



QUIRINO ELECTRIC COOPERATIVE

Brgy. Aurora East, Diffun, Quirino

TERMS OF REFERENCE

**PROCUREMENT OF 15MW FULL LOAD POWER SUPPLY REQUIREMENT OF QUIRELCO
(CSP-2021-01)**

May 17, 2021


No	Terms of Reference	Description
1	Type of Contract	Firm
2	Type of Resource	Conventional Energy Renewable Energy
3	Type of Power Supply	Full Load (Load Following)
4	Technical Requirement	Existing and operational Power Plant Bidder shall indicate the Technical Characteristics of the Nominated Power Plant as follows; <ul style="list-style-type: none"> • Total Installed Capacity • Number of generating units and installed capacity of each unit. • Dependable capacity
5	Contracted Capacity	Full load requirements on annual basis for 5 years contract with \pm 10 percent (10%) tolerance range. See Annex A No Minimum Energy Offtake (MEOT)
6	Adjustment in Contract Capacity	a. Increase in contract capacity beyond the contracted tolerance range will be subjected to a CSP. b. Reduction in Contract Capacity The BUYER is allowed to reduce its Contract Capacity as a result of (a) RCOA; (b) Green Energy Option; (c) Renewable Portfolio Standards (RPS); or (d) similar policies or rules allowing for end-users' choice of supplier.
7	Contract Duration	The PSA shall be binding between the Parties on the date of signing ("Execution Date") and shall remain effective for a period of five (5) years from Supply Effective Date ("Contract Term") BUYER shall issue a written notice of the Supply Effective Date (SED) to the SELLER thirty (30) days before the intended SED.
8	Supply Effective Date	The Supply Effective Date (SED) shall be the next immediate 26 th day of the month following the approval of the ERC.
9	Tariff Structure	Shall be broken down into: True Cost of Generation Rate (Php/KWH) a. Capital Recovery (PhP/KW/Month) b. Fixed O & M (Php/KW/Month) c. Variable O & M (Php/KWH) d. Fuel Fee (Php/KWH) (Pass through) <ul style="list-style-type: none"> • Price offer shall be divided into Fixed Charges


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		<p>(Php/kw/month) and Variable Charges (Php/kwh).</p> <ul style="list-style-type: none"> • Fixed charges consist of Capital Recovery Costs and Fixed Operation and Maintenance Costs. • Variable charges components shall capture variable operation and maintenance costs. • Bidder to specify formula for base fee adjustment affected by factors such as CPI, FOREX and escalation due to fuel degradation and others. • No indexation or escalation on Capital Recovery Fee (CRF) • Fixed O & M Fee shall be indexed on Philippine Peso • Variable O & M Fee shall be indexed on FOREX and Philippine CPI • Fossil fuel is passed on charge based on actual market price but limited to guaranteed fuel rate per Li/KWH • Lube oil is based on local market price Li/KWH • For RE, CRF can be indexed to average FOREX during the construction period • Bidder to present levelized cost of electricity for the five (5) year term
10	Price Indexation	<p>Allowed Price Indexation</p> <ul style="list-style-type: none"> • Fixed-Operation and Maintenance Fee • Variable-Operation and Maintenance Fee • Fuel Fee <p>Indexation is not allowed for Capacity Fee / Capital Recovery Fee</p> <p>Bidders shall specify the tariff structure: Rationale of Indexation including the source, reference date and weight of indexation, derivation of the formula for the charges.</p> <p>Reference month/year shall be specified in the computation of the price offer with consideration of the allowed price indexation.</p>
11	Outages	<p>Scheduled Outage = 480 hours per year</p> <p>Unscheduled Outage = 240 hours per year</p> <ul style="list-style-type: none"> • No carry-over of Outage Allowance to any subsequent contract year • No crediting of outage allowance from scheduled to unscheduled and vice versa • Penalty clause to be determined based on the EC approved timeline of scheduled outage • On scheduled outages, delay on return to service per pre-determined timeline by the EC and the power provider will have a penalty clause notwithstanding the provision on replacement power
12	Force Majeure	<ul style="list-style-type: none"> • No payment of fixed and variable charges during force majeure condition. • BUYER shall not be required to make payments for Capacity that is not available and Capacity that it cannot accept.

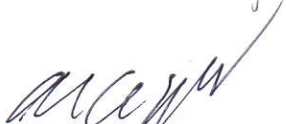
No	Terms of Reference	Description
13	Replacement Power	<p>The SELLER shall be responsible to provide replacement power in the following cases, except for Force Majeure events:</p> <ul style="list-style-type: none"> • During any delay of the start of delivery of supply; and • When its power plant is on scheduled or unscheduled outage to ensure continuity of supply in compliance with the cooperation period. <p>Recovery of replacement power should be based on ERC approved rate. If said ERC approved rate is lower than the existing rate, the difference should be translated to lower the actual rate passed on to the consumers.</p> <p>Replacement power shall be the obligation of the SELLER. In the event of failure by the SELLER to provide the replacement power, BUYER shall be allowed to source the replacement power at the expense of the SELLER.</p>
14	Absence of Unsatisfactory Performance Record	Bidder shall submit Certificate of Compliance issued by the ERC
15	Liquidated Damages / Penalties	Non-compliance with the material provisions of the PSA
16	Grounds for Terminations	Non-compliance with the material provisions of the PSA
17	Performance Security Deposit	No Performance Security Deposit
18	Payment /Currency	All payments by the BUYER to the SELLER under the PSA shall be in Philippine currency and may be in the form of cash, checks or other cash equivalents.
19	Regulatory Approval	<p>Bidders must comply with the relevant pre-filing requirements for application for approval of PSA (ERC Form No. LS-CL 001)</p> <p>The Power Supplier shall make the necessary adjustments in accordance with the directive of the ERC. Downward adjustment in the rates shall not be a ground for the termination of the contract and the EC should not be made to shoulder the incremental difference.</p> <p>Joint filing for the approval of PSA.</p> <p>The EC and the winning bidder shall file with the ERC the joint publication for the approval of the PSA in accordance with the ERC Rules in five (5) calendar days after Notice of Award.</p> <p>Bidder to shoulder filing and publication cost.</p>
20	Technical and Environmental Compliance	Bidders must comply with the technology and environmental standards of the World Bank (WB) for power plants to reduce greenhouse gas emission; limit the increased levels of atmospheric carbon dioxide and other pollutants mitigate climate change to protect the right of people to a balanced and healthful ecology in accordance with the rhythm and harmony of nature; to attain and maintain a balance between development and environmental protection; and to maintain quality of air that protects human health and welfare


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		Power plants must have ECC from the DENR (ERC requirements for PSA approval)
21	Eligibility Requirements	<ul style="list-style-type: none"> • Absence of Unsatisfactory Performance Record • No Conflict of Interest • Technical capability/qualification of technical staff and Organization Structure • The supplier shall have available capacity on or before the Commercial Operation Date • Experience and technical capability /qualification of Management Teams/ Consultants comprising the firm • If bidder is under partnership of consortium, it must present an agreement showing that that they are jointly and severally liable in this bidding and the resulting PSA • Bidder shall submit Certificate of Compliance issued by the ERC
22	Grounds for Termination	<p>The BUYER may terminate the agreement by written notice to the SELLER in cases of:</p> <ul style="list-style-type: none"> • Events of default; • Expiration of Term and/or upon mutual agreement; • Non fulfilment of conditions for effective date; • Non-occurrence of Commencement Date or Commercial Operation Date; • Events of Force Majeure; and • When the SELLER fails to supply for a period of sixty (60) days for reason/s wholly attributable to its fault and/or negligence, provided that, the SELLER fails to take reasonable action or remedy to solve its inability to deliver the capacity and energy. <p>The SELLER may terminate the agreement by written notice to the BUYER when the BUYER;</p> <ul style="list-style-type: none"> • Discontinues operation • Declares bankruptcy; or • Any financial obligation of the BUYER is not paid when due within any applicable grace period.
23	Penalties	<p>The SELLER shall be penalized (monetary, etc.) in case of the following events or circumstances:</p> <ul style="list-style-type: none"> • Delay in Commercial Operation Date; • Failure of delivery of power; • Failure of provision of replacement power; or • Other violations under the resulting PSA.


Approved by:


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ANNEX A

Demand Capacity

Demand Capacity (MW) for CSP in accordance with the approved Power Supply Procurement Plan (PSPP) of the Procuring Entity is shown in the table hereunder;

Year	Utilization Level	Capacity	Month											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021	110%	MW	9.77	9.54	11.01	11.56	12.23	12.76	12.55	12.40	12.05	12.22	10.81	10.29
	100%	MW	8.88	8.67	10.01	10.51	11.12	11.6	11.41	11.27	10.95	11.11	9.83	9.35
	35%	MW	3.11	3.03	3.51	3.68	3.89	4.06	3.99	3.95	3.83	3.89	3.44	3.27
	31.5%	MW	2.80	2.73	3.16	3.31	3.50	3.65	3.59	3.56	3.45	3.50	3.10	2.94
2022	110%	MW	10.24	9.93	11.67	12.21	12.91	13.48	13.24	13.06	12.67	12.87	11.29	10.73
	100%	MW	9.31	9.03	10.61	11.1	11.74	12.25	12.04	11.87	11.52	11.7	10.26	9.75
	35%	MW	3.26	3.16	3.71	3.89	4.11	4.29	4.21	4.15	4.03	4.09	3.59	3.41
	31.5%	MW	2.93	2.84	3.34	3.50	3.70	3.86	3.79	3.74	3.63	3.68	3.23	3.07
2023	110%	MW	10.71	10.34	12.33	12.86	13.60	14.19	13.95	13.71	13.29	13.52	11.77	11.18
	100%	MW	9.74	9.4	11.21	11.69	12.36	12.9	12.68	12.46	12.08	12.29	10.7	10.16
	35%	MW	3.41	3.29	3.92	4.09	4.33	4.52	4.44	4.36	4.23	4.3	3.74	3.56
	31.5%	MW	3.07	2.96	3.53	3.68	3.90	4.07	4.00	3.92	3.81	3.87	3.37	3.20
2024	110%	MW	11.19	10.74	12.98	13.51	14.28	14.92	14.64	14.37	13.92	14.16	12.24	11.62
	100%	MW	10.17	9.76	11.8	12.28	12.98	13.56	13.31	13.06	12.65	12.87	11.13	10.56
	35%	MW	3.56	3.42	4.13	4.3	4.54	4.75	4.66	4.57	4.43	4.51	3.89	3.7
	31.5%	MW	3.20	3.08	3.72	3.87	4.09	4.28	4.19	4.11	3.99	4.06	3.50	3.33
2025	110%	MW	11.66	11.14	13.64	14.16	14.96	15.63	15.35	15.02	14.53	14.81	12.72	12.07
	100%	MW	10.6	10.13	12.4	12.87	13.6	14.21	13.95	13.65	13.21	13.46	11.56	10.97
	35%	MW	3.71	3.54	4.34	4.51	4.76	4.97	4.88	4.78	4.62	4.71	4.05	3.84
	31.5%	MW	3.34	3.19	3.91	4.06	4.28	4.47	4.39	4.30	4.16	4.24	3.65	3.46
2026	110%	MW	12.13	11.54	14.29	14.81	15.64	16.35	16.05	15.68	15.16	15.46	13.19	12.52
	100%	MW	11.03	10.49	12.99	13.46	14.22	14.86	14.59	14.25	13.78	14.05	11.99	11.38
	35%	MW	3.86	3.67	4.55	4.71	4.98	5.2	5.11	4.99	4.82	4.92	4.2	3.98
	31.5%	MW	3.47	3.30	4.10	4.24	4.48	4.68	4.60	4.49	4.34	4.43	3.78	3.58
2027	110%	MW	12.61	11.95	14.95	15.46	16.32	17.07	16.74	16.32	15.77	16.09	13.66	12.96
	100%	MW	11.46	10.86	13.59	14.05	14.84	15.52	15.22	14.84	14.34	14.63	12.42	11.78
	35%	MW	4.01	3.8	4.76	4.92	5.19	5.43	5.33	5.19	5.02	5.12	4.35	4.12
	31.5%	MW	3.61	3.42	4.28	4.43	4.67	4.89	4.80	4.67	4.52	4.61	3.92	3.71