



QUEZON II ELECTRIC COOPERATIVE, INC.,
 Brgy. Gumian, Infanta, Quezon
 Tel. Nos. (042) 536-3406/536-4306
 Email add: quezelco2_gumian@yahoo.com

INVITATION TO BID

For the CONDUCT OF COMPETITIVE SELECTION PROCESS (CSP) FOR THE PROCUREMENT OF 3.5 MW TO 4 MW BASELOAD POWER SUPPLY REQUIREMENTS WITH A CONTRACT PERIOD OF TWO (2) YEARS AND NINE (9) MONTHS FOR ITS RENEWABLE PORTFOLIO STANDARDS (RPS) COMPLIANCE FOR THE PERIOD OF 26 MARCH 2024 TO 25 DECEMBER 2026 AS APPROVED UNDER CERTIFICATE OF POSTING NUMBERED AS DOE-EPIMB-CSP-COP-2023-04-008 ISSUED BY THE DEPARTMENT OF ENERGY

I. The Quezon II Electric Cooperative, Inc. (QUEZELCO II) is a non-profit electric service distribution cooperative. It is duly organized under Presidential Decree No. 269, as amended and incorporated on August 11, 1978. It has necessity for the Supply of 3.5 MW TO 4 MW BASELOAD POWER SUPPLY REQUIREMENTS WITH A CONTRACT PERIOD OF TWO (2) YEARS AND NINE (9) MONTHS FOR ITS RENEWABLE PORTFOLIO STANDARDS (RPS) COMPLIANCE.

II. QUEZELCO II (hereinafter referred to as “Procuring Entity”) invites interested and qualified parties/power suppliers in the private sector for the Supply of QUEZELCO II Additional Capacity. Interested parties must submit a notarized Letter of Intent (LOI) to QUEZELCO II Third Party Bids and Awards Committee (TPBAC). The LOI signed by an authorized representative, shall state full name, address, telephone, email address and fax numbers of interested party and name of the principal contact. It must be delivered by hand and be received by the TPBAC at QUEZELCO II Main Office or send thru email at quezelco2_gumian@yahoo.com duly acknowledge by QUEZELCO II TPBAC Secretariat.

Brief Description for the supply of QUEZELCO II Renewable Portfolio Standard Requirements, as follows:

TERMS OF REFERENCE (TOR)

A. GENERAL INFORMATION

Name of Utility:	QUEZON II ELECTRIC COOPERATIVE, INC.,	
Area to be served:	GRID	
Current Year Filling:	2023	
Pre-Requisite for the TOR Submission	DOE Approval of TPBAC Selection	January 7, 2020
	NEA-Endorsed DDP to DOE (Current Year)	March 15, 2023
	NEA-Endorsed PSPP to DOE (Current Year)	March 15, 2023
	DOE Issuance of Certificate of Posting (COP)	May 03, 2023
	NEA Issuance of Notice to Proceed (for ECs)	May 19, 2023
Target Date of Publication	Immediate upon receipt of COP from DOE & NTP from NEA	

B. REQUIREMENTS

1. GENERAL SUPPLY

DESCRIPTION

- 1.1 Purpose of Procurement : As scheduled in the PSPP and RPS Compliance
- 1.2 Supply Type : Firm
- 1.3 Supply Side : Baseload / Escalating Capacity
- 1.4 Technology Required : Existing RE technologies that have been in commercial operation or had incremental capacity resulting from upgrading or expansion after the effectivity of the Renewable Energy Act of 2008 or RA 9513.
: Eligible RE technologies that are duly approved by DOE or ERC.

Note: Proposed technology must be consistent with the supply requirements.

2. TERMS OF SUPPLY SERVICES

2.1 Contract Capacity (MW)	YEAR	CAPACITY (MW)
	2024	3.5
	2025	4
	2026	4
2.2 Contract Energy (MWh per month or year)	YEAR	RE
	2024	15,204
	2025	11,610
	2026	12,636
2.3 Contract Duration	The PSA shall take effect for a period of 2 years and 9 months commencing on the commercial operation date of 26 th March 2024 up to 25 th December 2026, upon issuance of the Provisional Authority of the ERC.	
2.4 Inclusive Dates	The start of delivery will be on the immediate 26 th day of the month upon completion of the conditions precedent to start supply or ERC issuance of Provisional Authority	
2.5 Source of Power	Open Technology with RPS Compliant Technology. <i>As stated, 1.4.</i>	
2.6 Conditions Precedent to Start of Supply	a. ERC approval of the PSA b. Security Deposit (<i>No security deposit required, unless payment default</i>)	

3. COST AND TARIFF STRUCTURE *Note: Must be consistent with ERC regulations.*

3.1 For a Capacity-based contract, the bidder shall specify both its Levelized **Capacity Payment Offer in Php/kW/month and Energy Payment Offer in Php/kWh** in its bid proposal. For an Energy-based contract, the bidder shall specify its Levelized **Energy Payment Offer in Php/kWh** only.

3.2 The Bidder shall provide the detailed calculation of its payment offers including formula and references. All cost items such as capital cost, fuel, and other operation and maintenance costs shall be itemized and classified into Fixed Cost and Variable Cost as may be applicable.

- Fixed Cost
 - Capital Cost
- Variable Cost
 - Operation and Maintenance
 - Fuel Cost

3.3 Bidder shall also specify all other applicable charges incorporated in its payment offers such as, but not limited to, connection facilities, wheeling charges, metering, communication equipment, and government taxes or levies.

- Applicable Charges:
 - Connection Facilities
 - Wheeling Charges
 - Metering
 - Communication Equipment
 - Government Taxes/Levies

3.4 Bidder shall specify its **Total Landed Generation Cost in Php/kWh** covering items 3.2 to 3.3 and shall serve as Financial Bid Price.

3.5 Capacity payment shall only be paid when the capacity is available on the particular billing period.

- The seller must also specify the base fee adjustment formula if any, and the applicable adjustment in percent that each component is being affected by factors such as Consumer Price Index (CPI) and escalation due to degradation.
- There should be no indexation or escalation in Capital related fees.
- Present Levelized Cost of Energy (LCOE) for the Contract period.
- The currencies of each price component shall only be local or PHP/Kw-hr.

4. PAYMENT MODALITIES

4.1 Mode of Payment: CASH or MANAGER's CHECK or ELECTRONIC FUND TRANSFER

4.2 Currency of Payments: Philippine Peso (PHP) only

4.3 Billing Period: 26th of the previous month to the 25th of the current month shall be considered as the billing period.

4.4 Billing determinant: the Energy to be nominated by QUEZELCO II will serve as the basis of billing and settlement of the bidder.

4.5 Interest on late Payment: Any late payment shall earn interest equivalent to the BSP Lending Rate, per month of delay. Interest rates for a partial month shall be prorated based on a 30-day month, per day of delay.

4.6 Bidder shall specify its offer of prompt payment discount and other incentives to the DU on its bid proposal.

5. OUTAGE ALLOWANCE

5.1 Maximum Allowed Scheduled _____ days per year. Bidder to specify its plant scheduled outage in its

Outage: **22 days** proposal.

5.2 Maximum Allowed Forced

days per year. Bidder to specify its plant

scheduled outage in its

Outage: **7 days** proposal.

5.3 Total Maximum allowed scheduled and unscheduled outages must not exceed **696** hours (full load equivalent).

5.4 All scheduled Outages must be scheduled and declared twelve (12) months in advance.

5.5 There will be no carry-over of any unutilized outage allowance from a calendar year on the succeeding years.

6. REPLACEMENT POWER

6.1 In case of delay in the COD or any outage beyond the maximum allowance. the Power Supplier shall provide the replacement power up to the contracted capacity during the period. If the Power Supplier fails to nominate its replacement power ahead of time, the DU shall produce replacement power from other sources at expense of the power supplier.

6.2 If the outage is within the maximum allowance, the Power supplier, in coordination with the DU shall provide the Replacement Power, and the cost of the Replacement Power shall be paid by the DU based on the ERC-approved rates.

Note: The replacement Power for RE component must come from the RE Eligible plant also.

6.3 During any period of allowable outage, the Power Provider shall be responsible for providing the DU with replacement power in the following event:

6.3.1 In case of unexcused delay in the COD or any outage beyond the maximum allowance, the cost of Replacement Power provided by the Power Supplier shall be paid by the DU during the relevant period equal to the WESM price or the ERC-approved rate under the PSA, whichever is lower.

6.4 If the Power Supplier cannot deliver Replacement, the DU shall charge (*Administrative, cost of power, and other related expenses*), the power supplier during the relevant period using the following formula (please specify):

Deficient payment = N(hrs) x Contract Price (Php/kWh) x Contracted Demand (kW)

Where: N= Total deficiency hours = (total operating hours within a year – actual operating hours -actual allowable outage offer)

7. FORCE MAJEURE

7.1 The events that shall be deemed as Forced Majeure and analogous circumstances shall be in accordance with DOE CSP Policies.

7.2 Arrangements in case of any force majeure shall be agreed upon by the parties and shall form part of the PSA.

7.3 There will be no payment of any capacity fee in case of an outage during any force majeure.

8. GROUNDS FOR CONTRACT TERMINATION

8.1 Valid grounds for termination are:

- a. Event of Default under the PSA.
- b. Expiration of Cooperation agreed under the PSA period.
- c. Failure to achieve COD.
- d. Mutual agreement by both parties
- e. Extended Force Majeure as agreed
- f. Changes in the circumstances as

8.2 Rate deductions made by the ERC shall not be valid grounds for the termination of the contract. DU shall not pay for the said rate reduction of adjustments.

9. LIQUIDATED DAMAGES
the PSA

Note: Must be consistent with

9.1 Liquidated damages in case of default shall be equal to the represented value of the Capacity Payment computed on a 365-day basis for the remaining term of the PSA

9.2 The Prompt payment discount rate: 3% Ten (10) working days after receipt of the Power Bill.

10. REDUCTION OF CONTRACT CAPACITY
the PSA

Note: Must be consistent with

10.1 The reduction of contract capacity shall be allowed in case of:

- Loss of captive customers due to Retail Competition and Open Access and Green Energy Option Program
- Reduction of demand of the DU due to special circumstances beyond the control of the DU.

10.2 DU may assign, transfer, designate or allocate its rights and obligations to purchase a portion of the contract it no longer requires to:

- a. Any of its business segments without the prior consent of Power Supplier, or
- b. Any affiliates or third party subject to the consent of Power Supplier

10.3 The consent by the Power Supplier shall not be unreasonably delayed or conditioned at the disadvantage of the DU.

10.4 Any reduction shall require approval of the ERC and must comply with applicable rules of competition set by the Government.

11. BIDDER'S QUALIFICATIONS

11.1 All forms of business organizations including joint Ventures are encouraged to participate in the bidding process subject to applicable government licenses and permits.

11.2 For bidders using indigenous and RE power plants, the bidder must comply with the constitutional requirement for ownership.

11.3 The Capacity offer if the bidder must be compliant with all the ownership limitations prescribed under EPIRA.

11.4 For new power suppliers, the qualification shall be based on: (i) the experience and competence of its personnel to manage and operate the plants; and (ii) the acceptability of its operational management plan during technical bid evaluation.

11.5 If Bidder is formed as a partnership, corporation, consortium, joint venture or any similar association for purposes of this CSP, it must present an agreement showing that the Bidder and all its partners, shareholders, joint venture, associates, as may be applicable, are jointly and severally liable to (EC) for any and all costs and obligations arising from this CSP and the resulting PSA.

12. Regulatory Approvals

- The bidder shall make the necessary adjustment in accordance with the directive of the ERC. The downward adjustment in the rates shall not be a ground for the termination of the contract and the QUEZELCO II should not be made to shoulder the incremental difference.

13. Eligibility Requirements

LEGAL DOCUMENT

- An agreement showing that the Bidder and all its partner, shareholders, joint venture, and associate, as may be applicable, are jointly and severally liable to (EC) for any and all costs and obligations, arising from this CSP and the resulting PSA if bidders are formed as a partnership, corporation, consortium, joint venture or any similar association.
- Build, own, and/or operate existing and operational power plant/s in the Philippines (Must include the list of the Power Plant/s for replacement power).
- 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.
- Absence of unsatisfactory Performance Record
- No conflict of Interest
- Bidders shall submit a Certificate of Compliance issued by the ERC.

FINANCIAL DOCUMENTS

- Complete set of Audited Financial Statements stamped “received” by the BIR, for Two (2) consecutive years (2020-2021) which includes the following:
 1. Balance Sheet
 2. Income Statement
 3. Statement of Change in Equity
 4. Cash Flow Statement
 5. Notes to Financial Statement
 6. Statement of Management Responsibility for Financial Statement

14. Penalties

The Seller shall be penalized (monetary, etc..) in case of the following events or circumstances.

- Delay in Commercial Operation Date
- Failure of delivery of power
- Failure of provisions of replacement power; or
- Any extension on allowable outages
- Other violations under the resulting PSA.

15. Obligations of the DU

The DU shall provide assistance to the successful bidder in the processing of permits and similar requirements from all national agencies and local government units especially if the resulting PSA involves the construction of a new power plant.

Upon due notice of participants, QUEZELCO II TPBAC reserves the right to amend the schedule of activities as follows:

Brief Description

Publication	06/08/2023 and 06/15/2023
Issuance of Bid Documents	06/16/2023 until 06/29/2023 9:00 AM
Pre-Bid Conference	06/29/2023/ 9:00 A.M.
Issuance of Bid Bulletin and Final Instruction to Bidders	07/03/2023
Due Diligence of Proponent	07/12 /2023
Opening of Bid	07/17/2023 / 9:00 A.M.
EC Evaluation	07/21/2023
Post Qualification	08/7/2023
Recommendation (Issuance of Notice Award and Declaration of the Winning Bidder by the TPBAC	08/16/2023
Confirmation of BOD	08/22/2023
Final Evaluation of PSA by NEA	09/22/2023
NTP for PSA Signing	10/03/2023
PSA Signing	10/17/2023
Joint Filling	11/17/2023

A complete set of Bidding Documents may be purchased by interested Bidders (with on hand LOI or thru email LOI with proof of acknowledgement from the TPBAC Secretariat from June 16, 2023 until June 29, 2023 – 9:00 A.M., during office hours (Monday to Friday) from 8:00 to 4:30 at the address below and upon payment of a non refundable fee of Seventy Five Thousand (Php. 75,000.00) in the form of cash or cashier's/manager's check.

- III. **The QUEZELCO II will hold a Pre Bid Conference (Face to Face) on June 29, 2023, at 9:00 in the morning. Only Bidders who purchased bidding documents are required to attend the Pre Bid Conference** to ensure that they fully understand the bidding contents and requirements. The Bidder is expected to know the changes and/or amendments on the bidding documents as recorded in the minutes of the Pre Bid Conference and the Supplemental/Bid Bulletin. Sending of Bid offers shall be discussed during the Pre Bid Conference. **Non Bidders are not allowed to attend the Prebid Conference.**
- IV. Bid Opening shall be on July 17, 2023 (Monday) at 9:00 o'clock in the morning.
- V. Bid shall be opened in the presence of the Bidders' representative who chooses to attend the Opening of Bids. Late Bids shall not be accepted.
- VI. Bidding will be conducted in compliance with the ERC Resolution 13, Series of 2015; DOE Circular No. DC2021-09-0030, DOE Circular No. DC2018-02-0003; and NEA Memorandum 2019- 007 (IRR DC2018-02-0003).

VII. The TPBAC reserves the right to reject any or all Bids, waive defect(s) or informality(ies) therein, or accept any bid or offer which it may consider most advantageous and beneficial to QUEZELCO II without any liabilities. It also reserves the right to declare a failure of CSP, or not award the PSA at any prior to PSA award in accordance with the 2018 CSP Policy issued under Department of Energy Circular No. DC2021-09-0030 without thereby incurring any liability to the affected bidders.

VIII. For further inquiry, please refer to the below information:

TPBAC Secretariat:

Quezon II Electric Cooperative Cooperative, Inc.


(QUEZELCO II Main Office) Brgy. Gumian, Infanta, Quezon.


Mobile Phone: 09285021831

(QUEZELCO II Hotline) Landline No: (042) 536-3406/536-4302

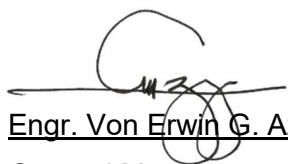
E-Mail Address: quezelco2_gumian@yahoo.com // quezelcoii@gmail.com

Prepared by:


Engr. Vincent E. Villaruel
TPBAC Chairman


Yvette S. Astrera
TPBAC-TWG Chairperson

Approved by:


Engr. Von Erwin G. Azagra
General Manager