



SUPPLEMENTAL BID BULLETIN NO. 2

1. Notice to Bidders

Bidders are hereby notified of the amendments, revisions, modifications and clarifications to the Bidding Documents earlier made available to Bidders relating to the Joint Competitive Selection Process for the Procurement of the Short-Term (2022-2025) Power Supply Requirements of the R1+CAR+S1 Electric Cooperatives.

Said amendments, revisions, modifications and clarifications are contained in Supplemental Bid Bulletin No. 1 and Supplemental Bid Bulletin No. 2.

Any provision of previous issuances by the JTPBAC which are inconsistent with any of the provisions of this Supplemental Bulletin No. 2 shall be deemed superseded hereby.

2. Responses to Queries, Comments and Clarifications of Prospective Bidders

<i>TOR/ITB/PSA Provisions</i>	<i>Queries / Comments / Clarifications</i>	<i>Responses / Remarks</i>
TERMS OF REFERENCE		
Contracted Capacity (MW)	<ul style="list-style-type: none"> • Submission and opening of Bids shall be conducted on 18 Nov 2022, please clarify how can the supply of 36MW start on 26 Oct 2022? • If actual supply starts a month or months after 26 Oct 2022, will the end of the supply Term (25 Dec 2025) be extended? • Suggestion to move the supply start date of BENECO to March 26, 2024 to coincide with the usual start date of a Billing Period subject to the approval of the ERC. • Please confirm that the start of delivery is upon the issuance of ERC of the Interim Relief, Provisional Authority or the Final Approval 	<p>Bidder may put "0" on the offer for contract year 2022.</p> <p>No.</p> <p>No. Start date of supply of BENECO cannot be moved since their existing contract would end on March 12, 2024.</p> <p>The start of delivery is upon the issuance of the Interim Relief or Provisional Authority.</p>

<p>Contracted Energy (MWh)</p>	<ul style="list-style-type: none"> • Can a Bidder opt to submit a bid proposal over a selected Contract Year and/or partial level of Contract Capacity and not for the total requirement and/or duration? 	<p>No.</p>
<p>Dependable Capacity</p>	<ul style="list-style-type: none"> • Does this refer to Section 12.3.2.ii of the Instruction to Bidders? 	<p>Yes.</p>
<p>Tariff Structure</p>	<ul style="list-style-type: none"> • This will be inconsistent with the Instructions to Bidder, ITB 13.2 item c. Currencies. Which provides: <i>“...Base Price may include local subcomponents expressed in PhP/kWh and foreign subcomponents expressed in USD/kWh. Other foreign currencies are considered unacceptable for this Transaction”</i> • Also inconsistent with ITB 25.2 containing USD/kWh components of the formula. • For Lot 2, single rate only? • For clarity, may the Bidders offer an indexed fuel instead of pass-through or fixed in line with the Instruction to Bidders? 	<p>Bidder can offer the foreign sub component but in USD/kWh only.</p> <p>Bidder can offer the foreign sub component but in USD/kWh only.</p> <p>Yes.</p> <p>Yes.</p>
<p>Outage Allowance per plant</p> <p>Equivalent Hours of Outages shall be calculated based on the actual capacity and duration that the Seller is unable to deliver power supply to Buyer.</p> <p><u>If actual outage hours is beyond the Allowed Outages, Seller shall</u></p>	<ul style="list-style-type: none"> • We would like to respectfully reiterate our appeal to amend this term and not to include on counting the number of facility outages when the supplier will be able to supply from third-party supplier/s at contract price. <p>We view that the above suggestion is in line with the overarching obligation of the supplier to delivery power Contract Price under the terms of the CSP.</p> <ul style="list-style-type: none"> • Please confirm that for outages beyond the allowed outage 	<p>The equivalent hours of outage shall be deducted in the outage allowance declared but no effect on the CUF computation.</p> <p>Yes.</p>

<p><u>be responsible for the difference between the actual price (including WESM) and contract price.</u></p> <p>Unutilized Equivalent Hours of Allowed Outages cannot be carried forward to subsequent Contract Years.</p> <p>The Allowed Outages shall not exceed 720 hours total for scheduled and unscheduled outage.</p> <p>List of scheduled outages shall be provided by the supplier as determined by the grid System Operator.</p> <p>On unscheduled outage, delay on return to service per pre-determined timeline by the EC and power provider will also have a penalty clause notwithstanding the provision on replacement power.</p>	<p>hours, settlement of Replacement Power (RP) will still be at contract price should the RP be lower or higher than contract price.</p> <p>We note that there is already a risk to the Supplier as it will solely absorb the cost of the replacement power, as well as the losses that it has to incur due to the facility's non-production.</p> <ul style="list-style-type: none"> • This is inconsistent with the provision under Replacement Power which states that: "When the Outage Allowance has been exceeded, the cost of the Replacement Power to be paid by the Buyer to the Supplier shall be based on the ERC-approved contract price." <p>Price differential between Contract Price and WESM price should only be used in case SELLER fails to supply Replacement Power during outages beyond the Outage Allowance</p> <ul style="list-style-type: none"> • We would like to confirm if the TPBAC / TWG is amenable to the total number of outages. • Do we need to submit this? This is not included in ITB Annex B: Checklist of Eligibility and Bid Requirements. If yes, under what folder and envelope do we include this? • We would like to propose to remove this provision. The pre-determined timeline for return to service of the plant may not always be accurate due to uncontrollable factors (unavailable parts, equipment, services, readiness of the transmission line, etc.,). 	<p><i>The provisions are consistent since both are being referred to outages in excess of the allowed outage allowance. For clarity, the buyer will pay the seller at contract price if the outage is beyond the allowable outages.</i></p> <p>Yes.</p> <p>This is included in PSA Section 4.6.4.</p> <p>No.</p>
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<p>In the event that the supplier fails to deliver scheduled contracted energy and the allowable unscheduled outage hours have already been exceeded, the supplier shall be charged a deficiency fee to be paid to the EC. This deficiency fee is separate from the price difference between the applicable WESM price and the contract price.</p>	<p>Please confirm that FM is not included in unscheduled outage.</p> <ul style="list-style-type: none"> • What is the computation of the deficiency fee? The price difference between the applicable WESM price and the contract price should suffice. • If the Bidder offers no outage allowance, 24 by 7 guaranteed supply except FM, will the deficiency fee still be applied? • How would the “deficiency fee” be calculated? What is its purpose? • Please confirm that in the event of excessive outage, the RP shall be paid at contract price and be counted as part of the delivery. Hence, Supplier is not subjected to a deficiency fee. • We respectfully suggest to have the outage allowance in accordance to ERC Resolution No. 10, Series of 2020 “A Resolution Adopting the Interim Reliability Performance Indices and Equivalent Outage Days Per Year of Generating Units”. 	<p>FM is not counted as unscheduled outage but included in the computation of Capacity Utilization Factor (CUF).</p> <p>The deficiency fee is equivalent to Php 50,000.00 per billing computed based on the administrative costs incurred by the ECs.</p> <p>Yes, the deficiency fee will still be applied.</p> <p>The deficiency fee is computed based on the administrative costs for the review of billing and settlements per outage occurrence.</p> <p>Deficiency fee is not applicable if Supplier will provide replacement power.</p> <p>We will retain the provision from the approved Terms of Reference.</p>
<p>Force Majeure</p>	<ul style="list-style-type: none"> • In case SELLER would want to offer supply during Force Majeure and BUYER accepts the offer, payment should be based on the actual cost of Replacement Power and not Contract Price nor WESM price • As regard “pandemic” may we suggest to put a qualifier on this in the PSA as follows: <i>“For the avoidance of doubt, and by agreement of the Parties, SARS-CoV-2 virus, otherwise known as Covid-19 shall not be considered as a pandemic under this Contract.”</i> 	<p>Contract price prevails if buyer accepts the offer.</p> <p>Yes, this is accepted.</p>

<p>Retail Competition and Open Access (RCOA)</p>	<ul style="list-style-type: none"> • Reduction in Contract Capacity owing to RCOA, GEOP, Renewable Energy Law or other Laws/Legal requirements should be applied “pro-rata” to all of Buyer’s contracted power suppliers. 	<p>Yes, as long as the other Power Supply Agreement provides the same provision.</p>
<p>Green Energy Option Program (GEOP)</p>	<ul style="list-style-type: none"> • Reduction in Contract Capacity owing to RCOA, GEOP, Renewable Energy Law or other Laws/Legal requirements should be applied “pro-rata” to all of Buyer’s contracted power suppliers. 	<p>Yes, as long as the other Power Supply Agreement provides the same provision.</p>
<p>Replacement Power</p> <p>“If the actual outage hours is within the Allowable Outage Hours and Seller declares an outage, Seller may supply, subject to Buyer’s approval...xxx”</p> <p>The Supplier shall be responsible to provide replacement power in the following cases, except for Force Majeure Events:</p> <p>a. During any delay of the Start of Delivery of Supply; and</p> <p>b. When its power plant is on scheduled or unscheduled outage to ensure continuity of supply in compliance with the cooperation period</p> <p><u>When the Outage Allowance has been exceeded, the cost of the Replacement Power to be paid by the Buyer to the Supplier shall be based on the ERC-approved contract price.</u> In case the Supplier provides Replacement Power, the positive difference of the actual Line Rental incurred and the expected Line Rental if power had come from the original power plant(s) specified in the Winning Bid of the Supplier shall be for the account of the supplier.</p>	<ul style="list-style-type: none"> • Kindly concur that during outages within the Outage Allowance, SELLER is not obligated to supply Replacement Power...but has the right to offer and subject to acceptance by the BUYER. • We would like to clarify if this provision requires the Supplier to provide replacement power during scheduled or unscheduled outage? • This is contrary to the provision of the Outage Allowance which allows 720 hours total for scheduled and unscheduled outage. • This is inconsistent with the provision under Outage allowance per plant which states that: <p><u>“If actual outage hours is beyond the Allowed Outages, Seller shall be responsible for the difference between the actual price (including WESM) and contract price.”</u></p>	<p>Yes.</p> <p>No. It is the option of the seller to provide Replacement Power during/within scheduled and unscheduled outage allowance.</p> <p><i>The provisions are consistent since both are being referred to outages in excess of the allowed outage allowance. For clarity, the buyer will pay the seller at contract price if the outage is beyond the allowable outages.</i></p>

<p>If the Supplier is able to provide Replacement Power in excess of their Outage Allowance, the Outage Hours shall still be counted, while the associated Energy shall be considered in the computation of the CUF</p>	<ul style="list-style-type: none"> • We would like to request to revise this provision to not consider the Outage Hours when the Supplier is able to provide Replacement Power in excess of their Outage Allowance since the Supplier fulfilled its obligations to the customer. 	<p>No.</p>
<p>Currency</p>	<ul style="list-style-type: none"> • This will be inconsistent with the Instructions to Bidder, ITB 13.2 item c. Currencies. Which provides: <i>"...Base Price may include local subcomponents expressed in PhP/kWh and foreign subcomponents expressed in USD/kWh. Other foreign currencies are considered unacceptable for this Transaction"</i> Also inconsistent with ITB 25.2 containing USD/kWh components of the formula. 	<p>Bidder can offer the foreign sub component but in USD/kWh only.</p>
<p>Regulatory Approvals</p>	<ul style="list-style-type: none"> • What do you mean by incremental difference? • Will the TPBAC consider good faith negotiation for the difference between the ERC approved rate and the contract rate? 	<p>The difference between Bid Price and ERC Approved tariff.</p> <p>No negotiation shall be made.</p>
<p>Penalties</p>	<ul style="list-style-type: none"> • Please explain the penalty for the cost of foregone revenue and surcharge. • We would like to request for the details of the penalties and details of the implementation of the penalties. • Will the TPBAC consider negotiating the terms and conditions of the PSA. 	<p><i>In cases when and where the Seller is on outage and as a result the Buyer was load dropped. The foregone revenue will be computed based on the DSM and RFSC rates of the Buyer multiplied by the energy curtailed.</i></p> <p>In cases when and where the Seller is on outage and as a result the Buyer was load dropped. The foregone revenue will be computed based on the DSM and RFSC rates of the Buyer multiplied by the energy curtailed.</p> <p>Yes it will be taken up during the PSA negotiation and as long as compliant and consistent to the TOR.</p>

<p>Eligibility Requirements</p>	<ul style="list-style-type: none"> • We suggest that the submission of at least one certificate electronically signed from a regulated entity be considered sufficient. 	<p>Bidders shall submit at least five (5) certifications from its existing most recent customers other than the R1+CAR+S1 ECs.</p>
<p>INSTRUCTION TO BIDDERS</p>		
<p>ITB-2 Definition of Terms</p> <p>Bid refers to the complete set of printed documents submitted by the Bidder in response to and in accordance with the Bidding Documents, including the <u>Eligibility Requirements (Legal Documents, Technical Documents, Financial Documents, and Class “B” Documents), the Technical and Financial Proposals, the Bid Security and the agreements and certifications required to be accomplished and submitted by the Bidder’s authorized representative, as well as the electronic (soft) copies of the Technical and Financial Proposals and scanned copies of the Bid Security and the Eligibility Requirements, all contained in a USB flash drive.</u></p> <p>Effective Capacity refers to the capacity of the power plant after applying the relevant capacity credit, which shall be considered firm capacity. For example, the effective capacity of a 20 MW hydroelectric power plant with 70% capacity credit is only 14 MW;</p>	<p>It was mentioned in ITB 17.3 that for the Technical and Financial Proposal <i>“The USB flash drive shall be placed in a sealed envelope marked <i>“Technical and Financial Proposal (Electronic Copy)”</i>”</i>. Do we need to submit a separate USB containing the scanned copy of the Eligibility Requirements (Legal Requirements) and the Bid Security? If yes, where do we place it?</p> <ul style="list-style-type: none"> • What is the purpose of the Capacity Credit? • What is the definition of capacity credit? • Is it the same concept with the Minimum Energy Off-Take? 	<p>No. The same USB Flash Drive shall contain with separate folders for a) Technical and Financial Proposal, and b) Bid Security and Eligibility.</p> <p>For purposes of Due Diligence. Stability of supply.</p> <p>Capacity credit refers to the expected available capacity of the power plant during peak, expressed as a percentage of the rated capacity. This is typically 100% for thermal power plants, and less than 100% for power plants that rely on intermittent sources such as variable renewable energy.</p> <p>Yes.</p>
<p>ITB-3 Transaction Design</p> <p>Section 3.5 - Pre-Bid Conference will be scheduled to discuss and clarify the Bidding Process, requirements, rules, and the evaluation methodology. <u>Bidders</u></p>	<ul style="list-style-type: none"> • We suggest that: <ul style="list-style-type: none"> a) all queries submitted by the Bidders, whether clarified or not during the Pre-Bid be resolved; and 	<p>The suggestion is noted.</p>

<p><u>may send to the JTPBAC, through the JTPBAC Secretariat, any and all inquiries, comments, and suggestions relative to the Information Memorandum (IM), the Instructions to Bidders (ITB) or any matter relevant to the Joint CSP. The JTPBAC will issue Bid Bulletins and the FITB, which shall be the final basis for the preparation of Bids. Bidders shall submit Bids in accordance with the FITB which will be issued after the last Pre-Bid Conference and before the Deadline for Submission of Bids.</u></p>	<p>b) the FITB be issued, at least ten (10) days prior to the submission of bids.</p> <ul style="list-style-type: none"> • Can we submit additional comments/clarifications after the Pre-Bid? If yes, until when can we send our queries? 	<p>No.</p>
<p>IT-4 Scope of Bid</p> <p>4.1. For the first year, the intended start date is October 26, 2022 or the soonest possible depending on the timeline of the Competitive Selection Process (CSP). Energy requirements for the first year will be adjusted accordingly.</p> <p>4.2. There shall only be one (1) Winning Bidder per lot. Each Winning Bidder shall enter into individual but identical Power Supply Agreements (PSAs) with each of the R1+CAR+S1 ECs.</p>	<ul style="list-style-type: none"> • What are the condition precedents to start the supply? • If the first contract year is shortened, will the TPBAC consider extending the contract period based on the delayed implementation. • Will there be a negotiation of the PSA with the Winning Bidder? Will the TPBAC consider the proposed provision of the winning bidder? • Can the bidders bid for a specific lot only? For example, a bidder will only bid for lot 2. • If there is one or no bidder for one lot, will the CSP for both lots be considered as failed bid? • It is clear in the Bidding Docs that a Bidder has a right to choose which Lot to Bid: Only Lot 1 or only Lot 2 or both Lots 1 and 2. But can a Bidder choose which Contract Year to join as it might depend on the availability of generation capacity of its nominated power plant/s? 	<p>Provisional Authority or interim relief or final approval.</p> <p>No.</p> <p>Yes. Provided that the Proposals of the winning bidder are compliant and consistent with the provisions in the TOR.</p> <p>Yes.</p> <p>No.</p> <p>No.</p>

<p>ITB-5 Transaction Schedule</p> <p>5.1 Table 2 Transaction Schedule</p>	<ul style="list-style-type: none"> • On the Transaction Schedule, when will be the target issuance of Bid Bulletins/Supplemental Bid Bulletins as well as the template of the supply contract/agreement? • We suggest for the TPBAC/TWG to consider a virtual Submission and Opening of Bids on 18 November 2022. • Will the JPBAC extend the deadline of submission of Bids and a conduct of another Pre-Bid Conference? • We respectfully suggest the following: <ol style="list-style-type: none"> 1. Plot the issuance of the Final Instruction to Bidders (“FITB”) and final bid bulletin in the CSP calendar to guide the bidders on their preparation and decision for the bid submission. 2. Revisit the Transaction Schedule to move the Bid Submission Date in order to accommodate further clarifications from bidders that would arise from the initial responses of the TPBAC to the Bidder’s comments 3. Should there be a 2nd round pre-bid conference, is the TPBAC amenable to move the CSP Schedule? 4. Suggest for the TPBAC’s consideration in accommodating additional queries after its issuance of the Final Instructions to Bidders. 	<p>Please refer to SBB No. 1</p> <p>Virtual submission will not be allowed.</p> <p>Please refer to SBB No. 1</p> <p>Please refer to SBB No. 1</p> <p>No.</p>
<p>ITB-7 Bidders’ Fees</p> <p>7.1. Table for Schedule of Bidder’s Fee</p>	<ul style="list-style-type: none"> • What is the timeline of the payment for the Winning Bidder’s Fee? • Is the winning bidder required to pay the total winning bidder's fee in one payment? 	<p>ITB 7.5 Upon Acceptance of Notice of Awards.</p> <p>Yes.</p>

	<ul style="list-style-type: none"> • Is there an option to pay the fee every contract year? • What is the rationale of the Winning Bidder's Fee? 	<p>None</p> <p>For the recovery of the administrative expenses for the conduct of CSP.</p>
<p>ITB-7 Bidders' Fees</p> <p>7.6 The winning bidder for Lot 1 shall pay Winning Bidders' Fee equivalent to Two Million Five Hundred Thousand Pesos (Php 2,500,000.00) while the winning bidder for Lot 2 shall pay Winning Bidders' Fee equivalent to Five Hundred Thousand Pesos (Php 500,000.00).</p>	<ul style="list-style-type: none"> • What is the basis and purpose of the Winning Bidder's Fee? • Please confirm that there is no Performance Bond which is usually the one replacing the Bid Security after the signing of the supply contract? • What is the purpose of Winning Bidder's Fee? 	<p>For the recovery of the administrative expenses for the conduct of CSP.</p> <p>There will be no Performance Bond to be required from the winning bidder.</p> <p>For the recovery of the administrative expenses for the conduct of CSP.</p>
<p>ITB-9 Pre-Bid Conference</p> <p>9.3. The JTPBAC will conduct at least one (1) Pre-Bid Conference</p>	<p>We respectfully suggest to set a 2nd Pre-bid conference to accommodate and address all the bidders' queries/clarifications before it issues the Final Instruction to Bidders, specifically on the discussion of the evaluation of bids.</p>	<p>Please refer to SBB No. 1</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.2.1. Department of Trade and Industry (DTI) business name registration or Securities and Exchange Commission (SEC) registration certificate, whichever may be appropriate under existing laws of the Philippines;</p>	<p>Bidder was not issued a Registration Certificate by SEC when it was established in 2007. Thus, in lieu of said requirement, the bidder requests that it be allowed to submit a copy of the certificate issued by the SEC approving its Articles of Partnership, as well as its original Articles of Partnership.</p>	<p>Yes.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.2.2 The Articles of Incorporation and By-Laws or a Memorandum of Association or Partnership duly certified by the relevant authorities, as may be applicable;</p>	<ul style="list-style-type: none"> • Bidder is a partnership and not a corporation. Can it submit the latest amended Articles of Partnership in lieu of Article of Incorporation and By-Laws? 	<p>Yes.</p>

	<ul style="list-style-type: none"> • We would like to clarify if this requirement pertains to the latest Articles of Incorporation and By-Laws? • Will the latest version suffice? 	<p>Yes.</p> <p>Yes.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.2.3. Valid and current Mayor's Permit</p>	<ul style="list-style-type: none"> • Bidder's principal address has been moved to other place. <p>Bidder did not renew its Business Permit (2022) on the original address due to the said transfer. On the other hand, Bidder is not required to obtain a business permit from the new address since it has an existing and valid Certificate of Registration with the Freeport Area, which is equivalent to a business permit.</p> <p>In light of the foregoing, can Bidder submit a letter of explanation for submission of its FAB Certificate of Registration in lieu of a business permit?</p> <p><u>Note: This submission is accepted by the TPBAC during the pre-bid conference held last October 24, 2022. Subject to the TPBAC's reconfirmation</u></p> <p>Also, this request was reconsidered in the SBB No. 3 during the first round CSP.</p> <p><i>There is no need to submit explanation.</i></p> <p><i>A PEZA Certificate of Registration may be submitted in lieu of the business permit issued by the LGU.</i></p> <p><i>Basis: PEZA Memorandum Circular No. 2004-24 which exempts PEZA-registered enterprises from having to secure all LGU permits which is, in turn, anchored on Sec.13 of RA 7916.</i></p>	<p>Yes, this is accepted.</p>

<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.2.6.c For IPP Administrators, a license as Wholesale Aggregator issued by the ERC or a certification that an application for license has already been filed and is under review by the ERC in case of new IPP administrators, and the IPPA contract or a letter from PSALM certifying the award of the IPP Contract</p>	<ul style="list-style-type: none"> • Would the IPPA letter from PSALM certifying the award of the IPP Contract and ERC COC suffice? IPP Administrator does not have a license as Wholesale Aggregator. 	<p>Yes.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.2.7.iii <u>A certification under oath from Bidder's responsible officers that the Bidder is free and clear of all tax liabilities with the government.</u></p>	<ul style="list-style-type: none"> • Please confirm that this is already covered by ITB Annex D-5. • Suggest to limit to tax liabilities as the requirement is in compliance to the Bidder's tax obligations 	<p>No, ITB Annex D-5 does not apply.</p> <p>Clearly limited to all tax liabilities with the government.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.3 Class "A: Documents (Technical Documents)</p>	<ul style="list-style-type: none"> • Are bidders allowed to use its own format for the requirements enumerated in Section 12.3? 	<p>Yes.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.3.2.vii. Number and average duration of scheduled and unscheduled outages for the last five (5) years, supported by a certification issued by NGCP System Operator or a letter-request for said certification if the certification is not yet available. The certification shall, however, be subsequently submitted prior to the signing of the PSA;</p>	<ul style="list-style-type: none"> • Would the GCMR submitted to ERC or MOR submitted to DOE suffice? • If the JTPBAC will consider the GCMR and MOR, does the Winning Bidder need to provide the certification from NGCP System Operator? • Can we submit our Generating Company Management Report (GCMR) which is submitted to ERC in lieu of this? • For new plants, can bidder submit the Monthly Operations Report (MOR) submitted to DOE as an alternative? 	<p>No since a letter-request will suffice if the certification is not yet available.</p>

	<p><u>Note: This submission is accepted by the TPBAC during the pre-bid conference held last October 24, 2022. Subject to the TPBAC's reconfirmation</u></p>	
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.3.3 Statement in matrix form of all wholesale customers/buyers (<u>DUs, Retail Electricity Suppliers (RESs) and Contestable Customers</u>) for the last three (3) years (from January 2019 to December 2021);</p> <p>The statement shall include the following information:</p> <p>i. Name and address of company</p> <p>ii. Telephone, cellphone and fax numbers, website URL, and e-mail address of the company</p> <p>iii. Name and position of authorized contact person(s)</p> <p>iv. Telephone and <u>cellphone number</u> and e-mail address of contact person(s)</p>	<ul style="list-style-type: none"> • Please confirm that item 3 refers to existing customers only. • May we suggest limiting the list to regulated distribution utility customers only. • Details of customers information might be subject to Data Privacy issues and Bidder cannot commit to obtain consent of customers. Available customer information in their respective official websites should be sufficient. • Non-regulated contracts are bound by confidentiality provisions. We cannot provide the required details since we will be breaching the confidentiality provisions. Requesting to allow submission of details for regulated customers (DUs) only. JTPBAC can conduct due diligence through the DU customers of the Bidders. • As mentioned during the pre-bid conference, that the bidder may submit limited information regarding its RES and Contestable Customers that are allowed under the Data-Privacy law. 	<p>This shall include existing and previous customers for the last three (3) years (from January 2019 to December 2021).</p> <p>If there is an existing confidentiality agreement relative to the foregoing information, provide said information only for regulated customers and the total volume (in MWh) for all other consumers.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.3.4. Statement in matrix form of quantities traded (sold and bought) from WESM for the last three (3) years (from January 2019 to December 2021)</p>	<p>We would like to know the purpose of this requirement.</p>	<p>For purposes of due diligence.</p>

<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.3.5. Certificate of Good Performance/Track Record with other customers</p>	<ul style="list-style-type: none"> • We would like to request to limit this to one certificate from regulated customers only. • For the TPBAC’s consideration if one or two Certificate of Good Performance/Track Record with customers will suffice this requirement. As stressed that at least one (1) we accepted in the past CSPs that the bidders participated. 	<p>Bidders shall submit at least five (5) certifications from its existing most recent customers other than the R1+CAR+S1 ECs.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.4.1. The Bidder’s audited financial statements, stamped “received” by the Bureau of Internal Revenue (BIR) or its duly accredited and authorized institutions, for the last three (3) years (from 2019 to 2021), showing, among others, the Bidder’s total and current assets and liabilities. A sworn statement of current assets and liabilities will be accepted in lieu of audited financial statements for Bidders that have been in existence for less than one fiscal year. Complete set of financial statement includes the following:</p> <p><i>i. Balance Sheet</i></p> <p><i>ii. Income Statement</i></p> <p><i>iii. Statement of Changes in Equity</i></p> <p><i>iv. Cash Flow Statement</i></p> <p><i>v. Notes to Financial Statement</i></p> <p><i>vi. Statement of Management Responsibility for Financial Statement</i></p> <p><i>vii. Financial Ratios indicating liquidity measurement ratio, debt ratio, profitability ratio and operating performance ratio</i></p> <p>If the 2021 AFS is not yet available, provide the third quarter ITR for the year 2021. However, submissions under this clause may be subjected to post-qualification.</p>	<ul style="list-style-type: none"> • Due to existing pandemic, the AFS for 2020 was submitted online through the BIR website instead of the usual physical submission. Can we submit the email confirmation from BIR proving submission of the AFS instead of a “stamped received” document? • We would like to request to limit this to 2021 AFS only. Based on other CSPs they only require the latest AFS of the bidders. • We would like to know the purpose of requiring the AFS of the last three years? • Will a BIR system-generated email with the Transaction Code suffice? <p><u>Note: This submission of a BIR system-generated email with Transaction Code is accepted by the TPBAC during the pre-bid conference held last October 24, 2022. Subject to the TPBAC’s reconfirmation</u></p> <ul style="list-style-type: none"> • For item 12.4.1.vii, the bidder does not include ratios in the audited financial statements, but we will provide a separate sheet if necessary. However, we would like to request what are the 	<p>Yes, but email should include the payment receipt.</p> <p>3 years (2019 to 2021)</p> <p>For purposes of due diligence.</p> <p>Yes</p> <p>Use Philippine Financial Reporting Standards (PFRS) as reference on this requirement.</p>

	specific and complete ratios you would like to see other than those that are indicated under vii of ITB-12.4	
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.5.1. A document containing the name, address and contact details, including telephone number/s, fax number/s and email address/es, of the Bidder and its authorized representative/s who will sign (a) the documents required in this Bid, and (b) the Power Supply Agreement (PSA);</p>	Is there a template to be provided for this requirement? Will a Secretary Certificate suffice for this requirement?	Yes, a Secretary's Certificate is accepted.
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.5.3. A letter authorizing the JTPBAC or its duly authorized representative/s to verify all of the documents submitted</p>	<ul style="list-style-type: none"> • Please confirm that this is already covered by ITB Annex D-3. • As confirmed during the Pre-Bid Conference, this is already covered under ITB D-3. Subject to the TPBAC's confirmation 	Yes, this is part of Annex D-3.
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.5.5. Certification Against Blacklisting and Graft and Corrupt Practices in the form provided in ITB-Annex-D5;</p>	<ul style="list-style-type: none"> • ITB-Annex-D5 was already part of Class "A" (Legal Documents). We would like to clarify if we need to submit another ITB-Annex-D5 for Class "B" Documents 	Yes, submit copies of ITB-Annex-D5 both for Class "A" Documents and Class "B" Documents.
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.5.8. Any other documents, in support of documents already submitted, that may be required by the JTPBAC during post qualification.</p>	<ul style="list-style-type: none"> • What are these documents to be submitted? • We would like to confirm that this is not required to be submitted by the bidder on the submission of bid, but rather a post-qualification requirement 	<p>Related documents that may be required during post qualification.</p> <p>Yes.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.6. The Bidder shall indicate "N/A" for requirements that are</p>	Will a cover letter explaining the non-applicability of a specific	Yes, indicate the reasons for all the items marked as "N/A".


<p>not applicable to it, as well as the reason therefore.</p>	<p>requirement suffice?</p>	
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.8. Failure to submit all the requirements provided in ITB-6 and in this ITB-12 shall be a ground for rejection of the Bid and the disqualification of the Bidder.</p>	<ul style="list-style-type: none"> • The requirements in ITB-12 includes the requirements in ITB-6. Do we still need to submit the requirements in ITB-12 and ITB-6 separately? • Aside from ITB-Annex-D4, what documents are needed to comply with ITB-6? 	<p>Submission of requirements in accordance of ITB-12 will suffice.</p> <p>Documents needed to comply with ITB-6 are included in the requirements specified under ITB-12.</p>
<p>ITB-12 Legal, Technical and Financial Documents</p> <p>12.10. The Bidder may submit copies of the documents certified true and correct by the person who has custody of the original document. However, the Bidder shall present the original if and when so required by the JTPBAC</p>	<ul style="list-style-type: none"> • We suggest that any of the Authorized Representatives of the Bidder should be allowed to certify documents as true and correct copies of the originals for submission. • We suggest that for purposes of certifying documents, only first page of each document be signed by the Custodian/Authorized Representative. • Does this mean that document custodians can certify that the documents are true and correct copies even if their names did not appear in the Secretary's Certificate? • Please confirm that certified true copy by internal custodian is acceptable as mentioned in ITB 12.10. • Certified true copy each page? Or 1st & last page only? • We respectfully suggest allowing the documents to be certified as a true copy by either of the following: <ul style="list-style-type: none"> a. Internal department owning the document; b. Representatives authorized by the 	<p>Yes, any of the authorized representative of the bidder indicated in the Secretary's Certificate.</p> <p>Refer to ITB-17.4.</p> <p>Refer to ITB-17.1.</p> <p>Yes.</p> <p>Each page.</p> <p>The one to certify a document as Certified True Copy is the custodian of the original document.</p>

	management to certify the documents in accordance to the Secretary Certificate submitted by the bidder; or Issuing agency																			
ITB-13 Technical and Financial Proposal 13.1. The Bidder shall submit its Technical and Financial Proposal to supply the short-term (2022-2025) baseload demand requirements of the R1+CAR+S1 ECs.	<ul style="list-style-type: none"> We would like to confirm if this pertains to Annex C-1. 	Yes.																		
ITB-13 Technical and Financial Proposal 13.2.a. <i>Reference month and year.</i> The Base Price shall have components based on reference prices for August 2022; that is, these price components would have constituted the actual power purchase price had power been delivered in September 2021.	<ul style="list-style-type: none"> For uniformity of evaluation, we would like to request for the actual indices (RPCPI, USCPI, NEWC, FOREX, etc.,) for September 2021 since the ITB requires that these price components would have constituted the actual power purchase price had power been delivered in September 2021 	August 2022 data <table border="1"> <tr> <td>PHCPI_o</td> <td>=</td> <td>116.3</td> </tr> <tr> <td>NCRCPI_o</td> <td>=</td> <td>113.3</td> </tr> <tr> <td>LWPI-MGCM_o</td> <td>=</td> <td>No data yet</td> </tr> <tr> <td>LWPI-MTE_o</td> <td>=</td> <td>No data yet</td> </tr> <tr> <td>USCPI_o</td> <td>=</td> <td>135.82</td> </tr> <tr> <td>USPPI-CE_o</td> <td>=</td> <td>204.99</td> </tr> </table>	PHCPI _o	=	116.3	NCRCPI _o	=	113.3	LWPI-MGCM _o	=	No data yet	LWPI-MTE _o	=	No data yet	USCPI _o	=	135.82	USPPI-CE _o	=	204.99
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USPPI-CE _o	=	204.99																		
ITB-13 Technical and Financial Proposal 13.2.d. Table A. Reference Fuel Prices	<ul style="list-style-type: none"> Can a Bidder utilize coal Index based on GlobalCoal Newcastle postings and not from the Federal Reserve Economic Data due to a significant difference in posted levels. For Aug2022, GC NEWC is only USD434.02/MT way lower than the USD447.45/MT as indicated in Table A. The ITB indicates reference for fuel prices coal, oil and crude. Are these the base CIF for PSA execution? Coal CIF base in this section is different from the CIF in the PSA Annex B. Which reference is final? 	We stick to the USD447.45/MT as base price. Yes. USD447.45/MT																		

<p>ITB-13 Technical and Financial Proposal</p> <p>13.2.e.iv. Variable Cost No. 2, as a whole or in part as specified in the Bid, is allowed to be indexed only to the fuel reference market applicable to that fuel.</p>	<ul style="list-style-type: none"> • Since fuel reference market is in foreign currency? Are the Bidders allowed to use FOREX indexation? 	<p>No Forex indexation is allowed, actual Forex is the basis.</p>
<p>ITB-13 Technical and Financial Proposal</p> <p>13.2.i. Dispatch type. For this Transaction, the proposed power supply shall be dispatched with Capacity Utilization Factors (CUF) between 70% and 100%. To be clear, the minimum nomination for each Trading Interval shall be 50% of the difference between the Contracted Capacity and the demand on outage</p>	<ul style="list-style-type: none"> • Please clarify that BUYER is committed to utilize the Contract Capacity no lower than 70% CUF on a monthly basis subject to 50% minimum hourly nomination. • Please confirm that the Monthly Minimum Energy Off-Take (MEOT) for this CSP is 70% while the minimum nomination per Trading Interval is 50% of the Contract Capacity and Energy. • Will the TPBAC allow the winning bidder to charge the Minimum Energy Charge if the CUF for the Billing Period is below 70%? 	<p>Yes.</p> <p>Yes.</p> <p>No.</p>
<p>ITB-13 Technical and Financial Proposal</p> <p>13.3. The Transaction will NOT consider any performance-based discounts, such as prompt payment discounts, in the evaluation of Bids.</p>	<ul style="list-style-type: none"> • For clarity, a discount to be offered by the Bidders will have no effect in any part of the evaluation of Bids? • We would like to propose to include the discount in the evaluation of the lowest calculated bid. 	<p>Yes.</p> <p>No.</p>
<p>ITB-14 Bid Security</p> <p>14.1. The Bidder shall furnish, as part of the Bid, a Bid Security with the amount provided in Table 6 in favor of Pangasinan I Electric Cooperative (PANELCO I) for and in behalf of the R1+CAR+S1 ECs.</p>	<ul style="list-style-type: none"> • How were the levels of Bid Security computed? • Does the Bidders need to provide a Bid Security per Contract Year or just one Bid Security containing the total amount from 2022-2025? 	<p>The Bid Security is based on the 2% of the projected annual generation cost of each contract year.</p> <p>No. One Bid Security per lot.</p>

	<ul style="list-style-type: none"> • Do we still need to provide the amount of the Bid Security for the year 2022 if the actual supply date would be on December 25, 2022 or upon ERC approval? • We would like to request for the total Bid Security to be posted for Lot 1 and for Lot 2. • Since this is now Lot 1 and Lot 2, can we just have bid security for each lots instead of posting it annually? • As mentioned during the Pre-bid conference and as indicated in the Minutes of the Meeting. <u>The Total Bid Security for Lot 1 amounts to PhP167,013,374.43 while for Lot 2 amounts to PhP32,026,400.00 respectively.</u> <p>When the bidder asked about the rationale of the amounts. The TPBAC formulated the amounts as 2% of the total annual generation cost for the entire contract. The bidder also reiterates its request for TPBAC to consider having these computations based on 2% of the monthly generation cost. Also, we would also like to note that this request has been accommodated by the past CSP/s of which the bidder participated.</p> <ul style="list-style-type: none"> • Please clarify if we will furnish one (1) Bid Security for the lumpsum amount? Or should we furnish Four (4) Bid Security (per Contract Year)? 	<p>No.</p> <p>See amendment on the following section.</p> <p>Per lot not annually.</p> <p>Updated Bid Security Lot 1: 174,750,733.77 Lot 2: 17,171,600.00</p> <p>Stick to the 2% of the total annual generation cost.</p> <p>1 Bid Security per lot.</p>
<p>ITB-14 Bid Security</p> <p>14.2. The Bid Security shall be in any of the following forms:</p> <p>a) Cashier's, Manager's or certified check;</p> <p>b) <u>Irrevocable or Stand By Letter of Credit;</u></p> <p>c) Bank Guarantee; and</p> <p>d) Surety bond from bonding companies accredited the JTPBAC.</p>	<ul style="list-style-type: none"> • Please provide list of banks accredited/acceptable for SBLC 	<p>Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), Banco de Oro (BDO), Bank of the Philippine Island (BPI), Metropolitan Bank & Trust Company (MBTC) and other major commercial banks.</p>

<p>ITB-14 Bid Security</p> <p>14.3. The Bid Security shall be valid for a period of at least one hundred twenty (120) days, and shall be renewed every thirty (30) days until the Application for the Approval of the PSA is jointly filed with the ERC</p>	<ul style="list-style-type: none"> • When is the start and end of validity of the Bid Security based on the 120 days requirement? 	<p>Start is the date of receipt of Bid Security and ends after 120 days.</p>
<p>ITB-17 Format and Signing of Bid</p> <p>17.1 The Bidder shall provide three (3) copies of its Bid: one original and two (2) photocopies. The Bid shall be printed or written in indelible ink. The first and last pages of each submitted document and all pages and all portions of the pages where corrections and amendments have been made shall be signed by the Bidder's authorized representative.</p>	<ul style="list-style-type: none"> • For clarity, Bidders do not need to sign each and every page of the Bids? • How about the Certified True Copies (CTC), are the Bidders required to CTC each and every page? Sample document is the AFS. • Does the authorized representative need also to sign the Bid Security? Signing the Bid Security might invalidate the document. • Will the TPBAC consider one original and one photocopy only? 	<p>Yes.</p> <p>Each page.</p> <p>The photocopy of the Bid Security must be signed by the authorized representative.</p> <p>Please refer to ITB 17.1</p>
<p>ITB-17 Format and Signing of Bid</p> <p>17.3 The Technical and Financial Proposal shall be encoded using the template of either Bid Form 1A (for a firm price offer) or Bid Form 1B (for an indexed price offer) in a templated MS Excel file with filename R1+CAR+S1 Bid_ProposalName_of_Bidder.xls and saved in a USB flash drive provided by the Bidder. The data entries in the Excel file shall be password-protected by the Bidder to prevent inadvertent modification of the Bid. The USB flash drive shall be placed in a sealed envelope marked "Technical and Financial Proposal (Electronic Copy)".</p>	<ul style="list-style-type: none"> • We would like to request for the excel file of the bid form for the offer. 	<p>To be sent by JTPBAC Secretariat.</p>

<p>ITB-23 Modification and Withdrawal of Bids</p> <p>23.2 A Bidder may, through a Letter of Withdrawal, withdraw its Bid after it has been submitted, for valid and justifiable reasons; provided that the Letter of Withdrawal is received by the JTPBAC prior to the deadline prescribed for submission and receipt of Bids.</p>	<ul style="list-style-type: none"> • If the Bidder withdraws in the CSP before the deadline of submission of Bids, will the JTPBAC allow the Bidder to witness and observe the Bid Opening? If the Bidder was disqualified during the opening of Bids, will the JTPBAC allow the Bidder to witness and observe the rest of Bid Opening? 	<p>Yes.</p>																																																							
<p>ITB-25 Detailed Evaluation and Comparison of Bids</p> <p>25.4. Table E</p>	<ul style="list-style-type: none"> • What are the basis of the Fuel Inflation Factors shown in Table E? They seemed to be significantly HIGH. Sample: for CY2023, a 123.10% of USD447.45/MT is at 550.08/MT. There has never been any forecast that high to-date. For Sep2022, GC NEWC actual posted index in only USD434.02/MT and is projected to go down further below USD400.00/MT mark going into CY2023 <p>Copy-pasted below is the latest GC NEWC Forecast as of 24 Oct 2022:</p> <p>globalCOAL Coal Market Report: 24_10_2022</p>  <p>The screenshot shows an email from coalreport@globalcoal.com with a table of coal market data. The table has columns for Bid, Offer, Mid, and Change. The data is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Bid</th> <th>Offer</th> <th>Mid</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Oct22</td> <td>391.75</td> <td>392.25</td> <td>392.00</td> <td>2.00</td> </tr> <tr> <td>Nov22</td> <td>382.75</td> <td>383.25</td> <td>383.00</td> <td>-11.00</td> </tr> <tr> <td>Dec22</td> <td>385.75</td> <td>386.25</td> <td>386.00</td> <td>-11.00</td> </tr> <tr> <td>Jan23</td> <td>380.25</td> <td>380.75</td> <td>380.50</td> <td>-6.50</td> </tr> <tr> <td>Q422</td> <td>386.75</td> <td>387.25</td> <td>387.00</td> <td>-6.65</td> </tr> <tr> <td>Q1'23</td> <td>372.75</td> <td>373.25</td> <td>373.00</td> <td>-4.65</td> </tr> <tr> <td>Q223</td> <td>339.75</td> <td>340.25</td> <td>340.00</td> <td>-3.65</td> </tr> <tr> <td>Q323</td> <td>321.75</td> <td>322.25</td> <td>322.00</td> <td>-3.65</td> </tr> <tr> <td>CAL-23</td> <td>336.75</td> <td>337.25</td> <td>337.00</td> <td>-4.00</td> </tr> <tr> <td>CAL-24</td> <td>291.75</td> <td>292.25</td> <td>292.00</td> <td>-4.00</td> </tr> </tbody> </table>		Bid	Offer	Mid	Change	Oct22	391.75	392.25	392.00	2.00	Nov22	382.75	383.25	383.00	-11.00	Dec22	385.75	386.25	386.00	-11.00	Jan23	380.25	380.75	380.50	-6.50	Q422	386.75	387.25	387.00	-6.65	Q1'23	372.75	373.25	373.00	-4.65	Q223	339.75	340.25	340.00	-3.65	Q323	321.75	322.25	322.00	-3.65	CAL-23	336.75	337.25	337.00	-4.00	CAL-24	291.75	292.25	292.00	-4.00	<p>See amendment on the following section.</p>
	Bid	Offer	Mid	Change																																																					
Oct22	391.75	392.25	392.00	2.00																																																					
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<p>ITB-25 Detailed Evaluation and Comparison of Bids</p> <p>25.7 Effects of VAT. The applicable VAT rates is dependent on the type of energy source, in</p>	<ul style="list-style-type: none"> • To clarify, will the VAT be included in the evaluation of the Effective Price? 	<p>Yes, the evaluation will be based on the levelized cost of electricity which includes the effect of VAT.</p>																																																							

<p>particular, whether or not it is eligible for zero-rated VAT under RA 9513. Table G shows the applicable VAT rates for the various energy source categories to be used in the evaluation of Bids</p>		
<p>ITB-26 Selection of Bidder(s) with Lowest Calculated Bid(s)</p> <p>26.1 ... The Bidder with the next-ranking LCBs will be selected until the total aggregated baseload demand requirement of the R1+CAR+S1 ECs for each Contract Period is satisfied. The capacity to be contracted with the Bidder with the marginal LCB (that is, the last or the highest LCB to be considered) shall be less than or equal to the capacity required to satisfy the total aggregated baseload demand requirement for each Contract Period.</p>	<ul style="list-style-type: none"> • Can we request an excel file of the evaluation form for reference. • To clarify, can the Bidder bid a lower capacity for each Lot? This is contrary to the provision in the Invitation to Bid which states that “where there shall only be one (1) winning bidder per lot...” 	<p>No. We shall only provide the bid form.</p> <p>No. There shall only be one winning bidder per lot.</p>
<p>ITB-30 PSA Negotiation and Signing of the Contract</p> <p>Section 30.1. Within ten (10) calendar days upon the receipt of the Award, the Winning Bidder/s shall submit to the JTPBAC all other documentary requirements for the PSA</p>	<ul style="list-style-type: none"> • The timeline in Section 29.2 is not consistent with the period in Section 30.1. Kindly clarify. • What are the other documentary requirements needed for the PSA? 	<p>Section 29.2 refers to the acknowledgment and signing of the Notice of Award while Section 30.1 refers to the submission of other documents required by the JTPBAC for the PSA.</p> <p>To be determined during the PSA negotiation. We will provide the ERC checklist.</p>
<p>ITB-31 Notice to Proceed and ERC Filing</p> <p>31.1 Within seven (7) calendar days from the signing and execution of the PSAs, the Joint CSP Board shall issue the Notice to Proceed.</p> <p>Within thirty (30) calendar days from acceptance of the Notice to Proceed, and in accordance with the rules governing the filing and approval of PSAs, the R1+CAR+S1 ECs and the Winning Bidder/s shall commence (through a pre-filing conference) and complete the</p>	<ul style="list-style-type: none"> • In accordance with the 2021 DOE CSP Rules, PSA should be filed within 30 calendar days upon signing of the PSA. Hence, we would like to suggest to align item 31.1 with the 2021 DOE CSP Rules. 	<p>Amendment:</p> <p>31.1 Within seven (7) calendar days from the signing and execution of the PSAs, the Joint CSP Board shall issue the Notice to Proceed.</p> <p>Within thirty (30) calendar days from the signing and execution of PSA,</p>

<p>joint filing with the ERC of the Application for the approval of PSA. <u>Failure and/or refusal of the Winning Bidder to jointly file the Application shall be a ground for the forfeiture of the Bid Security.</u></p>		
<p>ITB-34 Failure of Bidding</p>	<ul style="list-style-type: none"> As mentioned during the Pre-Bid Conference, the TPBAC considers this 2nd round CSP as first round since they separated the baseload and RE Requirements. Seeking for DOE's confirmation if this is considered as 2nd round or 1st round. 	<p>This is considered as 2nd round of the Joint CSP.</p>
<p>ITB-40 Acceptance of Criteria and Waiver of Rights to Enjoin</p> <p>40.1 In addition to the above, the Bidder shall be required to submit, as part of its qualification documents, a statement stipulating that the Bidder: (i) has accepted the qualification criteria stipulated herein; and (ii) waives any right it may have to seek and obtain a writ of injunction or prohibition or restraining order against R1+CAR+S1 ECs and the JTPBAC to prevent or restrain the qualification proceedings related thereto, the award of the contract to a successful bidder, and the carrying out of the awarded contract. Such waiver shall, however be, without prejudice to the right of a disqualified or losing Bidder to question the lawfulness of its disqualification or the rejection of its Bid by appropriate administrative or judicial processes not involving the issuance of a writ of injunction or prohibition or restraining order</p>	<ul style="list-style-type: none"> Is this requirement included in the Annexes or checklist provided in the Instruction to Bidders? 	<p>We will include this on the Checklist of Eligibility and Bid Requirements for evaluation.</p>
<p>ITB Annex B: Checklist of Eligibility and Bid Requirements</p>	<ul style="list-style-type: none"> Please confirm that this checklist of Eligibility and Bid Requirements is the final list. 	<p>Yes, including the requirement under ITB 40.1</p>
<p>ITB Annex C: Proposal Forms</p> <p>ITB Annex C-1: Bid Forms 1A and 1B</p>	<ul style="list-style-type: none"> We would like to request for the excel file of this Annex. 	<p>To be sent by the TPBAC Secretariat.</p>

<p>ITB Annex D</p> <p>ITB Annex D-1 ITB Annex D-2 ITB Annex D-3 ITB Annex D-4 ITB Annex D-5</p> <p>ITB Annex D-5 Certification against Blacklisting and Graft and Corrupt Practices</p>	<ul style="list-style-type: none"> • We would like to request for the editable file of these Annexes. • Will Bidders be allowed to propose adjustments and edits to the templates? <p>Paragraph 3(a) - Can we carve out "except for those contested in good faith in appropriate proceedings"?</p>	<p>Yes, to be sent by the TPBAC Secretariat.</p> <p>No</p> <p>This statement is not included in ITB Annex D-5 Paragraph 3(a)</p>
<p>DRAFT POWER SUPPLY AGREEMENT (PSA) TEMPLATE</p>		
<p>Section 1. Definitions of Terms and Interpretations</p> <p>g. Conditional Approval shall have the meaning ascribed to such term in Section 15.21;</p>	<ul style="list-style-type: none"> • Proposed Revision: "Conditional Approval" shall have the meaning ascribed to such term in Section 15.10.2 	
<p>Section 1. Definitions of Terms and Interpretations</p> <p>w. ERC Approval refers to the approval of the ERC of the terms and conditions of this Agreement, including the pricing structure as set out herein;</p>	<ul style="list-style-type: none"> • Suggestion to revise into: ERC Approval refers to the provisional approval/authority, interim relief, or decision issued by the ERC on the application jointly filed by Parties seeking for approval of the terms and conditions of this Agreement, including the pricing structure as set out herein 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 3. Effectivity and Term of Agreement</p> <p>3.2 Except as otherwise provided under this Agreement, the obligation of SELLER to sell and deliver the Contracted Capacity and associated energy, including the Renewable Energy Requirement, and the obligation of BUYER to accept and pay for the same, in accordance with this Agreement shall commence on the Delivery Date.</p>	<ul style="list-style-type: none"> • Portions of the PSA should be accordingly revised particularly those covering both Baseload supply and the RPS as the SELLER (Winning Bidder) might have joined only Lot 1 (Baseload) or Lot 2 (RPS) and not both. 	

<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.1 SELLER shall, from the Delivery Date and up to the end of the Term, make available, sell and deliver, or cause to be delivered, to BUYER the Contracted Capacity and associated energy, including the Renewable Energy Requirement, in accordance with Annex "A" at the respective Point of Delivery per source of supply.</p>	<ul style="list-style-type: none"> • We would like to confirm that the winning bidder of Lot 1 is not mandated to supply the RE requirement. • We note that as mentioned in ITB 4.3, there shall be 1 winning bidder per lot 	
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.4 Except for interruption and/or reduction due to: (a) any Event of Force Majeure affecting SELLER and/or SELLER's Supplier, or (b) other causes, including safety, as may be provided by Applicable Laws affecting SELLER and/or SELLER's Supplier, SELLER shall, at all times, make available to BUYER the Contracted Capacity and associated energy.</p>	<ul style="list-style-type: none"> • This is inconsistent with the intent of the CSP as regards supply requirement. Section 4.4 provides that SELLER shall at ALL TIMES make available to the BUYER (except during FM) the Contracted Capacity and Associated Energy. It was clearly explained in the Pre-Bid Conference that the SELLER is excused from its obligation to supply during outages within the Outage Allowance. 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>Item 4.5. Renewable Energy Requirement</p> <p>4.5.2 vis-a-vis 4.5.3; 4.6.9 vis-a-vis 4.6.10</p>	<ul style="list-style-type: none"> • The entire Section 4.5 on RE Requirement should be deleted in case the Winning Bidder would only bid for Lot 1 (Baseload requirements). • We would like to confirm that the winning bidder of Lot 1 is not mandated to supply the RE requirement. <p>We note that as mentioned in ITB 4.3, there shall be 1 winning bidder per lot</p> <p>Why is the treatment between RECs from RE generators different from RECs of non-RE suppliers such that one is chargeable to buyer and another is not?</p>	

<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.6.5 In the event of an Unscheduled Outage, SELLER and BUYER shall agree on a timeline for return to service. Any delay thereon shall be subject to a penalty equivalent to _____, notwithstanding that SELLER shall procure Replacement Power for BUYER.</p>	<ul style="list-style-type: none"> • If actual unscheduled outage, whether in accordance with projected timeline of outage, is still within the Outage Allowance, SELLER should not be required to procure Replacement Power and specially should not be PENALIZED. What is the purpose of the penalty if outage is within Outage Allowance? • Please clarify the rationale of this since the seller are already required to provide RP even within its outage allowance to avoid any deficiency fee to be charged by the EC. 	
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.6.6 If SELLER exceeds its Unscheduled Outage Allowance, SELLER shall pay BUYER a penalty equivalent to _____.</p>	<ul style="list-style-type: none"> • Please clarify the rationale of this since the seller are already required to provide RP even within its outage allowance to avoid any deficiency fee to be charged by the EC. • How much is the penalty in Php/kWh? 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.6.7 SELLER shall pay BUYER a deficiency fee of PHP 50,000 for any billing period in which any of the following conditions occur: (a) SELLER has exceeded its Scheduled Outage Allowance and undertakes a Scheduled Outage; and/or (b) SELLER has exceeded its Unscheduled Outage Allowance and experiences an Unscheduled Outage. This deficiency fee is separate and distinct from, and shall be exclusive of, the difference between the applicable WESM price and the Contract Price.</p>	<ul style="list-style-type: none"> • What is the calculation basis, rationale and legal precedence of the PHP50,000 penalty? • If SELLER would be able to supply Replacement Power during outages beyond the Outage Allowance, payment shall be based strictly on Contract Price (pursuant to the CSP Bidding Documents and as clearly explained during the Pre-Bid). Price difference between WESM and Contract Price shall only apply if SELLER fails to supply Replacement Power 	

	<p>during outages beyond Outage Allowance.</p> <ul style="list-style-type: none"> • Please clarify the rationale of this since the seller are already required to provide RP even within its outage allowance to avoid any deficiency fee to be charged by the EC. 	
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.6.9 If SELLER shall provide RECs using RPS-eligible RE generating facilities, then the entire equivalent RECs shall be provided to BUYER at no extra cost.</p> <p>4.6.10 If SELLER shall purchase RECs from the RE Market, then the equivalent RECs shall be provided to BUYER at the agreed upon REC rate. BUYER may refuse RECs so obtained/delivered if the same shall have the effect of exceeding BUYER's committed RPS requirement or obligations under Applicable Laws.</p> <p>4.6.11 If SELLER shall provide RECs through a combination of the two aforementioned modes described above, then the applicable provision shall apply. BUYER may refuse RECs so obtained/delivered if the same shall have the effect of exceeding BUYER's committed RPS requirement or obligations under Applicable Laws.</p>	<p>Requesting to clarify if stated provision can be limited to lot 2 of the bid.</p> <p>Requesting to clarify if stated provision can be limited to lot 2 of the bid.</p> <p>Requesting to clarify if stated provision can be limited to lot 2 of the bid</p>	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.7.1 SELLER shall be responsible to provide Replacement Power in the following cases, except for Events of Force Majeure:</p> <p>a) During any delay of the Start of Delivery of Supply; or</p> <p>b) When SELLER's Plant is on Scheduled Outage or Unscheduled Outage to ensure continuity of supply in compliance with the cooperation period.</p>	<p>This is inconsistent with the intent of the CSP as regards supply requirement. It was clearly explained in the Pre-Bid Conference that the SELLER is excused from its obligation to supply during outages within the Outage Allowance. It was also mentioned in the TOR that "during Outages, Seller may offer to supply subject to Buyer's acceptance"</p> <p>The exception should read "except</p>	

	for circumstances enumerated in 4.4", not just except for Events of Force Majeure	
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.7.2 When the Scheduled Outage Allowance or Unscheduled Outage Allowance has been exceeded, the cost of the Replacement Power to be paid by BUYER to SELLER shall be based on the ERC-approved contract price. In case SELLER provides Replacement Power, the positive difference of the actual Line Rental incurred and the expected Line Rental if power had come from the original power plant(s) specified in the Winning Bid of SELLER shall be for the account of SELLER. Replacement Power sourced from renewable sources shall not be subject to VAT</p>	<p>Replacement Power is to be paid by the BUYER at <u>ERC-approved contract price</u> during outages beyond Outage Allowance. Thus, VAT impact should not be an issue. It should not matter whether the SELLER source supply from an RE or from a conventional plant.</p>	
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.9.1 Subject to Applicable Laws, BUYER may be allowed to increase the Contracted Capacity at the same rates provided in this Agreement subject to: (a) Technical Limits of the Plant, constraints relating to transmission lines, substations and other facilities, (b) availability of capacity of SELLER that may be utilized to serve the increase in Contracted Capacity, and (c) such other terms and conditions as the Parties may agree upon.</p> <p>4.9.2 BUYER shall notify NGCP regarding the increase in its power requirements</p>	<ul style="list-style-type: none"> • Requesting to clarify if increase in capacity is subject to another CSP as required by the DOE. • Please confirm that the increase shall be filed to the ERC for approval. <p>Is the NGCP notification required by NGCP for any request of contracted capacity to the Seller?</p>	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.10.2. The amount of reduction in Contracted Capacity that BUYER shall be entitled to under Sec. 4.9 (a) shall be as follows: a) If BUYER's Contestable Customer procures electricity from SELLER, BUYER shall be entitled to a reduction in the Contracted</p>	<ul style="list-style-type: none"> • Please clarify "any other supplier who does not supply electricity to Buyer". Does this mean any supplier who is not a current supplier? • Does this apply to affiliates of current suppliers? 	

<p>Capacity and associated energy equivalent to the contracted capacity (in kW) of such BUYER's Contestable Customer with the SELLER; and b) If BUYER's Contestable Customer procures electricity from any other supplier who does not supply electricity to BUYER, BUYER shall be entitled to a reduction in the Contracted Capacity and associated energy equivalent to the average monthly load demand (in kW) of such BUYER's Contestable Customer for the last twelve (12) months prior to the reduction of Contracted Capacity, multiplied by the proportion of the associated energy to the equivalent energy (as substantiated by documentation) of the aggregate capacity contracted by BUYER with all of its suppliers of electric power (including SELLER). In each of the cases referred to above, the reduction in the Contracted Capacity and associated energy shall take effect at the later of (i) _____ days after receipt by SELLER of the written notice from BUYER of BUYER's availment of a reduction in the Contracted Capacity, or (ii) the effectivity of transfer of BUYER's Contestable Customer to another supplier</p>		<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 4. Supply of Contracted Capacity and Contracted Energy</p> <p>4.10.10. For the avoidance of doubt, BUYER shall not be entitled to any reduction in the Contracted Capacity and associated energy in the event that BUYER's Contestable Customer procures electricity from any of BUYER's suppliers of electricity other than SELLER</p>	<ul style="list-style-type: none"> • Does this cover affiliates of Buyer's current suppliers of electricity? 	
<p>Section 7. Security Deposit</p> <p>7.2 Form and Time of Posting The Security Deposit shall be in the form of cash or electronic fund transfer, cash bond, manager's or cashier's check, bank certified check, irrevocable stand-by letter</p>	<ul style="list-style-type: none"> • "All costs and interests earned by the Security Deposit (if posted in cash) shall be for the account of BUYER" 	

<p>of credit or bank guarantee callable on demand issued by a reputable financial institution acceptable to SELLER, or any other form of security acceptable to SELLER, including an escrow account to be administered by any reputable Philippine bank acceptable to SELLER. All costs and interests earned by the Security Deposit shall be for the account of BUYER.</p>		
<p>Section 10. Limitations on Liability</p> <p>10.3 Notwithstanding anything to the contrary under this Agreement, the liability of SELLER to BUYER for breach of contract, negligent or intentional act or omission or otherwise under any theory of recovery, whether based in contract, in tort (including negligence and strict liability), under warranty, indemnity or otherwise, shall not exceed Twenty Million Pesos (Php20,000,000.00) during the Term of this Agreement. The limitation on the liability of SELLER under this Section 10.3 shall not apply to any loss or damage suffered by BUYER arising out of the willful misconduct or gross negligence of SELLER.</p>	<ul style="list-style-type: none"> • May we know the rationale behind the cap of P20M? • We suggest to limit the liability to the direct actual damages only. 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 11. Force Majeure</p> <p>11.2 (g) any System Emergency or Transmission Failure that may affect the delivery by SELLER, or acceptance by BUYER, of power (except if due to the act or omission of the party seeking to claim an Event of Force Majeure, unless otherwise due to an Event of Force Majeure);</p>	<ul style="list-style-type: none"> • We would like to confirm whether a Winning Bidder is allowed to propose revisions to Section 11. • Please see our comments in the following Sections: <p>Sec. 11.2 We note that the list of Events of Force Majeure is not exclusive, however, we would like to propose the inclusion of the inability of the Seller to purchase electricity for delivery to the Buyer due to unavailability of electricity in the WESM.</p>	

	<p>“(g) any System Emergency or Transmission Failure that may affect the delivery by SELLER, or acceptance by BUYER, of power (except if due to the act or omission of the party seeking to claim an Event of Force Majeure, unless otherwise due to an Event of Force Majeure);” - suggest that this will only become a force majeure event if it is a grid-wide transmission system failure</p> <p>Moreover, we would like to confirm whether the Winning Bidder may be allowed to propose a list of exclusions or instances which are not to be considered as Events of Force Majeure.</p>	
<p>Section 12. Default and Termination</p>	<ul style="list-style-type: none"> • Please clarify the intention of the 2 sections (12.3 and entire 5.10) taken together. Note that Section 15.10.4 is inconsistent with negotiations after ERC denial of all or a portion of the rates. • We would like to confirm whether the Winning Bidder is allowed to propose revisions to the Events of Default clauses of the PSA. 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
<p>Section 13. Assignment</p>	<ul style="list-style-type: none"> • Requesting to clarify if Section 13, right to assign/transfer in whole or in part the obligations and rights of the contracting parties to any other party are within the purview of the rules and regulations set forth by the governing bodies, including, but not limited to, DOE, ERC, NEA and PCC. • Can the Winning Bidder be allowed to propose revisions to Article 13 due to circumstances requiring the bidder to have a permitted assignment to either a credit financing institution or affiliate so long as the assignment is done in good faith and for the mutual benefit of the Parties? 	

<p>Section 14. Warranties and Representations</p>	<ul style="list-style-type: none"> • We respectfully suggest to have flexibility to revise the language on the Corporate Existence, which would still depend on the Winning Bidder’s corporate documents. • We would like to confirm whether the Winning Bidder is allowed to propose its Representation and Warranties clauses. 	
<p>Section 15. Miscellaneous Provisions</p>	<ul style="list-style-type: none"> • We would like to confirm whether the Winning Bidder is allowed to propose revisions to the following Sections: <ol style="list-style-type: none"> 1. <u>Section 15.3.2 Settlement of Disputes – May the Winning Bidder suggest the Rules of Conciliation and Arbitration of the International Chamber of Commerce?</u> 2. <u>Section 15.5 Notices</u> We suggest to include facsimile and email to the modes of delivery of any Communication, provided that: <ol style="list-style-type: none"> a) notice by facsimile or by hand shall be effective at the close of business on the day actually received, if received during business hours on a business day, and otherwise shall be effective at the close of business on the next succeeding business day. b) notice by overnight mail or courier shall be effective on the next business day after it was sent. c) notice by email will be effective only when actually received in readable form and if addressed in such a manner as the Parties 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>

	<p>shall specify for this purpose.</p> <ul style="list-style-type: none"> • May the Winning Bidder add specific clauses relating to the agreement of the Parties to comply with anti-corrupt practices laws, including the US Foreign Corrupt Practices Act? 	
Annex "A" Contracted Capacity and Associated Energy	<ul style="list-style-type: none"> • Please confirm that associated energy will be computed based on 100% utilization of ECs contracted capacity? 	
ANNEX "B" Basic Energy Charge and Guaranteed Monthly Payment PSA Annex B PSA Annex B-I PSA Annex B-I	<ul style="list-style-type: none"> • The August 2022 base index levels should be reflected here and not the original CSP levels at September 2021. <p>These Base indices should be corrected to Aug 2022 levels.</p> <ul style="list-style-type: none"> • All these base indices levels/figures should be updated to August 2022, pursuant to the latest Bidding Documents. • Requesting to align with the items provided under Instruction to bidders • The PH CPI base indicated in Annex B is (2012 =100) for the month of September 2021 but the value of 103.9 is based on base 2018=100. • Please confirm that it is the 2018 base rather than the 2012. 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
General Comment	<ul style="list-style-type: none"> • Is R1+CAR+S1 open to accept a bidder's own PSA template (or at least negotiate the terms in the prescribed PSA draft? This is to address the possibility of bidders already having PSA forms that are already ERC approved? • When the PSA is executed, and there is conflict between the bid documents, etc. and PSA, which should prevail? • Will Bidders be allowed to propose adjustments and edits 	

	<p>to the draft PSA Template?</p> <ul style="list-style-type: none"> • We suggest to have a period of PSA negotiation to be stated in the CSP calendar/schedule wherein parties can perfect the long-term PSA before signing to mirror items which are lacking in the current PSA draft but are proposed in good faith and will benefit both of the parties. • In case of conflict between Instructions to Bidders, PSA, and TOR, which one shall prevail? <p><u>As confirmed during the pre-Bid Conference, the ITB/TOR will prevail. Subject for the TPBAC's reconfirmation</u></p> <ul style="list-style-type: none"> • Please confirm that the blanks will be filled out during PSA negotiation with the Winning Bidder. 	<p>Appropriate corrections/amendments to this provision will be made after the determination of the winning bidder.</p>
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3. Amendments to ITB

<i>Original Provision</i>	<i>Amended Provision</i>
<p>ITB-2 Definition of Terms Variable Cost No. 3 refers to the REC cost associated with providing power supply to meet the RPS requirements.</p>	<p>Fixed Cost No. 3 refers to the REC cost associated with providing power supply to meet the RPS requirements.</p>
<p>ITB-12 Legal, Technical and Financial Documents 12.2 Class "A" (Legal Documents) 6. Valid and updated licenses as follows:</p> <p>c. For IPP Administrators, a license as Wholesale Aggregator issued by the ERC or a certification that an application for license has already been filed and is under review by the ERC in case of new IPP administrators, and the IPPA contract or a letter from PSALM certifying the award of the IPP Contract.</p>	<p>c. For IPP Administrators, the IPPA contract or a letter from PSALM certifying the award of the IPP Contract and ERC COC, if applicable.</p>
<p>ITB-13 Technical and Financial Proposal 13.2.b. Price Components</p> <p>v. Variable Cost No. 3 – REC Costs, including the costs associated with providing power supply to meet the RPS requirements (that is, accompanied by RE Certificates), and applicable only to the portion of this power supply.</p> <p>d. <i>Reference fuel prices.</i> Variable Cost No. 2, if proposed to be pass-through based on CIF price</p>	<p>v. Fixed Cost No. 3 – REC Costs, including the costs associated with providing power supply to meet the RPS requirements (that is, accompanied by RE Certificates), and applicable only to the portion of this power supply.</p> <p>d. <i>Reference fuel prices.</i> Variable Cost No. 2, if proposed to be pass-through based on CIF price or indexed on nominal or reference market</p>

<p>or indexed on nominal or reference market price, shall be set using “delivered” fuel price on September 2021. In the preparation of the Technical and Financial Proposal, Bidders should take note of the reference fuel prices shown in Table A.</p>	<p>price, shall be set using “delivered” fuel price on August 2022. In the preparation of the Technical and Financial Proposal, Bidders should take note of the reference fuel prices shown in Table A.</p>																																																		
<p>ITB-14 Bid Security</p> <p>14.1 The Bidder shall furnish, as part of the Bid, a Bid Security with the amount provided in Table 6 in favor of Pangasinan I Electric Cooperative (PANELCO I) for and in behalf of the R1+CAR+S1 ECs.</p> <p style="text-align: center;">Table 6. Bid Security per Contract Year</p> <table border="1" data-bbox="229 636 711 837"> <thead> <tr> <th>Year</th> <th>Bid Security, PhP</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td style="text-align: right;">5,260,919.96</td> </tr> <tr> <td>2023</td> <td style="text-align: right;">30,998,511.46</td> </tr> <tr> <td>2024</td> <td style="text-align: right;">73,237,603.33</td> </tr> <tr> <td>2025</td> <td style="text-align: right;">89,542,739.68</td> </tr> </tbody> </table>	Year	Bid Security, PhP	2022	5,260,919.96	2023	30,998,511.46	2024	73,237,603.33	2025	89,542,739.68	<p>14.1 The Bidder shall furnish, as part of the Bid, a Bid Security with the amount provided in Table 6 in favor of Pangasinan I Electric Cooperative (PANELCO I) for and in behalf of the R1+CAR+S1 ECs.</p> <p style="text-align: center;">Table 6. Bid Security for the Whole Contract Period</p> <table border="1" data-bbox="849 636 1410 719"> <tbody> <tr> <td>Bid Security Lot 1, PhP</td> <td style="text-align: right;">174,750,733.77</td> </tr> <tr> <td>Bid Security Lot 2, PhP</td> <td style="text-align: right;">17,171,600.00</td> </tr> </tbody> </table>	Bid Security Lot 1, PhP	174,750,733.77	Bid Security Lot 2, PhP	17,171,600.00																																				
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<p>ITB-25 Detailed Evaluation and Comparison of Bids</p> <p>25.4 Basket of Price Indies and Fuel Inflation Factors</p> <p style="text-align: center;">Table E. Fuel Inflation Factors³</p> <table border="1" data-bbox="153 1012 788 1279"> <thead> <tr> <th>Year</th> <th>Coal (Australia)</th> <th>Natural Gas (LNG Japan)</th> <th>Crude Oil (Brent)</th> <th>Renewable</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td style="text-align: right;">181.03%</td> <td style="text-align: right;">175.93%</td> <td style="text-align: right;">142.05%</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>2023</td> <td style="text-align: right;">123.10%</td> <td style="text-align: right;">129.63%</td> <td style="text-align: right;">130.68%</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>2024</td> <td style="text-align: right;">112.02%</td> <td style="text-align: right;">123.15%</td> <td style="text-align: right;">113.64%</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>2025</td> <td style="text-align: right;">101.94%</td> <td style="text-align: right;">116.99%</td> <td style="text-align: right;">98.81%</td> <td style="text-align: right;">100%</td> </tr> </tbody> </table>	Year	Coal (Australia)	Natural Gas (LNG Japan)	Crude Oil (Brent)	Renewable	2022	181.03%	175.93%	142.05%	100%	2023	123.10%	129.63%	130.68%	100%	2024	112.02%	123.15%	113.64%	100%	2025	101.94%	116.99%	98.81%	100%	<p style="text-align: center;">Table E. Fuel Inflation Factors³</p> <table border="1" data-bbox="817 1012 1442 1279"> <thead> <tr> <th>Year</th> <th>Coal (Australia)</th> <th>Natural Gas (LNG Japan)</th> <th>Crude Oil (Brent)</th> <th>Renewable</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td style="text-align: right;">100.00%</td> <td style="text-align: right;">100.00%</td> <td style="text-align: right;">100.00%</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>2023</td> <td style="text-align: right;">68.00%</td> <td style="text-align: right;">73.68%</td> <td style="text-align: right;">92.00%</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>2024</td> <td style="text-align: right;">61.88%</td> <td style="text-align: right;">70.00%</td> <td style="text-align: right;">80.00%</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>2025</td> <td style="text-align: right;">56.31%</td> <td style="text-align: right;">66.50%</td> <td style="text-align: right;">69.57%</td> <td style="text-align: right;">100%</td> </tr> </tbody> </table>	Year	Coal (Australia)	Natural Gas (LNG Japan)	Crude Oil (Brent)	Renewable	2022	100.00%	100.00%	100.00%	100%	2023	68.00%	73.68%	92.00%	100%	2024	61.88%	70.00%	80.00%	100%	2025	56.31%	66.50%	69.57%	100%
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<p>ITB-25 Detailed Evaluation and Comparison of Bids</p> <p><u>Original Provision:</u></p> <p>25.5 Effects of Inflation on the Price for Lot 1. To consider the effects of inflation on the base price, the following computations will be performed:</p>																																																			

$$\begin{aligned}
GenP1_{year} = & \sum_{CUF=70\%}^{100\%} (FC1_{local}^{CUF} + FC1_{foreign}^{CUF} \times FOREX) \times Weight_{CUF} + [k_{local}^{FC2} \times (1 + a_{local}^{FC2})^{year-2021} + (1 - k_{local}^{FC2})] \\
& \times \sum_{CUF=70\%}^{100\%} FC2_{local}^{CUF} \times Weight_{CUF} + [k_{foreign}^{FC2} \times (1 + a_{foreign}^{FC2})^{year-2021} + (1 - k_{foreign}^{FC2})] \\
& \times \sum_{CUF=70\%}^{100\%} FC2_{foreign}^{CUF} \times Weight_{CUF} \times FOREX \\
& + \left[\begin{aligned} & k_{local}^{VC1,1} \times (1 + a_{local}^{VC1,1})^{year-2021} + k_{local}^{VC1,2} \times (1 + a_{local}^{VC1,2})^{year-2021} \\ & + k_{local}^{VC1,3} \times (1 + a_{local}^{VC1,3})^{year-2021} + k_{local}^{VC1,4} \times (1 + a_{local}^{VC1,4})^{year-2021} + k_{local}^{VC1,5} \end{aligned} \right] \times VC1_{local} \\
& + \left[\begin{aligned} & k_{foreign}^{VC1,1} \times (1 + a_{foreign}^{VC1,1})^{year-2021} \\ & + k_{foreign}^{VC1,2} \times (1 + a_{foreign}^{VC1,2})^{year-2021} + k_{foreign}^{VC1,3} \end{aligned} \right] \times VC1_{foreign} \times FOREX \\
& + [k_{local}^{VC2} \times b_{year}^{VC2} + (1 - k_{local}^{VC2})] \times VC2_{local} + [k_{foreign}^{VC2} \times b_{year}^{VC2} + (1 - k_{foreign}^{VC2})] \times VC2_{foreign} \\
& \times FOREX
\end{aligned}$$

where

$GenP1_{year}$	=	Genco baseload price for a given year, including effects of CUF weights and inflation but excluding VAT, in Php/kWh
$k_{local}^{VC1,5}$	=	$1 - k_{local}^{VC1,1} - k_{local}^{VC1,2} - k_{local}^{VC1,3} - k_{local}^{VC1,4}$
$k_{foreign}^{VC1,3}$	=	$1 - k_{foreign}^{VC1,1} - k_{foreign}^{VC1,2}$
k_y^x	=	Portion of subcomponent y (<i>local</i> or <i>foreign</i>) of major component x ($VC1$, $VC2$, $FC2$) that will be inflated by the related inflation rate a_y^x or fuel inflation factor b_{year}^{VC2} (in the case of $VC2$), in percent
a_y^x	=	Inflation rate of subcomponent y (<i>local</i> or <i>foreign</i>) of major component x ($VC1$, $VC2$, $FC2$), in percent
b_{year}^{VC2}	=	Fuel inflation factor for a given year, in percent

25.6 WESM Price with Inflation. In the evaluation of Bids, the WESM price shall be applied to the total regular energy that will not be delivered by the GenCo due to the Allowed Outages. The WESM price inflated to the appropriate period shall be computed as follows:

$$WESMP_{year} = WESMP_{2021} \times (1 + PHCPI)^{year-2021}$$

Where

$WESMP_{2021}$	=	11.1260 Php/kWh ¹
$WESMP_{year}$	=	WESM price for a given year, in Php/kWh

25.5 Effects of Inflation on the Price for Lot 1. To consider the effects of inflation on the base price, the following computations will be performed:

$$\begin{aligned}
GenP1_{year} = & \sum_{CUF=70\%}^{100\%} (FC1_{local}^{CUF} + FC1_{foreign}^{CUF} \times FOREX) \times Weight_{CUF} + [k_{local}^{FC2} \times (1 + a_{local}^{FC2})^{year-2022} + (1 - k_{local}^{FC2}) \\
& \times \sum_{CUF=70\%}^{100\%} FC2_{local}^{CUF} \times Weight_{CUF} + [k_{foreign}^{FC2} \times (1 + a_{foreign}^{FC2})^{year-2022} + (1 - k_{foreign}^{FC2})] \\
& \times \sum_{CUF=70\%}^{100\%} FC2_{foreign}^{CUF} \times Weight_{CUF} \times FOREX \\
& + \left[\begin{aligned} & k_{local}^{VC1,1} \times (1 + a_{local}^{VC1,1})^{year-2022} + k_{local}^{VC1,2} \times (1 + a_{local}^{VC1,2})^{year-2022} \\ & + k_{local}^{VC1,3} \times (1 + a_{local}^{VC1,3})^{year-2022} + k_{local}^{VC1,4} \times (1 + a_{local}^{VC1,4})^{year-2022} + k_{local}^{VC1,5} \end{aligned} \right] \times VC1_{local} \\
& + \left[\begin{aligned} & k_{foreign}^{VC1,1} \times (1 + a_{foreign}^{VC1,1})^{year-2022} \\ & + k_{foreign}^{VC1,2} \times (1 + a_{foreign}^{VC1,2})^{year-2022} + k_{foreign}^{VC1,3} \end{aligned} \right] \times VC1_{foreign} \times FOREX \\
& + [k_{local}^{VC2} \times b_{year}^{VC2} + (1 - k_{local}^{VC2})] \times VC2_{local} + [k_{foreign}^{VC2} \times b_{year}^{VC2} + (1 - k_{foreign}^{VC2})] \times VC2_{foreign} \\
& \times FOREX
\end{aligned}$$

where

$GenP1_{year}$	=	Genco baseload price for a given year, including effects of CUF weights and inflation but excluding VAT, in Php/kWh
$k_{local}^{VC1,5}$	=	$1 - k_{local}^{VC1,1} - k_{local}^{VC1,2} - k_{local}^{VC1,3} - k_{local}^{VC1,4}$
$k_{foreign}^{VC1,3}$	=	$1 - k_{foreign}^{VC1,1} - k_{foreign}^{VC1,2}$
k_y^x	=	Portion of subcomponent y (<i>local</i> or <i>foreign</i>) of major component x ($VC1$, $VC2$, $FC2$) that will be inflated by the related inflation rate a_y^x or fuel inflation factor b_{year}^{VC2} (in the case of $VC2$), in percent
a_y^x	=	Inflation rate of subcomponent y (<i>local</i> or <i>foreign</i>) of major component x ($VC1$, $VC2$, $FC2$), in percent
b_{year}^{VC2}	=	Fuel inflation factor for a given year, in percent

25.6 WESM Price with Inflation. In the evaluation of Bids, the WESM price shall be applied to the total regular energy that will not be delivered by the GenCo due to the Allowed Outages. The WESM price inflated to the appropriate period shall be computed as follows:

$$WESMP_{year} = WESMP_{2022} \times (1 + PHCPI)^{year-2022}$$

Where

$WESMP_{2022}$	=	11.1260 Php/kWh ²
$WESMP_{year}$	=	WESM price for a given year, in Php/kWh

ITB-26 Selection of Bidder(s) with Lowest Calculated Bid(s)

26.2 In case of tied Bids, i.e., if multiple Bidders have the same calculated Effective Price, the following series of tie-breakers shall be applied:

- a. The Bid with the lower Total Allowed Outage Hours will be favored over a Bid with higher Total Allowed Outage Hours;
- b. If ties are not yet broken, the Bid with the lowest effective inflation for Fixed Cost No. 2 (Other Fixed Costs such as Fixed O&M), Variable Cost No. 1 (Non-fuel variable costs such as variable O&M), and Variable Cost No. 2 (Fuel costs) **and Variable Cost No. 3** will be favored;
- c. If ties are not yet broken, the Bid with the highest total Capital Recovery Fee component (Fixed Cost No. 1) **and Variable Cost No. 4** will be favored; and
- d. If ties are not yet broken, the R1+CAR+S1 JTPBAC shall decide on how to break the tie in consultation with the Bidders whose Bids are tied.

26.2 In case of tied Bids, i.e., if multiple Bidders have the same calculated Effective Price, the following series of tie-breakers shall be applied:

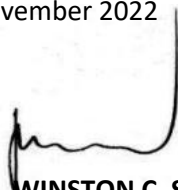
- a. The Bid with the lower Total Allowed Outage Hours will be favored over a Bid with higher Total Allowed Outage Hours;
- b. If ties are not yet broken, the Bid with the lowest effective inflation for Fixed Cost No. 2 (Other Fixed Costs such as Fixed O&M), Variable Cost No. 1 (Non-fuel variable costs such as variable O&M), and Variable Cost No. 2 (Fuel costs) will be favored;
- c. If ties are not yet broken, the Bid with the highest total Capital Recovery Fee component (Fixed Cost No. 1) will be favored; and
- d. If ties are not yet broken, the R1+CAR+S1 JTPBAC shall decide on how to break the tie in consultation with the Bidders whose Bids are tied.

4. Miscellaneous Provisions

- a. Capitalized terms used in this Supplemental Bid Bulletin No. 2 and its attachments, unless otherwise defined, shall have the meanings given to such terms in the Bidding Documents.
- b. The provisions of the Bidding Documents shall continue to bind the Bidders and shall remain effective unless inconsistent with the provisions of this Supplemental Bid Bulletin No. 2 and its attachments.
- c. The validity, legality, and/or enforceability of the remaining provisions of the Bidding Documents and the Supplemental Bid Bulletins will not be affected in case any one or more of the provisions is held invalid, illegal, or unenforceable. Each Bidder waives any provision of law which renders any provision of the Bidding Documents and the Supplemental Bid Bulletins and their attachments invalid, illegal, or unenforceable in any respect, to the extent permitted by the laws of the Republic of the Philippines.

For the guidance and information of all concerned.

11 November 2022



ENGR. WINSTON C. SUBIDO
Chairperson, R1+CAR+S1 JTPBAC

**Supplemental Bid Bulletin No. 2
JOINT COMPETITIVE SELECTION PROCESS
FOR THE SHORT-TERM (2022-2025) POWER SUPPLY REQUIREMENTS
OF THE R1+CAR+S1 ELECTRIC COOPERATIVES**

RECEIPT FORM:

Received by:

Name and Signature of the Representative

Name of Company

Date/Time