



QUEZON 1 ELECTRIC COOPERATIVE, INC.

Poctol, Pitogo, Quezon

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INVITATION TO BID

QUEZELCO 1's SUPPLY OF ADDITIONAL POWER REQUIREMENT FOR A COMBINATION OF 10MW MID-MERIT (TAKE OR PAY) WITH 1 MW INCREMENT PER YEAR AND 6 MW LOAD FOLLOWING (TAKE AND PAY) THRU A COMPETITIVE SELECTION PROCESS (CSP)

1. BACKGROUND

Quezon 1 Electric Cooperative Inc., (QUEZELCO 1) is a non-stock, non-profit service oriented cooperative duly organized and existing under the laws of the Philippines and registered with the National Electrification Administration (NEA) on April 24, 1972 by virtue of Presidential Decree 269, with principal office at Brgy. Poctol, Pitogo, Quezon. It holds an exclusive franchise to operate an electric light and power distribution service in the municipalities of the province of Quezon namely: Agdangan, Alabat, Atimonan, Buenavista, Calauag, Catanauan, General Luna, Guinayangan, Gumaca, Lopez, Macalelon, Mulanay, Padre Burgos, Perez, Pitogo, Plaridel, Quezon, San Andres, San Francisco, San Narciso, Tagkawayan and Unisan, and one municipality of the province of Camarines Sur, namely Del Gallego.

QUEZELCO 1, through the Third Party Bids and Awards Committee (TPBAC), invites interested and qualified parties/power suppliers for the supply of additional power requirements to participate in the Competitive Selection Process (CSP) to be conducted pursuant to the Department of Energy (DOE) Department Circular No. DC2018-02-0003 as amended and supplemented by Department Circular DC No. 2021-09-0030, Department of Energy (DOE) Memorandum Circular No. DC2017-12-0015 and NEA Memorandum No. 2019-007.

2. The terms of reference indicated herein are non-negotiable and the bidder must be able to meet all the minimum requirements of QUEZELECO 1. Below are the minimum contract requirements.

TERMS OF REFERENCE (TOR)

A. GENERAL INFORMATION

1. NAME OF UTILITY: Quezon I Electric Cooperative, Inc.

2. AREA TO BE SERVED: Grid

3. CURRENT YEAR OF FILING :2023

4. PRE-REQUISITE FOR TOR SUBMISSION

DOE Approval of TPBAC Selection

NEA-Endorsed DDP to DOE (Current Year)

NEA-Endorsed PSPP to DOE (Current Year)

NEA Issuance of Notice to Proceed (for ECs)

TARGET DATE OF PUBLICATION: Immediate upon receipt of COP from DOE and NTP from NEA

DATE

January 16, 2021

July 4, 2023

July 4, 2023

September 29, 2023

B. REQUIREMENTS

1. GENERAL SUPPLY DESCRIPTION

Note: Proposed technology must be consistent with the supply requirements

- | | | |
|----------------------------|---|------------------------------|
| 1.1 Purpose of Procurement | - | As scheduled in the PSPP |
| 1.2 Supply Type | - | Non-Firm |
| 1.3 Supply Side | - | Mid-Merit and Load Following |

2. TERMS OF SUPPLY SERVICES

2.1 Contract Capacity and Contract Energy:

YEAR	PERIOD	FULL LOAD	Combination*	
			Mid-Merit (Take or Pay)	Load Following (Take and Pay)
1	February 26, 2024 to Dec. 25, 2024	16	10	6
2	Dec. 26, 2024 to Dec. 25, 2025	17	11	6
3	Dec. 26, 2025 to Dec. 25, 2026	18	12	6
4	Dec. 26, 2026 to Dec. 25, 2027	19	13	6

The Supplier shall guarantee the mid-merit supply of 10MW from 9AM to 10PM

2.2 Delivery Period: Three years and 10 months (46 months)

2.3 Inclusive Dates: February 26, 2024 to December 25, 2027

Start of delivery shall be on the immediate 26th day of the month upon completion of the conditions precedent to start supply or ERC issuance of Provisional Authority

2.4 Source of Power: Renewable Energy power plant capable of supplying Load Following requirement.

The power plant shall be compliant with the prevailing DENR's emission and environmental standard.

2.5 Technical Parameters:

Delivery Point - The Receiving Point shall be at Seller Nodes.

The Line Rental shall be for the account of the Seller

Plant Capacity -The minimum generating capacity of the Power Plant shall be no less than the contracted capacity

Plant Location —The generating capacities shall come from anywhere in the Philippines.

2.6 Conditions Precedent to Start Supply:

a. ERC Issuance of Provisional Authority

b. Security Deposit No Security Deposit

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

Indicate adjustment factor such as:

Tariff Structure	DESCRIPTION	REQUIREMENT
	Shall be broken down into:	The qualified 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. Bidders have the option to offer fixed pricing in PhP/kWh for the entire contract term
	Capacity Fee (Php/Kw)	No Indexation on Capital Recovery fee Rate Ph /Kw/month
	Fixed O & M (Php/Kw)	Fixed O & M Fee Rate (PhP/KW/ month)
	Variable O & M Ph /KWH	Variable O & M Fee Rate Ph /KWH
	Fuel Fee (Php/KWH)	Pass-through fuel cost Fuel recovery Fee Rate Ph /KWH
	True Cost Generation Rate	

(Note: QUEZELCO 1 has the right not to pay pass-through charges if not provided in the TOR or PSA)

4. PAYMENT MODALITIES

4.1 Mode of payment Cash or Check

4.2 Currency of Payment Philippine Peso

4.3 Billing Period Monthly

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

5. OUTAGE ALLOWANCE

- 5.1 Maximum Allowed Scheduled Outage: 480 hours per year. Bidder to specify its plant scheduled outage in its bid proposal.
- 5.2 Maximum Allowed Force Outage: 240 hours per year. Bidder to specify its plant unscheduled outage in its bid proposal.
- 5.3 Total maximum allowed scheduled and unscheduled outages for the nominated or Portfolio of Power Plants must not exceed 720 hours per year (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 allowances from a calendar year on the succeeding years.

6. REPLACEMENT POWER

- 6.1 Replacement Power shall be the focal responsibility of the Seller either it is sourced-out from the WESM or other Power Plant which shall be specified by the Power Supplier.
- 6.2 If the Power Supplier fails to provide its replacement power, the DU shall procure Replacement Power from other sources at the expense of the Power Supplier and subject to the payment of administrative fee as defined in the power supply agreement.
- 6.3 The cost of Replacement Power provided by the Power Supplier shall be paid by the DU based on the ERC-approved rate under the PSA. Other charges such as line rentals and fuel cost concerned shall be borne by the Supplier in this case.
- 6.4 Power Supplier shall provide replacement power in the following cases, except for Force Majeure events:
 - (a) During any delay from the target delivery date;
 - (b) Scheduled or Unscheduled outages; and
 - (c) Any extension on allowable outages

7. FORCE MAJEURE

- 7.1 The events that shall be deemed as Force Majeure and analogous circumstances shall be in accordance to the DOE CSP Policies.
- 7.2 Arrangements in case of any force majeure shall be agreed upon by parties and shall form part of the PSA.
- 7.3 There will be no payment of any capacity fee in case of outage during any force majeure.

8. GROUNDS FOR CONTRACT TERMINATION

- 8.1 Valid grounds for termination are:
 - (a) Event of Default
 - (b) Expiration of cooperation period
 - (c) Failure to achieve Commencement of Delivery(COD)
 - (d) Mutual agreement by both parties
 - (e) Extended Force Majeure as agreed under the PSA
 - (f) Changes in the circumstances as agreed under the PSA.
- 8.2 Rate deductions made by the ERC shall not be a valid ground for the termination of the contract. DU shall not pay for the said rate reduction or adjustments.

9. LIQUIDATED DAMAGES

In case of default bidder shall be required to pay Liquidated Damages as specified in the PSA.

10. REDUCTION IN CONTRACT CAPACITY

- 10.1 The DU has the right to reduce its contract capacity if there are:
 - (a) Loss of captive customers due to Retail Competition and Open Access (RCOA); Green Energy Option Program (GEOP)
 - (b) Reduction of demand of the DU due to special circumstances beyond the control of the DU.
 - (c) Capacity reduction on the implementation of Renewable Energy law (RA 9513) and RPS compliance.
 - (d) Similar policies or rules allowing for end-users' choice of supplier.
- 10.2 DU may assign, transfer, designate or allocate its rights and obligations to purchase a portion of Contract if no longer requires to:
 - (a) Any of its business segments without the prior consent of Power Supplier; or
 - (b) Any affiliate 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 as specified in 10.1 a,b,c and d shall require approval of the ERC and

must comply with applicable rules of competition set by the Government.

11. 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.

12. NOMINATION PROTOCOL

12.1 Day-Ahead nomination shall be allowed until 1500H

12.2 Renomination shall be allowed in the following events:

- (a) Force Majeure
- (b) NGCP and Local scheduled/unscheduled interruption
- (c) Off-peak season

12.3 The DU may revise any nominations in accordance with the WESM rules

13. BIDDERS QUALIFICATIONS

13.1 All forms of business organizations including but not limited to Joint Ventures are encouraged to participate in bidding process subject to applicable government licenses and permits.

13.2 For bidders using indigenous and Renewable Energy (RE) power plants, the bidder must comply with the constitutional requirement for ownership.

13.3 The capacity offer of the bidder must be compliant with all the ownership limitations prescribed under EPIRA.

13.4 For power suppliers-bidders, the qualification shall be based on:

- (i) the experience and competence of its personnel to manage and operate the plant;
- (ii) acceptability of its operational management plan during technical bid evaluation.

14. ELIGIBILITY REQUIREMENTS:

Legal Documents

- 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 if Bidder is 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)
- Statement showing the available capacity on target delivery date
- Company Profile and technical capability/qualifications of key officers, technical staff, and management team/consultants.
- Certification of Compliance (COC) issued by the ERC

Financial Documents

▪ Complete set of audited financial statements, stamped "received" by the BIR or electronic Audited Financial Statements (eAFS) including reference number showing that BIR eAFS e-submission upload were received, for two consecutive years (2021 and 2022) which includes but not limited to the following:

- (1) Balance Sheet
- (2) Income Statement
- (3) Statement of Changes in Equity
- (4) Cash Flow Statement
- (5) Notes to Financial Statement
- (6) Statement of Management Responsibility for Financial Statement

15 PENALTY: The Seller shall be penalized with an administrative fee of PHPO.35/kWh multiplied by the undelivered energy if the seller fails to provide the replacement power in any of the following cases:

- (1) During any delay from the target delivery date;
- (2) During scheduled or Unscheduled outages; and
- (3) Any extension on allowable outages

16 REGULATORY APPROVAL:

Joint Filing for the approval of PSA

The Buyer and the winning Seller shall file with the ERC the joint application for the approval of the PSA in accordance with the ERC Rules

Seller shall shoulder the filing fee, publication costs and expenses relative thereto.

17 OTHER KEY PARAMETERS:

The Bidder shall indicate any distinctive characteristics such as but not limited to Prompt Payment Discount, Collection Efficiency Discount, etc. of their power generating plant such as technology of the plant Value Added Services

3. SCHEDULE OF ACTIVITIES

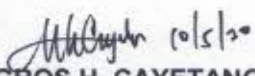
Activities	Date
Publication	October 9 and 16, 2023
Submission of Letter of Intent and Issuance of Bidding Documents	October 9 to 31, 2023
Pre-bid conference	October 23, 2023
Issuance of Supplemental/Bid Bulletin	October 31, 2023
Submission and Opening of Bids	November 14, 2023 (9:00AM)
Evaluation of Bids	November 15-16, 2023
Post-qualification	November 20-21, 2023
TPBAC recommendation to award the contract and BOD confirmation	November 23-24, 2023
Notice of Award	November 27, 2023
Final Evaluation of PSA by NEA	December 11-13, 2023
NTP for PSA signing	December 15, 2023
PSA signing	December 18, 2023
Joint filing before the ERC	December 26, 2023 to January 17, 2024

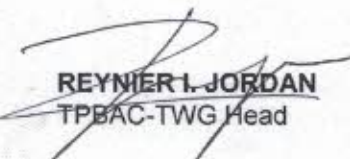
Quezelco 1 TPBAC reserves the right to modify/change the schedule of activities after due notice as need arises depending on the confirmation by DOE and NEA on the other related compliances.

- A complete set of Bidding Documents will be available to the prospective bidders from October 9, 2023 to October 31, 2023 during office hours (Monday to Friday) from 8:00A.M to 5:00P.M at QUEZELCO 1 Main Office upon submission of Notarized Letter of Intent (LOI) and payment of non-refundable cost of bidding documents of THREE HUNDRED THOUSAND PESOS (Php 300,000.00), VAT Inclusive in the form of cash or Cashier's/Manager's check.
- QUEZELCO 1 TPBAC will hold a pre-bid conference (face to face) on October 23, 2023 at 9:00AM at QUEZELCO 1 Main Office. Only bidders who purchased the bidding documents shall be allowed and required to attend the pre-bid conference to ensure that they fully understand the bidding contents and requirements. The duly authorized representative of the bidder must know the changes and/or amendments on the bidding documents as discussed and recorded in the minutes of the pre-bid conference as specified in the Supplemental Bid Bulletin.
- Bid opening shall be on November 14, 2023 at 9:00 A.M. at Quezelco 1 Main Office, Brgy. Pocol, Pitogo, Quezon. Bids shall be opened in the presence of the bidder's representative. Late bids shall not be accepted.
- The TPBAC reserves the right to reject any or all bids and to waive deficiencies embodied therein without assuming any obligations for any expenses incurred by the bidder in the preparation of the bid. It also reserves the right to declare a failure of CSP or not award the PSA in accordance with the DOE- CSP Policy.
- All communications regarding this document should be addressed to:

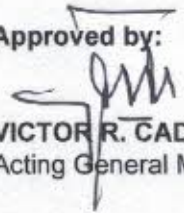
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