



ORIENTAL MINDORO ELECTRIC COOPERATIVE, INC.
(ORMECO, Inc.)

☒ Brgy. Sta. Isabel, Calapan City, Oriental Mindoro

☎ 043.288.7801 / 288.7802 / 288.7803 Fax No. 043.288.7804 ✉ E-mail: ormeco_coop@yahoo.com 🌐 Website: www.ormeco.com.ph

No.	TERMS OF REFERENCE	REQUIREMENT																	
1	Type of Contract	Interim Power Supply																	
2	Guaranteed Dependable Capacity (GDC)	15 MW																	
3	Contracted Energy	Take and Pay																	
4	Contract Duration	The PSA shall take effect for a period of sixteen (16) months commencing on its Commercial Operations on May 5, 2021 to August 28,2022 subject for extension, if needed, or unless earlier terminated in accordance with the provisions of the PSA.																	
5	Commercial Operation Period	May 5, 2021 to August 28,2022																	
6	Schedule of Delivery	<p>Dispatch Schedule according to the requirements of the ORMECO, Inc</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Location</th> <th>Guaranteed Dependable Capacity. (GDC) MW</th> <th>Contracted Energy</th> <th>Type of Contract</th> </tr> </thead> <tbody> <tr> <td rowspan="2">May 5, 2021 to August 28,2022</td> <td>Calapan</td> <td>5</td> <td rowspan="2">56,000,000 (14 hrs by 25 days for 16 mos.)</td> <td rowspan="2">Mid-Merit</td> </tr> <tr> <td>Bansud</td> <td>5</td> </tr> <tr> <td>March 16, 2022 – August 28,2022</td> <td>Roxas</td> <td>5</td> <td>9,940,000 (14 hrs for 142 days)</td> <td>Mid-Merit</td> </tr> </tbody> </table>	Period	Location	Guaranteed Dependable Capacity. (GDC) MW	Contracted Energy	Type of Contract	May 5, 2021 to August 28,2022	Calapan	5	56,000,000 (14 hrs by 25 days for 16 mos.)	Mid-Merit	Bansud	5	March 16, 2022 – August 28,2022	Roxas	5	9,940,000 (14 hrs for 142 days)	Mid-Merit
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7	Tariff Structure	<p>The Winning Bidder shall specify the formula for the computation of Contract Price, excluding delivery charges at plant site, unbundled to the components as shown in Table 2 below:</p> <table border="1"> <thead> <tr> <th>Tariff Component</th> <th>Monthly Rate</th> </tr> </thead> <tbody> <tr> <td>True Cost of Generation Rate</td> <td>Php/kWh</td> </tr> <tr> <td>a) Capital Recovery Fee</td> <td>Php/kWh</td> </tr> <tr> <td>b) Fixed Operation and Maintenance</td> <td>Php/kWh</td> </tr> <tr> <td>c) Variable Operation and Maintenance</td> <td>Php/kWh</td> </tr> <tr> <td>d) Fuel Fee</td> <td>Php/kWh</td> </tr> <tr> <td>e) Lube oil</td> <td>Php/kWh</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • No indexation or escalation on Capital Recovery Fee (CRF). • Fixed and Variable Operation and Maintenance Fees (FOMF and VOMF) shall consider the economic movement in the Philippines. Both should be multiplied by the ratio of the current-to-base Philippine Consumer Price Index (PH CPI). The values to be used should be referenced to those as published by the Philippine Statistics Authority (PSA) for all commodity group. The base PH CPI to be used is ____ (February 2021). 	Tariff Component	Monthly Rate	True Cost of Generation Rate	Php/kWh	a) Capital Recovery Fee	Php/kWh	b) Fixed Operation and Maintenance	Php/kWh	c) Variable Operation and Maintenance	Php/kWh	d) Fuel Fee	Php/kWh	e) Lube oil	Php/kWh			
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		<ul style="list-style-type: none"> • Additionally, VOMF shall be indexed by the current-to-base foreign exchange (ForEx) rate. The values to be used should be referenced to those as published by the Bangko Sentral ng Pilipinas (BSP). The base ForEx rate to be used is \$1 = PhP _____, as of 28 March 2021. • Fossil fuel is passed-on charge based on actual market price but limited to guaranteed fuel consumption rate of 0.275 liter per kWh. • Lube Oil is based on local market price of but limited to Lube Oil guaranteed fuel consumption rate of 0.001 liter per kWh. • For the Interim Power Supply, the rate shall not be higher than the latest ERC-approved generation tariff for same or similar technology in the area. • The ORMECO, Inc shall not be required to make payments for the capacity that is unavailable and shall be computed in pro rata to the dispatchable capacity
8	Outage Allowance per Plant	None
	Force Majeure	<ul style="list-style-type: none"> • ORMECO, Inc. and the IPPs shall jointly establish plans for operating the power plant during Force Majeure. Such plans shall include recovery from a local or widespread electrical blackout. The IPP shall comply with the Emergency procedures and provide contingency plan if a force majeure occurs. • Force Majeure events as defined in the ITB.
11	Replacement Power	<ul style="list-style-type: none"> • Replacement power rate should not be higher than the latest ERC approved generation tariff for same or similar technology in the area. • Replacement power shall be the main obligation of the supplier. But in the event of failure by the supplier to provide the contracted capacity, the supplier shall be allowed to source the replacement power at its own expense and with corresponding payment of damages in favor to ORMECO, Inc.
12	Currency	Philippine Peso
13	Regulatory Approvals	<ul style="list-style-type: none"> • ORMECO, Inc. and the Winning Bidder shall file with the ERC the joint application for the approval of the PSA in 15 calendar days after Notice of Award, including the application for the availment of UCME subsidy. • Winning Bidder shall make the necessary adjustments in accordance with the directives of the ERC. Any downward adjustment in the rates shall not be a ground for the termination of the contract and ORMECO, Inc. shall not shoulder the incremental difference.
14	Dispatch by Utility (Off Grid)	ORMECO, Inc. shall have the right to Dispatch the Power Plant up to its Dependable Capacity following the System Operator Dispatch protocol.
15	Source of Power	Gen Sets (Diesel, high speed)
16	Plant Capacity	N-1 contingency
17	Technical Specifications	ORMECO, Inc. requires technical specifications of generator set/s which are useful during the actual plant operation.
18	Take-off structure	The connection point should be in 13.8-kV distribution line
19	Technical Capability / Qualification	Technical capability / qualification of technical staff and organization structure are required
20	Eligibility Documents	<ul style="list-style-type: none"> • The Management (President, CEO, Power Plant Manager) have background in Electric Power Industry • Submit organizational structure and qualifications of technical staff. • Any lease agreement that will affect the delivery of supply should not be beyond the cooperation period under the PSA.
21	Nomination Protocol	<ul style="list-style-type: none"> • With-binding year-ahead, month-ahead, week-ahead, and day-ahead nominations; • ORMECO, Inc. may revise the nominations due to unscheduled outages.
22	Application Process with the ERC	<ul style="list-style-type: none"> • Joint filing of Application for Approval of PSA and UCME Subsidy Availment



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		<ul style="list-style-type: none">• Winning Bidder will shoulder filing and publication costs
23	Penalties	<ul style="list-style-type: none">• The Winning Bidder shall be penalized (monetary, etc.) in cases of the following events and circumstances;<ol style="list-style-type: none">1. Delay in Commercial Operation Date (COD);2. Failure to deliver of contracted capacity;3. Failure of provision of replacement power; and• Other violations under the resulting PSA.
24	Grounds for Termination	<ul style="list-style-type: none">• Event of default;• Non-occurrence of Commercial Operation Date; and• Expiration of cooperation period.
25	Environmental Compliance Certificate	<ul style="list-style-type: none">• The winning bidder must secure Environmental Compliance Certificate (ECC) from the DENR within three (3) months upon approval of contract. The failure of winning bidder to secure the ECC within the three-month period shall be considered an event of default.