituting an Operating Reserve Price (the penalty price) to the Average Generation Price for the equivalent energy of the all the Scheduled Outage Hours and Unscheduled Outage Hours of all power plants according to the following equations: *** **	<p>Considering that this is only a short-term supply contract, may we request that outages be excluded in the computation of adjusted generation price and instead form part of penalty included in the PSA?</p> <p>We agree that it is discretionary on the part of the Bidder to provide for outage allowance, but how can OMECO determine the accuracy of the outage allowance submitted by the bidder?</p> <p>In addition, the penalty provision in the PSA for outages should be removed for the sites without N-1.</p> <p>On page 39 of 40 of the TOR, there is something called "Operations Reserve Price" of P21.6319. Could you explain what this is for?</p>	The Allowed Outage Hours is a bid variable (i.e., the Bidder specify this in the Bid). The "Operating Reserve Price" of PHP21.6319 which was estimated from an LFO Diesel genset operating between 10-15% capacity factor will be used as "Replacement to the Bid Price" to be applied to the calculated energy during Scheduled and Forced Outage Hours [as bid] that the NPP will be allowed without penalty. A higher Allowed Outage Hours of the Bidder will increase the evaluated bid price thereby, a less efficient and less reliable power supplier is penalized while a more efficient supplier who will offer lower outage hours will be compensated in the evaluation.
25.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 30.1	ITB 30.1 In case of tied Bids, that is, if multiple Bidders have the same calculated Levelized Price, tied Bidders shall be required to submit a new Financial Proposal to compete with each other. The new financial proposal shall undergo the same	May we suggest that OMECO determine the lowest bidder by comparing its bid up to the fourth (4 th) decimal point to minimize the possibility of tied bids.	Amendment: <i>17.5 With no exception, Bidder's proposal for all unbundled rates shall be quoted in Philippine Pesos per kilowatt-hour (PhpP/kWh) <u>and shall be express in exactly four (4) decimal places</u> as specified in Annex B.</i>

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			process of evaluation detailed in ITB 28.		
26.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 32.3(b)	<p>ITB 32.3. The Bidder shall show proof of financial capacity to develop, construct, operate and maintain the proposed power plants, if awarded the PSA, through the following:</p> <p style="text-align: center;">*** **</p> <p>(b) Statement of the Bidder's Unrestricted Net Worth which must be supported by the two (2) latest Audited Financial Statements (Balance Sheet, Income Statement, and Statement of Cash Flows) stamped "received" by the BIR, for the preceding calendar year which should not be earlier than two (2) years from the date of bid submission.</p>	Please provide for the template/format of the Statement of the Bidder's Unrestricted Net Worth.	No format is prescribed for the Statement of Bidder's Unrestricted Net Worth. The Bidder shall simply quote the amount of its Unrestricted Net Worth and attached calculation sheets with entries that are traceable from the submitted Audited Financial Statements. For avoidance of doubt, the Unrestricted Net Worth shall be calculated as the sum of subscribed and paid up equity, including additional paid-in capital, and unrestricted retained earnings, preferred shares, perpetual shares less treasury shares of common, preferred, and perpetual shares. Unrestricted retained earnings means the amount of accumulated profits and gains realized out of the normal and continuous operations of the company after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts, and which is: (i) not appropriated by the Board of Directors for corporate expansion projects or programs; (ii) not covered by a restriction for dividend declaration under a loan agreement; (iii) not required to be retained under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingencies (as defined in SEC Memorandum Circular No. 11-08 dated December 5, 2008); and (iv) not otherwise covered by any other legal restriction on the ability of the company to distribute or otherwise apply its equity.
27.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 32.3(c)	<p>ITB 32.3. The Bidder shall show proof of financial capacity to develop, construct, operate and maintain the proposed power plants, if awarded the PSA, through the following:</p> <p style="text-align: center;">*** **</p> <p>(c) Convincing evidence that the Bidder can finance the equity component of</p>	Please provide for the template/format of the commitment letters from investors or partners.	No format is prescribed for commitment letters from investors or partners. Bidders shall ensure that the documents such as Board Resolution and commitment letters will quote the amount of available fund that is committed to finance the proposed projects in response to the <i>OMEKO 2020 Competitive Selection Process for Short-Term Power Supply</i> .



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			the investment such as Board resolutions and commitment letters from investors and partners; and		
28.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 32.3(d)	<p>ITB 32.3. The Bidder shall show proof of financial capacity to develop, construct, operate and maintain the proposed power plants, if awarded the PSA, through the following:</p> <p style="text-align: center;">*** **</p> <p>(d) Convincing evidence that Bidder has strong credit backing and can successfully arrange financing for the project such as letter from prospective project financiers.</p>	<ol style="list-style-type: none"> 1. Please provide for the template/format of the letter from prospective project financiers. 2. Please confirm whether a certification from bank on its willingness to lend will suffice to comply with this requirement. 	No format is prescribed for the letters from project financiers. Bank certification shall indicate the Bidder is an eligible borrower and that the bank is willing to lend or finance the proposed projects in response to the <i>OMEKO 2020 Competitive Selection Process for Short-Term Power Supply</i> . The maximum amount of credit that may be obtained by the Bidder from the Bank shall also be specified in the letter.
29.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 34.2	ITB 34.2. Performance Security shall be equivalent to the amount indicated in Table 11 in the form of cashier's check or manager's check issued by a Universal or Commercial Bank in favor of OMEKO; or Bank Guarantee or Irrevocable Standby Letter of Credit issued by a Universal or Commercial Bank with a branch in Occidental Mindoro in favor of OMEKO (i.e., PNB, LBP, MBTC etc.).	We request that other forms of performance security be allowed, such as surety/insurance bonds.	We will maintain the provision of ITB 34.2.
30.	Bid Bulletin No. 17,	TOR 2.2.3 (Supply	TOR 2.2.3. If the NPP/s will fail to deliver the	This provision is subject to abuse. OMEKO should disqualify potential	The Bidders Technical Proposal will be evaluated in accordance with ITB 18 and ITB 31. The TPBAC will accept

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	Series of 2020 – Instruction to Bidders, Annex A: Terms of Reference	Contract and Cooperation Period)	requirements on COD, the NPP/s or OMECO shall arrange alternative supply. The difference between the cost of the alternative supply and the cost of power supply under the signed PSA shall be to the account of the NPP/s who failed to deliver. OMECO has also the right to terminate the PSA.	<p>unsuitable offers from Bidders which are not even feasible to deliver on time and may eventually change the technology that will be implemented when awarded. There must be a strong and definite provision on PSA termination with regard to change in technology after the award.</p> <p>There should be a limited period for alternative supply and the reason should be limited ONLY to construction delays (but not due to change in technology).</p> <p>This also confirms that the technology required to address the short-term supply requirement is limited to specific technologies that can be put-up or delivered by June 2021. Thus, the TPBAC should consider revising the bid from an open technology bid to specific ones. Otherwise, OMECO might find itself receiving proposals that may be unrealistic or undeliverable by June 2021.</p> <p>We propose a maximum of three (3) months for the period for alternative supply. The ONLY reason that OMECO must allow alternative supply is delay in construction of the proposed technology by the winning bidder.</p> <p>There should be an automatic termination of the PSA if the winning bidder fails to achieve COD within</p>	<p>only proposal that exhibits technical feasibility. If the Technical Proposal of the Bidder with the Lowest Calculated Bid fails (i.e., does not exhibit technical feasibility), the Bidder with second Lowest Calculated Bid shall be evaluated. This process will go until a "Responsive" bid is established by the TPBAC.</p> <p>The TPBAC adopts the proposal to limit the period of alternative supply and such alternative supply is only due to construction delays. Change of power plant technology after award will not be accepted.</p> <p>Amendment:</p> <p><i>TOR 2.2.3. If the NPP/s will fail to deliver the requirements on COD, the NPP/s or OMECO shall arrange alternative supply for a maximum period of six (6) months only. The difference between the cost of the alternative supply and the cost of power supply under the signed PSA shall be to the account of the NPP/s who failed to deliver. OMECO has also the right to terminate the PSA.</i></p>



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				six (6) months of the period for alternative supply.	
31.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders, Annex A: Terms of Reference	TOR 2.2.1, (Supply Contract and Cooperation Period)	TOR 2.2.1 OMECO will sign a Power Supply Agreement (PSA) with the NPP/s, for Short-Term Power Supply whose Commercial Operation Date (COD) shall be on 26 June 2021 and shall terminate on 25 December 2024.	<p>What will happen if the Bidder has completed construction of its power plant but ERC does not approve the PSA before the target COD of June 26, 2021? How will OMECO and the winning bidder proceed? Who will be responsible for the payment of the fixed costs (Capital Recovery Fee and Fixed O&M Fee) of the winning bidder while awaiting the ERC's approval?</p> <p>Furthermore, we propose that the reckoning period for the COD should be from ERC's approval.</p>	The <i>provisional authority</i> issued by the ERC shall be a condition precedent. The COD stays at June 26, 2021 unless all conditions precedent of the PSA are not met at no fault of the Winning Bidder on or before February 26, 2021 in which case, the COD shall be rescheduled based on credible schedule completion of the conditions precedent.
32.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders, Annex A: Terms of Reference	TOR 3.1.4 (Basic Terms)	TOR 3.1.4. The generating units shall be connected to the Occidental Mindoro Grid through an isolation transformer. The impedance of the transformer shall be sized to properly coordinate the protection system of the power plant and the distribution lines of OMECO. the NPPs shall provide OMECO a copy of the power system coordination study, which includes the appropriate impedance of the isolation transformer(s).	Please confirm whether the Bidders can apply the standard impedance of transformers from the supplier for us to preliminary conduct the protection coordination study.	Yes, standard impedance of transformers from supplier may be used to conduct the protection coordination study. The NPP shall finalize the power system coordination study when the actual transformer is delivered at site. The NPP shall use nameplate impedance of the transformer.
33.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders,	TOR 3.1.11 (Basic Terms)	TOR 3.1.11. The NPP/s shall provide SCADA for its plants with Remote Terminal Unit that will be linked to System Operator's SCADA once it is in place. The NPP/s SCADA	<p>Please provide the COD of OMECO's SCADA.</p> <p>In the event that OMECO's SCADA is already available, who will shoulder the costs of the Remote</p>	The SCADA in Occidental Mindoro is targeted to be available in 2023. As indicated in TOR 3.1.11, "The NPP/s shall provide SCADA for its plants with Remote Terminal Unit...". For avoidance of doubt, the NPP shall shoulder the costs of RTU of the power plant that will be connected to OMECO SCADA.

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	Annex A: Terms of Reference		shall support fiber optic and radio communications, using at least DNP3 and IEC 60870-5-101/104 SCADA communications protocols.	Terminal Unit (RTU) to be installed in OMECO's SCADA or area?	OMECO will shoulder the cost of the RTU.
34.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders, Annex A: Terms of Reference	TOR 11.1.1	TOR 11.1.1. The 3X8MW (installed capacity) power plant in San Jose being an existing and permanently installed power plant shall be deemed qualified for the short-term power supply in SAMARICA area only.	<p>Apparent disqualification of OMPC despite its power plant being expressly qualified. The 3X8MW (installed capacity) power plant in San Jose being an existing and permanently installed power plant shall be deemed qualified for the short-term power supply in SAMARICA area only (TOR Section 11.1.1, page 58).</p> <p>From the above, it appears that the TPBAC intends to allow OMPC to bid using its existing power plant.</p> <p>However, the TOR only expressly qualifies the power plant in San Jose but not OMPC – the bidder owning and operating the plant. If not clarified in express terms, this may result to the absurd scenario where OMPC is eventually disqualified while the power plant remains qualified.</p> <p>Under the ITB, a bidder offering power supply through fossil-based power plants shall have at least five (5) years of track record in power plant operation (ITB Section 8.4, page 12; ITB Section 32.2(a), page 40; TOR Section 11.1.2, page 58). OMPC's power plant in San Jose is a bunker-fired diesel power plant. Thus, OMPC must meet the 5-year</p>	<p>Amendment:</p> <p><u>TOR 11.1.1 The NPP of the existing 3x8MW (installed capacity) power plant in San Jose with an on-going PSA with OMECO shall be deemed qualified for the short-term power supply in SAMARICA area. Likewise, in view of the personal knowledge of OMECO about the technical capability of the NPP in operating and maintaining power plants in Occidental Mindoro and the technical performance of the existing power plant exhibited in the last 3 years, the NPP is deemed to have satisfactorily met the technical capability requirements (i.e., the track record) for Lots 2 and 3 (Sablayan and MAPSA). However, it shall comply with all other eligibility requirements if submitting bid for Lot 2 and 3.</u></p> <p><u>For clarification, even the existing NPP deemed qualified for Lot 1, it shall be required to comply with the bid security requirements.</u></p>

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			<p>experience requirement to qualify as a bidder. However, as OMECO knows full well, OMCPG only commenced operations in April 2017 – resulting in less than the required 5 years of experience, OMCPG will be eventually disqualified to participate as a bidder despite the provision qualifying its power plant for the bid.</p> <p>We respectfully request the TPBAC to make the necessary clarifications so as to remove any doubt on OMCPG's qualification to participate as a bidder in the CSP conducted by OMECO.</p> <p>Kindly note our comments below on the 5-year experience requirement.</p> <p>Moreover, it must be emphasized that, as OMECO itself can attest, OMCPG has unequivocally demonstrated – through actual plant operations – that it has more than sufficient experience and expertise in effectively and efficiently operating a power plant.</p> <p>Since OMCPG commenced commercial operations in April 2017, it has consistently maintained higher than 99% plant availability. For those familiar with power plant operations, such level of plant availability is exceedingly high and difficult to attain. In fact it is hardly attained even by brand-new power plants. That unequivocally</p>	

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				<p>establishes OMCPC's technical capability.</p> <p>This can be contrasted to other entities who may have been operating for 5 years or more, but whose plant operations are far less reliable. Clearly, OMCPC has demonstrated that it is more capable.</p> <p>However, if the intent of the TPBAC was to qualify OMCPC to bid for SAMARICA in the first place, may we request that TPBAC revise TOR Section 11.1.2. on Page 58 to expressly state that OMCPC is qualified. Otherwise, this provision stated as is, may be cited eventually by other bidders to disqualify OMCPC.</p>	
35.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders and Annex A: Terms of Reference	ITB 8.4; ITB 32.2(a); TOR 11.1.2	ITB 8.4 The Bidders shall have an aggregate generation portfolio of at least 5 MW regardless of technology at the time of submission of Bid and has track record in power plant operation. If the offered power supply will come from fossil-based power plants	Two-year experience for all technologies recommended. If the offered power supply will come from fossil-based power plants such as diesel power plants, the bidder shall have at least five (5) years of track record. If the offered power supply will come from renewable energy plants, the bidder shall have at least two (2) years of track record (ITB	It is customary that a five-year technical track record is established for Bidders to qualify in power supply bids. We confirm that the shortened requirements for RE is in consideration of the RE law that is fairly recent. The TPBAC considered the OMECO's personal knowledge and records of the power plant performance for the last three years to exempt the existing NPP from the technical capability requirements. However, there are no other basis for the TPBAC to shorten the technical track record for other Bidders who will be offering fossil-fueled technologies that

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		<p>such as diesel power plants, the Bidder shall have at least five (5) years of track record. If the offered power supply will come from renewable energy plants, the Bidder shall have at least two (2) years of track record. The track record shall be for the specific type of power plants offered to supply power.</p> <p>ITB 32.2 For the Eligibility Requirements, the Bidder shall show proof of technical and financial capacity to develop, construct, operate and maintain the proposed power plants through the following:</p> <p>(a) Track record as generating company. List of similar projects owned, developed, constructed, and operated by the Bidder in the last five (5) years [2 years for RE], indicating and describing the project type, key project features and location. Provide convincing evidence of the Bidder's good track record and performance in the power generation business;</p> <p>TOR 11.1.2 Prospective Bidders to qualify shall have an aggregate generation portfolio of at least 5 MW</p>	<p><i>Section 8.4, page 12; ITB Section 32.2(a), page 40; TOR Section 11.1.2, page 58).</i></p> <p>We understand that the shorter period for experience in renewable energy may be because the Renewable Energy Act is fairly recent. We note, however, that the experience requirement inadvertently results in unfair and undue advantage and preference to developers offering certain types of technologies, who may not be providing the least cost of supply.</p> <p>With the present requirements, it is possible that OMECO would have been able to procure power at a lower cost, but was not able to because of the unfair advantage given to certain types of technology. This may thus run counter to the mandate of Republic Act No. 9136 on "least cost" procurement of supply, and the fair and competitive nature of the CSP.</p> <p>Further, we understand that sufficient experience in operating generation facilities is an indispensable requirement. However, duration of experience does not necessarily mean that the bidder is a reliable and efficient plant operator. It may very well be that a bidder with many years of experience has poorly performed in the operations of its power plant.</p>	<p>may be considered by the TPBAC. There is no established standard yet in the Philippines for power plant performance that the TPBAC can use in lieu of the 5-year track record.</p>

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		<p>regardless of technology at the time of submission of Bid and has track record in power plant operation. If the offered power supply will come from fossil-based power plants such as diesel power plants, the Bidder shall have at least five (5) years of track record. If the offered power supply will come from renewable energy plants, the Bidder shall have at least two (2) years of track record. The track record shall be for the specific type of power plants offered to supply power.</p>	<p>Thus, it may be more appropriate for the TPBAC to put more weight on a bidder's record of reliability and efficiency in plant operations, than in actual duration of operations</p> <p>Duration of experience is, of course, not without value. For this, the TPBAC may consider the first two (2) years of plant operations as sufficient. The first two (2) years are considered a "debugging period" in typical plant operations, where most operational and maintenance issues will arise. After the period, operations will have normalized and there would be little added value, if any, in the subsequent years of operations.</p> <p>Hence, once a generation company has successfully surpassed this 2-year period, it should be considered to have sufficient experience as a New Power Provider ("NPP") for the CSP.</p> <p>With the foregoing, we respectfully suggest to the TPBAC that the 2-year experience requirement be applied to all bidders regardless of technology used. This will allow renewable energy proponents, and at the same time obviate any inadvertent undue advantage.</p> <p>For similar reasons, data that may be gathered during this 2-year period should be considered sufficient proof for technical and</p>	

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				<p>financial capacity as required under ITB Sections 15.2.2, 32.2(c), and 32.3.</p> <p>Further, to ensure reliability and efficiency of operations, bidders may be required to submit sworn certifications that their operations records meet the minimum levels of plant efficiency and availability required by the TPBAC. As an alternative, the TPBAC may also consider the technical expertise and capability of the bidder's committed personnel, instead of the bidder's record as a corporation. After all, the actual operations and maintenance of the plant will be conducted by the winning bidder's technical personnel, not the bidder itself as it is a mere corporate entity.</p>	
36.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 12.1	<p>ITB 12.1 The Bidder or any member of the Partnership, JV or Consortium must have no record of Unsatisfactory Performance as Generator or Power Plant Operator. For this purpose, "Unsatisfactory Performance" means any of the following within five (5) years prior to the Deadline of Bid Submission:</p> <p>(a) the failure by the Bidder to satisfactorily perform any of its material obligations in a power plant project, power plant operation contract,</p>	<p>Judicial pronouncement or arbitration award as evidence to constitute Unsatisfactory Performance. The bidder or any member of the Partnership, JV or Consortium must have no record of Unsatisfactory Performance as Generator or Power Plant Operator (ITB Section 12.1, page 15).</p> <p>Under the said section, "Unsatisfactory Performance" means any of the following within five (5) years prior to the Deadline of Bid Submission:</p> <p>(a) the failure by the bidder to satisfactorily perform any of its material obligations in a power</p>	<p>Amendment:</p> <p><i>ITB 12.1 The Bidder or any member of the Partnership, JV or Consortium must have no record of Unsatisfactory Performance as Generator or Power Plant Operator. For this purpose, "Unsatisfactory Performance" means any of the following within five (5) years prior to the Deadline of Bid Submission:</i></p> <p>(a) <i>the failure by the Bidder to satisfactorily perform any of its material obligations in a power plant project, power plant operation contract, or power supply contract as evidenced by the imposition of a judicial pronouncement or arbitration award;</i></p> <p>(b) <i>the expulsion of the bidder from any power plant project, power plant operation contract, or power supply contract, due to the bidder's fault;</i></p>

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			<p>or power supply contract as evidenced by the imposition of a judicial pronouncement or arbitration award;</p> <p>(b) the expulsion of the Bidder from any power plant project, power plant operation contract, or power supply contract;</p> <p>(c) the termination or suspension of any such project, operation or contract; or</p> <p>material violation of laws and/or regulations by the Bidder to any power plant projects or contracts, including but not limited to environmental, health, safety, labor and social welfare laws and regulations, as evidenced by the findings of the relevant competent authority.</p>	<p>plant project, power plant operation contract, or power supply contract as evidenced by the imposition of a judicial pronouncement or arbitration award;</p> <p>(b) the expulsion of the bidder from any power plant project, power plant operation contract, or power supply contract;</p> <p>(c) the termination or suspension of any such project, operation or contract; or</p> <p>(d) material violation of laws and/or regulations by the bidder to any power plant projects or contracts, including but not limited to environmental, health, safety, labor and social welfare laws and regulations, as evidenced by the findings of the relevant competent authority.</p> <p>We note that only items (a) and (d) must be evidenced by a judicial or arbitral ruling, or findings of the relevant competent authority. The reason is clear --- it is so that a bidder may be disqualified due to fault on its part, and such fault is independently established by competent authority. A bidder who is not established to be at fault should not be disqualified.</p>	<p>(c) <i>the termination or suspension of any such project, operation or contract, due to the fault of the bidder;</i></p> <p>(d) <i>material violation of laws and/or regulations by the Bidder to any power plant projects or contracts, including but not limited to environmental, health, safety, labor and social welfare laws and regulations, as evidenced by the findings of the relevant competent authority.</i></p>

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				<p>Notably, items (b) and (c) do not require fault independently established by competent authority. This may result in the unfair and unreasonable disqualification of a competent and otherwise qualified bidder who is not at fault, but just happened to be somehow removed from a project or contract, or whose project or contract just happened to be terminated.</p> <p>For example, OMECO has sought to terminate its power supply contract with OMCPG due to the failure of another party to deliver a geothermal power plant, and absent any breach or fault on the part of OMCPG. It would be unjust and unreasonable if OMCPG was disqualified by reason of such termination.</p> <p>Hence, we respectfully suggest that for items (b) and (c), there must be fault on the part of the bidder, and such fault must be evidenced by a judicial or arbitral ruling, or the findings of a competent authority.</p>	
37.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 9.4	ITB 9.4 The OMECO, through the TPBAC or through independent auditors, reserves the right to inspect and audit records and accounts of any Bidder or contractor involved in the Bidding.	<p>Lack of necessity for audit of records and accounts. The OMECO, through the TPBAC or through independent auditors, reserves the right to inspect and audit records and accounts of any bidder or contractor involved in the bidding (<i>ITB Section 9.4, page 13</i>).</p> <p>Inspection and audit of records and accounts may not be necessary</p>	We will maintain the provision of ITB 9.4.

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				<p>since the bidders will submit their Audited Financial Statements as required under ITB Sections 8.6 and 15.2.3.</p> <p>Also, it compels a bidder (and possibly even its contractors) to allow the unfettered scrutiny of its records and accounts – matters which are typically held in the strictest of confidence to protect corporate interests -- regardless of whether such scrutiny is necessary or even related to the CSP. This is not reasonable. Other electric cooperatives have not required this in their CSPs.</p> <p>For these reasons, we respectfully suggest to the TPBAC that this section of the ITB be deleted.</p>	
38.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 27.4	<p>ITB 27.4 The Net Dependable Capacity Under Single Outage Contingency at SAMARICA shall be calculated as follows:</p> <p>...Solar without Storage - 0%</p> <p>Solar with Storage - 6.25% per AutonomyHour</p>	<p>24/7 guarantee of Net Dependable Capacity for solar power generation. The applicable Capacity Credit Factor for Solar without Storage is 0% while for Solar with Storage is 6.25% per Autonomy Hour (<i>ITB Section 27.4, page 32</i>).</p> <p>To ensure a fair and equitable CSP as well as to ensure the requirements of OMECO's customers are met, each bidder must guarantee the Net Dependable Capacity on a 24/7 basis for the entire year. Hence, a bidder proposing to use solar power technology should be able to demonstrate that it can provide the Net Dependable Capacity 24/7</p>	<p>The 6.25% capacity credit factor per (sun) autonomy hour was calculated using OMECO's actual load factor and deemed appropriate and comparable to other technologies for purposes of establishing "capacity to supply" the requirements in Occidental Mindoro. The generation sector is declared by EPIRA as a competitive sector. Hence, no technology can be discriminated but must be considered based on their characteristics.</p>

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				<p>throughout the whole year despite seasonality.</p> <p>Also, it should be made clear that the contingency reserve in SAMARICA should not be used to address insufficient output from solar generation.</p>	<p>Solar PV without storage is given a zero capacity credit. This means the bid can only be feasible if there are other technologies with sufficient capacity credit (e.g., diesel or storage). Therefore, the solar PV is essentially an "energy supply" that can displace expensive fuel oil while the "capacity supply" will come from other technologies based on their capacity credit.</p>
39.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 8.5	<p>ITB 8.5 For the purpose of confirmation, the Bidder must provide copies of its Certificates of Compliance (COCs) issued by ERC as well as copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submitted to ERC. In case of renewable energy providers, minimum of two years of the above certificates and reports shall be allowed. Where the power plant operation experience is not covered by COCs and GCMRs of ERC, the Bidder shall provide a certification from third parties such as contracted customer/s (e.g., NPC-SPUG) and the operational and/or performance reports received, prepared or recorded by the customer/s.</p>	<p>Provisional Authority to Operate ("PAO") as alternative to required Certificate of Compliance. For the purpose of confirmation, the bidder must provide copies of its Certificates of Compliance (COCs) issued by ERC (<i>ITB Section 8.5, page 12</i>).</p> <p>Under the rules of the ERC, a generation company must secure either a COC or a PAO prior to its commercial operation. A PAO is essentially a provisional COC. Under the ERC 2014 Revised Rules for the Issuance of Certificates of Compliance (COCs) for Generation Companies, Qualified End-Users and Entities with Self-Generation Facilities, pending the issuance of the COC, the ERC may issue a PAO to enable a generation company to operate its generation facility for a period of six (6) months from issuance thereof.</p> <p>In this regard, a prospective bidder duly issued with a PAO by the ERC, while without a COC, will not be able to comply with the requirement</p>	<p>The TPBAC will consider the ERC PAO as indication of ERC's treatment of the generation company's technical capability to operate power plant and supply electricity to its customers.</p> <p>Amendment:</p> <p><i>ITB 8.5 For the purpose of confirmation, the Bidder must provide copies of its Certificates of Compliance (COCs) <u>or Provisional Authority to Operate (PAO) provided they shall submit copy of its application for COC issued by the ERC, copies of its Generation Company Information Sheet (GCIS) and Generation Company Management Report (GCMR) submitted to ERC. In case of renewable energy providers, minimum of two years of the above certificates and reports shall be allowed. Where the power plant operation experience is not covered by COCs and GCMRs of ERC, the Bidder shall provide a certification from third parties such as contracted customer/s (e.g., NPC-SPUG) and the operational and/or performance reports received, prepared or recorded by the customer/s.</u></i></p>

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				<p>under the ITB despite being granted the same authority to operate its generation facility.</p> <p>Hence, we respectfully suggest that a bidder may in the alternative provide copies of its PAO as issued also by ERC instead of a COC.</p>	
40.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 16.2; ITB 34.1	<p>ITB 16.2 Submission of a Bid Security is understood to mean that the Bidder shall enter into a PSA with OMECO and furnish the required Performance Security within ten (10) calendar days from receipt of the Notice of Award, and commits to pay the corresponding amount as fine in the event it violates any of the conditions stated therein.;</p> <p>ITB 34.1 To guarantee the faithful performance by the successful Bidder of its obligations under the PSA, it shall post a Performance Security within a maximum period of ten (10) calendar days from the receipt of the Notice of Award from OMECO TPBAC and in no case later than the signing of the PSA.</p>	<p>Forty-five days as reasonable time to post Performance Security. A bidder must post the required Performance Security within ten (10) calendar days from receipt of the Notice of Award from OMECO TPBAC and in no case later than the signing of the PSA (<i>ITB Section 16.2, page 20; ITB Section 34.1, page 42</i>).</p> <p>We note that a maximum period of ten (10) calendar days to post Performance Security is too short since the bidder still needs to go through bank processing and approval, including the bank's credit assessment and endorsement to the bank's Board of Directors, which usually meets only once a month. It will not be possible to obtain a letter of credit within only 10 calendar days.</p> <p>We respectfully suggest to make the period a maximum of forty-five (45) calendar days, which is a reasonable period within which to obtain a Performance Security.</p>	Posting of Performance Security shall be maximum thirty-five (35) days from issuance of Notice of Award. Should the Winning Bidder needed additional time to complete the arrangement with the bank for a Letter of Credit, a bank certification indicating that the NPP is arranging for an LC in compliance with the Performance Security requirements of the OMECO CSP. The NPP shall be given maximum of additional ten (10) days to submit Performance Security and sign the PSA.
41.	Bid Bulletin No. 17, Series of	ITB 2	Conditions Precedent – refers to the requirements and conditions that must	Provisional approval by the ERC of the PSA as a Condition Precedent. Final approval of the PSA is a	Amendment:

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	2020 – Instruction to Bidders		have been satisfied to achieve the Effective Date including, but not limited to, final approval of PSA by the ERC, power plant site/s land conversion requirements and Connection Agreement with NPC.	<p>Condition Precedent that must be satisfied to achieve Effective Date (please see the definition of Conditions Precedent on page 5 of the ITB).</p> <p>The ERC typically takes years to issue a final approval. This would delay, possibly by several years, the construction of the winning bidder's plant and the supply of power to OMECO which should only last up to 2024.</p> <p>We respectfully request that instead of final approval of the ERC, a provisional approval be made a condition precedent to COD. Under the rules of the ERC, a provisional approval is issued within seventy-five (75) days from the filing of the application for the approval of the supply contract. This may be a more reasonable condition to have the power supply by the winning bidder sanctioned by the ERC, while making it available to the customers of OMECO at the soonest possible time.</p> <p>In addition, an interim relief, which is akin to a provisional approval, should also be included.</p>	<p>ITB 2, Conditions Precedent – refers to the requirements and conditions that must have been satisfied to achieve the Effective Date including, but not limited to, <u>provisional approval or</u> final approval of PSA by the ERC, power plant site/s land conversion requirements and Connection Agreement with NPC.</p>
42.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 21.2	ITB 21.2 All pages of each document submitted and all pages and all portions of the pages where corrections and/or amendments have been made, shall be signed by the	Use of initials in marking the documents recommended. All pages of each document submitted and all pages and all portions of the pages where corrections and/or amendments have been made, shall be signed by the bidder's authorized	<p>The proposal to use of initials in marking the documents is accepted.</p> <p>Amendment:</p> <p>ITB 21.2 Except for pages where the signature of the authorized representative is specifically required, all pages</p>

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			<p>Bidder's authorized representative. Failure to do so shall be a ground for the rejection of the Bid.</p>	<p>representative. Failure to do so shall be a ground for the rejection of the bid (ITB Section 21.2, page 26).</p> <p>The bidder usually submits numerous and voluminous documents to qualify for the bid. Requiring that all pages of each document be signed in full may not be practicable.</p> <p>It would be more reasonable to require that the documents be initialled by the duly authorized representative of the bidder instead. This has been practiced in other bidding processes, and is also already allowed under ITB Section 21.3 for the validity of any interlineations, erasures or overwriting.</p>	<p><i>of each document submitted and all pages and all portions of the pages where corrections and/or amendments have been made, shall be initialled by the Bidder's authorized representative. Failure to do so shall be a ground for the rejection of the Bid.</i></p>
43.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders, Annex A: Terms of Reference	TOR 4.3	<p>TOR 4.3. Should either Scheduled Outage Hours or Unscheduled Outage Hours exceed the Allowed Outages for any year, the fixed cost components of the price shall be reduced proportionately to the undelivered capacity and shall be returned to OMECO through reduction of power rates in the succeeding year.</p>	<p>Clarification on reduction of power rates on succeeding year if allowed outages are exceeded. Should either Scheduled Outage Hours or Unscheduled Outage Hours exceed the Allowed Outages for any year, the fixed cost components of the price shall be reduced proportionately to the undelivered capacity and shall be returned to OMECO through reduction of power rates in the succeeding year. (TOR Section 4.3, page 55)</p> <p>We request for clarification on how the power rate will be reduced in the succeeding year (i.e., whether the amount of reduction is deducted in lump sum in the first month, or</p>	<p>The whole amount of penalty shall be deducted on the 1st billing month of the succeeding operating year.</p> <p>The inclusion of the fixed O&M component is intentionally included in the penalty. The return of payments if limited to capital recovery only for capacity that was not provided in the first place cannot be considered as sufficient penalty to instil discipline for suppliers.</p>

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				<p>spread throughout the year or several months).</p> <p>We note that the provision states that "the fixed cost components of the price shall be reduced proportionately." We respectfully request that the reduction be limited to the Capital Recovery Fee, and exclude the Fixed O&M Fee which represents a reimbursement of operating costs actually incurred.</p>	
44.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 12.3	<p>ITB 12.3 In addition to the grounds specified in ITB 16.7, which also result in the forfeiture of the Bid Security, the following are also grounds for the rejection of the Bids and/or the disqualification of the Bidders:</p> <p>(a) Failure to submit all the requirements in accordance with and as provided for in ITB 15, ITB 16, ITB 17 and ITB 18;</p> <p>(b) Failure to submit a Bid Security as provided for in ITB 16;</p> <p>(c) Bidders with conflict of interest as provided for in ITB 13.1 and ITB 14.2;</p> <p>(d) In the event of collusion as provided for in ITB 9; and</p>	<p>Exclusion of failure to submit all requirements as ground for forfeiture of bid security recommended. Failure to submit all the requirements in accordance with and as provided for in the ITB will result in the forfeiture of the Bid Security and also rejection of the bids and/or disqualification of the bidders (<i>ITB Section 12.3(a), page 16</i>).</p> <p>Considering that the bidder will submit numerous and voluminous documents, it is possible that a bidder may miss a document or a single page, or any document may be considered as not in accordance with the ITB. The outright forfeiture of a bid security which involves a large amount may be too harsh and unreasonable as a consequence to the bidder, whose bid will also be rejected and/or who may be disqualified.</p>	<p>The TPBAC accepts the proposal to remove the phrase "which also result in the forfeiture of the Bid Security" in ITB 12.3.</p> <p>Amendment:</p> <p>ITB 12.3 In addition to the grounds specified in ITB 16.7, the following are also grounds for the rejection of the Bids and/or the disqualification of the Bidders:</p> <p>(a) Failure to submit all the requirements in accordance with and as provided for in ITB 15, ITB 16, ITB 17 and ITB 18;</p> <p>(b) Failure to submit a Bid Security as provided for in ITB 16;</p> <p>(c) Bidders with conflict of interest as provided for in ITB 13.1 and ITB 14.2;</p> <p>(d) In the event of collusion as provided for in ITB 9; and</p> <p>(e) Commission of any of the corrupt practices listed in ITB 9.</p>

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			(e) Commission of any of the corrupt practices listed in ITB 9;	<p>Forfeiture of bid security is typically a penalty for fraud, misrepresentation or bad faith on the part of a bidder. This is because a bid security is security against impropriety on the part of the bidder, but not as security against good-faith errors or mere inability to fully qualify.</p> <p>We respectfully request that this provision be removed as ground for forfeiture of bid security.</p>	
45.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 40.3	<p>ITB 40.3 The protest must be filed within seven (7) calendar days from receipt by the party concerned of the resolution of the TPBAC denying its request for reconsideration. A protest shall be made by filing a verified position paper with the HoPE concerned, accompanied by the payment of a non-refundable protest fee, which shall be paid in cash in accordance with the following schedule:</p>	<p>High costs of non-refundable protest fee. A protest shall be accompanied by the payment of a non-refundable protest fee, which shall be paid in cash in accordance with the ITB (<i>ITB Section 40.3, page 46</i>).</p> <p>The protest fee is very high, especially when compared to costs of court litigation or other available methods of resolving disputes. The amounts are already prohibitive and may instead prevent a bidder with legitimate grounds from contesting the denial of its earlier request for reconsideration. Further, the costs that may be incurred in resolving the protest will not be as much as the protest fee.</p> <p>We understand that the intention behind the fees is to prohibit spurious or patently baseless protests. However, that this should not be too much of a concern as the</p>	<p>We will maintain the provision. The protest fee specified in ITB 40.3 is almost the same with the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184. This is pursuant to NEA's guidance to consider the provisions of RA9184 in the conduct of CSP.</p>

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				<p>HoPE can readily identify and deny such protests.</p> <p>We respectfully request the TPBAC to reconsider the amounts of the protest fee to be made proportionate to the costs of resolving a protest so as not to discourage bidders with legitimate grounds from filing a protest.</p>	
46.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 1.2	ITB 1.2 The Winning Bidder/s shall deliver the annual requirement of OMECO from 26 June 2021 to 25 December 2024 through existing power plant, installation of modular generating units, transfer of operational power plants from other locations, or combination thereof.	ITB Section 1.1. Given that the term of the Power Supply Contract (PSA) is only 3.5 years from 01 July 2021 to 25 December 2024, it is impossible for a regular power plant to recover its investment within the period and still provide a reasonable and affordable tariff.	Pursuant to the DOE guidance for this particular CSP, Genco's are invited to compete only for a short-term power supply. The Bidder has the option to deliver the requirements under this transaction through existing power plant, installation of modular generating units, transfer of operational power plants from other locations, or combination thereof. The Buyer does not care whether the power plant is owned or rented by the NPP. It is up to the Bidder to source its power plant and plan its business considering realistic risks of business and therefore design its bid to compete.
47.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 1.1	ITB 1.1 The Occidental Mindoro Electric Cooperative, Inc. (OMECO), through its Third-Party Bids and Awards Committee (TPBAC), is conducting a Competitive Selection Process (CSP) for its New Power Provider/s (NPP/s) with a Dependable Capacity that will meet Single Outage Contingency reliability criteria as indicated in Table I for the years 2021 - 2024. The generating unit to meet Single Outage Contingency shall be installed in SAMARICA area only which shall also serve as	Is the winning bidder required to provide the capacity for the annual increase in demand until 2024?	Yes, as indicated in Table 1 of the ITB 1.1. The Bidder has the option to set-up the power plant in 2021 to meet the requirements in 2024 or to meet the requirements with increasing capacity from 2021 to 2024.

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			contingency reserve for Sablayan and MAPSA area.		
48.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 1.2	ITB 1.2 The Winning Bidder/s shall deliver the annual requirement of OMECO from 26 June 2021 to 25 December 2024 through existing power plant, installation of modular generating units, transfer of operational power plants from other locations, or combination thereof.	ITB Section 1.2. Is a bidder allowed to bid and deliver power using an existing power plant located in ORIENTAL MINDORO?	The Existing Power Plant in Occidental Mindoro is only allowed. However, the NPP may opt to transfer its existing power plant located in Oriental Mindoro to Occidental Mindoro.
49.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 1.4	ITB 1.4 The generating capacity may come from any type of power plant and the site on which the new power plants or transfer of existing power plants will be located may be acquired or leased by NPP/s. OMECO shall provide assistance in arranging and securing site/s for the power plants.	<p>Site location for the power plants:</p> <p>a. As mentioned in the Pre-Bid, OMECO have identified the preferred locations for the power plants, may we request the relevant information of these site such:</p> <p>i. as exact location address / barangay/ sitio or purok;</p> <p>ii. GPS coordinate;</p> <p>iii. Land / lot area: sq. meter / hectare</p> <p>iv. the general site condition;</p> <p>v. document status of the land;</p> <p>vi. land area classification;</p> <p>vii. Land / lot map or property boundary / site location map;</p> <p>viii. land owner / contact person: name, contact numbers, e-mail address, office / home address;</p> <p>b. Please consider in arranging the price with the land owner, as uniformity of price to be considered for all the bidders. Or OMECO will arranged the leasing with the land</p>	<p>Sablayan:</p> <p>Location: Sto. Nino, Sablayan Land area: 3,000 sq.m. Land owner: LGU Sablayan</p> <p>Mamburao:</p> <p>Location: Tayamaan, Mamburao Land area: 4,000 sq.m. Land owner: Provincial Government</p> <p>San Jose: The TPBAC is in coordination with the lot owners and will be announced as soon as land owners give their consent.</p> <p>The following details will also be announced to all Bidders:</p> <ul style="list-style-type: none"> • Location; • Land area; • GPS coordinate; • Status and Classification of the Land; and • Cost of Sale or Lease.

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				<p>owner and OMECO will just pass the leasing cost to the NPP. In this way the factor of the price of the land for all the bidder will be fixed and uniform.</p> <p>Section 1.4. "OMECO shall provide assistance in arranging and securing site/s for the power plants." -- Please provide details on what kind of assistance OMECO shall provide (e.g. securing land rights, permits, endorsements, etc.).</p> <p>In ITB 1.4..."OMECO shall provide assistance in arranging and securing site/s for the power plants". Please be more specific on the assistance that OMECO shall provide in securing site/s for the power plants. Kindly define terms and conditions. Is OMECO already have the preferred sites on the three (3) locations?</p>	
50.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 17.3	<p>ITB 17.3 FC1 and FC2 are the fixed cost components for capital recovery and fixed O&M, respectively which shall be a function of Capacity Utilization Factor (ranging from 1% to 100%) that will be calculated monthly according to:</p> $CUF = \frac{Q}{TDC * (H_T - H_{TO} - H_{TFM})}$	<p>In connection with formula for Capacity Utilization Factor, $CUF=Q/TDC(H_T - H_{TO} - H_{TFM})$, and on an area basis, is it the Bidder who will provide the corresponding values for projected outage hours and force majeure hours per Annex B in order to determine the (CUF) as part of FC1 and FC2 in the Financial Proposal?</p> <p>Further to said CUF formula, it must be noted that San Jose, Sablayan and Mamburao plants shall operate in parallel or altogether synchronized in a common grid</p>	<p>The CUF is calculated monthly when the PSA becomes operational. The outage hours are not projected values but actual values determined after the billing month.</p> <p>Economic shutdown due to the actual demand and dispatch schedule means the generating units capacity are available and therefore not counted as outage hours.</p>



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				<p>along the NPC 69kv transmission line backbone being necessary in order to minimize the electric subsidy. In a grid with relatively low load factor like the OMECO franchise area in Occidental Mindoro, it is moot and academic that there will be a DAILY unit or plant economic shutdown hours particularly during off-peak hours. The question is why this economic shutdown hours that are far greater than force outage and force majeure hours are not included in the computation of CUF?</p> <p>This is connection further to CUF formula that all plants at San Jose, Sablayan and Mamburao are necessarily to operate in parallel and minimize electric subsidy while the OMECO specification does not provide a common load dispatch plan. What is the control measure of OMECO TPBAC that will ensure that the respective values of Bidders CUF's outage and economic shutdown hours among plants are realistic or is not understated so as to prevent the unfair advantage in every Financial Proposals?</p>	<p>For evaluation purposes, the monthly dispatch energy for the 3.5-year PSA are specified in the ITB 28.6 and will be used to calculate the CUF of the Bidder for each month. The "dispatch protocol" for purposes of bid evaluation is specified in ITB 28. With regards to the allowed outages, its consideration as bid variable enhances competition since the efficient NPP with lower allowed outages will be rewarded with lower calculated leveled bid but if it is too low to be realistic, the NPP will suffer penalties for 3.5 years which serious Bidders will realize. Furthermore, during post-qualification evaluation stage, the technical proposal (which include the Outage Hours which also appears in the financial proposal) will also be assessed. Values which are too far away from being realistic that may undermine the CSP to achieve a feasible PSA will be noted and may be recommended for disqualification.</p>
51.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 8.1 (d)	<p>ITB 8.1 The following entities shall be eligible to participate in this bidding:</p> <p>... (d) Joint Ventures and Consortiums to be duly organized under the laws of</p>	<p>Section 8.1 (d) "The following entities shall be eligible to participate in this bidding:...Joint Ventures and Consortiums to be duly organized under the laws of the Philippines, provided they have submitted duly notarized Joint Venture or</p>	<p>A notarized Memorandum of Agreement to enter into a JV or Consortium Agreement in case the group win the bid is acceptable provided the agreement shall specify the obligations and rights of parties including solidary obligations and liabilities. A draft JV/Consortium Agreement may be annexed and form part of the agreement.</p>

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			<p>the Philippines, provided they have submitted duly notarized Joint Venture or Consortium Agreement, backed by Board Resolutions of parties' mother companies guaranteeing full support to the JV/Consortium and clearly stating JV/Consortium or a Project Company and the level of participation of partners/parties. The JV or Consortium Agreement shall also indicate that their rights and obligations, including liabilities in this Bidding and the resulting PSA are solidary;</p>	<p>Consortium Agreement, backed by Board Resolutions of parties' mother companies guaranteeing full support to the JV/Consortium and clearly stating JV/Consortium or a Project Company and the level of participation of partners/parties. The JV or Consortium Agreement shall also indicate that their rights and obligations, including liabilities in this Bidding and the resulting PSA are solidary;..."</p> <p>-- We believe a memorandum of understanding/agreement or a draft JV/Consortium Agreement is sufficient during the bidding process, and should be executed and notarized only as soon as the said partnership has been declared the winning bidder.</p>	
52.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 18.1 (d)	<p>ITB 18.1 The Technical Proposal shall detail the plan on how the Bidder will carry out the development, financing, construction, connection to grid, operation, and maintenance of the power plant(s) to supply the Dependable Capacity Under Single Outage Contingency from 26 June 2020 to 25 December 2024 and the committed Project Milestones. The plan shall include as applicable, but not necessarily be limited to, the following:</p>	<p>Section 18.1 (d) Fuel Supply Plan indicating: i. Fuel supply contract equivalent to the cooperation period of the power supply agreement; ii. Contingency supply for at least fifteen (15) days of sufficient fuel stock at any point in time; and iii. Key terms of the Fuel Supply Agreement.</p> <p>-- We would like to ask for clarification if the fuel supply contract should be executed and notarized, because we believe, as with other similar agreements, at least a declaration of the bidder as the winner should take place prior to the execution of this contract.</p> <p>-- We also take note of the 15 days fuel stock. Will OMECO provide assistance on logistics and securing sites for this? We also believe that</p>	<p>The notarized fuel supply contract shall be submitted after the award to Winning Bidder and prior to signing of PSA.</p> <p>The preferred sites that were arranged for Sablayan and MAPSA have enough space for fuel storage system. The arrangement for the preferred site in SAMARICA is still undergoing discussion with the owner.</p> <p>The 15-days fuel stock at any point in time is mandatory security requirement and must be considered by Bidders on preparing bid.</p>

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			<p>... (d) Fuel Supply Plan indicating:</p> <p>i. Fuel supply contract equivalent to the cooperation period of the power supply agreement;</p> <p>ii. Contingency supply for at least fifteen (15) days of sufficient fuel stock at any point in time; and</p> <p>iii. Key terms of the Fuel Supply Agreement.</p>	<p>there are innovative ways that would minimize storage times other than 15 days while still ensuring fuel security so we suggest keeping this as an option instead of a hard requirement.</p>	
53.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	ITB 27.4	<p>ITB 27.4 The Net Dependable Capacity Under Single Outage Contingency at SAMARICA shall be calculated as follows:</p> <p>... Table 5.</p>	<p>Section 27.4 Capacity Credit Factor (CCF) Table.</p> <p>-- We would like to know what is OMECO's basis of the CCF of "6.25% per Autonomy Hour" for "Solar with Storage"</p>	<p>The load factor of Occidental Mindoro is at 68.5% which is equivalent to a sustained demand peak demand for 16 hours. The capacity credit factor of storage is therefore calculated as 1/16 or 6.25%. This means that if the storage is sized with only one-hour of autonomy, it can supply only 1/16 or 6.25% of the supply requirements. If the storage is designed for 16 hours, the storage can meet 100% of the system demand and would be given 100% capacity credit.</p>
54.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders; Terms of Reference	ITB 1.3; TOR 2.1.2	<p>ITB 1.3 This transaction will be on a per lot basis where a Bidder can bid on any single lot or all lots as shown in Table 1. OMECO considered two (2) scenarios for SAMARICA area (Lot I). Scenario 1 is where the existing power plant at SAMARICA area is part of the power supply while Scenario 2 is where the existing power plant at SAMARICA area is not part</p>	<p>ITB Section 1.3 and TOR Section 2.1.2 Net Dependable Capacity Under Single Outage Contingency (MW) Table</p> <p>--We would like to seek clarification should the bidder only consider one or two lots (e.g. MAPSA only, Sablayan only, or both other than SAMARICA), will the bidder still be obliged to provide a single outage contingency in SAMARICA to supply MAPSA and Sablayan?</p>	<p>The Bidder in SAMARICA is required to provide a total dependable capacity with outage contingency unit. Since the three (3) areas (SAMARICA, Sablayan and MAPSA) are interconnected through a 69kV transmission system and SAMARICA is the largest sub-system (i.e., has the highest demand), the Occidental Mindoro Grid will comply with Single Outage Contingency or R-1 reliability criterion if SAMARICA will meet the R-1 criterion. The NPP will be contracted and be paid for the capacity that it will provide. The dispatch of the power plant is subject to the schedule that will be prepared and issued by OMECO/SO. Thus, if Sablayan or MAPSA experience a single unit outage, the available operating reserve in SAMARICA will take over to meet the demand deficiency in Sablayan or MAPSA.</p>

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			<p>of the power supply of the Winning Bidder.</p> <p>TOR 2.1.2 Under the outage of the generating unit with the largest load, the Net Dependable Capacity that must be available for power generation in the three (3) areas (load centers) are shown in Table 1. The generating unit to meet Single Outage Contingency shall be installed in SAMARICA area only which shall also serve as contingency reserve for Sablayan and MAPSA area.</p>		
55.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		This CSP is essentially designed for a supply of power from rental, modular plants. If this is the case, OMECO might as well ask NPC to supply its power requirement until 2024 and do away with the CSP.	We noted the suggestion and in fact was also considered as an option. However, what appeared as more feasible and compliant with the New Power Provider program for SPUG areas under the EPIRA law, particularly the guidance from DOE and Order of the ERC is to conduct a CSP for short-term power supply.
56.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>For clarification purposes, since this transaction will be a per lot basis, where a Bidder can bid on any single lot or all lots as Shown in Table 1 in ITB, will the following scenarios be possible?</p> <p>a. In case Bidder will bid for all three (3) lots, and since Bidder shall submit three (3) Financial and Technical bid proposal for each lot, will the bid price for each lot be different?</p> <p>b. Will a Bidder who bids for all the lots be the Winning Bidder for</p>	<p>Recognizing the possibility of different level of investment and operating costs in each area, the bid price for each lot may differ from each other.</p> <p>Bids for each lot will be independently evaluated. It is therefore possible that there will be three (3) Winning</p>

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				<p>all the lots or will he/she be the Winning Bidder for one or two lots only?</p> <p>c. If evaluation of the bid proposal and bid price are to be done for each lot, is it possible that each lot can have a different Winning Bidder?</p>	<p>Bidders, two (2) Winning Bidders, or only one (1) Winning Bidder.</p> <p>Same.</p>
57.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>May we request dispensing with the installation of 13.2 (delta)/13.8kv (wye) Line transformer which we find unnecessary or redundant if the plant generated Diagram voltage is either 4.16kv or 480v. The existing 13.2/13.8 kv transformer was installed primarily due to existing Single distribution feeder going to San Jose, Rizal and Calintaan that is directly connected to plant 13.8kv bus while the generated voltage of OCMPC to our knowledge is incidentally 13.8kv or similar to distribution line voltage. If without the said transformer and its winding transformation, there will be a direct return line to ground path to generator neutral in case of ground fault from said existing single distribution feeder that should always result grid shutdown*. This is however not the case if the generated voltage is either 4.16kv or 480v since already protected by its transformer's delta winding.</p> <p><i>*The case of previous PB 106 installed at Caminawit Pier is one good example.</i></p>	<p>The diagrams in the TOR do not show the details of the set-up and configuration inside the power plant. The transformer in the diagrams are indicative of the requirements for an isolation transformer between the distribution line and the generating unit/s to establish sufficient impedance to achieve an effective coordination of protection between the distribution system and the power plant. If the power plant has step-up transformer/s, there will be no additional isolation transformer required provided sufficient impedance is provided for protection coordination purposes. This is the reason why the NPP is required to submit coordination study with a specified transformer impedance. It is the responsibility of the NPP to provide the impedance required for protection coordination purposes.</p>

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58.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>Since the existing OCMPC plant is qualified to bid on this short term power supply for San Jose Area (SAMARICA) only, what is the criteria in determining the lowest calculated bid (LCB)? Is it based on levelized rate of the overall total or on an area/plant basis? Note that if the LCB shall be on an area/plant basis, we wish to re-emphasize the need to have a common load dispatch model or energy off-take likewise on an area/plant basis.</p> <p>Furthermore, is OMCPC to use also the value of Php 39.22/liter as its fuel cost in its Financial proposal?</p>	<p>The Bids for each lot will be evaluated independently. Thus, the levelized rate is for each lot.</p> <p>OMCPC will compete with any Bidder on the same standard. The PSA will be a simple contract with 4 price components in PHP/kWh. The underlying fuel price and fuel rate and other parameters are responsibilities and internal to the Bidders. Bidders will compete for the lowest levelized price in accordance with the Evaluation Methodology specified in the ITB 28.</p>
59.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>The PSA tenor of 3.5 years is too short for a new renewable energy project, in terms of economic lifetime. Is there a possibility that the tenor be lengthened to at least 15 years, as with the original CSP terms?</p>	<p>OMECSO is constrained to award only 3.5 years of PSA in this CSP pursuant to the guidance of DOE considering the planned interconnection of Mindoro Grid to Luzon Grid (Batangas-Mindoro Interconnection Project).</p>
60.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>The original CSP consisted of two parts, an interim power supply and a new generating capacity component, which generated interest among a diverse group of bidders, especially renewable energy developers. Given the drastic change reflected in the latest bid bulletin, we believe that prospective bidders such as us should still be considered in the succeeding CSP's of OMECSO, without requiring another payment for bidding documents.</p>	<p>The Bid Participation Fees paid by interested bidders are used for the expenditures associated with the CSP activities which is the same whether the PSA to be awarded is short-term or long-term. Bidder who are interested only for long-term PSA may withdraw and the Bid Participation Fees will be returned. The deadline for submission of Notice of Bid Withdrawal is on September 24, 2020.</p>

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61.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		How many days per engine is the Allowed Downtime per year?	The Bidder shall provide its proposed Allowed Outages (Scheduled and Unscheduled Outages) in the bid form as it is a bid variable subject to competition.
62.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		Do the plants need to be located in each area?	Yes. The preferred location of power plants is indicated in TOR 3.2.2, Table 3.
63.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		Are the areas of Mamburao and Sablayan inter-connected?	The Mamburao and Sablayan are interconnected. See Figure 1 (SLD of Existing Power Grid in Occidental Mindoro) of the TOR 3.2.1.
64.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>a. For the reference price for LNG, the price seems to be an imported price and does not include the transport price to Mamburao or San Jose? What happens if the delivered price of LNG is much higher?</p> <p>b. LNG is not yet available in the Philippines. What happens if there is no LNG supply? Should the winner use regular Diesel or Bunker C?</p> <p>c. For evaluation, there is a provision for Fuel Inflation, Table 6, where there will be an increase of 6.61% per annum for diesel and an annual negative inflation of 0.81% per year for LNG. Does this mean for evaluation purposes, bid</p>	<p>The Bidder must use its own price as if it supplied power in Occidental Mindoro in January 2020 (i.e. considering transport costs) or the delivered fuel price in preparing its bid. The reference fuel prices are to be used as base value for price indexation in the PSA.</p> <p>If the Bidder will set-up an LNG power plant that will use regular Diesel or Bunker C because LNG is not available, the Bidder must submit it Bid using the Bid Form for the fuel that it will use. If the Bidder use the Bid Form for LNG, the indexed price for payments in the future will be indexed to LNG which we expect, based on the fuel price forecast of the World Bank, to be deflating. The NPP will stand to lose if he will use diesel as actual fuel which is expected to have inflating prices while OMECO will pay with reduced price because of the deflation in LNG fuel.</p> <p>The 6.61% inflation for diesel and -0.81% deflation for LNG fuel (taken from World Bank commodity price forecast) are expected price variations for the duration of the 3.5-year short-term PSA and will be used for purposes of evaluation. So the fuel price component will be increasing for diesel will</p>

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				evaluators should add 6.61% per year for diesel and deduct 0.81% per year for LNG?	increase by 6.61% every year while for LNG, it will decrease every year by 0.81%.
65.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		Would the indicated energy to be delivered guaranteed minimum off-take?	The energy indicated in the ITB will be used for purposes of Bid Evaluation. There will be no minimum energy off-take quantity. The Price Structure under the PSA addressed the NPP's fixed cost recovery.
66.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		For the bidding documents, Good Scenario is if SEC/ERC/DOE will go under lockdown and our documents will be pending for some time and it will hit the said deadline the submission of documents, is TPBAC willing to accept undertaking documents?	In the event of lockdown affecting the release of documents from government agencies, Bidders are advised to notify the TPBAC of its situation. A notarized undertaking document will be accepted provided that a proof of request for documents (e.g., copy of application form or letter request received by the agency) is Annexed to the Bidder's Undertaking.
67.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		If the Batangas-Mindoro submarine interconnection will not happen by 2024? Will OMECO conduct another round of CSP? When will this happen?	OMECO formally inquired with the DOE of the status of the Batangas-Mindoro Interconnection Project.
68.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		Site visits to Occidental Mindoro / OMECO: May we request for the safety protocol or guidelines set by the Provincial Government / LGU when visiting Occidental Mindoro in this current health crisis (COVID19). Can OMECO assist in coordination or securing travel documents from Occ. Mindoro LGU in behalf of Bidders?	The LGU guidelines shall be shared to the Bidders. OMECO will coordinate and secure the travel documents on behalf of the Bidder who wish to visit. Bidders are advised to send to TPBAC its request for visit indicating the names of personnel, schedule of visit, mode of transportation, and port of entry.
69.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		For modular generator sets, are rentals allowed?	It is NPPs option to install permanent or mobile generator sets as well as whether the mobile gensets are owned by the NPP or it rented from other technology providers. However, the PSA that the NPP will be signing with OMECO will not be a pass-through rental power supply, i.e., OMECO will not be a party to the rental agreement of the NPP. Bidders must consider the four (4) price components (2 for

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					fixed costs and 2 for variable costs) to capture all its costs. The <i>Fixed Cost 1</i> , in particular, may be used for capital recovery if the Bidder will install its own generating sets or for the combination of capital investment from project development to commissioning plus rental expenditures.
70.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		For the technology, is diesel power plant differentiated as Bunker and/or LFO or it can be generalized as Diesel power plant regardless of its fuel used?	This transaction including PSA price Structure and bid forms was designed to be technology agnostic pursuant to the "Technology Neutral" policy of the DOE. There are separate forms for different technologies that Bidders should use in the bid submission. This include a separate form for Bunker diesel from LFO diesel.
71.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>Does the contract has an "option to renew"?</p> <p>In the Bid Bulletin No. 17, TPBAC mentioned the reasons for revising the bid documents and thereby making the cooperation period for short-term Power Supply Agreement, which shall be terminated on 25 Dec 2024. In case the cooperation period needs to be extended due to valid reasons (e.g. delay in implementation of BMIP):</p> <p>a. Will OMECO extend the PSA for a period of another 4 years or more?</p> <p>b. Or will OMECO conduct another CSP either for a Short-Term or a Long Term Power Supply Agreement?</p>	We shall provide a provision in the PSA for an extension subject to the policies and rules and regulations issued by the DOE and ERC.
72.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		If the contract doesn't have an option to renew, what will happen to the transmission asset that the genco developed?	Unlike the substation equipment which can be transferred to other location after the termination of the PSA with NPP, the transmission for interconnection that the NPP will build are indeed potentially will become stranded asset. We therefore believe that the Bidder will recover fully its investment for the transmission assets within the 3.5 years of the cooperation period. We shall provide a miscellaneous

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					provision in the PSA that the transmission assets will be turned-over to OMECO for its use in succeeding CSP and/or PSAs or distribution service after the termination of the PSA of the NPP.
73.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		If we offer a power plant in which we have no track record, or didn't reach the required years of operation, what will be the case? Will it be acceptable?	This Transaction allows consortium that prospective Bidders can use to comply with all the eligibility requirements.
74.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>From the questions during the pre-bid conference, there seems to be a possibility that a bidder will submit a bid using a cheap technology in order to win the bid and, upon award, install another technology. Most likely, the winning bidder may do this a few months into the plant construction. At that point in time, the winning bidder is already well on board and given the short term nature of the PSA, the parties may no longer have time to consider the next lowest bidder for the following reasons:</p> <ol style="list-style-type: none"> The Performance Security of P3.8 million (ave.) per MW is not high enough to discourage submission of maverick" bids that some bidders we know are wont to do. If this was a thought-of strategy of the bidder in the first place, the winning bidder may play hard ball should OMECO complain about delays and technology changes. For some reason, the winning bidder may agree to risk 	<p>There is no indication during the Pre-Bid Conference that a Bidder may submit a bid using a cheap technology and, upon award, install another technology. One of the Bidders asked to be clarified on payments if an LNG plant capable of accepting diesel as fuel is installed. It was responded that regardless of the fuel used (whether LNG or Diesel), the NPP shall be paid based on contract price structure and coefficient subject to indexations in accordance with the signed PSA.</p> <p>A risk mitigation strategy is behind the prescribed Performance Security which considered the scenarios raised. We would differ with the prospective Bidder on the sufficiency or insufficiency of the amount for Performance Security.</p>

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				<p>shouldering the "replacement power" cost. Nonetheless, the project timetable will already be delayed.</p> <p>d. For lack of material time and in the interest of the consumers, annulment of the award may no longer be viable and OMECO may just agree to renegotiate.</p> <p>e. This could be unfair to all the other "honest-to-goodness bidders.</p> <p>f. At the end of the day, it would be unfair to consumers.</p>	
75.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		<p>In the calculation and presentation of the Unrestricted Net Worth of the Bidder [REDACTED] can the Bidder use the consolidated audited financial statements of Bidder's principal/mother company [REDACTED]?</p> <p>[REDACTED] is a generating company and is owned by [REDACTED], a holding company engaged in energy and power, properties, and other businesses.</p>	The Winning Bidder shall be the contracting party in the PSA and will be liable for the contract. As such it is the Unrestricted Net Worth of the Bidder that is relevant in this transaction to be evaluated and not its holding company. This CSP allows JVs and Consortiums who will be solidary responsible and liable to remedy deficiencies of companies in order to qualify as Bidder. Thus, the Financial Statements of parent company shall not be allowed.
76.	Bid Bulletin No. 17, Series of 2020 – Instruction to Bidders	General Comment		In the 4th Pre-Bid Conference, in which a workshop will be held for the calculation of TPBAC's Excel form for financial and technical proposals, are we allowed to have 1 or 2 additional participants to join the pre-bid conference-workshop?	Yes.