

CAGAYAN II ELECTRIC COOPERATIVE, INC.

Aparri, Cagayan

TERMS OF REFERENCE

LOT 1 - Short-Term Power Supply Requirement

(December 26, 2020 to December 25, 2022)

TERMS OF REFERENCE	REQUIREMENT
Type of Contract	Firm; Base Load;
Contracted Capacity (MW)	Ten (10) MW
Contracted Energy (kWh per month or year)	No take-or-pay volume No minimum energy off-take
Dependable Capacity (MW)	Ten (10) MW
Contract Duration	The PSA shall take effect commencing on the Target Delivery Date or upon signing of PSA, until December 26, 2022 unless earlier terminated in accordance with the provisions of the PSA.
Target Delivery Date (MM/DD/YYYY)	On or before December 26, 2020
Tariff Structure	<p>The Bidder shall specify the formula for the computation of Contract Price.</p> <p>The Bidder shall specify the tariff structure unbundled to:</p> <ol style="list-style-type: none">1. Capacity Fees2. Variable Charges3. Fixed Charges4. Fuel Fee5. Other Applicable Charges <p>The Bidder must also specify the base fee adjustment formula, if any, and applicable adjustment in percent that each component is being affected by factor such as CPI, FOREX, and escalation due to fuel degradation and others.</p> <p>No indexation on Capital Recovery fee.</p> <p>Bidder must fill-up the attached Total Project Cost template, as deemed applicable, and may present basis and calculation of fees proposed.</p> <p>The price should not exceed the existing/present generation rate from the bilateral contracts of the Cooperative.</p> <p>Line Rental and other charges shall be on the account of the seller.</p>

<p>Outage Allowance per plant</p>	<p>The Seller will be allowed of outages for each contract year not exceeding to: Scheduled Outages: 600 Hours Unscheduled Outages: 120 Hours Any unutilized allowed Scheduled and Unscheduled Outage allowances within a calendar year will not be accumulated for use during the succeeding years of the cooperation period.</p> <p>Likewise, unutilized allocated unscheduled outages shall not be credited to scheduled outages and vice versa.</p>
<p>Force Majeure</p>	<p>The Party that is prevented by Force Majeure from carrying out, in whole or part, its obligations shall always attempt to remedy the Force Majeure with all reasonable dispatch.</p> <p>The Bidder shall provide recovery and contingency plan if the Force Majeure occurs.</p> <p>CAGELCO II shall not be required to make payments for any of the following: 1. Contract Capacity that is unavailable 2. Capacity that it cannot accept</p>
<p>Replacement Power</p>	<p>Replacement power rate should be equal or lower than the ERC-approved tariff.</p> <p>Replacement power shall be the responsibility of the Supplier. But, if an outage (scheduled or unscheduled) starts and the Supplier failed to provide the contracted capacity, CAGELCO II shall be allowed to source the replacement power at the expense of the Supplier.</p>
<p>Currency</p>	<p>Price offer should be in Philippine Peso</p>
<p>Regulatory Approvals</p>	<p>The Power Supplier shall make the necessary adjustments in accordance with the directive of the ERC.</p> <p>Downward adjustment in the rates shall not be a ground for the termination of the contract and the EC should not be made to shoulder the incremental difference.</p>
<p>Penalties</p>	<p>Party in default shall bear the Liquidated Damages:</p> <p>If the Seller fails to deliver 10 MW upon effectivity of the contract and CAGELCO II secures an alternative supply, the cost of the power shall be at the expense of the Seller.</p> <p>If during any contract year, the actual outage incurred by the Seller exceeds the allowable outages, the Seller shall procure power supply at Seller's own cost to satisfy the contracted capacity and shall indemnify CAGELCO II if Seller fails to deliver power.</p> <p>If the Seller fails to perform its material obligation to supply contracted capacity to CAGELCO II for sixty (60)</p>

	<p>days, CAGELCO II shall have the right, by written notice, to terminate the contract. By such, CAGELCO II shall require settlement of liquidated damages.</p> <p>If the Seller and CAGELCO II do not reach satisfactory solution to resolve the issues arising from the Force Majeure event after one hundred eighty (180) days, the contract shall be terminated.</p>
Source of Power	Open Technology
Plant Capacity	<p>The Bidder shall submit the details and specifications of its plant capacity.</p> <p>The plant's SCADA should be linked to EC's facility for maintaining proper disposition of availability capacity.</p>
Billing Metering Point	The Billing Metering Point is through NGCP Metering.
Eligibility Requirements	The Bidder shall submit organizational structure and technical qualifications/capability of technical staff.
Security Deposit	CAGELCO II will not be required by the Seller of Security Deposits or Guarantees
Reduction in Contracted Capacity	CAGELCO II, at any billing period, shall be entitled to a reduction in the Contract Capacity equivalent to the reduction in the demand of its customers.
Nomination Protocol	<p>Non-binding year-ahead, month-ahead, week-ahead, and day-ahead nominations</p> <p>CAGELCO II may revise the nominations due to unscheduled outages.</p>
Environmental Compliance Certificate	Bidder must present ECC from DENR as this is a newly promulgated requirement by the ERC for PSA approval.
Application Process with the ERC	Joint filing for the approval of the terms and conditions under the power supply agreement while the Seller shall shoulder all cost of said application.

LOT 2A - Long-Term Power Supply Requirement
(December 26, 2022 to December 25, 2037)

TERMS OF REFERENCE	REQUIREMENT
Type of Contract	Firm; Base Load;
Contracted Capacity (MW)	Ten (10) MW
Contracted Energy (kWh per month or year)	No take-or-pay volume No minimum energy off-take
Dependable Capacity (MW)	Ten (10) MW
Contract Duration	The PSA shall take effect for a period of fifteen (15) years commencing on the Target Delivery Date or upon signing of PSA, unless earlier terminated in accordance with the provisions of the PSA.

Target Delivery Date (MM/DD/YYYY)	On or before December 26, 2022
Tariff Structure	<p>The Bidder shall specify the formula for the computation of Contract Price.</p> <p>The Bidder shall specify the tariff structure unbundled to:</p> <ol style="list-style-type: none"> 1. Capacity Fees 2. Variable Charges 3. Fixed Charges 4. Fuel Fee 5. Other Applicable Charges <p>The Bidder must also specify the base fee adjustment formula, if any, and applicable adjustment in percent that each component is being affected by factor such as CPI, FOREX, and escalation due to fuel degradation and others. No indexation on Capital Recovery fee.</p> <p>Bidder must fill-up the attached Total Project Cost template, as deemed applicable, and may present basis and calculation of fees proposed.</p> <p>The price should not exceed the existing/present generation rate from the bilateral contracts of the Cooperative.</p> <p>Line Rental and other charges shall be on the account of the seller.</p>
Outage Allowance per plant	<p>The Seller will be allowed of outages for each contract year not exceeding to:</p> <p style="padding-left: 40px;">Scheduled Outages: 600 Hours Unscheduled Outages: 120 Hours</p> <p>Any unutilized allowed Scheduled and Unscheduled Outage allowances within a calendar year will not be accumulated for use during the succeeding years of the cooperation period.</p> <p>Likewise, unutilized allocated unscheduled outages shall not be credited to scheduled outages and vice versa.</p>
Force Majeure	<p>The Party that is prevented by Force Majeure from carrying out, in whole or part, its obligations shall always attempt to remedy the Force Majeure with all reasonable dispatch.</p> <p>The Bidder shall provide recovery and contingency plan if the Force Majeure occurs.</p> <p>CAGELCO II shall not be required to make payments for any of the following:</p> <ol style="list-style-type: none"> 1. Contract Capacity that is unavailable 2. Capacity that it cannot accept
Replacement Power	Replacement power rate should be equal or lower than the ERC-approved tariff.

	Replacement power shall be the main obligation of the Supplier. But, if an outage (scheduled or unscheduled) starts and the Supplier failed to provide the contracted capacity, CAGELCO II shall be allowed to source the replacement power at the expense of the Supplier.
Currency	Price offer should be in Philippine Peso
Regulatory Approvals	<p>The Power Supplier shall make the necessary adjustments in accordance with the directive of the ERC.</p> <p>Downward adjustment in the rates shall not be a ground for the termination of the contract and the EC should not be made to shoulder the incremental difference.</p>
Penalties	<p>Party in default shall bear the Liquidated Damages:</p> <p>If the Seller fails to deliver 10 MW upon effectivity of the contract and CAGELCO II secures an alternative supply, the cost of the power shall be at the expense of the Seller.</p> <p>If during any contract year, the actual outage incurred by the Seller exceeds the allowable outages, the Seller shall procure power supply at Seller's own cost to satisfy the contracted capacity and shall indemnify CAGELCO II if Seller fails to deliver power.</p> <p>If the Seller fails to perform its material obligation to supply contracted capacity to CAGELCO II for sixty (60) days, CAGELCO II shall have the right, by written notice, to terminate the contract. By such, CAGELCO II shall require settlement of liquidated damages.</p> <p>If the Seller and CAGELCO II do not reach satisfactory solution to resolve the issues arising from the Force Majeure event after one hundred eighty (180) days, the contract shall be terminated.</p>
Source of Power	<ul style="list-style-type: none"> • Open Technology • Preferably embedded generator
Plant Capacity	The Bidder shall submit the details and specifications of its plant capacity.
Billing Metering Point	<p>The Billing Metering Point should be WESM-compliant and located at the receiving substation of CAGELCO II. It is for the account and responsibility of the Supplier.</p> <p>The power plant may be embedded to CAGELCO II through the 69kV subtransmission system.</p>
Eligibility Requirements	The Bidder shall submit organizational structure and technical qualifications/capability of technical staff.
Security Deposit	CAGELCO II will not be required by the Seller of Security Deposits or Guarantees

Reduction in Contracted Capacity	CAGELCO II, at any billing period, shall be entitled to a reduction in the Contract Capacity equivalent to the reduction in the demand of its customers.
Nomination Protocol	Non-binding year-ahead, month-ahead, week-ahead, and day-ahead nominations CAGELCO II may revise the nominations due to unscheduled outages.
Environmental Compliance Certificate	Bidder must present ECC from DENR as this is a newly promulgated requirement by the ERC for PSA approval.
Application Process with the ERC	Joint filing for the approval of the terms and conditions under the power supply agreement while the Seller shall shoulder all cost of said application.

LOT 2B- Renewable Portfolio Standards (RPS) Compliance
(December 26, 2022 to December 25, 2037)

TERMS OF REFERENCE	REQUIREMENT
Type of Contract	Firm; Base Load; For RPS Compliance
Contracted Capacity (MW)	Five (5) MW
Contracted Energy (kWh per month or year)	No take-or-pay volume No minimum energy off-take
Dependable Capacity (MW)	Five (5) MW
Contract Duration	The PSA shall take effect for a period of fifteen (15) years commencing on the Target Delivery Date or upon signing of PSA, unless earlier terminated in accordance with the provisions of the PSA.
Target Delivery Date (MM/DD/YYYY)	On or before December 26, 2022
Tariff Structure	<p>The Bidder shall specify the formula for the computation of Contract Price.</p> <p>The Bidder shall specify the tariff structure unbundled to:</p> <ol style="list-style-type: none"> 1. Capacity Fees 2. Variable Charges 3. Fixed Charges 4. Fuel Fee 5. Other Applicable Charges <p>The Bidder must also specify the base fee adjustment formula, if any, and applicable adjustment in percent that each component is being affected by factor such as CPI, FOREX, and escalation due to fuel degradation and others. No indexation on Capital Recovery fee.</p> <p>Bidder must fill-up the attached Total Project Cost template, as deemed applicable, and may present basis and calculation of fees proposed.</p>

	<p>Line Rental and other charges shall be on the account of the seller.</p> <p>The price should not exceed the existing/present generation rate from the bilateral contracts of the Cooperative.</p>
Outage Allowance per plant	<p>The Seller will be allowed of outages for each contract year not exceeding to: Scheduled Outages: 600 Hours Unscheduled Outages: 120 Hours</p> <p>Any unutilized allowed Scheduled and Unscheduled Outage allowances within a calendar year will not be accumulated for use during the succeeding years of the cooperation period.</p> <p>Likewise, unutilized allocated unscheduled outages shall not be credited to scheduled outages and vice versa.</p>
Force Majeure	<p>The Party that is prevented by Force Majeure from carrying out, in whole or part, its obligations shall always attempt to remedy the Force Majeure with all reasonable dispatch.</p> <p>The Bidder shall provide recovery and contingency plan if the Force Majeure occurs. CAGELCO II shall not be required to make payments for any of the following: 1. Contract Capacity that is unavailable 2. Capacity that it cannot accept</p>
Replacement Power	<p>Replacement power rate should be equal or lower than the ERC-approved tariff.</p> <p>Replacement power shall be the main obligation of the Supplier. But, if an outage (scheduled or unscheduled) starts and the Supplier failed to provide the contracted capacity, CAGELCO II shall be allowed to source the replacement power at the expense of the Supplier.</p>
Currency	Price offer should be in Philippine Peso
Regulatory Approvals	<p>The Power Supplier shall make the necessary adjustments in accordance with the directive of the ERC.</p> <p>Downward adjustment in the rates shall not be a ground for the termination of the contract and the EC should not be made to shoulder the incremental difference.</p>
Penalties	<p>Party in default shall bear the Liquidated Damages:</p> <p>If the Seller fails to deliver 5 MW upon effectivity of the contract and CAGELCO II secures an alternative supply, the cost of the power shall be at the expense of the Seller.</p>

	<p>If during any contract year, the actual outage incurred by the Seller exceeds the allowable outages, the Seller shall procure power supply at Seller's own cost to satisfy the contracted capacity and shall indemnify CAGELCO II if Seller fails to deliver power.</p> <p>If the Seller fails to perform its material obligation to supply contracted capacity to CAGELCO II for sixty (60) days, CAGELCO II shall have the right, by written notice, to terminate the contract. By such, CAGELCO II shall require settlement of liquidated damages.</p> <p>If the Seller and CAGELCO II do not reach satisfactory solution to resolve the issues arising from the Force Majeure event after one hundred eighty (180) days, the contract shall be terminated.</p>
Source of Power	<ul style="list-style-type: none"> • Renewable Energy • Preferably embedded generator
Plant Capacity	<p>The Bidder shall submit the details and specifications of its plant capacity.</p> <p>Specify Renewable Energy percentage (%RE) in case of hybrid technology; the size of RE component should be enough to cover CAGELCO II RPS Compliance</p>
Billing Metering Point	<p>The Billing Metering Point should be WESM-compliant and located at the receiving substation of CAGELCO II. It is for the account and responsibility of the Supplier.</p> <p>The power plant should be embedded to CAGELCO II through the 69kV subtransmission system.</p>
Eligibility Requirements	<p>The Bidder shall use RPS-Compliant power plant.</p> <p>The Bidder shall provide Certificate of Good Performance (track record) from its existing and previous customers.</p> <p>The Bidder may submit organizational structure and technical qualifications/capability of technical staff.</p>
Security Deposit	CAGELCO II will not be required by the Seller of Security Deposits or Guarantees
Reduction in Contracted Capacity	CAGELCO II, at any billing period, shall be entitled to a reduction in the Contract Capacity equivalent to the reduction in the demand of its customers.
Nomination Protocol	<p>Non-binding year-ahead, month-ahead, week-ahead, and day-ahead nominations</p> <p>CAGELCO II may revise the nominations due to unscheduled outages.</p>
Environmental Compliance Certificate	Bidder must present ECC from DENR as this is a newly promulgated requirement by the ERC for PSA approval.
Application Process with the ERC	Joint filing for the approval of the terms and conditions under the power supply agreement while the Seller shall shoulder all cost of said application.

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