



NEECO II AREA I

**NUEVA ECIIJA II ELECTRIC
COOPERATIVE, INC. - AREA 1**
Calipahan, Talavera, Nueva Ecija
Tel. /Fax Nos.: (044) 411-1007; 958-0260
Email address: neeco2_area1@yahoo.com
Website: www.neeco2area1.com

NEECO II-AREA 1 TERMS OF REFERENCE

TERMS	MINIMUM REQUIREMENT OF NEECO II-AREA 1																		
a. Required/Contracted Capacity and/or Energy Volumes	<p>Full Energy Requirement/Baseload and Intermediate Demand</p> <table border="1" data-bbox="402 567 1500 903"> <thead> <tr> <th data-bbox="402 567 857 693">PERIOD</th> <th data-bbox="857 567 1203 693">CONTRACT CAPACITY Baseload/Intermediate (MW)</th> <th data-bbox="1203 567 1500 693">CONTRACT ENERGY (kWhr)</th> </tr> </thead> <tbody> <tr> <td data-bbox="402 693 857 733">Dec. 26, 2020 to Dec. 25, 2021</td> <td data-bbox="857 693 1203 733">33</td> <td data-bbox="1203 693 1500 733">295,347,667.67</td> </tr> <tr> <td data-bbox="402 733 857 774">Dec. 26, 2021 to Dec. 25, 2022</td> <td data-bbox="857 733 1203 774">35</td> <td data-bbox="1203 733 1500 774">324,880,211.34</td> </tr> <tr> <td data-bbox="402 774 857 814">Dec. 26, 2022 to Dec. 25, 2023</td> <td data-bbox="857 774 1203 814">37</td> <td data-bbox="1203 774 1500 814">357,368,232.47</td> </tr> <tr> <td data-bbox="402 814 857 854">Dec. 26, 2023 to Dec. 25, 2024</td> <td data-bbox="857 814 1203 854">39</td> <td data-bbox="1203 814 1500 854">393,105,055.72</td> </tr> <tr> <td data-bbox="402 854 857 903">Dec. 26, 2024 to Dec. 25, 2025</td> <td data-bbox="857 854 1203 903">41</td> <td data-bbox="1203 854 1500 903">432,415,561.29</td> </tr> </tbody> </table> <p>Note: *NEECO II-Area 1 preferred a bid offer for its Full Energy Requirement but the participating bidder may have the option to submit a bid offer based on the estimated 2019 Load Duration Curve with an Annual Average Growth Rate of 10%, however, the power generator that tendered an offer for the Full Energy Requirement will be given priority in the pre-qualification and post evaluation under this Competitive Power Supply Procurement. *The bid offer shall be evaluated based on the least calculated Blended Generation Rate and the most advantageous to the coop.</p>	PERIOD	CONTRACT CAPACITY Baseload/Intermediate (MW)	CONTRACT ENERGY (kWhr)	Dec. 26, 2020 to Dec. 25, 2021	33	295,347,667.67	Dec. 26, 2021 to Dec. 25, 2022	35	324,880,211.34	Dec. 26, 2022 to Dec. 25, 2023	37	357,368,232.47	Dec. 26, 2023 to Dec. 25, 2024	39	393,105,055.72	Dec. 26, 2024 to Dec. 25, 2025	41	432,415,561.29
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b. Generation Sources	*Open to all existing Generation Sources that may fit to the requirement of NEECO II-Area 1																		
c. Method of Procurement for Fuel, if applicable	*If applicable, the Bidder may indicate the manner of fuel procurement which shall be reflected in the Tariff Structure.																		
d. Cooperation/Contract Term Period	*60 months																		
e. Start of Supply	*December 26, 2020 to December 25, 2025.																		
e. Tariff Structure Unbundled to (including Derivation):																			
<ul style="list-style-type: none"> Capital Recovery Fee 	*Capital Recovery Fee (CRF) Component of the Tariff should be fixed for the whole Required Contract Period and in Philippine currency. *No Indexation on CRF.																		
<ul style="list-style-type: none"> Variable and Fixed O&M Fee 	*Fixed Cost includes Capital Recovery Fee (CRF) and Fixed O&M. *Variable Charges consist of Variable O&M Fee (VOM) and Fuel Fee. *FOM and VOM can be index using only the Philippine consumer Price Index (PhCPI). *No Take-or-Pay on variable Costs like the Variable O&M.																		



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<ul style="list-style-type: none"> Fuel Fee 	<p>*No minimum fuel payment or take-or-pay arrangement on fuel.</p> <p>*No foreign currency component or ForEx indexing, except for Fuel Fee, wherein Seller may submit its proposal, if any.</p>
<ul style="list-style-type: none"> Others 	<p>*The Bidder may indicate all existing and future taxes, fees and impost (any increase or adjustment thereon), real property taxes, local business taxes, transmission charges, and other charges imposed on the Power Generating Plant.</p>
<ul style="list-style-type: none"> Base Fee Adjustment Formula, if any 	<p>*The Bidder may present a typical model for the computation of the Base Fee adjustment Formula that may be applicable to all power generating plant and may be used the general formula below as reference;</p> <p>Electricity Fees = A + B + C + D + E</p> <p>Where: A = CRF x CC x Adj B = OM x TED C = Fuel x TED D = all existing and future taxes, fees and impost (any increase or adjustment thereon), real property taxes, local business taxes, transmission charges, and other charges imposed on the Power Generating Plant, in Philippine Pesos E = the amount due for re-delivery of any undelivered quantity due to Force Majeure event shall be agreed upon by the parties during the negotiation.</p>
<p>f. Form of Payment</p>	<p>*Philippine Currency</p>
<p>g. Penalties, if applicable</p>	<p>*The Supplier shall be penalized (monetary, etc.) in cases of the following;</p> <ul style="list-style-type: none"> Delay in COD, Failure of delivery of power, Failure of provision of replacement power, and Other violations under the resulting PSA.
<p>h. Outage Allowance (OA)</p>	<p>*Scheduled OA not exceeding thirty (30) days.</p> <p>*Major Maintenance Scheduled OA not exceeding twenty (20) days, not more than four (4) times during the Required Contract Period.</p> <p>*Force OA not exceeding fifteen (15) days.</p> <p>*OA should be broken down into;</p> <ul style="list-style-type: none"> Scheduled Outages and, Forced/Unscheduled outages. <p>*No carry-over of OA.</p>
<p>i. Replacement Power</p>	<p>*In case Seller fails to supply the Buyer prior on the date specified in the PSA (December 26, 2020), SELLER shall be responsible for the Replacement Power at the same Contract Price.</p> <p>*In case Seller arranges for Replacement Power during Outages, Line Rental if there is any increase shall be at the account of the Seller.</p>



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g. Reduction of contract Capacity	*The Contract Capacity and Associated Energy may be reduced equivalent to the reduction in the demand of captive customers of NEECO II – Area 1 by reason of the implementation of Retail Competition and Open Access, the Renewable Energy Law and other Laws and Legal Requirements.
k. Force Majeure	*In the event of Force Majeure, BUYER shall not be obligated by the SELLER to pay the FIXED CHARGES to be determined and agreed during the negotiation process.
l. Nominations	*NEECO II – Area 1 may revise the nominations stated in its day-ahead nominations, subject to dispatch ramp rates and in accordance with the WESM Rules and Operating Procedures.
m. Grounds for Termination	<ul style="list-style-type: none"> *Event of Default *Non-fulfilment of conditions to effective Date *Non-Occurrence of commencement Date or COD *Certain Events of force Majeure *Expiration of Term *Upon Mutual agreement *Change in circumstances
n. Other Key Parameters	<ul style="list-style-type: none"> *The Bidder may indicate any distinctive characteristics of their power generating plant such as the technology of the plant. *Prompt Payment and collection Efficiency Discount, if any. *Value added Services
o. ERC Approval	*The terms and conditions under the Power Supply Agreement including tariff shall be subject to approval of the ERC (Provisional authority or Final approval).

Prepared by:

MS. EDNA G. LIBUNAO
TPBAC Chair

Approved by:

ENGR. NELSON M. DELA CRUZ
General Manager