



INVITATION TO BID

Pursuant to DOE DC Circular No. DC2023-06-0021, ERC Resolution No. 16, and National Electrification Administration (NEA) Memorandum No. 2023-57, LEYECO II is inviting power suppliers to participate in this Power Supply Competitive Selection Process (PSCSP) for Long-term Baseload (August 12, 2024 - August 25, 2034).

The successful Bidder will supply the full demand requirement of LEYECO II as shown in Table 1.

Table 1. LEYECO II Demand Requirement

Year	Demand
August 12, 2024 – August 25, 2034	20 MW

ELIGIBLE BIDDERS:

1. The Bidder may be one or two or all of the following:
 - a) Generation Company (GENCO) that owns and/or operates a power plant;
 - b) IPP Administrator of privatized IPP PPA of NPC through an IPPA contract awarded by PSALM; and/or
 - c) IPP Administrator of a private company or a generation company duly recognized and authorized by ERC; and/or
 - d) Licensed Wholesale Aggregator with (i) existing capacity contracts or has arranged for a capacity contract in response to this tender, or (ii) a firm commitment to supply from WESM at fixed prices.

SCHEDULE OF ACTIVITIES:

The timeline of activities for this PSCSP is as follows:

Table 2: Transaction Schedule

ACTIVITIES	DATE
Publication and Invitation to Bid	March 7, 2024
Payment of Bid Participation Fee and Issuance of Bidding Documents	March 7 - 21, 2024
Pre-Bid Conference	March 22, 2024
Deadline of Submission of Comments on Bidding Documents	March 25, 2024
Issuance of Final Instruction to Bidders	April 15, 2024

Submission and Opening of Bids	April 29, 2024
Post Qualification	April 30 – May 2, 2024
Declaration of Winning Bidders	May 3, 2024
Notice of Award	May 21, 2024
Signing of Power Supply Agreements	June 7, 2024

Late submission and request for additional time shall not be allowed and accepted in all stages of the proceedings.

BIDDING SUBMISSION DEADLINE:

Deadline for the submission of Bids will be on April 29, 2024, 12:00NN.

OPENING OF BIDS:

Opening of Bids will be on April 29, 2024 1:30PM at Hotel Costa Brava, Tacloban City.

BIDDING DOCUMENTS FEE:

Bidders shall pay a non-refundable Participation Fee (Bid Documents Fee) equivalent to Two Hundred Thousand Pesos (Php 200,000.00). Only bidders who have properly secured the Bidding Documents will be allowed to participate in the Pre-Bid Conference and the entire bidding process.

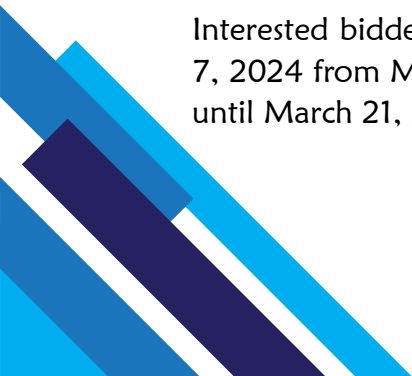
Attendance to the Pre-Bid Conference by prospective Bidders is not mandatory, but is encouraged. A maximum of three (3) representatives identified by the Bidder in its LOI shall be admitted.

TERMS OF REFERENCE (TOR):

Pursuant to DOE DC Circular No. DC2023-06-0021, ERC Resolution No. 16, and NEA Memorandum No. 2023-57, LEYECO II invites all interested and qualified suppliers to participate in the PSCSP with the minimum requirements as stated in the TOR.

GENERAL INFORMATION:

Interested bidders may obtain the hard copy of the Bidding Documents starting March 7, 2024 from Mondays to Fridays 8:00 AM to 05:00 PM at the LEYECO II Main Office until March 21, 2024 upon:



- a.) Submission of a Notarized Letter of Intent (LOI) signed by an authorized representative. The LOI shall also state the full names, addresses, contact numbers, and email addresses of its authorized signatories and authorized representatives.
- b.) Payment of non-refundable Bid Documents Fee of each bidder, either Cash, Cashier's/Manager's check payable to Leyte II Electric Cooperative, Inc. through fund transfer or deposit to the BAC designated bank account.

Note: Electronic submission is allowed, provided that the scanned copy of the notarized LOI and the Proof of Payment are e-mailed along with a proof of mailing via private courier. Bidders may send the aforementioned documents to leyeco2csp@gmail.com.

The LEYECO II PSCSP reserves the right to amend the schedule of activities, reject any or all bids, declare a failure of bidding, or not to award the contract under circumstances allowed by the CSP guidelines without incurring any liability.

For further information, please refer to:

LEYTE II ELECTRIC COOPERATIVE, INC.

Business Address: Real St., Sagkahan District, Tacloban City 6500

Email Address: leyeco2csp@gmail.com

Contact Person: Jinuard Asis / Anne Patrice Dabuet / Karelle Faye Ramirez

Contact Number: 0906-574-7708 / 0945-483-5832 / 0905-709-3101

LEYECO II Power Supply Competitive Selection Process (L2-PSCSP)

By:



Atty. TYRON JAN G. ALBAO
L2 PSCSP BAC Chairman
March 5, 2024



LEYECO II POWER SUPPLY COMPETITIVE SELECTION PROCESS

TERMS OF REFERENCE

**20MW LONG-TERM BASELOAD DEMAND
FOR AUGUST 2024 - AUGUST 2034**

ITEM	TERMS OF REFERENCE	REQUIREMENT												
1	Name of Utility	LEYTE II ELECTRIC COOPERATIVE, INC. (LEYECO II)												
2	Target Date of Publication	March 7, 2024												
3	Purpose of CSP	As scheduled in the PSPP												
4	Area to be Served	On-Grid												
5	Demand Requirement	Baseload												
6	Supply Type	Firm												
7	Type of Technology	Open; Indicate portfolio of plants of the same technology, if available												
8	Type of Contract	Physical PSA												
9	Pricing Structure	Energy-based PSA												
10	Contract Term	Period: 10 Years and 13 Days Inclusive Dates: August 12, 2024 to August 25, 2034												
11	Target Delivery Date	August 12, 2024												
12	Bid Price in Philippine Peso per kilowatt-hour (PhP/kWh) <i>(the "ceiling price" – inclusive of fuel cost but excluding any penalties and/or discounts to be implemented for the duration of the contract period)</i>	The maximum bid price to be accepted shall be capped at the average generation rates of Region 8 ECs for the year 2023.												
13	For Capacity-based PSA	<table border="1" data-bbox="901 1128 1406 1228"> <thead> <tr> <th>Year</th> <th>Capacity Requirement</th> </tr> </thead> <tbody> <tr> <td>2024-2034</td> <td>20 MW</td> </tr> </tbody> </table> <p>A Bidder shall offer to supply capacity equal to the baseload requirement for the entire period as specified above.</p> <p>The contract shall be awarded to the bidder with the Lowest Calculated Responsive Bid (LCRB).</p>	Year	Capacity Requirement	2024-2034	20 MW								
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14	Preferred Plant Location, if applicable	No preferred plant location												
15	Tariff Structure	<p>Parameters:</p> $Base\ Price_{Firm} = \left[\sum_{CUF=65\%}^{100\%} (CRF_{CUF} + FOM_{CUF}) \times Weight_{CUF} \right] \times DAF + VOM + FC$ $Base\ Price_{Indexed} = \sum_{CUF=65\%}^{100\%} \left\{ \left[CRF + \left(FOM_{CUF} \times \frac{CPI_{CURRENT}}{CPI_{BASE}} \right) \right] \times Weight_{CUF} \right\} \times DAF + \left[VOM \times \frac{CPI_{CURRENT}}{CPI_{BASE}} \right] + FC$ <p>Where,</p> <table border="1" data-bbox="868 1913 1442 2170"> <tbody> <tr> <td>CRF_{CUF}</td> <td>Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF Weight</td> </tr> <tr> <td>FOM_{CUF}</td> <td>The Fixed Operation & Maintenance local price component and/or the foreign price component converted to PhP/kWh using the FOREX Rate of 56.9030 per CUF weight</td> </tr> <tr> <td>VOM</td> <td>The non-fuel costs such as Variable Operation & Maintenance local price component and/or the foreign price component converted to PhP/kWh using the FOREX Rate of 56.9030</td> </tr> <tr> <td>FC</td> <td>The local price component and/or the foreign price component converted to PhP/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant</td> </tr> <tr> <td>DAF</td> <td>Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. DAF = 1.1476</td> </tr> <tr> <td>$Weight_{CUF}$</td> <td>Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload</td> </tr> </tbody> </table>	CRF_{CUF}	Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF Weight	FOM_{CUF}	The Fixed Operation & Maintenance local price component and/or the foreign price component converted to PhP/kWh using the FOREX Rate of 56.9030 per CUF weight	VOM	The non-fuel costs such as Variable Operation & Maintenance local price component and/or the foreign price component converted to PhP/kWh using the FOREX Rate of 56.9030	FC	The local price component and/or the foreign price component converted to PhP/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant	DAF	Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. DAF = 1.1476	$Weight_{CUF}$	Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload
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		<p>The Tariff Structure shall be unbundled into components as follows:</p> <table border="1" data-bbox="862 313 1451 680"> <thead> <tr> <th>Component</th> <th>Unit</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>CRF</td> <td rowspan="3">Php/kWh</td> <td>No indexation or escalation on Capital Recovery Fee (CRF).</td> </tr> <tr> <td>FOM</td> <td rowspan="2">Fixed and Variable O&M fee shall be indexed on Philippine CPI for local components, except for Firm Price offers where only the Fuel component will be indexed. Foreign components shall first be converted to Php/kWh using the FOREX conversion parameters that will be provided in the ITB and indexed to the Philippine CPI thereafter.</td> </tr> <tr> <td>VOM</td> </tr> <tr> <td>Fuel</td> <td>Fuel cost shall be the average for the last 6 months of the Power Supplier's fuel purchase.</td> </tr> </tbody> </table> <p>Pricing for the capacity fee must be for each level of Capacity Utilization Factor (CUF) from 65% to 100%.</p> <p>The Bidder shall include all necessary attachments (e.g. invoices), documentations, and any other relevant information in every billing statement that will enable the EC to determine that the billing computation is compliant with the PSA.</p> <p>Bidder shall also specify government taxes or levies incorporated in its payment offers.</p> <p>Specify formula for base fee adjustments affected by factors such as Philippine CPI, FOREX, and Escalation due to fuel degradation and others.</p> <p>Bid price shall exclude any penalties and/or discounts to be implemented for the duration of the contract period.</p> <p>The Bidder shall ensure that each of the unbundled tariff components shall be accompanied by a derivation, computation, or simulated value for every year of the PSA, as applicable.</p>	Component	Unit	Description	CRF	Php/kWh	No indexation or escalation on Capital Recovery Fee (CRF).	FOM	Fixed and Variable O&M fee shall be indexed on Philippine CPI for local components, except for Firm Price offers where only the Fuel component will be indexed. Foreign components shall first be converted to Php/kWh using the FOREX conversion parameters that will be provided in the ITB and indexed to the Philippine CPI thereafter.	VOM	Fuel	Fuel cost shall be the average for the last 6 months of the Power Supplier's fuel purchase.
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16	Plant Outage Allowance	<p>Total Scheduled and Unscheduled Outage should not exceed the ERC-prescribed allowances under the existing guidelines.</p> <p>While the ERC permits certain technologies to have more than 30 days outage, the total maximum allowed outage shall not exceed 30 days or 720 hours.</p> <p>All scheduled outages must be scheduled and declared three (3) months in advance.</p>											

		<p>There shall be no carry-over of any unutilized outage allowances from a calendar year on the succeeding years of the contract term.</p> <p>In the event the Buyer was only able to provide the partial contract capacity requirement for a specific period, such shortfall shall be considered as an outage resulting as a deduction from the maximum allowed outage through pro-rata computation.</p> <p>Sourcing the contract capacity requirement from another plant within the Power Supplier's indicated portfolio of power plants shall not be deemed as an outage, provided it meets the required contract capacity.</p> <p>Buyer may, within thirty (30) days from receipt of written notice of the Scheduled Outage, require the Seller to reschedule a Scheduled Outage; provided, however, that Buyer shall not request that such Scheduled Outage be rescheduled in a manner or time outside the Minimum Functional Specifications.</p> <p>Buyer shall use its reasonable endeavors to coordinate its maintenance program for the Interconnection Facilities with the approved Scheduled Outages so as to minimize any disruption to the operation of the Facility.</p>
17	Force Majeure	<p>"Force Majeure" or "Fortuitous Event" refers to any extraordinary event not foreseeable or avoidable, or to an event that could not be foreseen, or which, though foreseen, is inevitable and independent of human will or the DU's participation, whether by active intervention, neglect or failure to act.</p> <p>This further refers to an event or circumstance generally caused: (1) by nature, such as, but not limited to, fires, floods, typhoons, or acts of God; and/or (2) by the acts of man, such as, but not limited to, war, national emergencies, revolution, riot, insurrection, terrorism, civil unrest, or any other similar violent, or threatening actions.</p> <p>Work stoppage due to labor strikes, picketing, lockouts or any other labor dispute is not considered as force majeure or fortuitous event.</p> <p>Neither Party shall be responsible or liable for, or deemed in breach hereof because of, any failure or delay in complying with its obligations which it cannot perform due solely to one or more Force Majeure or its or their effects or by any combination thereof, and the periods allowed for the performance by the</p>

		<p>Parties of such obligation(s) shall be extended on a day-by-day basis for so long as one or more Force Majeure continues to affect materially and adversely the performance of such Party of such obligation(s).</p> <p>No relief shall be granted to the Party claiming Force Majeure to the extent that such failure or delay would have nevertheless been experienced by that Party had such Force Majeure not occurred.</p> <p>The Parties may terminate when the Force Majeure delays a Party's performance for a period of more than sixty (60) days.</p> <p>To the extent either party is prevented by force majeure or by fortuitous event from carrying out, in whole or in part, its obligations under this Agreement and such Affected Party gives notice and details of the force majeure or fortuitous event to the other Party as soon as practicable, then the Affected Party shall be excused wholly or partially from the performance of its obligations herein. During the force majeure or fortuitous event, the Unaffected Party shall likewise be relieved of its obligations to the Affected Party, but only those obligations corresponding to the performance of the Affected Party excused by such force majeure or fortuitous event, unless provided otherwise.</p> <p>There will be no payment of any capacity fee or for any capacity that the EC cannot accept, or capacity that is unavailable, in case of outage during any force majeure.</p> <p>All other arrangements in case of force majeure or fortuitous may be agreed upon by parties and shall form part of the PSA, but should be consistent with the TOR.</p>
18	Replacement Power	<p>Within the Allowed Outage. The procurement of any Replacement Power within the Allowed Outage shall be the responsibility of the EC. During such outage, the EC shall source Replacement Power from other suppliers or from the WESM, at its own expense.</p> <p>In case the EC fails to secure its own Replacement Power, the Power Supplier, in coordination with and conformity of the EC, shall provide the Replacement Power. The cost of the Replacement Power shall be paid by the EC.</p> <p>Beyond the Allowed Outage. The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the Power Supplier. In the</p>

		<p>event of failure by the Power Supplier to provide the Contract Capacity and/or Contract Energy, or the Power Supplier was not able to provide supply from the specific plant provided in the PSA, including delay in the Commencement of Delivery (COD), the EC shall be allowed to source the Replacement Power at the expense of the Power Supplier. Provided further, that the rates to be charged for the procurement of Replacement Power shall be a) the actual price of the Replacement Power; or b) the approved charge for the PSA, whichever is lower.</p> <p>In case of delay in the COD and the Power Supplier fails to timely nominate its replacement power, the EC shall procure Replacement Power equal to the PSA rate or the actual price of the Replacement Power, whichever is lower. In case the Replacement Power price is higher than the PSA rate, any difference shall be for the account of the Power Supplier.</p> <p>In the event the Power Supplier was only able to provide partial electricity supply requirement of the EC, contrary to what is provided for under a duly executed PSA, the Power Supplier shall be responsible for the provision of replacement power for the deficient capacity at the generation rate equivalent to the provisional or final approved generation rate, or the actual rate of the replacement power, whichever is lower.</p>
19	Billing Statement	The Power Supplier shall deliver to the EC a billing statement showing the Electricity Fee due for such Billing Period not later than the fifth (5 th) day of the month following the close of the billing period.
20	Form of Payment	<p>Mode of payment shall be made through manager's check and bank transfer.</p> <p>Currency of Payment: Philippine Peso</p> <p>Billing Period: Monthly</p>
21	Penalty provisions in cases of delay in construction of the power plant or commencement of commercial operations	In case of delay in the COD and the Power Supplier fails to timely nominate its replacement power, the EC shall procure Replacement Power equal to the PSA rate or the actual price of the Replacement Power, whichever is lower. In case the Replacement Power price is higher than the PSA rate, any difference shall be for the account of the Power Supplier.

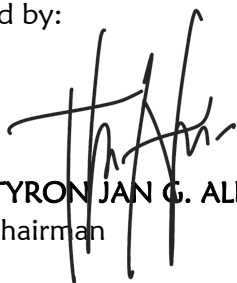
22	Reduction of Contract Capacity and/or Contract Energy	<p>The reduction of contract capacity shall be allowed in case of:</p> <ul style="list-style-type: none"> • Loss of captive customers due to implementation of Retail Competition and Open Access, the Renewable Energy Law, or other laws and policies • Reduction of demand of the EC due to circumstances beyond the control of the EC. <p>The Parties shall agree on a protocol subject to ERC approval.</p>
23	Discounts	<p>The Bidder may offer Prompt Payment Discount (PPD) and any other applicable discounts which must be specified in its bid proposal and shall form part of the bid price as specified in the formula for bid computation.</p>
24	Bidders Qualifications	<p>Bidders qualifications are as follows;</p> <ol 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 bidder must comply with the constitutional requirement on ownership. c. The capacity offer of the bidder must be compliant with all the ownership limitations prescribed under EPIRA. d. If bidder is formed as partnership, corporation, consortium, joint venture or any similar association for purpose of this CSP, it must present an agreement showing that the Bidder and all its partners, shareholders, joint venture, associates, as may be applicable, are jointly and severally liable to (EC) for any and all costs and obligations arising from this CSP and the resulting PSA. e. For new power suppliers, the qualification shall be based on: (i) the experience and competence of its personnel to manage and operate the plant; and, (ii) acceptability of its operational management plan during technical bid evaluation.
25	Transmission and Interconnection	<p>If applicable, Seller has entered into a Connection Agreement and Transmission Service Agreement with the NGCP to connect the Facility to the Grid.</p> <p>At all times, from and after the Effective Date, all interconnection, transmission and other</p>

		<p>agreements necessary for Seller to perform its obligations hereunder (including the Connection Agreement and Transmission Service Agreement) shall be in full force and effect.</p>
26	Transmission Failures	<p>If the Buyer is not able to take the Contracted Capacity from the Delivery Point, for causes attributable to a system rotational brownout or load dropping imposed by the System Operator, and/or any failure by the Transmission Utility to transmit the Contracted Capacity including those due to any localized transmission line outages (other than as a result of a system-wide or grid-wide blackout or service interruption), the Buyer may, after the occurrence of any of such events, revise its Nomination for the succeeding Trading Interval/s on the same trading day (“Real-Time Nomination”) and the Seller shall accept the Buyer’s Real-Time Nomination, provided, that the Buyer:</p> <ul style="list-style-type: none"> i. Submits the Real-Time Nomination to the Seller not later than four (4) hours before the applicable Trading Interval (“RTN Deadline”); and ii. States the reason for submitting a Real-Time Nomination, which shall be specified by the Buyer in writing as one of the above-mentioned causes. <p>The Buyer shall not be liable for any reasons of failure by the Transmission Utility to transmit the Contracted Capacity hereof.</p> <p>In the event that the Buyer did not meet the 65% minimum Contracted Capacity due to the rotational brownout of the System Operator or any failure on the part of the Transmission Utility, the Buyer shall only be obliged to pay the actual capacity delivered within the relevant Billing Period. Moreover, all other fees shall also be calculated based on the actual capacity delivered within the relevant Billing Period.</p>

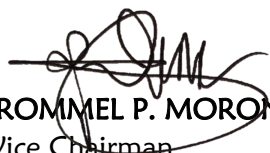
27	Assignment	<p>The Power Supplier shall not be allowed to sell, and/or assign this PSA resulting from the successful CSP to any other entity, except under the following conditions:</p> <p>(i) assignment to the Power Supplier's subsidiary project company, provided that the Deed of Assignment shall state that the Power Supplier and its stockholders shall be jointly and severally liable for any violation of the PSA terms and this Guidelines committed by its Assignee project company; and</p> <p>(ii) upon ERC's approval and determination of the assignee or buyer's legal, technical and financial eligibility.</p> <p>The Seller may only assign or transfer its rights or obligations to its Affiliates or its consortium's special purpose vehicle under, pursuant to, or associated with (a) this Agreement, (b) the Facility, (c) the movable property and intellectual property of the Seller, or (d) the revenues or any of the rights or assets of the Seller, in each of subsections (a) through (c) without the prior written consent of the Buyer, provided, however, that any such assignee or Seller shall have the ability to perform all of Seller's obligations and duties under this Agreement. Such transfer of rights and obligations under this provision shall require prior notification and approval of the ERC. Nonetheless, both the assignor and assignee are solidarily liable under this Agreement.</p> <p>Replacement of Power by a third party shall not be construed as an assignment within the purview of this agreement.</p>
28	Risk Mitigation and Value-Added Services	<p>A risk mitigation agreement shall be agreed upon by the Seller and the Buyer to mitigate the risks on account of:</p> <ol style="list-style-type: none"> a. Price Volatility in the WESM b. Plant Outages of the Seller c. Higher price for low capacity utilization d. Defaults of either party
29	Line Rental	<p>Pass-through Line Rental charge up to a maximum of PhP1.00/kWh shall be for the account of the EC.</p> <p>Any Line Rental charge beyond PhP1.00/kWh shall be for the account of the Power Supplier.</p>

30	Regulatory Rate Determination	<p>In case the final approved rate is lower than the rate in the Agreement, the Seller shall be solely responsible for the difference to be reflected as adjustments in the billing statements.</p> <p>However, if the final approved rate is higher than the rate in the Agreement, the Parties shall endeavor to come up with a reasonable rate recovery scheme, the implementation of which shall be subject to the approval of the ERC.</p>
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Prepared by:



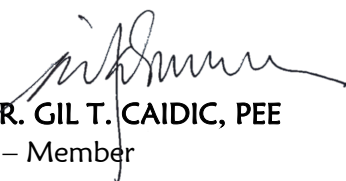
ATTY. TYRON JAN G. ALBAO
BAC - Chairman



ENGR. ROMMEL P. MORON, PEE
BAC – Vice Chairman



ATTY. PEVEN Y. DE OÑO
BAC – Member



ENGR. GIL T. CAIDIC, PEE
BAC – Member



YVES HENRY O. BARRIL, CPA
BAC – Member