



**PALAWAN ELECTRIC COOPERATIVE
THIRD-PARTY BIDS AND AWARDS COMMITTEE (TPBAC)**
Kilometer 3.35 North National Highway, Barangay Tiniguiban, Puerto Princesa City
PALECO.csp@gmail.com; www.PALECO.net

INVITATION TO BID
Contracted Capacity of 15MW for the Power Supply of El Nido, Palawan

Pursuant to the Department of Energy (“DOE”) Circular No. DC2018-02-003, Series of 2018, as amended by DOE Circular No. DC2021-09-0030, Series of 2021, Palawan Electric Cooperative (“PALECO”), through the Third Party Bids and Awards Committee (“TPBAC”), invites all interested and qualified parties (each, a “Bidder”) to participate in competitive bidding (“Bidding”) with respect to the following requirement:

1. TERMS OF REFERENCE

A. GENERAL INFORMATION																
Name of Utility	PALECO															
Area to be Served	Off-Grid, Municipality of El Nido															
Current Year of Filing	2023															
Compliance with TOR Submission																
<i>DOE Approval of TPBAC Selection</i>	24-Dec-2021															
<i>DOE Approval of El Nido 2023 – 2032 PSPP</i>	20-July-2023															
<i>NEA issuance of Notice to Proceed</i>	16-Aug-2023															
<i>Date of Publication</i>	01-Sept & 10-Sept-2023															
B. REQUIREMENTS																
1. General Supply Description																
1.1 Purpose of Procurement	As scheduled in the PSPP															
1.2 Supply Type	Firm supply contract															
1.3 Supply Side	Baseload and Peaking (Bundled/Take-All Supply)															
1.4 Generation Sources	Open Technology, embedded new power plant The Winning Bidder shall comply with <i>DOE DC No. 2018-08-0024</i>															
1.5 Dependable Capacity	<ul style="list-style-type: none"> a. The Dependable Capacity of the power plant must have at least a 40% margin of the Contracted Capacity referred to at the Connection Points. b. The Dependable Capacity is equal to the installed gross plant capacity less plant losses and station use loads. c. The installed capacity of technologies with intermittent output and without firming ancillary services (non-firm capacity) would not be included in the computation of Dependable Capacity. 															
1.6 Commercial Operation Date (COD)	<p>The following is the indicative COD for each type of technology:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Technology</th> <th>Target COD from issuance of Provisional Authority from ERC</th> <th>Indicative COD</th> </tr> </thead> <tbody> <tr> <td>Conventional</td> <td>1 year + 6 months allowable extension</td> <td>Jul. 1, 2025</td> </tr> <tr> <td>RE-Solar</td> <td>0-1 year + 6 months allowable extension</td> <td>Jul.1, 2025</td> </tr> <tr> <td>RE-Biomass, Wind</td> <td>2 years + 6 months allowable extension</td> <td>Jul.1, 2026</td> </tr> <tr> <td>RE-Hydro, Ocean, Others</td> <td>3 years + 6 months allowable extension</td> <td>Jul.1, 2027</td> </tr> </tbody> </table> <p>Except for force majeure events, the allowable extension is subject to a penalty as stipulated under 4.1.</p>	Technology	Target COD from issuance of Provisional Authority from ERC	Indicative COD	Conventional	1 year + 6 months allowable extension	Jul. 1, 2025	RE-Solar	0-1 year + 6 months allowable extension	Jul.1, 2025	RE-Biomass, Wind	2 years + 6 months allowable extension	Jul.1, 2026	RE-Hydro, Ocean, Others	3 years + 6 months allowable extension	Jul.1, 2027
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1.7 Power Plant Location	<p>To be located within or near Brgy. Pasadeña, El Nido, Palawan at coordinate 11.25101° N, 119.43128° S where the proposed PALECO’s 25MVA El Nido Substation would be installed by 2026.</p> <p>Bidder to consider 69kV tie-line losses and voltage drop in selecting plant location.</p>															



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2. Terms of Supply Service																																																																																																																														
2.1 Contracted Capacity (CC)	a. 15MW composed of 10MW Baseload Supply and 5MW Peaking Supply b. Zero Minimum Energy Off-take																																																																																																																													
2.2 Monthly Capacity Utilization Factor (CUF)	a. Baseload Supply CUF: 44%-94% b. Peaking Supply CUF: 6%-13% c. Total monthly CUF: 31%-67%																																																																																																																													
2.3 Dispatch Time	a. Baseload Supply Capacity: 0001H-2400H b. Peaking Supply Capacity: As per dispatch schedule instruction by the PALECO																																																																																																																													
2.4 Committed Energy	The following is the schedule of the committed energy subject for CSP <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Year</th> <th>Baseload Annual Energy</th> <th>Baseload Supply CUF</th> <th>Peaking Annual Energy</th> <th>Peak Load Supply CUF</th> <th>Total Annual Energy</th> <th>Total Supply CUF</th> </tr> <tr> <th>(MWh)</th> <th>%</th> <th>(MWh)</th> <th>%</th> <th>(MWh)</th> <th>%</th> </tr> </thead> <tbody> <tr><td>Jul-Dec 2025</td><td>19,132</td><td>44%</td><td>1,328</td><td>6%</td><td>20,460</td><td>31%</td></tr> <tr><td>2026</td><td>44,853</td><td>51%</td><td>2,512</td><td>6%</td><td>47,365</td><td>36%</td></tr> <tr><td>2027</td><td>50,415</td><td>58%</td><td>2,588</td><td>6%</td><td>53,003</td><td>40%</td></tr> <tr><td>2028</td><td>56,912</td><td>65%</td><td>2,519</td><td>6%</td><td>59,432</td><td>45%</td></tr> <tr><td>2029</td><td>63,712</td><td>73%</td><td>3,060</td><td>7%</td><td>66,772</td><td>51%</td></tr> <tr><td>2030</td><td>71,827</td><td>82%</td><td>3,331</td><td>8%</td><td>75,158</td><td>57%</td></tr> <tr><td>2031</td><td>69,228</td><td>79%</td><td>3,363</td><td>8%</td><td>72,591</td><td>55%</td></tr> <tr><td>2032</td><td>75,382</td><td>86%</td><td>4,231</td><td>10%</td><td>79,613</td><td>60%</td></tr> <tr><td>2033</td><td>76,836</td><td>88%</td><td>4,613</td><td>11%</td><td>81,449</td><td>62%</td></tr> <tr><td>2034</td><td>78,036</td><td>89%</td><td>4,692</td><td>11%</td><td>82,728</td><td>63%</td></tr> <tr><td>2035</td><td>79,176</td><td>90%</td><td>4,752</td><td>11%</td><td>83,928</td><td>64%</td></tr> <tr><td>2036</td><td>80,854</td><td>92%</td><td>4,948</td><td>11%</td><td>85,801</td><td>65%</td></tr> <tr><td>2037</td><td>82,270</td><td>94%</td><td>5,038</td><td>12%</td><td>87,307</td><td>66%</td></tr> <tr><td>2038</td><td>82,332</td><td>94%</td><td>5,057</td><td>12%</td><td>87,389</td><td>67%</td></tr> <tr><td>2039</td><td>82,774</td><td>94%</td><td>5,564</td><td>13%</td><td>88,338</td><td>67%</td></tr> <tr><td>2040</td><td>82,774</td><td>94%</td><td>5,564</td><td>13%</td><td>88,338</td><td>67%</td></tr> </tbody> </table>	Year	Baseload Annual Energy	Baseload Supply CUF	Peaking Annual Energy	Peak Load Supply CUF	Total Annual Energy	Total Supply CUF	(MWh)	%	(MWh)	%	(MWh)	%	Jul-Dec 2025	19,132	44%	1,328	6%	20,460	31%	2026	44,853	51%	2,512	6%	47,365	36%	2027	50,415	58%	2,588	6%	53,003	40%	2028	56,912	65%	2,519	6%	59,432	45%	2029	63,712	73%	3,060	7%	66,772	51%	2030	71,827	82%	3,331	8%	75,158	57%	2031	69,228	79%	3,363	8%	72,591	55%	2032	75,382	86%	4,231	10%	79,613	60%	2033	76,836	88%	4,613	11%	81,449	62%	2034	78,036	89%	4,692	11%	82,728	63%	2035	79,176	90%	4,752	11%	83,928	64%	2036	80,854	92%	4,948	11%	85,801	65%	2037	82,270	94%	5,038	12%	87,307	66%	2038	82,332	94%	5,057	12%	87,389	67%	2039	82,774	94%	5,564	13%	88,338	67%	2040	82,774	94%	5,564	13%	88,338	67%
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2.5 Delivery Period	a. Fifteen (15) years from ERC approval for both baseload and peaking load supplies, non-extendable and non-renewable.																																																																																																																													
2.6 Delivery Voltages	69kV and 13.2kV																																																																																																																													
2.7 Connection Points	The power supply shall be delivered either to the following connection points or both. (a) For the 13.2kV supply connection point ("CP1"), at the PALECO's existing primary pole with ID No. E0211(GPS Coordinates: 11.25101° N, 119.43128°S). (b) For the 69kV supply connection point ("CP2"), at the 69kV bus of the PALECO's proposed 25MVA El Nido Substation to be completed on December 2026 and located 40 meters from CP1.																																																																																																																													
2.8 Delivery and Metering Points	The supply shall be delivered at two (2) delivery points and measured at the two (2) metering points co-located at: (a) For the 13.2kV power supply, at CP1 indicated in 2.7. and to be designated as Revenue Meter 1 ("RM1"). (b) For the 69kV power supply, at the high voltage side of the power transformer of the SUPPLIER that is connected and embedded near the 69kV bus where the CP2 indicated 2.7 is located and to be designated as RM2.																																																																																																																													
2.9 Conditions Precedent to COD	a. ERC approval of the PSA. b. Deposit of the <i>Operation Security</i> not later than 30 days before COD. c. Execution of the <i>Interconnection Agreement</i> to include the conduct of a Distribution Impact Study (DIS) to interconnect to the 13.2kV El Nido Distribution System d. <i>Undertaking for the lease</i> or ownership of the plant site is required. e. SUPPLIER, PALECO, and NPC-SPUG have executed the tri-partite <i>Subsidy Agreement</i> and said agreement is in effect. f. Parties' respective submissions of the documents and evidence set forth in the PSA;																																																																																																																													
2.10 Amount of Security	The following securities shall be issued in favor of the PALECO. The amount of security shall be in Philippine Pesos in the form of cash, cashier's/manager's check,																																																																																																																													



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	<p>bank draft/guarantee, or irrevocable letter of credit issued by a Universal or Commercial Bank. Provided, however, that the security shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.</p> <p>a. Bid Security Amount: PhP15,000,000.00 The Bid Security shall guarantee that each bidder complies with its obligations under the bidding procedures during the Bid Validity Period. Refusal of the Winning Bidder to accept the award shall cause forfeiture of the Bid Security; however, the Bid Security shall not be forfeited should the failure of the Winning Bidder to accept the award and enter into a contract caused by force majeure or through no fault of its own. For the Winning Bidder, Bid Security shall be returned upon posting of Construction Security.</p> <p>b. Construction Security covering the period from ERC issuance of relief/provisional authority to COD to be remitted to the PALECO within five (5) days from receipt of ERC issuance of relief/provisional authority.</p> <p><i>Computation of Construction Security Amount:</i> Based on the projected dispatched energy for six months multiplied by the blended TCGR of NPC-SPUG less the approved tariff multiplied by projected energy dispatch for the next 6 months allowed as extension multiplied by 1.25 or Fifty Million Pesos (PhP50,000,000.00) whichever is lower.</p> <p>Formula: Construction Security = $PE_6(TCGR - AT)(1.25)$</p> <p><i>PE₆ = Projected Dispatch Energy for the 6 (six) months extension</i> <i>TCGR = TCGR of NPC-SPUG</i> <i>AT = Approved Tariff of NPP</i> <i>1.25 = 1 is for securing the availability of supply, and 0.25 is to compensate PALECO's exposure to the risk of a delayed project.</i></p> <p>c. Operation Security covering the from COD until the end of the term of the Power Supply Agreement to be paid not later than 30 days before COD.</p> <p><i>Computation of Operation Security Amount:</i> For each year beginning of COD, the amount of the Operation Security shall be 8760 hours multiplied by 15MW contracted capacity multiplied by the NPP TCGR multiplied by 5% or Fifty Million Pesos (PhP50,000,000.00) whichever is lower.</p>
3. Other Terms of Supply	
<p>3.1 Quality, Reliability, Efficiency, and Safety</p>	<p>a. All monitoring instruments of the power stations and generating units must be integrated or ready to be integrated into PALECO SCADA for system operation.</p> <p>b. Proposal must be compliant with the provisions of the Philippine Small Grid Guidelines (PSGG), Philippine Grid Code (PGC), and the Philippine Distribution Code, such as maintaining a minimum of 0.85 lagging and 0.9 leading power factor.</p> <p>c. The power plants shall be capable of being synchronized with the Palawan Main Grid in preparation for the interconnection of the PALECO's El Nido distribution system to the said Grid.</p> <p>d. SUPPLIER must install Energy Management System (EMS), for power supply with RE component</p>
<p>3.2 Mandatory Ancillary Services</p>	<p>a. Pursuant to <i>ERC Res. No. 2015, Series of 2013</i>, the generating facilities of the SUPPLIER must provide the mandatory ancillary services such as</p> <ol style="list-style-type: none"> i. Regulation of Active Power to provide Frequency Control under normal operating conditions ii. Regulation of Reactive Power to control the terminal voltage iii. Black start capability iv. Fast start capability, if any



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	b. For a power plant with RE Technology, it must have grid balancing and firming services such as the use of batteries and other ancillary resources to provide a stable power supply and to address intermittent characteristics of RE sources, if applicable. If a storage system would be applied, it must be capable to supply the expected electrical output within the affected period from RE for at least 20 minutes.
3.3 Additional Ancillary Services	a. SUPPLIER shall allocate an aggregated 2MW as a spinning reserve service for the baseload and peaking load. b. SUPPLIER shall provide one (1) unit of generator set as a backup reserve for both the baseload and peaking load rated 3-5MW and 1-2MW, respectively. The size of the backup unit must be equal to the unit with the largest installed capacity.
3.4 Generating Equipment	a. If using heat engines, the units must be brand new and manufactured at most two (2) years prior to COD. b. If using heat engines, the primary main and backup engines shall be manufactured and assembled in any of the G7-member countries (Canada, France, Germany, Italy, Japan, United Kingdom, United States, and the European Union) and specifically of brands Caterpillar/MAK, Cummins, Duetz, Waukesha, GE Jenbacher, MAN Energy Solutions, MTU Friedrichshafen, Mitsubishi Heavy Industries, Niigata, Rolls-Royce, Wartsila, Yanmar and Anglo Belgian Corporation for low-speed and high-speed engines. c. If using heat engines, the units utilized for a particular type of supply (baseload or peaking load) shall be identical in brand and model including their major auxiliaries. d. If using heat engines, each Genset shall have a rated prime capacity ranging from 3MW to 5MW operating at 720rpm for baseload; and 1MW to 2MW operating at 1800rpm for peaking load; e. If using heat engines, the primary Gensets for both baseload and peaking load should include an N-1 generator outage contingency scheme to serve as a backup reserve. The backup unit shall be based on the maximum size of the primary gen sets with the same technical specifications as the primary units. f. All generating plants utilizing fuel-based input shall provide a minimum of three-month storage capacity to supply the contracted capacity and committed energy.
3.5 Connection Point Facilities	Proposal to include the following facilities to connect to the Connection Points: a. 13.2kV and 69kV protection equipment and revenue metering assemblies, b. Dedicated 13.2kV and 69kV tie lines, and c. Isolating/step-up power transformers for the 69kV and 13.2kV supply. The 13.kV isolating transformer would still be provided even if the generation nominal voltage output is 13.2kV.
3.6 Assignment of Contract	The Winning Bidder shall not sell or assign the executed PSA resulting from successful CSP to any entity, company, or person without the consent of PALECO.
3.7 Dispatch by PALECO	a. PALECO and the System Operator shall have the right to dispatch the SUPPLIER's Power Plant up to its dependable capacity in accordance with the economic merit order. b. SUPPLIER shall control and operate the Power Station consistent with PALECO's systems dispatch requirements within the limitations of the manufacturer's recommendations, best operation, and maintenance practices.
4. Penalties and Charges	
4.1 Penalty for Delay in COD	The amount of the daily penalty for delay in COD is equivalent to the computed Construction Security indicated in 2.10.d divided by 180 days for each day of delay beyond the target COD. The imposition of a penalty for each day of delay of COD will be automatically deducted from the Construction Security, provided that if the penalty exceeds the Construction Security the penalty shall be paid in cash.
4.2 Dispatch Shortfall Charges	Any Ex-Ante and Post-Ante Dispatch Shortfall charges shall be automatically deducted and reflected in the power bills of the PALECO immediately upon of the occurrence the covered shortfalls.
4.3 Penalty for Unscheduled Power Outage due to Supplier's Fault	The penalty shall be computed when there are more than 30 minutes of power interruption causing a total blackout and tripping of units. The amount shall be equivalent to at least 1 hour of DSM+RF revenue loss until the number of hours the system returned back to normal operation. A fraction of an hour will be considered one hour. The computed revenue loss shall be based on the same period on the



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	same type of day a week before the occurrence of the loss. The amount computed shall be deducted from the latest power bill of the PALECO.												
4.4 Penalty for Failure to Deliver Ancillary Services	<p>a. The following are the penalties for failure of the Supplier to sustain the delivery of the ancillary services listed in 3.2 and 3.3 based on the monitoring report of the ancillary services to be provided monthly by PALECO.</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th><i>Required Ancillary Services</i></th> <th><i>Computation of Penalty</i></th> </tr> </thead> <tbody> <tr> <td><i>Regulation of Reactive Power to control the terminal voltage</i></td> <td><i>1.50x of DSM+RF revenue loss recovery</i></td> </tr> <tr> <td><i>Black start capability</i></td> <td><i>DSM+RF Revenue loss recovery</i></td> </tr> <tr> <td><i>Fast start capability, if any</i></td> <td><i>DSM+RF Revenue loss recovery</i></td> </tr> <tr> <td><i>Spinning Reserve</i></td> <td><i>1.25x of DSM+RF revenue loss recovery</i></td> </tr> <tr> <td><i>Back-up Unit</i></td> <td><i>1.25x of DSM+RF revenue loss recovery</i></td> </tr> </tbody> </table> <p>b. The computation of the amount of the penalties shall be based on 4.3 with the applicable multiplier, if any.</p>	<i>Required Ancillary Services</i>	<i>Computation of Penalty</i>	<i>Regulation of Reactive Power to control the terminal voltage</i>	<i>1.50x of DSM+RF revenue loss recovery</i>	<i>Black start capability</i>	<i>DSM+RF Revenue loss recovery</i>	<i>Fast start capability, if any</i>	<i>DSM+RF Revenue loss recovery</i>	<i>Spinning Reserve</i>	<i>1.25x of DSM+RF revenue loss recovery</i>	<i>Back-up Unit</i>	<i>1.25x of DSM+RF revenue loss recovery</i>
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4.5 Penalty for Failure to Deliver the Firm Renewable Energy Supply	<p>The computed penalty is equivalent to the difference between the actual total bill based on the actual dispatch and the total bill if the declared allocation mix was dispatched by the SUPPLIER, if applicable.</p> <p>The penalties shall be deducted from the power bills of the PALECO.</p>												
4.6 Penalty for Failure to Conduct Preventive Maintenance	The non-compliance would result in a multiplier of 2 on the computed Ex-ante Dispatch Shortfall as a penalty. The penalty using the multiplier shall be imposed within the period starting from the non-availment of the scheduled preventive maintenance until the next scheduled preventive maintenance of the same unit.												
5. Cost and Tariff Structure													
5.1 New Power Provider True Cost of Generation Rate (TCGR)	<p>a. Should there be two types of technologies to be used, the Bidder shall compute separately the resulting rate for Plant A and Plant B using each tariff structure to determine the New Power Provider True-Cost Generation Rate at Php/kWh.</p> <p>b. The Bidder shall provide the detailed calculation of its payment offers including formula and references. All cost items shall be itemized as may be applicable.</p> <p>c. The components to compute the TCGR shall be the Capital Recovery, Fixed O&M, Variable O&M, and Fuel Cost.</p> <p>d. The reference values for the indices for purposes of computing the TCGR rate will be provided by the TPBAC.</p>												
5.2 Capital Recovery Fee (CRF)	<p>a. CRF shall be fixed throughout the 15-year Delivery Contract at Php/kWh for firm supply and Php/kWh for non-firm supply.</p> <p>b. CRF shall not be subject to any indexation.</p> <p>c. CRF shall not be subject to degradation factor.</p> <p>d. Capacity payment shall only be paid when capacity is available on the particular billing period.</p> <p>e. No payment of any capacity fee in case of an outage during force majeure.</p> <p>f. Included in the computation of the CRF:</p> <ol style="list-style-type: none"> 1. Pre-development costs 2. Construction/Development costs <ol style="list-style-type: none"> i. Land and land rights ii. Plant and Equipment <ul style="list-style-type: none"> • Power plant with the required ancillary service capability • SCADA-ready substation • SCADA-ready connection point facilities • SCADA-ready revenue metering facilities • Connection/Tie Line iii. Capitalized Finance Cost iv. Other development costs 												
5.3 Fixed O&M Rate (FOMR)	<p>a. The FOMR shall only be subject to the Philippine CPI index.</p> <p>b. The payment FOMR shall be <i>Take-or-Pay</i> based on CC at Php/kWh rate for generation plants with dependable capacity; and for RE generation plants with non-firming ancillary service, the FOMR will be <i>Take-and-Pay</i> based on supplied energy at Php/kWh rate.</p>												



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5.4 Variable O&M Rate (VOMR)	<p>a. The VOMR shall only be subject to FOREX and Philippine CPI indices.</p> <p>b. The payment of VOMR shall be <i>Take-and-Pay</i> based on the supplied energy at Php/kWh rate.</p>
5.5 Fuel and Lube Pass-Through Cost	<p>a. The payment of the Fuel Cost shall be based on the energy supplied by the generating plant utilizing fuel.</p> <p>b. Pass-on fuel cost is based on the local market price but is limited to a guaranteed fuel rate of 0.21Li/kWh at generator terminal. The bidder may offer a lower fuel rate cap to be considered in the financial bid assessment.</p>
5.6. Transmission Losses	<p>a. All losses for the delivery of power from the SUPPLIER's plant to the 13.2kV Connection Point of the PALECO shall be on the account of the SUPPLIER.</p> <p>b. All transmission losses related to the delivered replacement power to the Grid Revenue Meter shall be on the account of the SUPPLIER.</p>
5.7 Total Landed Generation Cost, P/kWh	Bidder shall specify its Total Landed Generation Cost in Php/kWh equivalent to NPP TCGR based on levelized cost and shall serve as the Financial Bid Price .
5.8 Regulatory Approvals and Compliance	<p>a. The SUPPLIER shall make the necessary adjustments immediately in the next billing period upon receipt of a decision, order, or directive from the ERC or upon the specific date of effectivity directed by the ERC.</p> <p>b. In case ERC approves a downward adjustment in the rates, the PALECO shall not be made to shoulder the incremental difference which shall take effect upon the approval of the ERC.</p> <p>c. The SUPPLIER shall comply with all regulatory requirements of government offices such as but not limited to BIR, DOE, PCSD, DENR, ERC, SEC, HLURB, NWRB, SSS, Philhealth and Pag-ibig.</p>
6. Payment Modalities	
6.1 Mode of Payment	Check
6.2. Currency of Payment	Philippine Pesos
6.3 Billing Period	Monthly
6.4. Discount and Incentives	BIDDER shall specify in its bid proposal an offer of a prompt payment discount of not less than 3% discount if payment is made by the PALECO within calendar 10 days upon receipt of the power bill. The Bidder may offer other incentives aside from the prompt payment discount.
7. Outage Allowance	
7.1 Maximum Allowed Scheduled Outage	<p>Maximum of 120 hours per year</p> <p>Maintenance of generating units should be in accordance with the manufacturer's standards, provided that the maintenance schedule is subject to the approval of the PALECO and the System Operator.</p> <p>Preventive maintenance of substation, switchgear and other plant auxiliaries including tie-line should be in accordance with the manufacturer's standards, provided that the maintenance schedule is subject to the approval of the PALECO and the System Operator.</p>
7.2. Maximum Allowed Forced Outage	<p>72 hours per year</p> <p>Corrective maintenance of generating units, substations, switchgear, and other plant auxiliaries including tie-line should be in accordance with the manufacturer's standards, provided that the maintenance schedule is subject to the approval of the PALECO and the System Operator.</p>
7.3 Total maximum allowed schedule and unscheduled outages	<p><u>Must not exceed 192 hours</u></p> <ul style="list-style-type: none"> • All Scheduled Outages must be scheduled and declared twelve (12) months in advance. • There will be no carry-over of any unutilized outage allowance from a calendar year to the succeeding years.
8. Replacement Power	
8.1 During Delay in COD or Any Outage	<p>a. SUPPLIER to provide Replacement Power up to the Contracted Capacity during the delay in the COD.</p> <p>b. SUPPLIER to provide Replacement Power up to the Contracted Capacity during the Delivery Period.</p>



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	<i>Timeline:</i> 69kV Taytay-EI Nido Transmission Line to be completed by NPC in 2025. 69/13.2kV 25MVA EI Nido Substation by PALECO in 2026.
8.2 Payment of Replacement Power	The cost of Replacement Power shall be paid by the PALECO during the relevant period equal to the ERC-approved rate under the PSA net of the cost on any transmission losses. The billing determinant of the Replacement Power shall be based on the Delivery and Metering Points specified in 2.8.
8.3 Failure to Deliver Replacement Power	<ol style="list-style-type: none"> a. Penalty for failure to provide Replacement Power due to delayed COD shall be covered in 4.1. b. The SUPPLIER shall source available Replacement Power during allowed outages.
9. Force Majeure	
9.1 Force Majeure Events	<ol style="list-style-type: none"> a. The events that shall be deemed as Force Majeure and analogous circumstances shall be in accordance with the DOE CSP Policies. b. The non-payment of the Subsidy shall qualify as an event of Force Majeure should non-payment occur over five (5) successive Billing Months.
9.2 In the Case of FME	<ol style="list-style-type: none"> a. In the event of FM covered by item 9.1.a, both Parties shall be excused from performing their respective obligations under the PSA upon the occurrence of an Event of Force Majeure for a period not exceeding 180 days during the Delivery Period ("Temporary Force Majeure Period"). b. In the event of FM covered by item 9.1.b, the Supplier shall be excused from performing its obligations on the next day after of the due date of the unpaid Subsidy Fee indicated in the cumulative 5th power bill which will occur on the 6th of the billing month.
9.3 Non-payable Charges	The PALECO shall not be required to make payments for any of the following due to force majeure. <ul style="list-style-type: none"> • Capacity that is unavailable • Capacity that it cannot accept
10. Grounds for Contract Termination	
10.1 Valid Grounds for Termination	<p>The following are valid grounds for termination of the contract:</p> <ol style="list-style-type: none"> a. Failure to cure an event of Default b. Expiration of Delivery Period c. Failure to achieve COD extendable for another six months subject to penalty for delayed COD unless the delay is due to force majeure. The erring Winning Bidder shall be blacklisted and prohibited from participating in any CSP conducted by the PALECO and from entering any kind of PSA with the PALECO. d. Failure to deliver the Contracted Capacity for two (2) consecutive months after the maximum allowable COD. e. Failure to meet the required standards of the Philippine Small Grid Guidelines (PSGG) for two (2) consecutive months f. Mutual agreement by both parties g. Extended Force Majeure as agreed under PSA indicated in item no. 9.1.b h. Changes in the circumstances as agreed under the PSA i. Failure to submit pertinent documents for application of PSA j. Failure to provide within 15 days after signing of PSA the pertinent documents for the application for rate approval to ERC due to Winning Bidder's fault k. Due to Winning Bidder's fault, PALECO failed to apply within sixty (60) calendar days after the signing of the PSA for a probationary approval/interim relief from ERC.
10.2 Not Valid Ground for Termination	Rate reductions made by the ERC shall not be a valid ground for the termination of the contract.
11. Liquidated Damages	
11.1 In Case of Default	Damages shall be equal to the present value of the CRF Payment computed on a 365-day basis for the remaining term of the PSA.
11.2 Discount Rate	The discount rate to be used in the computation shall be at least 9.75%.
12. Reduction of Contracted Capacity	



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<p>12.1 CC Assignment and Allowed CC Reduction</p>	<ul style="list-style-type: none"> a. The reduction of contract capacity shall be allowed in case of reduction of demand of PALECO due to special circumstances beyond the control of PALECO with equivalent adjustment of tariff. b. PALECO may assign, transfer, designate or allocate its rights and obligations to purchase a portion of the contract it no longer requires to: <ul style="list-style-type: none"> i. Any of its business segments without the prior consent of Power Supplier; or ii. Any affiliate or third party subject to the consent of Power Supplier. c. The consent by the Power Supplier shall not be unreasonably delayed or conditioned at the disadvantage of PALECO. d. Any reduction shall require approval of the ERC and must comply with applicable rules of competition set by the Government.
<p>13. Obligations of PALECO</p>	
<p>13.1 For New Power Plant</p>	<ul style="list-style-type: none"> a. PALECO shall provide assistance to the successful bidder in the processing of permits and similar requirements from all national agencies and local government units. b. PALECO to extend the El Nido PSA with NPC to cover the months prior to the COD of the SUPPLIER.
<p>14. Bidder Qualifications and Bidding Process</p>	
<p>14.1 Bidding Process</p>	<ul style="list-style-type: none"> a. All forms of business organizations including Joint Ventures are encouraged to participate in the bidding process subject to applicable government licenses and permits. b. The capacity offer of the bidder must be compliant with all the ownership limitations prescribed under EPIRA. c. All bidders shall be subjected to Prequalification/Eligibility Process. All bid proposals shall be evaluated on their legal, financial capability, and technical aspect d. The bidding will follow a two-stage process. <ul style="list-style-type: none"> i. The first stage shall be a pre-qualification process. ii. Those pre-qualified shall participate in the second stage on the bid submission date and shall submit Technical/Legal and Financial documents in one package but in separate envelopes. iii. Both the first stage- pre-qualification and the second stage-Technical of this bidding will be evaluated on a "pass/fail" basis, of non-discretionary criteria. iv. Only bidders who passed the technical evaluation will have their financial proposal evaluated. The financial documents of a bidder who failed the technical evaluation will not be opened and will be returned back to the said bidders including all the other documents submitted. v. Bidders would be required to submit their financial offer rates using the Financial Term Sheet (FTS) templates that best reflect their true cost of generation. e. The bidder with the lowest calculated bid based on a Levelized Rate shall undergo the post-qualification process. f. The bidder with the lowest calculated bid and has passed the post-qualification process shall be selected as the Winning Bidder, otherwise, the bidder with the next (2nd) lowest calculated bid shall be subject to post-qualification. If the 2nd lowest bidder failed the post qualification, the TPBAC shall declare a failure of bidding. g. The provisions in the TOR shall prevail should there be inconsistencies with the provisions of the documents executed in relation to this CSP. h. The Winning Bidder shall pay the corresponding Transaction Fee.
<p>14.2 Eligibility Requirements</p>	<ul style="list-style-type: none"> a. Legal Documents <ul style="list-style-type: none"> i. Executive Summary ii. Organizational Structure iii. Certificate of Registration with SEC, DTI, or CDA duly certified as true copy from the issuing agencies iv. Latest General Information Sheet with SEC-issued QR Code v. Mayors/Business Permit vi. BIR Registration vii. Annual Income Tax Return duly stamped received by BIR and certified as a true copy by the BIR



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- viii. Compliance with EO No. 398
- ix. If Bidder is a partnership, corporation, consortium, joint venture, or any similar association for purposes of this CSP, it must present a SEC Certificate of Incorporation and an agreement showing that the Bidder and all its partners, shareholders, joint venture, associates, as may be applicable, are jointly and severally liable to the electric cooperative for any and all costs and obligations arising from this CSP and the resulting PSA.
- x. If a Sole Bidder or a consortium is planning to form a Project Company, the bidder or consortium members shall be required to submit an undertaking to incorporate a project company to be registered with the SEC.
- xi. For bidders using indigenous and RE power plants, the bidder must comply with the constitutional requirement for ownership.
- xii. *Affidavit of No Conflict* stating that the bidder including its affiliates has no existing dispute, protest, or any legal action against PALECO that is in conflict with this bidding or concerning any bidding that PALECO previously conducted with attached Certification from PALECO issued by the General Manager. Bidders earlier issued with a Certification must secure a new certificate.
- xiii. All documents provided as Certified True Copy shall be dated not older than the date of the publication of the ITB.

b. Financial Documents/Financial Capability Information

- i. Complete audited financial statements for CY 2021 and 2022 stamped by SEC
- ii. NFCC

The average Net Financial Contracting Capacity (NFCC) from the last two years' audited financial statements should be at least twenty-five percent (25%) higher than the Project Cost.

NFCC = [(Current assets minus current liabilities) x (20)] minus the value of all outstanding or uncompleted portions of the projects under ongoing contracts, including awarded contracts yet to be started coinciding with the contract to be bid.

c. Technical Documents/Technical Capability Information

- i. The bidder must submit proof that it has at least five (5) years of experience operating an electricity generation plant similar or comparable to the technology of the plant the bidder will offer, preferably servicing a utility with an aggregate of at least 15 MW of generation capacity.
- ii. For new power suppliers and in case the required years of experience or aggregate capacity are not met, the qualification shall be based on the submission of:
 - (a) the experience and technical capability of the persons, whether natural or juridical, who will operate and maintain the generating facilities
 - (b) a detailed plan on how it intends to operate and maintain the generating facilities in accordance with the Philippine Grid and Distribution Codes, existing industry standards, and applicable Philippine laws. The detailed plan must state how the bidder shall operate and maintain the generating facilities. The detailed plan must contain the following:
 - Executive Summary;
 - Description of the plan for the operation and maintenance of generating facilities;
 - Proposed table of organization including job descriptions, technical qualifications, and experience of the management



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	and technical team; and Environmental and social obligations compliance programs.
	iii. If a bidder is a consortium, at least one member with a minimum of 40% participation in the Consortium should have at least 5 years of experience in operating an electricity generation plant with an aggregate of at least 15 MW of generating capacity. Else, item 14.2.c.ii above will apply.

2. SCHEDULE OF BIDDING

Activity	Schedule
Publication of Invitation to bid in a newspaper of general circulation and posting to DOE web portal and NEA website	September 01 & 10, 2023
Issuance of TOR and Bidding Documents to Registered Bidders	September 11 to 27, 2023
Pre-bid Conference	September 28, 2023 9:00 a.m.
Deadline for submission of Written Comments	October 2, 2023
Issuance of Bid Bulletin and Final Instruction to Bidders	October 5, 2023
Due diligence of Proponent	October 6 to 16, 2023
Submission and Opening of Bids	October 19 & 20, 2023 9:00 a.m.
Detailed Evaluation and Post Qualification of Bids	October 23 to 25, 2023
Site Inspection	October 26 to 31, 2023
Recommendation of Lowest Calculated Responsive Bid thru TPBAC Resolution	November 6, 2023
Submission to the Board of the TPBAC resolution for their Confirmation	November 7, 2023
Issuance of Notice of Award	November 10, 2023
Submission to NEA, Joint Sworn Statement signed by all Members of the BOD and the General Manager, copy of Draft PSA and TPBAC Report	November 16, 2023
Submission to NEA Final Evaluation/Assessment of the PSA	November 21, 2023
Review of PSA through EVOSS	November 22 to December 13, 2023
Issuance of Notice to Proceed to sign PSA	December 14, 2023
Signing of PSA and Subsidy Agreement	December 20, 2023
Filing of ERC Application for Approval of PSA	December 28, 2023

3. NOTES TO BIDDERS

- a. Interested bidders will be issued the Bidding Documents upon payment of non-refundable fee of Two Hundred Twenty-Five Thousand Pesos (PhP225,000.00).
- b. Due to the relaunching of the bidding, interested bidders who previously registered may apply the amount paid by providing to the TPBAC Secretariat a copy of the receipt of previous payment and pay the additional amount of Seventy-Five Thousand Pesos (PhP75,000.00) to obtain the Bidding Documents.
- c. All bid proposals shall be accompanied by a refundable Bid Security fee amounting to Fifteen Million Pesos (PhP15,000,000.00) in cash, Cashier's/Manager's check payable to PALECO or bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank. Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank if issued by a foreign bank.

[Handwritten signatures and scribbles on the right margin of the page.]



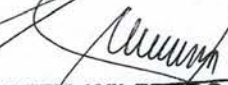
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- d. The Board of Directors (BOD) may intervene in the conduct of the CSP upon justifiable and reasonable grounds.

The BOD reserves the right to reject any or all bids, to declare a failure of bidding or not to award the contract in the following situations:


- i. If there is prima facie evidence of collusion between the TPBAC and any of the bidders, or if the collusion between or among and any of the bidders themselves, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;
 - ii. If the TPBAC is found to have failed in following the prescribed bidding procedures; or
 - iii. Any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the consumer-members, subject to the approval of the DOE.
- e. For further details please contact TPBAC Secretariat Peter Vincent S. Mendoza at telephone no. (048) 433-9144, local 866 or through email paleco.csp@gmail.com.


Approved for release.


ATTY. WILFREDO L. TAGLE
Chairperson/Consumer Representative


MYRA C. PADON, CPA
Member


ENGR. JOHN RHEY P. SALES
Member


ENGR. ROGELIO G. BAYLON, JR., PEE
TPBAC Vice-Chairperson


ENGR. ADRIAN L. REY, PEE
Member/Consumer Representative