



BENGUET ELECTRIC COOPERATIVE
04 South Drive, Baguio City

INVITATION TO BID

Pursuant to the DOE Department Circular Nos. DC 2018-02-0003, DC 2021-09-0030 and NEA Memorandum No. 2019-007, Benguet Electric Cooperative (BENECO), through its Third Party Bids and Awards Committee (TPBAC), invites all interested and qualified suppliers to participate in the Competitive Selection Process for the supply of electricity to meet the baseload demand requirements of its consumers. There shall be one (1) winning bidder for the whole transaction:

Contracted Capacity (MW) and Contract Duration				
13 Mar 2024 – 25 Dec 2024	26 Dec 2024 – 25 Dec 2025	26 Dec 2025 – 25 Dec 2026	26 Dec 2026 – 25 Dec 2027	26 Dec 2027 – 25 Dec 2028
73	73	73	73	73

* The contract period is from March 13, 2024 to December 25, 2028

ELIGIBLE BIDDERS

- Generation Company (GenCo), including its subsidiary/ies and/or affiliate/s, that owns and/or operates a power plant;
- IPP Administrator of privatized Independent Power Producers (IPP) Power Purchase Agreement of NPC through an Independent Power Producer Administrator (IPPA) contract awarded by PSALM; and/or
- Licensed Wholesale Aggregator with (i) existing capacity contracts and/or has arranged for a capacity contract in response to this CSP, and/or (ii) a firm commitment to supply from WESM at fixed prices.

SCHEDULE OF ACTIVITIES

The TPBAC reserves the right to amend the following schedule of activities subject to appropriate timely notice:

	Activity	Date
1	Posting of Invitation to Bid	October 7, 2023
2	1 st Publication of Invitation to Bid	October 8, 2023
3	2 nd Publication of Invitation to Bid	October 15, 2023
4	Issuance of Bid Documents	October 16-22, 2023
5	Pre-Bid Conference	October 23, 2023 9:00AM
6	Issuance of Minutes of the Pre-Bid Conference	October 24-25, 2023
7	Deadline of Submission of Comments	October 27, 2023
8	Issuance of Final Instruction to Bidders	November 6, 2023
9	Due Diligence of Proponent	October 23- November 6, 2023
10	Submission and Opening of Bids	November 7, 2023
11	Evaluation on Submitted Bids	November 7, 2023
12	Post-Qualification and Detailed Evaluation of Bids	November 8-14, 2023
13	Submission of Recommendation to CSP Board for the Issuance of Notice of Award to Winning Bidder	November 16, 2023
14	Confirmation of CSP Board	
15	Issuance of Notice of Award	November 17, 2023
16	Final Evaluation/Assessment of PSA by NEA with respect to submitted TOR	November 29, 2023
17	Issuance of Notice to Proceed on the Signing of PSA	December 1, 2023

	Activity	Date
18	Signing of PSA	December 2-7, 2023
19	Regulatory Filing	December 12-18, 2023

TERMS OF REFERENCE

Pursuant to the DOE DC Circular No. DC 2018-02-0003, DC 2021-09-0030 and NEA Memorandum No. 2019-007, Benguet Electric Cooperative (BENECO), through its Third Party Bids and Awards Committee (TPBAC), invites all interested and qualified suppliers to participate in the Competitive Selection Process with the following minimum requirements:

DESCRIPTION	REQUIREMENT															
Type of Contract	<ul style="list-style-type: none"> Firm Base load 															
Contracted Capacity (MW)	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th colspan="5">Contracted Capacity (MW) and Contract Duration</th> </tr> </thead> <tbody> <tr> <td>13 Mar 2024 – 25 Dec 2024</td> <td>26 Dec 2024 – 25 Dec 2025</td> <td>26 Dec 2025 – 25 Dec 2026</td> <td>26 Dec 2026 – 25 Dec 2027</td> <td>26 Dec 2027 – 25 Dec 2028</td> </tr> <tr> <td>73</td> <td>73</td> <td>73</td> <td>73</td> <td>73</td> </tr> </tbody> </table> <p>* The contract period is from 13 March 2024 until December 25, 2028</p> <p>Conditions Precedent to Start of Supply:</p> <ol style="list-style-type: none"> ERC approval of the PSA Payment of Security Deposit in the amount of One Hundred Forty Million Pesos (PhP 140,000,000.00) 	Contracted Capacity (MW) and Contract Duration					13 Mar 2024 – 25 Dec 2024	26 Dec 2024 – 25 Dec 2025	26 Dec 2025 – 25 Dec 2026	26 Dec 2026 – 25 Dec 2027	26 Dec 2027 – 25 Dec 2028	73	73	73	73	73
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Tariff Structure	<p>Straight energy price (PhP/kWh), with the following features:</p> <ul style="list-style-type: none"> Monthly Minimum Energy Off-Take (MEOT) should not exceed sixty-five percent (65%) Load Factor (LF). An annual escalation rate not greater than 3.5% may be applied to maximum of fifty percent (50%) of the electricity fee beginning on the second Contract Year. The Supplier's Levelized Cost of Electricity (LCOE) is subject to a pre-determined "Reserve Price," which will only be revealed by the TPBAC to Qualified Suppliers during the opening of the Bids. <ul style="list-style-type: none"> Separate line item proposal for the Supplier's Value Added Tax (VAT) rate that is applicable to its Tariff The VAT status declared by Supplier upon submission of its Bid is binding upon said Supplier for the Required Contract Period of the PSA. If the VAT status of the power generated of the Supplier changes in the future by virtue of a valid law, wherein the VAT imposed changes from effective zero-rated to twelve percent (12%) vatable, then the input VAT resulting from the twelve percent (12%) VAT shall be borne by the Supplier. 															
Line Rental and Other Market Fees	The Line Rental and market fees shall be for the account of the Supplier.															

DESCRIPTION	REQUIREMENT
Bid Processing Fee	P700,000.00
Delivery Point	The receiving points shall be at the BENECO Metering Nodes.
Outage Allowance	<p>The Supplier shall not be entitled to any planned/ scheduled or forced outage allowances.</p> <p>If the Supplier fails to deliver the power supply to BENECO due to circumstances not falling under Force Majeure, the Supplier shall be responsible to source the supply from its portfolio of plants or WESM provided that the price that shall be passed on to BENECO shall be the ERC-approved rate under the PSA or WESM rate, whichever is lower.</p>
Force Majeure	<p>Force majeure are extraordinary events or circumstances which are not foreseeable though foreseen, are inevitable and are beyond the will, control, participation and influence of the affected Party. The affected Party shall notify and give details of the Force Majeure events to be excused.</p> <p>The period for remedy shall be defined during negotiation. BENECO and the Supplier shall establish the action plans to be followed by both parties.</p> <p>BENECO shall not be required to make payments for any of the following:</p> <ol style="list-style-type: none"> 1. Any Contracted Capacity or associated energy that is unavailable 2. Any Contracted Capacity or associated energy that it cannot accept 3. Minimum Energy Off-Take (MEOT) <p>The following shall be considered as Force Majeure events:</p> <ol style="list-style-type: none"> 1. Acts of God; 2. Acts of war or the public enemy whether war be declared or not, terrorism, invasion, armed conflict or act of foreign enemy, blockage, embargo, revolution, and public disorders, including insurrection, rebellion, civil commotion, sabotage, riots and violent demonstrations; 3. Accidents, explosions, fires, earthquakes, typhoons, tidal waves, storm surges, flooding in any of the areas served by either party, or other natural calamities; 4. Adverse geological or underground conditions which were not discovered and would not have been discovered by a reasonably prudent exploratory drilling program; 5. Exceptionally severe weather conditions the effects of which could not have been avoided by the exercise of reasonably prudent precautions; 6. Strikes or lockouts or other industrial action by workers or employees of either party, or of any contractor, any operation and maintenance contractor, or any subcontractor of any contractor or any operation and maintenance contractor, which will affect the supply or acceptance of the Contracted Capacity; 7. Any System Emergency or Transmission Failure that may affect the delivery by the supplier, or acceptance by the EC,

DESCRIPTION	REQUIREMENT
	<p>of power (except if due to the act or omission of the party seeking to claim an Event of Force Majeure, unless otherwise due to an Event of Force Majeure);</p> <p>8. Appropriate actions taken in response to any orders, warnings or advice given by a Governmental Instrumentality or the System Operator for safety reasons to implement emergency shutdown (except if due to the act or omission of the party seeking to claim an Event of Force Majeure, unless otherwise due to an Event of Force Majeure);</p> <p>9. Force Majeure events defined under the WESM Rules (Rules 6.7.1 and 6.7.2); and</p> <p>10. Epidemic, pandemic, outbreaks of infectious diseases or any other public health crisis, including quarantine restrictions, and other similar occurrences.</p> <p>11. Other analogous circumstances.</p>
Liquidated Damages	<p>Upon the occurrence of an Event of Default, the non-defaulting Party shall be entitled to liquidated damages, in lieu of all other damages to which it may be entitled in respect of such EOD, in the amount of One Hundred Fifty Thousand Pesos (Php150,000.00) per MW per day of the Contract Capacity for the remaining Required Contract Period of the PSA.</p>
Reduction in Contract Capacity	<p>The Contract Capacity and Associated Energy shall be reduced equivalent to the reduction in the demand of captive customers of BENECON by reason of the implementation of Retail Competition and Open Access (RCOA), Green Energy Option Program (GEOP), Net Metering Rules, the Renewable Energy Law, or other Laws and Legal Requirements to which BENECON is required to comply.</p>
Replacement Power	<p>The Supplier shall provide replacement power to BENECON equal to the contract price or WESM rate, whichever is lower, during any outage not due to Force Majeure event.</p> <p>However, if Supplier fails to provide replacement energy, BENECON may source the replacement energy from WESM and the Supplier shall shoulder the difference between the Contract Price and WESM rate in case the WESM rate is higher.</p> <p>In case of delay in the COD, the Supplier shall provide the replacement power up to the contracted capacity during the period.</p>
Currency	<p>Price offer should be in Philippine Peso.</p>
Regulatory Approvals	<p>The Supplier shall make the necessary rate adjustments in accordance with the directive of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract and BENECON should not be made to shoulder the incremental difference.</p>

DESCRIPTION	REQUIREMENT
<p align="center">Penalties</p>	<p>BENECO shall list a set of penalties for the Supplier not limited to the following:</p> <ul style="list-style-type: none"> ● Before and during commercial operation ● Cost of foregone revenue and surcharge ● Ground for termination of contract ● Ground for the Supplier to be blacklisted <p>The Supplier shall be penalized (monetary, etc.) in cases of the following events and circumstances:</p> <ul style="list-style-type: none"> ● Delay in COD (Commercial Operation Date); ● Failure of delivery of power; ● Other violations under the resulting PSA.
<p>Source of Power</p>	<p>Open Technology</p>
<p align="center">Plant Capacity</p>	<p>The minimum available capacity of the Supplier shall not be less than the contracted capacity of BENECO.</p> <p>No capacity of the plant (up to the Contracted Capacity) shall be contracted under any agreement other than the power supply agreement arising from this tender.</p>
<p align="center">Eligibility Requirements</p>	<p>The Supplier shall submit the following:</p> <ul style="list-style-type: none"> ● Company Profile ● Table of organization including job descriptions, technical qualifications and experience of the management and technical team. ● Certificate of Compliance issued by the ERC. Alternatively, the Supplier may submit a certified true copy of the Certificate of Compliance Application submitted to and duly acknowledged by the ERC or a Provisional Authority to Operate (PAO). ● Notarized certification that the Supplier has available capacity to supply the requirements of BENECO. ● If bidder is formed as partnership, corporation, consortium, joint venture or any similar association for purposes 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 BENECO for any and all costs and obligations arising from this CSP and the resulting PSA.
<p align="center">Grounds for Termination of Contract</p>	<p>The agreement may be terminated under the following conditions:</p> <ul style="list-style-type: none"> ● Expiration of Cooperation Period ● Mutual Agreement by both Parties and approved by ERC; and ● Changes in Circumstances as agreed under the PSA. <p>The BENECO may terminate the Agreement by written notice to the Supplier in cases of:</p> <ul style="list-style-type: none"> ● Events of default; ● Non-fulfillment of conditions for effective date; ● Events of Prolonged Force Majeure (Prolonged Force Majeure refers to the event where in the duration of the Force Majeure exceeds two months.); and ● When the Supplier fails to supply for a period of sixty (60) days for reason wholly attributable to its fault and/or negligence, provided that, the Supplier fails to take reasonable actions or remedies to solve its inability to deliver capacity and energy.

DESCRIPTION	REQUIREMENT
	<p>The Supplier may terminate the Agreement by written notice to BENEKO when BENEKO:</p> <ul style="list-style-type: none"> ● Discontinue operations; ● Declares bankruptcy; or ● Any financial obligation of BENEKO is not paid when due within any applicable grace period.

PARTICIPATION FEE AND WINNING BIDDERS' FEE

Bidders shall pay a non-refundable Participation Fee (Bid Processing Fee) equivalent to **Seven Hundred Thousand Pesos (Php 700,000.00)** on or before **November 7, 2023 9AM** which may be made personally or electronically wired through the account indicated below:

Account Information

Account Name	: Benguet Electric Cooperative (BENEKO)
Bank	: Banco De Oro (BDO)
Account Number	: 005470143512
Bank Branch	: Baguio Session Road

Only the Bidders who have properly secured the Bidding Documents will be invited to the Pre-Bid Conference and will be allowed to participate in the Bidding.

THIRD PARTY BIDS AND AWARDS COMMITTEE

By:



ARTEMIO M. BAGOCO
TPBAC Chairman

Approved by:



DELMAR O. CARIÑO
Acting General Manager