

1           **“STANDARD GUIDE FOR COMPLETING ANNEX B-1 (FINANCIAL PROPOSAL)”**

2   The TPBAC recognizes the Bidders’ concerns of more detailed information on how to complete  
3   the Bid Proposal details. We are issuing this “STANDARD GUIDE FOR COMPLETING ANNEX  
4   B-1 (FINANCIAL PROPOSAL)” to support, provide revisions and clarification on the previously  
5   issued Revised Financial Proposal v 05122023 and Revised Annex B-1 FINANCIAL PROPOSAL  
6   v 05122023.

7   **The goal of NOCECO’s price structure is for the SELLER/Power Supplier to reflect the**  
8   **actual costs incurred to generate the contracted energy for NOCECO.**

9   Bidders must note of Section 16.5.2 in the Revised Section 16 Financial Proposal 05262023 which  
10   states that in the implementation of the PSA,

11           “The VOM and FF to be charged to NOCECO by the Winning Bidder during PSA  
12           implementation shall be based on forecasted values as declared on the bid form, or the  
13           actual costs, WHICHEVER IS LOWER”

14   The TPBAC understands that the Bidders may be procuring their fuel from different resources  
15   and may have their fuel mix to produce the most cost-efficient fuel. Thus, the **TPBAC considers**  
16   **that the Bidder would best provide the required forecasted values and amounts which shall**  
17   **be used in computing for the LCOE.** The TPBAC leaves it to the Bidders to do their own forecast  
18   or base it from a third-party source.

19   Given the premises above, while the TPBAC leaves it to the Bidder to provide the forecasted  
20   values/amounts, Bidders must also be cautious of the value that they are declaring in their bid  
21   form to ensure that the declared forecasted values are competitive against other Bidders, but  
22   without compromising the Bidder’s financial stability.

23   In response to the comments of the bidders, NOCECO on the Revised Financial Proposal Bid  
24   Form (Annex B-1), please be guided by the following:

25           A. Annex B-1 comprises seven (7) sheets.

- 26  
27                   1. Bid Form 1a  
28                   2. Bid Form 1b Fuel Foreign (1)  
29                   3. Bid Form 1b Fuel Foreign (2)  
30                   4. Bid Form 1b Fuel Foreign (3)  
31                   5. Bid Form 1b Fuel Local (1)  
32                   6. Bid Form 1b Fuel Local (2)  
33                   7. Bid Form PPD

34  
35           B. The cells in the sheets are color-coded to guide the Bidders on which cells are they  
36           supposed to encode values. Yellow-colored cells are for the Bidder’s entries, while the  
37           blue-colored and green-colored cells are either given values of computed values. The blue  
38           and green cells have been locked to protect the integrity of the values declared.

39  
40           C. Bid Form 1a

41  
42                   Assumed Rate of Return – this is at 3.5% which is based on the prevailing interest rate  
43                   provided to NOCECO.

44  
45                   Present Value of 10-year net contract cost – the sum of the monthly present value as  
46                   computed based on the Bidder’s declared values (P25:P144).

47  
48                   Total kWh Purchased for a 10-year contract period – the sum of the total energy purchased  
49                   for the duration of the contract period, with the assumption that there shall be zero outages  
50                   for the whole contract duration

51  
52                   Long-Term Levelized Price – cost per unit based on the total present value and the total  
53                   energy purchased

54  
55 CRF – the Capital Recovery Fee in Php/kWh. The Bidder shall declare this with careful  
56 consideration that the declared amount shall not exceed Php 2.4000/kWh when added  
57 with the Fixed O&M (FOM).  
58

59 FOM Fee – Fixed Operations and Maintenance Fee in Php/kWh. This shall be declared  
60 by the Bidder, with careful consideration that the declared amount shall not exceed Php  
61 2.4000/kWh when added to the Capital Recovery Fee (CRF)  
62

63 Generated kWh of Nominated Plant – This is the total kWh generated by the nominated  
64 plant for the billing month. The same data shall be the basis for the computation of the  
65 VOM. For Year 1, Month 1, this shall be based on the actual data. Bidders shall provide  
66 the forecasted generated kWh for the succeeding years.  
67

68 Total Cost for VOM, Php – total cost for the billing month to recover the costs of non-  
69 routine maintenance and repair activities, such as repairs due to unexpected failures,  
70 replacement of worn-out parts, or other unplanned expenses associated with the operation  
71 of the nominated power plant. For Year 1, Month 1, this shall be based on the actual data.  
72

73 VOM Fee – computed VOM fee for the month which is based on the Generated kWh of  
74 the Nominated Plant and the Total Cost for VOM, Php. The VOM Fee for the succeeding  
75 months shall be adjusted based on the Adjustment Ratio, which is computed using the  
76 latest CPI vs the n-1 CPI for All Income Households in the Philippines-All Items which can  
77 be downloaded from the Philippine Statistics Authority website.  
78

79 CPI new – Consumer Price Index (CPI) for All Income Households in the Philippines – All  
80 Items. For Year 1 Month 1, data is based on April 2023. For the succeeding months, Bidder  
81 shall provide a projected CPI for the month.  
82

83 CPI previous – Consumer Price Index (CPI) for All Income Households in the Philippines  
84 – All Items, from the previous month (n-1). The bid form automatically picks up this value  
85 from the previous month's CPI new.  
86

87 Adjustment Ratio – is equal to  $CPI\ new / CPI\ previous$ , indicating the adjustments in prices  
88 for the VOM Fee. Again, Bidders must take note of 16.5.3 of the Revised Section 16  
89 Financial Proposal 05262023, wherein it states, "For the VOM, the basis of the applicable  
90 values to be implemented for the succeeding months after the first month of the first year  
91 or Year 1, Month 2, shall be the CPI Adjustment Ratio which is Column H of the Bid  
92 Proposal." Thus, it is recommended that the Bidders declare values for CPI new that are  
93 competitive but are not detrimental to their financial stability.  
94

95 Total Cost of Fuel – is the sum of the computed cost of fuel from Bid Form 1b Fuel Foreign  
96 (1), Bid Form 1b Fuel Foreign (2), Bid Form 1b Fuel Foreign (3), Bid Form 1b Fuel Local  
97 (1), Bid Form 1b Fuel Local (2).  
98

99 Total VAT – this is automatically computed based on the nominated facility's technology.  
100 VAT is computed for Non-Renewable Facilities, only.  
101

102 Effective Rate for the month - is automatically computed, equivalent to the sum of the CRF,  
103 FOM, VOM, FF, and the Total VAT.  
104

105 Billing Determinant – monthly projected kWh purchased of NOCECO from the SELLER  
106

107 Cost of Energy Purchased – is the product of the Effective Rate, multiplied by the Billing  
108 Determinant. This is the due amount of NOCECO to the SELLER for the month.  
109

110 Present Value – is automatically computed for every billing month using the Cost of Energy  
111 Purchased and the Assumed Rate of return

112  
113 D. Bid Form 1b Fuel Foreign (1), Bid Form 1b Fuel Foreign (2), Bid Form 1b Fuel Foreign (3)  
114

115 The TPBAC recognizes from the Pre-Bid Conference that the Bidders may be sourcing  
116 their fuel from more than one (1) foreign source/company. Given that, the TPBAC has  
117 provided additional sheets from the original single sheet only for foreign-sourced fuel.  
118 Bidder shall then provide the details required from "Bid Form 1b Fuel Foreign" for each  
119 type of foreign-sourced fuel. Please be guided by the following:  
120

121 Fuel Source – the foreign source/company from which the Bidder procured its fuel  
122

123 Unit of Measure Used for Fuel – is the unit of measure used in the procurement of fuel  
124 (e.g. tonnes, gallons, DGE). This is required to determine the consumption rate of the  
125 declared fuel.  
126

127 Generated kWh of Nominated Plant - This is the total kWh generated by the nominated  
128 plant for the billing month. Data is linked to the declared Generated kWh on Bid Form 1a.  
129

130 Fuel Cost, USD – this was revised from "Fuel Cost, USD/unit" to "Fuel Cost, USD." This  
131 shall be the amount paid for the number of units procured by the Bidder to generate the  
132 energy for the billing month. Bidders shall provide the actual data for the Year 1 Month 1.  
133 Bidder shall provide the forecasted amounts for the succeeding months. Bidders must also  
134 be cautious of the value that they are declaring for the fuel cost to ensure that the declared  
135 forecasted values are competitive against other Bidders without compromising the  
136 Bidder's financial stability.  
137

138 Transportation Cost, USD - this was revised from "Transportation Cost, USD/unit" to  
139 "Transportation Cost, USD." This shall be the price for the expenses associated with  
140 transporting the fuel from the Fuel Supplier to the Bidder's location. This shall include  
141 freight charges, loading and unloading costs, packaging and container costs, and  
142 insurance, and other applicable charges as stated in the Supply and Delivery Agreement  
143 of the Bidder with its Supplier. Bidders shall provide the actual data for the Year 1 Month  
144 1. Bidder shall provide the forecasted amounts for the succeeding months. Bidders must  
145 also be cautious of the value that they are declaring for the Transportation Cost to ensure  
146 that the declared forecasted values are competitive against other Bidders without  
147 compromising the Bidder's financial stability.  
148

149 Imports, Duties, Taxes, and Fees, USD - refers to the cost of charges and levies imposed  
150 by the importing country on the imported fuel. Bidders shall provide the actual data for the  
151 Year 1 Month 1. Bidder shall provide the forecasted amounts for the succeeding months.  
152 Bidders must also be cautious of the value that they are declaring for the Imports, Duties,  
153 Taxes, and Fees to ensure that the declared forecasted values are competitive against  
154 other Bidders without compromising the Bidder's financial stability.  
155

156 FOREX – shall refer to the prevailing exchange rate between USD and PHP on the last  
157 working day of the billing month. This will be the reference for converting the USD costs  
158 to PHP costs. Bidders shall provide the actual data for the Year 1 Month 1. Bidder shall  
159 provide the forecasted FOREX for the succeeding months. Bidders must also be cautious  
160 of the value that they are declaring for the FOREX to ensure that the resulting forecast of  
161 USD to PHP conversion are competitive against other Bidders without compromising the  
162 Bidder's financial stability.  
163

164 Consumption Rate- quantity or the rate at which the fuel is consumed to generate the  
165 energy of the nominated plant for the billing month. This will be automatically computed,  
166 based on the information provided by the bidder on the Number of Units Consumed and  
167 the Generated kWh of the nominated plant.  
168

169 Number of Units Consumed – the number of units of fuel used to generate the energy for  
170 the nominated plant. Bidders shall provide the actual data for the Year 1 Month 1. Bidder  
171 shall provide the forecasted Number of Units to be consumed for the succeeding months.  
172 Bidders must also be cautious of the value that they are declaring for this item to ensure  
173 that the resulting fuel rate is competitive against other Bidders without compromising the  
174 Bidder’s financial stability.  
175

176 Total Cost for Fuel, Php/kWh – this is automatically computed based on the provided  
177 information of the bidder. This is the data that will also be picked up by “Column I” in Bid  
178 Form 1a for the computation of the Fuel Cost.  
179

180 E. Bid Form 1b Fuel Local (1), Bid Form 1b Fuel Local (2)  
181

182 In anticipation that the Bidder’s locally-sourced fuel may also be procured from more than  
183 one (1) supplier, the TPBAC has added another sheet for Bid Form 1b Fuel Local. The  
184 format and the information required is similar to Bid Form 1b Fuel Foreign, except that all  
185 costs and charges are expected to be in PHP as it is locally sourced. Bidders may leave  
186 the items which are not applicable to them, blank.  
187

188 Fuel Source – the local source/company from which the Bidder procured its fuel  
189

190 Unit of Measure Used for Fuel – is the unit of measure used in the procurement of fuel  
191 (e.g. tonnes, gallons, DGE). This is required to determine the consumption rate of the  
192 declared fuel.  
193

194 Generated kWh of Nominated Plant - This is the total kWh generated by the nominated  
195 plant for the billing month. Data is linked to the declared Generated kWh on Bid Form 1a.  
196

197 Fuel Cost, PHP – this was revised from “Fuel Cost, PHP/unit” to “Fuel Cost, PHP.” This  
198 shall be the amount paid for the number of units procured by the Bidder to generate the  
199 energy for the billing month. Bidders shall provide the actual data for the Year 1 Month 1.  
200 Bidder shall provide the forecasted amounts for the succeeding months. Bidders must also  
201 be cautious of the value that they are declaring for the fuel cost to ensure that the declared  
202 forecasted values are competitive against other Bidders without compromising the  
203 Bidder’s financial stability.  
204

205 Transportation Cost, PHP - this was revised from “Transportation Cost, PHP/unit” to  
206 “Transportation Cost, PHP.” This shall be the price for the expenses associated with  
207 transporting the fuel from the Fuel Supplier to the Bidder's location. This shall include  
208 freight charges, loading and unloading costs, packaging and container costs, and  
209 insurance, and other applicable charges as stated in the Supply and Delivery Agreement  
210 of the Bidder with its Supplier. Bidders shall provide the actual data for the Year 1 Month  
211 1. Bidder shall provide the forecasted amounts for the succeeding months. Bidders must  
212 also be cautious of the value that they are declaring for the Transportation Cost to ensure  
213 that the declared forecasted values are competitive against other Bidders without  
214 compromising the Bidder’s financial stability.  
215

216 Local Taxes and Fees, PHP – this was revised from “Imports, Duties, Taxes, and Fees,  
217 PHP/Unit” to “Local Taxes and Fees, PHP”. This refers to the monthly cost of charges on  
218 local taxes, fees, and regulations that are associated with the procurement of fuel. These  
219 may include permit fees that are necessary and will affect local fuel procurement. Bidders  
220 shall provide the actual data for the Year 1 Month 1. Bidder shall provide the forecasted  
221 amounts for the succeeding months. Bidders must also be cautious of the value that they  
222 are declaring for this item to ensure that the declared forecasted values are competitive  
223 against other Bidders without compromising the Bidder’s financial stability.  
224

225 FOREX – this column shall be locked as there will be no applicable conversion of USD to  
226 PHP for locally-source fuel.

227  
228 Consumption Rate- quantity or the rate at which the fuel is consumed to generate the  
229 energy of the nominated plant for the billing month. This will be automatically computed,  
230 based on the information provided by the bidder on the Number of Units Consumed and  
231 the Generated kWh of the nominated plant.

232  
233 Number of Units Consumed – the number of units of fuel used to generate the energy for  
234 the nominated plant. Bidders shall provide the actual data for the Year 1 Month 1. Bidder  
235 shall provide the forecasted Number of Units to be consumed for the succeeding months.  
236 Bidders must also be cautious of the value that they are declaring for this item to ensure  
237 that the resulting fuel rate is competitive against other Bidders without compromising the  
238 Bidder’s financial stability.

239  
240 Total Cost for Fuel, Php/kWh – this is automatically computed based on the provided  
241 information of the bidder. This is the data that will also be picked up by “Column I” in Bid  
242 Form 1a for the computation of the Fuel Cost.

243  
244 F. Bid Form PPD

245  
246 This sheet shall only be completed if Bidder offers a Prompt Payment Discount, Bidders  
247 shall indicate it on this sheet. It shall be noted that the effective rate declared as a result  
248 of the prompt payment discount shall not be used in the initial evaluation of the Bid  
249 Proposal.

250  
251 Conditions to avail for Prompt Payment Discount – Bidder shall briefly provide the  
252 conditions needed to be met for NOCECO to avail of the PPD

253  
254 Effective Rate for the Month w/o PPD, Php/kWh – this is linked to the computed Effective  
255 Rate for the month in Bid Form 1a.

256  
257 Discount Applied – Bidder shall indicate the Discount that shall be applied once the  
258 conditions are met. Year 1 Month 1 to Year 10 Month 12 must be filled.

259  
260 Effective Rate for the Month with PPD, Php/kWh – Bidder shall show in Excel formula form  
261 how the Effective Rate for the Month with PPD is computed. Year 1 Month 1 to Year 10  
262 Month 12 must be filled.

263  
264 Billing Determinant (kWh) – this is linked to the computed Billing Determinant as indicated  
265 in Bid Form 1a

266  
267 Cost of Energy Purchased, (Php) – this shall be the product of the Effective Rate for the  
268 Month with PPD, and the Billing Determinant.

269  
270 Present Value at Y0 - is automatically computed for every billing month using the Cost of  
271 Energy Purchased using the effective rate with PPD, and the Assumed Rate of Return.

272  
273 LCOE – Levelized Cost of Electricity, automatically computed using the sum of the monthly  
274 present value and the total billing determinant for the contract duration.

275

276 The Bid Proposal is designed for one nominated plant. Should the bidder be nominating more  
277 than one plant to fulfill the capacity required by NOCECO, the figures shall be shown itemized in  
278 the cell requiring information. To illustrate and as a brief example:

- 279
- 280 • Nominated Facility 1 in Location 1 which shall supply NOCECO with 8MW generates  
281 26,880,000 kWh in one month and spends Php 150 million for Variable Operations and  
Maintenance.

- 282
- 283
- 284
- 285
- 286
- 287
- 288
- Nominated Facility 2 in Location 2 which shall supply NOCECO with 2MW generated 56,400,000 kWh in one month and spends Php 300 million for Variable Operations and Maintenance.
  - Given the two nominated plants, above, the Bidder shall encode “=26,880,000+56,400,000” under Generated kWh of Nominated Plant, and “=150,000,000+300,000,000” under Total Cost for VOM, Php
  - The same shall be applicable to all other items.

289

290 The TPBAC reiterates that the some of the provisions above are to be used for the Bid Proposal  
291 only and the Bidders must take note of Section 16.5 of the Revised Section 16 Financial Proposal  
292 05262023 regarding the PSA implementation of the component of the Tariff Structure.

293

294

END