



PALAWAN ELECTRIC COOPERATIVE
QUALIFIED THIRD PARTY BIDS AND AWARDS COMMITTEE (QTPBAC)
 Kilometer 3.35 North National Highway, Barangay Tiniguiban, Puerto Princesa City
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COMPETITIVE SELECTION PROCESS (CSP) FOR PROVISION OF QUALIFIED THIRD PARTY SERVICES FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF GENERATION AND DISTRIBUTION SYSTEM AND BILLING AND COLLECTION FOR THE QTP SERVICE AREAS OF PALECO

BID BULLETIN NO. 04
 April 25, 2022

This supplemental Bid Bulletin No. 04 is hereby issued to REVISE or AMEND and CLARIFY the following and shall form an integral part of the Final Transaction Documents:

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM																					
Item No. 3 Terms of Reference Plant Type - New (conventional, renewable or hybrid)	All equipment should be brand new and unused; Manufacturing date of said equipment should be at least 1 year before delivery or conduct of Competitive Bidding for QTP.	"All equipment should be brand new and unused; Manufacturing date of said equipment and all of its parts should not be later than 2020 model before delivery or conduct of Competitive Bidding for QTP supported by canvass/quotation from their chosen manufacturer/s. Canvass/quotation must be submitted and indicate the following information but not limited to: a. Model b. Ratings/Size c. Manufacturing Date d. Place of Origin																					
Tariff Structure	<table border="1"> <thead> <tr> <th data-bbox="813 893 965 917">Tariff Structure</th> <th data-bbox="965 893 1200 917">Conventional Technology (Plant Type A)</th> <th data-bbox="1200 893 1420 917">Renewable & Storage Technology (Plant Type B)</th> </tr> </thead> <tbody> <tr> <td data-bbox="813 917 965 997"> Capital Recovery Fee (Including distribution line and losses with 4% inflation Fixed O&M) </td> <td data-bbox="965 917 1200 997"> $\frac{CRF \text{ of Plant A} \times \text{Estimated Subst. in MW} \times \frac{1}{20}}{\text{MW} \times \frac{1}{20}}$ </td> <td data-bbox="1200 917 1420 997"> $\frac{CRF \text{ of Plant B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> </tr> <tr> <td data-bbox="813 997 965 1045"> Variable O&M </td> <td data-bbox="965 997 1200 1045"> $\frac{\text{Variable O\&M} \text{ of Plant A} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> <td data-bbox="1200 997 1420 1045"> $\frac{\text{Variable O\&M} \text{ of Plant B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> </tr> <tr> <td data-bbox="813 1045 965 1093"> Real & Loss (pass through cost) indicative only and is based on current LFO and LCO price to be announced during the start-up of bidding. </td> <td data-bbox="965 1045 1200 1093"> $\frac{\text{LCO of Plant A} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> <td data-bbox="1200 1045 1420 1093"> $\frac{\text{LCO of Plant B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> </tr> <tr> <td data-bbox="813 1093 965 1141"> Fixed Fee P </td> <td data-bbox="965 1093 1200 1141"> $\frac{\text{Fee A} \times \text{CRF of A} \times \text{Estimated Subst. in MW} \times \frac{1}{20}}{\text{MW} \times \frac{1}{20}}$ </td> <td data-bbox="1200 1093 1420 1141"> $\frac{\text{Fee B} \times \text{CRF of B} \times 3000 \times \text{Pkg. per MW}}{\text{MW} \times 3000}$ </td> </tr> <tr> <td data-bbox="813 1141 965 1189"> Rate P/Wh </td> <td data-bbox="965 1141 1200 1189"> $\frac{\text{Rate A} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> <td data-bbox="1200 1141 1420 1189"> $\frac{\text{Rate B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> </tr> <tr> <td data-bbox="813 1189 965 1220"> Banded Rate P/Wh </td> <td colspan="2" data-bbox="965 1189 1420 1220"> $\frac{\text{Banded Rate} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$ </td> </tr> </tbody> </table> <p><small>Note: The energy to be provided by the RE technology shall be determined by the bidder based on the result of the bidder's load-loss and simulation.</small></p>	Tariff Structure	Conventional Technology (Plant Type A)	Renewable & Storage Technology (Plant Type B)	Capital Recovery Fee (Including distribution line and losses with 4% inflation Fixed O&M)	$\frac{CRF \text{ of Plant A} \times \text{Estimated Subst. in MW} \times \frac{1}{20}}{\text{MW} \times \frac{1}{20}}$	$\frac{CRF \text{ of Plant B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$	Variable O&M	$\frac{\text{Variable O\&M} \text{ of Plant A} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$	$\frac{\text{Variable O\&M} \text{ of Plant B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$	Real & Loss (pass through cost) indicative only and is based on current LFO and LCO price to be announced during the start-up of bidding.	$\frac{\text{LCO of Plant A} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$	$\frac{\text{LCO of Plant B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$	Fixed Fee P	$\frac{\text{Fee A} \times \text{CRF of A} \times \text{Estimated Subst. in MW} \times \frac{1}{20}}{\text{MW} \times \frac{1}{20}}$	$\frac{\text{Fee B} \times \text{CRF of B} \times 3000 \times \text{Pkg. per MW}}{\text{MW} \times 3000}$	Rate P/Wh	$\frac{\text{Rate A} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$	$\frac{\text{Rate B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$	Banded Rate P/Wh	$\frac{\text{Banded Rate} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$		Please see Annex A of Bid Bulletin No. 4
Tariff Structure	Conventional Technology (Plant Type A)	Renewable & Storage Technology (Plant Type B)																					
Capital Recovery Fee (Including distribution line and losses with 4% inflation Fixed O&M)	$\frac{CRF \text{ of Plant A} \times \text{Estimated Subst. in MW} \times \frac{1}{20}}{\text{MW} \times \frac{1}{20}}$	$\frac{CRF \text{ of Plant B} \times \text{Pkg. per MW} \times 3000}{\text{MW} \times 3000}$																					
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7

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
Item No. 3 Terms of Reference Grounds for Termination-Item No. 3	Certain events of Force Majeure	Certain events of Force Majeure such as provided in QTP Service Contract (QSC)
Item No. 3 Terms of Reference Eligibility Requirements LEGAL DOCUMENTS	4. Statement that the bidder is not "blacklisted" or banned from bidding by the government or any of its agencies, offices, corporation or LGU's and private corporations or electric cooperatives; including non-inclusion in the Consolidated Blacklisting Report issued by the Government Procurement Policy Board, as provided in Section 69.4 of the IRR-A No. 1984, and/or PALECO.	4. Statement that the bidder is not "blacklisted" or banned from bidding by the government or any of its agencies, offices, corporation or LGU's and private corporations or electric cooperatives; including non-inclusion in the Consolidated Blacklisting Report issued by the Government Procurement Policy Board, as provided in Section 69.4 of the IRR-A No. 1984, and/or PALECO. Certification from PALECO that the bidder is not blacklisted or banned from bidding must be requested and issued by its Board of Directors or its authorized representative.
Item No. 3 Terms of Reference Eligibility Requirements FINANCIAL DOCUMENTS/FINANCIAL CAPABILITY INFORMATION	1. Latest Annual Report and/or Audited Financial Statement (FS) for the last two (2) years from the filing date and latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing.	Latest Annual Report and/or Audited Financial Statement (FS) from the filing date and latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing.
Item No. 5 Schedules to Bidding Procedures Schedule 1 - Form of Acceptance of Bidding Procedures	We refer to Bidding Procedures, dated _____, as amended or otherwise supplemented, "the Competitive Selection Process for the Supply and Distribution of Power in QTP Service Areas of PALECO.	We refer to the Bidding Procedures, dated as amended or otherwise supplemented, (the "Bidding Documents/Eligibility Guidelines and requirements") for the Competitive Selection Process
Item No. 5 Schedules to Bidding Procedures Schedule 1 - Form of Acceptance of Bidding Procedures	None	2. It shall not disclose or bring all Motion for Reconsideration, protest or questions regarding the decision of the QTPBAC to any other agencies whether government or private;
Item No. 5 Schedules to Bidding Procedures Schedule 3- Technical Proposal Form 1.3. Generating Unit Technical Information:	Column Indicative Maker: (at least 3 engine Makers/Brands)	Please see Annex B of Bid Bulletin No. 4

7

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
Item No. 5 Schedules to Bidding Procedures Schedule 3- Technical Proposal Form - 1.4.	1.4 Design of distribution system which shall be in accordance with 13.2kV NEA "Specifications and Drawings for Distribution Line Construction"	1.4 Design of distribution system which shall be in accordance with 7.62 Kv / 13.2 Kv NEA "Specifications and Drawings for Distribution Line Construction"
Item No. 5 Schedules to Bidding Procedures Schedule 3 TECHNICAL PROPOSAL FORM - Item No 1.5	None	1.5 Total Household Electrification Plan

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
<p>Item No. 5 Schedules to Bidding Procedures</p> <p>Schedule 3 TECHNICAL PROPOSAL FORM</p> <p>Annex A [of Schedule 3 of the Bidding Procedures] - Item No.1. Power Plant Technology</p>	<p>1. Power Plant Technology General description of power plant technology</p>	<p>1. Power Plant Technology General description of power plant technology including plant site development plan.</p>
<p>Item No. 5 Schedules to Bidding Procedures</p> <p>Schedule 3 TECHNICAL PROPOSAL FORM</p> <p>Annex A [of Schedule 3 of the Bidding Procedures]</p> <p>2.8. Fuel</p>	<p>2.8.3. Fuel Supply Agreement a) LOI from prospective fuel supplier(s) indicating % fuel supply requirements</p>	<p>2.8.3 Fuel Supply Agreement The bidder shall submit fue LOI from prospective fuel supplier(s) indicating % fuel supply requirements The LOI should contain that the fuel supplier is committed to sign up a long term fuel supply agreement with the winning bidder should it win the bid. It should guarantee to supply the prospective fuel requirements at the competitive price with sufficient quantity and timely delivery.</p>
<p>Item No. 5 Schedules to Bidding Procedures</p> <p>Schedule 3 TECHNICAL PROPOSAL FORM</p> <p>Annex A [of Schedule 3 of the Bidding Procedures]</p> <p>- Item No. 5</p>	<p>None</p>	<p>5. Total Household Electrification Plan 5.1 Line Staking Design 5.2 Single Line Diagram 5.3 Proposed electrification strategy for isolated households 5.4 Service Dropping</p>
<p>Item No. 5 Schedules to Bidding Procedures</p> <p>Schedule 4 - FINANCIAL TERM SHEET</p>	<p>The bidder will be responsible for mobilization of the financing for the Power Station. Agreements required to secure financing for the Power Station will be entered into between the bidder and the institutions providing the financing for the Power Station and shall be based on the financial plan presented by the bidder in its Proposal. In addition to this term sheet, Bidder shall submit the Indicative Term Sheet and the Conditional Loan Agreement with the financing institution completely filled-out with the same information contained herein. In the event that the contract is awarded to the Bidder, the aforementioned financial instruments (Indicative Term Sheet and Conditional Loan Agreement) become executable.</p>	<p>The bidder will be responsible for mobilization of the financing for the Power Station. Agreements required to secure financing for the Power Station will be entered into between the bidder and the institutions providing the financing for the Power Station and shall be based on the financial plan presented by the bidder in its Proposal. For the bidders who will secure loan to finance the project aside from this financial term sheet, they shall submit letter of guarantee/interest from the financing institution.</p>
<p>Item No. 5 Schedules to Bidding Procedures</p> <p>Schedule 4 - FINANCIAL TERM SHEET - 2.2</p>	<p>2.2 Letters of Interest with term sheets from the Export Credit Agencies, Commercial Sources and /or Multilateral Sources and /or financial institutions verifying the amount of debt financing stated in Section 1.3 of Table 1. The document should also indicate the repayment period and interest rates (fixed or variable) applicable to the commitment.</p>	<p>2.2 Letters of Interest/guarantee from the Export Credit Agencies, Commercial Sources and /or Multilateral Sources and /or financial institutions.</p>

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
<p>Item No. 5 Schedules to Bidding Procedures</p> <p>Schedule 5 - Financial Bid Form Item number 13</p>	<p>The Second Proposal Envelope contains a financial proposal with a single value for each of the following bid parameters, which shall be exclusive of VAT:</p> <p><input type="checkbox"/> Capacity Recovery Fee (CRF), expressed in PhP/mo and rounded to two decimal places; CRF = CRR x CC = ___ x ___ kW = ___ for conventional CRF = ___ for RE</p> <p><input type="checkbox"/> Fixed Operations and Maintenance Fee (FOMF), expressed in PhP/mo and rounded to two decimal places; and FOMF = FOMR x CC = ___ x ___ kW = ___ for conventional FOMF = ___ for RE</p> <p><input type="checkbox"/> Variable Operations and Maintenance Fee (VOMF), expressed in PhP and rounded to two decimal places, computed using on the bidder's projected average monthly energy for the 15-year period ; and VOMF = VOMR x Energy Delivered = ___ x ___ = ___ for conventional VOMF = VOMR x Energy Delivered = ___ x ___ = ___ for RE</p> <p><input type="checkbox"/> Fuel Fee (FF), expressed in PhP and rounded to two decimal places, computed using on the bidder's projected average monthly energy for the 15-year period , optimally apportion based on least cost mix to achieve lowest Energy Fee FF = FR x Energy Delivered = ___ x ___ = ___ for conventional FF = FR x Energy Delivered = ___ x ___ = ___ for RE</p> <p>1. The above parameters shall be used to determine the Total Fee at Bid Date (TFbd), which shall be inclusive of VAT except RE, using the following formula: TFbd(non RE) = CRF + FOMF + VOMF + FF + VAT TFbd(RE) = T Ft = CRF t + FOMF t + VOMFt + FF t (for biomass) TFbd(RE) = T Ft = CRF t + FOMF t + VOMFt (for other REs) TFbd = TFbd(non RE) + TFbd(RE)</p> <p>2. Based on the above formula for calculating the TFbd, our Total Fee: TFbd = PhP _____ (rounded to two decimal places)</p> <p>3. Based on the above formula for calculating the TCGRbd, the following constitutes our Financial Proposal Price using on the bidder's projected average monthly energy for the 15-year period : TCGRbd = _____ Ph/kWh (rounded to four decimal places)</p>	<p>Please see Annex C of Bid Bulletin No. 4</p>

7

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
Item No. 5 Schedules to Bidding Procedures Schedule 8 . Load and Energy Demand Forecast	None	Please see Annex D of Bid Bulletin No. 4.
Item No. 6 Bidding Procedures and Guidelines - I-01 SUBJECT OF BID PROPOSAL	Bid proposals shall cover the supply and distribution of real and reactive power in the Qualified Third Party Service Areas of PALECO in accordance with the terms of the QTP Service Contract (QSC). The winning bidder shall enter into a 10-year QSC with the National Power Corporation (NPC).	Bid proposals shall cover the supply and distribution of real and reactive power in the Qualified Third Party Service Areas of PALECO in accordance with the terms of the QTP Service Contract (QSC). The winning bidder shall enter into a 10-year QSC with Palawan Electric Cooperative (PALECO). The winning bidder and PALECO shall execute the QSC within ten (10) working days after the conduct of successful bidding.
Item No. 6 Bidding Procedures and Guidelines - I-01 SUBJECT OF BID PROPOSAL	The Plant Capacity (PC) could be delivered in 13.2 kV, which shall be made available not later six (6) months after ERC approval of the QSC for dispatch by the winning bidder.	The Plant Capacity (PC) could be delivered in 7.62 Kv / 13.2 Kv primary, 240 volts secondary which shall be made available not later six (6) months after ERC approval of the QSC for dispatch by the winning bidder.
Item No. 6 of the Bidding Procedures and Guidelines - I-03 PRE-QUALIFICATION/ELIGIBILITY REQUIREMENTS (FIRST ENVELOPE) - B. FINANCIAL DOCUMENTS/FINANCIAL CAPABILITY INFORMATION (Folder 2)	1. To show the financial capability the following must be submitted by the bidder and its affiliate, or each member in case of a consortium:	1. To show the financial capability the following must be submitted by the bidder and parent company only, or each member in case of a consortium:

7

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
<p>Item No. 6 of the Bidding Procedures and Guidelines -</p> <p>I-03 PRE-QUALIFICATION/ELIGIBILITY REQUIREMENTS (FIRST ENVELOPE)</p> <p>- B, FINANCIAL DOCUMENTS/FINANCIAL CAPABILITY INFORMATION (Folder 2)</p>	<p>2. For applicants with insufficient funds to finance the proposed operations</p> <p>a. Newly organized corporation (existing for two (2) years or less from date of registration with SEC) should be supported by parent company's financial documents per items 1 and 2 above and Letter of Guaranty by the parent company to fund the work program.</p> <p>b. Subsidiary corporation (existing for more than two (2) years from date of registration with SEC) should be supported by the following:</p> <p>a.1 Notarized Letter of Guaranty from the majority shareholder/s and Original Bank proof of capacity to satisfy the said Guaranty Certification; or</p> <p>a.2 Parent company's financial documents per items 1 and 2 above and Letter of Guaranty by the parent company to fund the work program/plan</p> <p>a.2.a In case of domestic parent company, the Letter of Guaranty should be duly notarized</p> <p>a.2.b In case of foreign parent company, the documents shall be duly authenticated by the Philippine Consulate Office that has jurisdiction over the said parent company.</p>	<p>2. For applicants with insufficient funds to finance the proposed operations</p> <p>a. Newly organized corporation (existing for two (2) years or less from date of registration with SEC) should be supported by parent company's financial documents per items 1 and 2 above and Letter of Guarantee by the parent company to fund the work program.</p> <p>b. Subsidiary corporation (existing for more than two (2) years from date of registration with SEC) should be supported by the following:</p> <p>b.1 Notarized Letter of Guarantee from the majority shareholder/s and Original Bank proof of capacity to satisfy the said Guarantee Certification; or</p> <p>b.2 Parent company's financial documents per items 1 and 2 above and Letter of Guarantee by the parent company to fund the work program/plan</p> <p>b.2.a In case of domestic parent company, the Letter of Guarantee should be duly notarized</p> <p>b.2.b In case of foreign parent company, the documents shall be duly authenticated by the Philippine Consulate Office that has jurisdiction over the said parent company.</p>
<p>Item No. 6 Bidding Procedures and Guidelines</p> <p>I-03 PRE-QUALIFICATION/ELIGIBILITY REQUIREMENTS (FIRST ENVELOPE)</p> <p>B, FINANCIAL DOCUMENTS/FINANCIAL CAPABILITY INFORMATION (Folder 2). Item No. 4</p>	<p>4. A Financial Term Sheet showing pertinent details of its bid as set forth in Schedule</p>	<p>4. A Financial Term Sheet showing pertinent details of its bid as set forth in Schedule no. 4 of Schedules to Bidding Procedures,</p>
<p>Item No. 6 Bidding Procedures and Guidelines</p> <p>I-03 PRE-QUALIFICATION/ELIGIBILITY REQUIREMENTS (FIRST ENVELOPE)</p> <p>B, FINANCIAL DOCUMENTS/FINANCIAL CAPABILITY INFORMATION (Folder 2)</p>	<p>None</p>	<p>5. Computation of Net Financial Contracting Capacity (NFCC).</p> <p>In computing for Net Financial Contracting Capacity (NFCC) the following formula will be use.</p> <p>$NFCC = ((Current Assets - Current Liabilities) \times K) - Outstanding Projects$</p> <p>Where K is equivalent to 20</p>

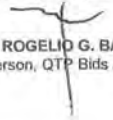
7

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
<p>Item No. 6 Bidding Procedures and Guidelines -</p> <p>I-03A THE TECHNICAL AND FINANCIAL PROPOSAL (SECOND ENVELOPE) - 1.C</p>	<p>C. Bid Security in a prescribed form, validity and amount payable to Palawan Electric Cooperative as guarantee that the successful bidder shall enter into contract from receipt of the Notice of Award. The Bidder shall submit a Bid Securing Declaration (Annex "L") and shall be valid one hundred twenty (120) calendar days from the date of the opening of the bids. Absence of bid security shall cause automatic rejection of the bid;</p>	<p>C. Bid Security in a prescribed form, validity and amount payable to Palawan Electric Cooperative as guarantee that the successful bidder shall enter into contract from receipt of the Notice of Award. In support of the bid security, the Bidder shall submit a Bid Securing Declaration (Annex "L") and shall be valid one hundred twenty (120) calendar days from the date of the opening of the bids.</p> <p>Failure to enclose the required bid security in the form and amount prescribed herein shall automatically disqualify the bid concerned. Bid security shall be returned only when the bidder with the Lowest Calculated and Responsive Bid (LCRB) has signed the contract and posted the performance security.</p>
<p>Item No. 6 Bidding Procedures and Guidelines -</p> <p>Section I- 03A The Technical and Financial Proposal (Second Envelope) - Item D</p>	<p>D. Duly executed QTP ServiceContract (QSC) and Schedules to QSC, and attachments thereto:</p>	<p>Please see Annex E of Bid Bulletin No. 4</p>
<p>Item No. 6 Bidding Procedures and Guidelines -</p> <p>I-06 SUBMISSION OF BIDDERS' PRE-QUALIFICATION REQUIREMENTS, TECHNICAL AND FINANCIAL PROPOSALS</p>	<p>Bidder's pre-qualification, technical and financial envelopes must be received by the QTPBAC Secretariat not later than nine o'clock in the morning on January 18, 2022.</p>	<p>Bidder's pre-qualification, technical and financial envelopes must be received by the QTPBAC Secretariat not later than nine o'clock in the morning on May 12, 2022.</p>
<p>Item No. 6 Bidding Procedures and Guidelines</p> <p>I-08 PREPARATION OF BID PROPOSAL</p>	<p>D. Preparation of Bids</p> <p>E. Opening of Proposals</p>	<p>Please see Annex F of Bid Bulletin No. 4</p>
<p>Item No. 6 of the Bidding Procedures and Guidelines - Annex H</p>	<p>Check list of Prequalification Guidelines</p>	<p>Please see Annex G of Bid Bulletin No. 4</p>

REFERENCE	ORIGINAL PROVISIONS	REVISION / AMENDMENT/ ADDENDM
Item No. 6 of the Bidding Procedures and Guidelines - Annex L	<p>Bid Securing Declaration</p> <p>1. I/We understand that, according to your conditions, bids must be supported by a Bid Security, which may be in the form of a Bid Securing Declaration.</p>	<p>Bid Securing Declaration</p> <p>1. I/We understand that, according to your conditions, bids must be supported by a Bid Security in a form of cash or manager's check.</p>
Item No. 6 of the Bidding Procedures and Guidelines - Annex M item no. 9	<p>9.(Name of Bidder) Did not give or pay directly or indirectly, any commission, amount, fee, or amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel representative of the Electric Cooperative in relation to any procurement project or activity.</p>	<p>9.(Name of Bidder) did not offer or pay commission or consideration to any government and PALECO official or employees, members of QTPBAC and disclosure of commission paid to private person</p>

For guidance and information of all concerned.

For more inquiries, please email the QTPBAC Secretariat at qtp.paleco@gmail.com.


ENGR. ROGELIO G. BAYLON, JR.
 Chairperson, QTP Bids and Awards Committee

Revised Tariff Structure (TOR)

ANNEX A

Tariff Structure	Conventional Technology (Power Plant A)	Renewable Energy Technology (Power Plant B)
Capital Recovery Fee Rate	CRFR of Plant A in Php/kW-month	CRFR of Plant B in Php per kWh
Fixed Operation & Maintenance Fee Rate	FOMFR of Plant A in Php/kW-month	FOMFR of Plant B in Php per kWh
Variable Operation & Maintenance Fee Rate	VOMFR of Plant A in Php/kW-month	VOMFR of Plant B in PhP per kWh
Fuel Fee Rate (pass through cost) <i>Indicative only and is based on current HFO, LFO and LO price to be announced during the pre-bid conference.</i>	FFR of Plant A in PhP per kWh	FFR of Plant B in PhP per kWh (Only applicable for Biomass, and other RE tech with fuel requirement)
Full Cost Recovery Fee, Php/mo	Fee A = CRFR of A x contracted capacity in kW of A + FOMFR of A x contracted capacity in kW of A +VOMFR x kWh supplied by Plant A +FFR x kWh supplied by Plant A + VAT	Fee B = CRFR of B x kWh supplied by Plant B + FOMFR of B x kWh supplied by Plant B +VOMFR x kWh supplied by Plant B +FFR x kWh supplied by Plant B
Full Cost Recovery Rate, Php/kWh	Rate A = Fee A / kWh supplied by Plant A	Rate B = Fee B / kWh supplied by Plant B
Blended Full Cost Recovery Rate, PhP/kWh	Blended FCRR = [Rate A x (kWh supplied by Plant A ÷ Total kWh supplied)] + [Rate B x(kWh supplied by Plant B ÷ Total kWh supplied)]	

FINANCIAL BID FORM ITEM NO. 13

13. The Second Proposal Envelope contains a financial proposal with a single value for each of the following bid parameters, which shall be exclusive of VAT:

- A. Capacity Recovery Fee (CRF), expressed in **PHP/mo** and rounded to two decimal places;

$$\text{CRF} = \text{CRFR} \times \text{CC}_{\text{Conv}} = \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ for conventional}$$

$$\text{CRF} = \underline{\hspace{2cm}} \text{ for RE}$$

Where,

CRFR = Capital Recovery Fee Rate, **PHP/kW-month**

CC_{Conv} = Contracted Capacity of conventional technology

- B. Fixed Operations and Maintenance Fee (FOMF), expressed in **PHP/mo** and rounded to two decimal places; and

$$\text{FOMF} = \text{FOMFR} \times \text{CC}_{\text{Conv}} = \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ for conventional}$$

$$\text{FOMF} = \underline{\hspace{2cm}} \text{ for RE}$$

Where,

FOMR = Fixed Operation and Maintenance Fee Rate, **PHP/kW-month**

CC_{Conv} = Contracted Capacity of conventional technology

- C. Variable Operations and Maintenance Fee (VOMF), expressed in **PHP/mo** and rounded to two decimal places, computed using the **projected average monthly energy** for the **10-year period**; and

$$\text{VOMF} = \text{VOMFR} \times \text{ED}_{\text{Conv}} = \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ for conventional}$$

$$\text{VOMF} = \text{VOMFR} \times \text{ED}_{\text{RE}} = \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ for RE}$$

Where,

VOMFR = Variable Operation and Maintenance Fee Rate, **PHP/ kWh-month**

ED_{Conv} = Energy Delivered by conventional technology

ED_{RE} = Energy Delivered by renewable technology

- D. Fuel Fee (FF), expressed in **PHP/mo** and rounded to two decimal places, computed using the **projected average monthly energy** for the **10-year period**, optimally apportion based on least cost mix to achieve lowest Energy Fee.

$$\text{FF} = \text{FFR} \times \text{ED}_{\text{Conv}} = \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ for conventional}$$

$$\text{FF} = \text{FFR} \times \text{ED}_{\text{RE}} = \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \text{ for RE (if applicable)}$$

Where,

FFR = Fuel Fee Rate, *PhP/ kWh-month*

ED_{Conv} = Energy Delivered by conventional technology

ED_{RE} = Energy Delivered by renewable technology

1. The above parameters shall be used to determine the Full Cost Recovery Rate which shall be inclusive of VAT except RE, using the following formula:

Proposed price using the projected average monthly energy for the 10-year period :

For Conventional Technology:

$$\mathbf{FCRR_{bd} (Conv) = CRFR_{Conv} + FOMFR_{Conv} + VOMFR_{Conv} + FFR_{Conv} + VAT}$$

For Renewable Technology:

$$\mathbf{FCRR_{bd} (RE) = CRFR_{RE} + FOMFR_{RE} + VOMFR_{RE} + FFR_{RE} \text{ (if applicable)} + VAT \text{ (if applicable)}}$$

2. Based on the above formula for calculating the FCRR_{bd} (Blended), or Full Cost Recovery Rate:

Blended FCRR:

$$\mathbf{FCRR_{bd} (Blended) = \left\{ FCRR_{bd} (Conv) \times \frac{Conventional\ Energy}{TOTAL\ Energy} \right\} + \left\{ FCRR_{bd} (RE) \times \frac{Renewable\ Energy}{TOTAL\ Energy} \right\}}$$

$$\mathbf{FCRR_{bd} = \underline{\hspace{2cm}} PhP/kWh}$$

(rounded to two decimal places)

For the purpose of evaluation and transparency and to ensure credibility of bids, each bidder is required to provide their itemized project costs used to compute for the FCRR with corresponding year of implementation as shown in the table below.

Total Project Cost Breakdown:

Category	FCRR Components	FCRR Components Breakdown	Implementing Year (1,2,3...)	Equivalent Cost Breakdown, PhP	
				Conventional	Renewable
Energy Generation	Capital Recovery				
	Fixed Operation and Maintenance				
	Variable Operation and Maintenance				
	Fuel				
Distribution	Capital Recovery				

	Fixed Operation and Maintenance				
	Variable Operation and Maintenance				
Power Management	Capital Recovery				
	Fixed Operation and Maintenance				
	Variable Operation and Maintenance				
Total					

Notes:

1. Tariff computation should include all projected expenses for the entire cooperation period.

2. FCRR Components

- a. Capital Recovery Fee – all capital related elements intended to recover the cost to build the facilities that are needed to provide the capacity and supply of energy with a reasonable return

- b. Fixed Operation & Maintenance Fee – a component to recover fixed operating and maintenance costs. This cost is determined by the capacity of the plant, not the level of utilization.

- c. Variable Operation & Maintenance Fee – an element to recover variable operating and maintenance costs. These non-fuel costs vary with the amount of electricity generated.

- d. Fuel Fee – a component to recover fuel cost subject to efficiency cap

SCHEDULE 8

PALECO QTP SERVICE AREAS
LOAD AND ENERGY DEMAND FORECAST

QTP Service Areas – Lot 1

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	LUMACAD	ARACELI	Load, kW	43.6	44.7	46.0	47.2	48.3	49.4	50.6	51.7	52.9	54.0
			Energy, kWh	147,854.49	151,701.11	156,011.91	159,894.70	163,773.49	167,649.67	171,524.08	175,397.24	179,269.49	183,141.06
2	DALAYAWON	ARACELI	Load, kW	39.8	40.8	42.0	43.0	44.1	45.1	46.1	47.2	48.2	49.3
			Energy, kWh	134,871.53	138,380.39	142,312.66	145,854.50	149,392.70	152,928.52	156,462.72	159,995.78	163,528.01	167,059.63
3	OSMENA	ARACELI	Load, kW	68.9	70.6	72.6	74.5	76.3	78.1	79.9	81.7	83.5	85.3
			Energy, kWh	233,477.80	239,552.02	246,359.23	252,490.55	258,615.57	264,736.48	270,854.57	276,970.70	283,085.39	289,199.01

QTP Service Areas – Lot 2

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	BALOGO	ARACELI	Load, kW	54.7	56.1	57.7	59.2	60.6	62.0	63.5	64.9	66.3	67.8
			Energy, kWh	185,550.94	190,378.29	195,788.15	200,660.88	205,528.59	210,393.04	215,255.25	220,115.89	224,975.40	229,834.06
2	MADOLDOLON	ARACELI	Load, kW	61.6	63.2	65.0	66.6	68.2	69.8	71.4	73.1	74.7	76.3
			Energy, kWh	208,828.71	214,261.65	220,350.20	225,834.22	231,312.60	236,787.30	242,259.49	247,729.91	253,199.05	258,667.24
3	MAURINGUEN	ARACELI	Load, kW	66.4	68.1	70.1	71.8	73.6	75.3	77.1	78.8	80.5	82.3
			Energy, kWh	225,239.96	231,099.87	237,666.90	243,581.89	249,490.80	255,395.74	261,297.97	267,198.30	273,097.24	278,995.16

QTP Service Areas – Lot 3

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	SAN JOSE DE ORO	ARACELI	Load, kW	48.1	49.3	50.7	52.0	53.2	54.5	55.7	57.0	58.3	59.5
			Energy, kWh	162,958.84	167,198.42	171,949.60	176,229.03	180,504.07	184,776.23	189,046.44	193,315.26	197,583.09	201,850.18
2	SANTO NINO	ARACELI	Load, kW	50.9	52.2	53.7	55.0	56.3	57.7	59.0	60.3	61.7	63.0
			Energy, kWh	172,503.58	176,991.47	182,020.94	186,551.03	191,076.46	195,598.85	200,119.17	204,638.02	209,155.82	213,672.84
3	TALOTO	ARACELI	Load, kW	45.6	46.8	48.1	49.3	50.5	51.7	52.9	54.1	55.3	56.5
			Energy, kWh	154,721.00	158,746.26	163,257.26	167,320.37	171,379.30	175,435.49	179,489.83	183,542.86	187,594.95	191,646.32

QTP Service Areas – Lot 4

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	BACAO	DUMARAN	Load, kW	148.0	151.8	156.2	160.0	163.9	167.8	171.7	175.6	179.4	183.3
			Energy, kWh	501,854.91	514,911.30	529,543.24	542,722.37	555,887.96	569,044.69	582,195.40	595,341.85	608,485.23	621,626.33

QTP Service Areas – Lot 5

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	BOHOL	DUMARAN	Load, kW	106.6	109.4	112.5	115.3	118.1	120.9	123.7	126.5	129.3	132.1
			Energy, kWh	361,542.68	370,948.67	381,489.70	390,984.12	400,468.78	409,947.06	419,420.99	428,891.87	438,360.53	447,827.54
2	STO. TOMAS	DUMARAN	Load, kW	53.5	54.9	56.5	57.9	59.3	60.7	62.1	63.5	64.9	66.3
			Energy, kWh	181,427.07	186,147.12	191,436.76	196,201.19	200,960.72	205,717.05	210,471.20	215,223.81	219,975.31	224,725.99

QTP Service Areas – Lot 6

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	SAN JUAN	DUMARAN	Load, kW	67.6	69.4	71.4	73.1	74.9	76.7	78.5	80.2	82.0	83.8
			Energy, kWh	229,363.84	235,331.03	242,018.29	248,041.58	254,058.68	260,071.73	266,082.02	272,090.38	278,097.32	284,103.23
2	CATEP	DUMARAN	Load, kW	61.6	63.2	65.0	66.6	68.2	69.8	71.4	73.1	74.7	76.3
			Energy, kWh	208,828.71	214,261.65	220,350.20	225,834.22	231,312.60	236,787.30	242,259.49	247,729.91	253,199.05	258,667.24
3	CALASAG	DUMARAN	Load, kW	28.5	29.2	30.0	30.8	31.5	32.3	33.0	33.8	34.5	35.2
			Energy, kWh	96,489.42	98,999.71	101,812.93	104,346.82	106,878.11	109,407.70	111,936.13	114,463.74	116,990.76	119,517.34

QTP Service Areas – Lot 7

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	ALGECIRAS	AGUTAYA	Load, kW	319.0	327.3	336.6	345.0	353.4	361.7	370.1	378.5	386.8	395.2
			Energy, kWh	1,081,840.83	1,109,986.28	1,141,528.12	1,169,938.17	1,198,319.02	1,226,680.79	1,255,029.56	1,283,369.17	1,311,702.15	1,340,030.20

QTP Service Areas – Lot 8

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	DIIT	AGUTAYA	Load, kW	84.4	86.6	89.1	91.3	93.5	95.7	97.9	100.1	102.3	104.5
			Energy, kWh	286,214.19	293,660.41	302,005.19	309,521.41	317,029.91	324,533.36	332,033.38	339,530.97	347,026.80	354,521.33
2	MATARAWIS(ISLAND)	AGUTAYA	Load, kW	31.3	32.1	33.0	33.8	34.6	35.5	36.3	37.1	37.9	38.7
			Energy, kWh	106,044.07	108,802.94	111,894.73	114,679.54	117,461.49	120,241.56	123,020.36	125,798.26	128,575.51	131,352.28

QTP Service Areas – Lot 9

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	CAPONAYAN	CUYO	Load, kW	75.3	77.3	79.5	81.4	83.4	85.4	87.4	89.3	91.3	93.3
			Energy, kWh	255,384.25	262,028.39	269,474.30	276,180.90	282,880.61	289,575.82	296,267.96	302,957.94	309,646.35	316,333.60
2	LUBID IS.	CUYO	Load, kW	62.0	63.6	65.4	67.0	68.7	70.3	71.9	73.5	75.2	76.8
			Energy, kWh	210,200.03	215,668.65	221,797.18	227,317.21	232,831.57	238,342.21	243,850.34	249,356.68	254,861.74	260,365.83

QTP Service Areas – Lot 10

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	SARONG	BATARAZA	Load, kW	133.3	136.7	140.6	144.1	147.6	151.1	154.6	158.1	161.6	165.1
			Energy, kWh	451,861.16	463,616.90	476,791.23	488,657.49	500,511.55	512,357.63	524,198.29	536,035.13	547,869.19	559,701.20

QTP Service Areas – Lot 11

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	TARATAK	BATARAZA	Load, kW	118.3	121.4	124.9	128.0	131.1	134.2	137.3	140.4	143.5	146.6
			Energy, kWh	401,241.62	411,680.43	423,378.91	433,915.85	444,441.97	454,961.00	465,475.21	475,986.03	486,494.39	497,000.92

QTP Service Areas – Lot 12

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	CATAGUPAN	BALABAC	Load, kW	158.3	162.4	167.0	171.2	175.3	179.5	183.6	187.8	191.9	196.1
			Energy, kWh	536,798.81	550,764.31	566,415.06	580,511.85	594,594.15	608,666.98	622,733.36	636,795.20	650,853.75	664,909.85

QTP Service Areas – Lot 13

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	SALANG	BALABAC	Load, kW	147.2	151.0	155.3	159.2	163.0	166.9	170.7	174.6	178.5	182.3
			Energy, kWh	499,102.36	512,087.14	526,638.82	539,745.67	552,839.04	565,923.62	579,002.19	592,076.54	605,147.83	618,216.85
2	ZAGUTAYAN	BALABAC	Load, kW	53.5	54.9	56.5	57.9	59.3	60.7	62.1	63.5	64.9	66.3
			Energy, kWh	181,427.07	186,147.12	191,436.76	196,201.19	200,960.72	205,717.05	210,471.20	215,223.81	219,975.31	224,725.99

QTP Service Areas – Lot 14

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	CALATAGBAK	QUEZON	Load, kW	106.4	109.2	112.3	115.1	117.9	120.7	123.5	126.2	129.0	131.8
			Energy, kWh	360,857.02	370,245.17	380,766.22	390,242.63	399,709.29	409,169.60	418,625.57	428,078.48	437,529.18	446,978.24

QTP Service Areas – Lot 15

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	TABURI	RIZAL	Load, kW	404.2	414.7	426.5	437.1	447.7	458.3	468.9	479.5	490.1	500.7
			Energy, kWh	1,370,737.79	1,406,399.26	1,446,364.09	1,482,360.82	1,518,320.55	1,554,256.10	1,590,175.18	1,626,082.67	1,661,981.74	1,697,874.57

QTP Service Areas – Lot 16

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	CANIPAAN	RIZAL	Load, kW	183.7	188.5	193.9	198.7	203.5	208.3	213.1	218.0	222.8	227.6
			Energy, kWh	623,053.28	639,262.80	657,428.36	673,790.27	690,135.35	706,469.45	722,796.06	739,117.40	755,434.91	771,749.59

QTP Service Areas – Lot 17

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	LATUD	RIZAL	Load, kW	161.9	166.1	170.9	175.1	179.4	183.6	187.8	192.1	196.3	200.6
			Energy, kWh	549,096.11	563,381.54	579,390.82	593,810.55	608,215.45	622,610.67	636,999.29	651,383.27	665,763.88	680,141.98

QTP Service Areas – Lot 18

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	ALACALIAN	TAYTAY	Load, kW	179.9	184.6	189.8	194.6	199.3	204.0	208.7	213.4	218.1	222.8
			Energy, kWh	610,070.33	625,942.08	643,729.11	659,750.07	675,754.57	691,748.30	707,734.70	723,715.94	739,693.44	755,668.16

QTP Service Areas – Lot 19

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	BANTULAN	TAYTAY	Load, kW	143.8	147.5	151.7	155.5	159.2	163.0	166.8	170.5	174.3	178.1
			Energy, kWh	487,490.72	500,173.41	514,386.55	527,188.46	539,977.22	552,757.38	565,531.69	578,301.86	591,069.05	603,834.01
1	SILANGA	TAYTAY	Load, kW	81.4	83.5	85.9	88.0	90.1	92.3	94.4	96.5	98.7	100.8
			Energy, kWh	275,919.37	283,097.76	291,142.39	298,388.26	305,626.69	312,860.25	320,090.50	327,318.41	334,544.63	341,769.59

QTP Service Areas – Lot 20

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	CARURAY	SAN VICENTE	Load, kW	278.4	285.7	293.8	301.1	308.4	315.7	323.0	330.3	337.6	344.9
			Energy, kWh	944,221.29	968,786.39	996,315.83	1,021,111.88	1,045,882.44	1,070,636.35	1,095,378.91	1,120,113.48	1,144,842.25	1,169,566.73

QTP Service Areas – Lot 21

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	BINGA	SAN VICENTE	Load, kW	98.9	101.5	104.4	107.0	109.6	112.2	114.8	117.4	120.0	122.6
			Energy, kWh	335,522.28	344,251.31	354,033.70	362,844.80	371,646.84	380,442.96	389,235.05	398,024.31	406,811.50	415,597.17

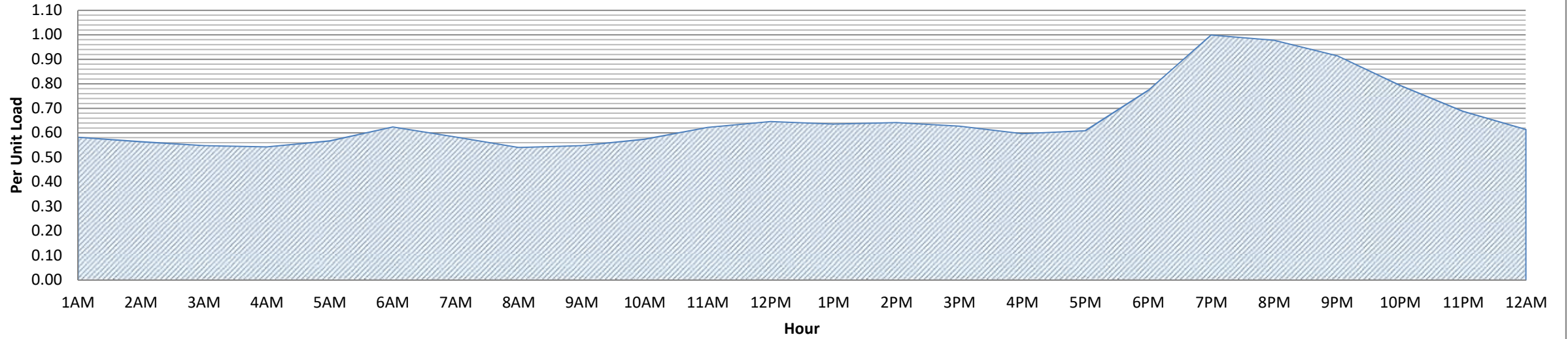
QTP Service Areas – Lot 22

NO.	BARANGAY	MUNICIPALITY	DEMAND FORECAST	Year									
				1	2	3	4	5	6	7	8	9	10
1	BEBELADAN	EL NIDO	Load, kW	129.6	133.0	136.8	140.2	143.6	147.0	150.4	153.8	157.2	160.6
			Energy, kWh	439,563.87	450,999.68	463,815.47	475,358.79	486,890.24	498,413.94	509,932.36	521,447.06	532,959.06	544,469.06

PALECO QTP SERVICE AREAS - AVERAGE DAILY LOAD CURVE

Hour	1AM	2AM	3AM	4AM	5AM	6AM	7AM	8AM	9AM	10AM	11AM	12PM	1PM	2PM	3PM	4PM	5PM	6PM	7PM	8PM	9PM	10PM	11PM	12AM
Per Unit Load	0.58	0.56	0.55	0.54	0.57	0.62	0.58	0.54	0.55	0.57	0.62	0.65	0.64	0.64	0.63	0.60	0.61	0.77	1.00	0.98	0.92	0.79	0.69	0.61

Average Daily Load Curve



QUALIFIED THIRD-PARTY SERVICE CONTRACT

This **QTP SERVICE CONTRACT** (the “Contract”) is entered into this ___ day of ___ 2022 by and between:

PALAWAN ELECTRIC COOPERATIVE, a non-stock, non-profit electric cooperative organized and existing under and by virtue of the provisions of Presidential Decree No. 269 as amended by PD 1645, and registered with the Cooperative Development Authority (CDA) pursuant to R.A. 6938, with office address at Km 3.35 North National Highway, Bgy. Tiniguiban, Puerto Princesa City, represented herein by its Chairman of the Board, **JEFFREY Y. TAN-ENDRIGA**, who is authorized to represent it in this Contract, hereinafter referred to as PALECO;

and

[QTP], a company organized and existing under the laws of ____, with its principal offices at ____, represented herein by its ____, ____, who is authorized to represent it in this Contract, hereinafter referred to as the “Qualified Third Party” or “QTP”,

(Each a “Party” and together the “Parties”).

WITNESSETH: THAT

WHEREAS, pursuant to Section 59 (Alternative Electric Service for Isolated Villages) of the Electric Power Industry Reform Act (“EPIRA”) and Rule 14 (Provision of Electricity by Qualified Third Parties) of its Implementing Rules and Regulations (“EPIRA-IRR”), which recognizes the provision of electric service by qualified third parties in remote and unviable areas that a franchised utility is unable to service, the Department of Energy (“DOE”) issued DOE Circular No. DC2019-11-0015 “**Revised Guidelines on Qualified Third Party (QTP)**”;

WHEREAS, the QTP of [QTP SERVICE AREA], shall provide electricity service requirements to said area. The QTP Service Area is more specifically described in **Schedule** hereof;

WHEREAS, the Parties agreed to enter into this Contract to define their respective rights and obligations in respect to performance and standards of the QTP implementation.

NOW, THEREFORE in view of the foregoing premises and in consideration of the mutual covenants and agreements hereinafter set forth, the Parties hereby agree as follows:

1 Definitions and Interpretation

1.1 Definitions. Wherever used in this Contract, schedules or annexes, unless the context otherwise requires, the following words and acronyms shall have the following meanings:

- Applicable Law Refers to laws, statutes, orders, issuances, rule, ruling, regulation, code, decision, opinion or interpretation of a Government Authority pertinent to or affecting a Party or all Parties existing at the date of execution of this Contract.
- Commercial Operations Period Refers to the 10-year period of commercial operations with reference to Section 4 of this Contract.

Certificate of Compliance or "COC"	Refers to a certificate given to an Entity by the Energy Regulatory Commission to engage in the operation of a power plant facility used to generate electricity pursuant to Section 6 of R.A. 9136 and Section 4 Rule 5 of its IRR
Cure Period	Refers to the 90-day period given to the Defaulting Party in Section 8.2.1 of this Contract, within which to cure or remedy an Event of Default.
Department of Energy or "DOE"	Refers to the government agency created pursuant to Republic Act No. 7638.
DOE Revised Guidelines on QTP	Refers to the DOE Department Circular No. DC2019-11-0015.
Distribution System	Refers to the system of wires and associated facilities to be established by the QTP for the servicing of the Load Requirements of the QTP Service Area pursuant to the requirements under Schedule 2 .
Distribution Utility or "DU"	Refers to any electric cooperative, private corporation, government-owned utility or existing local government unit which has an exclusive franchise to operate a distribution system in accordance with its franchise and the EPIRA as defined in Section 4(q) of the EPIRA and Rule 4(cc) of the EPIRA-IRR.
Electric Cooperative" or "EC"	Refers to a distribution utility organized pursuant to Presidential Decree No. 269, as amended, as defined in Section 4(r) of the EPIRA and Rule 4(ee) of the EPIRA-IRR.
"EPIRA"	Refers to Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001".
Energy Regulatory Commission or "ERC"	Refers to the agency created under Section 38 of the EPIRA.
ERC Guidelines	Refers to the guidelines for the regulation of qualified third parties performing missionary electrification in areas declared unviable by the department of energy.
Event of Default	Refers to the events and circumstances identified in Section 8.1 hereof.
Force Majeure or Event of Force Majeure	Refers to any circumstance not within the reasonable control of the Party affected, but only if and to the extent that such circumstance, despite the exercise of reasonable diligence, cannot be or caused to be prevented, avoided or

	removed by such Party and is not attributable to the negligence or willful misconduct or the failure of such Party to perform any of its obligations.
“Full Cost Recovery Rate” or “FCRR”	Refers to the rate, expressed in Peso per kilowatt-hours, that allows recovery of the full efficient costs of generating, distributing and supplying electricity, sufficient to enable the QTP to operate viably.
Generation Facilities	Shall refer to any power generating facilities installed or contracted by the QTP to service the QTP Service Area.
Good Industry Practice	Refers to the practices and methods not specified in specific standards but are generally accepted by the power industry to be sound and which ensure the safe and reliable planning, operation, and maintenance of a power system.
Government Authority	Refers to any agency, office, authority, commission, department, or political subdivision of the Republic of the Philippines, whether national, regional, provincial, municipal or otherwise.
Government Consents	Refer to permits, licenses, agreements, orders, certificates, registrations, filings, authorizations, consents, and other approvals or clearances by, with or from a Government Authority.
Guaranteed Dependable Capacity	Refers to the total generating capacity of the power station/s, expressed in Kilowatt, that the QTP is required to make available for the QTP Service Area, the specifications of which are provided in Schedule 3 .
Load Requirement	Refers to the retail demand for electricity for the QTP Service Area which the QTP shall provide in accordance with the Schedule 2 hereof.
QTP Service Area	Refers to the geographic area corresponding which is waived by the Distribution Utility in favor of the QTP and for which the QTP will be responsible for providing the Electricity Service as authorized by the ERC. The QTP Service Area is more specifically defined in Schedule 1 .
Retail Rate	Refers to the total price paid by end users consisting of the charges for generation, transmission, and related Ancillary Services, distribution, supply and other related charges for electric services as defined in Rule 4(uuu) of the EPIRA.
Sound Value	Refers to the value of the Distribution System and/or the Generation Facilities (as the case may be) and related assets and equipment owned by the QTP.
Target Commercial Operations Date	Refers to the business day immediately following the day which should not be later than six (6)

months from Effective Date, unless otherwise changed or modified in accordance with the QSC on which QTP commences supply of electricity in the QTP Service Area.

Term	Refers to the period from execution of this Contract to the later of the occurrences referred to in Section 3.2 of this Contract.
Termination Date	Refers to the date this Contract expires, terminates or ceases to have effect under Section 8.4 of this Contract.
Termination Fee	Refers to the fee payable under Section 8.5 of this Contract.
Termination Notice	Refers to the written notice issued under Section 8.4 of this Contract.

2 Scope of Contract

The Contract shall cover the performance of the generation and distribution service through the supply and delivery of the Load Requirement of the QTP Service Area within the agreed period and in accordance with the terms set forth in this Contract and pertinent rules and regulations.

3 Effective Date and Term

3.1 Effective Date. The Effective Date of this Contract shall be the date of approval by the ERC of this Contract, provided that a provisional authority granted by the ERC shall be deemed as sufficient ERC approval, pending the final approval of the ERC. For the avoidance of doubt, the provisional authority shall be subjected to the final resolution by the ERC.

3.2 Term. This Contract shall have a term (the "Term") commencing on the date this Contract is executed and delivered by the Parties hereto and expiring on the date on which the earlier of the following events occur or otherwise waived:

3.2.1 The last day of the Commercial Operations Period, as extended or earlier terminated in accordance with this Contract; or

3.2.2 Termination of this Contract pursuant to Section 8.3 herein.

4 Commercial Operations Period.

4.1 Commencement of Commercial Operations Period. The Parties agree to work together to commence the Commercial Operations Period not later than **6 months** from Effective Date ("Target Commercial Operations Date").

4.2 Conditions to Commencement of Commercial Operations Period. On or before the Target Commercial Operations Date or such other date as may be agreed in writing between the Parties, the following condition must be met:

- 4.2.1 Authority to Operate and Government Consents.** All necessary Government Consents and Authority to Operate from the ERC for the QTP operations in the QTP Service Area as provided in **Schedule 5** shall be secured;
- 4.2.2 Performance Security.** Posting of the Performance Securities required under **Schedule 6**; and
- 4.2.3 Joint Certification.** Execution of a joint certification under oath that the Distribution System complies with the operating parameters in **Schedule 2** and that the Guaranteed Dependable Capacity shall be available in accordance with **Schedule 3**.
- 4.3 Failure to Achieve Target Commercial Operations Date.** In the event that the conditions in Section 4.2 of this Contract are not satisfied within 6 months from the Effective Date, the following provisions shall apply:
- 4.3.1 Automatic Extension.** If delay shall be due to an Event of Force Majeure not exceeding 90 days, then the Target Commercial Operations Date shall be adjusted, without need of further agreement or consent, by a period equal to the period of delay, subject to compliance of the procedure set out in Section 6 by the Party invoking Force Majeure.
- 4.3.2 QTP Delay.** If delay shall be due to the fault of QTP, not exceeding 90 days, then PALECO or DOE shall, by notice to QTP, impose a penalty of 1/10th of 1% of the Performance Security for every day of delay, provided that the total amount of penalties shall not exceed the amount of the Performance Security.
- 4.3.3** Notwithstanding the occurrence of the Deemed Commercial Operations Date, if results of tests at a later date show that the Distribution System is incapable of meeting the Load Requirements and/or the Guaranteed Dependable Capacity is not available, then the QTP shall have remedy such non-compliance within the Cure Period provided in Section 8.2.1 of this Contract.
- 4.3.4 Extended Delay.** In the event of any delay of more than 90 days past the Target Commercial Operations Date, the Parties shall meet and consult each other regarding the terms by which this Contract may continue. If the Parties fail to reach an agreement within 30 days from commencement of consultations, the respective Party may exercise its right to terminate this Contract pursuant to the provisions of Section 8.3 of this Contract.
- 4.4 Early Commercial Operations.** Nothing in this Contract shall preclude the Parties from commencing with the Commercial Operation Period at a date earlier than the Target Commercial Operations Date, provided that all the conditions in Section 4.2 of this Contract have been satisfied.

5 Obligations of the Parties

- 5.1** The QTP shall supply the Load Requirement of [QTP Service Area] as set forth in **Schedule 2**. QTP shall have the obligation to apply to the ERC for the approval of the Authority to Operate and as indicated in **Schedule 5**. The QTP shall be obliged to perform the following for the duration of the Term [:
- 5.1.1** The control and possession, operation and maintenance of the Distribution System, including obtaining all necessary

Government Consents, including environmental approvals, required in connection with the Distribution System, in accordance with Good Industry Practice, the technical parameters set forth in **Schedule 2** and in compliance with Applicable Law;

- 5.1.2 Making available for dispatch the Guaranteed Dependable Capacity either through its own Generation Facilities or through third parties in accordance with the standards set forth in **Schedule 3** of this Contract. Provided that even if the QTP sources its generation requirements through third parties, the QTP shall nonetheless remain primarily liable for the availability of the Guaranteed Dependable Capacity. This obligation shall also include making available and arranging for fuel requirements. QTP shall retain ownership over any Generation Facilities;
- 5.1.3 Acquisition of the land and rights of way by purchase, lease or any other arrangement for the Distribution System and/or Generation Facilities entitling QTP to possession and occupation thereof until the termination of Commercial Operations Period;
- 5.1.4 Turn-over the Generation and Distribution System to the PALECO at the end of the Term.
- 5.1.5 Posting of performance securities required under **Schedule 6**;
- 5.1.6 Execute a joint certification under oath that the Distribution System complies with the operating parameters in **Schedule 2** and that the Guaranteed Dependable Capacity shall be available in accordance with **Schedule 3**; and
- 5.1.7 Submit reportorial requirements to DOE, ERC and NEA on a regular basis in accordance with Section 11 of the DOE Revised Guidelines for QTP.

5.2 PALECO shall:

- 5.2.1 Execute a joint certification under oath that the Distribution System complies with the operating parameters in **Schedule 2** and that the Guaranteed Dependable Capacity shall be available in accordance with **Schedule 3**.
- 5.2.2 Conduct performance testing, at least once a year, to check compliance with the provision of this Contract;

6 Force Majeure

6.1 Events of Force Majeure. Events of Force Majeure shall be:

- 6.1.1 Acts of God or other natural calamities, *i.e.*, earthquakes, floods, tidal waves, volcanic eruptions, meteorological disasters, or accidents, explosions or fires caused by any of the above and/or by a third party beyond the control of the Parties, including strikes or lockouts or other industrial action by workers or employees of a Party, and which are unforeseeable or which, though foreseen, are inevitable; or
- 6.1.2 The following political or governmental occurrences:

- 6.1.2.1 Acts of war, whether declared or not, embargoes;
- 6.1.2.2 Acts of terrorists, public disorders, insurrection, rebellion, sabotage, riots or violent demonstrations; and
- 6.1.2.3 Any action or failure to act by any Government Authority, including without limitation, expropriation, compulsory acquisition, the denial of or delay in the granting of any Government Consent which the Parties have agreed to waive for an agreed to time period past the Effective Date, the failure of any such Government Consent once granted to remain in full force and effect or to be renewed on substantially similar terms, and any delay in the importation of equipment or supplies into the Philippines resulting from any action or failure to act by Governmental Authority of the Republic of the Philippines, provided that in any of these cases, the affected Party complied with the timely and full submission of requirements published by the Government Authority.

6.2 Temporary Force Majeure. Both Parties shall be excused from performing their respective obligations under this Agreement upon the occurrence of an Event of Force Majeure for a period not exceeding 90 days ("Temporary Force Majeure Period"). In case of an Event of Force Majeure under Section 9.1 of this Contract, the Commercial Operations Period shall be extended, without need of further agreement or consent, by such number of days necessary to allow QTP to supply the kWh-shortfall in the Load Requirements during the Temporary Force Majeure Period.

6.3 Consultation Period. The Parties shall consult with each other upon the occurrence of the Event of Force Majeure, such consultation period not exceeding 30 days after the end of the Temporary Force Majeure Period.

6.5 Extended Force Majeure. Events of Force Majeure subsisting beyond the 30-day consultation period referenced in Section 6.3 above shall be considered Extended Force Majeure and give the Parties the right to terminate the Agreement pursuant to Section 8 of this Contract.

6.6 Procedure to Claim Force Majeure. A Party invoking Force Majeure shall follow the procedure below:

6.6.1 Notice. No later than three (3) days after the occurrence of the Event of Force Majeure, the Party invoking Force Majeure shall notify the other Party in writing of (i) the occurrence and nature, (ii) the date of commencement, and (iii) the expected duration of the Event of Force Majeure.

6.6.2 Limitation. The suspension of performance of obligation resulting from the Event of Force Majeure shall be limited to the scope and duration as may be reasonably required or affected by such event.

6.6.3 Not excused. Either Party's failure to perform its obligations arising before the occurrence of the Event of Force Majeure shall not be excused by the later occurrence of the event.

6.6.4 Duty to mitigate. The Party invoking Force Majeure shall make all reasonable efforts to prevent and mitigate the effects of such Event of Force Majeure, and shall use commercially reasonable

efforts to resume the regular performance of its obligations in accordance with the terms of this Contract.

7 Indemnification

- 7.1 Cross Indemnity.** Each Party (the “Indemnifying Party”) shall indemnify, defend and hold harmless the other (the “Indemnified Party”), its officers, directors, employees, contractors, and agents from and against all damages, losses and reasonable expenses, including without limitation reasonable legal fees, suffered or paid by the Indemnified Party as a result of any and all claims for personal injury, death or property damage (except economic loss) to third parties due to an event occurring during the Term of this Contract and arising directly out of or resulting from any act or omission of the Indemnifying Party or its agents or employees, except to the extent that it was caused by any act or omission of the Indemnified Party or the failure by it to take reasonable steps in mitigation thereof. In the event such injury or damage results from the joint or concurrent negligent or intentional act or omission of the Parties, each shall be liable under this Section in proportion to its relative degree of fault.
- 7.2 Notice of claim.** The Indemnified Party shall deliver a notice of claim to the Indemnifying Party within 10 working days after the commencement or actual knowledge of the action that gave rise to such claim. In the event that such notice is not given within the period of claim, the Indemnifying Party’s obligation shall be limited to the amounts that would have been payable had such notice been delivered within the said period.
- 7.3 Consequential Losses.** In no case shall any Party be entitled to its indirect or consequential losses or damages, whether or not such losses or damages are subject to the indemnities.
- 7.4 Survival.** The provisions of this Section shall survive termination of this Contract with respect to an event occurring before the termination.

8 Default and Termination

- 8.1 Events of Default.** As regards the Party specified below (the “Defaulting Party”), the following events constitute an Event of Default and entitle the other Party (the “Non-Defaulting Party”) to the exercise of the remedies provided in this Section:
- 8.1.1 PALECO Default.** The following shall constitute a PALECO default:
- 8.1.1.1** Breach and failure by PALECO to comply with its obligations under this Contract;
 - 8.1.1.2** Reorganization, dissolution, merger, non-renewal of charter or privatization of PALECO.
- 8.1.2 QTP Default.** The following shall constitute a QTP default:
- 8.1.2.1** Breach by QTP of its obligations under this Contract;
 - 8.1.2.2** Failure by QTP to service the entire Load Requirements or a portion thereof; and
 - 8.1.2.3** Filing of any action or petition for insolvency, rehabilitation or dissolution of QTP.
- 8.2 Effects of Event of Default.** At anytime after the occurrence of an Event of Default, the following provisions shall apply:

- 8.2.1 Cure Period.** The Defaulting Party shall have a period of 90 days from the occurrence of the Event of Default within which to cure or remedy its default. The Cure Period shall not apply to a breach under Section 8.1.2 above.
- 8.2.2 Obligations Not Suspended.** During the Cure Period, the Parties shall continue to comply with their respective obligations pursuant to the terms of this Contract notwithstanding the obligation that is subject to the default.
- 8.2.3 Failure to Deliver or Underdelivery.** Should the QTP fail to deliver the Load Requirements or a portion thereof, [DU/NPC] shall be entitled to immediately draw against the Performance Security in an amount equal to the value of the Load Requirement which the QTP was unable to service. The amount of such shortfall shall be the FCRR multiplied by the average Load demand for the prior month multiplied by the period of no delivery or underdelivery. Provided that the liability of the QTP shall not exceed the amount of the Performance Security.
- 8.2.4 PALECO Take-over of Operations.** The following provisions shall apply in the case of failure to deliver or underdelivery of the Load Requirement:
- 8.2.4.1** Should the QTP fail to deliver at least 50% of the Load Requirements for two continuous weeks, then PALECO shall have the right to take over the operations of the QTP, subject to approval of the ERC;
- 8.2.4.2** Should the QTP fail to deliver an aggregate amount of 25% of the Load Requirement for a period of ninety (90) days, then PALECO shall have the right to take over the operations of the QTP, subject to approval of the ERC.
- 8.2.4.3** The situations under Section 8.2.4.1 and 8.2.4.2 above shall be deemed Events of Termination and the remedies provided therein shall be without prejudice to other remedies which PALECO may have under this Contract.
- 8.3 Events of Termination.** This Contract may be terminated by the respective Party upon the occurrence of the relevant event and subject to the applicable procedure provided in Section 8.4 below hereof:
- 8.3.1 Failure to Cure an Event of Default.** Except as provided under, _____, the Non-Defaulting Party shall have the right to terminate this Contract in the event the Defaulting Party fails to cure or remedy the Event of Default within the Cure Period or within such extended period as may be agreed to between the Parties.
- 8.3.2 Failure to Deliver.** In the event of the QTP fails to deliver the entire Load Requirement subject to the provisions of _____.
- 8.3.3 Extended Force Majeure.** Any Party may terminate this Contract if the QSC Event of Force Majeure extends beyond the Consultation Period allowed under Section 6.5 of this Contract.

8.3.4 Termination of the QSC. PALECO may terminate this Contract in the event that the QSC is terminated for any reason or is otherwise revoked or invalidated by a Government Authority. This shall be considered an Event of Force Majeure.

8.4 Termination. Upon the occurrence of an Event of Termination, the relevant Party specified in Section 8.3 above shall exercise its right to terminate this Contract by giving written notice of its intent to terminate this Contract (the "Termination Notice") and specifying the basis of termination. Such termination shall be effective on the date such notice is received by the other Parties (the "Termination Date").

8.5 Termination upon QTP Default. Upon QTP's default at any time after the Effective Date, **PALECO** shall be entitled to a Termination Fee equivalent to the amount outstanding in the Performance Security posted by the QTP.

8.5.1 Payment of Other Sums Due and Payable. Notwithstanding payment of the Termination Fee, both Parties shall be liable for any amounts due and payable prior to the receipt of the Termination Notice.

8.5.2 DU's Rights and Obligations Upon Termination. Upon termination of this Contract due to QTP's default all of QTP's rights, title and interests in the Distribution System, including the assets comprising thereof, shall transfer to PALECO and thereupon this Contract and all of the Parties' obligations shall be deemed terminated, except as otherwise specifically provided. In addition, **PALECO** shall have the right to acquire any Generation Facilities subject to the payment of the Sound Value. The Sound Value shall be the value of the Generation Facilities as determined by an independent appraiser appointed jointly by the Parties. In case of disagreement in the appointment, the DOE shall appoint the appraiser.

8.6 Termination Due to Extended Force Majeure

8.6.1 Termination Prior to Commercial Operations. After Effective Date but prior to Commercial Operations Date, either party may terminate this Contract due to Extended Force Majeure. Should QTP terminate, it shall be entitled to a return of the Performance Security and to remove any project related assets it may have constructed or installed. Should **PALECO** terminate the Contract, **PALECO** shall reimburse the QTP for all project-related costs. The value of the project related costs shall be certified by an independent auditor jointly appointed by the Parties, or, if the Parties fail to agree, the auditor shall be appointed by DOE.

8.6.2 Termination During Commercial Operations. Either Party shall have the right to terminate the Contract due to Extended Force Majeure during the Commercial Operations Period. Should QTP terminate, it shall be entitled to a return of the Performance Security and to remove any project related assets it may have constructed or installed. Should **PALECO** terminate the Contract, **PALECO** shall purchase the Distribution System and Generation Facilities (if any) at the Sound Value less any amount received or receivable from insurance proceeds. The Sound Value shall be the value of the Generation Facilities and/or the Distribution System as determined by an independent appraiser appointed jointly by the Parties. In case of disagreement in the appointment, the DOE shall appoint the appraiser.

9 Insurance

Upon Commercial Operations Date, the Parties shall obtain and maintain, or cause to obtain and maintain insurance policies required by Applicable Law or by the ERC and such other insurance covers under commercially reasonable terms usual to similar projects. In case of an insurable event affecting or causing damage to the Distribution System, all proceeds of insurance policies received by QTP shall be used to reinstate the Distribution System.

10 Disputes

10.1 Procedure. All disputes between the Parties arising from this Contract shall be addressed in the manner noted below.

10.1.1 Dispute Notice. The Party claiming or raising a dispute arising from this Contract shall notify the other Party in writing of its claim and providing sufficient details thereof.

10.1.2 Committee Resolution. Not later than five (5) days from the Dispute Notification Date, the respective chief executive officers (or designated representative) of the Parties, convening as an Executive Committee, shall meet and discuss to resolve the dispute. Failure to resolve the dispute within 10 calendar days from commencement of discussions entitles the Party who raised the dispute to refer the matter in writing to arbitration in accordance with Section 10.3 below.

10.2 Finality of Decision. Except in case of fraud, bad faith or manifest error, the decision of the Executive Committee in Section 10.1.2 above shall be final and binding on the Parties.

10.3 Arbitration. In case of failure to settle the dispute within the period set forth in Section 10.1.2 above, or at any time in case of fraud, bad faith or manifest error in the settlement of the dispute, the Party that raised the dispute may refer the matter for arbitration under UNCITRAL Rules. Each Party shall nominate one arbitrator to the panel; the two nominated arbitrators shall jointly appoint the third arbitrator, which third arbitrator shall serve as chairman. In case of failure by the two nominated arbitrators to jointly appoint the third arbitrator, the third arbitrator shall be selected by the UNCITRAL/representative panel. The proceedings shall be conducted in English and the decision of the arbitration panel shall be final and binding on the Parties. The arbitration shall take place in Metro Manila. Judgment on the award may be entered by any court of competent jurisdiction.

11 Assignment

This Contract shall be binding upon the Parties hereto, their successors and assignees. Each Party may assign its respective rights and obligations under this Contract subject to prior written notice and consent of the other Party. This notwithstanding, QTP may assign all or any of its rights or obligations hereunder to lenders or such other persons for purposes of arranging or rearranging financing for the power facilities, subject only to prior written notice to **PALECO**. The assignment or transfer by QTP to lenders or such other persons that may have arranged or rearranged financing for the power facilities shall not relieve QTP of its obligations under this Contract.

12 Confidentiality

Each Party agrees that it, its employees, officers, directors, and agents will hold in confidence all information, documentation, data or know-how

disclosed to it by the other Party and designated in writing as “confidential” (“Confidential Information”), and will not disclose to any third party or use Confidential Information or any part thereof without the other Party’s prior written approval; provided, that Confidential Information may be disclosed to: (i) a Government Authority required pursuant to a judicial order, notice or mandated by Applicable Law; and (ii) financial institutions, bona fide potential investors, consultants, contractors and legal advisors whose duties reasonably require such disclosure, provided that, except for a bona fide disclosure to independent legal advisors, such other party shall first have agreed not to disclose the relevant Confidential Information to any other person for any purposes whatsoever.

These restrictions shall not apply, or shall cease to apply, to any part of the Confidential Information that is in the public domain other than by reason of a breach of this Section, or was in the rightful possession of the recipient Party or an employee, officer, director or agent of the recipient Party at or prior to the time of the disclosure, or was obtained by the recipient Party in good faith from a third party duly entitled to disclose it.

13 Miscellaneous

13.1 Governing Law. This Contract shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

13.2 Non-Waiver. None of the provisions of this Contract shall be considered waived by either Party except when such waiver is given in writing. The failure of either Party to insist, in any one or more instances, upon strict performance of any of the provisions of this Contract or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

13.3 No Partnership. Nothing contained in this Contract shall be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation, or liability on or with regard to either Party, or to create any principal/agent relationship between the Parties, or to create any duty, standard of care or liability to any person or entity not a Party hereto. Each Party shall be liable individually and severally for its own obligations under this Contract.

13.4 Entire agreement. This Contract, its schedules, and annexes supersede any previous agreement, arrangements or representation between the Parties, whether oral or written, in respect of the subject matter hereof and shall constitute the entire agreement between the Parties in relation thereto.

13.5 Notices. Unless otherwise stated, each communication to be made hereunder shall be made in writing and, unless otherwise stated, may be made by letter, delivered in person, by hand, air mail, telex, facsimile or established courier service to the address noted below or such other address as such Party notifies in writing to the other Party from time to time and which notice shall be effective upon receipt.

To: PALECO

Address: Km. 3.35 North National Highway, Bgy.
Tiniguiban, Puerto Princesa City

Attention:

JEFFREY Y. TAN-ENDRIGA
Chairperson

Telephone No.
433-9144

To: **QTP** [address]

Attention:
The PRESIDENT

Telephone No. [•]
Fax No. [•]

13.6 Separability. If any provision of this Contract shall be determined to be invalid, such provision shall be deemed separate and distinct, and the remainder of this Contract shall remain in full force and effect, provided that the remaining provisions are sufficient to render to each Party the benefits contemplated hereby.

13.7 Substitute Provision. In the event any provision or part of this Contract is declared invalid in accordance with Section 14.6 above, the Parties shall meet in good faith to agree, to the fullest extent allowed by Applicable Law, on a substitute provision that most closely approximates the intention and commercial bargain contained in the invalid provision and amend this Contract accordingly.

13.8 Amendments. This Contract may only be amended or modified by a written instrument signed by each of the Parties.

IN WITNESS WHEREOF, each of the Parties has caused this Contract to be executed in more than one copy each of which shall be deemed to be an original as of the date of this Agreement.

Palawan Electric Cooperative

[QTP]

By:

By:

JEFFREY Y. TAN-ENDRIGA
Chairperson

[Name]
President

Sign in the presence of:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
 CITY OF) S.S.

BEFORE ME, a Notary Public, for and in _____, on this [•] day of [•] 2022 personally appeared the following with their respective Community Tax Certificates, to wit:

<u>Name</u>	CTC No.	Date/Place of Issue

All known to me and to me known to be the same persons who executed the foregoing instrument and who acknowledged to me that the same is their free and voluntary act and deed and also the free and voluntary act and deed of the corporations they represent.

This instrument refers to a Service Contract [•] and consists of [•] pages, including this page whereon this Acknowledgement is written, was signed by the Parties and their instrumental witnesses and sealed by my notarial seal.

Notary Public

Doc. No.
 Page No.
 Book No.
 Series of 2022.

Schedule 1

Description and Location Map of Service Area

Schedule 2

Distribution System and Load Requirements

This Schedule will provide the following:

- **Minimum Load Requirements on an Annual Basis.** This should be increasing based on projected demand. Ideally, this should be at par with the Distribution Development Plan of the waiving EC so that at the end of the term and the Distribution System is turned over, the QTP Area is aligned with the rest of the Franchise Area. The Load, however, will also vary between QTP Service Areas.
- **Distribution System Design and Technical Configuration based on Load Requirements.**
- **Allowable Line Losses**
- **Number of Connections on an Annual Basis.** Like Load Requirement this should increase over time based on growth in the area.
- **Line configuration, substations, transformers and other requirements of the Distribution System.**
- **Maintenance and Upgrade of facilities schedule over the Term.**

**Schedule 3
Guaranteed Dependable Capacity and Generation Facilities**

This Schedule shall provide the following:

- **-The available Guaranteed Dependable Capacity (including ancillary and back-up reserve) on an annual basis. As with the Load requirement, this would also increase based on projected growth.**
- **The technical specifications of the Generation Facilities, including substations, tapping points and plant location.**
- **As with the Load Requirement, the Generation Facilities would depend on the requirements of a particular QTP Area.**

**Schedule 4
FCRR
COMPUTATIONS**

This schedule would provide the formula for the Full Cost Recovery Rate based on the bid of the QTP.

Schedule 5**GOVERNMENT CONSENTS****Consents for Effective Date**

- 1. NEA verification of the QTP Service Area;**
- 2. DOE declaration of the QTP Service Area;**
- 3. DU or NPC issuance of Notice of Award; and**
- 4. ERC approval of the winning QTP and issuance of necessary permits.**

B. Consents for Commercial Operations Period

- 1. Authority to Operate issued by ERC**
- 2. CoC for Generation Facilities**
- 3. Local Government Permits**
 - **City/Municipality and Province**
 - Endorsement from the following Local Government Units: (1) Barangay, (2) City/Municipality and (3) Province where the power station will be constructed that the proposed technology is socially acceptable.
 - **Palawan Council for Sustainable Development**
 - Strategic Environmental Plan (SEP) Clearance as prerequisite to the application for ECC.
 - Certification that the proposed technology has environmental compatibility and socially acceptable in the Province of Palawan and local area.
- 4. ECC for Distribution System and the Generation Facilities**

Schedule 6
Form and Amount of Performance Security

QUALIFIED THIRD-PARTY BIDS AND AWARDS COMMITTEE**SUPPLEMENTAL GUIDELINES ON THE PREPARATION OF BIDS AND
PHYSICAL SUBMISSION AND OPENING OF BIDS**

1. The Submission and Opening of Bids shall be conducted physically. Only two authorized representatives from the bidders shall be allowed inside the hall. Further, the bidders will be given only two slots to access if they still desire to observe virtually.
2. Bidder's bidding documents and proposals must be physically and actually received by the QTPBAC Secretariat not later than nine o'clock (9:00) in the morning on May 12, 2022. The flap or the tape binding the sealed envelope must be signed by the bidder or his duly authorized representative. Opening, inventory and preliminary evaluation of the required documents will immediately follow after the declaration of the order of opening.
3. Each bid shall be composed of two (2) separate envelopes containing the First Envelope (Pre-qualification/Eligibility Requirements) and Second Envelope (Bid Proposal). The Second Envelope shall be composed of two folders namely; Technical Proposal and Financial Proposal.
4. The submission of Financial and Technical Proposals should be per lot. Evaluation of bids shall be also on a per lot basis.
5. Each requirement shall be prepared in two (2) copies (one original/certified true copy of the issuing agency, and one photocopy).
6. All submission must be properly arranged, indexed and bound either ring bind or hard bound.
7. Bidders shall properly and completely accomplish all documents submitted with the proposal. No alterations of the documents, including the Technical and Financial Bid Forms, Bid Security, and the Final Transaction Documents shall be allowed.
8. Bidder must type/print/stamp its name below the signature of its authorized representative on each and every page of all the documents submitted with the Proposal.
9. Proposal from a partnership, corporation or consortium shall be signed (1) in the name of the entity by an authorized partner, officer or authorized representative of the Lead Bidder/Bidder, as the case may be, followed by the (2) name, signature and designation of the person authorized to sign the Proposal and the Final Transaction Documents.
10. Notwithstanding the Pre-qualification Guidelines, a Proposal signed by a person who affixes to his signature the word "president", "secretary", "agent" or other designations without disclosing his principal shall be held personally liable for the Proposal. The person signing on behalf of a partnership, corporation, or consortium shall furnish the QTPBAC satisfactory proof of such authority from the partnership, corporation or

consortium; otherwise, the person whose signature appears on the Bidding Forms shall be considered the Bidder.

11. All Proposals, documents, specifications, and all other information pertinent thereto shall be prepared and submitted in the English language.
12. Documents provided by non-Filipino affiliate for consortium members may be submitted in a language other than English accompanied by their official English translations.
13. Should a Bidder's affiliate or member of consortium does not have a Philippine address, it shall designate, under oath, a resident agent in the Philippines authorized to receive communications, correspondences, notices and legal processes. Post office box as an address shall not be allowed.
14. The designated resident agent shall present an authorization specifying his term of authority (i.e. during Proposal Validity Period, or up to the end of the Commercial Operations Period, or other period) and the extent of his authority to act on behalf of his principal (i.e. to attend meetings, to receive and/or submit documents under these Bidding Procedures or otherwise).
15. Erasures or other changes in the Proposal after deadline of submission shall not be allowed.
16. The QTPBAC may exercise its discretion to disqualify or otherwise interpret proposal not in accordance with the guidelines.
17. During the opening of bids, all bids shall be rated through non-discretionary pass/fail criteria. Only the Lowest Calculated Bid (LCB) shall undergo post-qualification

CHECKLIST OF PREQUALIFICATION GUIDELINES

ANNEX G

Note: All documents with check (√) are required to be submitted.

LEGAL/ELIGIBILITY REQUIREMENTS			
LEGAL DOCUMENTS		Individual or Proprietorship	Corporation/Joint Venture/Consortium/Cooperative
1	Notarized Acceptance of Bidding Procedures (Annex A)	√	√
2	Confidentiality Agreement (Annex B)	√	√
3	Original or Certified Copy of Birth Certificate issued by the Philippine Statistics Authority	√	
4	Current Business Permit (Certified True Copy)	√	
5	Department of Trade and Industry (DTI) Registration (Certified True Copy), if applicable	√	
6	Special Power of Attorney to Negotiate and Enter into QTP Service Contract with EC (Original Copy)	√	
7	By-Laws (BL) and Articles of Incorporation (AOI), and BL and AOI of its corporate stockholders (Original SEC-Certified or CDA- Certified or NEA-Certified)		√
8	Board Resolution authorizing its representative to negotiate and enter into QSC with the DU/NPC (Original Copy)		√
9	Latest General Information Sheet (GIS) and latest GIS of its corporate stockholders (Certified True Copy of SEC-Received)		√
10	Organizational Chart of the Company (Certified True Copy)		√
11	Passport ID or any valid government-issued ID of the authorized representatives, i.e., signatory and witness under the QSC (Certified True Copy)	√	√
FINANCIAL DOCUMENTS			
1	Latest Annual Report and/or Audited Financial Statement (FS) from the filing date and latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing. (Original or Certified True Copy)	√	√
	Bank certification to substantiate the cash balance in the Audited FS or unaudited FS (Original Copy)	√	√
	Projected Cash Flow Statement for next two (2) years, except for geothermal and large hydro resources which should be five (5) years, showing the fund sources and uses of funds for the particular offered area, other applied RE areas, existing service/operating contracts with DOE and other existing business, if applicable, with supports from either of the following: (Original Copy)	√	√
	Sworn Letter of Commitment from stockholders for additional equity/cash infusion (Original Copy)	√	√
	Bank approved loan/credit line earmarked for the proposed operation (Certified True Copy)	√	√

	For applicants with insufficient funds to finance the proposed operations: Newly organized corporation (existing for two (2) years or less from date of registration with SEC) should be supported by parent company's financial documents per items 1 and 2 above and Letter of Guarantee by the parent company to fund the work program. (Original Copy)		√
	Subsidiary corporation (existing for more than two (2) years from date of registration with SEC) should be supported by the following: Notarized Letter of Guaranty from the majority shareholder/s and Original Bank proof of capacity to satisfy the said Guaranty Certification (Original Copy); or		√
	Parent company's financial documents per items 1 and 2 above and Letter of Guarantee by the parent company to fund the work program/plan (Original Copy)		√
	In case of domestic parent company, the Letter of Guarantee should be duly notarized. (Notarized Copy)		√
	In case of foreign parent company, the documents shall be duly authenticated by the Philippine Consulate Office that has jurisdiction over the said parent company. (Consularized Copy)		√
TECHNICAL DOCUMENTS			
1-A	Full details of the technical skills and experience of the key management team responsible for the operation of the system. These details should include relevant technical and business management qualifications as well as full descriptions of experience relevant to the technical and commercial operation of electric power generation and supply systems. (Print Copy)	√	√
1-B	Details of the proposed arrangements for the acquisition, training and contracting of the necessary expertise that the applicant does not possess at the time of application. (Print Copy)	√	√
1-C	1. Details of how the applicant proposes to design, construct, operate, and maintain the generation and associated distribution system to be used in its operations, including its proposed plans for dealing with major operating contingencies such as a failure of its generating plant or a major fault on its distribution system. (Print Copy)	√	√
1-D	i. Details of the procedures that the applicant proposes to put in place for the billing to and collection of payment from customers and maintain accounting records of its commercial operations. An undertaking that the applicant will allow DOE and/or ERC to open its accounting records relating to its operations, when necessary. (Print Copy)	√	√
2	A statement certifying that the applicant intends to design, construct, operate and maintain its generation and distribution systems in full compliance with the relevant requirements prescribed under the applicable laws including EPIRA and its attendant rules and regulations. (Notarized Copy)	√	√

