



Bantayan Island Electric Cooperative, Inc. (BANELCO)

Balintawak, Bantigue, Cebu
 Tel/Fax No.: (032) 460-9281; (032) 460-9112
 Email address: banelcoonline@yahoo.com

THIRD PARTY BIDS AND AWARDS COMMITTEE (TPBAC) SUPPLEMENTAL BID BULLETIN NO. 4

Invitation to Submit Bid for the Supply of Power to Bantayan Island Electric Cooperative, Inc.
 (BANELCO)
 COMPETITIVE SELECTION PROCESS (CSP)

This bulletin is issued to clarify the terms in the Bidding Documents and Terms of Reference.

A. QUERIES

ISSUES/QUERIES	ANSWERS/CLARIFICATION
<p>A. Power Supply Agreement</p> <p>1. Sec. 1.1 (Definitions)</p> <p>The term “Administrative Council” is defined as the “committee established pursuant to section 13.1 of the Agreement.”</p> <p>But section 13.1 of the Power Supply Agreement does not clarify the composition of the Administrative Council. We propose that the term must be defined with regard to its composition, number of members, and the manner of voting to arrive at a resolution.</p> <p>2. Sec. 1.1 (Definitions)</p> <p>On the definition of “Performance Bond”, there is a reference to Section 3.2.6, but the correct reference should be 3.2.5 because 3.2.6 refers to the Phase In-Phase Out Agreement</p> <p>3. Sec. 2.1 (General)</p> <p>In the clarification to the Bidding Documents dated August 23, 2019, the TPBAC clarified that the Power Supply Agreement is intended to be capacity fee-based.</p> <p>As such, we propose the revision of “actual energy delivered” to “capacity made available”.</p> <p>4. Sec. 3.3 (Failure to Achieve Effective Date), page 12</p> <p>Section 3.3 mentions that the Agreement shall be deemed terminated if the Effective Date does not occur with 4 months from the date of the Agreement. We propose that an extension be granted in case the delay</p>	<p>A. Power Supply Agreement</p> <p>➤ Please refer to Addendum, item #1</p> <p>➤ Please refer to Addendum, item #2.</p> <p>➤ Please refer to Addendum, item #3</p> <p>➤ Please refer to Addendum, item #4</p>

<p>is not due to the fault of the supplier</p> <p>5. Sec. 4.6.1 (Operation and Maintenance of the Power Station), pages 13 and 14</p> <p>Initial Island Grid Peak Demand stated in the Agreement is at 15,000 kW. Taking into consideration Schedule 5, page 29, of the Schedules to the Bidding Procedures, we propose to use the Year 15 Forecasted Peak Demand at 15,506 kW plus 10% Spinning Reserve to incorporate the maximum dispatchable capacity for the entire term.</p> <p>6. Sec. 4.6.1(b) (Operation and Maintenance of the Power Station)</p> <p>In the SBB #1, Annex B, the TPBAC clarified that the Contingency Reserve is not 25% of the Peak Demand, and Spinning Reserve is 10% of the Peak Demand.</p> <p>As such, we propose the revision of Section 4.6.1(b) to reflect SBB #1</p> <p>7. Sec. 6.4.2 (Payments)</p> <p>At the end of the provision, there is reference to a "Sample Computation" for the Early Payment Discount, but there is none. If the TPBAC intended to include a sample computation for the Early Payment Discount, it should be included under this provision.</p> <p>8. Sec. 7.4 (Extended Force Majeure)</p> <p>Section 7.4 mentions a 30-day consultation period as reckoning point for an event to be considered an Extended Force Majeure. But in Section 7.2, a. Temporary Force Majeure is that event which does not exceed 90 days; hence, by inference, an Extended Force Majeure is an event in excess of 90 days. The 30-day period in Section 7.3 is only for the parties to consult after a Temporary Force Majeure. If the intention of the TPBAC is for the Extended Force Majeure to include not only the Temporary Force Majeure period PLUS the 30-day consultation period, we propose that Section 7.4 be revised to read as follows:</p> <p>"7.4 Extended Force Majeure. Events of Force Majeure subsisting beyond the 30-day consultation period referenced in Section <u>7.3 and after the lapse of the period to be considered an Temporary Force Majeure</u> shall be considered Extended Force Majeure and given the Parties the right to terminate the Agreement pursuant to Section 10.3.2.</p>	<p>➤ Based on our approved TOR, our contracted capacity is only 15,000 kW. If incase within the period of fifteen (15) years, our maximum demand plus 10% Spinning Reserve surpassed our contracted capacity, BANELCO will conduct another CSP.</p> <p>➤ Please refer to Addendum, item #5</p> <p>➤ Please refer to Addendum, item #6</p> <p>➤ Please refer to Addendum, item #7</p>
--	--

<p>9. Sec. 10.5.1(b) (Termination Fee)</p> <p>In the calculation for the Termination Fee during Commercial Operations Period in Section 10.5.1, does the “Sound Value of the Power Station” include the value of the land? Moreover, there is reference to “lease breakage fees” as part of the Termination Fee; if the land is not leased, will the TPBAC consider the value of the land, if the land is purchased?</p> <p>B. Power Supply Agreement: Schedule A (Power Station Specifications)</p> <p>1. Sec. 1.1</p> <p>We propose a revision of the Spinning Reserve to reflect SBB #1.</p> <p>C. Power Supply Agreement; Schedule C (Operating and Delivery Procedures)</p> <p>1. Sec. 2.1.1</p> <p>In the definition of “Downtime” we suggest following the Terms of Reference where the reference to outage allowances was in number of days, i.e., 60 days.</p> <p>D. Power Supply Agreement: Schedule D (Government Consents)</p> <p>1. Sec. 1.1</p> <p>Among the government consents that Supplier is required to procure is the Water Use Permit from the National Water Resources Board. Unless Supplier intends to dig its own well, there may be no need for this permit.</p> <p>E. Power Supply Agreement; Schedule E (Dispatch Protocols)</p> <p>1. Sec. 1 (Definition of Terms) There appears to be typographical oversight in the definition of “Backup Reserve”, with the inclusion of the word “or”.</p> <p>2. Sec. 3.3 We propose a revision of this paragraph, following the TPBAC’s clarification in SBB #1.</p> <p>3. Sec. 7.3.1 (Merit Order Table) We propose to remove the reference to a Minimum Energy Off-take (MEOT)</p>	<p>➤ TPBAC will consider the value of the land, if the land is purchased.</p> <p>B. Power Supply Agreement: Schedule A (Power Station Specifications)</p> <p>➤ Please refer to Addendum, item #8</p> <p>C. Power Supply Agreement: Schedule C (Operating and Delivery Procedures)</p> <p>➤ Please refer to Addendum, item #9</p> <p>D. Power Supply Agreement: Schedule D (Government Consents)</p> <p>➤ The supplier may secure the permits if or when necessary.</p> <p>E. Power Supply Agreement Schedule E (Dispatch Protocols)</p> <p>➤ Please refer to Addendum, item #10</p> <p>➤ Please refer to Addendum, item #11</p> <p>➤ Please refer to Addendum, item #12</p>
---	---

because the PSA is a capacity-based contract.

**F. Power Supply Agreement;
Schedule G (Computation of Total Fee)**

1. Sec. 2.0 (Initial Capital Recovery, Fixed Operation & Maintenance, Variable Operation & Maintenance Energy Rate Adjustment)

In the clarification to the Bidding Documents dated August 23, 2019, the TPBAC clarified that the Power Supply Agreement is intended to be capacity fee-based. As such, we propose the revision of CRR and FOMR to capacity fee-based expressed in “Php/kW-m”

Further, in contrary to the Terms of Reference, Tariff Structure, stating that there shall be no indexation on the components of the tariff, we suggest to abide by the Power Supply Agreement providing indexation to take into account foreign currency volatility and inflation.

2. Sec. 4.0 (Fuel Recovery Fee)

We propose to revise the formula for Fuel Recovery Fee to “Delivered Cost of Fuel Consumed by the Supplier during each Billing Month expressed in Php/Liter multiplied by Fuel Consumption Rate expressed in Liter/kWh”.

G. Connection Agreement (Attachment 3 of the Power Supply Agreement)

1. Sec. 3.2 (Conditions Precedent) sub-section (d)

Sub-section (d) requires as a condition precedent, that *“Each Party has furnished the other with a legal opinion of the general counsel certifying to the Party’s corporate standing as well as the due execution, validity and binding effect of this Agreement on such Party.”*

Considering that I-24 of the Bidding Procedures require that *“[a]s part of the submission of the Technical Component, each Bidder shall duly execute four (4) identical versions of the Transaction Documents, furnished by the Committee, which must be duly acknowledged before a Philippine Notary Public ... prior to the Bid Submission Deadline”* and considering that the Connection Agreement is part of the Transaction Documents, the Bidder wants a clarification if this Legal Opinion must already be executed and

**F. Power Supply Agreement
Schedule G (Computation of Total Fee)**

- Please refer to Addendum, item #13

- Please refer to Addendum, item #14

G. Connection Agreement (Attachment 3 of the Power Supply Agreement)

- These Transaction Documents should have been part of the Technical Components submitted during Pre-Qualification and resubmission is no longer necessary.

signed by the General Counsel as part of the Technical Component

H. Phase In-Phase Out Agreement

1. Sec. 2.1 (Term)

To make the definition of the Term consistent with the other ancillary agreements, we propose the following language for Sec. 2.1:

“2.1 Term. This Agreement shall have a term (the “Term”) commencing on the date this Agreement is executed and delivered by the Parties hereto and expiring on the last day of the Commercial Operations Date of the PSA, or as extended or earlier terminated in accordance with the PSA.”

I. Subsidy Agreement

1. Sec. 3.2 (Conditions Precedent)

Sub-section (c) requires as a condition precedent, that *“Each Party has furnished the other with a legal opinion of the general counsel certifying to the Party’s corporate standing as well as the due execution, validity and binding effect of this Agreement on such Party.”*

Considering that I-24 of the Bidding Procedures require that *“[a]s part of the submission of the Technical Component, each Bidder shall duly execute four (4) identical versions of the Transaction Documents, furnished by the Committee, which must be duly acknowledged before a Philippine Notary Public ... prior to the Bid Submission Deadline”* and considering that the Connection Agreement is part of the Transaction Documents, the Bidder wants a clarification if this Legal Opinion must already be executed and signed by the General Counsel as part of the Technical Component.

2. Annex 1 (Government Consents)

Among the government consents that Supplier is required to procure is the Water Use Permit from the National Water Resources Board. Unless Supplier intends to dig its own well, there may be no need for this permit.

J. Bidding Procedures

1. Sec. I-02 (Addenda and Clarifications to the Bidding Procedures)

Sec. I-02 states that “Such amendments, revision, modification or

H. Phase In-Phase Out Agreement

➤ Please refer to Addendum, item #15

I. Subsidy Agreement

➤ Yes. These Transaction Documents should have been part of the Technical Components submitted during Pre-Qualification and resubmission is necessary

➤ The supplier may secure the permits if or when necessary.

J. Bidding Procedures

➤ Yes. We will issue supplemental bid bulletins on amendments, revision,

<p>clarifications, if any, will be made through Supplemental Bid Bulletins". We propose that all clarifications made by the TPBAC through the letters dated August 23, 2019, attached herein as Annex A and Annex B, which was sent to the bidders together with SBB # 1, be made official through issuance of a Supplemental Bid Bulletin.</p> <p>2. Sec. I-02 (Addenda and Clarifications to the Bidding Procedures)</p> <p>Sec. I-02 states that "Bidders are required to acknowledge receipt and acceptance to the terms and conditions of the Bidding Procedures and each Supplemental Bid Bulletin on the space provided in the letter of transmittal"</p> <p>We would like to clarify if the letter of transmittal refers to Schedule 1 (Acceptance of Bid Procedures) in the Schedules to the Bidding Procedures.</p> <p>3. Sec. I-11 (Contents of the Bid)</p> <p>The Bidding Procedures states that the Bid Documents shall be submitted using a sealed and signed envelope. Due to the number of requirements to be submitted, we would like to clarify if the TPBAC would allow submissions to be made using a sealed and signed box instead of an envelope.</p> <p>K. Schedules to the Bidding Procedures</p> <p>1. Schedule 8 (Documentary Checklist)</p> <p>Under Schedule 2, the Interested Party which has a foreign shareholder or director shall submit proof that such shareholder or director has no pending record with the Interpol.</p> <p>In the interest of time, we would like to seek the consideration of the TPBAC that a Sworn Affidavit indicating the fact may be considered sufficient proof that the shareholder or director has no pending record with the Interpol.</p>	<p>modification or clarifications to make it official.</p> <p>➤ Yes. The letter of transmittal refers to Schedule 1 (Acceptance of Bid Procedures) in the Schedules to the Bidding Procedures.</p> <p>➤ Yes. The TPBAC would allow submissions to be made using a sealed and signed box instead of an envelope.</p> <p>K. Schedules to the Bidding Procedures</p> <p>➤ Yes. TPBAC will consider Sworn Affidavit executed by a corporate officer indicating the shareholder or director has no pending record with the Interpol.</p>
---	--

B. ADDENDUM

ISSUES/QUERIES	CLARIFICATION / AMENDMENTS
<ul style="list-style-type: none"> • TRANSACTION DOCUMENTS <p>1. Sec. 13 (Disputes)</p> <p>13.1 PROCEDURE. All disputes between the parties arises from the agreement in a manner noted below, except billing disputes in Section 6.7 that must be initially</p>	<ul style="list-style-type: none"> • TRANSACTION DOCUMENTS <p>1. Sec. 13 (Disputes)</p> <p>13.1 Administrative Council. Within 15 days from the effective date, the SUPPLIER and the OFFTAKER shall each appoint three (3) representatives</p>

be addressed pursuant to Schedule H, Section 2

13.1.1 DISPUTE NOTICE. The party claiming or raising a dispute arising from this agreement shall notify the other party in writing of its claim and providing sufficient detail thereof.

13.1.2 AMICABLE SETTLEMENT. Not later than five (5) days from the dispute notification date, the administrative council shall meet to resolve the dispute by discussion among themselves. Failure to resolve the dispute at their level within 10 calendar days from discussion, both parties shall refer the matter to their chief executives who shall meet to resolve such disputes within sixty (60) days. If the chief executives failed to resolve the dispute, they shall submit it for arbitration or through judicial alternative dispute resolution.

13.1.3 ARBITRATION. In case of failure to settle any dispute amicably by the parties, it shall be referred for dispute resolution in accordance with RA 9285, otherwise known as "ACT TO INSTITUTIONALIZE THE USE OF AN ALTERNATIVE DISPUTE RESOLUTION SYSTEM IN THE PHILIPPINES". Venue for dispute resolution/arbitration shall be Cebu City.

2. Sec. 1.1 (Definitions)

"Performance Bond" refers to the security or guarantee required to be posted by SUPPLIER under Section 3.2.6 of this Agreement.

3. 2. Scope of Agreement

2.1 General. Except as provided in this Agreement, SUPPLIER shall be responsible for the control and possession, operation and maintenance of the Power Station in accordance with Section 4.6 and which OFFTAKER may dispatch in accordance with this Agreement. OFFTAKER shall dispatch the Power Station for its Active Power requirements, Frequency Regulation, Contingency

from their respective officers or senior employees as members of the administrative council. Throughout the term of this agreement the administrative council shall meet regularly at least once every two months, or as the need arises, to discuss the progress of the project to ensure that the arrangements between the parties proceed on a mutually satisfactory basis.

13.2 PROCEDURE. All disputes between the parties arises from the agreement in a manner noted below, except billing disputes in Section 6.7 that must be addressed pursuant to Schedule H, Section 2.

13.2.1 DISPUTE NOTICE. The party claiming or raising a dispute arising from this agreement shall notify the other party in writing of its claim and providing sufficient detail thereof.

13.2.2 AMICABLE SETTLEMENT. Not later than five (5) days from the dispute notification date, the administrative council shall meet to resolve the dispute by discussion among themselves. Failure to resolve the dispute at their level within 10 calendar days from discussion, both parties shall refer the matter to their chief executives who shall meet to resolve such disputes within sixty (60) days. If the chief executives failed to resolve the dispute, they shall submit it for arbitration or through judicial alternative dispute resolution.

13.2.3 ARBITRATION. In case of failure to settle any dispute amicably by the parties, it shall be referred for dispute resolution in accordance with RA 9285, otherwise known as "ACT TO INSTITUTIONALIZE THE USE OF AN ALTERNATIVE DISPUTE RESOLUTION SYSTEM IN THE PHILIPPINES". Venue for dispute resolution/arbitration shall be Cebu City.

2. Sec. 1.1 (Definitions)

"Performance Bond" refers to the security or guarantee required to be posted by SUPPLIER under **Section 3.2.5** of this Agreement. FS submitted to and stamped received by the BIR.

3. 2. Scope of Agreement

2.1 General. Except as provided in this Agreement, SUPPLIER shall be responsible for the control and possession, operation and maintenance of the Power Station in accordance with Section 4.6 and which OFFTAKER may dispatch in accordance with this Agreement. OFFTAKER shall dispatch the Power Station for its Active Power requirements, Frequency Regulation, Contingency

Reserve and Voltage Control in accordance with the dispatch Protocols in Schedule E, and pay the Fees in accordance with Section 6 of this Agreement. It is understood that, except as otherwise expressly provided for in this Agreement, the OFFTAKER shall only pay for actual energy delivered.

4. 3. Term and Effective Date

3.3 Failure to Achieve Effective Date. In the event that Effective Date does not occur within four (4) months from the date of this Agreement, this Agreement shall be deemed terminated. In case of termination pursuant to this Section, the provisions of Section 15 shall survive for two (2) years following the Termination Date.

**5. 4. Commercial Operations
Operation and Maintenance of the Power Station.**

b) For Contingency Reserve. At least twenty (25%) percent of the Island Grid Peak Demand of which SUPPLIER shall make available to be dispatched by OFFTAKER as Spinning Reserve, and within such 25% reserve, the allocation for Frequency Regulation and Load-Following of at least five (5%) percent is included. On the other hand, a Cold Reserve equivalent to the highest rated installed capacity is also required to be maintained until the end of the cooperation period.

6. 6. Total Fee and Charges

Blank Sample Computation

**7. 7. Force Majeure.
7.4 Extended Force Majeure.**

Events of Force Majeure subsisting beyond the 30-day consultation period referenced in Section 7.4 above shall be considered Extended Force Majeure and given the Parties the right to terminate the Agreement pursuant to Section 10.3.2.

**8. Schedule A
1. The Power Station shall have the following specifications:**

1.1. Rated Capacity: Minimum of 15MW plus 25% Spinning Reserve plus N-1 contingency & Cold Reserve equivalent to

Reserve and Voltage Control in accordance with the dispatch Protocols in Schedule E, and pay the Fees in accordance with Section 6 of this Agreement. It is understood that, except as otherwise expressly provided for in this Agreement, the OFFTAKER shall only pay **for the actual capacity made available.**

4. 3. Term and Effective Date

3.3 Failure to Achieve Effective Date. In the event that Effective Date does not occur within four (4) months from the date of this Agreement, this Agreement shall be deemed terminated **unless the parties agree otherwise in writing.** In case of termination pursuant to this Section, the provisions of Section 15 shall survive for two (2) years following the Termination Date.

**5. 4. Commercial Operations
Operation and Maintenance of the Power Station**

b) For Contingency Reserve. At least **ten (10%) percent** of the Island Grid Peak Demand of which SUPPLIER shall make available to be dispatched by OFFTAKER as Spinning Reserve, and within such **ten (10%)** reserve, the allocation for Frequency Regulation and Load-Following of at least five (5%) percent is included. On the other hand, a Cold Reserve equivalent to the highest rated installed capacity is also required to be maintained until the end of the cooperation period.

**6. 6. Total Fee and Charges
6.4.2 Early Payment Discount**

Sample Computation:
EPD = AP x 3%

where:
EPD = Early Payment Discount
AP = Actual Payment within the 10-day period

**7. 7. Force Majeure.
7.4 Extended Force Majeure.**

Events of Force Majeure subsisting beyond the 30-day consultation period referenced in **Section 7.3** above shall be considered Extended Force Majeure and **shall give** the Parties the right to terminate the Agreement pursuant to Section 10.3.2.

**8. Schedule A
1. The Power Station shall have the following specifications:**

1.1. Rated Capacity: Minimum of 15MW plus **10%** Spinning Reserve plus N-1 contingency & Cold Reserve equivalent to

<p>the highest rated installed capacity. The Power Station shall have a Guaranteed Dependable Capacity (GDC) of 15MW.</p> <p>9. Schedule C 2. Delivery Procedures</p> <p>2.1.1. "Downtime" means, during each Contract Year, OFFTAKER shall allow SUPPLIER to undertake the pre-arranged inspection, maintenance, repair and overhaul of the Power Station, including the Forced Outage or any unscheduled outage thereof, (the "Downtime"). No penalty shall be imposed provided that the amount of Downtime in any Contract Year shall not exceed the Allowable Downtime, or ___ % of the Net Expected Energy (or its time equivalent of ___ days per generating unit or by reference to the Power Station, an aggregate determined by multiplying ___ hours per Unit and the dependable capacity of generating units of the Power Station) or when such Downtime did not cause Interruption to the Offtaker.</p> <p>10. Schedule E Dispatch Protocols 1. Definition of Terms:</p> <p>Backup Reserve or – refers to a Generating Unit that has Fast Start capability and can synchronize with the Island Grid to provide its declared capacity for a maximum period of 8 hours. Also called Cold Standby Reserve</p> <p>11. Schedule E Dispatch Protocols</p> <p>3. Island Grid Operating Criteria 3.3. The Security and Reliability of the Island Grid shall be based on a Contingency Reserve of which 25% is Spinning Reserve, Cold Reserve and N-1 Contingency is equivalent to the highest Rated Installed Capacity. . This means that the Island Grid shall be capable of operating in the Normal State following the loss of generation capacity equal to 25% of the Island Peak Demand or of the loss of one (1) operating unit having the highest rated capacity in any hour of the day.</p> <p>12. Schedule E Dispatch Protocols</p> <p>7. Generation Scheduling Procedure 7.3. Merit Order Table 7.3.1. The OFFTAKER shall prepare a Merit Order Table, showing the capacity of Generating Units arranged in an ordered list priority of to meet the hourly demand for active power in a manner determined by the SUPPLIER taking into account its Minimum Energy Off-Take (MEOT) from the SUPPLIER.</p> <p>13. Schedule G (Computation of Total Fee)</p>	<p>the highest rated installed capacity. The Power Station shall have a Guaranteed Dependable Capacity (GDC) of 15MW.</p> <p>9. Schedule C 2. Delivery Procedures</p> <p>2.1.1. "Downtime" means, during each Contract Year, OFFTAKER shall allow SUPPLIER to undertake the pre-arranged inspection, maintenance, repair and overhaul of the Power Station, including the Forced Outage or any unscheduled outage thereof, (the "Downtime"). No penalty shall be imposed provided that the amount of Downtime in any Contract Year shall not exceed the Allowable Downtime or when such Downtime did not cause Interruption to the Offtaker. The Seller is allowed Not to exceed 60 hours for scheduled outages and 60 hours for unscheduled outages for each Contract Year during which times reduced or no deliveries will be available to the buyer. Any unutilized Scheduled Outage periods shall not be used for Unscheduled Outages and Vice Versa.</p> <p>10. Schedule E Dispatch Protocols 1. Definition of Terms:</p> <p>Backup Reserve – refers to a Generating Unit that has Fast Start capability and can synchronize with the Island Grid to provide its declared capacity for a maximum period of 8 hours. Also called Cold Standby Reserve</p> <p>11. Schedule E Dispatch Protocols</p> <p>3. Island Grid Operating Criteria 3.3. The Security and Reliability of the Island Grid shall be based on a Contingency Reserve of which 10% is Spinning Reserve, Cold Reserve and N-1 Contingency is equivalent to the highest Rated Installed Capacity. This means that the Island Grid shall be capable of operating in the Normal State following the loss of generation capacity equal to 10% of the Island Peak Demand or of the loss of one (1) operating unit having the highest rated capacity in any hour of the day.</p> <p>12. Schedule E Dispatch Protocols</p> <p>7. Generation Scheduling Procedure 7.3. Merit Order Table 7.3.1. The OFFTAKER shall prepare a Merit Order Table, showing the capacity of Generating Units arranged in an ordered list priority of to meet the hourly demand for active power in a manner determined by the SUPPLIER.</p> <p>13. Schedule G (Computation of Total Fee)</p>
--	--

Sec. 2.0 (Initial Capital Recovery, Fixed Operation & Maintenance, Variable Operation & Maintenance Energy Rate Adjustment)

The Capital Recovery Rate, Fixed Operation and Maintenance Rate, Variable Operation and Maintenance Energy Rate at commencement date of Commercial Operation Period (CRRCOD + FOMRCOD + VOMRCOD) shall be calculated using Formula 2.1, 2.1a and 2.1b below:

$$\text{CRRCOD} = \text{CRR} \times [0.9 (\text{ERCOD}/\text{ERO}) + 0.1 (\text{CPICOD}/\text{CPIO})]$$

[Formula 2.1]

$$\text{FOMRCOD} = \text{FOMR} \times [0.9 (\text{ERCOD}/\text{ERO}) + 0.1 (\text{CPICOD}/\text{CPIO})]$$

[Formula 2.1a]

$$\text{VOMRCOD} = \text{VOMR} \times [0.9 (\text{ERCOD}/\text{ERO}) + 0.1 (\text{CPICOD}/\text{CPIO})]$$

[Formula 2.1b]

Where:

CRR = Capital Recovery Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

FOMR = Fixed Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

VOMR = Variable Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

ERCOD = Average United States Dollars (USD) to PhP exchange rate at commencement date of Commercial Operations Period and reported by the Central Bank of the Philippines

ERO = Average United States Dollars (USD) to PhP exchange rate at Bidding Date as reported by the Central Bank of the Philippines

CPICOD = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at commencement date of Commercial Operations Period

CPIO = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at Bid Date

The Capital Recovery Rate, Fixed Operation and Maintenance Rate, Variable Operation and Maintenance Energy Rate at the Deemed Commercial Operation Date (CRRDCOD + FOMRDCOD + VOMRDCOD) shall be calculated using Formula 2.2, 2.2a and 2.2b below:

$$\text{CRRDCOD} = \text{CRR} \times [0.9 (\text{ERDCOD}/\text{ERO}) + 0.1 (\text{CPIDCOD}/\text{CPIO})]$$

[Formula 2.2]

$$\text{FOMRDCOD} = \text{FOMR} \times [0.9 (\text{ERDCOD}/\text{ERO}) + 0.1 (\text{CPIDCOD}/\text{CPIO})]$$

[Formula 2.2a]

Sec. 2.0 (Initial Capital Recovery, Fixed Operation & Maintenance, Variable Operation & Maintenance Energy Rate Adjustment)

The Capital Recovery Rate, Fixed Operation and Maintenance Rate, Variable Operation and Maintenance Energy Rate at commencement date of Commercial Operation Period (CRRCOD + FOMRCOD + VOMRCOD) shall be calculated using Formula 2.1, 2.1a and 2.1b below:

$$\text{CRRCOD} = \text{CRR} \times [0.9 (\text{ERCOD}/\text{ERO}) + 0.1 (\text{CPICOD}/\text{CPIO})]$$

[Formula 2.1]

$$\text{FOMRCOD} = \text{FOMR} \times [0.9 (\text{ERCOD}/\text{ERO}) + 0.1 (\text{CPICOD}/\text{CPIO})]$$

[Formula 2.1a]

$$\text{VOMRCOD} = \text{VOMR} \times [0.9 (\text{ERCOD}/\text{ERO}) + 0.1 (\text{CPICOD}/\text{CPIO})]$$

[Formula 2.1b]

Where:

CRR = Capital Recovery Rate as defined in Financial Bid Form submitted by the Supplier and expressed in **Php/kW-month**

FOMR = Fixed Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in **Php/kW-month**

VOMR = Variable Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

ERCOD = Average United States Dollars (USD) to PhP exchange rate at commencement date of Commercial Operations Period and reported by the Central Bank of the Philippines

ERO = Average United States Dollars (USD) to PhP exchange rate at Bidding Date as reported by the Central Bank of the Philippines

CPICOD = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at commencement date of Commercial Operations Period

CPIO = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at Bid Date

The Capital Recovery Rate, Fixed Operation and Maintenance Rate, Variable Operation and Maintenance Energy Rate at the Deemed Commercial Operation Date (CRRDCOD + FOMRDCOD + VOMRDCOD) shall be calculated using Formula 2.2, 2.2a and 2.2b below:

$$\text{CRRDCOD} = \text{CRR} \times [0.9 (\text{ERDCOD}/\text{ERO}) + 0.1 (\text{CPIDCOD}/\text{CPIO})]$$

[Formula 2.2]

$$\text{FOMRDCOD} = \text{FOMR} \times [0.9 (\text{ERDCOD}/\text{ERO}) + 0.1 (\text{CPIDCOD}/\text{CPIO})]$$

[Formula 2.2a]

$VOMRDCOD = VOMR \times [0.9 (ERDCOD/ERO) + 0.1 (CPIDCOD/CPIO)]$
[Formula 2.2b]

Where:

CRR = Capital Recovery Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

FOMR = Fixed Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

VOMR = Variable Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

ERDCOD = Average United States Dollars (USD) to Php exchange rate at Deemed Commercial Operations Date and reported by the Central Bank of the Philippines

ERO = Average United States Dollars (USD) to Php exchange rate at Bidding Date as reported by the Central Bank of the Philippines

CPIDCOD = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at Deemed Commercial Operations Date

CPIO = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at Bid Date

14. Schedule G (Computation of Total Fee)

Sec. 4.0 (Fuel Recovery Fee)

The Fuel Recovery Fee for Billing Month shall be calculated using Formula 4 below:
[Formula 4]

Where:

FR = Fuel Rate as defined in Financial Bid Form submitted by Supplier and expressed in Php/kWh

MOPSt = Average Mean Oil Platts Singapore (MOPS) reported in United States Dollars (USD) during Billing Month t and converted to Php at the USD to PhP average exchange rate for the Billing Month t reported by the Central Bank of the Philippines

MOPS0 = Average Mean Oil Platts Singapore (MOPS) reported in United States Dollars (USD) at Bid Date and converted to PhP at the average USD to PhP exchange rate at Bid Date reported by the Central Bank of the Philippines

15. C. Phase In-Phase Out Agreement

2. Term and Effective Date.

2.1 Term. This Agreement shall have a

$VOMRDCOD = VOMR \times [0.9 (ERDCOD/ERO) + 0.1 (CPIDCOD/CPIO)]$
[Formula 2.2b]

Where:

CRR = Capital Recovery Rate as defined in Financial Bid Form submitted by the Supplier and expressed in **Php/kW-month**

FOMR = Fixed Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in **Php/kW-month**

VOMR = Variable Operation and Maintenance Rate as defined in Financial Bid Form submitted by the Supplier and expressed in Php/kWh

ERDCOD = Average United States Dollars (USD) to Php exchange rate at Deemed Commercial Operations Date and reported by the Central Bank of the Philippines

ERO = Average United States Dollars (USD) to Php exchange rate at Bidding Date as reported by the Central Bank of the Philippines

CPIDCOD = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at Deemed Commercial Operations Date

CPIO = Consumer Price Index for the Philippines (Headline Inflation Rates) as reported by the National Statistics Office (NSO) at Bid Date

Power Supply Agreement providing indexation to take into account foreign currency volatility and inflation.

14. Schedule G (Computation of Total Fee)

Sec. 4.0 (Fuel Recovery Fee)

The Fuel Recovery Fee for Billing Month shall be calculated using Formula 4 below:
[Formula 4] $FRF = COF \times FCR$

Where:

FRF = Fuel Recovery Fee

COF = Delivered Cost of Fuel Consumed by the Supplier during each Billing Month expressed in Php/Liter

FCR = Fuel Consumption Rate expressed in Liter/kWh".

15. C. Phase In-Phase Out Agreement

2. Term and Effective Date.

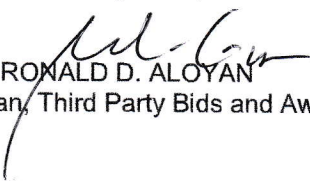
2.1 Term. This Agreement shall have a

term (the "Term") commencing on the date this Agreement is executed and delivered by the Parties hereto and expiring on the Commercial Operations Date of the PSA.

term (the "Term") commencing on the date this Agreement is executed and delivered by the Parties hereto and expiring on the last day of the Commercial Operations Date of the PSA, or as extended or earlier terminated in accordance with the PSA."

All terms, conditions and instructions to bidders specified in the Bidding Documents and terms of Reference inconsistent with the Bid Bulletin are hereby superseded and modified accordingly.

Issued this 6th day of September 2019 at Bantayan, Cebu.


ENGR. RONALD D. ALOYAN
Chairman, Third Party Bids and Awards Committee