



## LEYECO II POWER SUPPLY COMPETITIVE SELECTION PROCESS FOR THE 10MW BASELOAD DEMAND FOR THE PERIOD AUGUST 12, 2024 TO AUGUST 25, 2034

REFERENCE: **BID BULLETIN NO. 04**

ISSUE DATE: **March 26, 2024**

FOR: **ALL BIDDERS**

SUBJECT: **ANNEX A (AMENDMENTS/CLARIFICATIONS TO THE TERMS OF REFERENCE (TOR) AND BIDDING DOCUMENTS)**

Pursuant to the Department of Energy (“DOE”) Circular No. DC2023-06-0021, ERC Resolution No. 16, series of 2023 and the NEA Memorandum No. 2023-057, the Leyte II Electric Cooperative, Inc. (LEYECO II), through the Bids and Awards Committee (“BAC”), hereby issues the following amendments and clarifications to the Terms of Reference (TOR) for the 10MW baseload demand for the period August 12, 2024 to August 25, 2034.

### TERMS OF REFERENCE (TOR) AMENDMENTS / CLARIFICATIONS

REFERENC E	PROVISIO N	REQUIREMENT	AMENDMENT												
TOR 15	Tariff Structure	<p>Parameters:</p> $Base Price_{firm} = [\sum_{CUF=65\%}^{100\%} (CRF_{CUF} + FOM_{CUF}) \times Weight_{CUF}] \times DAF + VOM + FC$ $Base Price_{indexed} = \sum_{CUF=65\%}^{100\%} \left\{ \left[ CRF + (FOM_{CUF} \times \frac{CPI_{CURRENT}}{CPI_{BASE}}) \right] \times Weight_{CUF} \right\} \times DAF + \left[ VOM \times \frac{CPI_{CURRENT}}{CPI_{BASE}} \right] + FC$ <p>Where,</p> <table border="1"> <tr> <td><math>CRF_{CUF}</math></td> <td>Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF Weight</td> </tr> <tr> <td><math>FOM_{CUF}</math></td> <td>The Fixed Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 per CUF weight</td> </tr> <tr> <td><math>VOM</math></td> <td>The non-fuel costs such as Variable Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030</td> </tr> <tr> <td><math>FC</math></td> <td>The local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant</td> </tr> <tr> <td><math>DAF</math></td> <td>Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. <math>DAF = 1.1476</math></td> </tr> <tr> <td><math>Weight_{CUF}</math></td> <td>Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload</td> </tr> </table>	$CRF_{CUF}$	Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF Weight	$FOM_{CUF}$	The Fixed Operation & Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 per CUF weight	$VOM$	The non-fuel costs such as Variable Operation & Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030	$FC$	The local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant	$DAF$	Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. $DAF = 1.1476$	$Weight_{CUF}$	Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload	<p>The Buyer shall pay the Seller for the Energy/Capacity at the following Fees on a monthly basis pursuant to the following formula:</p> $TGC = CRF + FOM + VOM + FC \pm Adj.$ <p>Where:</p> <p><b>TGC</b> = Total Generation Charge in the PhP for the Billing Period</p> <p><b>CRF</b> = Capital Recovery Fee as defined in the Bid Documents.</p> <p><b>FOM</b> = Fixed Operation and Maintenance Fee as defined in the Bid Documents.</p> <p><b>VOM</b> = Variable Operation and Maintenance Fee as defined in the Bid Documents.</p> <p><b>FC</b> = The actual fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant.</p> <p><b>Adj.</b> = The relevant adjustments such as Fuel Fee, Consumer Price Indices, etc., if applicable.</p>
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FOR MORE DETAILS:

L2 PSCSP BAC SECRETARIAT:

JINUARD S. ASIS

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0906 574 7708 / leyeco2csp@gmail.com



# LEYECO II

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<p><b>ITB 23.2</b></p>	<p>Base Price</p>	<p>The Base Price shall have the following components:</p> <ol style="list-style-type: none"> <li>Capital Recovery Fee (<i>CRF</i>)</li> <li>Fixed Operation and Maintenance Fee (<i>FOM</i>)</li> <li>Variable Operation and Maintenance Fee (<i>VOM</i>)</li> <li>Fuel Cost (<i>FC</i>) (Average from July to December 2023)</li> </ol> <p>Foreign component of the prices in USD/kWh, shall be converted into local prices in PHP/kWh using the Bangko Sentral ng Pilipinas (BSP) foreign exchange rate (FOREX) of PHP56.9030<sup>1</sup> as of October 31, 2023.</p>	<p><b>ITB 23.2 Base Price at 100% Capacity Utilization Factor (C.U.F.).</b></p> <p>The Base Price at 100% Capacity Utilization Factor shall be calculated according to the following equations:</p> $\text{Base Price}_{100\%CUF} = CRF_{100\%CUF} + FOM_{100\%CUF} + VOM + FC$ <p>Where:</p> <p><i>CRF<sub>CUF</sub></i> Local price component to capture the Capital Recovery Fee (including profit) of the Bidder at 100% Capacity Utilization Factor.</p> <p><i>FOM<sub>CUF</sub></i> The Fixed Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 at 100% Capacity Utilization Factor.</p> <p><i>VOM</i> The non-fuel costs such as Variable Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030</p> <p><i>FC</i> The local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant. Fuel cost shall be the average for the last 6 months (July – December 2023) of the Power Supplier's fuel purchase</p>
<p><b>ITB 23.3</b></p>	<p>Weighted Base Price</p>	<p>The Weighted Base Price shall be calculated by applying the weight of each Capacity Utilization Factor from 65% to 100% to the corresponding fixed cost components of the price at the level of monthly Capacity Utilization Factor (CUF), and the Dispatch Adjustment Factor (DAF) according to the following equation:</p> $\text{Weighted Base Price} = \sum_{CUF=65\%}^{100\%} [(CRF_{CUF}) + (FOM_{CUF}) \times Weight_{CUF}] \times DAF + (VOM + FC)$ <p>Where,</p> <p><i>Weighted Base Price</i> Weighted average price for the baseload demand requirement of LEYECO II following the projected 2024 8760-hours load profile</p> <p><i>CRF<sub>CUF</sub></i> Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF Weight</p> <p><i>FOM<sub>CUF</sub></i> The Fixed Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 per CUF weight</p> <p><i>VOM</i> The non-fuel costs such as Variable Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030</p> <p><i>FC</i> The local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant</p> <p><i>DAF</i> Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. <b>DAF = 1.1476</b></p> <p><i>Weight<sub>CUF</sub></i> Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload according to the following table:</p>	<p>The Weighted Base Price shall be calculated by applying the weight of each Capacity Utilization Factor from 65% to 100% to the corresponding fixed cost components of the price at the level of monthly Capacity Utilization Factor (CUF) according to the following equation:</p> $\text{Weighted Base Price} = \sum_{CUF=65\%}^{100\%} [(CRF_{CUF} + FOM_{CUF}) \times Weight_{CUF}] + VOM + FC$ <p>Where:</p> <p><i>CRF<sub>CUF</sub></i> Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF level.</p> <p><i>FOM<sub>CUF</sub></i> The Fixed Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 per CUF level.</p> <p><i>VOM</i> The non-fuel costs such as Variable Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030</p> <p><i>FC</i> The local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant. Fuel cost shall be the average for the last 6 months (July – December 2023) of the Power Supplier's fuel purchase.</p> <p><i>Weight<sub>CUF</sub></i> Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload according to the following table:</p>

**FOR MORE DETAILS:**

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<p><b>ITB 23.4</b></p>	<p>Firm Offer:  Indexed Offer:</p>	<p><b>Firm Offer:</b></p> <p>Thus, for each year, the indexed prices of the bidder shall be computed as follows:</p> $Base\ Price_{Firm}^{Year} = \left[ \sum_{CUF=65\%}^{100\%} [(CRF_{CUF} + FOM_{CUF}) \times Weight_{CUF}] \times DAF \right] + VOM + \left[ FC \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} \right]$ <p><b>Indexed Offer:</b></p> <p>Thus, for each year, the indexed prices of the bidder shall be computed as follows:</p> $Base\ Price_{Indexed}^{Year} = \sum_{CUF=65\%}^{100\%} \left\{ \left[ CRF + (\%FOM \times FOM_{CUF} \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} + (1 - \%FOM) \times FOM_{CUF}) \times Weight_{CUF} \right] \times DAF \right. \\ \left. + [(\%VOM) \times VOM \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} + (1 - \%VOM) \times VOM] \right. \\ \left. + [(\%FC) \times FC \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} + (1 - \%FC) \times FC] \right\}$	<p><b>Escalated Firm Offer:</b></p> <p>Thus, for each year, the indexed prices of the bidder shall be computed as follows:</p> $Escalated\ Weighted\ Base\ Price_{FIRM} = \sum_{CUF=65\%}^{100\%} [(CRF_{CUF} + FOM_{CUF}) \times Weight_{CUF}] + VOM + \left[ FC \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} \right]$ <p><b>Escalated Indexed Offer:</b></p> <p>Thus, for each year, the indexed prices of the bidder shall be computed as follows:</p> $Escalated\ Weighted\ Base\ Price_{INDEXED} = \sum_{CUF=65\%}^{100\%} \left\{ CRF + \left[ (\%FOM) \times FOM_{CUF} \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} + (1 - \%FOM) \times FOM_{CUF} \right] \right\} \times Weight_{CUF} \\ + [(\%VOM) \times VOM \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} + (1 - \%VOM) \times VOM] \\ + \left[ FC \times \left( \frac{CPI_{CURRENT}}{CPI_{BASE}} \right)^{Year-2023} \right]$
<p><b>ITB 23.6</b></p>	<p>Price After Tax</p>	<p>For each year, the calculations for the GenCo Price and WESM Price after taxes are as follows:</p> $GenCo\ Price\ After\ Tax_{Year} = Base\ Price_{Year} \times (1 + VAT)$ $WESM\ Price\ After\ Tax = WESMPrice_{Year} \times (1 + VAT)$	<p>For each year, the calculations for the GenCo Price and WESM Price after taxes are as follows:</p> $GenCo\ Price\ After\ Tax_{Year} = Escalated\ Weighted\ Base\ Price_{Year} \times (1 + \%VAT)$ $WESM\ Price\ After\ Tax_{Year} = WESM\ Price_{Year} \times (1 + \%VAT)$ <p>Where:</p> <p>GenCo Price After Tax<sub>Year</sub>                      Annual Escalated Generation Rate inclusive of VAT</p> <p>WESM Price After Tax<sub>Year</sub>                      WESM Generation Rate inclusive of VAT</p> <p>Escalated Weighted Base Price<sub>Year</sub>                      Calculated using the equations provided in ITB 23.4</p> <p>%VAT    Tax rate of the applicable VAT</p>



# LEYECO II

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<p><b>ITB 23.9</b></p>	<p>Effective Long-Term Levelized Price</p>	$EFFECTIVE LONG TERM LEVELIZED PRICE = \sum_{Year=2024}^{2034} \left( \frac{Annual\ Effective\ Blended\ Generation\ Cost}{Annual\ Energy} \right)$	$Effective\ Long - Term\ Levelized\ Price = \frac{\sum_{Year=2024}^{2034} (Annual\ Effective\ Blended\ Generation\ Cost)}{\sum_{Year=2024}^{2034} (Annual\ Energy)}$												
<p><b>PSA SCHEDULE 5</b></p>	<p>Monthly Payment, Indexation and Adjustment</p>	<p>The Buyer shall pay the Seller for the Energy/Capacity at the following Fees and as adjusted on a monthly basis pursuant to the following formula:</p> $Base\ Price_{Firm} = \left[ \sum_{CUF=65\%}^{100\%} (CRF_{CUF} + FOM_{CUF}) \times Weight_{CUF} \right] \times DAF + VOM + FC$ $Base\ Price_{Indexed} = \sum_{CUF=65\%}^{100\%} \left\{ \left[ CRF + (FOM_{CUF} \times \frac{CPI_{CURRENT}}{CPI_{BASE}}) \right] \times Weight_{CUF} \right\} \times DAF + \left[ VOM \times \frac{CPI_{CURRENT}}{CPI_{BASE}} \right] + FC$ <p>Where,</p> <table border="1"> <tr> <td><i>CRF<sub>CUF</sub></i></td> <td>Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF Weight</td> </tr> <tr> <td><i>FOM<sub>CUF</sub></i></td> <td>The Fixed Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 per CUF weight</td> </tr> <tr> <td><i>VOM</i></td> <td>The non-fuel costs such as Variable Operation &amp; Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030</td> </tr> <tr> <td><i>FC</i></td> <td>The local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant</td> </tr> <tr> <td><i>DAF</i></td> <td>Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. <b>DAF = 1.1476</b></td> </tr> <tr> <td><i>Weight<sub>CUF</sub></i></td> <td>Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload</td> </tr> </table>	<i>CRF<sub>CUF</sub></i>	Local price component to capture the Capital Recovery Fee (including profit) of the Bidder per CUF Weight	<i>FOM<sub>CUF</sub></i>	The Fixed Operation & Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 per CUF weight	<i>VOM</i>	The non-fuel costs such as Variable Operation & Maintenance local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030	<i>FC</i>	The local price component and/or the foreign price component converted to Php/kWh using the FOREX Rate of 56.9030 of the fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant	<i>DAF</i>	Dispatch Adjustment Factor to account for the unutilized capacity for periods when the demand is below 65% of the Contracted Capacity. <b>DAF = 1.1476</b>	<i>Weight<sub>CUF</sub></i>	Weight assigned to the price at a given CUF based on the frequency of dispatch in one year (8760 hours) at the level of utilization of contracted capacity at 85.45% load factor of the baseload	<p>The Buyer shall pay the Seller for the Energy/Capacity at the following Fees on a monthly basis pursuant to the following formula:</p> $TGC = CRF + FOM + VOM + FC \pm Adj.$ <p>Where:</p> <p><b>TGC</b> = Total Generation Charge in the PhP for the Billing Period</p> <p><b>CRF</b> = Capital Recovery Fee as defined in the Bid Documents.</p> <p><b>FOM</b> = Fixed Operation and Maintenance Fee as defined in the Bid Documents.</p> <p><b>VOM</b> = Variable Operation and Maintenance Fee as defined in the Bid Documents.</p> <p><b>FC</b> = The actual fuel costs including transportation and administration associated to procurement and delivery of fuel to power plant.</p> <p><b>Adj.</b> = The relevant adjustments such as Fuel Fee, Consumer Price Indices, etc., if applicable.</p>
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**All other portions of the Bidding Documents affected by the above amendments and clarifications shall be made to conform to the same.**

Kindly acknowledge upon receipt of this Bid Bulletin. For inquiries, please contact the BAC Secretariat at the details provided below.

For your information and guidance.

Approved By: **BAC**

**ATTY. TYRON JAN G. ALBAO**  
 L2 PSCSP BAC Chairman  
 March 26, 2024

FOR MORE DETAILS:

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